

Written evidence submitted by Anglo American plc

Anglo American welcomes the Treasury Select Committee's inquiry into jobs, growth, and productivity after coronavirus and our response is focussed on questions regarding the Plan for Growth's replacement of the Industrial Strategy.

By way of background, Anglo American is a UK headquartered FTSE 100 listed global mining company with a portfolio that spans fertilisers, platinum, copper, diamonds, iron ore and several other minerals. Our portfolio of world-class assets produces the metals and minerals needed to power a cleaner, more sustainable future. Our metals are the essential ingredients in smartphones, electric cars and wind turbines and our basic materials build homes, offices, railways and airports that help form the backbone of the British economy.

Last year, we substantially increased our UK footprint when we acquired the Woodsmith polyhalite fertiliser project, following our acquisition of Sirius Minerals Plc in March 2020. Situated in North Yorkshire, Woodsmith is the world's largest known deposit of high-grade polyhalite - a low carbon fertiliser - and represents the North of England's largest private investment with a total investment cost of approximately £3 billion. Approximately 1,200 employees are currently constructing the mine, a number that has increased by 600 since we acquired the project. During the operational phase we expect to create an equivalent number of permanent jobs, alongside a further 1,000 in the UK supply chain, delivering skilled, highly paid jobs to the region. Woodsmith provides an opportunity to deliver long-term, sustainable economic opportunities which are well aligned with the Government's own ambitions as outlined in the Plan for Growth.

We are pleased to provide our contribution to this consultation and we would be happy to engage the Committee further if useful.

RESPONSE

- **Is the "Plan for Growth" an adequate replacement for the "Industrial Strategy"?**

As a multi-faceted business with a footprint across North Yorkshire, Teesside and Oxfordshire, Anglo American is very interested in the development of the UK's industrial policy.

We support the government's central objective of developing a complementary set of policies that aim to deliver a transformational approach, tackling long-term problems while driving economic growth that creates high-quality jobs across the UK.

To maximise the economic and social benefits of the private sector's significant investments to help build a more innovative and productive economy, a regulatory system for the UK needs to provide a supportive environment for businesses. Leaving the EU gives the UK an opportunity to maximise new

legislative freedoms and ensure policymaking supports private sector investment and innovation, enables business to flourish, and boosts growth.

Throughout the Plan for Growth the government recognises that “the private sector has a big role alongside the government in increasing investment and improving economic outcomes”. This is supported by the Prime Minister’s foreword “Above all, we will embrace the instincts and know-how of the wealth creators, those in the private sector who invest money and take risks on new ideas that lead to new jobs, new industry and some of the greatest advances humanity has ever known.” In our view it is essential that this sentiment is translated into a policy framework that enables the private sector and government to work together to produce positive social and economic outcomes. This is particularly true when trying to find solutions to problems in areas with historic underinvestment and suffering from post-industrial decline.

As a company we have spearheaded a unique form of private-public partnership through the implementation of our Collaborative Regional Development (CRD) programme at the Woodsmith Project. CRD is Anglo American’s model for supporting long-term, sustainable economic opportunities in the regions around its operations. As part of this activity Anglo American seeks out collaborative partnerships with relevant local stakeholders, including local government, third party organisations and economic development bodies. CRD recognises that achieving sustainable growth is too complex and too large a task to be solved by any one institution alone, but that it needs to be delivered through collaboration and partnership between the public and private sectors. Our aim is to act as a facilitator and catalyst for change in the regions that host our operations. As a consequence, we seek to support, enhance and complement the work of existing government-led agencies, whilst also bringing in other private sector and civil society organisations.

Our collaborative approach looks beyond the immediate vicinity of our sites to identify regional opportunities to support existing investments and initiatives, including through engagement with local government, to maximise the value to host communities, independent of Anglo American’s presence, so the benefits will be felt long beyond the life of the mine. Having been successfully rolled out across all of our mines in Southern Africa and Latin America, the CRD programme developed for North Yorkshire is the first time a multinational investor has attempted to deliver such a scheme in the UK.

Our initial analysis around our Woodsmith mine has highlighted opportunities to support the region in becoming a Net Zero leader through the growth of low carbon capabilities, in particular its offshore wind, carbon capture and storage, and hydrogen capabilities. We have also uncovered opportunities in cyber security, agricultural research and local business growth. Alongside this we have identified challenge areas including lower productivity and levels of R&D funding, workforce and skill issues, business presence, accessibility and specific areas of higher deprivation. In each of these areas the Woodsmith project, and the Anglo American group more broadly, have requirements or capabilities that, when linked to local initiatives, can support hundreds of additional jobs in the region and the UK more broadly. We think there are real synergies between this approach and the strategic ambitions of the government as outlined in the Plan for Growth. We would like to see the UK’s industrial policy evolve from the ‘sector deal’ focus that was present under the Industrial Strategy to a more holistic plan that provides active government support and investment in science and technology, skills and innovation. This should be coupled with a policy framework that provides the basis for a dynamic enterprise economy that embraces the instincts, expertise and experience of the private sector.

As the Plan for Growth replaces the Industrial Strategy, we would urge increased emphasis to be placed on how effective public and private sector partnerships can be forged to help achieve the Plan for Growth’s strategic aims. Anglo American believes that CRD could serve as an effective example for

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such collaboration and we would be happy to provide the Committee with more detail on CRD as its inquiry advances.

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