



01

**“The Chile visit allowed me to gain better knowledge about the ore bodies and plants but importantly it exposed me to the staff and people of the Copper business unit. Days of travel and talk over dinners provided ample opportunity to get to know the team.”**

**Jack Thompson**  
Non Executive Director



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03



04

## BOARD IN ACTION

Directors undertake regular visits to operations and projects and, in 2011, operations and projects in Australia, Brazil, Chile, China, South Africa, Mozambique, Peru, USA and Botswana were visited.

### BOARD VISIT TO AUSTRALIA

In October 2011, the Anglo American plc Board met in Brisbane. Directors took the opportunity to meet with Queensland’s Deputy Premier, the Minister for Finance and Environment and other state politicians. During the course of the visit, the Board received detailed presentations from the management of the metallurgical coal operations on the strategy of the business unit, its resource base and infrastructure and the market outlook for metallurgical coal. In addition, a detailed presentation of the Grosvenor Project was delivered, followed by a visit to Anglo American Metallurgical Coal Australia’s Benchmark Performance Centre.

Directors then made an operational visit to the Moranbah North Mine, touring both the surface facilities (including the coal handling and preparation plant and the waste coal mine gas power station) and the underground mining operations.

In addition, certain board members visited the MBD Energy algal synthesis facility at James Cook University in Townsville and received a detailed briefing on the operations of MBD (in which Anglo American holds a 19.3% interest).



05

### NEDS’ ‘FACT FINDING’ TRIPS TO SOUTH AMERICA

In March 2011, Peter Woicke visited Anglo American’s sites and operations in South America accompanied by Brian Beamish, David Weston and senior managers from our Safety and Sustainability team. Sites visited were: Amapá (Brazil) and Quellaveco (Peru).

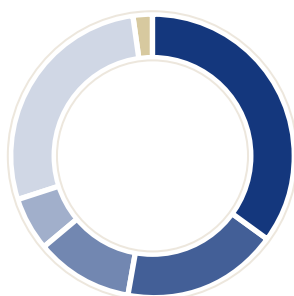
Jack Thompson visited Chile accompanied by John MacKenzie in May 2011. The purpose of the trip was to familiarise him with our Copper business unit and to visit the large construction project at Los Bronces. Upon arrival in Chile, Jack Thompson received a

copper business and strategy overview then visited the Chagres Smelter, Los Bronces, the El Soldado and Mantos Blancos mines. He also received a briefing on the Quellaveco and Michiquillay projects in Peru.

In April 2011 Ray O’Rourke visited Los Bronces accompanied by John MacKenzie, Barro Alto (Nickel Brazil) with Walter De Simoni and Minas-Rio (Iron Ore Brazil) with Stephan Weber.

During 2011 Sir John Parker also visited Chile and Brazil accompanied by John MacKenzie to familiarise himself further with the Los Bronces, Chagres Smelter and Barro Alto operations.

**Geographical analysis of investors**



- UK 35%
- North America 18%
- Europe (ex-UK) 11%
- Africa 28%
- Asia 6%
- Other 2%

Source: Anglo American Investor Relations

**Shareholder structure**



- Institutions - UK 30%
- Institutions - ROW 50%
- Employees 2%
- Retail investors 3%
- Other 15%

Source: Anglo American Investor Relations



**“We place a great deal of importance on maintaining an active dialogue with our investor base around the world. We plan to increase our interaction in 2012 by further exposing our operating management to investors.”**

René Médori Finance Director

**HOW DO WE COMMUNICATE WITH OUR INVESTORS?**

We place a great deal of importance on maintaining an active dialogue with our investor base around the world. We plan to increase our interaction in 2012 by further exposing our operating management to investors.

The Company maintains an active engagement with its key financial audiences, including institutional shareholders and sell side analysts as well as potential shareholders. The Investor Relations department manages the interaction with these audiences and regular presentations take place at the time of interim and final results as well as during the rest of the year. An active programme of communication with potential shareholders is also maintained.

**Board oversight**

Any significant concerns raised by a shareholder in relation to the Company and its affairs are communicated to the Board. The Board is briefed on a regular basis by the Investor Relations department and analysts' reports are circulated to the directors. Feedback from meetings held between executive management, or the Investor Relations Department, and institutional shareholders is also communicated to the Board.

