THE CORPORATE SOCIAL RESPONSIBILITY PRACTICES
IN MINING SECTOR IN SPAIN AND IN POLAND – SIMILARITIES AND DIFFERENCES

Abstract. There is in the paper a description of Spanish system of CSR and CSR reporting. On this basis there is the analysis of CSR practices used in Spanish companies and the comparison between mentioned practices and practices used in Polish mining companies. According to conducted analysis the paper describes similarities and differences between Polish and Spanish practices.

Keywords: Corporate Social Responsibility, CSR, mining industry, CSR practices, CSR reporting

PRAKTYKI SPOŁECZNEJ ODPOWIEDZIALNOŚCI BIZNESU W HISZPAŃSKIM GÓRNICTWIE I W POLSCE – PODOBIĘSTWA I RÓŻNICE

Streszczenie. W publikacji przedstawiono opis hiszpańskiego systemu wykorzystywania koncepcji CSR w raportowaniu CSR. Na tej podstawie przeanalizowano praktyki dotyczące CSR wykorzystywanych w hiszpańskim górnictwie i porównano je z praktykami stosowanymi w polskich kopalniach. Wykonane analizy pozwoliły na przedstawienie podobieństw i różnice występujących pod tym względem w Polsce i Hiszpanii.

Słowa kluczowe: Społeczna Odpowiedzialność Biznesu, CSR, przemysł górniczy, praktyki CSR, raportowanie CSR
1. Introduction

In nowadays mining sector there is growing importance of using various management practices for example Corporate Social Responsibility tools and Corporate Social Responsibility reporting. Those activities are conducted in mining firm in many countries for example in Poland and Russia\(^1\). In presented paper there is an analysis of CSR practices using in Spanish mining industry. The aim of the paper is the presentation of the state of CSR practices of the Spanish mining industry and comparison of it with Polish mining industry practices.

2. Corporate Social Responsibility in Spain

Global Reporting Initiative GRI in 2003-2006 developed public guidelines applicable to reporting on economic, environmental and social aspects of the activities, products and services of any company (GRI-3)\(^2\). They are also available in the Polish language version of the general guidelines and a set of proposed indicators and application levels. Among the indicators of environmental offered 30 different indicators included in the various aspects, i.e.: the raw materials/materials, energy, water, biodiversity, emissions/waste/waste, products and services, transport, regulatory compliance, overall for expenditure on investments protection environment\(^3\).

In Spain, as in many others countries, there have been two phases of Corporate Social Responsibility implementation. The first phase – the wicker one – was in the 70’s, and the second one begins in the early years of the XXI century. Respect for individual rights and a certain sense of solidarity can foster CSR, but also very important factor regarded in development of this concept are: awareness and willingness to implement\(^4\). There is an


important role of business ethic movement, in the process of empowering CSR widespread in Spain⁵.

Nowadays phase of The Corporate Social Responsibility is in Spain the new concept dating back to the beginnings of the XXI century. The CSR in this country and it’s widespread is close connected with the process of internationalization of Spanish firms. Until 2003 in Spain there were not national organizations related to corporate social responsibility. The first important initiative was undertaken in 2006 from Spanish Administration – White Papers. It was prompted by Spanish Parliament, and included guidelines and recommendations aimed at providing a basic operational framework for regulations concerning CSR issues. Additionally the 35 Spanish companies included on the Madrid Stock Exchange were bound to produce annual reports on their Corporate Social Responsibility activities. Also in Spain some private agencies collaborated in the advancement of CSR through different initiatives. Among them the most important are: Corporate Social Observatory (CSO) and the Corporate Excellence. These serve as platforms for exchanging ideas and boasting the process of implementing Corporate Social responsibility in Spanish organizations⁶.

Some businesses, especially large Spanish corporations, are active players in the process of implementing the CSR concept through associations and forums. For example in 2002 four big Spanish companies (Telefonica, BBVA, Repsol-YPF and Grupo Agbar) launched the “Forum de Reputacion Corporativa) (Corporate Reputation Forum). The aim of this forum was to provide a meeting place to analyze public trends, tools, and models of corporate reputation in management. It has played an active role in boosting CSR concept in big companies and publishes annual reports an corporate reputation. Subsequently, other large Spanish companies joined the forum, which has the technical support of the Instituto de Empresa, a business school based in Madrid.

