



# ANGLO AMERICAN

UN GLOBAL COMPACT  
COMMUNICATION ON  
PROGRESS  
2014

## **Statement from our Chairman, Sir John Parker**

As a signatory to the UN Global Compact for more than ten years, Anglo American is fully supportive of the initiative and its ten principles relating to human rights, labour relations, environmental responsibility and anti-corruption. We recognise our responsibility to develop a sustainable business and ensure long-term value for our communities and shareholders. Core to this approach are [the Anglo American values](#) which seek to ensure that we operate with integrity, accountability, care and respect when dealing with our employees, our communities, our stakeholders and our partners.

Effective partnerships are particularly crucial in ensuring sustainable performance in our drive for value. We simply will not be able to make the progress we need unless we can take our key constituencies with us on our journey. This calls for an approach that secures greater community support, more engagement with governments, at all levels; listening to the concerns of employees, trade unions and NGOs; addressing shareholder concerns around both short and long-term value; and collaborating with our industry peers. Our emphasis on partnership underlines the value we attribute to the multi-stakeholder nature of the UN Global Compact (UNGC). By facilitating dialogue and shared understanding, the UNGC drives social responsibility and helps tackle some of the most prevalent issues in our society today.

In South Africa's mining industry, a historical trust deficit with its roots in long-standing legacy issues is the cause for many socio-political and socio-economic challenges. In 2014 rebuilding trust has been key for Anglo American following a particularly challenging year for the platinum industry in South Africa, culminating in widespread strikes affecting the whole industry and its communities. It requires us to engage at various levels and multi-stakeholder partnerships are key to this process. This is one of the reasons why we value the multi-stakeholder nature of the UNGC, which helps to facilitate dialogue and shared understanding; it is also why we continue to participate in initiatives such as the Extractive Industries Transparency Initiative (EITI), ICMM, and the Initiative for Responsible Mining Assurance (IRMA).

It is our ambition to be partners in the future and we continue to use external benchmarking against international and industry best-practice to inform our decision-making. By investing our resources and efforts in driving performance, in turn we continue to implement the principles of the Global Compact as set out in this Communication on Progress. This is supported and complimented by the detail contained in our [2014 Sustainable Development Report](#).

## HUMAN RIGHTS

Anglo American has a strong commitment to human rights, as illustrated by our company guiding values being explicitly set out within our Business Principles and our [Group Human Rights Policy](#), published in December 2014. In addition to our membership of the UN Global Compact we fully support the UN Guiding Principles on Business and Human Rights (UNGPR) and the [Voluntary Principles on Security and Human Rights \(VPSHR\)](#). Human rights principles are embedded in a number of internal policy documents, including those related to [employment practices, business integrity, environmental management, health, safety standards, social performance, supply chain and security](#). You can find a summary of our approach and performance [here, in our Sustainable Development Report \(see page 43\)](#) and below, with links to further information alongside.

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

As stated in the [Anglo American Human Rights Policy](#), we accept and support the corporate responsibility to respect human rights, seek to avoid complicity in human rights abuse, and aim to identify and address any potential adverse human rights impacts linked to our activities through ongoing due diligence and appropriate remediation, as stated in the UNGPR. We also believe that our host governments have a fundamental responsibility to protect the human rights of their peoples and, where appropriate, we will work with states to build capacity in support of that objective.

Our social performance strategy has a strong focus on using Anglo American's core business to support long term social development. The [Anglo American Social Way](#) (Social Way), launched in 2009 has recently been updated (to Version 2), following an extensive process of feedback from both internal and external stakeholders and integrating the human rights commitments from our Human Rights Policy. Key changes include the incorporation of the UNGPR human rights due diligence requirements into risk and impact assessment processes. A new requirement has been included in relation to the implementation of the VPSHR. With regards to 'Free, Prior and Informed Consent', the Social Way has also been updated to reflect the [ICMM Indigenous Peoples and Mining Position Statement](#) of May 2013.

In order to build our own capacity in terms of human rights, we have been working with human rights NGO, [Shift](#) and have joined their [Business Learning Program](#). Anglo American has worked with them on human rights training and due diligence, as well as with the [Danish Institute for Human Rights](#) and a number of local organisations in different countries – these interactions mainly focus on concrete human rights due diligence projects and training delivered at the country-level.

