

MINERALS COUNCIL
SOUTH AFRICA



**Integrated
ANNUAL REVIEW
2022**

#MakingMiningMatter



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DRDGOLD - Ergo plant



MISSION

To play a leadership role in enabling the South African mining sector to achieve its real potential for investment, growth, transformation, and development in a socially and environmentally responsible manner.



PURPOSE

The Minerals Council is a mining industry employers' organisation that supports and promotes the South African mining industry. The Minerals Council serves its members and promotes their interests by providing strategic support and advisory input.

The Minerals Council facilitates interaction among mining employers to examine policy issues and other matters of mutual concern to crystallise and define desirable industry standpoints. A variety of initiatives are in place to promote collaboration between members. Consultation and collaboration are voluntary and never encroach on the autonomy of members.

The Minerals Council acts as a principal advocate for mining in South Africa in engagements with government, communicating major policies endorsed by its members.



VISION

To ensure mining matters for South Africa.

The Minerals Council's vision is to position the mining sector as South Africa's foremost industrial sector. The Minerals Council seeks to create, in partnership with key stakeholders, a conducive policy, legislative and operating environment that facilitates doubling real investment in mining by 2030.

This is an industry strategy, and the Minerals Council is a respected mining advocacy organisation that works through trust-based, problem-solving partnerships to engineer this positive turnaround in the mining industry.

Achieving this vision will be a game changer for the country and its ability to achieve the National Development Plan (NDP) objective to improve South Africa's economic growth, along with its developmental and transformation vision.



VALUES

Members must conduct their business according to the agreed Minerals Council values, which dictate the minimum standards of conduct required to become or remain a member of the Minerals Council. These five values are:



Responsible citizenship



Trust



Accountability



Respect



Honesty

About this report

This is the Minerals Council South Africa's (Minerals Council's) Integrated Annual Review for the financial year 1 January 2022 to 31 December 2022. It is an account to our stakeholders of our strategy and performance. It covers noteworthy events and developments during the reporting period, providing Minerals Council members and stakeholders with a holistic view of our intention and ability to create, enhance and preserve value. While this report is an account of the Minerals Council's performance, where relevant we also indicate the position and role of the mining industry in South Africa.

The preparation of this report has been informed by the International Sustainability Standards Board's (ISSB) International Integrated Reporting Framework (International <IR> Framework). In this year's report we have incorporated a materiality assessment aligned with the principles and approach proposed under the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), now part of the International Financial Reporting Standards (IFRS) Foundation. Additionally, we report on our contribution to the United Nations Sustainable Development Goals (SDGs).

The separate consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards for small and medium-sized entities.



This report, including the financials, is available on the Minerals Council website at: www.mineralscouncil.org.za/industry-news/publications/annual-reports

#MakingMiningMatter

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About the Minerals Council

The Minerals Council represents more than 90% of South Africa's mineral production by value and has developed a reputation as an effective and trusted business advocacy organisation. It is the primary advocate and representative of the South African mining industry.

As the representative voice of South African mining, the Minerals Council has a strategic plan based on five strategic pillars that focuses on critical issues affecting the mining sector. The Minerals Council derives its mandate from the Board and members' CEOs. It facilitates leadership interaction among mining companies to examine policy issues and other critical matters of mutual concern, and to develop and refine positions on key matters related to the industry and the country. This work includes engaging with key relevant stakeholders and partners, including government, parliament, organised business, organised labour, state-owned enterprises (SOEs), communities, investors, multilaterals and other parties on behalf of our members – negotiating, consulting and lobbying as and when necessary and appropriate. We also communicate with the wider public about these issues.

We continuously look for ways to advance the position of the South African mining industry #MakingMiningMatter, and to make improvements in the policy, legislative and operating environment for the mining sector. We do this by participating in a range of initiatives in areas that include promoting investment, improving the investment climate, enabling greater private sector participation in key network industries (electricity, rail, ports, water), health and safety, education, environment, policy and regulation.

Repositioning mining in South Africa

Our vision is to reposition the mining sector in the eyes of our stakeholders – this will happen through our actions with clear recognition of the industry's legacies in South Africa. We seek to

create an environment that will promote competitiveness and inclusive growth, increase real investment in the mining sector by 2030 and grow mining's contribution to at least 10% of gross domestic product (GDP).

Member benefits

As a body, we are more powerful than the sum of our parts – we know that our collective representations to and engagements with government and other stakeholders will carry more weight when we speak as a group.

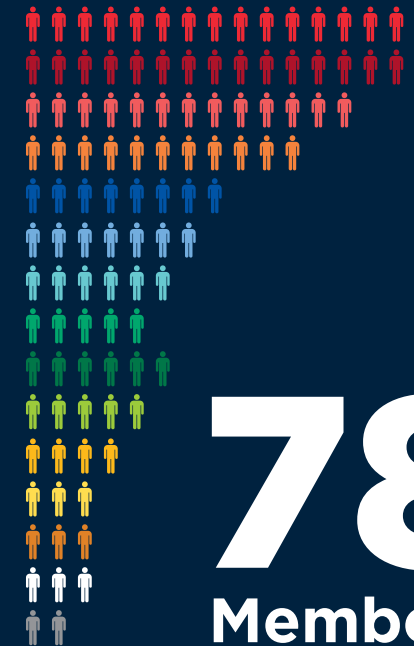
We participate in several local and international bodies to strengthen the social, environmental and economic performance of the South African mining industry. These include Business Unity South Africa (BUSA), the National Economic Development and Labour Council (Nedlac), the Mine Health and Safety Council (MHSC), the Mining Qualifications Authority (MQA), the various Presidential and governmental task teams on key issues (such as the National Electricity Crisis Committee (NECOM)) and the Universities South Africa Board of Directors and relevant advisory structures. We are a member of the International Council on Mining and Metals (ICMM) and the Mining Industry Association of Southern Africa (MIASA) and support the World Platinum Investment Council (WPIC).

Our team is made up of leading industry professionals, who enjoy the confidence and respect of the policy-making community and who drive our agenda and mandates. The team operates in several areas, including mine health and safety, sustainable development, skills development, legal matters, legacy issues, environmental management, economics and investment competitiveness, enabling reliable and cost competitive services in energy, logistics and water, employment relations, community relations and communications, modernisation and learning hub leading practices, and in security and crime challenges facing the mining sector. It is supported by professional finance, administrative and information and communications technology (ICT) functions.

Snapshot of members

78 direct members and three mining associations that collectively represent over 250 mining companies

Together these members represented 90% of South Africa's mining production in 2022



78 Members

15	Platinum group metals	6	Contractors
15	Coal	5	Diamonds
13	Chrome	5	Vanadium
11	Other commodities	4	Exploration
8	Manganese	3	Investment companies
7	Gold	3	Associations
6	Copper	3	Zinc
5	Iron ore	2	Corporate

(For more information, please visit www.mineralscouncil.org.za/about/members)

How the Minerals Council contributes to South African mining











The Minerals Council, and before that the Chamber of Mines, has represented the South African mining industry since 1889. The rebranding and renaming of the organisation in 2018 was designed to signal our transformation into a leading, modern business advocacy organisation that, since the democratisation of South Africa, has sought to play a leadership role in enabling the country's mining industry to achieve its potential for investment, inclusive growth, transformation and development in a socially and environmentally responsible manner.

The organisation's top oversight and policy-making body is our Board, which comprises nominated representatives from member companies. The Minerals Council CEO and senior executive team, with guidance from the President and three Vice Presidents that comprise our Office Bearers, lead the organisation.

In order to ensure we are properly capacitated to carry out our work, our first task is to ensure that we have a properly designed strategy that represents the core pillars of what our members want the Minerals Council to tackle. The second task is the design of the organisation to implement the strategy. The third task is to engage with members in order to ensure we properly represent them. This work is carried out through a wide range of leadership forums and sub-committees dealing with the commodities, disciplines and issues the industry needs to develop positions on in order to enable us to carry out our work.

The leadership forums are driven by the relevant member CEOs and internal Minerals Council champions. The other committees incorporate member companies' own professional experts who provide inputs and guidance. Where complex matters need to balance possible different perspectives or interests among member companies, Minerals Council experts seek to assist members in reaching consensus.

Focus areas include:

						
Promoting mine health and safety	Promoting the adoption of a more competitive mining and exploration framework for South Africa	Promoting inclusive growth, transformation, diversity and inclusion in the workplace. The Minerals Council has played a leadership role in driving the Women in Mining strategy	Promoting sustainable development, a responsible Just Energy Transition (JET) and determining how to achieve our commitment to the Paris Agreement ambition of net zero greenhouse gas (GHG) emissions by 2050	Addressing critical electricity, logistics and water challenges affecting mining	Enhancing skills development for mining and the broader economy	Managing critical legal issues
						
Addressing legacy issues	Enhancing industry environmental management and performance	Addressing the red-tape challenges affecting mining, to improve competitiveness	Addressing the critical crime and security challenges affecting mining	Engaging on critical employment relations issues	Enhancing community relations and the industry's social performance	Ensuring effective communications



Sedibelo Platinum Mines - Pilanesberg Platinum Mine

How the Minerals Council contributes to South African mining continued

Our stakeholders include:

Please see the section on [Stakeholder engagement](#) for more detail.



Government

The departments that regulate the mining industry's activities are major stakeholders. There are also the relevant provincial departments, local authorities and government agencies, many linked with these departments, with an interest in our industry.



Parliament

Where the relevant legislation and regulations are discussed and processed through the legislature.



SOEs and other government agencies

Our need to relate to SOEs has become increasingly critical as their operational performance, governance and quality of service continues to decline. The collapse in reliable electricity supply and rail transport volumes has had a deleterious impact on the mining sector and the country.



Trade unions

We have always maintained deep relationships with the trade unions organised in our sector. While collective bargaining has become less centralised in our sector in recent years, there remain a range of policy matters worthy of engagement with the unions. Sometimes engagement extends to the labour federations to which these unions are affiliated.



Non-governmental organisations (NGOs), community organisations, religious bodies and organisations

There are many NGOs focused on the mining industry. Community organisations in mining communities are naturally important. Over more than a decade, religious bodies have also taken an interest in the industry. We are conscious of the industry's legacies and recognise that all these groups have legitimate interests in carrying out work on behalf of their constituents. The industry is willing to engage with these groupings and take cognisance of their perspectives.



Other key South African business organisations

We are an active member of BUSA and participate extensively in its structures from board level to all its sub-committees, all of which deal with matters of importance to our industry. Several of our members are also members of Business Leadership South Africa (BLSA) and the Minerals Council cooperates with not only BUSA and BLSA but also the Energy Council, the Energy Intensive Users Group, the Banking Association, the Association of Savings and Investment of South Africa and the other business groupings relevant to the agriculture, chemical, liquid fuels and logistics arenas.



The ICMM and MIASA

We, and several of our larger members, are members of the ICMM which represents the industry internationally. The most valuable work to which it was party was the development of the Global International Standard on Tailings Management. We are a founding member of MIASA and actively lead and participate in all the relevant Southern African Development Community (SADC) and African Union mining related deliberations.

The Minerals Council operates in a context where the mining industry is often regarded in a negative light by large sections of our society. This is because it is seen as having a history in which it colluded with pre-democratic governments to the advantage of the industry and to the detriment of most of its stakeholders. This is based on, among other things, what is seen as the industry's poor occupational health and safety record and the underdevelopment of the black suburbs of the country's mining towns.

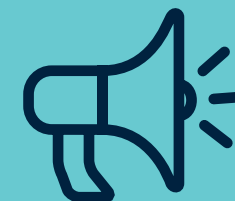
Much of our work over the past few decades has been aimed at addressing what are seen as the industry's negative legacies. Simultaneously, we have worked to advance the inclusive growth and development of the industry, and in so doing take it on the road to achieving our strategic goals. For example, the Minerals Council has played a major role in resolving the 900,000 case backlog of claims in the government-run Medical Bureau for Occupational Diseases (MBOD), where cooperation with the Department of Health not only cleared the entire backlog, but also placed the fund on a much sounder governance and financial footing.

In recent years, our work has involved engaging with government and the leadership of SOEs on the power supply, rail and ports logistics, and water crises that have afflicted the industry and much of South Africa's economy. It has also involved engaging government on a vast range of legislation to promote stable, effective and competitive legislation that promotes investment and inclusive growth. Reasonably often, those efforts have borne fruit.

The Minerals Council has taken a consistent stance against corruption which, apart from its impact on the functions of government departments and SOEs, has also affected the

industry directly. This has included the mine licensing process through efforts to award mining rights to corrupt private sector parties and seeking to amend regulations to favour them. The then-Chamber of Mines was criticised for breaking its relationship with a previous Mineral Resources Minister in 2017. However, the findings of the Zondo inquiry justified those actions.

We provide a coordinating function for members, for example, in the industry's comprehensive response, in partnership with government and organised labour, to the COVID-19 pandemic; and in engaging stakeholders such as government, SOEs, NGOs and engaging community representatives in particular mining regions about local economic development projects and any other critical issues. The Minerals Council also provides guidance to members when complex issues need to be addressed.



The Minerals Council provides a voice for the industry in our communications with government, investors, the media and other stakeholders, and represents the industry in engagements with, and within, other business organisations.

Five-year timeline

2018

February	May	August	September
Work begins with new Minister Gwede Mantashe to develop a mutually acceptable Mining Charter	Chamber of Mines is renamed Minerals Council South Africa	First National Day of Safety and Health in Mining	New Mining Charter is welcomed, with some specific reservations




2019

September	October	2019	December	December
Minerals Council calls for carbon tax delay	Khumbul'ekhaya health and safety campaign is launched	Lowest level of fatalities in the 130-year history of the South African mining industry	Minerals Council Transformation Report published	Call made for urgent action on private electricity generation and organised crime

2020

December	October	October	August	2020-2021	April	March	February
Celebration of Women in Mining COVID-19 Heroes	Minerals Council condemns murder of mining community leader, Ms Fikile Ntshangase	Minerals Council calls for greater structural reforms than provided for in President Ramaphosa's economic recovery and reconstruction plan	First National Day of Women in Mining	Minerals Council works with Business for South Africa (B4SA) on a range of COVID-19 matters, including registration of mine sites for vaccinations	Development of COVID-19 standard operating procedures is incorporated in regulations to enable resumption of mining	State of Disaster over COVID-19 forces shutdown of most mining operations	Minerals Council supports JET to a cleaner energy mix, with focus on energy security as a key national developmental objective

2021


January	September	October
Minerals Council and members support COVID-19 vaccine rollout	High Court rules for mining industry on "continuing consequences" of empowerment transactions	Announcement of our support for Paris Agreement ambition on GHG emissions
		

2022

January	February	July	August	December	2022
Minerals Council supports recommendations of Zondo report	Rio Tinto report on gender-based violence (GBV) welcomed	Minerals Council plays a key leadership role in deliberations behind President Ramaphosa's announcement of the biggest structural reforms in the electricity sector for more than 20 years. Mining companies announce 9GW of renewable energy projects valued at about R160 billion	Minerals Council commemorates Marikana 10 years on	Transnet board and the Minerals Council establish collaborative structures to try and stabilise the performance of the rail system	Industry records another historical low in fatalities, but 49 people still lose their lives. Significant progress in reducing fall of ground accidents, with no related fatalities recorded in the first half of the year.
					

How mining contributes to South Africa

In compiling this section of the report, the Minerals Council relies on various primary data sources including Statistics South Africa (Stats SA), the Department of Mineral Resources and Energy (DMRE), the South Africa Reserve Bank (SARB), the World Bank and the United States Geological Survey (USGS). As the Minerals Council depends on the latest, but incomplete, 2022 official data as published by these primary sources, this will result in subsequent revisions to preliminary estimates and/or published numbers.