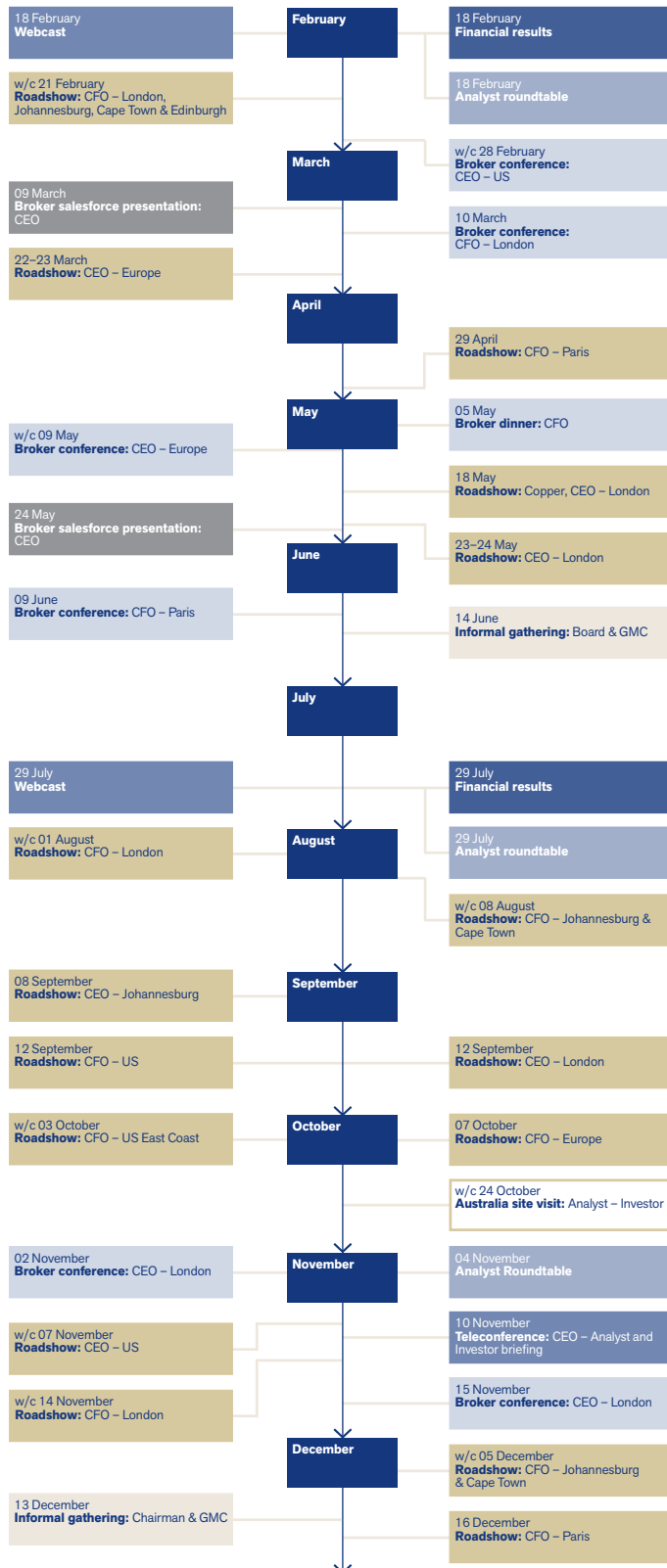
**Institutional investors**

During the year there were regular presentations to, and meetings with, institutional investors in the UK, South Africa, continental Europe, the US and Asia Pacific to communicate the strategy and performance of Anglo American. Executive directors, as well as key executives, including business unit heads, host such presentations, including seminars for investors and analysts, and one-on-one meetings. Throughout the year, executive management also presents at industry conferences, which are mainly organised by investment banks for their institutional investor base. In late 2010, Sir John Parker met with a number of key investors to discuss 'Strategy, The Board, Board Changes & Operating Performance'. David Challen in his capacity as the SID works closely with Sir John to maintain his understanding of the issues and concerns of major shareholders. David Challen attended the Australian site visit dinner with analysts and investors. The chairman, SID and other non executive directors are also available to shareholders to discuss any matter they wish to raise. We look forward to increased communication with investors following the recent introduction of the Stewardship Code.

