

Bruce Dickinson

Partner



Area of speciality

Mergers and acquisitions, particularly in the mining industry, as well as the structuring/restructuring of companies, mining transactions and projects, as well as the development and operational aspects thereof, including sustainable development.

Experience in ESG (focus being within SA and especially in the deal making / financial market space)

I have over 20 years' experience working with both mining companies and com-

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munities on the development and implementation of ownership and sustainability structures, which has included, for example, the corporatisation of the Royal Bafokeng Nation's mineral assets and the renegotiation of their royalty arrangements with Impala Platinum in the 1990s. Another early deal was the establishment of Eyesizwe Coal and working with the Eyesizwe team on several transactions over the years culminating in the creation of Exxaro. I have been involved in many like transactions over the years, including transactions such as Project Alchemy: Anglo Platinum's (AAP) community empowerment transaction, through which it invested c. ZAR3.5 billion to uplift communities around four of its mines, as well as labour-sending areas. The share ownership scheme which underlies Alchemy made the development trusts the second-largest shareholder in AAP at the time. The purpose of the scheme was not only ownership but ensuring the long-term sustainability of the communities post mine closure. Most recently, I lead the team advising Anglo American on the divestment of its SA coal interests to its shareholders through a new entity, Thungela Resources, which was listed in Johannesburg and London on 7 June 2021. The transaction was largely in response to the increasing aversion of leading sovereign wealth funds and other institutional investors to fossil fuels. As part of the transaction an additional 10% was devolved to employees and communities. A current interesting project that we are working on is the tailoring of company's in-house standard commercial contracts, or ad hoc transaction documents, to limit environmental risk and to reduce the company's as well as their business partners' environmental impact. We believe that the updating of supply-chain and other standard form agreements could be critical in terms of assisting companies to reduce Scope 2 and 3 emissions and to ultimately assist in achieving GHG reduction, climate change and net zero targets.

Thoughts on ESG as a whole in the context of SA

Companies' ESG performance and commitments are under the spotlight like never before. ESG is no longer a nice-to-have - it has become a prerequisite to diminishing the social trust deficit; to guaranteeing the responsible sourcing of metals and minerals; to driving policy reform; and,

ultimately, to decarbonising the economy. Companies need to navigate, understand, report against and identify opportunities within the many frameworks which inform the fundamental principles and obligations underpinning ESG performance. The metals and mining industry will experience an even more pronounced acceleration in ESG adoption in the coming years, with the social and governance pillars fast becoming as significant as the environmental pillar - especially in the context of SA. In addition, with the risk of punitive tariffs looming large, access to international markets may well be heavily constrained if SA is unable to decarbonise its economy quickly. This poses a significant risk both to the companies seeking to export, but also to the SA economy, with its heavy reliance on export earnings, particularly its mineral exports.

Where SA is different from many other countries is the elevated importance of the S and the G, particularly having regard to inter alia the country's inequality and unemployment levels - it is essential that we create a more sustainable society that uplifts as many people as possible as quickly as possible.

Hurdles/challenges in this sector

The many legal frameworks underpinning ESG remain a minefield - increased global standardisation of ESG requirements and reporting will assist companies navigate, understand and report against the requisite ESG standards. The lack of standardisation and certainty as to which frameworks and standards to adopt and report against has led to a relatively muted uptake of solutions and structures seeking to address ESG, although we are seeing larger corporates starting to take important steps in driving ESG initiatives. Mining companies and banks are amongst the most prominent players leading the charge. This will lead to a trickle-down effect throughout the economy, particularly as companies seek to reduce Scope 2 and 3 emissions.

Another important challenge is how companies engage in a constructive and meaningful manner with their local communities - involving them in the conceptualisation, development and implementation of proposed projects and ensuring broad support will certainly go a long way in ensuring the legitimacy and success of such projects. We have over many years developed best practice methodologies to assist companies successfully navigate these engagements.

Some personal information, eg how did you get into this speciality

I have been fortunate to work with both mining companies and communities for over two decades in seeking to achieve win-wins - from ensuring a license to operate, to broader ambitions under the SDGs and through to our current ESG initiatives.

Interesting fact(s) about yourself / your achievements

As a young lawyer I worked with a team of lawyers in assisting the Khulumani support group to gather witness statements from victims and relatives of victims of apartheid atrocities, which were subsequently presented at the TRC hearings. Much of what is in those statements is incorporated into Jacques Pauw's book, *"Into The Heart of Darkness"* (Jonathan Ball, 1997). The experience had a profound effect on me as a person and on what I have sought to achieve throughout my career. ●

