

## **Contractor CEO Summit Opening Address, Khanyisile Kweyama**

Thank you David and welcome everyone.

We have all been rocked by the recent events, the violence and strikes, here in South Africa. These events affected, not only those in the mining industry, but everyone in the country.

The Government has stated South Africa's credibility with investors has been hurt, economic growth is the slowest it has been since the 2009 recession and we've had two credit rating downgrades since the strikes began. It's estimated that the strikes have cost South Africa more than 10 billion rand (\$1.1 billion) in lost mine output and will probably take about half a percentage point off the country's economic growth.

We are at another crisis point in our country.

I see similarities to our pre-1994 situation: When I was at the table for the Codesa negotiations, people were revolting against an unfair situation and it was white versus black. We have now moved from race, to "haves" and "have nots".

Anglo American played a key role in the early '90s. The company did not sit back and wait for government to improve the situation of those in need, we led as a business in helping to facilitate the process which led to the reaching of an accord that was acclaimed globally as being unique and almost miraculous.

In the same way, in 2002 we took a stand on the HIV/AIDS epidemic. Again, in the absence of government and other players, we said we would offer our employees free treatment and care. In 2008 we extended this to their dependants. We now run the world's largest and most respected workplace HIV/AIDS treatment programme. This has been used around the world as an example of how business can improve society.

We still see our role as taking a lead in a crisis and we have invited you here today because we would like to do this together with you. You are part of the solution.

Whilst the strikes and unrest is a complex problem, with no single solution, one thing is clear: poor work and living conditions, poor health and welfare standards of employees, their families and their communities, fuelled the unrest.

The good news is: these are all challenges that we here in this room today, can work to improve. We can ensure our workers' health is monitored and they receive primary health care services, we can also offer this service to their families; we can provide ART; we can have a regard for the impact on local communities when we recruit; we can make a commitment to ensuring that employees live in decent accommodation and have access to training.

All this can be done at minimal cost, but with maximum benefit.

At Anglo American, we already deliver these services - and more - to our workers. However, at some of our sites up to 50% of our workforce is contract labour. In some sites, they refer to themselves as “second class citizens”. We don't think they are. We want to improve the lives of those we employ - contract labour included - and we have to work *together* with you to achieve this.

These are tough economic times. The industry is not in a good place and we are being forced to tighten our belts. However, the health, safety and welfare of our workforce is the number one business and operating priority at Anglo American. This is a position on which we will never compromise and integral to our company values.

And values are at the core of this situation. Values are what led us out of the struggle in 1994, and values will again lead us out of this current crisis.

Every person who works at our operations – whether they are an employee or contractor – has a right to return home safe and healthy at the end of each working day. We will never compromise on this belief.

We've done a lot of research, but we don't have all the answers. Which is why we've asked you all here today, together with our colleagues who are all leaders in their fields, to work through the challenges we collectively face, together.

Fundamentally, good health and safety performance, are good business. Healthy, stable host communities, is good for business. It's in all of our interests to make this work.

This is a time for leadership. A time for leaders to come together, work together, to lead our country through these difficulties.

There are segments of our workforce who clearly do not feel or trust the difference that we believe we are making to their lives and in their communities. We must therefore ask ourselves: what could we be doing better, or more of, in order to improve the lives of those who work for us and their communities?

Despite all the good work we've done – something is clearly still missing.

Our approach and solutions need to go beyond the normal business thinking. We need to take responsibility for this breakdown in trust and appreciate that as leaders, there may be a few boxes that we have not yet ticked.

We have done a lot, but have we done *enough* and with enough depth?

I ask that you work together with us here today to forge a positive path ahead for the people that work for our businesses. Improving their lives is good for our businesses and good for our country.

Thank you all for attending and participating today.