The Company's website provides the latest news and historical financial information, details about forthcoming events for shareholders and analysts, and other information on Anglo American.

 For more information visit [www.angloamerican.com](http://www.angloamerican.com)

### Investor relations activities timeline 2011



The Company maintains an active dialogue with its key financial audiences, including institutional shareholders and sell side analysts as well as potential shareholders.

## WHAT ARE THE COMMITTEES OF THE BOARD AND WHAT DO THEY DO?

Subject to those matters reserved for its decision, the Board delegates certain responsibilities to a number of standing committees – the Safety and Sustainable Development, Remuneration, Nomination and Audit Committees. The terms of reference for each of these committees and a schedule of matters reserved for the Board's decision are published on the Company's website.

 The Committees' Terms of Reference may be found on the Company's website, visit [www.angloamerican.com](http://www.angloamerican.com)

**The S&SD Committee's remit spans across the environmental, social and workplace risks and opportunities faced by Anglo American. Increasingly, we seek out investments to effect positive change in more than one of these areas. For example, a new enterprise development fund in South Africa has been established to help create jobs while delivering environmental benefits. The Zimele Green Fund will target investment opportunities that mitigate carbon emissions, reduce energy and water consumption, and improve waste and emissions management. Created in November 2011, the Fund is already reviewing potential investments to assess their commercial and technical viability and degree of alignment with Anglo American's environmental objectives, such as the retrofitting of low income government provided housing in South Africa with solar water heaters.**

## SAFETY & SUSTAINABLE DEVELOPMENT COMMITTEE



**"To be successful, sustainability considerations need to be integral to our thinking in all areas of our business, such as in the design and evaluation of our projects, mine planning and decommissioning, and the ways in which capital is allocated to fund our projects."**

**Peter Woicke** Chairman, Safety and Sustainable Development Committee

### Composition

- Peter Woicke – chairman
- Cynthia Carroll
- Sir John Parker
- Ray O'Rourke
- Mamphela Ramphela
- Jack Thompson
- Brian Beamish
- David Weston

### Roles and responsibilities

- Reviewing the development of framework policies and guidelines for the management of sustainable development (SD) issues including safety, health and environment.
- Reviewing the performance of the Company and the progressive implementation of its safety and sustainable development (S&SD) policies.
- Receiving reports covering matters relating to material S&SD risks and liabilities.
- Monitoring key indicators and learning on incidents and, where appropriate, ensuring they are communicated throughout the Group.
- Considering material national and international regulatory and technical developments in the fields of S&SD management.

Besides the regular S&SD Committee members, the meetings were well attended by other Group directors and business unit (BU) CEOs. At each meeting the Committee received a functional performance review

led by the Group chief executive, Cynthia Carroll. Safety remains a critical focus area and receives significant attention at each meeting. Key themes such as occupational health, HIV and AIDS, energy, climate change, water, social performance and SD within our supply chain were reviewed at each meeting. Other topics, such as gender diversity, received periodic focus.

### What did the Committee discuss in 2011?

- A detailed account of every fatal incident that occurred in the period under review by the relevant BU CEO, along with the related management response.
- Oversight of risk, including major risks such as methane explosion; technical risks such as waste containment facilities and shaft infrastructure; an annual review of legal risk across the Group; and significant outcomes of external assurance work.
- Presentations by BU CEOs on a rotational basis on that respective business' SD performance.
- Presentations by NGOs on issues important to the business. For example, the Committee received presentations by the Institute for Human Rights on the links between business, human rights and water.
- Reports on projects of strategic interest such as the value of S&SD.



## REMUNERATION COMMITTEE



**“The Committee seeks to ensure that directors who deliver significant value for the Company's shareholders are appropriately remunerated and that our world class talent is retained.”**

**Sir Philip Hampton** Chairman,  
Remuneration Committee

### Composition

In compliance with the Code, the Committee comprises only independent non executive directors:

- Sir Philip Hampton – chairman
- David Challen
- Sir CK Chow
- Jack Thompson
- Peter Woicke

### Roles and responsibilities

- Establishing and developing the Group's general policy on executive and senior management remuneration.
- Determining specific remuneration packages for the chairman and executive directors.
- Designing the Company's share incentive schemes.

