

Social and environmental responsibility

The pressure for social and environmental responsibility



Pressure for social and environmental responsibility comes from two main sources:

- * internal to the business
- * external to the business.

Internal pressures

Internal pressures are the most important ones in driving change. The decision-makers in Anglo American ensure it works towards sustainability. The Board of Directors has identified key strategic issues for the business. These include:

The Board establishes the key principles for using resources in the most efficient way. The business must work closely with local communities. It must also minimise the impact of its operations on the environment. Anglo American has created a series of policies and plans that put principles into action.



Shareholders are the owners of Anglo American and want the business to do well long-term. They recognise that stability, prosperity and community confidence are important in sustaining the business. These factors help to persuade other communities that mining can be compatible with a decent environment and social progress.

Another internal pressure comes from the company's need to recruit talented new staff and retain valued employees. Anglo American aims to attract and retain the services of the most appropriately skilled individuals. It relies on the skills, enthusiasm and commitment of its people to meet the needs of the business and to fulfill its aims and objectives. By showing it behaves responsibly with regard to the environment and the communities it works in, it can attract the widest range of people to the organisation.

External pressures

External pressures are also important. For example, legislation plays a part. The UK Parliament provides minimum standards for areas such as the treatment of workers, the environment and customers. Because they have an international reputation to protect, major multinational companies will generally seek to operate within the law. In almost all countries, governments are also the ultimate owner of mineral rights and provide a mining business with its licence to operate. In some developing countries, however, governments promote laws, but do not have the mechanisms to enforce them.

Meeting international standards

Anglo American also seeks to meet the increasing requirements of a number of international standards initiatives, including:

There are significant business pressures for behaving responsibly. Prosperous and stable communities support long-term business success. This leads to better returns for shareholders.

* the ten principles of the United Nations Global Compact. The governments of the thirty or so leading developed countries (the Organisation for Economic Co-operation and Development (OECD) have also adopted a set of guidelines. Multinational companies are expected to comply with these wherever they operate. There is a complaints process led by governments to support the guidelines.

* the International Labour Organisation has agreed guidelines for companies for the treatment of employees and contractors

* a number of initiatives which involve governments, NGOs and businesses working together voluntarily on issues like governance and human rights. Anglo American is party to two of these groupings whose guiding principles have become standards in practice – the Voluntary Principles on Security and Human Rights and the Extractive Industries Transparency Initiative.

Strong pressure in some markets may come from customers. Many customers demand high standards of ethical behaviour. There are also pressure groups such as the World Wide Fund for Nature (WWF), Oxfam or Amnesty, which seek to ensure that businesses operate ethically and in a sustainable way.