

Walking the ESG talk in the Nigerian mining industry

In recent years, environmental, social and governance (ESG) drivers in the Nigerian mining industry have become essential in response to the Nigerian government's minimum standards and investor pressure.



Photo: Thor Explorations

Nigerian mining and environment ministries are “pretty switched on regarding ESG. It was refreshing to come to Nigeria. They have learnt lessons from their experience in the oil and gas sector, said Louise Porteus, environment and social manager, Thor Explorations told the Nigeria Mining Week’s Digital Event.

The company’s mine at Segilola in Osun state is Nigeria’s the first large-scale gold mine, which is on track to pour first gold in Q2, 2021.

She said the mine put a community development agreement (CDA) in place with the local community has helped the ESG process in Nigeria by combining the quantitative and qualitative aspects that such an agreement should contain. “Nigerian authorities required Segilola to reach a community development agreement (CDA) prior to starting construction on the mine. The process gives us the social licence to operate. As part of that though, is that we had to manage expectations as part of our governance role.”

For example, she explains, at the start, the community was expecting certain people to be provided with SUVs and pensions for those over 70. “Because there was this confusion that we’re government when we’re not. So there was a learning process that the community needed to benefit rather than individuals. A journey that took about a year and a half and we could come up with more realistic aspects such as employment.”

Walking the talk

The company is also starting a programme for scholarships to keep children in school and to help upskill them.

“Part of our Segilola community agreement is 26 scholarships a year which helps you build the confidence in the community. So, there is a policy and there is the action of the policy. There are things that are beyond numbers and I think the social licence to operate is a very nebulous term, but of all the projects that I’ve worked on I think this is the one where we’ve actually got it, because there was that requirement to work with the community.

“ *But, you’ve got to walk the talk, you’ve got to deliver and quite rightly, the community keeps reminding us of that.* ”

Porteus said sometimes companies get too much into numbers that forces it to be a tick box process instead of being a hard grind and actually getting that confidence of the communities that you work with and other key stakeholders.

Ministry shows commitment

“ESG is a simple way of saying international best practice in sustainable mining and we have world class provisions and guidelines in place. I assure anyone in the international mining community, our minister will do all in his power to assist them. But don’t ignore the owners of the land,” said Ebhota Al-Amin, a policy development strategist at the Nigerian Ministry of Mines and Steel Development.

Enforcing ESG

“Avoid the proliferation of laws and have one centralised environmental system,” was the advice of Wandisile Mandlana, partner at Bowmans law firm in South Africa.

“I am passionate about ESG enforcement, an element quite often overlooked, but try to strike a balance when you enforce your ESG laws and regulations.”

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