According to the research have been done by PriceWaterhouseCoopers the major driving forces for CSR widespread in Spain are⁷:

- improve reputation,
- competitive advantage,
- industry trends,
- consumer pressure,
- employee demands,

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⁷ Mele D.: Corporate Social Responsibility in Spain…, op.cit.
• stockholder demands,
• capital market pressure,
• pressure form NGO’s
• cost cutting.

The very important initiatives in CSR in Spain were conducted by government. For example in 2002 the Spanish Government set up special commission, chaired by businessman Enrique Aldama, to prepare a report to promote transparency among companies. The report was very big step toward building a sense of social responsibility in boards of directors.

The very interesting research about Corporate Social Responsibility in Spain was conducted by J.N. Martinez. In 2011 he conducted research in 20 largest Spanish companies listed on Madrid Stock Exchange. The main results of the research are\(^8\):

• the highest part of the companies (19 out of 20) discloses their information according to the GRI guidelines\(^9\),
• all companies that use GRI guidelines also seek external assurance of their reports,
• some of researched companies (6 out of 20) have begun reporting according to an integrated reporting approach\(^10\).

In the case of results of the CSR activities according to indicators we could list the following (points in brackets)\(^11\):

• codes of conduct (54),
• Customer Relationship Management (55),
• Environmental policy / management system (62),
• energy (57),
• climate change strategy (66),
• water management (46),
• labor practice indicators (61),
• human capital development and performance (50),
• suppliers (59),
• corporate philanthropy (62).

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\(^8\) Martinez J.N.: Corporate Social Responsibility in Spain…, op.cit.
\(^9\) GRI guidelines are consistently being applied by corporations as it’s most commonly accepted standard.
\(^10\) Financial and sustainability reporting have been traditionally reported in different forms. Since the first one has a large trajectory and is mandatory in many countries, the later firstly was voluntary, and only recently becomes obligatory. Now new emerging approach is growing: integrated reporting, which keeps traditional accounting information intertwined with sustainability drivers.
\(^11\) Ibidem.
3. Corporate Social responsibility practices in Spanish mining industry

It is important that companies have a clear understanding of the issues affecting sustainability\(^{12}\). Issues concerning the environment, quality, safety and ethics are some of the aspects that are included in the composition of CSR management\(^{13}\). In traditional economy mining sector was playing very important role in Spain. Nowadays it role is less impotent but still it provides vital raw materials and energy for large number of industries. Mining activities have very important economic, environmental, labor and social repercussion on local and global scales.

The importance of more administrative and international regulation in mining industry is very big. This resulted in the inclusion of social and environmental responsibility in the agendas of the mining industry\(^{14}\). Using this approach, the International Council on Mining and Metals has promoted sustainable development as a source of competitive advantage. In 2003 it has formulated 10 basic principles of good practice, including ethical management, sustainable development of the company and improving its reputation\(^{15}\).

In the literature there are special sets of indicators modified from GRI indicators which can be used specially in the mining industry\(^{16}\). One of the sets of indicators for the mining industry about sustainable development was set by Azapagic in 2004\(^{17}\), the second approach was conducted by Worrall (2009)\(^{18}\). Another set of sustainable indicators for mining industry was invented by Vintro and Comajuncosa (2010)\(^{19}\).

According to Spanish research around 65% of the mining companies stated they knew about CSR management systems. But they did not know about the UNE 22480 standard for sustainable mining management. This is negative because mentioned standard is sector specific.

