

Anglo American Global Compact Communication on Progress 2011

For an interactive version of this document or to find the reference documents indicated in this report, please visit the Anglo American website at <http://www.angloamerican.com/development/our-performance/global-compact/our-commitment>.

Introduction

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles. Anglo American joined the Global Compact in 2004, signalling our commitment to human rights, environmental stewardship, labour rights and anti-corruption.

Statement of continued support

STATEMENT OF SUPPORT FROM ANGLO AMERICAN CHAIRMAN, SIR JOHN PARKER

Anglo American remains fully supportive of the Global Compact and its 10 principles on human rights, labour relations, environmental responsibility and anti-corruption. We see immense value in the multi-stakeholder approach of the Global Compact and its ability to bring various parties together to address some of the most pressing global issues we face today.

Our commitment to the Global Compact is consistent with our long-standing view that operating our businesses in a socially and environmentally responsible way, and earning and deserving trust, are fundamental to our licence to operate and to delivering long-term value to our investors.

In 2010 we made steady progress in further integrating sustainability into our overall business framework, making a real difference in several key areas of our business. The detail of our progress on implementing the principles of the Global Compact is set out in this Communication on Progress, but there are a few broader goals I would like to highlight. First of these is safety. Both Cynthia Carroll our CEO and I have been adamant that during our time in charge the primary human right we are seeking to deliver is that of all our employees and contractors to return home from work each day unharmed. We have made very significant improvements over the last three years but we remain focussed on our objective of zero injuries.

Also important is our duty to the wider society in which we operate. I am determined that we should build on Anglo American's culture of good corporate citizenship, creating partnership at government level and investing in communities at local level to deliver real and lasting improvement in people's lives.

Sir John Parker

Human rights

In line with our commitment to, among others, the UN Global Compact, we endeavour to ensure that we not only refrain from abusing human rights, but seek to promote them. A summary of our approach and performance is included below, with links to further information alongside.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

While we believe that governments are the primary custodians of positive human rights, we are proud of the role we are playing in contributing to the realisation of economic and social rights in host communities. The Anglo American Social Way, launched in 2009, summarises the commitments we have made to excellence in social performance, while our Socio-Economic Assessment Toolbox (SEAT) programme is the primary means by which our operations seek to enhance the development outcomes and capacities of host communities. While the socio-economic development activities of our operations are informed by local needs, they typically involve [enterprise development](#), [social investment](#) and capacity development (see Anglo American Sustainable Development report, 2010, page 42).

Principle 2: Businesses should ensure that they are not complicit in human rights abuses

We continue to integrate evolving human rights requirements into our policies, systems and tools in order to assist us in making correct, informed decisions that do not compromise human rights. Human rights are, for example, a standard component of the social and environmental impact assessments we undertake on projects; they are incorporated into our supply chain sustainable development code and supplier audit programme; and they are a consistent thread throughout the Anglo American Social Way and our Socio-Economic Assessment Toolbox (SEAT).

During 2010, we were pleased to be recognised by the Institute of Human Rights and Business as one of the first multinational companies to be implementing a complaints mechanism that meets the recommendations of Professor John Ruggie, the UN Secretary General's Special Representative on Business and Human Rights. This Group-wide, standardised complaints and grievance procedure was introduced in 2010 and is now mandatory at all operations.

Every employee is briefed on our Business Principles and associated human rights requirements when they join the company as part of their induction process. More intensive and specific training is provided to relevant staff based on risk assessments. For instance, supply chain and security staff members receive customised human rights training. During 2010, 1,141 employees participated in training on the Voluntary Principles on Security and Human Rights and a further 1,267 underwent general human rights training.

Related content

- Anglo American's approach to human rights
- Socio-economic development
- SEAT
- Partnerships and collaboration

Related sites

- Voluntary Principles on Security and Human Rights
- Anglo American Zimele
- Anglo American Group Foundation
- Anglo American Chairman's Fund

Case studies

- Community development case studies
- Employee housing
- Anglo Zimele: a showcase of companies

Downloads

- Anglo American Good Citizenship Business Principles
- Anglo American Social Way
- Anglo American Supply Chain Sustainable Development Policy
- The Anglo American Environment Way Volume 2
- Anglo American Sustainable Development Report 2010

Labour

Anglo American does not tolerate any form of unfair discrimination, inhumane treatment, forced labour, child labour, harassment or intimidation in the workplace. We are committed to the labour rights principles of the Global Compact, including the right to freedom of association and collective bargaining, the eradication of child and forced labour and non-discrimination. We expect our supply chain to strive to adhere to all of our employment and labour-rights principles.

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Anglo American's Business Principles recognise the right of our employees to freedom of association and to collective bargaining – a commitment that is supported in our Group Human Resources Policy, the Anglo Social Way and the Anglo Supply Chain Sustainable Development Code. More than 70% of Anglo American employees are represented by work council, trade unions or other similar bodies and are covered by collective bargaining agreements.

Principles 4 and 5: Business should eliminate all forms of forced and compulsory labour and ensure effective abolition of child labour.

