

Working for sustainable development in primary industry

Introduction

Anglo American is one of the world's largest mining and natural resources companies. It operates in more than 60 countries, and is involved in the production of precious metals such as gold and platinum, other metals such as copper and iron ore, coal, paper and packaging and industrial materials. Anglo American operates in the primary sector. These are industries that are involved with the extraction or production of raw materials. Primary production can be divided into two parts: those materials that produce renewable resources (if well managed) such as farming, forestry and fishing, and those that deal in non-renewable resources such as mining coal and metal. Anglo American principally works in the second part, but still tries to meet the challenge of sustainable development.

Background

To be 'sustainable' means passing on a stock of resources to the next generation at least equal to the one this generation started with. Emerging economies increase the demand for such materials and, in addition, many poorer countries need to extract raw materials in order to make enough money to fund social capital such as schools and hospitals. The United Nations has set out Millennium Development Goals for 2015. These include:

- * developing global partnerships for sustainable development
- * halving the number of people living on less than a dollar a day, or suffering from hunger
- * ensuring all children complete primary schooling
- * halting the spread of AIDS and other major diseases.

Anglo American was recognised as the mining sector leader in sustainability in 2004/5 and in 2005 received the Business in the Community international awards for its efforts to support the Millennium Development Goals in Africa..

Stakeholders

Stakeholders are those individuals or institutions that have an interest in the success of a business. There can be conflict between stakeholders as not all have the same priorities. Anglo American believes that shareholders' interests are best served by having due regard to all stakeholders. Importantly, this also means those stakeholders in the countries in which it operates.

Ethics

Anglo American's commitment to sustainable development and acting in an ethical - or morally correct - manner is shown in its 'Good Citizenship Business Principles'. This states the ways in which Anglo American can be accountable to each of its stakeholders by acting in a responsible and open way.

Long term commitment

Anglo American believes that a company can be judged on 'how well it treats people and the environments and communities in which it operates'. Each major operation has a three year Community Engagement Plan set out and reviewed by local managers to address stakeholder concerns. Anglo American also uses its business to contribute to social capital (such as transport and education) in the communities where it operates. For example, Anglo American provided anti-AIDS drugs to its HIV employees in South Africa, recognising a problem and helping to solve it. It has also developed a system that tries to balance the depletion of natural resources with an increase in social capital.

Conclusion

The nature of Anglo American's business means that it is extracting natural resources, many of which cannot be replaced. However, it is taking all the necessary steps it can to act in as sustainable a way as possible.