### What did the Committee discuss in 2011?

**In February 2011**, the Committee:

- reviewed executive director personal KPIs for 2011 and Company financial targets to ensure alignment with Company strategy
- discussed with the Company chairman and chief executive respectively, the chief executive's and finance director's performance in 2010 to adjudicate on bonus outcomes
- discussed the new Long Term Incentive Plan (LTIP) which was subsequently approved by shareholders at the 2011 AGM. The Committee chairman had

previously discussed amendments to the LTIP with external investors. The new LTIP included a clawback provision should there be a material misstatement of the Company's results during the performance period

- discussed and set the asset optimisation and supply chain targets for the 2011 LTIP award
- approved amendments to the Bonus Share Plan rules to include clawback provisions
- reviewed executive directors' shareholdings in the Company prior to 2011 share awards being made.

**In April 2011**, the Committee:

- discussed investor feedback on executive remuneration prior to the vote on the Directors' Remuneration Report.

**In December 2011**, the Committee:

- reviewed directors' salaries, taking into account the general salary review for the broader employee population
- considered GMC and Exco remuneration and performance contracts for 2012
- reviewed its Terms of Reference.

### General

The Committee regularly reviews developments in corporate governance and executive pay in all meetings.

## NOMINATION COMMITTEE



**“The Nomination Committee's aim is to build on the existing diversity of the board by identifying and nominating suitably qualified candidates.”**

**Sir John Parker** Chairman,  
Nomination Committee

### Composition

Compliant with the Code:

- Sir John Parker – chairman
- David Challen
- Sir CK Chow
- Mamphela Ramphela
- Peter Woicke

### Roles and responsibilities

- Setting guidelines (with the approval of the Board) for the types of skills, experience and diversity being sought when making a search for new directors and, with the assistance of external consultants, identifying and reviewing in detail each potential candidate available in the market. The Committee then agrees a 'long list' of candidates for each directorship and, following further discussion and research, decides upon a shortlist of candidates for interview. Shortlisted candidates are each interviewed by the Committee members who will then convene to discuss their impressions and conclusions, culminating in a recommendation to the Board.
- Making recommendations as to the composition of the Board and its Committees and the balance between executive and non executive directors (NEDs), with the aim of cultivating a board with the appropriate mix of skills, experience, independence and knowledge of the Company.

- Ensuring that the Human Resources function of the Group regularly reviews and updates the succession plans of directors and senior managers.

### Diversity policy

To increase the representation of women on the Board (excluding the chairman) from 20% to about 30% by 2013.

### What did the Committee discuss in 2011?

- Following extensive research into potential candidates, Phuthuma Nhleko was appointed in March 2011.
- The Committee maintained a continuing review of board succession needs. During 2011 the Committee focused in particular on developing plans to ensure the achievement of the Company's diversity policy (above).
- In addition to the meetings of the Committee, the chairman and NEDs as a group met twice with the chief executive and the director of HR and corporate affairs for an in depth discussion on human resources issues. In February, the chairman and NEDs received and discussed a comprehensive presentation on the Company's HR strategy, with a particular focus on long term talent needs, and in June there was a detailed review of succession plans for the directors and the other roles on the Company's Executive Committee.

**AUDIT COMMITTEE**

**"The Audit Committee plays a pivotal role in ensuring high standards of corporate governance and provides assurance to the Board on its reports to shareholders."**

**David Challen** Chairman, Audit Committee

**Composition**

Compliant with the Code and comprises only independent non executive directors:

- David Challen – chairman
- Sir Philip Hampton
- Phuthuma Nhleko
- Ray O'Rourke

**Roles and responsibilities**

- Monitoring the integrity of the annual and interim financial statements, the accompanying reports to shareholders and corporate governance statements.
- Making recommendations to the Board concerning the adoption of the annual and interim financial statements.
- Overseeing the Group's relations with the external auditors.
- Making recommendations to the Board on the appointment, retention and removal of the external auditors.
- Reviewing and monitoring the effectiveness of the Group's internal control and risk management systems including reviewing the process for identifying, assessing and reporting all key risks.
- Approving the terms of reference and plans of the internal audit function.

- Approving the internal audit plan and reviewing regular reports from the head of internal audit on effectiveness of the internal control system.
- Receiving reports from management on the key risks of the Group and management of those risks.

