

Opinion **Anglo American PLC**

Lead mining pollution in Zambia is an ESG test case

Investors must decide where they sit in dispute over former Anglo American Kabwe mine



The lead smelting plant at Kabwe, Zambia, in 1981. The mine was part of the Anglo American Group for 50 years © Aspic/Alamy

Peter Hain 6 MINUTES AGO

The writer, a Labour peer, is a former cabinet minister and anti-apartheid campaigner

Early next year a landmark case will be heard in the South African High Court that will determine if a class action by a community in Zambia should be allowed to proceed after Anglo American, one of the world's largest mining companies, left Kabwe to become [“the world's most toxic town”](#).

The case, filed by Johannesburg and London law firms, Mbuyisa Moleele and Leigh Day, alleges that Anglo American was negligent in allowing uncontrolled lead contamination, and not ensuring that lead in the environment was cleaned up even after research showing widespread serious lead poisoning and the deaths of local children.

The responsibilities of businesses, as well as states, to respect human rights is recognised under international law. Failing to meet expectations to protect people and the environment means that companies increasingly face huge reputational and financial risks.

It seems to me and other Action for Southern Africa campaigners that the management of the Kabwe lead mine in Zambia, part of the Anglo American Group for 50 years, has resulted in a public health and environmental catastrophe, still affecting generations of children and women after almost a century of metal mining and smelting.

Lead levels in Kabwe's soil are many times higher in some areas than the US Environmental Protection Agency's limit. The incidence of childhood lead poisoning there is among the highest in the world, especially in those under the age of three. The World Health Organization and the US Centers for Disease Control advise that there is no safe level of lead and that even very low levels of blood lead cause IQ deficits and behavioural problems. They recommend public health interventions and blood lead screening of individuals with levels that are less than a tenth of the levels observed in young children in parts of Kabwe.



Lead levels in Kabwe's soil are many times higher in some areas than the US Environmental Protection Agency's limit © Leon Sadiki

This coming January, the South African High Court will decide whether a class action, brought on behalf of approximately 140,000 Kabwe residents against Anglo American South Africa, may proceed. The case is set to be one of the largest human rights class actions in history, with compensation that could exceed previous awards.

However, Anglo American denies liability, placing the blame on other companies and on the Zambian government. Anglo disputes that the Kabwe community should be allowed to pursue a class action. It unsuccessfully opposed the intervention of a group of UN Special Rapporteurs and UN Working Groups who point out that Anglo's stance is at complete variance with the UN's guiding principles on business and human rights — which Anglo publicly endorses through its own group human rights policy.

Alarm bells will surely ring for investors worried about the damage the Kabwe case is doing to the company's reputation, given the increasing importance of environmental, social and governance business policies.

ESG is now considered the biggest risk for disruption by mining executives, according to KPMG's Global Mining Outlook 2022. This is the first time in the report's 12-year history that a drop in commodity prices is not the leading concern. Many of them, including some of the world's largest fund managers like Fidelity, BlackRock and Vanguard, are also signatories to the Principles for Responsible Investment endorsed by the UN, which works to use responsible investment to enhance returns and better manage risks.

The Kabwe case is a particularly egregious example of alleged corporate human rights abuse. If successful, the law will set a precedent for companies to be held liable to compensate for historical harms. The case is also a test of international commitments to human rights abuses and access to justice for some of the poorest people living in an ongoing public health emergency. On which side of history will investors choose to sit?

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