

The CER wants Anglo/Seriti deal environmental documents made public

When Anglo American first announced its restructuring plans in February 2016, the Centre for Environmental Rights (CER) addressed an [open letter](#) to the company, calling on it to make key documents relating to the environmental implications of the sale and transfer of its coal and iron ore assets available to the public.



Source: The Centre for Environmental Rights

Now with [media reports](#), Anglo American is selling three operational Eskom coal mines, as well as four “closed” coal mines to a wholly owned subsidiary of Seriti Resources Holdings, the CER has reopened a 2016 conversation with Anglo American about the need for transparency in the sale of its coal and iron ore assets.

The 2016 request to Anglo American

The reason for the CER’s letter was the growing trend in South Africa where large mining companies, often with major environmental liabilities, sell their mines to smaller mining companies. These smaller companies are often either unwilling or unable to fulfil the rehabilitation obligations imposed by the mining rights for these operations. When environmental liabilities are abandoned, they become the responsibility of the state, and therefore the responsibility of South African taxpayers. By 2015, the cost of closure of SA’s abandoned mines was estimated at almost R60bn. The lack of transparency with which these transfers are implemented severely exacerbates this problem.

When a mine is sold, the law requires the buyer to show that it can comply with the obligations of the mining right in question. When these submissions are made behind closed doors, affected parties are denied the opportunity to assess and challenge these claims.

The CER therefore asked Anglo American to act transparently in the transfer of any mining rights, and to conduct public participation processes in respect of the sale of its assets, including in respect of the transfer of environmental liabilities.

Anglo American's response

In Anglo American's [response](#) to the CER's original letter, the company avoided making any commitments to transparency or to public consultation around the environmental implications of its restructuring plans. Anglo's South Africa executive head, Andile Sanqgu, claimed that "Anglo American has consistently demonstrated good citizenship" and stated that the company would publish "all information that it is required by law to publish in the prescribed manner and within the required time frame".

The CER says that as far as it is aware, Anglo American has not made any of the documents referred to in the CER's original letter available to the public.

New call on Anglo American

The CER sent [another letter](#) to Anglo American again on 13 April 2017, inviting it to act transparently in respect of the reported sale of these coal mines. If the company is the good corporate citizen that it claims to be, it should be committed to ensuring that its mining operations comply with the law, and do not have detrimental consequences for the communities living around its mines, the CER says in a media statement.

"More pertinently, and whatever the terms of the agreement between Anglo and Seriti, as a good corporate citizen Anglo American should be equally concerned about the legacy of its mines, and the ability and willingness of any entity to which it sells its mines to comply with all legal obligations relating to environmental liabilities and rehabilitation for these assets, CER says.

"Conducting the sale transparently, and making key environmental and social documentation publicly available, will improve the prospects of the sale of these assets proceeding in such a manner that the environmental liabilities are not ultimately abandoned. It is the only way for stakeholders, particularly communities living around the mines, to trust that their concerns have been taken into account."

The CER has therefore called on Anglo to make the following documents pertaining to the sale publicly available on its website:

- the mining rights it intends to transfer;
- the environmental management programmes and social and labour plans that govern these operations; and
- the company's assessments of its environmental liability in respect of each operation to be sold, including financial provision for rehabilitation.

"Beyond legal compliance, good corporate citizenship also requires that companies act in the best interests of all stakeholders, engage in real and meaningful consultation with those stakeholders, and do not deflect challenges by relying on platitudes and generic statements. The CER looks forward to Anglo American's positive response," it says.