We prohibit child labour in our operations and continued to report no cases of forced labour or child labour at Anglo American during 2010. Our Business Principles also state that we will develop a responsible approach to ending child labour that ensures the welfare of the children, should we encounter cases in our supply chain. The Anglo Supply Chain Sustainable Development Code prohibits the use of exploitative child labour and states that the Company will not tolerate forced, bonded or involuntary prison labour.

Principle 6: Eliminate discrimination in respect of employment and occupation.

Anglo American's commitment to eliminate discrimination is included in our Business Principles, and supported by the Anglo American Social Way and Group Human Resources policy, which states that Anglo American and its subsidiaries will promote workplace equality and will seek to eliminate all forms of unfair or arbitrary discrimination. The Anglo Supply Chain Sustainable Development Code also requires that suppliers eliminate all forms of unfair discrimination and encourage diversity in their workforce.

It is our policy to provide equitable access to employment opportunities and to employ the best person for any role. We will put in place meaningful support structures based on individual needs for those who may have been previously disadvantaged, to enable every employee to realise their full potential. Diversity is of particular importance in South Africa, which hosts the majority of Anglo American employees. At management level in South Africa, 46% of employees are 'historically disadvantaged' and 21% are female. Both of these figures represent improved levels of diversity since 2006 and exceed national diversity targets.

Related content

- Equality and diversity
- Labour relations
- Talent management
- Skills development

Downloads

- Anglo American Good Citizenship Business Principles
- Anglo American Social Way
- Anglo American Supply Chain Sustainable Development Policy
- Anglo American Sustainable Development Report 2010

Environment

The Anglo American environmental vision is to minimise harm to the environment by designing, operating and closing all of our operations in an environmentally responsible manner. We support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies within the Company.

Principle 7: Support a precautionary approach to environmental challenges.

Anglo American's precautionary approach to environmental issues is embedded in the Anglo American Environment Way's Social and Environmental Impact Assessment (S&EIA) Standard and are inherent in the seven other performance standards that constitute the suite of Environment Way Performance Standards. The purpose of the S&EIA standard is to ensure that all Anglo American projects proactively consider social and environmental matters in their planning and decision-making. The other Performance Standards relate to water, air quality, mine closure, biodiversity, rehabilitation, mineral residue, non-mineral waste and hazardous substances.

Principle 8: Undertake initiatives to promote greater environmental responsibility.

Anglo American's commitment to environmental responsibility is stated in the Group's overarching Good Citizenship Business Principles. To encourage a uniform approach to environmental management across the Group, a corporate environmental policy, an environmental management framework, and specified mandatory environmental performance standards have been set. These are all included in the Environment Way. The Anglo American supply chain sustainable development code sets out environmental performance requirements of suppliers and contractors who work with Anglo American.

More information on our initiatives to promote greater environmental responsibility is available in the Anglo American Sustainable Development Report 2010, pages 46-61, or by following the links alongside.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

The development and diffusion of environmentally-friendly technologies is built into our commitment to minimise harm to the environment by designing, operating and closing all of our operations in an environmentally responsible manner.

New technology is particularly important in our approach to climate change, which is underpinned by a number of strategic interventions. These include a focus on energy efficiency, carbon-reducing 'synergy projects', low-carbon technologies and adaptation to climate change. Fundamental to each of these is

Related content

- Climate change and energy
- Water
- Rehabilitation
- Land stewardship
- Biodiversity
- Waste management
- Air quality
- Materials stewardship
- Partnerships and collaboration

Case studies

- Environmental case studies

Downloads

- Anglo American Good Citizenship Business Principles
- The Anglo American Environment Way: Volume I
- The Anglo American Environment Way: Volume II
- Anglo American Supply Chain Sustainable Development Policy
- Anglo American Sustainable Development Report 2010

innovation and the development and employment of cutting-edge technologies. Notable examples include research into clean-coal technologies and carbon sequestration. The development and implementation of new technologies and novel processes are also critical success factors for the effective management of water and waste, as well as mine closure, biodiversity and rehabilitation.

Anti-corruption

Anglo American's Business Principles outline the expectations we have of our employees and our associates; our stance on anti-corruption, including political donations and gifts; and our approach to transparency, anti-competitive behaviour, business assurance and securities trading.

Principle 10: performance and practical actions

Our *Business Principles*, supported by our new Business Integrity policy, prohibit making donations to any political party or politicians, and require that our employees, in giving or receiving gifts and hospitality, abide by our policies and procedures, act in a transparent manner and ensure that they do not seek any improper advantage when conducting business or in their dealings with public officials.

We do not allow our employees, or those acting on our behalf, to offer, solicit, pay or accept bribes. We also do not condone anti-competitive practices and will not tolerate any such activity by our employees. Our employees are also prohibited from trading securities when in possession of unpublished, price-sensitive information.

Anglo American supports the Extractive Industries Transparency Initiative (EITI) and reports annually on the tax and royalty payments we make in our significant countries of operation.

We also promote our standards with organisations we work with, and through the Anglo American supply chain sustainable development code.

Related content

- Transparency and ethics
- Whistle-blowing
- Payments to governments
- Gifts, Entertainment and Donations Procedure

Relates sites

- Extractive Industries Transparency Initiative

Downloads

- Anglo American Good Citizenship Business Principles
- Anglo American Supply Chain Sustainable Development Policy
- Anglo American Sustainable Development Report 2010