

Driving social responsibility in the mining industry

A snapshot of the role of investment managers

December 2024

**Unathi Loos**

M&G Investments Portfolio Manager

The mining sector naturally receives the most attention with regards to ESG, as mining companies are in close interaction with communities and have a lasting impact on natural resources. At M&G Investments, we leverage our global scale and local expertise to drive meaningful engagement with mining companies.

In South Africa, mining has been under pressure, with some of the challenges faced to increase volumes or mining output being structural in nature. Capital investment in exploration and greenfield projects is limited, while technological advances are needed to accelerate the role of platinum group metals (PGMs) in a low-carbon future. As our nation isn't as well endowed with the commodities of the future, such as copper, we need to consider how we use what have today to build for tomorrow to support the sustainability of mining communities.

We have a shared responsibility as asset managers and asset owners to hold our investee companies accountable when it comes to ESG outcomes, to ensure that they leave something sustainable behind for their communities when they cease mining. As such, we monitor what they're doing in terms of reskilling and training people, employing them within supply chains, fostering entrepreneurship in non-mining related activities, and growing other labour-intensive alternatives. Incentivising the right behaviour is key, such as linking remuneration to ESG outcomes, and we have these critical conversations with companies and boards on behalf of trustees or asset owners.

As long-term investors, there's more to active asset management than alpha generation. At M&G Investments, we're making sure that we're investing in companies that are aware of their responsibilities towards their stakeholders. We're committed to ensuring that the focus is on the transition being not only economically viable, but also socially responsible.

Disclaimer.

This document is for information purposes only and is not an offer to or solicitation for investors to invest in any of the capabilities or products offered by MandG Investment Managers (Pty) Ltd [M&G Investment Managers] (Registration no. 2013/051515/07) and MandG Investments (Namibia) (Pty) Ltd (Registration no. 1996/85) [M&G Namibia] or any of their associates, being MandG Investments Unit Trusts South Africa (RF) Ltd (Registration no 1999/005242/06) and MandG Investments Unit Trusts (Namibia) Ltd Registration no. 2007/609. M&G Investment Managers is an authorised discretionary financial services provider by the Financial Sector Conduct Authority of South Africa [FSP45199] in terms of the Financial Advisory and Intermediary Services Act, and has its registered offices at 5th Floor Protea Place, 30 Dreyer Street, Claremont, 7708. M&G Namibia is an approved person in terms of section 4 of Stock Exchanges Control Act and has its registered offices at 6 Feld Street, Windhoek, Namibia. Information given in this document has been obtained from, or based upon sources believed to be from an accurate and timely source but M&G Investment Managers and M&G Namibia make no representations or warranty, express or implied, with respect to the correctness, accuracy or completeness of the information and opinions. This information is not intended to constitute a basis for any specific investment decision. Investors are advised to familiarise themselves with the unique risks pertaining to their investment choices. Investors should seek the advice of a properly qualified financial consultant/adviser before investing. The value of an investment will fluctuate and past performance is not necessarily an indication of future returns.