



Corporate Environmental Review Programme initiated

Among the reforms triggered by the introduction of the Sarbanes-Oxley Act of 2002 (SOX) is that of greater corporate oversight of environmental management and related issues. In response to this, AngloGold Ashanti has introduced a Corporate Environmental Review Programme (CERP) related largely to disclosure of environmental risks and the management of environmental liabilities.

Says Andrew Mackenzie, AngloGold Ashanti's manager of corporate environmental affairs, "Although we have an environmental policy which states our intentions, the challenge is always in the implementation." He explains that because a lot of environmental issues present long-term liabilities, it is imperative to identify those risks and ensure that they are being properly managed.

CERP's intention is to review environmental practice and performance at the company's global operations annually, focusing on different environmental aspects each year. For example, this year the focus was on the identification and management of significant environmental risks at

each operation. In future years, the emphasis may change to water management, rehabilitation of disturbed areas, mine closure planning practices and others.

In adopting a 'carrot and stick' approach, another important element of CERP will be to recognise and reward mines for their efforts towards environmental best practice and good performance. There is a desire among senior management not simply to penalise, but to acknowledge the positive steps taken to improve the company's performance and reputation.

Review teams, comprising two to three environmental specialists drawn from both the corporate office and various operating mines, were assembled to audit each operation. In addition, an independent environmental consulting company was appointed to provide quality assurance of the review process. In certain cases an independent auditor accompanied the team on visits – these being selected to provide a sample of conditions across the company. A diverse team of internal expertise was drawn on to provide insights into selected issues at each of the operations. Corporate environmental staff, on the other hand, provided continuity and consistency of practice across the mines. The largely internal review team was familiar with mining environmental issues and management structures, and there were good opportunities for the cross-pollination of information and ideas. By encouraging knowledge-sharing, staff benefited from fresh perspectives on what are, all too often, ongoing problems. The audit team members saw at first-hand, practices which could usefully be transferred to their own operations.

The development of an extensive checklist helped to guide the review process and questions focused on the identification and management of significant aspects at each of the operating sites. Questions asked of both environmental and operations staff included:

- What environmental risks have been identified?
- Are appropriate management plans in place?
- Is the monitoring programme designed to manage these risks sensible, pragmatic and effective?

Although all AngloGold Ashanti's sites have been certified to the ISO14000 EMS standard, this does not necessarily guarantee that the environmental management system is successful. Says Mackenzie: "The effectiveness of ISO14001 is dependent on how each site uses it as a management tool. Its detractors believe there is too much emphasis on paperwork and not enough on actual implementation." He emphasised that CERP's objective is not to redo ISO14001 audits but to investigate whether remedial interventions, in response to identified risks, are actually being implemented successfully.

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Although some environmental issues are site-specific, relating to either open-pit or underground mining, many are consistent across the industry, which is where the sharing of expertise across the global operations is beneficial. While the Regional Environmental Steering Committee is not directly related to CERP, the forum gives the company a global perspective of challenges facing both the company and the broader mining industry internationally. The committee affords the regional environmental managers the opportunity to influence corporate direction and strategy through rigorous discussion and debate of key issues, international examples of which are biodiversity (see case study on page 186: SA biodiversity study) and climate change.

"One of the main features of ISO14001," explains MacKenzie, "is to identify and document the significant environmental aspects – for example, water pollution, hydrocarbons, fuels, chemicals or rehabilitation – to ascertain responsibility for each, its management plan, and in what time frame the issue will be dealt with. CERP takes this process a step further by establishing whether mines have put into action what they said they would do in the ISO14001 environmental management plans."

The 2007 CERP team also assessed to what extent other factors – for example, budget, capacity, expertise, management support, staff retention or technical issues – are impacting on the mine's ability to perform. Both the AngloGold Ashanti team and the external consultancy company have produced separate reports.

The findings of these reports indicate that the environmental issues facing the operations are known, and have been captured in the aspect identification process of the ISO 14001 management system. In most cases environmental management systems have been established and are being used effectively to manage these issues. However, at Obuasi, the review team reported a risk relating to water discharge standards in July last year.

Also apparent from the review was the fact that staff are sensibly deployed to address environmental issues, and that adequate funding and resources are in place for these purposes. Nevertheless there is a strong demand for experienced environmental specialists – a burgeoning requirement in industry, which is subject to high turnover rates.

Generally environmental performance was better at operations where environmental staff were able to advise and influence their operating colleagues, rather than being solely responsible for environmental matters.

The review identified CC&V in the USA and the Brazilian operations as outstanding in their environmental performance, reflecting perhaps the tradition of environmental awareness in a tough regulatory environment in those regions.