

# Exploring ESG Practises and Livelihoods Promotion Nexus in Mining Host Communities: Lessons from Aggeneys, Pella and Pofadder Mining Host Communities

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## 1 ABSTRACT

Investing in corporate social responsibility (CSR) has largely been dubbed/dismissed as ploys to enrich/protect the interests of investors than efforts to serve the communities. Research has shown that factors such as stakeholder collaboration contribute to Corporate Social Responsibility project implementation failure. Although the advent of Environmental, Social Governance (ESG) promises to strengthen the implementation of CSR in communities, its impact on livelihood promotion is yet to be documented convincingly. Consequently. This paper investigates influence and possible impact of Environmental Social Governance efforts in promoting the public wellbeing of the Aggeneys, Pella and Pofadder mining host communities. It explores successes and failures of Corporate Social Responsibility implementation as well as key learnings.

The Environmental Social governance philosophy promotes stakeholder engagement and involvement to promote transparency of all stakeholders and detailing individual roles and responsibility for all stakeholders. A case study research design method was adopted, and a mixed-method research approach was applied. Qualitative data was collected through interviews of mine high ranking officials and quantitative data was collected through the distribution of questionnaires to the residents of Aggeneys, Pella and Pofadder mining host communities. The results of the study presented that the deployment of a Environmental Social Governance framework has led to a sustainable livelihoods through the corporate social responsibility implementation projects such as small scale farming and broad-based livelihood programs. The paper recommends adoption of Environmental Social Governance practices to elevate and promote satisfaction of the Aggeneys, Pella and Pofadder communities. In conclusion, the knowledge contribution of this study is its focus on implementation frameworks, policies, and legislation to determine how best Corporate Social Responsibility can be implemented efficiently to unlock ultimate beneficiation for the communities.

Keywords: Socio-economic, Corporate Social Responsibility, Environmental Social Governance, Policy, Livelihoods

## 2 INTRODUCTION

Over the past decades with a focus on developed countries, the nexus of Environmental, Social Governance (ESG) has been used as a tool for good corporate governance practices leading to large corporations investing in this paradigm, (Taplin,2021). Mineral, oil and gas companies across both developed and developing countries have developed the nexus and is seen on their commitment to Social responsibility and development to livelihoods, (Lock and Seele,2016; Wang and Sarkis, 2017). However, Communities are still socially and spatially segregated based on their financial slopes and this has a direct impact their quality of life (Verma & Raghubanshi,2018).The study noted the gap of the lack of emperical data research in an african context towards improving livelihoods through ESG practices.

## 3 CONTEXTUAL FRAMEWORK

### 3.1 Sustainable development

The concept on Environmental Social Governance stems from the sustainable development with the aim of moving away from viewing sustainability from solely the environment but should also consider the economy and society, (Sachs,1993;Reboratti, 1999). Sustainable development can be viewed in two dimensions to bring forth the drive behind this notion. One, notes that the condition that exists today should not decline; this should be sustained for the future generations the utility should be non-declining. The latter, puts emphasis on the physical flow of nature's sources through economy and back to its natural state. This refers to an intergenerational integrated model of development, taking into consideration the environment, social performance and the economy, (Cecchin, et al. 2021; Mathane,2023;Daly,2006).