Working closely with the Government resulted in members unlocking a 6,500MW pipeline of embedded energy projects valued at more than R100 billion

Value of production
R1.18tn
(2021: R1.1tn)

Direct GDP contribution
R493.8bn
(2021: R475.0bn)

Royalties paid
R14.2bn
(2021: R11.8bn)

% contribution to GDP
7.53%
(2021: 7.56%)

Total primary sales
R914.5bn
(2021: R855.3bn)

Minerals exports
R877.6bn
(2021: R855.7bn)

Employment
475,561
(2021: 458,954)

Transfer duties paid
R8m
(2021: R12m)

Employee earnings
R174.9bn
(2021: R166.2bn)

PAYE by mining employees
R27.1bn
(2021: R26.2bn)

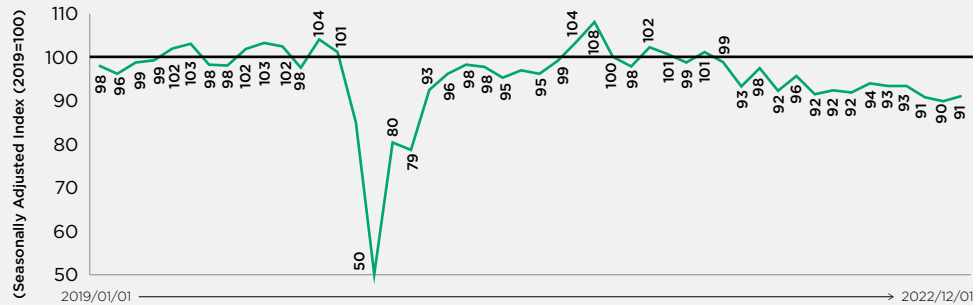
VAT (net outflows)
R28.9bn
(2021: R34.7bn)

Company tax paid
R73.6bn
(2021: R81.1bn)

Employment tax incentive by SETA
R98m
(2021: R68m)

Mining production and value

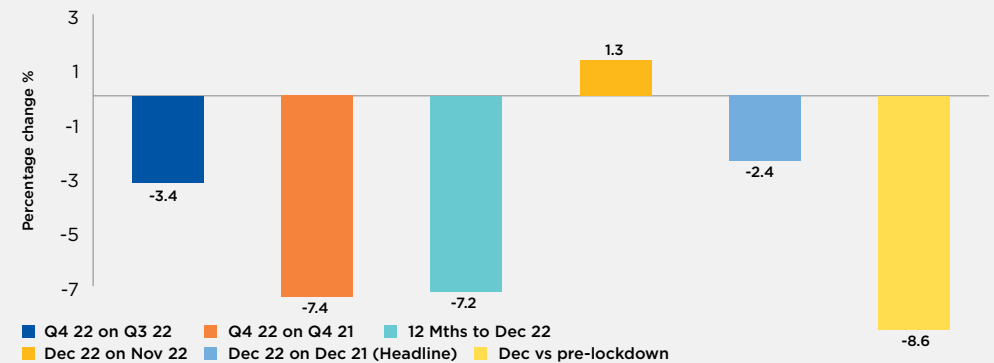
Total mining physical volume of production



Sources: Stats SA, Minerals Council South Africa

The performance of the mining sector in 2022 was impacted by high levels of uncertainty in many respects. International uncertainty about global geopolitical and geo-economic trends kept commodity prices at high levels. Simultaneously, it inhibited fixed investment in mining capacity. This resulted in extraordinary financial results in a period of real economic decline as cost pressures kept increasing. The value of mining production reached over a trillion rand (R1.1 trillion) for the first time during 2021 and grew further during 2022 to R1.18 trillion.

Variation in production performance

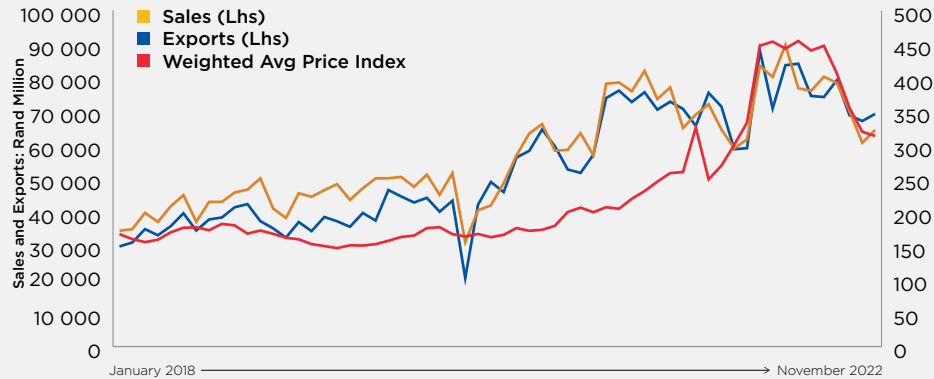


Sources: Stats SA, Minerals Council South Africa

However, the volume of mining sector production is now on average below pre-COVID-19 levels (base year moved to 2019) due to the structural constraints discussed below. The gravity of the situation is illustrated by the fact that 2022 production levels were 7.2% lower than 2021 and December 2022 production levels were 8.6% below the pre-COVID-19 average recorded in 2019.

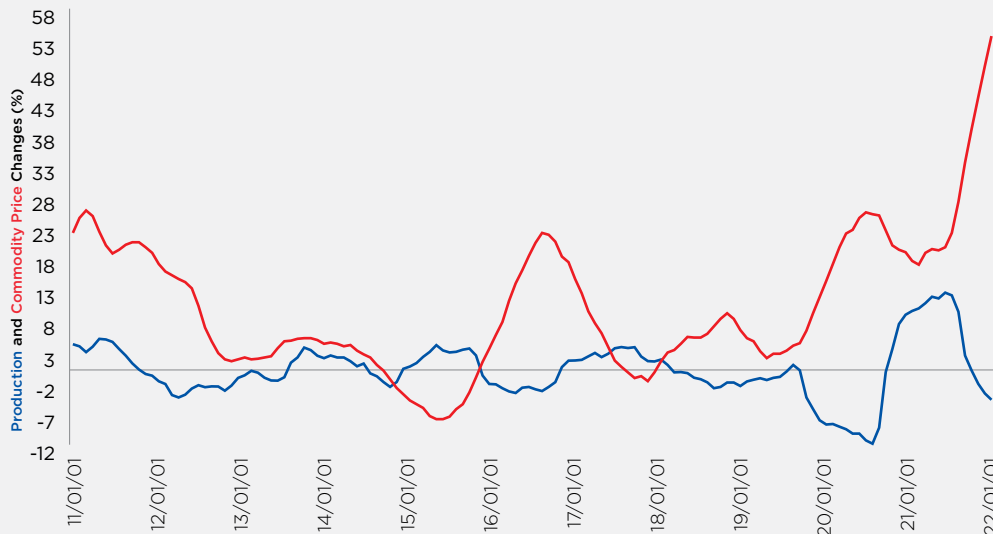
How mining contributes to South Africa continued

Export, sales and price trends



The graph shows total commodity sales (domestic and exported) and exports. The impact of the Russian invasion of Ukraine on commodity prices is clearly illustrated as measured by the weighted average coal, iron ore, gold, platinum trend line. The consequent impact on export and sales trends is clear too.

The rates of change in mining production vs rand commodity prices



Sources: World Bank, SARB, Stats SA, Minerals Council South Africa

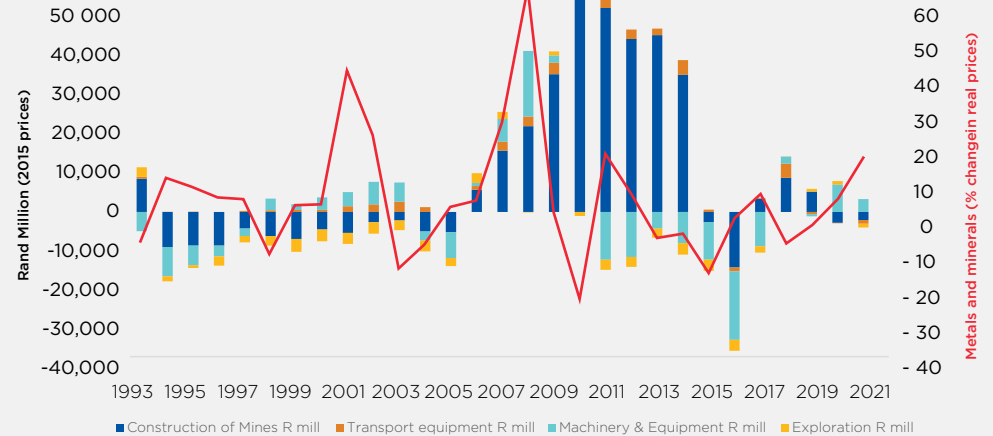
The stark impact of South Africa's structural constraints (mostly transport and electrical power) on mining performance can be seen in the total divergence of commodity price and production trends since 2020. Production has been unable to respond to substantially better commodity prices. A real concern, and growing likelihood, is that the declining 'volume effect' will overtake the 'value/price effect' if production and export constraints intensify.

Anecdotal evidence suggests that mining operations are running at 20% to 30% under

capacity due to electricity constraints, either through loadshedding or load curtailment.

The Minerals Council's estimates are that the sector forfeited R35 billion worth of exports in 2021 and another R50 billion during 2022 due to these factors. The opportunity costs for mining export earnings are even more profound when considering that achieving infrastructure design capacities plus some efficiency gains on the bulk ore lines could result in an additional R150 billion in exports.

Net fixed investment 'deconstructed' components



All data in real terms. Source: World Bank, Stats SA, Minerals Council

Depreciation allowances as a fiscal incentive play a big role in encouraging fixed investment in mining, especially in the development of brownfields projects. The country has found it difficult to attract capital into greenfield projects. The chart above depicts the relationship between net fixed investment and changes in commodity prices.



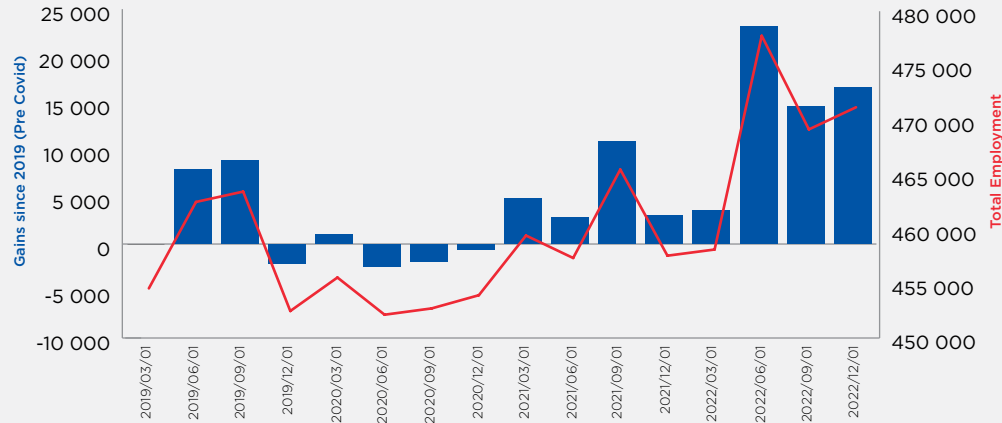
Glencore Coal - Goedgedonden Colliery

How mining contributes to South Africa continued

Employment

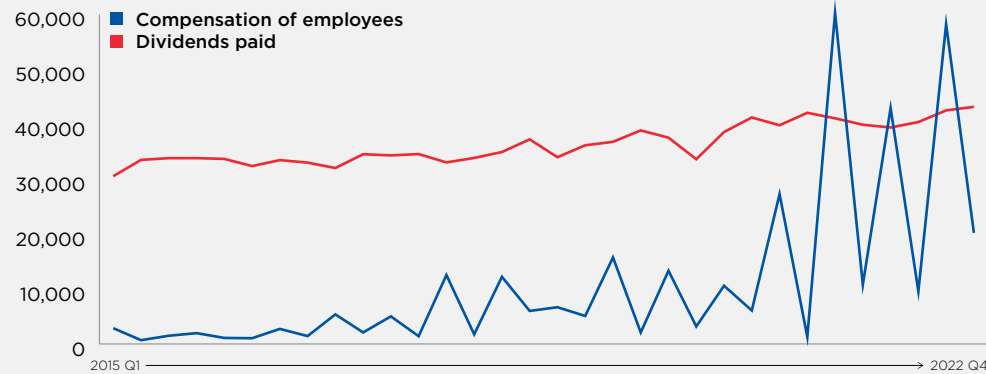
The latest employment data from Stats SA for Q4 of 2022 shows that total mining employment increased by 0.43% quarter-on-quarter. This brings the Q4 2022 total industry employment number to 471,184. Companies are reporting higher employment numbers now than before the COVID-19 lockdown, with just over 16,000 additional people in the labour force since 2019.

Employment numbers reported by companies



Sources: Quarterly Employment Survey, Stats SA, SARB, Minerals Council South Africa

Compensation of employees and dividends paid



Sources: Quarterly Employment Survey, Stats SA, SARB, Minerals Council South Africa

Contribution to GDP

Mining's contribution to South Africa's GDP fell slightly from 7.56% in 2021 to 7.53% in 2022. This was mainly due to weak production performance which showed a 7% decline for mining compared to 2021, while the economy grew by 2.1% over the same period.

On the domestic front, this was mainly because of Transnet and Eskom's woes, which curtailed profits and forced some companies to incur additional spending to generate their own electricity and find solutions to logistical bottlenecks. Globally, suppressed economic growth and geopolitical instability saw the operating environment for most businesses, including the mining sector, deteriorate.

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Henk Langenhoven

Chief Economist

“Mining plays a significant role in the economy of our nation. Publicly available data on the industry is therefore important so that stakeholders understand how the industry is performing. The availability of credible statistics that paint an accurate picture of the South African mining sector is crucial.”



In 2022 total employee compensation amounted to R165.5 billion compared to R163.0 billion the previous year, representing a 1.5% increase. In the same period, investment income or dividends increased by 31.5% to R131.0 billion (from R99.7 billion). Post-COVID-19 dividend payments have become much more volatile, partly on account of pent-up demand which resulted in high commodity prices thus improving the profitability of the mining sector.

Mining GDP trends

Annualised, seasonally adjusted GDP for mining declined by 7% in 2022, as we estimated. Mining quarter-on-quarter seasonally adjusted annualised GDP for Q4 2022 decreased by 16%, clearly showing the Q4 deterioration in the level of production due to electricity supply constraints and logistical bottlenecks.

Modernisation

The Minerals Council has a five-year Strategic Partnership for People-Centric Modernisation with the Research Institute for Innovation and Sustainability (RIIS). Our three key objectives for the 2022-2026 cycle are to:



Implement medium-term modernisation programmes



Strengthen collaboration with member companies



Strengthen the external research, development and innovation (RD&I) ecosystem



A key priority in 2022 was undertaking a review of the current state of the Mining Innovation Ecosystem in South Africa, where we assessed the relative performance and strength of key performance indicators that characterise a healthy innovation ecosystem.

The Minerals Council is also an implementation agent for the Mandela Mining Precinct (MMP), the largest public-private partnership on RD&I in South Africa. The programmes that they are currently implementing are:



Longevity of current mines



Mechanised mining systems



Advanced orebody knowledge



Real-time information management systems



Successful application of technology centred around people



Just Energy Transition (JET)

The mining industry plays a key role in this transition as many renewable energy technologies rely on critical materials that are mined, such as lithium for electric vehicle batteries, copper for wind turbines and solar panels, and platinum group metals (PGMs) for hydrogen fuel cells, auto catalysts and electrolysis in the manufacture of hydrogen.

The key to unlocking the country's mineral potential is encouraging and incentivising greenfield exploration by government. Not only will this create jobs, but it could also serve to assuage the effects of the transition on jobs that will be lost in the coal industry.

For more, please see page 44.

Case studies



Northam Platinum - Zondereinde

Securing infrastructure

South Africa's economy may be small in global terms, but it is also very 'open' – clearly indicated by the fact that exports and imports of goods and products represent almost 60% of GDP expenditure.

Total mining exports alone represent nearly R900 billion (24%) of South Africa's R3.8 trillion international trade, of which bulk exports represent nearly 50%. The country and the mining sector are, therefore critically dependent on transport and logistics for functional supply chains to and from international markets.

The Minerals Council is on record flagging serious concerns around the failures of logistics in bulk export harbour facilities and on the rail corridors. We estimate that resultant losses in forfeited bulk mineral exports were R51 billion in 2022 (up from R35 billion in 2021) – based on actual capacity transported versus contractual obligations. When nameplate/design capacity of the rail corridors, with some enhancements in efficiencies, is used as a benchmark, the estimates are that R150 billion in export earnings were forfeited.

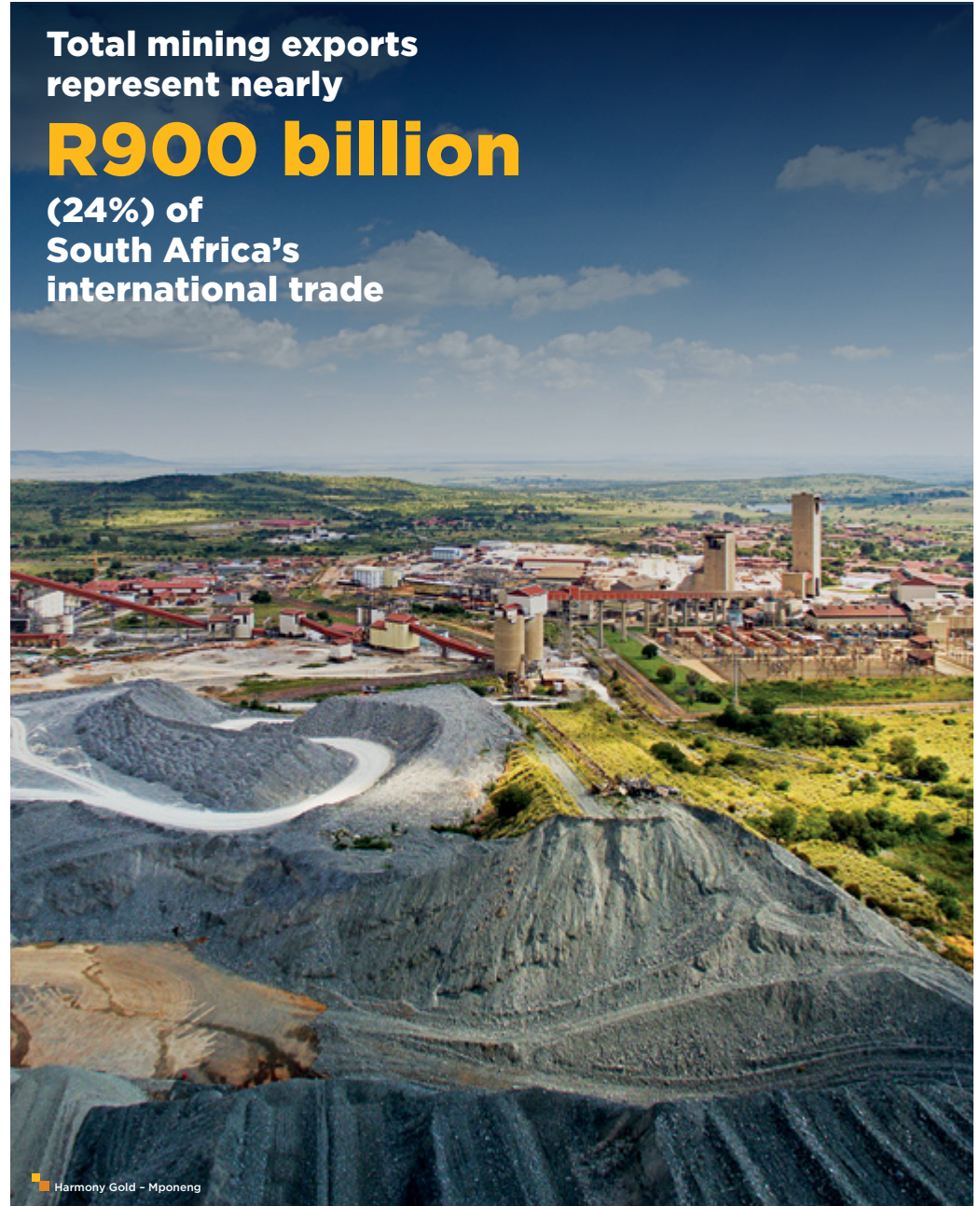
The Minerals Council is working closely with Transnet's board and management to stabilise the performance of Transnet Freight Rail in the short term and to establish meaningful private sector participation in the medium term.

