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| ESG Research Project  A thorough ESG analysis of three of the most notable companies within the gold mining industry: Newmont Corporation, Barrick Gold, and AngloGold Ashanti. |
| |  |  |  | | --- | --- | --- | | Luca Buselli | 7/27/23 | FIN-3700 | |

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# Abstract.

This report will cover a thorough ESG analysis of three of the most notable companies within the gold mining industry: Newmont Corporation, Barrick Gold, and AngloGold Ashanti. The mining industry goes a long way back in history and has always been a focus of concern and controversy regarding environmental, social, and governance implications. It is an industry that has seen it all—from mining catastrophes and international governance scandals to environmental hazards and managerial negligence. Hereby, I believe the basic materials sector, in particular the gold mining industry, sets perfect grounds for ESG analysis and evaluation through these three companies.

The gold mining industry has evolved significantly in the past several decades and even though companies like Newmont and Barrick Gold go back to operations in the early 20th century, this evaluation’s scope focuses on how they operate nowadays regarding ESG. Gold mining is a very standardized industry nowadays, “dozens of environmental and regulatory requirements ensure mining operations maintain the highest possible standards for safety and the environment” (The National Mining Association). Under these standards and the fact that “mining is one of the most heavily regulated industries in the world” (The National Mining Association), Newmont Corporations, Barrick Gold, and AngloGold Ashanti will be evaluated within strict common ground for accurate ESG scoring.

Moreover, as I started researching these companies, it came to my surprise that all three companies have several other disclosed documents that complement their regular ESG report. In other words, the ESG report is one of the many disclosed documents from these companies. For instance, in addition to AngloGold Ashanti’s “ESG &sustainability data workbook 2022”, they also have a “Sustainability Report”, “Modern Slavery Statement 2022”, “2022 Report to the Plenary Session of the Voluntary Principles on Security and Humans Rights”, and more. In addition, these companies follow the Global Reporting Initiative (GRI) standards, another metric and way of reporting impacts on the environment, human rights, corruption, governance, and more. The redundancy between these disclosures is a great example of the strict regulation but also the importance of these matters in the gold mining industry.

# E, S, and G – Weights and Scores.

The gold mining industry operates directly with the environment. Just like any other commodity, gold mining is at the beginning of several supply chains. The responsible extraction of gold is essential—these companies depend on the environment and the environment is of significant concern for them. There is direct contact with the environment at all stages of a mining operation: extraction, purification, transportation and closure. These companies are constantly using hazardous chemicals at large scale to extract, crush, grind, and purify minerals. **It is because of this that the Environmental criteria will be weighted 35% of the final ESG score for each company**.

Gold mining is an international business. All these three companies have major operations abroad, usually in developing countries that deal with political instability and poverty. Moreover, mining tends to happen in very remote parts of a country (usually far away from major cities). In many cases, these communities are severely isolated from governmental attention (such as the Newmont Yanacocha mine in Peru). Due to this, these big international companies end up taking a big role in these communities. After having analyzed each of the companies’ 10-K’s, efficient local community relationships tend to be one of the major risk factors for all three companies. Bad community relations might incur substantial loss in profit and production for mining companies. **It is because of this that the Social criteria will be weighted 45%**.

**Finally, the Governance criteria will be weighted 20% in the final ESG rating**. Even though it will be weighed less than the Environmental and Social category, it is still very significant. This industry deals with severe regulatory and disclosure policies. It is connected to the Social category in this sense, in order to have better community relations, disclosure of the company’s governance is crucial. In the past, there have been several scandals within the industry regarding managerial practices and therefore, governance is something taken very seriously among stakeholders. It is because of this that the Governance criteria is worth 20% of the ESG score.