**What did the Audit Committee discuss in 2011?**

**At the February 2011** meeting, the 2010 year end results and press release were reviewed and the external auditors presented the findings of their work. The Committee also reviewed the Ore Reserves and Mineral Resources estimates report and the internal audit report for 2010.

**At the July 2011** meeting the Committee:

- reviewed the interim results and press announcement
- received a report on the Company's measures to mitigate the risk of bribery and assessed the key risks of bribery occurring in each of the business units
- reviewed the risk profile of each business unit and the Company as a whole
- reviewed a paper on the strategy for purchasing insurance.

**At the November 2011** meeting the Committee:

- received a paper on the likely accounting issues for the 2011 year end
- approved the external auditors' terms of engagement, scope of work, the process for the annual audit and the applicable levels of materiality
- approved the internal audit plan for 2012
- received a paper on fraud risk and how this is controlled in the Company
- reviewed the Audit Committee's Terms of Reference
- received a paper on progress with the transformation agenda in South Africa.

## AUDIT COMMITTEE REPORT

### HOW DO WE ENSURE INDEPENDENCE OF THE EXTERNAL AUDITORS?

Anglo American's policy on auditors' independence, is consistent with the ethical standards published by the Audit Practices Board.

A key factor that may impair auditors' independence is a lack of control over non audit services provided by the external auditors. In essence, the external auditors' independence is deemed to be impaired if the auditors provide a service which:

- results in the auditors acting as a manager or employee of the Group
- puts the auditors in the role of advocate for the Group; or
- creates a mutuality of interest between the auditors and the Group.

Anglo American addresses this issue through three primary measures, namely:

- disclosure of the extent and nature of non audit services
- the prohibition of selected services – this includes the undertaking of internal audit services
- prior approval by the Audit Committee chairman of non audit services where the cost of the proposed assignment is likely to exceed \$50,000.

Anglo American's policy on the provision of non audit services is regularly reviewed. The definition of prohibited non audit services corresponds with the European Commission's recommendations on auditors' independence and with the Ethical Standards issued by the Audit Practices Board in the UK.

#### What other safeguards exist?

- The external auditors are required to adhere to a rotation policy based on best practice and professional standards in the United Kingdom. The standard period for rotation of the audit engagement partner is five years and, for any key audit partner, seven years. The audit engagement partner was appointed in 2010 in accordance with this requirement.

- Any partner designated as a key audit partner of Anglo American shall not be employed by Anglo American in a key management position unless a period of at least two years has elapsed since the conclusion of the last relevant audit.
- The external auditors are required to assess periodically, in their professional judgement, whether they are independent of the Group.
- The Audit Committee ensures that the scope of the auditors' work is sufficient and that the auditors are fairly remunerated.
- The Audit Committee has primary responsibility for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors.
- The Audit Committee has the authority to engage independent counsel and other advisers as they determine necessary in order to resolve issues on auditor independence.
- An annual assessment is undertaken of the auditors' performance, independence and objectivity. The results are shared with the Audit Committee.

#### What did the Audit Committee conclude for 2011?

The Audit Committee has satisfied itself that the United Kingdom professional and regulatory requirements for audit partner rotation and employment of former employees of the external auditors have been complied with.

The Audit Committee considered information pertaining to the balance between fees for audit and non audit work for the Group in 2011 and concluded that the nature and extent of the non audit fees do not present a threat to the external auditors' independence. Details of fees paid are provided on page 140.

Furthermore, after reviewing a report from the external auditors on all their relationships with Anglo American that might reasonably have a bearing on the external auditors' independence and the audit engagement partner and staff's objectivity, and the related safeguards and procedures, the Committee has concluded that the external auditors' independence was not impaired.

The Audit Committee held meetings with the external auditors without the presence of management on two occasions and the chairman of the Audit Committee held regular meetings with the audit engagement partner during the year.

#### What will the Audit Committee do in 2012?

During 2012 the Audit Committee will continue its role in monitoring the integrity of the financial statements and reviewing the effectiveness of the Company's internal control and risk management systems. An item of key interest to the Audit Committee will be to understand how the risk and audit processes operate in De Beers and how these will be integrated into Anglo American at the appropriate time.