Extensive research and advocacy regarding the failures and bottlenecks in logistics were undertaken by our teams during 2022, which succeeded in raising transport and logistics to the national agenda and supported a

Presidential proposal to establish a National Logistics Crisis Committee. This work included:

- Substantial support for the 24-hour functioning of the Lebombo-Ressano Garcia Road border post with Mozambique (achieved after 15 years of private sector lobbying)
- Inputs made to improve and refine the proposed One Stop Border Post policy and the establishment of South Africa's Border Management Authority
- Intensive interactions with Transnet relating to its services to the mining sector and the country (along with other industries, including agriculture, forestry, chemicals)
- A range of work with Transnet to improve throughput from rail and harbour facilities, including:
 - A chrome corridor study
 - Intensive work on a proposed manganese port at Gqeberha
 - Practical support to enhance efficiencies on the iron ore line and the coal corridor, as well as security interventions on the latter
- Supporting the African Rail Industry Association's work on concessioning the coal and chrome corridors
- Making submissions on the National Rail Policy
- Monitoring work on Operation Phakisa's Oceans Economy, given industry concerns about possible constraints on marine transport due to proposed quotas on bulk mining exports
- Making submissions on the draft South African Shipping Company Bill

Total mining exports represent nearly **R900 billion** (24%) of South Africa's international trade



Harmony Gold - Mponeng



Following the identification of in-stope illumination as a potential leading practice, the MOSH (Mining Occupational Safety and Health) Fall of Ground (FOG) team was tasked with visiting mines that were conducting trials of this initiative.

In November 2021 and March 2022, the FOG team conducted site visits to observe the impact of the illumination project in the stopes, and to engage with the employees working there.

Northern Platinum's Eland mine is located 20km west of Pretoria, mining the UG2 reef at a shallow depth of about 150m below surface. Eland is a hybrid mine using flexible off-reef mechanised mining methods to access ore reserves, as well as conventional mining methods.

A significant challenge for Eland is the geotechnical complexity of the ground. Mining activity is complicated by prominent clay-filled shear zones in the hanging wall. This prominent hanging wall shear zone has resulted in the mine focusing more on hanging wall support and rockfall hazard detection and identification.

Eland mine currently uses strip LED lights in their stopes, for several reasons, including low energy consumption, low running and maintenance costs and the lights' robust, durable and flexible construction – making them easy to cut, repair and install.

The operation installs one continuous strip light across the entire length of the 30m stope face, with the lighting unit located

Lighting the way for safety

1m to 2m from the face, behind the last line of permanent support. The mine aims to illuminate up to 4m of face area. The lighting is sufficient for rockfall hazard identification across the entire panel length, with an even distribution and no dark spots or glare.

The lights along the panel face are installed by the supporting crew at the start of the shift, during the process of Entry Examination and Making Safe, and they are removed by the drilling crew before the blast is taken. Like the installation of permanent support, the light installation moves forward with every blast. The low weight strip lights are connected to the diamond mesh in the hanging wall with clips and cable ties, resulting in a quick and simple installation process.

The strip lights at the stope working face contain 72 LEDs per metre. The brightness of the strips can be adjusted by increasing or reducing the LEDs per metre. The strips have connection points that can be cut and joined to control units to extend or shorten the light strips.

Until the launch of this initiative, there had never been a collective approach across the entire industry working towards the full illumination of workfaces. There is anecdotal evidence that adequate illumination at the working face reduces safety risks, and the case studies documented by the team show that good workface illumination improves cognitive function as well as employee productivity.

Good underground lighting plays a critical role in safety



Seriti - New Denmark Colliery



Adding up the renewables

In 2022, loadshedding occurred for 3,773 hours – resulting in actual energy shed of 8,301GWh. It was also the first year that most loadshedding occurred at stage 4 instead of stage 2. The decarbonisation of electricity generation, lack of energy security and the high cost of electricity (which has increased more than 900% since 2007) has led to the mining industry opting to build their own power generation facilities.

Eskom's energy availability factor currently languishes around 50%, which means that about 24,000MW of generation out of the 48,000MW of Eskom installed capacity is not available.

The removal of the licensing threshold has unlocked massive investment by the private sector. More than 100 projects amounting to over R150 billion, representing about 9,300MW of new generation capacity, are now at various stages of development. Of these projects 7,500MW will be built by the mining industry.

Wheeling arrangements are still a challenge for municipalities and there is a need to develop a wheeling framework that will allow municipalities to have a system and human resources that they can use to ensure efficient wheeling agreements. The National Energy Regulator of South Africa (NERSA) requires cost of supply studies to approve municipal wheeling, which most municipalities have not been able to generate due to lack of capacity.

The Minerals Council is advocating the augmentation of the transmission grid, finalisation of the review of queuing rules and wheeling agreements to ensure that renewable energy generation projects can come online to reduce loadshedding and allow for economic growth. To this end the Minerals Council, the Ferro Alloy Producers Association and the Energy Intensive Users Group have each seconded an employee to the Presidency Embedded Generation Task Team, which will soon be replaced by the One-Stop-Shop.

To respond to the severe impact of loadshedding on households, small businesses and the economy, President Cyril Ramaphosa announced a range of measures in July 2022 to improve the performance of existing power stations and to add new generation capacity as quickly as possible. The Energy Action Plan was also developed by government to the same end. The National Energy Crisis Committee (NECOM) has since been established to coordinate government's response and ensure swift implementation of the plan. The Minerals Council was a lead player in lobbying for its establishment.

Gold Fields and Pan African Resources commissioned 50MW and 10MW solar PV plants respectively in 2022, while African Rainbow Minerals, Tronox Mineral Sands and Harmony Gold are currently constructing renewable energy plants amounting to 330MW.

More than 100 projects
amounting to over
R150 billion
are now at various
stages of development





We are determined to continue playing a meaningful role in the economy, society and communities in which member companies operate. We will ensure that our social licence to mine is beyond reproach and that we continue #MakingMiningMatter in a safe, sustainable, environmentally conscious way.”

Nolitha Fakude
President



#Making mining matter – Transforming our industry beyond compliance

Next year, South Africa will celebrate three decades of freedom and democracy. At the heart of this significant milestone lies our continuous journey of transformation, both as a nation and as an industry.

The imperative to transform is guided by a bold vision in South Africa’s Constitution: to heal past divisions and establish a society based on democratic values, social justice and fundamental human rights. Transforming our society and economy is at the heart of making this ideal a reality, and the Minerals Council South Africa is committed to playing our part in making this vision a reality.

Going beyond compliance

As the Minerals Council, we reiterate that while the Mining Charter has been clarified as a policy rather than law, the mining industry remains ever committed to transformation and continuing the sustainable and impactful initiatives that result in true economic value creation beyond mere compliance. This is demonstrated through the ongoing Transformation Beyond Compliance project, initiated by us in 2021. The project was developed in response to the perceived void with regards to an enforceable transformation instrument for the mining sector and an invitation by the Minister of Mineral Resources and Energy, Gwede Mantashe, following the declaratory order and judicial review, for the industry to recommend a framework for socio-economic transformation in the mining industry and a request by Minister Mantashe that the industry continues with the objective of transforming the mining industry.

The Transformation Beyond Compliance project picked up momentum in 2022. In this respect, we are preparing a proposed instrument that can deliver meaningfully differentiated outcomes for all stakeholders while ensuring policy certainty for the industry concerning transformation and targeted socio-economic development commitments. Accordingly, we are hopeful that the Transformation Beyond Compliance project will serve as a proposed bridge by the mining sector between the current context of transformation in the mining sector and a future characterised by increased shared values and collective satisfaction by all stakeholders and

beneficiaries (employees, communities and suppliers). Once we have finalised the concept, we will engage the DMRE to review, refine and work towards the adoption of the co-created Transformation Beyond Compliance proposal.

Our engagements will include all stakeholders, including the beneficiaries, organised labour, community-based organisations and non-governmental organisations.

As an industry, we continue to play our part in changing South Africa’s socio-economic landscape in numerous ways. In 2022 alone, our performance as an industry enabled us to contribute R484.7 billion to the economy, up from R475 billion, keeping the sector as a 7.3% contributor to GDP. Exports of R877.4 billion significantly improved compared to R834 billion a year earlier. For the second consecutive year, the value of production was above R1 trillion, increasing to R1.18 trillion from R1.1 trillion.

The value we add and share as an industry comes in many forms. Through our total economic contribution, we have enabled local companies to grow and thrive by being very deliberate about procuring from local suppliers in our host communities, those owned by black South Africans and those owned by women and young people.

The mining and quarrying sector spent R504 billion in 2022 on the purchase of goods and services. The mining industry strives to allocate 60-80% of its annual procurement expenditure on HDSA-empowered companies, which includes black-owned, women-owned and youth-owned companies.

The industry grew employment to nearly 469,000 during 2022 from 460,000 the year before. Mining industry employees’ earnings of R174 billion were substantially higher than R165 billion before. The sector spent more than R5 billion on human resources development, with a further R1.7 billion paid to the skills development levy.

The Minerals Council’s Skills Development department continued to actively cooperate with various skills and education structures to ensure that a framework exists to deliver the right kind and level of skills training to the mining industry. This involved work within mining industry training bodies and national education structures.

In addition to this, we are proud of our role as a champion of junior, exploration and emerging mining companies. Our Junior and Emerging Miners Desk (JEMD) has 38 members, including three associations representing in excess of a 1,000 small companies. In 2022, Junior and Emerging Miners accounted for 7.4% of the mining industry’s total revenue – at around R88 billion. Along with the JSE, the JEMD initiated a Junior Mining Accelerator Programme to provide strategic support to junior mining companies.

It is more important than ever that the mining industry forges relationships built on mutual trust, cooperation and partnership with our communities through Social and Labour Plans and other initiatives. The economy is not growing, job prospects are poor for school leavers and youth in general and one in three adults cannot find work, leading to high rates of crime, despondency and social ills.

The industry spends more than 1% of its net profit after tax on community development projects annually. Mining companies often implement social development initiatives before they start production or selling products.

The industry’s procurement spend, enterprise development projects and education and training through Social and Labour Plans that underpin mining rights, are the ideal mechanism to improve our host communities’ lives and create sustainable livelihoods beyond the lives of mining operations.



The mining industry remains ever committed to transformation and continuing the sustainable and impactful initiatives that result in true economic value creation beyond mere compliance.



Going beyond regulatory compliance and demonstrating lasting social value are fundamental to building trust and demonstrating leadership.

Reflecting on ESG considerations

As the global mining industry is increasingly judged by the highest of Economic, Environmental, Social and Governance (EESG) standards, the Minerals Council and our members are firmly steering a course towards greater transformation, community engagement and upliftment, and contribution to the country and society.

The Council has five strategic goals to guide us as we strive for these objectives. With greater scrutiny from all mining industry stakeholders for tangible proof of adherence to EESG standards, our five goals give us a solid foundation to work to ensure our sector continues **#MakingMiningMatter**.

The Minerals Council is investigating adopting Towards Sustainable Mining - a global, third-party verified sustainability programme focused on social and environmental performance by mines - to build on our Membership Compact to which we hold our members. We are mindful of the myriad of EESG standards and rating agencies, and so some of the more substantive and mining-focused ones are also under consideration by the Minerals Council as the most appropriate standard for the South African mining industry.

Including a global EESG-leading practice is vital to societal acceptance of mining and securing our future. Going beyond regulatory compliance and demonstrating lasting social value are fundamental to building trust and demonstrating leadership.

Our members look beyond their mine gates to make a positive difference in nearby communities. The Minerals Council, representing our members, signed a Memorandum of Understanding with the National Prosecuting Authority's Sexual Offences and Community Affairs Unit and the

GBVF Response Fund. The parties will collaborate to facilitate the building and/or refurbishment of Thuthuzela Care Centres (TCCs) to provide prevention, response and after-care services to survivors of GBV in mining-host communities around the country.

To date, seven mining companies have pledged financial support of R6 million and made donations to the partnership. They pledged to build TCCs, with Glencore Ferroalloys handing over a centre in November.

The Minerals Council has an active Women in Mining initiative to ensure gender diversity and inclusion in a traditionally male-dominated industry. The sector employs more than 70,000 women, representing about 15% of the workforce. Developments in technology to modernise mining and make it safer will not only improve the industry for all employees but make it a viable career option for women.

Modernisation and repositioning of mining in society include reducing carbon-based energy, extracting minerals critical for new energy sources, and ensuring a just energy transition for employees and mining host communities. In September 2022, the Minerals Council Board adopted a comprehensive position on climate change, and our members are committed to contributing to a just energy transition by, for instance, making a positive contribution to the socio-economic development of affected communities.

Strategic Goal Four stipulates: "Lead by example, demonstrating progress on transformation, safety, social, and environmental imperatives, including through sharing leading practices."

The Minerals Council is actively engaged on these points, and the results are starting to show.



American Platinum - Dishaba Mine

Message from the Minerals Council President continued

In 2022, the South African mining industry had the safest year on record. We are acutely aware that 49 families are grieving their loved ones. Our commitment to achieving zero harm remains steadfast. The 34% reduction in fatalities from the previous year's 74 deaths has shown we can make step changes in safety on our mines. In January 2023, the industry reported its first fatality-free month, another milestone in our quest for zero harm.

The critical factor in the safety performance in 2022 was the 73% reduction in deaths resulting from falls of ground (FOG). The Minerals Council Board and CEO Zero Harm Forum adopted the Elimination of Falls of Ground Action Plan (FOGAP) in July 2021, putting a singular focus on a significant risk in underground mining by developing, sharing and adopting leading practices such as netting, improving lighting of working places and more efficient, easier-to-use rock drills.

The number of FOG fatalities has fallen to an average of 24 a year in the 2016-2020 five-year period from an average of 111 a year in 2001-2005, a 78% improvement.

The Minerals Council is applying the same focus to collision avoidance systems in mobile mine machinery and other leading causes that result in injuries and fatalities.

The South African mining industry's cooperative and proactive response to the COVID-19 pandemic in 2020 meant lives and livelihoods were saved, and the country's mines were able to provide a vital source of revenue for the fiscus, allowing government to pay social grants, underpinning the importance of mining to society and the economy.

We are building on this legacy by increasing our engagement with the Presidency, ministers and leaders of state-owned companies to assist where possible for the good of the mining industry and broader economy.

Looking back on 2022, it has been a tough year for everyone, not least the mining industry. However, we are determined to continue playing a meaningful role in the economy, society and communities in which member companies operate. We will ensure that our social licence to mine is beyond reproach and that we continue #MakingMiningMatter in a safe, sustainable, environmentally conscious way.

Finally, allow me a personal note to thank Roger Baxter, the outgoing Minerals Council CEO. Having spent over three decades in service of our industry, Roger embodies a spirit of collaboration and selfless leadership synonymous with our industry.

Through his unwavering commitment to making South Africa a better place, he has provided a blueprint for us all to emulate. South Africa's mining industry is indebted to him for his passionate and principled leadership during some very challenging times for our industry.

Nolitha Fakude
President



The South African mining industry's cooperative and proactive response to the COVID-19 pandemic in 2020 meant lives and livelihoods were saved



Sibanye-Stillwater - South Africa PGM Rustenburg operation

Office bearers

Our Office Bearers, who provide leadership to the Minerals Council, are elected each year at the annual general meeting.



1. **Nolitha Fakude** – President
Chair of Anglo American’s Management Board in South Africa
2. **Paul Dunne** – Vice President
CEO, Northam Platinum
3. **Themba Mkhwanazi** – Vice President
CEO, Anglo American Bulk Commodities
4. **Peter Steenkamp**
CEO, Harmony Gold

The full list of Board members can be found here:

www.mineralscouncil.org.za/about/board-and-office-bearers



Board and governance summary

The Minerals Council’s approach to governance fosters the principles and leading practices of King IV, follows the highest ethical standards and subscribes to fairness and integrity. Stakeholders are encouraged to practice and support business integrity in their respective organisations.