Our businesses measure compliance against the requirements of the Social Way through an annual self-assessment process. During 2014, the updating of the Social Way provided a baseline against the new requirements. It also involved a greater emphasis on the quality of design and implementation of management controls. Social incidents (including complaints and grievances) are reported centrally, investigated, and corrective actions are implemented where appropriate. All of our sites are working towards full compliance with the updated requirements by the end of the year. Anglo American standards on grievance mechanisms go beyond legal compliance. We conduct thorough social due diligence including on issues related to human rights, for all significant investments.

We are a longstanding supporter of the VPSHR. Security-related human rights issues in a number of countries have heightened our concern around these risks and potential impacts at our operations and in the broader community. We continually engage with our NGO partner, [International Alert](#), to help us to strengthen our implementation of the requirements of the VPSHR. Over the past year, following a comprehensive gap analysis across all of our South African Business Units, International Alert has worked with us to implement and embed the findings in the areas of: training and awareness raising;

integration into corporate risk structures; cross-functional cooperation around security and human rights-related issues; involvement of contractors; and grievance mechanisms.

Our [Socio-Economic Assessment Toolbox](#) (SEAT) programme is the primary means by which our operations seek to identify and manage impacts, and enhance the development outcomes and capacities of host communities and associated communities. This includes those from where labour is drawn or which are otherwise impacted by our operations. SEAT provides managers with international best-practice guidance and tools to develop strategies for enhancing the positive impact of their operations, while also mitigating any negative impacts. SEAT is firmly rooted in the practicalities and commercial considerations of the business.

## **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 guidance in order to assist us in making correct, informed decisions that do not adversely impact human rights at our operations or across our value chain. During 2014, our top 50 (by number of people brought onto site) South African contractors were invited to a SEAT training workshop, which also included a section on VPSHR. Based on an independently conducted comprehensive piece of diagnostic work in which we mapped our existing corporate policies, procedures and performance against the requirements of the UNGP, we developed a Group Human Rights Policy and updated our Social Way standard

Our mandatory company-wide social incident reporting mechanism, which includes complaints and grievances, is designed to ensure openness, accountability and respectfulness in our handling of any stakeholder grievances. We are working towards full compliance across our sites by year end 2015 and expect that the standardisation of the process and reporting requirements will support identification of trends and promote the sharing of lessons learned between sites. During 2014, 2,867 incidents were reported around the Group, with 12% of these classified as medium-major impact Level 3 to 5 incidents. We recognise that responding effectively to community complaints and expectations is key to maintaining our social licence to operate. For example, our Minas-Rio project in Brazil experienced a high number of community complaints associated with the presence of a large contractor labour workforce for the construction phase; in response, we implemented an initiative to sensitise contractors about their behaviour in communities. During 2014, more than 7,350 contractors participated in the programme and more than 5,490 guides on good behaviour were distributed. Since the training was conducted, the number of incidents of complaints has decreased substantially.

A specific focus area for Anglo American is land acquisition and resettlement, which can have long-term consequences to the social structures and livelihoods of affected peoples and may present significant risks to our capital projects and operations. At Anglo American, all resettlement exercises must meet or exceed the requirements set out in the [2012 International Finance Corporation \(IFC\) Performance Standard 5 on Land Acquisition and Involuntary Resettlement](#). In accordance with our own internal policies, when physical resettlement cannot be avoided, the process must be considered involuntary and be planned and undertaken on that basis and lead to a demonstrable improvement in livelihoods.

Resettlements are evaluated as a part of the Projects Way (our internal project stage-gate review process). During the development phase of mines, project teams are required to plan and design projects in a way that avoids or minimises any resettlement. In the case of economic displacement without physical displacement, we require a Livelihood Restoration Plan and for the last four years we have run an Internal Resettlement Working Group to share best practice in this area bringing in external experts to further improve our approach on specific issues.

