



WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT

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Honourable Ministers, Your Excellencies, distinguished guests.

I'd like to extend a warm welcome to you all and to thank you for joining us tonight. I'd also like to thank our hosts, the World Business Council for Sustainable Development and South Africa's Department of International Relations and Cooperation.

As chief executive of a company with a 94-year history in South Africa, I am proud to see this country taking centre stage for the 17th session of the Conference of Parties.

I know by looking among you and seeing many familiar faces that you share our passion for South Africa, and the commitment to showcase the best it has to offer for international delegates to COP17.

This is a country with immense natural resources, great intellectual capital and a dynamic future. It has the opportunity to profoundly influence the climate change debate well beyond this special event.

And I know that the South African Government is determined to seize that opportunity.

Anglo American is sponsoring this evening because we believe in the power of partnership to achieve the right changes in the right way.

As a global mining business, we are well aware of our impact on and our responsibility to the communities where we operate.

We bring jobs, create business opportunities for local companies and invest in social projects. We aim to make sure communities are better off as a result of our presence, and are self-sustaining for the future.

For Anglo American, the climate change debate is as much about 'development' as it is about sustainability. Governments around the world are seeking to improve the living standards and life chances of their people. They need to create jobs, drive social and economic development and eradicate poverty.

And access to energy is essential to development.

In societies with widespread access to electricity, people lead healthier lives, are better educated and live longer.

Yet globally, 1.5 billion people are still totally without electricity and at least two billion others have inadequate access to power.

Coal has a critical role to play in solving this problem. Coal is the cornerstone of global electricity. It is affordable, abundant and widely available and is used to meet more than 40% of the world's electricity needs.

An energy future without coal is not an option. It will remain an essential part of the global energy mix for decades to come.

For example, in 2035 coal will still account for over 60 per cent of China's electricity generation. And even in the United States the figure will still be over 40 per cent.

But how do we ensure that the development the world needs is achieved sustainably - balancing economic, social and environmental needs today, without compromising the ability of future generations to meet their own needs tomorrow.

Tonight I'd like to share with you just a few of the things Anglo American is doing to drive sustainable development.

Sustainable development begins at home. As a company, we are taking steps to reduce our own carbon footprint and to improve our energy efficiency.

The less energy we use, the lower our costs – and the more we protect the environment.

For example, in South Africa in our Platinum and Thermal Coal businesses we are replacing electric heaters with heat pumps in our change houses, reducing electricity consumption by 60%.

Also in Platinum we are introducing intelligent compressed air systems which will save enough energy to power 4,000 households.

In Kumba, in 2010 we achieved diesel savings of 1.4 million litres through more efficient operation of our trucks. That's equivalent to an average car being driven for seventeen million kilometres.

The opportunities are massive and our work is not confined to our business.

To take just one example, in South Africa we are installing solar water heaters in 20,000 households in our mining communities.

Renewables have a key role to play. Fourteen percent of our electricity consumption is from renewable sources and we are exploring the potential for significant further expansion, including through the use of solar power here in South Africa.

However, the challenge of climate change is not just about energy efficiency and cleaner energy.

For example, it is critical for us to protect biodiversity. At our Jacare project in Brazil, we are trialling a new technology to map biodiversity value on site using satellite imagery.

The challenge is also about how we conserve scarce resources – particularly water.

We are committed to tackling the challenge of water scarcity, both in the way we run our business and in the support we provide to local communities.

At our recently commissioned Los Bronces Expansion Project, we have achieved a 40 per cent reduction in water usage per tonne of copper produced.

And here in South Africa, the eMalahleni water recycling project is already providing 25 mega litres of water to 60,000 people and will double in capacity by 2013.

eMalahleni will also provide water to the Khanyisa power station which will use waste discard coal from our mines and produce about 450 mega watts.

And we know that the challenge of reducing the carbon footprint of coal is one we have to address. We are committed to investment in clean coal technology.

Our coal business in Australia has invested \$120 million over the past five years in technology to abate methane emissions. This has enabled methane from our underground coal mines to be used to generate 75 megawatts of electricity – enough to power 48,000 houses and to deliver carbon emission reductions equivalent to taking 580,000 cars off the road.

Also in Australia, our investment in MBD Energy is developing processes for the commercial farming of algae, using waste carbon dioxide to produce bio-oil and animal feedstock.

While much of the talk of climate change is understandably focused on mitigating carbon emissions, we mustn't ignore the huge opportunities that exist in a low-carbon world.