# Final Rating Criteria.

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| **Rating Criteria: Environmental, Social, & Governance (ESG) Summer Quarter 2023** | | | | | | | |
| ***Note: This Example Uses Hypothetical Data.*** | | | | **Corporations by Ticker Symbol\*\*** | | |  |
| Scale: 0 to 5 with 5 Highest ESG Score. | | | |  |  |  |  |
| **Category/Criteria** | | | **Weight** |  |  |  |  |
| **Environmental** | | | **35%** | **NEM** | **GOLD** | **AU** |  |
| Water & Use Conservation | | |  | 4.0 | 5.0 | 3.0 |  |
| Sustainable Natural Resource | | |  | 5.0 | 2.0 | 5.0 |  |
| Pollution/Toxics | | |  | 4.0 | 2.0 | 4.0 |  |
| Clean Technology | | |  | 5.0 | 4.0 | 5.0 |  |
| Climate Change/Carbon | | |  | 5.0 | 4.0 | 5.0 |  |
| Green Building Smart Growth | | |  | 5.0 | 3.0 | 3.0 |  |
| **Total Environmental** | | |  | **28.0** | **20.0** | **25.0** |  |
|  |  |  |  |  |  |  |  |
| **Social** | | | **45%** |  |  |  |  |
| Workplace Safety | | |  | 5.0 | 3.0 | 5.0 |  |
| Labor Relations | | |  | 3.0 | 3.0 | 5.0 |  |
| Work-place Benefits | | |  | 5.0 | 3.0 | 5.0 |  |
| Diversity & Anti-Bias Issues | | |  | 5.0 | 5.0 | 5.0 |  |
| Community Development | | |  | 5.0 | 5.0 | 5.0 |  |
| Human Rights | | |  | 5.0 | 5.0 | 5.0 |  |
| **Total Social** | | |  | **28.0** | **24.0** | **30.0** |  |
|  |  |  |  |  |  |  |  |
| **Governance** | | | **20%** |  |  |  |  |
| Corporate Political Contributions/Anti-Corruption | | |  |  |  |  |  |
|  | 5.0 | 5.0 | 5.0 |  |
| Executive Compensation | | |  | 4.0 | 5.0 | 5.0 |  |
| Board Diversity | | |  | 3.0 | 3.0 | 4.0 |  |
| Board Independence | | |  | 5.0 | 3.0 | 5.0 |  |
| Shareholder Returns | | | **Required** | 2.0 | 1.0 | 1.0 |  |
| Controversy Level Website #137\* | | | **Required** | 3.0 | 2.0 | 3.0 |  |
| **Total Governance** | | |  | **22.0** | **19.0** | **23.0** |  |
|  |  |  |  |  |  |  |  |
| **Total Weightings (Must = 100%)** | | | **100%** |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Total Weighted ESG Score. Where Score of 100.0 is Highest Possible.** | | |  | **89.3** | **72.0** | **89.5** |  |
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|  |  |  |  |  |  |  |  |
| **Ticker\*\*** | **Company\*\*** | | **Sector** | | **Industry** | | |
| NEM | Newmont Corporations | | Basic Materials | | Gold | | |
| GOLD | Barrick Gold Corp. | | Basic Materials | | Gold | | |
| AU | AngloGold Ashanti | | Basic Materials | | Gold | | |