Our responsible sourcing programme addresses supplier compliance with local regulations and Anglo American requirements, as well as global best practice regarding labour standards and human rights,

Safety, Wellness, Business Integrity, Environment and Economic Transformation. Through our responsible sourcing programme, we aim to ensure that the goods and services we procure do not cause harm to individuals or the natural environment. Responsible sourcing helps us manage business and reputation risks, improves the competitiveness of our supply chain, complements our socio-economic development objectives, and ensures that we promote safe and healthy workplaces beyond our own operations.

We believe that harmonisation of the various responsible sourcing approaches between multiple mining companies will result in less duplication of effort and cost for suppliers, while providing simple and clear expectations. To this end, in South Africa, Anglo American is working on a pilot with several other leading mining companies to align Standards, common assessment methodologies and terms for mutual recognition. We expect that suppliers demonstrate compliance with local laws and regulations, as well as good practices in areas including labour and human rights, occupational safety and hygiene, environmental management, business integrity, supporting economic development and the proactive management of HIV/AIDS. The approach we take in this regard is integrated throughout our procurement process and is guided by the [Anglo American Supplier Sustainable Development Code and Policy](#), which defines a risk-based approach to managing our suppliers. Our standard contract terms require acceptance of our code and supplier submission of self-assessment questionnaires. In addition, we retain audit rights to verify practices. In 2014, 56 suppliers were contacted to complete self-assessment questionnaires, while 14 audits or follow-up audits were undertaken by 3<sup>rd</sup> party auditors to assess status and progress and assess workplace conditions.

Anglo American also works with our supply chain to support local communities' socio-economic development through initiatives such as local procurement. Coal South Africa's local procurement framework has become a vehicle for economic development and job creation as increasing numbers of local entrepreneurs are linked into the supply chain. Local procurement expenditure increased from 7% in 2011 to 21% by the end of 2014 and \$184 million was spent with suppliers based within a 50 kilometre radius of its 10 mines. For example, Coal's supplier development programme supports 30 promising local small and medium sized enterprises (SMEs), reducing the dependency of these companies on Anglo American by helping them do business with other mining companies and industries. Coal South Africa also ring-fences certain supplier categories for entrepreneurs who employ local people and has introduced early payment terms to help small businesses overcome cash flow challenges. Where possible, Anglo American's supply chain facilitates the sub-contracting and 'unbundling' of contracts – this ensures that larger contracts or projects are split between long-established contractors and emerging entrepreneurs, supporting a transfer of knowledge and skills to SMEs.

## LABOUR RIGHTS

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 UN Global Compact, including the right to freedom of association and collective bargaining, the eradication of child and forced labour and non-discrimination. Our vision is for our entire supply chain to embrace and share our commitment to sustainable development. To that end we are working actively with our key suppliers and contractors to ensure an understanding of principles which protect and uphold employment and labour rights.

### **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 policies, the [Anglo American Supplier Sustainable Development Code and Policy](#) and our [Group Human Rights Policy](#).

Around 74% of Anglo American's permanent employees are represented by work council, trade unions or other similar bodies and are covered by collective bargaining agreements. A significant part of our operational workforce consists of contractors ([see the Sustainable Development report, page 30](#)).

In South Africa, labour relations were particularly challenging in 2014 in the platinum sector. Instability was exacerbated by inter-union conflict, and is underpinned by ongoing systemic societal challenges, deeply rooted in South Africa's history and in the legacy of the migrant labour system. A five-month strike in the platinum industry by the majority trade union AMCU highlighted the adversarial nature of the situation. The strike was eventually concluded through [dialogue and collaboration \(see page 31\)](#), with a three-year agreement signed on 24 June and backdated to July 2013. The process nevertheless had a significant impact on the whole industry and reflected the need to improve relations with our employees and their representative bodies.

[Indebtedness is a serious and complex social challenge in South Africa \(see page 35\)](#) often rooted in challenging social conditions, a lack of basic financial and legal literacy and in reckless unsecured lending by some credit providers. Many Anglo American employees, especially within the Platinum business are struggling with a level of personal debt that is difficult to manage. The strike had a material socio-economic impact on Anglo American Platinum's mineworkers, resulting in many mineworkers dependence on credit increasing further. We have been working with labour union representatives to find solutions to employees' financial struggles aim of ensuring that employees' debts are settled and to foster a responsible culture of spending.

