



Sir Mark Moody-Stuart: Soul mining

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Andrew Murray-Watson

Mining groups are hardly known for their environmental credentials. But Sir Mark Moody-Stuart, the veteran chairman of Anglo American, is trying to change perceptions. He is a signatory on a new report out tomorrow from Tomorrow's Company, a business think-tank, which challenges the role of big business.

Sir Mark has joined other big-hitters in the worldwide business community - including Mervyn Davies, the chairman of Standard Chartered, and John Manzoni, chief executive of refining and marketing at BP - in contributing to the report and its thesis for the future of global enterprise.

They say in the introduction: "We all believe that for companies to succeed into the future, they must play a greater role in contributing to solving the problems that society faces, including environmental degradation, poverty and the abuse of human rights.

"We commit to doing all we can within our own organisations, and with others, to turn these conclusions into practice."

It is a sentiment that could easily have come from any corporate social responsibility report from any big Western group.

"It's good to be cynical," says Sir Mark, who evidently can see what yet another piece of business literature on the state of the planet must look like to the jaded observer. "To me this [report] is part of an exercise in learning and thinking about these issues. Lots of people are looking to redefine success to some extent."

The Tomorrow's Company report goes further. It also admits there are major issues that the market and the political system have not resolved - particularly climate change, areas of persistent poverty and abuses of human rights. It is even expected to say that, more often than not, fiscal systems do not drive the market in sustainable directions. It is not quite a road to Damascus U-turn for directors of multinationals to admit global markets are deeply flawed in these areas - but it's not far off.

And Sir Mark is a key figure in improving the track record of multinationals on issues such as climate change and, on a much smaller level, interacting with local communities in regions where companies such as Anglo American do business. He was also chairman of Shell from 1998 to 2001 and remains a director of banking giant HSBC and of Accenture, the consultants.

Sir Mark has other credentials to back his case that he has genuine concerns about the role of business that go beyond addressing the interests of investors and consumers. He also sits on the board of the Global Reporting Initiative, an organisation that encourages companies to

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adopt its sustainability reporting framework. The guidelines are used by a company to measure its economic, environmental and social performance, rather than purely its financial success.

It is easy for a company to outwardly adopt a set of principles without the requirement to alter internal procedures significantly when it comes, for example, to developing a new mine.

But for Sir Mark, adopting a more environmentally aware stance does not compromise bottom-line financial performance. "In the long run, such a position will be of benefit to Anglo American. Quite frankly, it can help us gain access to areas and opportunities."

However there are inevitably occasions when doing the right thing flies in the face of doing the most profitable thing.

Back in 2005, a Human Rights Watch report highlighted the alleged involvement of AngloGold Ashanti, a subsidiary of Anglo American, in developing links with the Nationalist and Integrationist Front in Congo. The report claimed that the FNI, blamed for a number of atrocities, gained help from AngloGold Ashanti in accessing a gold- mining site near the town of Mongbwalu. Human Rights Watch also said local warlords and international companies "are among those benefiting from access to gold-rich areas while local people suffer from ethnic slaughter, torture and rape."

But there are examples of where big business has worked alongside NGOs and local governments to protect local communities. Sir Mark highlights the Kimberley Process, a joint initiative to stem the flow of "conflict diamonds" - used by rebel movements to finance wars against legitimate governments.

He says: "Of course companies make mistakes. But there are interesting examples of when groups of companies get together with NGOs and governments to work together on an issue."

It would be churlish to suggest the Kimberley Process only came into existence after the media and NGOs demanded action to cut the amount of conflict diamonds ending up on the fingers of rich Westerners. It has proved an effective measure that has only worked thanks to the co-operation of the major mining companies.

Sir Mark sees Anglo American following a tradition set out in the 19th century by Cadbury and Rowntree - two chocolate companies founded on religious principles. "They started out saying it was in their interests to provide decent labour standards for their workers. Over time, these standards were adopted by government in law."

Sir Mark's determination that companies should not act for profit alone is a long-standing view. While at Shell, he set up an annual meeting with investors to discuss what some derided at the time as "namby pamby" issues. Such activity, which today falls under the umbrella label of corporate social responsibility, is now the norm. "In the end, this type of reporting is very important. Large companies are not always trusted. But we are not simply making these figures up."

For the mining industry, the views of executives like Sir Mark will become increasingly important as further consolidation takes place.

"I don't think there will be any mergers between the mega players," he says, "but I expect to see some deals among the smaller companies."

Of course many observers will always be convinced that company bosses are only ever

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concerned with profits. But for others, Sir Mark and the Tomorrow's Company report will offer hope that some of the world's largest corporations are at least addressing issues that for most people are far more important than balance sheets.

FOR MORE INFORMATION PLEASE CONTACT:

David Lourie, Head of Communications, Tomorrow's Company
david@tomorrowscompany.com +44 (0)20 7222 7443