Our commitment to ethical leadership is enhanced by the adoption of a range of complementary guidelines and policies, including policies to manage ethics, business integrity, conflicts of interest and interactions with stakeholders, to ensure honest, constructive and ethical relationships.

Governance structures comprise the Board, the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee.

Board

Representatives of the Minerals Council Board are elected at the annual general meeting by member representatives. Each Board representative will hold office until the next annual general meeting after their election, when the representative will retire but be eligible for re-election.



Audit and Risk Committee

Assists the Board in discharging its duties relating to the safeguarding of assets; the operation of adequate systems, internal controls and control processes; and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards. Reviews the management of risk and monitors compliance effectiveness.



Remuneration Committee

Assists the Board in ensuring the Minerals Council properly implements our Human Resources Strategy, including the ability to attract and retain staff through a competitive remuneration and incentive system. Fulfils an independent role in formulating recommendations on remuneration and incentives for consideration and approval by the Board.

Nomination Committee

Assists the Board to evaluate and recommend candidates to fill key positions, including the Board representatives, Board committees, the Chief Executive Officer and Office Bearer positions. This Committee makes recommendations to the Board for final approval.



In 2022, the Board continued its efforts to improve the safety and health of mineworkers and to resolve key infrastructure constraints on rail, ports and electricity:

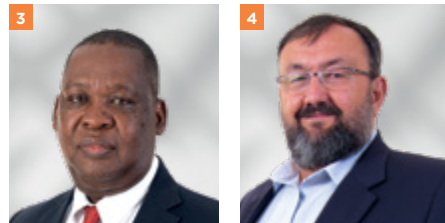
- Reducing fall of ground fatalities. A special Board Hour of Learning was held in February leading to the establishment of a task team comprising mine-based technical experts in rock engineering and production disciplines to oversee the work being done on leading practices for barring and permanent aerial support.
- Addressing the significant risks facing the mining industry and the South African economy as a result of weak government leadership, the non-performance and hollowing out of the capacity of the state and SOEs, and an emerging fiscal crisis.
- Driving the participation of women in the mining industry. A major activity for the Women in Mining (WiM) programme in 2022 was a study of how member companies are implementing the foundational measures set out in the WiM Strategy. The assessment comprised a survey and visits to companies that included focus group discussions.
- The Board continued to drive the industry’s agenda, fight for good governance and proper leadership, and drive the business agenda in debates with government and other stakeholders.

Board and governance summary continued



- Striving to improve safety and health in mining, with a core focus on the elimination of fatalities, reduction of exposures and reduction in health-related impacts.
- Continuing to resolve infrastructure bottlenecks (rail, ports, electricity), ensuring adequate water supply and assisting local municipalities to provide basic services.
- Resolving the electricity crisis by working with government and Eskom leadership to stabilise Eskom and unlock large scale private-sector investment in generation.
- Resolving critical logistical constraints affecting the export performance of the sector, pushing for significant structural reforms in rail and ports, including much greater private sector involvement and control through public private partnerships on the major lines and ports.
- Advocating public private partnerships for new infrastructure projects, capitalising on the risk management capabilities of the private sector.
- Demonstrating business leadership to encourage government to implement critical structural and institutional reforms to make South Africa more competitive and investment friendly.
- Addressing the significant crime and security crisis affecting the mining sector – lobbying for much greater government and police intervention in key areas related to organised crime, the theft of mining product and inputs, copper theft and damage to critical infrastructure.

Executives



1. Roger Baxter – Chief Executive Officer

BCom (Hons)

Roger joined the Minerals Council in 1992 and has 32 years of high-level mining industry, business, strategy and advocacy experience. He was appointed COO in 2014 and CEO in 2015. 2022 was his last full year as CEO. He has played a key leadership role in repositioning and modernising the Chamber of Mines of South Africa as the new Minerals Council South Africa, and in transforming the Minerals Council into one of the most respected business advocacy organisations in South Africa

He is a member of the Minerals Council Board, the BUSA Board. He chairs the WPIC and is the immediate past Chairman of the ICMM Associations Work Group and immediate past President of MIASA.

Roger was involved in the first mineral policy discussions with the ANC in 1992 and has participated in (and often led) discussions on all aspects of mining, economic investment, transformation and tax policy with government. He previously chaired the BUSA Econpol and Growth Task Team and led the business input at various investment summits, including being in the six-a-side business leadership team that negotiated the new Economic Recovery and Reconstruction strategy with government. He has also played a key leadership role in various engagements with government on electricity market, rail service and economic reforms.

2. Tebello Chabana – Senior Executive: Public Affairs and Transformation

BA (Law); LLB

Tebello joined the Minerals Council in July 2016. He began his legal career at Deneys Reitz Attorneys, then joined Anglo American South Africa as a legal advisor in 1998 and served in a

range of positions, including time at Kumba Iron Ore as Executive Head of Public Affairs, ending as Head of Public Affairs South Africa. He joined the Minerals Council after leaving Anglo American.

3. Nikisi Lesufi – Senior Executive: Environment, Health, and Legacies

BSc (Hons); MSc

Nikisi joined the Minerals Council in 2002 as an environmental advisor. He was appointed to his current position in 2008. He previously lectured at the University of the North (now University of Limpopo) and worked for many years at the then Department of Water Affairs and Forestry (DWAF) as Deputy Director: Water Quality, Director: Water Resources Management, and head of the DWAF's Free State regional office.

4. Harry Groenewald – Senior Executive: Finance and Administration

BCom; MBL

Harry joined the Minerals Council in 2010 as Executive Manager Finance and was appointed to his current position in 2015. He started his career in the mining industry in 1985 when he joined the then Rand Mines. Prior to joining the Minerals Council, Harry was involved with copper and cobalt projects in the Democratic Republic of Congo.

5. Sietse van der Woude – Senior Executive: Modernisation and Safety

MSc; MBL

Sietse joined the Minerals Council in 2004 as a safety and sustainable development manager. He previously led the implementation of a regulatory framework for radiation safety in the mining industry at the National Nuclear Regulator.

Leadership forums

Minerals Council member companies are represented on eleven leadership forums, which meet on a regular basis throughout the year. These forums streamline and promote collaboration, create a platform for us to engage with our members, and provide a forum through which members can engage with government and other key partners and stakeholders.



11 Leadership forums

1



CEO Zero Harm Forum

The CEO Zero Harm Forum acknowledges that health and safety starts with CEOs. Through the forum's meetings, CEO-ship is deliberately promoted through presentations by CEOs on their role in safety. This structure has played a key leadership role in driving the improvements in safety and health of the industry.

2



Chrome Leadership Forum

The forum focused on the challenges faced by the bulk commodity sector in logistics, notably rail and port, and the concomitant impacts on road, municipalities and ports due to the move from transporting products by rail to transporting them by truck due to failures in the rail system.

3



Coal Leadership Forum

The forum continues to engage Transnet, the Department of Public Enterprises (DPE) and the DMRE in a coordinated effort to find a permanent solution to the challenges in rail and ports. Other areas of focus in 2022 included the JET and the Minerals Council position on climate change, security issues affecting the sector, potential collaboration to enhance social performance-related projects and engagements with community forums.

4



Diamond Leadership Forum

In 2022, quarterly meetings between the forum and the South African Diamond and Precious Metals Regulator were instituted to foster greater collaboration and understanding of the challenges facing the sector and the unintended consequences of the existing regulatory framework on beneficiation. The forum continues to engage with the DMRE and other relevant stakeholders on the diamond regulatory framework.

5



Platinum Leadership Forum

Areas of focus for the forum included unlocking self-generation projects to mitigate the effects of loadshedding, security challenges and strategies to develop a greater understanding within government of what is needed to encourage the platinum market. The forum retains a keen interest in the activities of the Hydrogen Leadership Forum whose establishment it proposed in 2021.

6

Exploration Leadership Forum

The forum was established to ensure that South Africa becomes a globally attractive jurisdiction for mineral exploration. To maximise efforts, it was decided in 2022 to combine this with the Junior and Emerging Miners Leadership Forum, some of whose members are involved in greenfields exploration.

7



Junior and Emerging Miners Leadership Forum

The forum continues to be involved in active lobbying efforts with the DMRE, the Council for Geoscience (CGS), National Treasury and the Johannesburg Stock Exchange (JSE) to improve the regulatory environment and the financial services industry in order to support exploration in South Africa. The forum championed the procurement of a functional mining cadastre system as an essential component of promoting exploration and investment in South Africa.

8



Northern Cape Mines Leadership Forum

The forum has had a series of engagements with the provincial government and the Department of Water Affairs and Sanitation to structure a suitable collaborative arrangement to ensure a sustainable, cost-effective supply of water from the Vaal Gamagara Water Supply Scheme. The challenges with security and the diminishing performance of Transnet Freight Rail posed serious threats to both the iron ore and manganese producers.

9



Women in Mining Leadership Forum

During 2022, the forum conducted a review of the implementation of initiatives and policies it had sanctioned since the inception of the WiM programme. The intention was to gain insights into the effectiveness of the WiM initiatives and to also obtain data to inform the continued strategic direction of the WiM programme. A Memorandum of Understanding between the Minerals Council, the National Prosecuting Authority's Sexual Offences and Community Affairs Unit and the Gender-Based Violence and Femicide (GBVF) Response Fund was signed on 2 December 2022 to work together to increase the number of Thuthuzela Care Centres in mining host communities across the country. This partnership is an industry first and will provide a collaborative platform to strengthen the fight against GBV in the mining sector.

10



Associations Leadership Forum

The forum considered a range of issues affecting smaller miners, *inter alia*, the Artisanal and Small-Scale Mining Policy, carbon emissions targets, informal business forums and procurement mafia. It supported the West Coast Initiative, an initiative by diamond producers to unlock the alluvial diamond deposits along the West Coast of South Africa.

11

Hydrogen Leadership Forum

The forum was established in 2022 as an executive-led forum for strategic reflection and advocacy. The Minerals Council accelerated members' understanding of hydrogen economy opportunities and facilitated engagements with the Department of Science and Innovation (DSI) and the newly established Energy Council.



2023 marks the end of Roger Baxter's nine-year leadership tenure of the Minerals Council, one as COO and eight as CEO. This interview reflects on 2022 as well as key developments in 2023, the changes challenges during this nine-year period and what lies ahead."

Roger Baxter
CEO



Q A How would you describe 2022 for the Minerals Council and the mining industry, and what have been some of the major issues the Minerals Council has had to deal with during the year?

Like many of the years before it, 2022 was both challenging and difficult for the mining sector and the country. That said, the Minerals Council continued to implement the Board approved strategic plan and was able to continue to make material progress against our objectives. A number of areas stand out.

Substantial industry leadership and energy continued to be channelled, through the Minerals Council and directly by companies, to achieve the lowest level of fatalities in the mining sector in recorded history. Still, this means that 49 people did not go home to their families, and our quest for zero fatalities must continue. We recorded the first month with zero fatalities in January 2023, so we know it can be done. In the first half of 2022, there were no recorded FOG fatalities in deep level gold and platinum mines – the first time on record.

Material progress was made on reducing fall of ground fatalities during the year (by 73%) and implementing workable collision avoidance solutions. The issue we are facing is how to sustain a progression to zero harm in the long term: We know it has to do with a combination of technological progress and ensuring that people work together to achieve it. Most importantly, we need to ensure that people know that they can say no to working in unsafe conditions and that they are assured that their bonuses will not be affected by saying no to unsafe work. It is a journey of ongoing incremental improvement where we continue to learn from each other. But there is also a lot that we must do at a country level to instil a safety mindset, including having people's home and transport conditions and priorities match the workplace safety priorities.

Significant progress has also been made on the health front where the industry was alert to any COVID-19 risks, continued to focus on reducing occupational exposures and, significantly, the industry's tuberculosis (TB) prevalence rate remains below the national average. The sector also implemented the Masoyise Health Programme focused on lifestyle diseases.

73%

Material progress was made on reducing fall of ground fatalities (by 73%) during the year and implementing workable collision avoidance solutions.

The Council's drive for greater diversity and inclusion in mining, including through the implementation of the Women in Mining Strategy by members, continued to see positive progress made. By the end of 2022, some 72,000 women were employed in the mining sector representing 15% of the workforce. The implementation of the foundational measures and the strategic pillars is creating a more positive environment for women in mining. The Council also drove industry efforts to tackle the scourge of GBVF including coordinating industry efforts with the national authorities. The Council helped channel industry efforts towards encouraging companies to establish Thuthuzela Care Centres at various mine sites across the country in order to assist victims of GBVF.

The Minerals Council has led the charge on addressing legacy issues. With the Minerals Council's support, the Medical Bureau for Occupational Diseases (MBOD) and Compensation Commissioner for Occupational Diseases (CCOD) achieved a clean audit and, at the same time, the industry saved over R1 billion in levies through a revaluation of the fund assisted by the governance and oversight work provided by the Council to the MBOD/CCOD.

The Council helped shape the national discourse to enable the most substantial structural reforms in the past two decades in the energy sector with government eventually accepting our view that the future of new power generation should rest with the private sector. Government established the National Electricity Crisis Committee (NECOM) and focused on removing impediments to private sector investment in generation including amending licensing requirements. Further reforms to split the transmission system into a separate state company and to resolve transmission constraints are key to unlocking the private sector's energy projects.

The Council invested significant effort with members into engaging government and Transnet on the country's rail crisis. Based on actual performance versus target, the sector lost over R50 billion in exports in 2022. If one takes the nameplate capacity of the rail infrastructure, or enhanced nameplate capacity, the economic opportunity cost is more than R150 billion in lost exports and R27 billion in taxes to Treasury. The Council established a joint Recovery Steering and Plenary structure with Transnet to focus on the short-term stabilisation of performance in the four major bulk commodity export channels. At the same time the Council called on the State President to establish a similar cabinet sub-committee structure to NECOM, but for rail, to drive reforms, including opening rail to private sector investment and concessioning. A National Logistics Crisis Committee has now been established towards this aim.

Another area of substantial focus has been on the security crisis affecting the mining sector, including the impact of product theft, illegal mining, attacks on precious metals facilities and attempts by the procurement mafia to target the industry. The Council has worked closely with members and the security cluster to address the challenges.



We recorded the first month with zero fatalities in January 2023, so we know it can be done.



It is now critical for the new cadastral system to be implemented and for a transparent and much more competitive licensing system to be implemented.

In 2022, the Minerals Council Board approved the Mineral Council's Climate Change statement committing members to meeting the Paris ambition of zero net GHG emissions by 2050. The Council supported a common focus and differentiated approach to the climate change statement and, in parallel, the critical need for national level energy security and implementing a sensible just energy transition (JET). The fact that the Council's members have committed to invest in 7.5GW of renewable energy projects over the next five years is testament to the climate change, energy security and JET commitments. The Council also formalised the establishment of the Hydrogen Leadership Forum, to work on collaborative efforts on adopting the hydrogen economy as part of the above-mentioned ambitions.

The Minerals Council continued to drive the industry's Modernisation, RD&I collaborative efforts with the DSI, the Council for Scientific and Industrial Research (CSIR), and through the Mandela Mining Precinct (MMP). Good progress was made on the critical pillars of the RD&I extraction focus of the MMP with over R500 million now invested in RD&I efforts with positive progress in developing digital twin models for mines, advanced orebody knowledge and extending the lives of existing large scale and deep mines.

As expected, the Council continued to engage on all the relevant policy, legislation and regulation issues affecting the mining sector. The fundamental purpose of doing so was to promote smart tape, reduce red-tape and improve the competitiveness of the policy and regulatory regime for exploration and mining. The DMRE did agree that the SAMRAD system was dysfunctional and also agreed to rework the RFP for the new cadastral system (shifting towards the need for the procurement of a relevant off-the-shelf system instead of trying to develop a bespoke system). It is now critical for the new cadastral system to be implemented and for a transparent and much more competitive licensing system to be implemented.

As South Africa's mining sector has transformed and changed, the Council recognised the critical importance of promoting and enhancing the junior, emerging and exploration mining sector (JEEMS). The efforts of the Council to broaden

its JEEMS membership base has been recognised by the DMRE with the Minister stating that the Minerals Council is now also the representative voice of the JEEMS sector. The Council continues to engage the DMRE on the critical issues to promote the JEEMS.

I can confidently say that the Minerals Council stood up and was counted in all the critical debates, and that it continued to properly represent the interests of members and drive an agenda of **#MakingMiningMatter**.



Can you reflect on some of the major events during your tenure as CEO of the Minerals Council?

It has been a real privilege and honour to have led the Mineral Council over the past nine years. I was tasked by the Office Bearers with completely reforming the strategic planning process, modernising and rebranding the organisation, building a credible brand and reputation for the Council and rebuilding trust with members and key partners and stakeholders. We did this by modernising and overhauling the strategic planning process and organisational structure, employing the brightest and the best people, resolving key legacy issues, and building a modern cutting-edge leadership driven organisation. The fundamental purpose of the Minerals Council was changed to **#MakingMiningMatter** and we set about representing members in a much more effective and assertive way.

Completely overhauling the Minerals Council's strategic plan, structure and budgets was critically important to ensure that industry leaderships' focal points were the issues that would drive a competitive, inclusive growth reform agenda.

We completely reformed the structure and capability of the then Chamber of Mines, including outsourcing the communications structure, modernising the human resources policies to attract and retain the brightest and the best, and building and implementing a progressive team culture and reform agenda. At the same time, we implemented all the right governance structures in the Minerals Council, including the establishment of Audit and Risk, Remuneration and Nomination Committees as well as revising and modernising the Constitution and all relevant policies.