The complex situation of employee indebtedness has been worsened by 'garnishee orders' – by which employers are obliged by court orders to deduct debt repayments directly from salaries. To remedy this, since 2012 Summit Financial Partners has supported Anglo American Platinum in auditing and determining the validity of garnishee orders. To-date, Summit has supported us in returning \$277,000 to our employees and building on this initiative in October 2014, we have launched an employee financial wellness programme, Nkululeko, to help employees to understand and manage their debt. By granting Summit power of attorney, employees can rely on its consultants to check garnishee orders for legality, negotiate with creditors, reduce monthly repayments and tax penalties and provide training in managing personal finances.

We continue to take steps to enhance our relationship with employees, unions, governments, and also with communities around our mines. Finding solutions to increasingly complex societal challenges

requires collaboration between business, government, civil society, labour and research bodies. We place a strong emphasis, therefore, on developing partnerships with a broad range of stakeholders. In South Africa, the Tripartite Safety and Health Initiative, was established in 2008 as a multi-stakeholder platform for Anglo American, organised labour and the government to collaborate on improving the company's safety performance. The initiative was soon expanded to include the health and well-being of employees and contractors. In 2014, its scope was extended beyond the mine gate to include socio-economic challenges associated with the mining industry in South Africa (such as migrant labour, housing and financial well-being) as a further way to deal with ongoing societal challenges in South Africa.

In Chile, production at the Los Bronces mine in Chile was also halted for a day as a result of protests by a group of contract workers. Employees were evacuated from the premises due to incidents of violence, intimidation and damage to mine property. The illegal (wildcat) strike came to an end following an agreement between the Federation of Contractor Workers and contracting companies, with Anglo American acting as a sponsor of the agreement, to improve certain working conditions and grant bonuses for contractor workers.

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

As signatories to the UN Global Compact, we are committed to the labour rights principles provided in the International Labour Organization core conventions, including the right to freedom of association and collective bargaining, the eradication of child and forced labour and non-discrimination. We do not tolerate any form of unfair discrimination, inhumane treatment, forced labour, child labour, harassment or intimidation in the Anglo American workplace. Full observance of these issues is also required of our suppliers in line with the Anglo American Supplier Sustainable Development Code and Policy, and compliance is audited. At our operations, we have clear policies and processes in place in order to ensure that we do not employ any under-age or forced labour. No incidents of employing under-age or forced labour were reported in 2014.

**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 our [Human Rights 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.

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, and we continued to make good progress in achieving transformation in our workplace demographics. We recognise the unique and critical role that women play in the mining industry, especially in the socio-economic environments that surround local mining operations. While women have historically been under-represented in the mining sector, Anglo American believes employing more women will lead to significant and sustainable performance improvement in every aspect of our business.

In 2014, approximately 16% of our overall workforce were women with 24% at management level. We have also achieved a 25% figure of women at Board level in line with the "[Women on Boards](#)" Davies Report in the UK.

We continue to work across industries to improve gender diversity as a member of the Private Sector Leadership Advisory Council of UN Women, and through sponsorship of networks such as [Women in Mining in the UK](#) and a parallel network in Queensland, Australia.

## ENVIRONMENT

Whilst the extraction of metals and mineral resources is fundamental to society, we recognise that doing so impacts considerably upon the land we mine and may have negative impacts on air and water quality if waste material and effluents are not managed effectively. We therefore take a precautionary approach to minimise the impacts of our operations and to drive innovation in our processes.

### **Principle 7: Support a precautionary approach to environmental challenges.**

Anglo American's precautionary approach to environmental issues is embedded in the Anglo American's [Environmental Management System \(EMS\)](#) standard and its [Social and Environmental Impact Assessment \(S&EIA\)](#) standard, and is inherent in the eight other performance standards that cover key management areas (water, air quality, biodiversity, rehabilitation, mineral residue, non-mineral waste, hazardous substances and mine closure). Collectively these constitute the suite of [Environment Way mandatory performance standards](#) which are supported by detailed procedures and guidelines. 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. We also have our [technical standards on water, and energy and greenhouse gas \(GHG\) emissions and guidance on climate risk and adaptation](#).