Metals are essential for enabling the low carbon economy.

- The car you drive today contains between 20 and 45 kilograms of copper. But the hybrid and electric cars that we will all be driving in the future contain up to three times this amount.
- A 1 mega watt wind turbine incorporates nearly 4 tonnes of copper.
- 95 per cent of the world's new cars will have a platinum-based auto catalyst to capture noxious gases.
- The light-emitting diodes used in flat-screen TVs, smart phones and laptops use sapphire crystals grown in iridium crucibles. LEDs use up to 40% less electricity than conventional technologies. And most of the world's iridium comes from South Africa.

But there is another opportunity we are particularly excited about – one that, if grasped, could drive the development of a whole new industrial sector in South Africa, creating new jobs, growth and the opportunity to become a major player in the global green economy.

Hydrogen fuel cells using platinum catalysts are efficient, versatile and scalable. They represent a proven technology that can provide clean, reliable and cost-effective power.

To better understand the scale of the opportunity, we've been working with the UK's Carbon Trust to explore the potential commercial opportunities for fuel cells.

The Carbon Trust is a highly regarded, independent and not-for-profit business that helps companies cut carbon emissions and commercialise low carbon technologies.

We asked them two questions: What would it take for South Africa to develop a local fuel cell industry and why should the country do it?

The Carbon Trust report suggests that with the appropriate level of deployment and investment in manufacturing, installation and maintenance activities, hundreds of thousands of new South African jobs could be created over the next 30 years.

This could help to meet existing energy security challenges, and provide rural communities with access to energy without major grid expansion.

At Anglo American, we believe that with platinum at its heart, a fuel cell industry would support the country's drive for jobs. There would also be clear potential to export knowledge and products to a global market.

South Africa is already funding and directing research into fuel cells as part of its hydrogen strategy. From powering vaccine fridges in rural clinics to providing heat and power for hospitals, fuel cell demonstration projects are under way around the country.

And the Department of Science and Technology and our Platinum business have been working together for the past three years to encourage and support greater beneficiation of platinum.

Platinum's one hundred million Rand fund, launched in 2009 to support South African businesses that use platinum group metals in their products, has made its first investment. It is working with Alteryx, a US based fuel cells company to manufacture and market fuel cell systems locally and in Sub-Saharan Africa.

Our Platinum business has an ongoing demonstration of a large grid-connected fuel cell running on coal bed methane from one of our coal mines.

And we are about to start trialling fuel cells in our underground locomotives and miners' cap lamps.

In fact, we are so confident about the potential of fuel cells that we even have a 150 kilowatt hydrogen fuel-cell providing base load electricity for the Climate Change Response Expo right here in Durban!

But to realise this exciting opportunity we need coordinated action to support market development and supply chain activity. This requires a cross-

government response and a clearly articulated vision for the future – a vision that must be jointly endorsed by public and private sector stakeholders alike.

South Africa could become a global leader in fuel cells. And the window of opportunity to do this is open.

As the example of fuel cells demonstrates, partnerships are essential to tackle the challenge of climate change. We are all in this together.

That's why Anglo American has just launched a one hundred million Rand fund to support small business entrepreneurs in South Africa's green economy.

This Green Fund builds on the success of our internationally recognised Zimele initiative that has been operating since 1989.

We are excited about the potential it creates for promoting community level action – so vital to making real change happen.

The Green Fund will help small businesses to develop projects that will reduce carbon emissions, save energy and water, and improve waste management.

It will also help address two of the South African government's key strategic goals – driving the creation of sustainable jobs and support for the green economy.

Tackling climate change is a big task – maybe the biggest mankind has ever faced.

A one-size-fits-all, global agreement on what to do is unlikely to come from Durban, but the gains that are being made at each step along the way are taking us in the right direction.

And the fact that governments are sitting down together to search for a solution should in itself be acknowledged.

A great deal is happening.

Governments around the world are taking action to encourage people in their own countries to reduce carbon emissions.

Businesses worldwide are recognising that shrinking their carbon footprints is essential. And they are also seeing real opportunities for profit and growth in developing low-carbon products.

Everyone recognises that things have to change – and change is taking place. Governments and business need to take the bold steps necessary to make the most of the opportunities available.

I am an optimist. I believe that together we can beat the challenge of climate change.

And here in South Africa, through the partnership between government and business, we are showing the way.

Thank you.