# Newmont Corporation.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Corporation** | **Ticker** | | **Sector** | | **Industry** | **ESG**  **Score**  **(Excel)** | **ESG Rank** |
| **Newmont** | **NEM** | | **Basic Materials** | | **Gold** |  |  |
| **Environmental**  **Weight: 40%** | | | | **Leave Blank** | **Weighting Justification:**   * **Explained on page 3 of the report.** | | |
| Water & Use Conservation | | Score: | | 4.0 | **Justification:**   * Detailed excel sheet with the company’s Water Stewardship from 2018-2022 * 73% of water used in all their operations is reused/recycled. +1% from last year. This is water recycled divided by total water used. * 70,223 megaliters of water used comes from precipitation, total water withdrawn being 134,178 megaliters (more than half). * Total water consumed (withdrawn minus discharge) was 99,369 megaliters, lowest amount of water consumed since 2018. | | |
| Sustainable Natural Resource | | Score: | | 5.0 | **Justification:**   * 73% of total water usage was reused in 2022 and has kept being more than 70% since 2018. Newmont’s biggest total water withdrawal comes from precipitation. | | |
| Pollution/Toxics | | Score: | | 4.0 | **Justification:**   * Cyanide use decreased from (thousand tonnes) 59.1 in 2018, 47.3 in 2019, 45.4 in 2020, 40.9 in 2021, 38.1 in 2022. * 392 of environmental spills on site for 2022. A spill is referred to the loss of materials outside of engineered containment. Even though this is the lowest number of spills since 2019, by volume, it accounted for more Cyanide spills than the previous year (from 371 kiloliters to 994 kiloliters) and the most “significant” and “other significant” spills since 2018. | | |
| Clean Technology | | Score: | | 5.0 | **Justification:**   * The Yanacocha PPA was transitioned in 2022 to be sourced entirely from renewables, which has reduced the site’s Scope 2 emissions by 0.089 Mt CO2e compared to the 2018 baseline. * Currently focused on studying renewable energy projects at four operating sites — Boddington, Tanami, Merian and Peñasquito — that, combined, would be responsible for reducing approximately 70 percent of the targeted 2030 Scope 1 and 2 emission reductions. | | |
| Climate Change/Carbon | | Score: | | 5.0 | **Justification:**   * Since 2020, Newmont’s public climate targets have been to reduce greenhouse gas (GHG) emissions by 32 percent. * Green House Emission (GHE) intensity is in its lowest since 2018 on 0.57 CO2 per GEO based on Scope 1 and market-based Scope 2. Aswell as 0.54 based on Scope 1 and location-based Scope 2. * 57.4% of total emissions under emissions-limiting regulations. | | |
| Green Building Smart Growth | | Score: | | 5.0 | **Justification:**   * A new Global Biodiversity Framework was adopted. The framework includes four long-term goals (2050) and 23 targets for action by 2030. * In 2022, Newmont became a founding member of this industry/university consortium to advance tailings-related education and research through three U.S.-based universities. * Developed a preliminary pipeline (roadmap) of decarbonization projects and initiatives across the company’s operating assets to support our 2030 emission reduction targets. | | |
| **Total Environmental** | | **Score:** | | **28.0** | To obtain Total Score: Highlight Score, right click on cell and then “Update Field” | | |

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| --- | --- | --- | --- |
| **Newmont** | | **NEM** | **Leave Blank** |
| **Social**  **Weight: 40%** | | **Leave Blank** | **Weighting Justification:**   * **Explained on page 3 of the report.** |
| Workplace Safety | Score: | 5.0 | **Justification:**   * Fatalities for 2022 = 0 * Lost Time Injury Frequency Rate = 0.22 * Total Recordable Injury Frequency Rate = 0.41 * Occupational Illness Frequency Rate = 0.01 * Better results than previous years. |
| Labor Relations | Score: | 3.0 | **Justification:**   * 393 Tier 1 total complaints for the year, 81% addressed within 30 days. These are complaints that can be resolved by the complainant and the Company. * Tanami received 0 complaints in 2022. |
| Work-place Benefits | Score: | 5.0 | **Justification:**   * $1.50 billion in employee wages and benefits. * Ratio Female/male avg salary   + Argentina = 1.1   + Australia = 0.9   + Canada = 1.0   + Ghana = 1.0   + Mexico = 1.2   + Peru = 1.2   + Suriname = 1.0   + US = 1.0 |
| Diversity & Anti-Bias Issues | Score: | 5.0 | **Justification:**   * Included in the Bloomberg Gender Equality Index (GEI) for 5 years in a row including 2022. * In October 2022, members of the Regional and Site Leadership Teams at our Boddington operation in Australia participated in a First Nations cultural immersion experience, traversing areas of cultural/ historical significance to both the Wiilman and Binjareb clans of the Nyoongar Nation. |
| Community Development | Score: | 5.0 | **Justification:**   * Newmont’s direct economic contributions in 2022 totaled $11.07 billion, which includes $4.19 billion in operating costs, $1.75 billion in capital spending, $2.03 billion in payments to providers of capital, $1.53 billion in taxes, royalties and other payments to governments, and $67.65 million in community investments. |
| Human Rights | Score: | 5.0 | **Justification:**   * Score was 95% in 2022 on the Humans Rights Council Corporate Equality Index. * Clear company policies on human rights standards |
| **Total Social** | **Score:** | **28.0** | To obtain Total Score: Highlight Score, right click on cell and then “Update Field” |