In the table 1 is the description of distribution of main CSR practices in Spanish main industry. The results imply that companies have committed themselves to ethical and

\(^{19}\) Vintro C., Comajuncosa J.: Corporate Social Responsibility…, op.cit.
sustainable issues. Aggregate mining companies accounted for higher percentages of environmental practices and sustainable administration of funds. Global results imply that CSR environmental practices (such as restoration plans, mining source reduction and control energy consumption) are more widespread than social actions (i.e., for example cooperation with non-governmental organizations and promotion of local communities). The reason of the observation is that the high impact of the mining industry on the environment is probably the most perceived threat from mineral extraction activities.\(^{20}\)

### Table 1

Distribution of CSR practices in Spanish mining industry

<table>
<thead>
<tr>
<th>CSR practices</th>
<th>Percentage of firms [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restoration plans in mine closure</td>
<td>100</td>
</tr>
<tr>
<td>Codes of conduct</td>
<td>73</td>
</tr>
<tr>
<td>Energy sources consumption control</td>
<td>52</td>
</tr>
<tr>
<td>Mining source reduction</td>
<td>50</td>
</tr>
<tr>
<td>Information transparency</td>
<td>40</td>
</tr>
<tr>
<td>Promotion of local communities</td>
<td>28</td>
</tr>
<tr>
<td>Professional career</td>
<td>20</td>
</tr>
<tr>
<td>Cooperation with humanitarian NGOs</td>
<td>3</td>
</tr>
<tr>
<td>Cooperation with other NGOs</td>
<td>3</td>
</tr>
<tr>
<td>Cooperation with environmental NGOs</td>
<td>2</td>
</tr>
<tr>
<td>Cooperation with development aid NGOs</td>
<td>0</td>
</tr>
</tbody>
</table>


The Spanish mining firms very rarely use CSR procedures – around 47% of the mining companies do not have any CSR procedures. Only 3% of organizations from Spanish mining industry had written procedures for all CSR activities implemented within. Also the percentage of CSR measurement systems implementation is relatively low. More than half of the companies did not use measurement systems to track the CSR results. Some respondents argued that low percentage could be connected with the newness of CSR conception in Spain.\(^{21}\)

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\(^{21}\) Ibidem.
4. CSR practices in Polish mining industry

Many mining companies in Poland take a number of CSR activities, which is confirmed by the statistical results for the industry. They concern in particular activities in the field of:

- environmental protection,
- promote local employment,
- investments in new projects,
- spending on R & D,
- the level of remuneration, etc.

But usually there is a lack of publicly available information in this area, and mining companies begin investments are often targeted by local community as a threat.

Especially we can list the following CSR tools that are in use in Polish mining industry:

- Integration Management System,
- Social Dialog,
- Respect Index,
- Global Compact,
- Communication Strategy.

Also Polish companies conduct many action according to implement CSR strategy in mining industry:

- cooperation with local businesses,
- creating jobs,
- acquisition of human resources,
- improvement of management methods,
- conduct an appropriate remuneration policy,
- organization of vocational training systems,
- cooperation with universities,
- supporting local initiatives to support the institution of public benefit,
- research funding prevention
- workers and the population,

In this paper there are only some information about CSR practices, the detailed description is presented in the paper: Pomarenko T.V., Wolniak R., Marinina O.A.: Corporate Social Responsibility…, op.cit.


- safety training,
- cooperation with administrations,
- cooperation with governmental authorities,
- waste management,
- environmental initiatives,
- recycling,
- the search for low-carbon technologies,
- reducing water and energy,
- work for mining entities outside industry
- the publication of reports on emissions and pollution,
- specify the categories of environmental impact.

**Conclusion**

Corporate Social Responsibility have a very important strategic relevance for mining activities in nowadays economy. The very big limitation of the study is the issue that CSR practices in mining industry are not well described in the literature and even if they are described authors use different vocabulary and different approach to the research. On this basis presented analysis may be considered only as a starting point for future more detailed and comparable research.

1. The Corporate Social responsibility is a new concept in Spanish industry dating from early years of XXI century.
2. Spanish mining firm concentrate mainly on environmental practices and rarely use social practices and social action as a way of doing CSR activities.
3. The range of CSR practices using in Polish mining industry is are similar to Spanish. Also in Poland mining firms are using rather environmental practices. Similar to Spanish mining industry they rarely use social CSR practices.
4. The differences are connected with practices regarded with new projects and innovations. But we cannot say that in Spanish mining industry there is a lack of those practices, maybe authors do not include those practices in the sphere of CSR activities. The problem is not easy because a lack of comparability of research between country and need further studies.
Bibliography