Importantly, we sought to rebuild the trust of member CEOs. Previously, many CEOs saw the Chamber of Mines as a cost and not an investment, but this has since changed. There is a broad understanding among members that what can be done collaboratively and collectively through an organisation like the Minerals Council is more difficult to do by individual companies.

By driving a strategically assertive agenda on all relevant issues we have built up a reputation as one of the most progressive and effective business advocacy organisations in South Africa. This was supported by the process of rebranding and strategically repositioning the organisation from the old Chamber of Mines into the new, modern Minerals Council South Africa.

In leading the pursuit towards zero harm, the Minerals Council has helped lead the effort towards achieving two of the safest years in the recorded history of the South African mining sector (2019 and 2022), along with significant progress across all accident and safety metrics. We also led the processes that completely transformed the industry's health metrics, with significant progress made in reducing TB rates to below the national average, ensuring an orderly fight against HIV/AIDS and shifting towards much more progressive occupational health processes and outcomes.

The Minerals Council and industry's role in managing the COVID-19 pandemic was significant. This included devising and implementing standard operating procedures, enabling a 77% vaccination rate and low COVID-19 fatality rate (1,18% vs 3% country level rate). Mining was seen as one of the

most organised, progressive industries as a result. But most importantly, it built trust in business that the mining sector matters not only to the workers but to the people of South Africa. The proper collaboration between the DMRE and the Minerals Council to manage the pandemic enabled the mining sector to bail out the economy and fiscus “saving lives and saving livelihoods”.

In order to rebrand the organisation, it was imperative for the Minerals Council to play a leadership role in addressing many of the legacy issues confronting the industry, which we recognise as a negative mark on the reputation of the mining sector. This included extensive support being provided to the transformation of the MBOD/CCOD by seconding expertise and improving governance, and completely clearing the institution’s 900,000 case backlog. The MBOD was given a clean audit and the revaluation of the fund led to a R1 billion reduction in levies being paid by our members, demonstrating a clear win for all parties. Most importantly, improved tracking and tracing has radically increased the number of workers paid the compensation due to them.

The Minerals Council has played a key role in the transformation agenda of mining. I was one of the Mining Charter negotiators with Mr Bobby Godsell back in 2001/2 and there is no doubt that the mining sector has broadly transformed across all levels of the charter. We are proud to have played a part in driving reform and transformation in the industry, including helping to shape the Women in Mining agenda in South Africa and at a global level through our participation in the ICMM. The industry now has over 72,000 women (15% of the workforce) versus close to zero in 1998. We are continuing the transformation journey through a focus on inclusive growth and transformation.

The Council has also become much more representative of the overall mining value chain, with a deliberate focus on also recruiting and properly representing the JEEMs. A JEEMs leadership forum was created and a JEEMs desk established with capacity to help members on the critical issues affecting their businesses. From 31 May 2023, two members of the JEEMs leadership forum will sit on the Board of the Council.



A focus on improving the competitiveness of the mining regulatory system is required along with unlocking the country’s potential in critical minerals

Our drive towards a strategically assertive agenda on improving the policy environment for mining, resulted in getting more certainty on the Mining Charter. We have also tackled the security and procurement mafia crisis, with significant work done on helping to engage mining communities and improving government’s focus on the crime crisis affecting the sector.

The Minerals Council’s efforts to engage with government to address the energy crisis led to the most significant structural and institutional reforms in the past two decades with the liberalisation of the energy market and enabling the private sector to commit to investing in 9GW of renewable energy projects valued at R160 billion. Of this, the mining industry accounts for 7.5GW. These private sector investments over the next five years will materially change the energy supply situation, provided other existing constraints are unlocked. The mining sector is leading by doing.

We have also been looking at other forms of renewable energy technology that will be useful for heavy duty mobility, including a platinum-based hydrogen economy. We already have started the journey to drive a green hydrogen agenda with the establishment of the Minerals Council’s Hydrogen Leadership Forum.

The industry’s efforts to try and resolve the rail and ports crisis within the country, with over three years of real engagement, led to a recognition by the President in 2023 that a Cabinet Logistics crisis committee is required. As with the energy sector, a key part of the solution is the involvement of the private sector in rail and ports ownership and management.

We have led and shaped the industry’s modernisation and RD&I drive, including through the establishment of the co-funded Mandela Mining Precinct. The jointly funded initiative is the largest private-public partnership on RD&I in South Africa and

over R0.5 billion has been invested in collaborative research delivering real tangible results.

The Minerals Council’s Climate Change Ambition Statement, which supports the Paris Ambition of Zero net GHG emissions by 2050 and encompasses the industry’s thinking on the just energy transition, has been another landmark. We agree on the concept of a common goal but differentiated approach because each country has a set of unique circumstances and features.

Finally, the Minerals Council helped shape the entire minerals policy environment over the past two decades, and led the negotiations on the new royalty tax, which in turn led to a cutting edge global leading practice EBIT-based profit formula.

Are there still difficult challenges that remain?

Our work is never done.

In the short term the Minerals Council will need to focus on the critical issues that undermine the operational capability of the mining sector, namely crime and security, the logistics crisis and the energy crisis. In parallel, a focus on improving the competitiveness of the mining regulatory system is required along with unlocking the country’s potential in critical minerals.

We have been anticipating the announcement of a dedicated mining police task force since September 2022, but unfortunately, we are still waiting. That said, there has been a lot of cooperation and engagement between the relevant parties and we will continue doing what we can to resolve this significant challenge. Ultimately the task is not about the small scale groups blocking mines; it is about catching the masterminds of the criminal mafia.

Do you think that achieving an enabling operating environment for the mining sector is achievable in the short term?

There is no doubt in my mind that South Africa can quickly move up the Fraser Institute rankings with the adoption of a transparent, efficient off-the-shelf cadastral system, a material reduction in licensing times and an elimination of corruption in the licensing system. At the same time, unlocking the logistics and energy sectors to include real private sector investment and competition will completely change the game for the industry to realise its full potential. But the critical issue of dealing with the security and crime crisis overshadows all the above issues – and is by itself an existential risk to the country and the mining sector. It is in this area that urgent and deliberate focus is required.

We were disappointed that in the latest Fraser Institute Survey of Mining Companies report published in May 2023 South Africa’s standing has fallen further still.



The industry still has a huge amount of work to do in working with society to ensure it understands that mining is a critical component of a green energy future.

Q&A with CEO Roger Baxter continued

Q A Do you think the industry's historically negative reputation has undergone any changes in recent times?

Business and the mining sector are definitely in a better place now than in the pre-COVID era. Many people are aware of how the industry bailed out the economy and saved lives and livelihoods during the COVID-19 crisis. Business is now a more respected partner than government and has a key role to play in rebuilding South Africa. Our focus on the critical issues that affect people's lives through improving safety, and the economic and social contribution of mining has been profound. We have also worked hard on working with members to engage communities on the economic and social contribution of mining.

However, many people still do not understand the critical nature of the mining industry. Many simply hold the view that mining is a dirty, dangerous industry and should just be shut down. The industry still has a huge amount of work to do in working with society to ensure it understands that mining is a critical component of a green energy future.

Where mining communities are concerned, companies have been working more smartly on managing their community spend. Again, we also need to work to ensure the communities understand what we are doing. But there remain expectations the industry cannot meet, particularly in the eyes of young people whose hopes of getting a job are low. That will take the work of more than our industry to remedy.

I end my more than
30-year
career at the Minerals Council
knowing that the organisation is
well-placed to continue its good
work for a great industry in one
of the world's highest potential
mining jurisdictions.

Q A Briefly, what would be some of the key challenges and opportunities you foresee for the Minerals Council and the South African mining industry in the coming years?

In the short term there will continue to be operational constraints and issues, where partnership with government is required.

In the medium term, there is huge potential to unlock the value of mining through regulatory reforms (such as issuing a prospecting right in 20 working days through a transparent cadastral system), liberalisation of rail, ports, electricity and water to enable real private sector investment, competition and growth, and recognising the importance of mining. Realising the country's true critical minerals and green hydrogen capability through platinum-based proton exchange membrane (PEM) fuel cells, through modernisation, and realising the real capability of South African people in mining can be, and will be, transformative.

However, I end my more than 30-year career at the Minerals Council knowing that the organisation is well placed to continue its good work for a great industry in one of the world's highest potential mining jurisdictions.

For this, I thank the excellent, professional team at the Minerals Council and the leadership of its members who are central to the organisation's and the industry's achievements, including all members of the Board and especially the President and Office Bearers during my eight years as CEO who have provided such exceptional leadership and guidance.

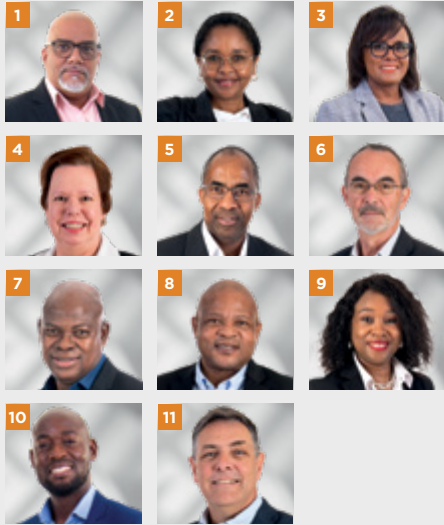
I am privileged to have worked with so many talented people and great inspirational leaders. I firmly believe that the building blocks are in place for the Minerals Council to continue being a leading business advocacy organisation that enables not only #MakingMiningMatter, but which also positively changes the economy of South Africa for the better. Through constructive and delivery focused partnerships at a leadership level with key partners, including government and SOEs, I believe that we can change South Africa.

Roger Baxter
CEO



Northam Platinum - Booyendal Mine

Senior management



1. **Mustak Ally** – Head: Skills Development
2. **Thuthula Balfour** – Head: Health
3. **Ursula Brown** – Head: Legal
4. **Jeannette Hofsajer-Van Wyk** – Head: Administration
5. **Alex Khumalo** – Head: Social Performance
6. **Henk Langenhoven** – Chief Economist
7. **Stanford Mamoshito Malatji** – Head: Learning Hub
8. **Motsamai Motlhamme** – Head: Employment Relations
9. **Stephinah Mudau** – Head: Environment
10. **Sizwe Phakathi** – Head: Safety and Sustainable Development
11. **Allan Secombe** – Head: Communications

Core disciplines



Economics: provides input, advisory services and analysis on matters affecting the industry’s economic viability and performance, investment appeal and other economic impacts. It is also responsible for shaping industry responses to critical concerns affecting the sector.



Employment Relations: provides advisory services to members on labour relations, including labour market issues, collective bargaining, employment equity and social security.



Environment: provides advisory services, guidance and strategic leadership on environmental sustainability, climate change, mine closure and rehabilitation in a manner that enhances members’ contributions to sustainable development. It also facilitates the JET and the implementation of the Paris Agreement process on behalf of the mining industry. This is achieved through the discipline’s leadership in the development of position papers for policy formulation and implementation.



Health: provides advisory services, leadership and support in the field of occupational health, medicine and hygiene, along with advocacy and advice on TB, HIV and AIDS. The Head of Health also champions the WIM Strategy.



Junior and Emerging Miners Desk: provides advice and support, and acts as a resource centre for smaller Minerals Council member companies. It also ensures that the voice of junior and emerging miners is heard and understood by government.



Legal: provides legal advice in influencing legislative and other matters affecting members’ interests. The focus is on constructive policies that are consistent with the national interest. This includes addressing challenges that have arisen as a result of the increase in illegal mining.



Modernisation: promotes RD&I as a critical enabler of modernisation. The discipline acts to facilitate a collaborative effort on innovation that will contribute to achieving zero harm, improving productivity and competitiveness, and creating sustainable and socially acceptable mining.



MOSH Learning Hub: encourages and enables mining companies to learn from the safety and health expertise and leading practices that exist in the global and local mining industries.



Public Affairs and Transformation: engages with social partners on matters of public policy, drives the internal and industry transformation agenda and engages on the public policy implications of the issues affecting the industry.



Safety and Sustainability: actively promotes mineworkers’ safety and health in the workplace. It also provides high-level guidance on matters that affect the environmental, social and governance (ESG) impacts of the industry.



Skills Development: advocates the creation of an environment that enables the mining industry to develop skilled employees for advancement and deployment.



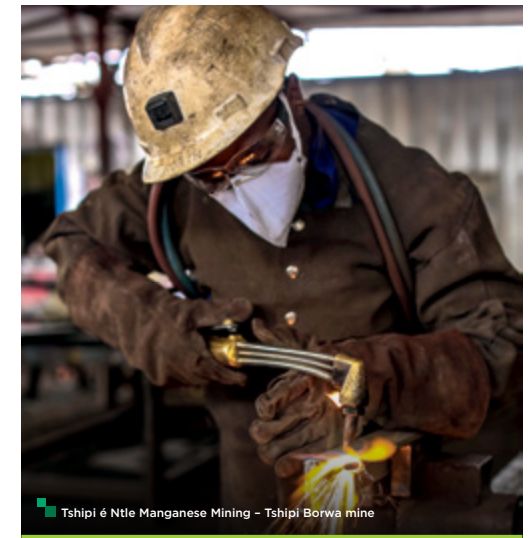
Social Performance: provides a more collaborative and coordinated approach to community relations and local economic development.



Finance and Administration: provides the governance, risk management, human resources and administrative structures; and the financial, ICT and facilities management of the Minerals Council.



Communications: conveys information about the Minerals Council and the mining industry to stakeholders in an honest, transparent and balanced manner. It plays a critical role in ensuring external stakeholders are informed about the South African mining industry.



Tshipi é Ntle Manganese Mining – Tshipi Borwa mine

Managing risk at the Minerals Council

We take a robust approach to risk identification, assessment and management, knowing that we do so for the industry, and not solely for our organisation. This speaks to Strategic Goal 5, ensuring the effectiveness and efficiency of the Minerals Council – including the effective implementation of the risk register process and its alignment with strategic plan objectives to mitigate and manage these risks.

We also do this in line with the fourth of the ICMM's 10 Principles for sustainable development in the mining and metals industry – to implement effective risk-management strategies and systems based on sound science, and which account for stakeholder perceptions of risks.

Risks are managed by executing preventative or mitigating actions formulated by a detailed risk analysis and captured in a risk bowtie. Risks are ranked in terms of likelihood and consequences, which guide the allocation of financial and other resources. Risk ratings also underpin the relative importance of management's key performance areas.

The significant risks are those that, based on our risk assessments, pose the greatest threats to the mining industry. Each of these key risks poses a threat to one of the key drivers of the mining industry's future success.

Five principal risks were identified for 2022,

all of which we feel are reflective of the risks facing South Africa as a whole. Overall country level, accompanied by both current instability and the risk of further political and socio-economic instability, is a threat to the very future of the industry in South Africa. Well-documented challenges in electricity supply; the fight for security and against crime and illegal mining; and the deeply worrying collapse in the performance of Transnet, round out the challenges the industry – along with all South Africans – continues to face.



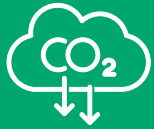
All identified risks are mentioned in our strategic plan, are discussed at Board meetings and are dealt with at management meetings.



DRBGOLD - Mine reclamation

External environment

The Minerals Council is continuously developing methods for addressing a range of complex national and international issues to equip us to achieve our most critical strategic goals, which are to create an enabling legislative, regulatory and operating environment for South Africa's mining sector. Currently, the most prominent of these include:



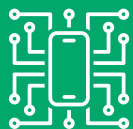
Transition to a lower carbon economy



Political uncertainty in South Africa



Geopolitical uncertainty and the tightening of supply chains



Digitalisation and the modernisation of work



Transition to a lower carbon economy

Most, if not all, of our members affect, and are affected by, a multitude of the climate change issues that have become a top priority both locally and internationally. Our members:

- Run power intensive operations and rely on Eskom for electricity:
 - Significant progress has been seen on the commitment to decarbonise mining operations through initiatives such as the implementation of GHG mitigation measures, energy efficiency programmes, self-generation, renewable energy projects, fuel switching, etc.
- Produce 250 million tonnes of coal annually which contribute substantially to power generation and the significant petrochemical industry in South Africa. The coal mining sector employs over 90,000 people and is a critical export industry.
- Mine many of the minerals – PGMs, vanadium, copper, etc. – that are crucial to the transition to the lower carbon intensive economy.

- Are committed to carbon neutrality and net zero by 2050
- Have been in the forefront of investing in renewable energy generation
- Are committed to environmental responsibility, which is also a requirement of Minerals Council membership

The Minerals Council continues to support South Africa's actions to implement its commitments to long term goals and actions set through the Paris Agreement and the Glasgow Climate Pact under the UN Framework Convention on Climate Change.

It has been our task, in consultation with members, to develop a coherent policy position and programmes that are environmentally, socially and economically responsible and compatible with a JET. We are conscious of the need to gradually and responsibly phase down the use of coal whilst implementing climate change mitigation measures. We must also consider the critical need for energy security in South Africa from a developing country perspective. Synthesising and harmonising the varying interests and approaches of members, while taking account of other stakeholders' perspectives, has been a mammoth but also delicate task.

We believe we have reached a workable solution. And we know that we will need to continue developing and refining a common industry approach.



Political uncertainty in South Africa

The consequences of the decade of corruption and general poor governance in the Zuma era have taken longer to repair than many imagined. A decisive shift under the new administration – for which many had hoped – has taken longer than expected.