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| **Newmont** | | **NEM** | **Leave Blank** |
| **Governance**  **Weight: 20%** | | **Leave Blank** | **Weighting Justification:**   * **Explained on page 3 of the report.** |
| Corporate Political Contributions/Anti-Corruption | Score: | 5.0 | **Justification:**   * Newmont does not operate in any of the countries designated among the 20 lowest rankings in the 2022 Transparency International Corruption Perception Index. |
| Executive Compensation | Score: | 4.0 | **Justification:**   * For the 2023 bonus payout (based on 2022 performance), the Executive Leadership Team had business, as well as personal, objectives aligned with each of the five pillars of the Corporate Strategy — health and safety, operational excellence, growth, people, and ESG. Health, safety and sustainability metrics represented around 53 percent of the actual payout and between 47 percent and 75 percent of the regional and site performance bonus payouts. |
| Board Diversity | Score: | 3.0 | **Justification:**   * The Board is composed of not fewer than 8 and not more than 17 directors, as specified in the Corporation’s By-Laws * Recognized in NACD for board diversity in 2018. |
| Board Independence | Score: | 5.0 | **Justification:**   * The Board must have substantial majority (75% or more) of directors who meet the criteria for independence required by the New York Stock Exchange (the “NYSE”), any applicable laws, rules and regulations and the guidelines established by the Board. The Governance Committee is responsible for reviewing with the Board, on an annual basis, whether Board members satisfy this independence requirement. * Great board guidelines. |
| Shareholder Returns  (Required) | Score: | 2.0 | **Justification:**   * Not exceeded S&P 500, nor Peer Group for the year 2022. |
| Controversy Level  Reverse Scoring (Required) | Score: | 3.0 | **Justification:**   * Yahoo Finance controversy level = 3 * Sustainalytics controversy level = 3 * (peer avg = 2.5) |
| **Total Governance** | **Score:** | **22.0** | To obtain Total Score: Highlight Score, Right click on cell and then “Update Field” |

# Barrick Gold Corporation.

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| **Corporation** | **Ticker** | | **Sector** | | **Industry** | **ESG**  **Score**  **(Excel)** | **ESG Rank** |
| **Barrick Gold** | **GOLD** | | **Basic Materials** | | **Gold** |  |  |
| **Environmental**  **Weight: 40%** | | | | **Leave Blank** | **Weighting Justification:**   * **Explained on page 3 of the report.** | | |
| Water & Use Conservation | | Score: | | 5.0 | **Justification:**   * Total Water Withdrawal: 170,773 Megaliters * 83% of water is reused or recycled. * Overall consumption 74,676ML of water achieving a water use intensity of 0.0005ML per tonne of ore processed. | | |
| Sustainable Natural Resource | | Score: | | 2.0 | **Justification:**   * 10% of all gold produced is now used in technology, including medical and renewable technologies. * Company talks about the sustainable benefits of gold (their product) but not really on how their mining is sustainable. | | |
| Pollution/Toxics | | Score: | | 2.0 | **Justification:**   * 572 total number of spills * 74,512 Tonnes of hazardous waste (more than previous years) * 79,357 non-hazardous wastes (more than previous years) * 56,094 total wastes recycled (more than previous years) | | |
| Clean Technology | | Score: | | 4.0 | **Justification:**   * Some of the factors behind emission reduction are due to investments in solar power in the US and hydropower stations in DRC. * Veladero (Argentina) completed a $54 million power line to connect it to the electricity grid which is expected to reduce emissions at the site by 100,000 tonnes of CO2-e each year. | | |
| Climate Change/Carbon | | Score: | | 4.0 | **Justification:**   * GHG Emissions Statement: • Scope 1: 5,981,000 metric tons of CO2 equivalent (CO2 e) • Scope 2 – Location Based: 1,419,000 metric tons of CO2 e • Scope 2 – Market Based: 724,000 metric tons of CO2 e * 6% year on year reduction and an 11% reduction against 2018 baseline | | |
| Green Building Smart Growth | | Score: | | 3.0 | **Justification:**   * Worked to move Hutia (a large rodent found in the Caribbean) away from the quarry to a safer location away from the mine site | | |
| **Total Environmental** | | **Score:** | | **20.0** | To obtain Total Score: Highlight Score, right click on cell and then “Update Field” | | |

