

Working for sustainable development in primary industry

The importance of sustainable development



Sustainable development includes passing on to future generations a stock of 'capital' that is at least as big as the one that our own generation inherited. Capital in this sense means the world's assets, these include money, buildings and less tangible assets such as the stock of skills and social systems, as well as natural resources.

Many ores that are mined have no intrinsic value - they need to be mined and processed in technically complete systems before they can be turned into money when the resources company sells them. Anglo American is committed to contributing to sustainable development. It was designated the mining sector leader for 2004/5 in the Dow Jones Sustainability Index. In 2005 it also received the Business in the Community International Award for its contribution to the Millennium Development Goals in Africa.

Global demand for most metals continues to grow at 2%-4% per annum. Recycling and re-use can only meet some of this growth. As more people aspire to a higher standard of living, firms working in the primary sector face the challenge of finding and mining the materials needed to make the goods required.

Responsible use of all natural resources benefits both the next generation and companies (because the costs are reduced). It includes reducing the amount of resources that are used (input - e.g. iron and coal) for the amount of product (output - e.g. steel).

In August 2002, South Africa hosted the World Summit on Sustainable Development (WSSD). The Summit wrestled with the problem that huge imbalances in wealth between countries provide the biggest challenge for global development. Mineral deposits are vital to the development of many poorer nations as well as to the continuance of rich countries' lifestyles. Extracting these sensitively allows these poorer countries to develop their education and health systems and other forms of human and social capital.

The United Nations set out the Millennium Development Goals for the year 2015. These include:

- * developing a global partnership for sustainable development
- * halving the numbers of people living on less than \$1 a day or suffering from hunger
- * ensuring all children complete primary schooling
- * halting the spread of AIDS and other major diseases.

Many businesses accept they have a responsibility to work with international bodies (e.g. the United Nations or the World Bank), governments, Non-Governmental Organisations (e.g. Sightsavers International, Oxfam or Save the Children) and communities worldwide to work towards sustainable development. In mining, this typically involves using natural capital (the rewards from extracting raw materials) to build social and human capital (e.g. schools, hospitals and worthwhile jobs and skills). Anglo American strives to achieve this as described below. Amongst other things, it also involves encouraging recycling; improving mine safety; stewardship of biodiversity and restoring worked-out mines and quarries to alternative uses.