The severity of the damage done to SOEs means that their turnaround has hardly begun. The state capture project not only damaged the leadership

and credibility of SOEs, but also massively hollowed out the skills of these organisations, with significant numbers of qualified and capable engineers and management being forced to exit by corrupt leadership. Government has now seemingly accepted that the key to additional power generation will come primarily from the private sector, mostly in the form of renewable power sources.

The country, nonetheless, faces a significant period of power shortages before the limited number of baseline coal-fired power stations that can be sustained begin to operate at more efficient levels and before adequate renewable power becomes available. Private participation in the operation of rail and ports is urgently needed to halt and reverse the dramatic decline in performance, which has cost bulk minerals exporters billions of rands in lost revenue.

A great deal of our energy has been devoted to lobbying government for solutions, many of which take time to be implemented because they usually involve a restructuring of the economy in ways that go against the historic approach of the ruling party. So, it is a matter of slowly grinding away towards these goals.

Currently, the country faces a general election in 2024 whose outcome is uncertain, with support for the ruling party hovering around the 50% level according to many opinion polls. The prospect of a coalition government must be contemplated – while the stability and sustainability of coalitions in local government do raise concerns about likely government stability at the national level. However, the Minerals Council will be ready to continue our government engagement work whatever the outcome.



Tshipi é Ntle Manganese Mining – Tshipi Borwa mine

External environment continued



Geopolitical uncertainty and the tightening of supply chains

The past three years have brought international crises of near unprecedented proportions that have had huge impacts on our work.

The first was the COVID-19 pandemic. As is well known, the Minerals Council, and the mining industry in general, were at the forefront of establishing a standard operating procedure (SOP) for managing employee exposure to the virus, which enabled the industry to lead the way back to full-scale operations after the initial shutdown. That SOP came to form the foundation of the regulations implemented for the entire economy.

Later, as vaccines became available, we again took the lead at campaigning for vaccination among employees, which meant that vaccine coverage in the industry remained ahead of almost all others apart from the health sector.

COVID-19 had other significant impacts. Not least has been international supply chain disruptions and unpredictable commodity price dynamics. We have all been affected by these

disruptions in our personal and business lives.

According to the World Economic Forum, the supply chain issue has introduced five major changes in the way businesses (and the organisations that represent them) operate:

- Supply chain issues are now a focus of the executive suite
- The business continuity imperative has become more important than costs, even though the latter remains important
- Buyer-supplier relations have changed, requiring greater transparency between them
- Many companies have decided to develop new core activities and expertise that allow them to bypass old supply chain processes
- Manufacturers that spent years perfecting just-in-time systems have moved to stockpiling of critical components

The Russian invasion of Ukraine has exacerbated certain supply chain disruptions. Of even greater impact on mining, it has also had huge impacts on commodity prices, some of which have meant serious bull markets in some commodities, including those like coal whose future was already under pressure due to climate change considerations. However, these may be temporary.



Digitalisation and the modernisation of work

Digital transformation is an imperative for mining. It enhances safety and health, security, production, and workforce and leadership capability. Digital transformation serves as the seamless thread throughout the mining value chain processes.

The Minerals Council, in collaboration with PwC and the MMP, launched our first study into the 'State of Digitalisation and 4IR in the South African Mining Industry' in 2020 and a further study in 2022, the

latter focusing on ESG issues. Modern integration requires new approaches and new ways of thinking. What applied and worked 10 years ago no longer suffices to meet the goals of modern mining.

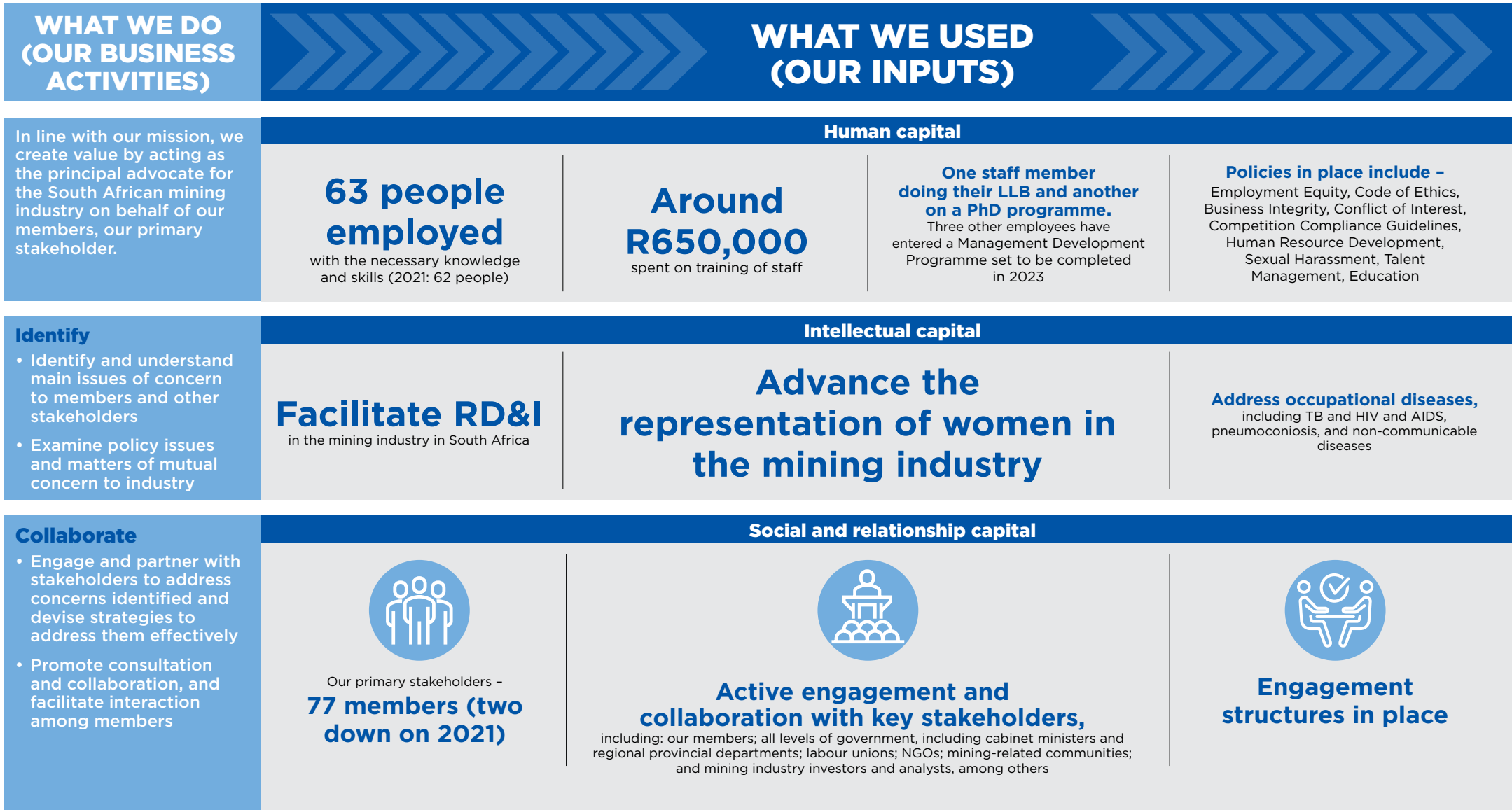
The Minerals Council Information Technology Committee suggests possible specifications for the industry-wide information management ecosystem, its scope and deliverables and implementation by its users. It liaises with all stakeholders and data champions to

ensure that, where possible, a free framework of data/information processes, tools/software systems and standards are designed, procured, installed and implemented for acceptance and uptake by industry stakeholders. In so doing it contributes to the technical capability and capacity to provide data users with the means to source, disseminate, distribute, report and store industry-related data and information.



Business model

To deliver on our strategy and fulfil our strategic aims, we employ inputs to generate required outputs and outcomes and to create value over time.



WHAT WE DELIVERED (OUTPUTS)

Our aim is to reposition the industry to maximise its potential and optimise its contribution to the South African economy. Much of the value created is indirect and cannot be measured strictly in financial terms.

Identification

Safety



Environment



Advancing women in mining



Health and wellness



Security of energy supply



Constraints on mineral exports



Collaboration

Collaborate with manganese members on the development of a new manganese export terminal at the Port of Ngqura, Gqeberha

Collaborate with government and members on providing bulk water in the Northern Cape Vaal Gamagara bulk water supply scheme

Work with members in the Far Eastern Limb on funding of significant infrastructure projects, including a steel bridge replacement project at an estimated cost of R85 million

Partnered with the National Prosecuting Authority and the GBVF Response Fund to support victims of gender-based violence in mining communities

Mining innovation collaboration with the Department of Science and Technology continued

Masoyise Health Programme collaboration with MOSH continued

WHAT EFFECT WE HAD (OUTCOMES AND IMPACTS)

Human capital

R134m paid in salaries (2021: R122m)



45 staff members trained through formal programmes and LinkedIn Learning

An average of three hours per person
Annual staff turnover - 3%

87% of employees are HDSA



37% of employees are women



Other capitals involved: Human capital; Social and relationship capital

Intellectual capital

Maintained awareness

of Minerals Council brand

Crafting a culture of transformation beyond compliance

Water conservation and demand management

Other capitals involved: Human capital; Social and relationship capital

Social and relationship capital

Ensured beneficial, constructive (quality of) relations with stakeholders

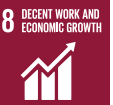
Engagements with provincial and local governments as part of the regional presence special project in Mpumalanga and the Northern Cape



Increased awareness/better understanding of challenges faced by the South African mining industry and of its multi-faceted contribution to the economy

Promoting junior mining and exploration including seminars held and mentorship programmes

Other capitals involved: Intellectual capital; Human capital

SDG contribution*



WHAT WE DO (OUR BUSINESS ACTIVITIES)	WHAT WE USED (OUR INPUTS)			
<p>Guide</p> <p>Guide industry on leading practice in areas of safety, transformation, industrial relations, skills development, occupational health and environmental management</p>	Financial capital			
	<p>R241m received in member fees</p>	<p>R107m spent in operating costs</p>	<p>R68m spent on special projects</p>	
<p>Communicate</p> <p>Advocate on behalf of the industry to ensure an enabling policy, legislative, regulatory and operating environment</p>	Natural capital			
	Not a significant capital input compared to members for whom natural capital is vital.			
	<p>Environmental sustainability measures, including the incorporation of low-carbon building facilities and equipment</p>	<p>The building is managed in line with the Green Building Council of South Africa guidelines. As well as the Building Research Establishment Environmental Assessment Method (BREEAM) requirements of the Code for a Sustainable Built Environment Code</p>	<p>Ongoing improvement in increasing renewable energy generation and reducing grid-supplied energy consumption through energy management and efficiency initiatives (such as solar photovoltaic (PV) projects and sensors)</p>	<p>In line with environmental management and climate change policy (including long-term decarbonisation targets), use is made of green leasing and green tenant guidelines, including water resource and waste management with various technologies (such as monitoring, leak detection and smart shut-off valves)</p> <hr/> <p>At head office, consumed: An average of 197KwH of electricity per day</p> <hr/> <p>An average of 1.4KI of water per day</p> <hr/> <p>Negligible amounts of paper are used as we strive to be as paperless as practically possible</p>
<p>Collaborate</p> <ul style="list-style-type: none"> Engage and partner with stakeholders to address concerns identified and devise strategies to address them effectively Promote consultation and collaboration, and facilitate interaction among members 	Manufactured capital			
	 <p>Maintain and update IT and security systems</p>	 <p>Lease and maintain office space</p>		

WHAT WE DELIVERED (OUTPUTS)

Guidance

Thought leadership videos produced and promoted

Promoted WIM and **acknowledged their contribution to the industry**

Vigorous promotion of mining-related RD&I

Khumbul'ekhaya safety and health programme together with the Stop-Act-Report initiative

Encouraging modernisation in mining and the industry's digital transformation

Communication

79 communication executives and practitioners from member companies, remaining steady compared to 2021

Five member events held.

In 2022, we:

Participated and presented at the Investing in African Mining Indaba

Participated in five conferences organised by Resources 4 Africa

Wrote columns, op-eds published in online, daily and specialist publications

Published Facts and Figures (pocketbook and full version) as well as our Integrated Annual Report

Held National Day of Health and Safety in Mining for the industry

Celebrated International Day of Women in Mining as well as other days celebrating the role of women in the economy and society

Held annual general meeting



Vedanta Zinc International - Black Mountain Mining

WHAT EFFECT WE HAD (OUTCOMES AND IMPACTS)

Financial value distributed (in addition to salaries paid above):

CSI spend
R3m

Other capitals involved:
Human capital; Natural capital

Natural capital



Reduced amount of paper used and recycled



Reduced water and energy consumption

Other capitals involved:
Human capital; Manufactured capital; Financial capital

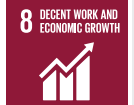
Manufactured capital



Office move to smaller premises resulted in reduced lease and maintenance costs as well as a reduced carbon footprint

Other capitals involved:
Human capital; Natural capital; Financial capital

SDG contribution*



Our stakeholders



Grouping	Examples	Key issues
Member companies and industry associations – including international associations	Minerals Council members, the ICMM, SAIMM, the Mine Ventilation Society, the Association of Mine Surveyors and Coaltech	Leading practices in health and safety, innovation and modernisation, transformation, skills development and retention; junior mining and exploration priorities, safety and security issues, engagement with government, SOEs and other industries, climate change response (mitigation and adaptation), environmental performance, rehabilitation and mine closure planning, tailings management, sharing best practices on community engagement and managing social unrest, collaboration on socio-economic development, provision of technical and financial support for government-led infrastructure development projects.
Government (including foreign governments and international structures), government bodies, regulators, state-owned enterprises, the legislature	Parliament, the Presidency, the DMRE, the Department of Police and other security-related ministries, the DSI, the Department of Labour, the DFFE, the DWS, the Department of Human Settlements, the Department of Labour, the National Treasury, provincial and local government, Eskom, Transnet, the MHSC, the CGS, Mintek, the South African National AIDS Council, the MQA, the National Skills Authority, the Water Research Commission, the South African Bureau of Standards, law enforcement structures, the Southern African Development Community and the International Labour Organization	Development and amendment of legislation (i.e., Mine Health and Safety Act, Occupational Diseases in Mines and Works Act, Amendment to National Environmental Management Act, Financial Provision Regulations, Development of Climate Change Bill, Amendment to Carbon Tax, Implementation of National Environmental Management Act), regulation, policies, health and safety, social licence to operate, transformation and employment equity, broad-based black economic empowerment (B-BBEE), development and maintenance of infrastructure and enabling environment, safety and security (illegal mining and trafficking of precious metals and diamonds), extortion and violence at mining sites, crime affecting the mining industry.
Organised labour	The Association of Mineworkers and Construction Union (AMCU), the National Union of Mineworkers (NUM), Solidarity, UASA, the National Union of Metalworkers of South Africa (NUMSA), the Congress of South African Trade Unions (COSATU), the Federation of Unions of South Africa (FEDUSA) and the Southern Africa Trade Union Coordination Council (SATUCC)	Labour migration, wage negotiations, protests, health and safety, housing and living conditions, labour policies and legislation, employment and labour issues.
Other business groupings and national associations	Nedlac, BUSA, BLSA, Black Business Council, the Energy Council, the Hydrogen Leadership Forum, the South African Business Coalition on Health and Aids, the Water Institute of Southern Africa and the Land Rehabilitation Society of Southern Africa	Issues of national and mutual interest, social policy issues affecting business in general and the labour market.
Academic and research institutions	The CSIR, the Water Research Commission, University of the Witwatersrand, the University of Pretoria, the University of Johannesburg, Stellenbosch University, University of the Free State and the University of Cape Town	Knowledge transfer and information sharing, Industry-wide collective initiatives, training, inform the research agenda, grow R&D capabilities and capacity.
Media	Local, regional, national and international media	Key issues confronting the mining industry in South Africa – including logistics, energy, crime and security, communities, regulatory environment and exploration.
Original equipment manufacturers (OEMs) and suppliers	Mining Equipment Manufacturers of South Africa, the South African Mineral Processing Equipment Cluster and the OEM Forum	RD&I collaboration, lobbying for policies supporting use of locally manufactured equipment, product testing and development, occupational health and safety policy and regulatory changes.
NGOs and civil society, communities and SMMEs within them, and business forums	The Centre for Applied Legal Studies, Benchmarks Foundation, ActionAid, the Federation for a Sustainable Environment, the Centre for Environmental Rights, Mining Affected Communities United in Action, Women Affected by Mining United in Action, the Mining and Environmental Justice Community Network of South Africa, Lawyers for Human Rights and the Foundation for Sustainable Development	Open innovation challenges, innovation showcases, community outreach programmes, educational campaigns, transparent reporting, creation of economic opportunities through effective enterprise and supplier development programmes, effective implementation of social and labour plans (SLPs), engagement on industry performance on environmental sustainability issues and mine water management.

Materiality assessment and material issues

The Minerals Council has undertaken a detailed materiality review and assessment process to inform and support the writing of this report. This report is also aligned with the principles and approach proposed under the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), now part of the IFRS Foundation.

The materiality process helps us confirm those matters that we should be considering in our strategic planning, and what we should disclose in our reporting.

