

## **CLOSING REMARKS TO THE GLOBAL MINING INITIATIVE**

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### **INTRODUCTION**

Three years ago when Anglo American signed up for the Global Mining Initiative it was already clear that the mining sector had much to learn about sustainable development and how it should position itself for a sustainable and profitable future. Since then we have all been on a learning curve that has increased as the MMSD unfolded. Today marks the end of an exciting beginning of the process and the start of a real dialogue.

### **DIFFICULT CONCEPT**

We have learnt first hand that there is no tidy definition of sustainable development and unfortunately there is no simple formula to apply. There are a host of contextual issues that have a material impact on the approaches to sustainable development and legitimate, but different, priorities for regions around the world. These different drivers were recognized in the Rio Declaration one of the founding documents for international consensus on sustainable development.

We are also learning that the dialogue is part of a journey that doesn't yet have a fixed endpoint. So, perhaps the most fitting commitment we can make now is to engage with and listen to stakeholders, to refining our own thinking and to forging partnerships to achieve some of these goals.

### **ANGLO'S COMMITMENTS**

As you will have seen from our latest SHE report (which was included in your delegate packs) we are progressing towards sustainable development in our thinking, our performance and in our reporting. Safety Health and Environment will continue to form the foundation of our sustainable development initiatives alongside our values which we have laid out in "*Good Citizenship: Our Business Principles*" which can be found at the back of our SHE report and on our website.

Our community engagement guidelines will be supported by social impact assessments for new projects. We are working on a methodology for systematic review of social impacts in existing projects, alongside reviews of our closure planning. Most of the key elements of an explicit sustainable development policy are already in place in our publicly stated approach to business.

We also recognize that many people have fears about the pace of globalization and the power of international corporations. In response companies need to be transparent and accountable in their pursuit of shareholder value and to be seen to be uplifting the communities in which they operate.

At Anglo American we have committed ourselves to:

- Making social, environmental and political considerations part of our investment criteria.
- Supporting the principles of the Universal Declaration of Human Rights and promoting the observance of human rights in the countries where we operate, when it lies within our power to do so.
- Promoting strong relationships with and enhancing the capacities of the communities of which we are a part. We will seek regular engagement about issues that may affect them.
- Reflecting the priorities of the local people, sustainability and cost effectiveness in our projects,
- Assessing the contribution our operations make to local social and economic development and to report upon it.

- Building constructive relations with relevant non-governmental organizations. Their input may lead to better practices and increase our understanding of our host communities.
- By the end of the year our operations will have plans in place which manage their engagement with communities – and that includes indigenous peoples.
- We will continue our small and medium enterprise development programme and the economic empowerment of previously disadvantaged people.

Good governance is critical both within the company and at national and international level. It is ultimately far easier to operate in countries where there is good governance, administrative justice and regulatory certainty. When investors, financiers or stakeholders perceive a country to be high risk – they require a higher return. They operate on premiums, not philanthropy.

### **INVESTMENT IN DEVELOPING COUNTRIES**

Those of us who operate in developing countries are acutely aware of the need to integrate fully social, environmental and economic evaluation into project feasibility. We are confronted on a daily basis with the desperate need for development, for jobs and for infrastructure. These needs pose challenges to government and business in relation to both existing operations and to the attraction of new investment.

What is needed therefore is firstly to bring all stakeholders to the table to find ways of ensuring the mining industry *remains engaged* on a profitable and sustainable basis in developing countries. Its presence must result in a material improvement in the lives of those living there – through jobs, through revenue and through building human and manufactured capital in return for the removal of mineral reserves.

We need to encourage and work towards increasing new investment flows to the developing world, thereby broadening the business base of their economies. In the case of Africa, the Canadian and UK government support for the New Partnership for Africa's Development is an important step towards a collective developed world investment thrust into the continent.

We cannot leave this to governments alone. Industry must also pursue new opportunities in the developing world if we are to achieve the global Millennium Development Goals of alleviating poverty. We need the support and the participation of other stakeholders in helping us to expand economic opportunities in the developing world.

### **IN CONCLUSION**

I view the MMSD research project as the end of the first stage of a much longer process. We are committed as a company to sustainable development and the full incorporation of its principles into our decision-making and strategic approaches. To do that we will engage more robustly on these issues with the other participants in this sector and will act both individually and with the other members of the ICMM.

Finally, I would like to echo the words of President Thabo Mbeki and express the hope that this sector will be well represented at the World Summit on Sustainable Development in Johannesburg this August and that we will be able to welcome you to one of the most sustainable mining camps on the planet.