#### How is the appointment of the external auditors considered?

The appointment of Deloitte LLP as the Group's external auditors (incumbents since the listing in 1999) is kept under annual review, and if satisfactory, the Committee will recommend the re-appointment of the audit firm. The appointment of Deloitte LLP followed a detailed evaluation, at the time of the listing, of the predecessor audit firms and, rather than adopting a policy on tendering frequency, an annual review of the effectiveness of the external audit is supplemented by a periodic, comprehensive reassessment by the Committee. The Committee's assessment of the external auditors' performance and independence underpins its recommendation to the Board to propose to shareholders the re-appointment of Deloitte LLP as auditors until the conclusion of the AGM in 2013. Resolutions to authorise the Board to re-appoint and determine their remuneration will be proposed at the AGM on 19 April 2012.

#### What is the role of internal audit?

The Group has an internal audit department that reports centrally with responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all of Anglo American's operations.

The head of internal audit is responsible for reporting and following up on the findings of this internal audit work to local management and the Audit Committee on a regular basis. Internal audit teams operated in all the Group's principal divisions in the period under review, reporting findings to local senior management. The internal audit function's mandate and annual audit coverage plans were approved by the Audit Committee.

The internal audit activities are performed by teams of appropriate, qualified and experienced employees, supplemented if necessary through the engagement of external practitioners upon specified and agreed terms. A summary of audit results and risk management information was presented to the Committee and Group

senior management at regular intervals throughout the year. The Group's head of internal audit reports to the Audit Committee on the internal audit function's performance against the agreed internal audit plan.

During 2011, over 420 audit projects were completed covering a variety of financial, operational, strategic and compliance related business processes across all business units and functions. In addition, the internal audit department responded to a number of management requests to investigate alleged breaches of our business principles.

#### **HOW IS THE EFFECTIVENESS OF INTERNAL CONTROL AND RISK MANAGEMENT ASSESSED?**

The GMC, as mandated by the Board, maintains a Group wide system of internal control to manage significant Group risks.

This system, which has been operating throughout the year and to the date of this report, supports the Board in discharging its responsibility for ensuring that the wide range of risks associated with the Group's diverse international operations is effectively managed in support of the creation and preservation of shareholder wealth. Please see pages 48 to 53 for further information on the key risk factors Anglo American is exposed to. Where appropriate, necessary action has been or is being taken to remedy any failings or weakness identified from review of the effectiveness of the internal control system.

#### **How is assurance obtained on the internal control environment?**

The system of internal control, which is embedded in all key operations, provides reasonable rather than absolute assurance that the Group's business objectives will be achieved within the risk tolerance levels defined by the Board. Regular management reporting, which provides a balanced assessment of key risks and controls, is an important component of board assurance. In addition, certain Board Committees focus on specific risks such as safety and capital investment and provide assurance to the Board. The chief financial officers of the Group's business units provide confirmation, on a six monthly basis, that financial and accounting control frameworks have operated satisfactorily. The Board also receives assurance from the Audit Committee, which derives its information, in part, from regular internal audit reports on risk and internal control throughout the

Group and external audit reporting. The Group's internal audit function has a formal collaboration process in place with the external auditors to ensure efficient coverage of internal controls. The Anglo American internal audit function is responsible for providing independent assurance to executive management and the Board on the effectiveness of the risk management process throughout the Group.

Anglo American seeks to have a sound system of internal control, based on the Group's policies and guidelines, in all material associates and joint ventures. In those companies that are independently managed, as well as joint ventures, the directors who are represented on these organisations' boards seek assurance that significant risks are being managed.

Assurance regarding the accuracy and reliability of Mineral Resources and Ore Reserves disclosure is provided through a combination of internal technically proficient staff and independent third parties.

#### **Whistleblowing programme**

The Group has had in place for a number of years a whistleblowing programme in all its managed operations. The programme, which is monitored by the Audit Committee, is designed to enable employees, customers, suppliers, managers or other stakeholders, on a confidential basis, to raise concerns in cases where conduct is deemed to be contrary to our values. It may include:

- actions that may result in danger to the health and/or safety of people or damage to the environment
- unethical practice in accounting, internal accounting controls, financial reporting and auditing matters
- criminal offences, including money laundering, fraud, bribery and corruption
- failure to comply with any legal obligation
- miscarriage of justice
- any conduct contrary to the ethical principles embraced in our Business Principles or any similar policy
- any other legal or ethical concern
- concealment of any of the above.