In South Africa, [our Coal business has developed a leading-practice rehabilitation planning system to improve the quality of land restoration after mining \(see page 57 of our Sustainable Development Report\)](#). Developed in-house, the system combines 3D modelling and geographic information system software to provide operations with an accurate picture of a landscape's drainable characteristics on a regular basis. By getting a clearer picture of the topography, operations can ensure that water run-off does not come into contact with exposed ore, which can result in water pollution. For the coal industry, the potential for acid mine drainage is a particular concern, as metal-rich water is formed as a result of a chemical reaction between water and rocks containing sulphur-bearing minerals. Information from the system is used to inform the landscaping of areas under rehabilitation and improve water drainage to nearby catchments, watersheds and basins. The system has been introduced at New Vaal, Kriel and Landau's Kromdraai operation. Optimising rehabilitation processes reduces mine-closure liabilities significantly and eliminates the need for expensive water-purification measures.

### **Principle 8: Undertake initiatives to promote greater environmental responsibility.**

Our overall aim is to effectively manage our environmental risks by minimising our impact and to create opportunities that deliver long-term benefits to our stakeholders. We implement our strategy through the following three areas of activity:

**Operational excellence:** driving improved performance primarily through three programmes: [ECO2MAN](#) for saving energy and carbon; [WETT \(see page 62\)](#) (water-efficiency target tool) for saving water; and the Anglo American [Environment Way performance requirements](#). In 2011, targets were set for saving energy, carbon and water, and for achieving compliance with our environmental standards.

In 2014, we invested in several projects specifically designed to save water and achieved an estimated 16% water saving against our projected water usage, exceeding the 14% target we have set against projected use in 2020. Together, they saved the Group approximately 36 million m<sup>3</sup> of water. Out of our operational water requirements, 69% were met by recycling/re-using water.

For energy and carbon, the 325 projects we have implemented to date achieved reductions of 4.2 million tonnes (Mt) of GHG emissions and 4.3 million GJ in energy consumption against the 2014 business as usual projections. These resulted in an estimated energy-cost saving of \$105 million.

**Investing in technology:** exploring new opportunities to minimise our environmental impact and create tangible benefits for business and stakeholders through investments in appropriate technologies. This includes investments in fuel-cell technologies, carbon capture and storage, renewable-energy initiatives and water-treatment technology. In 2014, Anglo American launched a new technology programme that reflects Anglo American's vision to be "Partners in the Future" and create sustainable value. The programme utilises Open Forums as a platform where we bring together a group of world-class experts from a variety of industries to examine some of the major challenges we face in our business. Seeking to leverage the R&D done in other industries is a key differentiator to this process. Our first open forum took place in June 2015 with a sustainability theme. The focus was water and a large number of ideas to improve efficiency, eliminate dependency and secure alternatives were generated.

**Partnerships and engagement:** Working with stakeholders is central to how we manage environmental issues. We engage extensively with regulators and communities through local legal process and through voluntary mechanisms as defined in SEAT. We also have formal partnerships at an organisational level, such as with [Fauna & Flora International](#), and several local partnerships with a range of stakeholders including universities, technology providers, communities and NGOs.

**The Environment Way** – and its mandatory performance standards on social and environmental impact assessments, water, air quality, mineral and non-mineral waste, hazardous substances, biodiversity, rehabilitation and mine closure – guides our approach to responsible environmental management. The [Environment Way](#) includes specific requirements for projects to ensure that we consider possible environmental impacts in advance. We are developing our management approach to align and integrate all areas of our environmental performance management as part of overall Group risk-management processes.

**Review and certification** – Every year, operations undergo external audit to verify compliance with ISO 14001 management system standards. In 2014, 98% of operations received certification. Material environmental risks are also included in technical reviews conducted by our internal audit function on a rotational basis.

#### **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.

Achieving our long-term milestones in energy and carbon management hinges on identifying and implementing innovative, step-change technologies. We are researching many opportunities with key partners. Our technology vision is to develop cost-efficient, low-carbon (if not carbon-neutral) mines by 2030. Notable examples include research into clean-coal technologies and carbon sequestration. An exciting development in clean energy is the [Platinum business' partnership with Alteryx](#), a US-based **fuel cells** company, and the Limpopo provincial government to manufacture and market low-carbon platinum **fuel** cells in South Africa.

