

## South Africa's Mining Charter must strike balance in its ESG alignment

As the Mining Indaba approaches, Johannesburg-based legal firm Alchemy Law has released a white paper that provides insight into the Mining Charter, a key yet sometimes controversial tool in the complex transformation journey of the mining industry. The Charter's role in promoting Black ownership and social responsibility is clear, but doubts remain about its effect on the overall performance of the industry and its alignment with the broader Environmental, Social and Governance (ESG) movement.



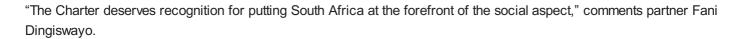
"The Mning Charter's potential as an instrument to guide ESG and growth is undeniable, but it needs recalibration and effort," says Alchemy Law partner Morné van der Merwe

The paper, <u>Transformative Pathways in South Africa's Mining Sector: Chartering an ESG-Aligned Era</u>, examines the Charter's achievements and failures. It recognises the substantial progress made in Black ownership, which has risen from 2% to 39% since 2004. However, it also draws attention to concerns about inconsistent compliance and the need for more widespread participation at all levels.

The Charter's influence goes beyond simple ownership. Its focus on community investment and engagement, as well as socio-economic development, aligns with the growing importance of ESG principles, particularly the social pillar.

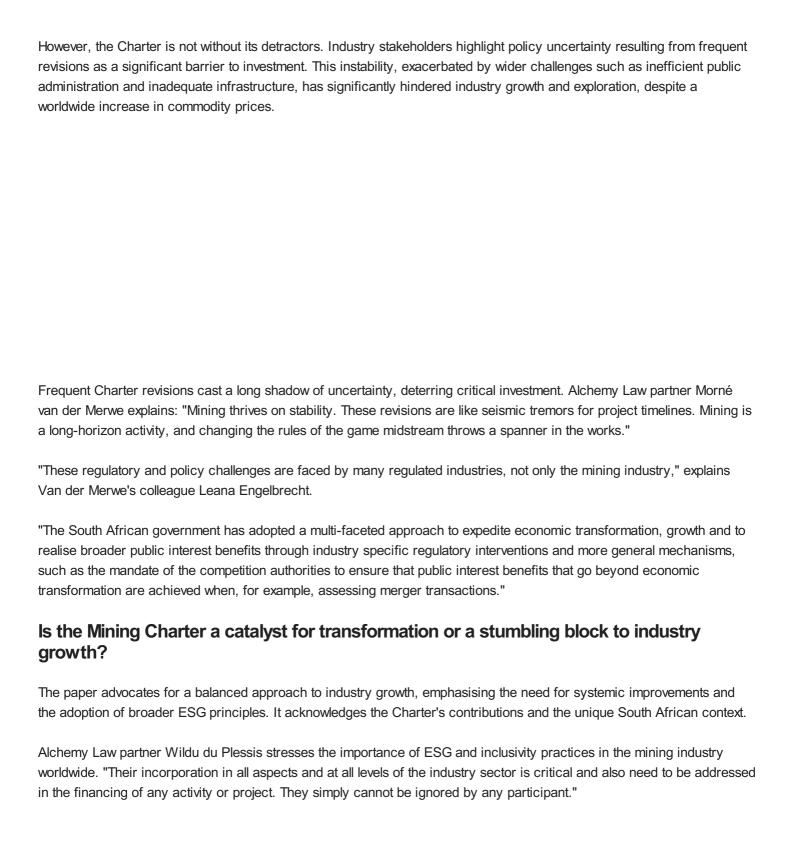


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"Building on this solid base and aligning Charter objectives with wider ESG goals can unlock even greater benefits, such as ensuring that mining not only extracts for the life of the mine, but also becomes a unique opportunity to build a sustainable economic legacy in host communities," he adds.

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