

Social responsibility - using resources more efficiently: An Anglo American case study



The challenge facing business and society in the 21st century is how to use resources more efficiently. Every business large or small needs to consider carefully:

1. how to reduce its use of energy
2. how to minimise waste.

The central economic problem is how to match finite resources with unlimited wants. With the demand for resources rising as the world economy grows this is becoming more of a challenge. Leading global companies like [Anglo American](#) strive to find new solutions to this problem every day.

Anglo American is one of the world's largest mining companies. Its portfolio of mining businesses spans precious metals and minerals - in which it is a global leader in platinum and diamonds, base metals (copper and nickel) and bulk commodities (iron ore, metallurgical coal and thermal coal). The company's mining operations and extensive pipeline of growth projects are located in southern Africa, South America, Australia, North America and Asia.

The purpose of the organisation is set out in a mission statement.

'to be the leading global mining company - through the operational excellence of world class assets in the most attractive commodities and a resolute commitment to safe and sustainable mining.'

In 2008 there was a downturn in world economic activity. This resulted from a loss of confidence in the world financial system. The downturn led to a steep fall in commodity prices such as coal, copper and platinum. By late 2009 these prices started to rise again as demand for commodities increased.

Sustainability

Although mining companies are affected by changes in economic activity, mining is a long-term investment business. Firms like Anglo American have to take a long term view of the business. This involves extracting commodities in a sustainable way over a long period of time. The company focuses on those commodities in which it has a favourable position. It concentrates on larger mines where extraction will be possible for many years into the future. It also looks at mining projects where costs can be kept to a minimum but where there are opportunities to expand operations.

There are several issues of sustainability facing Anglo American. Key ones are

- securing energy supplies, such as electricity and resources including water, for the future
- managing emissions to minimise harm.

Anglo American uses large quantities of energy in its operations. It also generates the potential for energy, e.g. by producing coal to generate power stations. A key aim of the company therefore is to do more with less. It must achieve maximum efficiency with minimum waste.

Anglo American believes that by operating in innovative and socially responsible ways it can do things better than its rivals. Doing things better in business is referred to as competitive advantage. Social responsibilities are those duties to all the stakeholders of a business, not just the shareholders. Embedded within social responsibility is the concept of sustainable development. Sustainable development involves using resources so that:



- resources are available to meet the needs of people now
- resources can be available to future generations
- the needs of the natural

environment are respected.

This case study shows how Anglo American, through its aims and objectives, is driving forward its approach to sustainable development.