We are also working on developing technology solutions to achieve our proposed long term strategic objective of "zero net water consumption" by 2030. To achieve this, we estimate we will have to halve the current consumption of 'new' water at operations and ensure that more than 80% of that water is recycled. To better understand and define our water technology pathway, we engaged the University of Queensland to explore what water neutrality would mean for a mine. This was done in parallel with a project looking at how we can simultaneously achieve a carbon-neutral mine, recognising the potential

trade-offs between water and energy savings. Examples of current research include by-product recovery from water recovery, treatment processes, reduction and elimination methods.

The development and implementation of new technologies and novel processes are also critical success factors for the effective management of waste, biodiversity and rehabilitation, as well as [mine closure planning and implementation](#).

## **ANTI-CORRUPTION**

Anglo American's commitment to integrity, accountability and zero tolerance of corruption is expressed through its [Good Citizenship Business Principle](#) of Business Integrity.

### **Principle 10: Performance and practical actions**

Our [Business Integrity Policy](#), which supports this Principle, states that we will neither give nor accept bribes, nor permit others to do so in our name in our dealings with public officials, our suppliers and customers and any other third parties. Updated in May 2014, the Policy is accompanied by 11 Performance Standards that set out the standard of conduct required within Anglo American, our subsidiaries, joint ventures and associates. The standards prohibit the company from making donations to any political party or politician. They also require that all our employees: perform their duties honestly and avoid conflicts of interest, abide by our policies and procedures with regard to giving or receiving gifts and hospitality, 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.

Bribery-risk assessments are an essential aspect of Anglo American's procedures. Business units and corporate functions are required to periodically conduct bribery-risk assessments using an internally developed tool. When a risk is determined to be unacceptably high, an action plan is developed to strengthen the internal controls in order to manage the risk. The risk-assessment process and action planning are audited annually by our internal audit team.

We provide specific business integrity training to all employees who may be exposed to corruption risks owing to the nature of their work. Face-to-face workshop training is our primary way of raising awareness of our Business Integrity Policy and of providing employees with the opportunity to discuss and apply the performance standards to business integrity dilemmas that they may face. During 2014, we trained an additional 2,087 people through more than 110 training sessions delivered across 17 countries. We also revised our online training platform for roll-out to business units in 2015.

Our independently managed [Speak Up facility \(see page 8\)](#) provides a confidential and secure means for our employees, contractors, suppliers, business partners and other external stakeholders to report or raise concerns about conduct that is contrary to our values and standards. Speak Up is available 24 hours a day, seven days a week and provides telephone, email and website contacts in the regions in which Anglo American operates. During 2014, we received 305 alerts compared to 372 in 2013. Every alert is evaluated and, where appropriate, investigated.

The largest proportion of reports in 2014 related to human resources issues (around 50%), followed by a range of other matters, including procurement, accounting, and health and safety. In total, 226 alerts were closed following investigation, of which 43 resulted in management intervention and corrective action. During 2014, Anglo American detected a fraud committed by a project director for a development project in Australia involving an override of management controls in procurement and payments to fictitious suppliers. The project director had performed a similar role in Chile previously and forensic investigation established a similar fraud had been committed in that project. A separate fraud was identified in the Copper business perpetrated by a key contractor to the Los Bronces mine. In each

case, the losses suffered were not material. Anglo American is taking steps to improve its controls to address identified weaknesses.

Anglo American voluntarily reports annually on the tax and royalty payments we make in our significant countries of operation and in 2015 we augmented our voluntary disclosure through the publishing of a [Tax & Economic Contribution Report](#) for the year to 31 December 2014, which provides further insight as to the group's tax affairs, position and footprint, as well as providing the wider context of the group's economic contribution to the jurisdictions and communities where we operate. We believe that transparency is a positive development for our industry and are committed to provide our stakeholders with useful information about our tax affairs.

In addition to our voluntary reporting, we continue to work towards meeting our obligations under various mandatory transparency regimes, including those enacted in the UK and Canada, as well as resulting from the ongoing work of the OECD BEPS project, and will make our first reports under these regimes in 2016.