ESG Inquisition findings

On 10-11 August, the Geological Society of South Africa (GSSA) held a virtual ESG Inquisition. The purpose of the Inquisition was three-fold:

- To highlight the importance of ESG issues internationally and locally; to showcase the latest developments in all aspects of ESG reporting from a global viewpoint; to highlight what ESG standards are accomplishing in the world of sustainability reporting, with specific relevance to the minerals industry; to highlight similarities and, especially, differences between Sustainability Reporting and Mineral Resource/Mineral Reserve reporting.
- To get an understanding of how investors, regulatory organizations, and other stakeholders view the importance of ESG in reporting Mineral Resources and Mineral Reserves.
- To gather industry views and input regarding the potential ESG reporting requirements when disclosing Mineral Resource and Mineral Reserve estimates in Competent Persons reports, and also in the Annual Mineral Resource and Mineral Reserve reports published by mineral companies. This is particularly important at this time since the SAMESG Guideline is being redrafted and this is seen as the occasion to obtain industry views on potential improvements.

The event comprised two half-days, with 14 speakers (five of whom were international), three panel discussions, and a keynote address by Roger Dixon. The results of the Inquisition will be presented to the various SAMCODE Committees to be used to inform the next series of updates.
The significant outcomes of the discussions are as follows.

- ESG is not going away and will need to be integrated into Public Reporting (i.e., Competent Persons Reports, Integrated Annual Reports, and Annual Mineral Resource and Mineral Reserve Statements.
- However, these documents are not Sustainability Reports – they are primarily technical reports, with ESG as one of the Modifying Factors which needs to be addressed to the extent that it may affect the MRMR estimate. The big question is how much ESG data/information is relevant – probably somewhat more than currently is the case.
- Authors of such reports must view ESG as adding value to the company and not just as a potentially expensive compliance (box-ticking) exercise.
- There will always be companies that are leaders in the field of ESG reporting, but the industry needs minimum reporting requirements that are clear, simple, and practicable. There needs to be a distinction between materiality and 'data-dumping', which simply leads to inflated and unwieldy documents. What needs to be included or summarized in the body of the report and what can be included simply by reference to external material?
- There needs to be convergence and alignment between all of the SAMCODES/Guidelines and CRIRSCO.
    - Does SAMESG need to be assimilated into SAMREC, SAMVAL, and SAMOG, in whole or in part?
    - Do we take our lead from CRIRSCO, or do we lead the way, knowing that other CRIRSCO organizations are also updating the ESG requirements of their Codes?
- The recognition that 'one size will not fit all'; that there needs to be different requirements for different sized companies and also different requirements across the various project stages.

It was also recommended that a Working Group be constituted of representatives from the SAMREC, SAMVAL, and SAMOG Committees, from large companies, junior companies, and consultants. The mandate of such a Working Group would be to assist the SAMESG Committee to update the SAMESG Guidelines and ensure integration and alignment with the SAMCODES in a manner that is both practicable and useful.