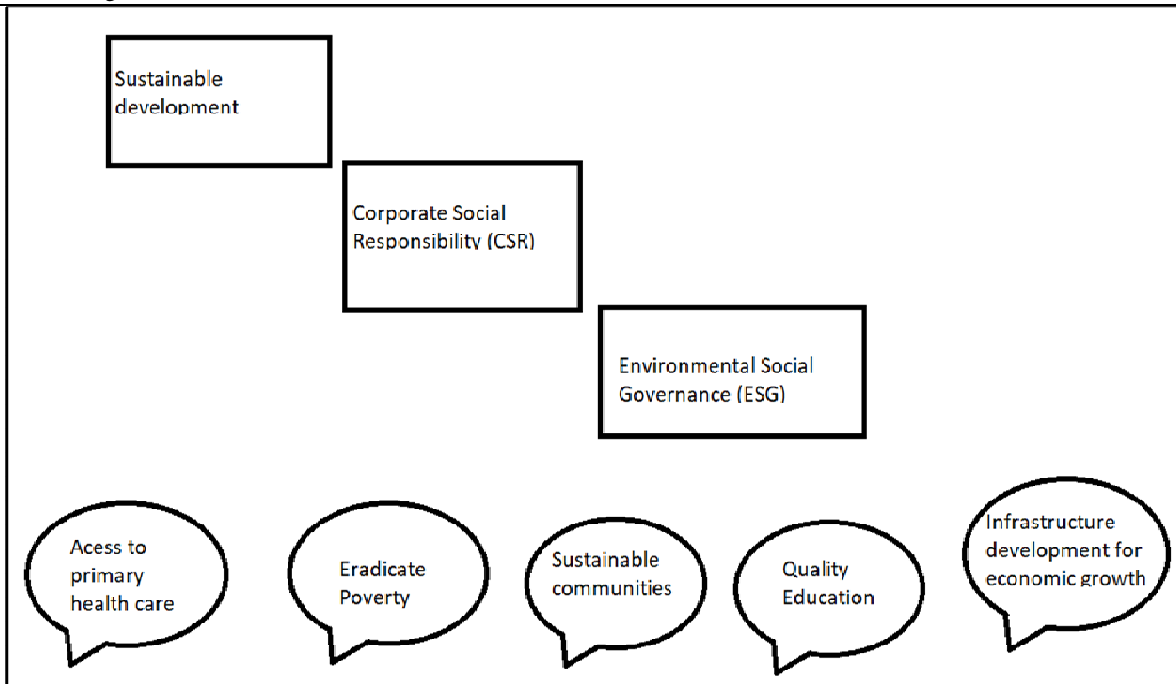


Fig. 1: Conceptual framework of the study: Source: Author (2024).

### 3.2 Ethical Paradox

This brings about the concept of ethical paradox, an ecosystem should encompass the ability to sustain itself overtime even when there has been alteration to its natural state, Jabareen (2006). ESG practices promote development and this involves environmental modification interfering with ecosystems and posing a risk of natural resources exhaustion (Baeten, 2000). However, Haughton (1999) contends that the social element is of critical importance as the society is unjust as are likely to contribute negatively to the environment and or the economy, Jabareen (2006). This advocates for the concept of equity, social equity as well and the freedom to exercise equal rights for development and the improvement in quality of life, and democracy for all, this brings the world into equilibrium aiding that we achieve the notion of sustainable development (Agyeman, Bullard and Evans (2002)). Therefore the ESG practices can achieve the concept of utopianism, a flawless society, where justice of the peace predominates, equity exists and there is an abundance in quality of life, without and hassles, which exudes an important aspect of positivity, Marius de Geus (1999).

### 3.3 Corporate Social Responsibility

“Corporate Social Responsibility” (CSR) refers to how organizations contribute to sustainability and sustainable development through their operations by achieving economic, social, and environmental sustainability (Mancini and Sala, 2018). The notion of CSR follows the guidance of ISO 26000:2010 standards. It guides business practices in alignment to ethics with emphasis on social development and Governance (Rabello et al 2018) The concept of the social license to operate is directly aligned with the CSR and this speaks to the relationships which exist between organizations and their stakeholders at large (Moffat et al, 2016)

## 4 METHODOLOGY

This research investigated environmental, social and governance practices towards promoting livelihoods in the Aggeneys, Pella and Pofadder mining host communities in the Northern Cape province of South Africa. To collect empirical data, the study deployed an online survey to 150 participants across the Aggeneys, Pella and Pofadder mining host communities. 46.4% of the participants were from aggeneys, 29.3 % was made up of participants from Pofadder, 18.6% of participants were from Pella and 6.4% from other labour sending communities. The participants of the study were between the ages of 19 and 60. 57,8 % of the participants ranged between ages 26-35, 19.3% between 18 and 25 years of age, 14,3 % between 36 and 45 years and 8.6 % were between 46-55.

## 5 FINDINGS

In the quest to explore ESG practices and their promotion on livelihoods, the study deployed a multifaceted approach. The participants of the study had various inouts regading what indicates the promotion of livelihoods.. Overall, 70.7% of the study participants indicated that clean water and sanitation is significant to improving their livelihoods, whereas 60.6 % believe access to adequate healthcare facilities is promotes livelihoods in mining host communities. This is followed by no poverty and zero hunger at 50% and thereafter decent and economic growth at 47.7%. Only 15.7% of the participants regarded affordable and clean energy as an indicator to improved livelihoods and atleast 12.1% consider innovation and infrastructure.

