**Anglo American statement**

In response to the post published on 24th April on the Business and Human Rights Resource Centre website (which links to an O Tempo article on allegations of slave labour at the Brazilian project, Minas Rio) Anglo American would like to make the following statement:

As context, Anglo American has more than 1,700 direct employees and, at the end of 2013, had 20,000 indirect employees (including contractors etc) at its Brazilian project, Minas Rio. Throughout the construction of the site, we have cooperated fully with all audits and requests for information from Government institutions including those by the Brazilian Ministry of Labour and Employment (MTE) in late 2013/early 2014 which have led to the allegations referenced in the article.

In the employment of all of our contractors, we work to observe the highest standards and comply with both Brazilian legislation and observe all internationally-recognised human rights. This includes explicit support for the ILO’s core labour rights, including those designed to combat all forms of forced labour. Our focus is always on treating people with respect, dignity and common courtesy, and building trust through open, two-way communication. This means that we seek to ensure a working environment, both within Anglo American and in our contractors, that is inimical to any concept of modern slavery. The results of these audits are ones that we take very seriously and have responded to with urgency. The article references allegations of slavery as well as illegal outsourcing, both of which are responded to below.

With regards to the matter of overtime, Milplan, Enesa and Construtora Modelo are three companies currently contracted by Anglo American to support the construction of the Minas Rio beneficiation plant in Conceição do Mato Dentro, Minas Gerais. As is customary practice, workers at these companies have their minimum contracted hours and are also given the opportunity to work overtime. In this instance, workers worked and were duly compensated for additional overtime. The MTE has stated that some employees were working over and above legislated hours and that their working hours were deemed to produce an environment that was classified as slave labour. We strongly disagree with this definition. The workers involved volunteered for an opportunity to make extra money and, whilst the number of hours may have been outside of the recommended amount, these hours were not akin to anything approaching slave labour. Furthermore, when the contractor’s employees were interviewed by the MTE, they did not agree that their conditions were analogous to slave-like conditions and they all confirmed that their employment respected Brazilian legislation. Anglo American is in discussions with the MTE to appeal this ruling.

With regards to the allegations of illegal outsourcing, the MTE determined that of the 435 Tetra Tech employees contracted by Anglo American, 67 were taking direct instruction from Anglo American employees and were working in the area of Anglo American’s core business. As a result, these workers should have been directly employed by Anglo American, and not working as contractors. Anglo American was deemed to be illegally outsourcing as Brazilian guidelines determine that workers employed in a company’s core business activity should be hired by the company itself and not via a contractor.

Anglo American is also contesting this conclusion. Anglo American is a mining company and our core business is mineral extraction. In contrast, Tetra Tech is contracted as an engineering firm providing project management services to Anglo American during the construction phase of Minas Rio project. As a result, the service that Tetra Tech provides is not part of Anglo American’s core business and once construction is complete, the contract will come to an end. We do not accept the argument that Tetra Tech employees should be direct Anglo American employees as the services they provide are not part of our core business. Therefore, we do not assess that we have been illegally out sourcing employees.

The MTE’s assessment on both of the cases described above is being appealed through due process and may eventually result in a court ruling. We are confident that our appeal will give proper clarity to the situation.

With regards to future action, we have been signatories to the United Nations Global Compact for many years, and have been working to implement the UN Guiding Principles on Business and Human Rights since they were introduced. We are continually looking at ways in which the implementation of these principles can be better applied on the ground.