#### **BUSINESS INTEGRITY**

**During 2011 we continued to implement the necessary procedures to ensure that our Business Integrity policy operates effectively across the Group, and minimises the risk of bribery as far as possible. We have now trained over 2,000 managers through workshops in the business units and developed supplementary online training. During the year we developed enhanced guidelines regarding acceptance and provision of gifts and entertainment and provided specific guidance on due diligence procedures for transactions where risks are considered higher. We conducted an assessment of the risks of bribery and corruption in each of our businesses taking into consideration external and internal factors and identified those areas where additional measures are necessary. We applied a risk assessment process in individual transactions to identify necessary actions that mitigate risk of bribery in those arrangements.**

**For 2012 we will continue to develop our procedures and obtain assurance that they are being implemented as we expect across the Group.**



The programme makes available a selection of telephonic, email, web based and surface mail communication channels to any person in the world who has information about unethical practice in Anglo American and its managed operations. The multilingual communication facilities are operated by independent service providers who remove all indications from information received as to the identity of the callers before submission to designated persons in the Group.

During 2011, 299 reports were received via the global 'Speakup' facility, covering a broad spectrum of concerns, including:

- ethical
- criminal
- supplier relationships
- health and safety
- human resource type issues.

Reports received were kept strictly confidential and were referred to appropriate line managers within the Group for resolution. Where appropriate, action was taken to address the issues raised. The reports are analysed and monitored to ensure the process is effective.

#### **How does risk management work at Anglo American?**

The Board's policy on risk management encompasses all significant business risks to the Group, including:

- financial risk
- operational, including safety, technical, fraud and corruption risk
- compliance risk

which could undermine the achievement of business objectives.

This system of risk management is designed so that the different businesses are able to tailor and adapt their risk management processes to suit their specific circumstances. This flexible approach has the commitment of the Group's senior management. There is clear accountability for risk management, which is a key performance area of line managers through the Group. The requisite risk and control capability is assured through Board challenge and appropriate management selection and skills development. Managers are supported in giving effect to their risk responsibilities through policies and guidelines on risk and control management. Support through facilitated risk assessments is provided by

a central team responsible for ensuring a robust process is implemented for risk management. During 2011, over 149 separate risk assessment workshops were conducted reviewing:

- risk in business unit strategies
- risks to achieving mine plans
- risks in capital projects
- risks to key change programmes.

The results of these risk assessments were reported to senior management and the Audit Committee. The process of risk management is designed to identify internal and external threats to the business and to assist management in prioritising their response to those risks. Continuous monitoring of risk and control processes, across headline risk areas and other business specific risk areas, provides the basis for regular and exception reporting to business management and boards, ExCo, the Audit Committee and the Board.

Some of the headline risk areas, which have been elaborated upon in the financial review, set out on pages 48 to 53, are:

- commodity price risk
- political risk
- counterparty risk
- infrastructure and operational performance risks.

The risk assessment and reporting criteria are designed to provide the Board with a consistent, Group wide perspective of the key risks. The reports to the Board, which are submitted at least every six months, include an assessment of the likelihood and impact of risks materialising, as well as risk mitigation initiatives and their effectiveness.

In conducting its annual review of the effectiveness of risk management, the Board considers the key findings from the ongoing monitoring and reporting processes, management assertions and independent assurance reports. The Board also takes account of material changes and trends in the risk profile and considers whether the control system, including reporting, adequately supports the Board in achieving its risk management objectives.

During the course of the year the Board considered the Group's responsiveness to changes within its business environment. The Board is satisfied that there is an ongoing process, which has been operational during

the year, and up to the date of approval of the Annual Report, for identifying, evaluating and managing the significant risks faced by the Group. This includes social, environmental and ethical risks as highlighted in the Disclosure Guidelines on Socially Responsible Investment issued by the Association of British Insurers. A detailed report on social, environmental and ethical issues is included in the Company's Sustainable Development Report 2011.

#### **Accountability and audit**

The Board is required to present a balanced and understandable assessment of Anglo American's financial position and prospects. Such assessment is provided in the Chairman's and Chief Executive's statements and the Operating and financial review of this Annual Report. The respective responsibilities of the directors and external auditors are set out on pages 122, 124 and 125. As referred to in the Directors' report, the directors have expressed their view that Anglo American's business is a going concern.