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## **Business needs to be more socially conscious**

By Jared Genser and Chris Fletcher

SINCE the wage talks between the world's three top platinum producers and the unions began, it became clear that conditions for the country's mine workers must be improved, even if their current demands aren't met.

With protests entering their 11th week, attention must be placed on the role of the miners and the broader place of corporate social responsibility (CSR) in promoting respect for human rights. Often confused with philanthropy, CSR is a more expansive concept. It involves the methods through which a company manages its social and environmental impact by integrating respect for internationally recognised human rights and sustainability standards into core operations. Philanthropy is but one tool in the CSR tool kit. CSR addresses the ways in which a company not only spends its money, but also how a company makes it.

In 2010, CSR principles crystallised at the United Nations with the Human Rights Council's unanimous endorsement of the "Protect, Respect and Remedy" three-pillar framework, and then in 2011 with the "general principles" for implementation. Pillar two of the framework requires companies to respect all internationally recognised human rights. So companies must avoid causing or contributing to adverse human rights impacts, and address negative impacts when they occur.

With this in mind, one tool companies can use to manage their human rights impact is stakeholder engagement. This practice involves engaging all stakeholders within a corporation's sphere of impact about environmental and social issues related to company operations.

The recent killing of one protester at Anglo American's mine, which occurred 18 months after the Lonmin protests in which 44 miners were killed, reaffirms the need for companies to engage their range of stakeholders in order to identify negative impacts for which companies may be responsible. In what ways are companies operating well? In what areas should they be improving? When companies use stakeholder engagement, they maximise the potential for a stable operating environment and minimise the potential for abuses; when companies do not do this, the consequences can be grave.

If Anglo American had effectively used stakeholder engagement, specifically a grievance mechanism, the company could have addressed the miners' concerns about low wages and thus averted the tragedy.

While South African police fired rubber bullets at protesters at Anglo American's mine, Africa's largest mining conference was under way in Cape Town. The Investing in Africa Mining Indaba

deserves some credit for addressing the critical juncture between business and human rights in the mining industry.

Yet the conference was the focus of protests, with unions and the Alternative Mining Indaba demonstrating outside the event. The conference and resulting protests attest to the urgent need for Anglo American and other mining companies to undertake concrete actions consistent with international CSR standards. If they fail to do so, the companies are inviting further instability.

From a human rights perspective the violence at Anglo American's mine is devastating. Who will blame the miners if they do not wish to return to a potentially dangerous work environment? From a purely financial perspective, the strike is crushing. Involving more than 70,000 mine workers daily, it has crippled production, costing SA \$36m per day. As a result of financial losses, Anglo American, the world's largest platinum producer, has to lay off 1,000 employees.

The protests also spread to other mines, including those operated by Impala Platinum and Lonmin. With unions and companies left in a standoff, contagion remains a credible concern in the South African mining industry.

Sadly, the Anglo American and Lonmin episodes are not unique to South Africa. These incidents occur with too much frequency, both in open, democratic societies like South Africa, and in those in transition such as Burma. In November 2012, the Burmese held a demonstration against Chinese involvement in a mining project. During this confrontation Burmese riot police used phosphorous shells, wounding fifty protesters. These tragic events demonstrate that companies around the world have to utilise CSR tools to avoid complicity in human rights abuses, as not doing so harms everyone.

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