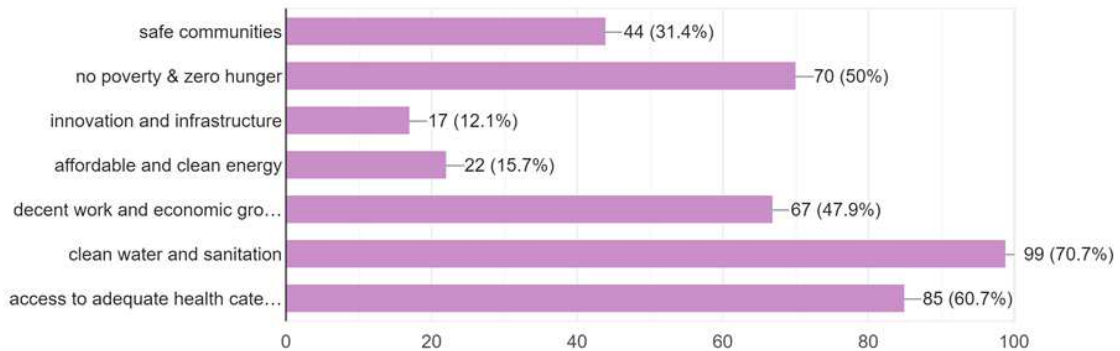


Fig. 2: Improved livelihoods indicators, ( Source: Author (2024).

The emperical data collected for the study shows that 36.4 % of the participants feel that they always have access to adequate healthcare services and facilities, 35.7 % of the participants feel that sometimes they do have accesss to adequate healthcare. An approximate 27.1% of the participants felt that they almost never have access to adequate health care services with 0,8% feeling that they never have access to adequate healthcare services.

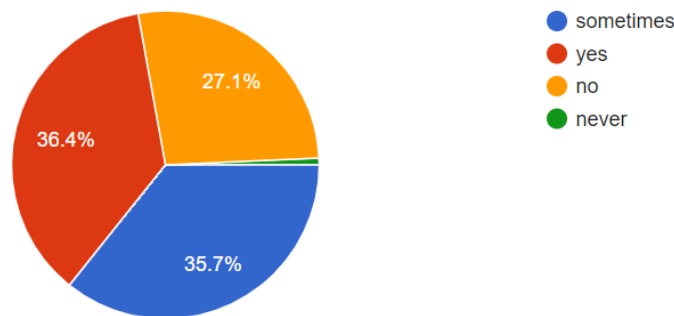


Fig. 3: Access to adequate healthcare services.

The development of the Environmental Social Governance framework has been a pioneering strength in the Aggeneys, Pella and Pofadder mining host communities as this has enabled ESG practices in the region. Furthermore, the frammeweork has strengthened collaboration amongst the host communities, the organization in operation and the local Khai-ma municiplaity. This has led to succesful corporate social responsibility projects development such as the development of the Namakwa special economic zone.

However, the results of the study show that the framework is in its early stages and there seem to be lack of participation from the local host communities which yields a threat of dissatisfaction from the local host communities and buy in is needed. Nevertheless, growth is opportune as there is opportunities for economic growth as well as attraction of invesments and ultimately improved livelihoods.

## 6 CONCLUSION

The study concludes that Environmental Social Governance practices are promoting livelihoods in the Aggeneys, Pella and Pofadder communities and Corporate Social Responsibility implementation is a great implementation tool for the Environmental Social Governance framework.. Majority of the respondents

agree that Clean water and sanitation, access to adequate healthcare and no poverty are top priority in promoting great livelihoods. Although a significant quantity of participants have made it known to the researcher that they sometimes do not have access to adequate healthcare facilities, ESG practices are bridging the gap through the development of an oncology ward in the local springbok hospital and the upgrade of the Aggeneys medical center. This illustrates the dedication of promoting livihoods and other opportunities such as economic growth and the attraction of investors into the Aggeneys,Pella and Pofadder region. The author recognizes opportunity for improvement on the lack of participation from local host communities, the author recommends mobilization of the Environmental Social Governance framework through educational outreaches.

<p><b>Strengths</b>                  Development of ESG framework which enables ESG Practices                  Collaboration between private corporations, local government, and communities                  Corporate Social Responsibility project implementation                  Development of the Special economic zone.                  Medical center upgrade in Aggeneys                  Oncology ward in local Springbok hospital</p>	<p><b>Weaknesses</b>                  Early stages of the ESG framework therefore gaps in implementation.                  Lack of participation from local mining host communities</p>
<p><b>Opportunities</b>                  Economic growth through the the Special economic zone                  Mobilization of local host communities to make project implementation effective.                  Investment attraction.                  Improved livelihoods</p>	<p><b>Threats</b>                  Local host communities' satisfaction.                  Buy in from personnel and local host communities</p>

Table 1: Strengths, weaknesses,opportunities and threats of Environmental social governance practices in Aggeneys, Pella and Pofadder.

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