For this year's report, we adopted a four-stage process:

<p>Review of material issues reported by our members, and indicated by SASB</p>	<p>Workshop with the management committee (Manco) to identify and discuss material issues</p>	<p>Survey of Manco members and discipline heads to determine:</p> <ul style="list-style-type: none"> The importance of the issue to the Minerals Council, and its ability to create (or erode) value The importance of the issue to our members 	<p>A final review and attenuation of the material issues by Manco</p>

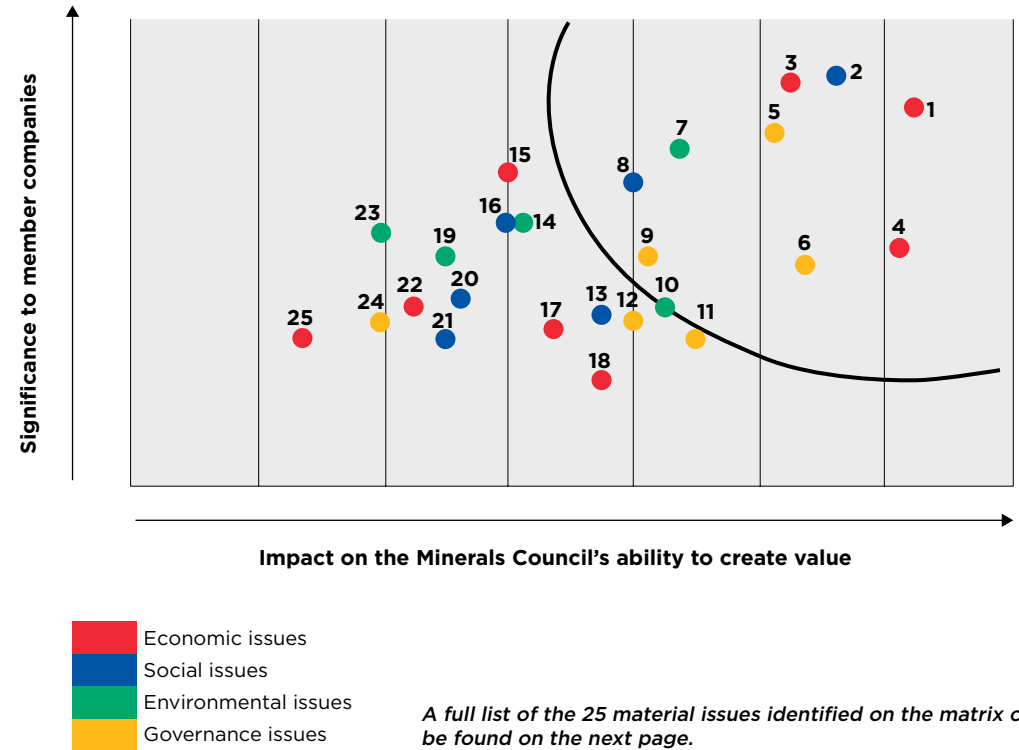
In considering materiality, we took a broader view of the Minerals Council's role in creating and preserving value in the industry and country, rather than a narrow internal view of the functioning of the Minerals Council. In this assessment we consciously adopted an approach of double materiality - that is, how the Minerals Council is affected by sustainability issues and how our activities affect society and the environment. At the same time, we considered emerging issues.

In total we identified 25 material issues, 10 of which have been identified as a priority.

Top 10 material sustainability issues

<p>Economic</p> <ul style="list-style-type: none"> Addressing and eradicating all forms of corruption, including through enhanced security and eliminating organised crime Ensuring access to efficient, reliable, affordable infrastructural services - electricity, water, logistics (road and rail) Creating and maintaining a competitive, enabling and conducive environment for mining 	<p>Society</p> <ul style="list-style-type: none"> Developing strategies for improving employee health and safety, encouraging the sharing of learning between members, and adopting leading practice Encouraging and facilitating practices for community engagement and support - social licence to operate
<p>Environment</p> <ul style="list-style-type: none"> Developing and supporting the industry's position on climate change and creating an informed and conducive environment for its approach to decarbonisation and net zero. This includes resilience to climate change impacts and the just transition Supporting the development and the implementation of an enabling environment for effective water, air, waste and natural resource management, environmental sustainability and stewardship, and providing guidance to members on their approach beyond environmental compliance 	<p>Governance</p> <ul style="list-style-type: none"> Promoting sound and ethical business conduct, and improvements in transparency and disclosure Anticipating and influencing new regulation and supporting members in achieving compliance Preserving and enhancing the reputation of the industry

Materiality matrix



Materiality assessment and material issues continued

Ranking	Material issue
1	Addressing and eradicating all forms of corruption, including through enhanced security, and eliminating organised crime.
2	Developing strategies for improving employee health and safety, encouraging the sharing of learning between members, and adopting leading practice.
3	Ensuring access to efficient, reliable, affordable infrastructural services – water, logistics (road and rail), electricity.
4	Creating and maintaining a competitive, enabling and conducive environment for mining.
5	Promoting sound and ethical business conduct, and improvements in transparency and disclosure.
6	Anticipating and influencing new regulation and supporting members in achieving compliance.
7	Developing and supporting the industry’s position on climate change and creating an informed and conducive environment for its approach to decarbonisation and net zero. This includes resilience in adapting to climate change impacts and the just transition.
8	Encouraging and facilitating practices for community engagement and support – social licence to operate.
9	Preserving and enhancing the reputation of the industry.
10	Supporting the development of an enabling environment for effective water resource management and stewardship, and providing guidance to members on their approach.
11	Navigating regulatory and political risk in the interests of the industry, our members and society.
12	Supporting members, and holding members to account, in respecting and upholding human rights.
13	Improving the understanding of the critical contribution mining makes to society and the economy.
14	Driving improved environmental performance (including impacts, emissions, engagement, provisions) by our members, and creating an enabling regulatory environment.
15	Sustainably producing metals and minerals that are needed for the future, especially in a low carbon economy.
16	Promoting efforts to achieve diversity, inclusion and transformation. This includes specific efforts supporting women in mining and the elimination of GBV.
17	Promoting RD&I for the betterment of people and the planet.
18	Stimulating exploration and junior mining.
19	Supporting the development of effective rehabilitation and closure strategies, and an enabling regulatory environment.
20	Identifying causes and helping members to address and manage community discontent.
21	Supporting efforts to address illegal mining and support small-scale mining.
22	Ensuring access to affordable, secure and (increasingly) green energy.
23	Supporting the industry’s approach to integrated tailings management, including the development and adoption of standards. Facilitating assessments and addressing the legacy of tailings management in the country in collaboration with other stakeholders.
24	Promoting the concept of responsible sourcing and procurement.
25	Anticipating and responding to geopolitical risk and uncertainty, including impacts on both supply and demand.



Harmony Gold - Phakisa

Mining and the UN Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth - all while tackling climate change and working to preserve our oceans and forests.

As a member of the ICMM, the Minerals Council endorses the UN's SDGs and encourages its members to consider and meaningfully to contribute to the goals, and to report on this on an ongoing basis. The Minerals Council's business model (pages 24 - 27), strategy (page 32) and material issues (page 29) illustrate our alignment with the SDGs. The goals are also supported by the South Africa's National Development Programme (NDP).

We recognise that the achievement of some of the SDGs are not within the remit of the private sector, and that many of the SDGs require public and private partnerships. The diagram below illustrates some of the SDGs where mining may have a significant contribution, and the areas where mining may have an impact on the SDGs (both positive and negative).



Icons refer to Materials issues. (See pages 29 and 30)





Strategic plan

Creating an enabling policy environment for the mining sector. Engaging on all policies that impact the mining sector to ensure they are stable, competitive and predictable to promote investment and transformation.



STRATEGIC GOAL 1 – playing a leadership role in transforming the mining industry



Strategic goal 1

Material issues addressed:



- Creating and maintaining a competitive, enabling and conducive environment for mining



- Developing strategies for improving employee health and safety, encouraging the sharing of learning between members and adopting leading practices



- Promoting sound and ethical business conduct, and improvements in transparency and disclosure



- Anticipating and influencing new regulation, and supporting members in achieving compliance



- Preserving and enhancing the reputation of the industry

Leading the way in transforming the mining industry continues to be a key priority for the Minerals Council.



Promoting ethical leadership and good governance

In response to the significant economic, investment and social risks facing the mining industry and the South African economy caused by weak government leadership in some areas, the hollowing out of the capacity of the state and SOEs and an emerging fiscal crisis, the Minerals Council has continued to drive the industry's agenda, fight for good governance and proper leadership, and also drive the business agenda in debates with government and other stakeholders.

The Minerals Council has led several areas of engagement on critical issues with government, including in electricity reforms, the rail crisis and the crime crisis facing the country.

We have continued to play a leadership role in setting a business agenda for transformative change, ethical leadership and good governance. We have worked closely with organised business in South Africa, and with and through the ICMM, at a global level. We have continued to form alliances with key business, labour, community, government, parliamentary and religious groupings to establish mechanisms for ongoing collaboration and engagement on strategic country and mining industry issues.

All member companies are signatories to the Minerals Council's Membership Compact and modifications to this compact are regularly considered to align with changing issues and circumstances.

We continue to work to reposition the organisation, having successfully renamed and rebranded the organisation in recent years. (See section on Communication on page 48).



Playing an exemplary leadership role in managing the COVID-19 pandemic

The mining industry's efforts and the leadership role played by the Minerals Council during the

COVID-19 pandemic have been recognised as an enormous contribution that helped save lives and livelihoods. More than that, the industry played a crucial role in supporting the national economy during this period, providing extra taxes to the fiscus and demonstrating a positive partnership with government and organised labour in confronting a common enemy. The fact that the mining sector achieved a 77% vaccination rate, which is considerably higher than the national rate of around 40% is testament to the efforts made.

Even after the state of disaster was lifted on 5 April 2022 and the pandemic subsequently subsided, the Minerals Council continued to provide support and advice to members to guard against any future potential risks.



Reacting to crisis

The Minerals Council responded quickly to the humanitarian crisis caused by the Jagersfontein tailings dam failure, by not only establishing

an emergency fund made up of member contributions to provide humanitarian relief, but also through holding the owners to account to implement the right corrective measures. At the same time members embarked on a process of assuring their own tailings facilities, and supported work done by the Minerals Council to use geospatial satellite imagery technology to identify other possible risky tailings dam sites.

The Jagersfontein Relief Fund, established for assistance to residents affected by the collapse of a tailings dam at Jagersfontein in September 2022, distributed R2.5 million in immediate assistance to displaced and affected people. The feeding programme ran until the end of December 2022. Collaboration with public benefit organisations such as Gift of the Givers, Soul Food (established by the Soul Provider Trust) and the Red Cross was valuable in bringing the relief efforts to the Jagersfontein community.



Royal Bafokeng Platinum - Bafokeng Rasimone Platinum Mine

STRATEGIC GOAL 1 – playing a leadership role in transforming the mining industry continued



Nikisi Lesufi

Senior Executive: Environment, Health, and Legacies

“The industry should not have had to support the MBOD/CCOD given that it is a state responsibility. However, these efforts have brought their own rewards, both for the industry and for current and former employees.”



Progress in resolving legacy issues

During 2022, the Minerals Council, working with members, provided further funding, and managerial, governance, oversight and technical support to the operations of the Medical Bureau for Occupational Diseases (MBOD), ensuring the elimination of their case backlog, reducing the time needed to process claims to about one month (from more than a year) and helping to continually improve the governance processes.

Upgrading and integration of compensation funds

The integration of the Occupational Diseases in Mines and Works Act (ODMWA) and the Compensation for Occupational Diseases and Injuries Act (COIDA) and their respective compensation funds was first mooted by Cabinet in the 1990s. However, the two departments responsible, the Health Department and the Department of Labour, did not pursue the matter over the years.

The issue resurfaced around 2015 because of the silicosis and TB class action lawsuit brought against gold mining companies. ODMWA provides for compensation for sufferers of silicosis and occupational TB at mines designated as “controlled” mines. All other occupational injuries and diseases are dealt with by COIDA.

The Minerals Council and our members took the view that the matter should be revived as part of the resolution of the silicosis issue, and multi-stakeholder engagements began around that time involving the two departments, the DMRE, the industry and union representatives. While the litigation was resolved in 2018 through a R5 billion out-of-court settlement involving six of our members, it appears that the Health Department has indicated that the integration of the two compensation systems will not proceed, and that the Act will rather be updated and modernised.

The industry has, since 2014, been assisting the ODMWA Compensation Commissioner for Occupational Diseases (CCOD) to improve the performance of the fund, which had fallen into disrepair until the appointment of a new

Commissioner in 2012. The Minerals Council approved R120 million (2019 – 2021) and R58 million (2022) in funding for the enhancement and optimisation of business efficiencies at the MBOD/CCOD. Another R61.9 million has been budgeted for 2023.

Our efforts have led to:

- 1 Reduced ODMWA levy payments of over R1 billion (around 50%) across all commodities using the 2018 levy as the base year
- 2 Timely provision of CCOD Annual Reports and Financial Statements to the Auditor-General of South Africa (AGSA) and Parliament – achieving a “clean audit” for 2021/2022
- 3 Reduced processing of submissions from 500 days to 90 days (saving companies millions in duplicate payment of replacement salaries)
- 4 Grew the Compensation Fund from R2.8 billion (2012) to R5 billion (2022) despite the increase in the number of claims paid, increased benefits and decreased revenues from levies and interest
- 5 R1.1 billion paid in compensation over the past five years compared to R2.4 billion over the previous 23 years
- 6 39,837 claims finalised over the past five years compared to 85,087 over 23 years
- 7 Increased benefits by 33% since 2018 (to R164,000 for second degree silicosis, and R69,000 for first degree)
- 8 Waiting periods for MBOD certifications reduced significantly

Resolving issues relating to foreign employees

Migrant labour is a significant legacy of the mining industry, even though the restrictions of the apartheid era have not existed for some three decades. A matter that still needs full resolution in respect of foreign migrant labour, which has declined significantly as a proportion of the workforce in that period, relates to the visa requirements for companies to continue employing these workers. Engagements with the departments of Home Affairs and Employment and Labour are proceeding to convert from the

old system of an indefinite corporate permit to one of a three-year corporate visa.

In a welcome development, in 2018 the Unemployment Insurance Act was amended to cater for Unemployment Insurance Fund (UIF) contributions by foreign nationals. Prior to that, they were not contributors to the UIF. However, the industry is now seeking to prevent a new set of outstanding legacy claims arising from the non-payment of UIF benefits to foreign ex-mineworkers.

The UIF collects fees from employers effectively. But they do not have the systems and the infrastructure to track, trace and pay eligible employees once they leave South Africa and are back in their home countries, as would be the case in respect of retirement benefits. This is because the UIF does not have offices or other infrastructure in the neighbouring states.

In seeking a solution, the Minerals Council is developing a proposal that would have TEBA, with its extensive footprint in Lesotho, Botswana, Eswatini and Mozambique, being appointed as an agent of the department so that employees are then able to claim and receive their UIF entitlements.

Another issue affecting the families of deceased former migrant employees is the matter of deceased estates. In terms of the Administration of Estates Act, if a former miner who is a citizen of another country dies leaving assets in South Africa, the Master of the High Court in that foreign country issues a letter of authority or a letter of executorship, depending on the size of the estate. Those letters are not automatically accepted by the Master in South Africa. The surviving beneficiaries must travel to South Africa with a long list of prescribed documentation to have their letters “resealed” by the Master in South Africa which can be complex and challenging for them.

The Minerals Council is engaging with the Masters in South Africa and in the other four countries to devise an easier system for the families of our former employees. The South African Master has agreed that we can engage, through the Minerals Council and TEBA, to try and find a solution.

STRATEGIC GOAL 1 – playing a leadership role in transforming the mining industry continued



Motsamai Motlhamme

Head: Employment Relations

“These employees have played a major role in the mining industry, including in a number of critical occupations such as rock drill operators. Their employment in South Africa has, over the decades, contributed significantly to economic development in South Africa and their home countries. As the industry, we have to play a key role in ensuring that they and their dependants are able to access their post-employment benefits speedily and seamlessly.”



The National Labour Migration policy and the Employment Services Amendment Bill

In 2020 the Minister of Employment and Labour published the National Labour Migration Policy and the Employment Services Amendment Bill. The industry is concerned that the policy and the Bill, once promulgated, could, due to the way they are drafted, lead to a very rapid elimination of foreign migrant labour in the mining industry.

The Minerals Council has been engaging with the Department of Employment and Labour and with its counterparts in Lesotho, Botswana, Eswatini and Mozambique to alert them to this impending legislation and the effect it will have. We have also engaged through the Southern African Development Community (SADC). The Department has indicated that further engagement can take place at Nedlac when the Bill is tabled there.

Accommodation and living conditions

With a focus on home ownership, the Minerals Council accommodation task team is seeking to coordinate efforts and promote collaboration between members. These arrangements should lead to joint meetings with municipalities and other key stakeholders in mining areas. We have met the South African Local Government Association and the National Housing Finance Corporation to resolve some of the process, financial and infrastructure challenges that mines are experiencing in relation to the provision of decent accommodation for mineworkers. We have also consulted the Development Bank of Southern Africa around issues of funding for municipal capacity building.

A key issue is the capacity of municipalities in many mining areas to implement agreed arrangements and to provide basic services. The industry is working on programmes to assist capacity building for municipal officials. This

includes project and financial management skills. In many cases the companies have seconded experienced staff to help develop engineering and project management skills.