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| **Barrick Gold** | | **GOLD** | **Leave Blank** |
| **Social**  **Weight: 40%** | | **Leave Blank** | **Weighting Justification:**   * **Explained on page 3 of the report.** |
| Workplace Safety | Score: | 3.0 | **Justification:**   * 5 Work Related Fatalities 2022 * Lost time injury frequency rate = 0.29 (met company’s target) * Total recordable injury frequency rate = 1.39 (bellow target which is better) |
| Labor Relations | Score: | 3.0 | **Justification:**   * During 2022 the company received 422 grievances across the group. This was a 6% decrease compared to 2021. * Of the grievances received in 2022, 64% were resolved within our 30-day target. * Carried over 30 grievances from previous years. * 422 total grievances |
| Work-place Benefits | Score: | 3.0 | **Justification:**   * $1.82bn payments to employees. |
| Diversity & Anti-Bias Issues | Score: | 5.0 | **Justification:**   * 96% of the workforce are host country nationals. * Employees must take a training program included an initial quiz to test knowledge and comprehension of the company’s Business Integrity and Ethics program to determine the level of additional information and testing required in the compulsory training program. For the third consecutive year, 100% of required employees completed this training. |
| Community Development | Score: | 5.0 | **Justification:**   * During 2022, Barrick generated more than $10.6 billion in economic value in foreign countries where operations take place: Created 21,000 jobs, spent over $6 billion with local and host country suppliers and business partners. * Invested more than $36 million in community development projects from education facilities in Nevada, to business incubators in Dominican Republic and gender-based violence awareness in Tanzania. |
| Human Rights | Score: | 5.0 | **Justification:**   * Zero tolerance for violations of human rights committed by employees, affiliates, or any third parties acting on behalf of or related to any of the company’s operations. * Mandatory training to all employees about ethics and human rights. |
| **Total Social** | **Score:** | **25.0** | To obtain Total Score: Highlight Score, right click on cell and then “Update Field” |

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| **Barrick Gold** | | **GOLD** | **Leave Blank** |
| **Governance**  **Weight: 20%** | | **Leave Blank** | **Weighting Justification:**   * **Explained on page 3 of the report.** |
| Corporate Political Contributions/Anti-Corruption | Score: | 5.0 | **Justification:**   * Comply fully with Canada’s Corruption of Foreign Public Officials Act (“CFPOA”), the US Foreign Corrupt Practices Act (“FCPA”), and local anti-bribery or anti-corruption laws that may be applicable. |
| Executive Compensation | Score: | 5.0 | **Justification:**   * Salaries of the Key executives are disclosed in Yahoo Finance. |
| Board Diversity | Score: | 3.0 | **Justification:**   * Even though Barrick’s board of directors does not seem diverse, Barrick created The International Advisory Board, to provide advice to Barrick’s Board of Directors and management on geopolitical and other strategic issues affecting the Company. * Majority Male |
| Board Independence | Score: | 3.0 | **Justification:**   * There are many documents disclosed about the board yet thee seem to be vague and not different form the standard. |
| Shareholder Returns  (Required) | Score: | 1.0 | **Justification:**   * n the year-to-date period, GOLD achieves a 3.29% return, which is significantly lower than SPY's 19.99% return. Over the past 10 years, GOLD has underperformed SPY with an annualized return of 1.50%, while SPY has yielded a comparatively higher 12.49% annualized return. |
| Controversy Level  Reverse Scoring (Required) | Score: | 2.0 | **Justification:**   * Yahoo Finance controversy level = 4 * Sustainalytics controversy level = 4 * (peer avg = 2.5) |
| **Total Governance** | **Score:** | **19.0** | To obtain Total Score: Highlight Score, Right click on cell and then “Update Field” |

