**Anglo American’s response to Friends of the Earth ‘Corporate Capture’ report**

12 January 2015

*Business & Human Rights Resource Centre invited Anglo American to respond to the following report:*

* "How corporations rule. Part 4: Anglo American’s dirty energy lobby and its false climate solutions", Corporate Europe Observatory, Friends of the Earth Intl., Transnational Institute, Nov 2014, [*http://www.foei.org/wp-content/uploads/2014/11/17-foei-corporate-capture-report-eng-lr.pdf*](http://www.foei.org/wp-content/uploads/2014/11/17-foei-corporate-capture-report-eng-lr.pdf)

*Anglo American sent us the following response:*

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**Cerrejón**

Cerrejón challenge the report’s allegations and invites the authors to visit the mine. The mine is a critical part of the economy in La Guajira, contributing to 55% of GDP. It generates almost 14,000 jobs and fosters economic growth through social programs, US 13.3 million in 2013, carried out by the social management team as well as four foundations. In addition, Cerrejón makes important contributions to Colombia in taxes and royalties: in 2012 Cerrejón paid 1.2 billion dollars and 650 million dollars in 2013, the reduction primarily due to lower coal prices. It also contributes to the local economy through local procurement worth 46.8 million dollars in 2013.

**Water and pollution allegations**

On the issue of water, of the 17,000 liters used daily by the mine, 87% is low quality water sourced from between coal seams and is not apt for human or animal consumption or crop irrigation. Only 13% of the water used in Cerrejón is high quality, extracted from surface water and is used for human consumption at the Mine. Of this amount, 23% is reused.

Cerrejón operates in a semi desert region with high water scarcity and it is committed to the well-being of communities and aware of their permanent needs and difficulties to access this resource. Because of this, in 2008 Cerrejón created the Cerrejón Water Foundation with the purpose of contributing to finding water solutions in the Guajira department and implementing basic hygiene programs. In 2013 the Water Foundation invested US 1.4 million in 18 projects that benefitted 19,000 people from 126 communities. Most recently, and due to the harsh drought in La Guajira, Cerrejón has provided extensive water related aid which has increased the water supply to 24,344 people from 201 communities.

Cerrejón is committed to protecting the environment and dedicates significant resources to manage its impacts and develop other strategic activities. In 2013 Cerrejón invested US 53.3 million in monitoring and managing air and water quality and managing solid waste management; as well as land reclamation programs, biodiversity protection, and eco-efficiency programs. In the specific case of monitoring and controlling the quality of the water from rivers, including the Ranchería river, every year Cerrejón takes over 4,000 samples to analyze the physical, chemical and bacteriological components of the water following strict international standards and under the ISO NTC 17025:2005 accreditation.

Regarding air quality issues, Cerrejón follows the PM10 requirement defined by Colombian Law but it internally defines stricter goals. To track air quality, Cerrejón has 14 monitoring stations, monitored by a Citizen Oversight Committee that includes participation from local authorities, Cerrejón staff and members from 11 local communities.

**Tabaco**

Between 1998 and 2001 negotiations with families at Tabaco took place and agreements with the majority of them were reached. Under the legal requirements at the time, in absence of current social standards, and due to the impossibility of reaching agreement with a few families, the company used the expropriation option which in the end involved the Colombia National Police, not the Army. Cerrejón recognizes that this left a feeling of unrest and anger amongst the members of the community, which it sought to address through the 2007 Third Party Review, an independent review that made a series of recommendations on how Cerrejón should address these historical issues.

The Municipality of Hatonuevo is under a legal obligation to rebuild the social fabric of the Tabaco community and begin the reconstruction of the new town. In parallel to this, Cerrejón’s commitments under the Third Party review are underway and updates on progress can be found at

<http://www.cerrejon.com/site/english/sustainable-development-%E2%80%A2-social-responsibility/performance/third-party-review-of-social-programs.aspx>

**Army presence**

In relation to the presence of the Army, Cerrejón rejects any accusation regarding the Army exerting pressure over communities to displace them. Cerrejón is respectful of the law and has adopted and implements the Voluntary Principles on Security and Human Rights which seek  to ensure that all protection activities to the company’s staff and assets is done in total respect of the rights of neighbor communities. This includes socializing the company’s Human Rights Policy and ongoing training to Army personnel. To date, there have been no reports of serious human rights violation: most complaints refer to difficulties in engagement with local communities and a lack of knowledge of indigenous customs and traditions.

Cerrejón recognizes the challenges in engaging with some members of local communities but stresses that all differences are dealt with respect and based on good faith. It rejects any accusation of intimidating or violating the rights of our employees, contractors or neighbor communities.

**Anglo American and initiatives to tackle climate change**

We recognise the challenge posed by climate change and our responsibility to take action to address its causes and to protect our employees and assets, as well as our communities, against its potential impacts.    We are actively tackling our own carbon footprint through driving operational excellence and our operations are on track to achieve a 19% reduction in carbon emissions by 2015.  We are also investigating the potential physical impacts of climate change on our global operations and neighbouring communities and taking action to build resilience and adapt to the longer-term impacts of climate change.  We believe coal plays a necessary role, in particular supporting the developing world to access affordable energy which underpins social and economic development; however, it is critical that advanced technologies are developed and adopted to reduce the emissions that result from coal’s use.  We are investing in technologies that will enable us to run cost efficient, carbon-neutral mines in 20 years’ time and those that will reduce the footprint of our products. We firmly believe that investing in innovative technology is not a false solution, as alleged in the report.

Climate change is a joint challenge which requires us all to work together.  We are committed to working in partnership and consultation with governments and other stakeholders to help address the issue.  We support policies that allow a predictable and measured transition to a long-term price on carbon, where these policies drive achievable behavioural change to reduce carbon emissions.  We encourage governments seeking to develop policies which affect industry to do so in full consultation and engagement at an early stage.  In our experience, this results in the best outcome for all stakeholders.

**Anglo American’s participation in industry associations and multilateral initiatives**

With regards to the report’s allegations regarding our membership of industry groups and multi-stakeholder initiatives. We are aware of the role that our industry plays in a range of public policy issues linked to sustainable development, climate change being one, but also issues such as job creation, infrastructure provision and broader socio-economic development. These are issues in which sustainable progress benefits all stakeholders and for which we need to work together; sharing skills, expertise, taking on board contrasting expectations and understanding the role each needs to play. To do this we actively engage with governments, multilateral institutions and civil society. For example, through industry associations in South Africa, Chile, Brazil and Peru we have worked to identify multi-stakeholder solutions around productivity and skills building.

We also participate in multilateral initiatives that provide us with guidance and best practice on performance in sustainability issues so that we can improve over time. Examples are the United Nations Global Compact and the ICMM. The forums that we participate in are not organisations that deny climate change and we do not think that by participating in them, we exercise undue influence.

Engagement is not only about contributing, but also listening to critical perspectives and concerns that our stakeholders may have. We are open to this process and willing to address tough challenges by working with others. It is by participating in multi-lateral forums of varying kinds that we can have this dialogue.

Anglo American does not support political parties nor does it make any political donations or contributions either through direct funding or assistance in-kind.