

## Social and environmental responsibility

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#### Introduction

Anglo American is one of the twenty largest UK-based companies. It is one of the world's leading international mining companies, employing 120,000 worldwide and 8,000 people in Britain. Most of its operations are in the primary sector, for example, extracting materials through mining and quarrying. Anglo American tries to operate in a way that promotes sustainable development through having a positive effect on different types of 'capital':

- \* social – increasing the life chances of people in local communities
- \* natural – reducing energy use and the impact of operations on nature
- \* manufactured – providing infrastructure; coping with waste
- \* human – supporting education and training--402.php">investing in skills
- \* financial – concentrating on the whole financial performance, not just objectives--planning-stakeholders--321.php"> returns to shareholders

#### Sustainable development

Sustainable development means not depleting stocks of these types of capital, but passing on at least as much as our generation started with. It shows respect for everyone who shares the planet now or in the future and respect for nature itself. As a major supplier of raw materials, Anglo American tries to balance its use of natural capital (e.g. ore deposits or water used in processing) by increasing human and social capital. To help, it has created a set of principles to meet targets of sustainable development.

#### In practice

When Anglo American carries out its mining operations, it tries to have a positive effect on three areas:

1. In the area where the mine is located, it carries out operations with care and tries to improve the life chances of local people.
2. In the area immediately surrounding the mine, it is active in conservation and improvement.
3. In the wider region around the mine, it contributes financially to local communities and helps to generate new businesses and other economic opportunities.

#### Pressures

There are pressures to be environmentally responsible from both within and outside the business. Internally, the Board decides how best to work with local communities and mine sensitively. Shareholders are also internal. As the owners of the company they want the business to do well, but to do so, Anglo American must be welcome in the communities where it works or wants to work in the future. By showing that it behaves responsibly, the business is also able to attract the best staff.

Externally, pressures come from policy--342.php">legislation[:/link] designed to protect the environment and from national and international standards and regulations. Customers and other external bodies, like NGOs, also demand high standards of performance.

#### Benefits

Acting responsibly gains the trust of communities, respect from governments and the public, and loyalty from customers.

It also gives the company an advantage when recruiting new staff. All stakeholders benefit and Anglo American has created a tool (the Socio-Economic Assessment Toolbox or SEAT) to ensure that it consults widely and regularly with local people and measures the impact of its activities in the areas where it operates. It can be used to ethics--331.php"> improve social responsibility and performance.

### **Conclusion**

As a major mining company, Anglo American recognises that it has social and environmental responsibilities in the areas in which it operates and that these are fundamental to its business. It has built itself a strong reputation in terms of sustainable operations and through its policies that are carried all the way through the company.