# AngloGold Ashanti

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Corporation** | **Ticker** | | **Sector** | | **Industry** | **ESG**  **Score**  **(Excel)** | **ESG Rank** |
| **AngloGold Ashanti** | **AU** | | **Basic Materials** | | **Gold** |  |  |
| **Environmental**  **Weight: 40%** | | | | **Leave Blank** | **Weighting Justification:**   * **Explained on page 3 of the report.** | | |
| Water & Use Conservation | | Score: | | 3.0 | **Justification:**   * 104,054ML of reused water (67%) * 16,072ML from rainfall * 16,882ML from ground water | | |
| Sustainable Natural Resource | | Score: | | 5.0 | **Justification:**   * 8,475 Tonnes of recycled ferrous metal waste. * Aligned with the Sustainable Development Framework of the International Council on Mining and Metals (ICMM), of which AngloGold Ashanti is a member. | | |
| Pollution/Toxics | | Score: | | 4.0 | **Justification:**   * Total hazardous Waste Incineration = 1,805 Tonnes. | | |
| Clean Technology | | Score: | | 5.0 | **Justification:**   * AngloGold Ashanti’s decarbonization plan started in 2008 to reduce GHG emissions intensity by 30% from a 2007 base. They have achieved a 47% reduction in GHG emissions intensity through fuel switching and efficiency improvements. | | |
| Climate Change/Carbon | | Score: | | 5.0 | **Justification:**   * Scope 1 and 2 GHG emissions rose (1.47MT vs 1.38MT), a 7% increase, compared to 2021. Final Scope 1 and 2 emissions ended at 1.486MT. | | |
| Green Building Smart Growth | | Score: | | 3.0 | **Justification:**   * 223 ha of land rehabilitated in 2022 | | |
| **Total Environmental** | | **Score:** | | **25.0** | To obtain Total Score: Highlight Score, right click on cell and then “Update Field” | | |

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| **AngloGold Ashanti** | | **AU** | **Leave Blank** |
| **Social**  **Weight: 40%** | | **Leave Blank** | **Weighting Justification:**   * **Explained on page 3 of the report.** |
| Workplace Safety | Score: | 5.0 | **Justification:**   * 41% reduction in year-on-year total recordable injury frequency rate * 51% reduction in year-on-year all occupational disease frequency rate |
| Labor Relations | Score: | 5.0 | **Justification:**   * Except in Australia, Colombia and the United States, most employees in operating jurisdictions are union members. |
| Work-place Benefits | Score: | 5.0 | **Justification:**   * Follow local employment procedures and programs to ensure the regulatory requirements in employment practices are met. |
| Diversity & Anti-Bias Issues | Score: | 5.0 | **Justification:**   * In 2022 the representation of women in middle management and above improved from 17% in 2021 to 19% in 2022. * In South Africa, the company has achieved the country’s Historically Disadvantaged South Africans (HDSA) targets set for middle management (64%), junior management (71%) and semi-skilled employees (100%). * Female representation at Executive Management level is 38%. * AngloGold Ashanti was listed in the Bloomberg Gender-Equality Index (GEI) scoring of 61% and places the company above the average sector score of 56%. |
| Community Development | Score: | 5.0 | **Justification:**   * Community investment: $18 Million * In 2022, the Guinea project provided technical training to 32 beneficiary groups, consisting of 706 women, and purchased farming equipment necessary to enhance production, which resulted in the sale of 32,600kg of crops. * Partnered with various non-profit organisations to implement skills development and education programmes, including science, technology, engineering and mathematics programmes, for 662 beneficiaries in South Africa. |
| Human Rights | Score: | 5.0 | **Justification:**   * 99.9% security personnel trained on human rights policies. * AngloGold Ashanti’s Human Rights Governance Framework and Human Rights Policy statement are aligned to the UNGPs. * Company has a “Modern Slavery Statement” |
| **Total Social** | **Score:** | **30.0** | To obtain Total Score: Highlight Score, right click on cell and then “Update Field” |

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| **AngloGold Ashanti** | | **AU** | **Leave Blank** |
| **Governance**  **Weight: 20%** | | **Leave Blank** | **Weighting Justification:**   * **Explained on page 3 of the report.** |
| Corporate Political Contributions/Anti-Corruption | Score: | 5.0 | **Justification:**   * Commitment to zero tolerance for all forms of bribery and corruption * Clear Anti-Bribery and Anti-corruption disclosure. |
| Executive Compensation | Score: | 5.0 | **Justification:**   * AngloGold Ashanti's CEO is Alberto Zuleta, appointed in Sep 2021, he has a tenure of 1.83 years. His total yearly compensation is $2.38M , comprised of 64.8% salary and 35.2% bonuses, including company stock and options. * He directly owns 0.002% of the company’s shares, worth $148.30K. The average tenure of the management team and the board of directors is 1.3 years and 3.5 years respectively |
| Board Diversity | Score: | 4.0 | **Justification:**   * Female representation at Board is 30%. * 20% Black Representation. |
| Board Independence | Score: | 5.0 | **Justification:**   * The Board is comprised of a majority of non-executive directors. * The Chief Financial Officer of the Company is appointed to the Board to ensure that there is more than one access point to Management. * Directors appointed by the Board are hold office only until the next annual general meeting at which they will retire and become available for re-election. |
| Shareholder Returns  (Required) | Score: | 1.0 | **Justification:**   * In the year-to-date period, AU achieves a 16.23% return, which is significantly lower than SPY's 20.01% return. Over the past 10 years, AU has underperformed SPY with an annualized return of 5.90%, while SPY has yielded a comparatively higher 12.48% annualized return. |
| Controversy Level  Reverse Scoring (Required) | Score: | 3.0 | **Justification:**   * Sustainalytics controversy level = 3 * (peer avg = 2.5) |
| **Total Governance** | **Score:** | **23.0** | To obtain Total Score: Highlight Score, Right click on cell and then “Update Field” |

# Additional Remarks.

Based on this ESG analysis, AngloGold Ashanti scored the highest. Nevertheless, this analysis was not as easy as I thought it was going to be. For commodities such as gold, one has to really understand the industry in order to make assumptions or even analyze the company’s reports. In addition to the several metrics and units of material, these companies operate in more than one exchange market and tend to operate in several countries with different currencies. It’s a very complex environment for analysis to take place.

As mentioned in the Abstract section of the report, mining is one of the most regulated industries in the world. All these three companies had several disclosed documents regarding ESG, sustainability, and positive impacts. This made the analysis even more complex.

Nevertheless, as I read about each company, I was able to make sense of the results. AngloGold Ashanti is by far the most service-oriented company from the three. The rhetoric and information disclosed in its annual report surpassed that of Newmont and Barrick Gold. AU’s transparency was much greater than that of Barrick and Newmont, this was evident by the fact that they would disclose information even when it reported negative performance is certain sectors. The opposite of this was Barrick. It came to my surprise that even though they are a big, formal, and recognized company in the industry, their annual report lacks transparency and important information. In addition, their annual report focuses mainly on the income and the finance aspect of their company. On the other hand, Newmont was a good “in-between”. Its also important to point out that from the three companies, Newmont scored the highest within the Environmental category. This explains why Newmont’s ESG score was very close to that of AngloGold Ashanti.

One other important factor, I believe, is the difference is size. These companies do not have the same number of employees and I believe this plays a huge role in management, regulation enforcement, and general managerial practices and disclosure of true information.

# References.

**Abstract:**

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