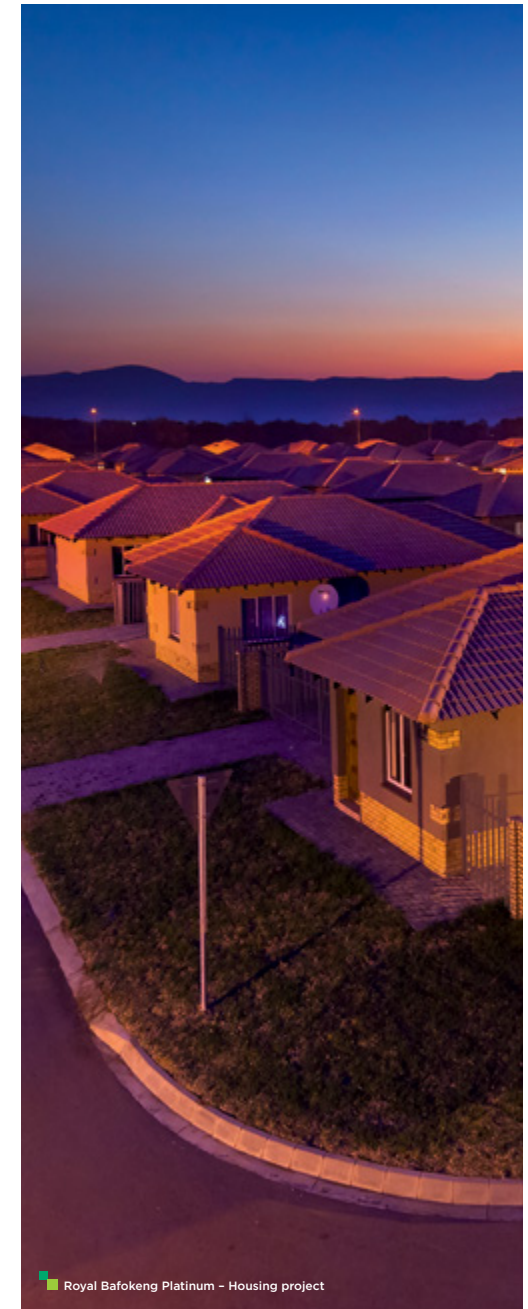
Transformation beyond compliance

In 2021 a High Court judgment declared the Mining Charter to be a policy instrument and not binding legislation. The DMRE then stated its intention not to appeal against the judgment but, in the interests of certainty, to consider amendments to the Mineral and Petroleum Resources Development Act (MPRDA) to meet transformation objectives.

In response to this, the Minerals Council initiated the Transformation Beyond Compliance project with the objectives of:

- Reviewing the transformation impact that mining has had in the country vis-à-vis stakeholder expectations and to develop a comprehensive understanding on where gaps, perceived or real, exist in that regard
- Understanding why, despite the substantial resources and effort spent by the sector to drive transformation, stakeholders remain dissatisfied with the impact and outcomes that the sector's efforts have generated
- Co-creating a vision for transformation in the sector that would serve as an appropriate basis for the development of an impact framework
- Developing an impact framework for the mining sector that would more effectively drive measurable, observable and integrated transformation impact commensurate with the resources expended by the sector
- Utilising the impact framework as the basis for developing a revised and enforceable SLP Guideline that would align expectations between the sector and the Minister on what transformation impact will be pursued by the industry, and be aligned with global mining ESG standards

A detailed roadmap was agreed for this process, including extended stakeholder consultations, and it was due to proceed during 2023.



Royal Bafokeng Platinum – Housing project

STRATEGIC GOAL 1 – playing a leadership role in transforming the mining industry continued



Tebello Chabana

Senior Executive: Public Affairs
and Transformation

“While spending on fulfilling SLP commitments, particularly local economic development, is high, the impacts tend not to fulfil the expectations of communities and other stakeholders. Part of the problem is that, due to the implementation of the regulatory system, it is difficult to combine and coordinate the spend of individual operations’ SLPs to develop high impact projects. We know that we have to move beyond mere compliance with SLPs.”



A new vision for transformation

Over the course of a five-part webinar series that began in May 2021, the Minerals Council brought stakeholders together to reflect on progress in transformation in the industry and where these efforts should be heading in the years ahead. The reflections were prompted in part by our awareness that, while mining companies have in large part met the terms of the three iterations of the Mining Charter that have guided us since 2004, in some ways the impacts of those efforts have not had the substantial outcomes that we would have hoped for.

The discussions included participation by union leaders from Solidarity, UASA and NUM; experts in the fields of human capital development, entrepreneurship and small business development; Mining Equipment Manufacturers of South Africa (MEMSA); the Original Equipment Manufacturer (OEM) Forum and community development specialists, along with experts from other industrial sectors. Their inputs were invaluable and helped us better understand our complex environment. The conclusions reached are, of course, our own.

The conclusions go beyond the traditional pillars found in the Mining Charter, mostly numerically assessed over the years. While the industry remains committed to meeting the Charter’s goals and targets, our exercise has introduced refinements that, we believe, give additional meaning to the concept of transformation.

We believe we have a responsibility to move further by collaboratively articulating a clear vision for transformation of our sector with our stakeholders. This involves adopting approaches and strategies that will efficiently and sustainably translate our transformation investments into meaningful and observable transformation outcomes. The focus is on the impact of transformation on historically disadvantaged South Africans (HDSAs) as community members, employees and entrepreneurs.

Where employees are concerned, we emphasise equitable access to coaching, mentorship, exposure, especially to high visibility projects, skills, development interventions beyond mandatory and safety training, and increased opportunities to apply the full scope of their skills on the job. HDSA employees need to be placed in positions of greater responsibility and authority, and provided with effective and relevant on-the-

job coaching and training, and participation in employee share ownership schemes structured in ways that are linked to performance measures that they have line of sight of and control of, rather than a blunt linking to share prices.

Procurement needs to go beyond numbers and percentages as laid out in the Charter, though those targets must be met. It is our responsibility to ensure that HDSA entrepreneurs are competitive in their capacity and capability to deliver value. We should assist them to access adequate and appropriate capital available for at least some of the following:

- Investing in local innovation of new technologies, product services and processes
- Expanding the scope and capabilities of their operations beyond reliance on preferential procurement
- Accessing meaningful opportunities created from prototyping, rapid deployment and scaling of local innovations to the global market
- Accessing local and global supply chains
- Expanding their supply into the rest of the continent despite competitive obstacles and lack of preferential procurement advantages there
- Enabling them to become globally competitive local suppliers

Only those suppliers that reinforce our broader local economic development vision should be developed and supported.

Where mining communities are concerned, we need to work towards a situation where mindsets shift from entitlement and passivity to greater self-reliance and taking ownership of their own destinies. It is essential that gatekeeping behaviour is eliminated and replaced with legitimate, accountable and effective community representation bodies. Power dynamics between communities and mining companies need to be reconfigured so there is greater parity in engagement capacity, and healthy community engagement platforms developed. We need to partner with those that speak legitimately on behalf of communities.

Finally, we need to assist in making mining communities less dependent on mining as

the primary local economic sector, with more diversification into other industries and on a trajectory towards sustainability beyond mining. Notwithstanding this, we are of course aware that, with the third iteration of the Mining Charter having been gazetted in 2018, the traditional five-year period will end soon. So, it may be anticipated that the DMRE will be considering something new. As always, we hope the industry will be fully consulted on any new approaches.

Even now, the industry has had some remarkable transformation successes. There are companies that have set annual targets for local HDSA procurement spend beyond the Charter’s targets, purely because they see this as a business imperative. There are companies that have targeted procurement spend on women- and youth-owned businesses with great success.

We hope that the new thinking that has been developed under the auspices of the Minerals Council will intensify these kinds of initiatives, for HDSA employees, suppliers and communities, in the years ahead.



Women in Mining

The Minerals Council’s Women in Mining (WiM) Programme is now in its third year and is intended to streamline the mining industry’s strategies for attracting increasing numbers of women to mining, and their retention and advancement by focusing on creating a safe working environment for women and addressing barriers to their advancement to senior levels.

Key achievements for the WiM programme in 2022 included the ongoing work in addressing the scourge of gender-based violence and femicide (GBVF), the further embedding of the WiM Gender Diversity and Inclusion Reporting Dashboard, the 2022 iteration of the Women in Mining Heroes initiative, as well as a WiM member review project that was initiated to assess progress on the WiM initiative and to determine the level of implementation on the seven foundational measures.

STRATEGIC GOAL 1 – playing a leadership role in transforming the mining industry continued

GBVF

GBVF remains an urgent issue across South African society, and the mining industry is no different. Working to eradicate GBVF in the industry and in mining host-communities requires a significant amount of work and commitment from the Minerals Council, all our member companies and all external stakeholders.

2022 saw the establishment of a National Partnership between the Minerals Council, the National Prosecuting Authority’s Sexual Offences and Community Affairs Unit and the GBVF Response Fund – with the parties committing themselves to working together to increase the number of Thuthuzela Care Centres (TCCs) available to survivors of GBVF in mining communities and areas from which the mining workforce has traditionally been drawn.

The purpose of the partnership is to streamline and facilitate the involvement of the mining industry in providing support and resources to TCCs, which offer physical, medical, legal and psychological support services to survivors of GBVF. The seven Minerals Council member

companies also pledged financial support to the initiative.

WiM Gender Diversity and Inclusion Reporting Dashboard

After the formal launch of the WiM Dashboard, which is intended to monitor how Minerals Council member companies are performing on the WiM foundational measures in 2021, we are pleased to have seen an increase in reporting by companies in 2022. This has resulted in more robust quarterly reporting to the Women in Mining Leadership Forum (WiMLF).

WiM Social Performance Heroes initiative

The Minerals Council’s annual WiM Heroes initiative acknowledges, appreciates and publicises contributions made by women working in a range of fields across the mining industry. The 2022 iteration focused on Social Performance Heroes, highlighting the work done by our colleagues in the communities in which our members operate and from whom they draw their social licence to operate.

You can read more about the 2022 Heroes [here](#).

Assessing the industry’s WiM performance

A major activity for the WiM programme in 2022 was a study of how Minerals Council member companies were implementing the foundational measures set out in the WiM Strategy. The review comprised a broad survey followed by visits to companies, which included focus group discussions at several member operations. A total of 32 companies participated in the survey and 18 mines were visited. The results of the study were presented to the WiMLF in December, and now inform the WiM 2023 workplan.

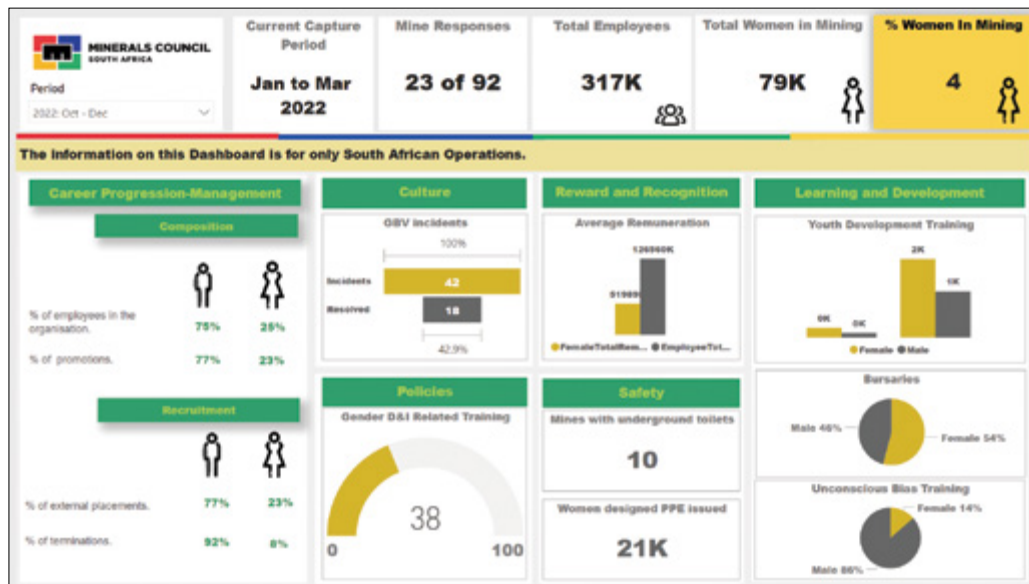
There is still considerable work to be done across the industry to make mining a fully safe and supportive industry, where women can not only work but also fully develop and progress in their careers. There is continued focus on the provision of personal protective equipment (PPE) that is designed and intended for women, as well as on ensuring that the physical environment in which women employees work is one that takes their health and safety needs into account.



Thuthula Balfour

Lead: Women in Mining

“We are proud of the continued development, implementation and prioritisation of the WiM foundational measures across the Minerals Council’s member companies. It is worth noting that, where companies have made leadership commitments to the work of WiM and have appointed senior-level champions to drive this work, they lead among their peers.”



Ivanplats – Ivanhoe Mines



STRATEGIC GOAL 1 – playing a leadership role in transforming the mining industry continued



Rio Tinto – Richards Bay Minerals



Effectively engage members

Membership of the Minerals Council remained stable in the period under review, with two new members joining, and no members leaving. We continue to place considerable emphasis on the need to expand our reach across the South African mining industry and its associated industries.

A key focus continues to be the need to communicate, grow and diversify membership away from the multinationals – our membership now increasingly spans majors, mid-level and smaller companies. Central to this is ensuring that the views of smaller companies filter through properly. Leadership forums (see page 15) are especially critical to this, dealing both with specific commodities and specific areas of interest. This way, we ensure every member's voice is heard within our various structures. These forums also ensure that issues of more general concern or interest (e.g. COVID-19, infrastructure, crime) are discussed across the full member complement.

Especially important to the smaller companies are the Junior and Emerging Miners and Exploration Leadership Forums. The Associations Leadership Forum also plays a key role here, with the three member Associations reaching and representing over 1,000 members. The forums can engage directly with outside bodies – for instance the JEMLF has engaged directly with the DMRE Minister – or work through the Minerals Council Board and leadership.

These forums are fully briefed on all developments within the Minerals Council's ambit, and policies which will have a significant impact on them getting a special focus – a good example of this is the Artisanal and Small-scale Mining (ASM) policy that was developed in 2002. We ensured that input to the DMRE by the industry on the subject was coordinated and coherent, avoiding discrepancies and differences in the industry standpoint.

While the formal engagements of policy committees and leadership forums remain very important, we have maintained several less formal channels that have become increasingly important in our ability to continuously communicate with

members. Specifically, using WhatsApp groups for the various leadership forums, as well as some of the policy committees, for rapid and engaging discussion, debate and information sharing. They are especially useful for ensuring that our busy member CEOs can engage and respond.

To ensure that all members are fully informed of discussions and decisions at a Board level, we continue to share Board Briefs after every Board meeting, to every Minerals Council member company. The Board is mandated to make critical decisions, but we must be sure to bring our entire membership grouping along with us in those decisions. Board discussions, approaches and decisions are flagged to and debated with members in our forums and committees, to ensure the Board has a solid mandate.



Fostering collaboration and partnerships – working with MIASA

In the year under review the Minerals Council played a key role in promoting the work of MIASA. As a leading employer organisation in the region, we hosted six Chambers of Mines – Botswana, the DRC, Namibia, Tanzania, Zambia and Zimbabwe – to workshop and share leading practices and strategies to reduce the burden of TB in the mining industry and its surrounding communities. As part of the workshop, we facilitated a visit to Gold Fields' South Deep Mine to share experiences from TB management best practices.

The organisation continues to be the research hub for all Chambers of Mines in the SADC region – recently hosting the Chief Economist from the Namibia Chamber of Mines on an exchange programme to learn more about policy, lobbying and advocacy that could be implemented in Namibia.

In addition, we also represent MIASA on the ICMM's Associations committee. Through this, MIASA briefed the ICMM on a variety of issues affecting the mining industry in the SADC region, and received feedback on climate change principles.



Tebello Chabana

Senior Executive: Public Affairs and Transformation

“In the last 10 years, we have seen a definite shift in our membership – and in members' views of the Minerals Council. Even some of our longest-standing members, including those whose financial contribution was key to our ongoing survival, clearly did not think well of the organisation, or of the role it was playing in and for the mining industry. That has changed significantly, especially from 2015 onwards. The substantive nature of the change has been such that members who were then our strongest critics are now our biggest supporters. They can see the value that we add to the mining industry, and the benefits that are accruing to them as members. This applies equally to our junior mining members, who clearly see that their voices are prioritised and heard, and that their membership is worthwhile for them as companies.”



STRATEGIC GOAL 2 – creating an enabling policy, legislative, regulatory and operating environment for a successful mining industry



Strategic goal 2

Material issues addressed:

-  • Creating and maintaining a competitive, enabling and conducive environment for mining
-  • Anticipating and influencing new regulation and supporting members in achieving compliance
-  • Addressing and eradicating all forms of corruption, including through enhanced security and eliminating organised crime
-  • Developing and supporting the industry's position on climate change and creating an informed and conducive environment for its approach to decarbonisation and net zero. This includes resilience to climate change impacts and the just transition
-  • Supporting the development of an enabling environment for effective water resource management and stewardship, and providing guidance to members on their approach

Integral to the Minerals Council's mission is creating an enabling policy, legislative and regulatory context for the mining sector, that leads to an enabling operating environment.

Our drive towards a strategically assertive agenda to improve the policy environment for mining resulted in more certainty on the Mining Charter. We have also tackled the security and procurement mafia crisis, with significant work done on helping to encourage cooperation with mining communities and on improving government's focus on the crime crisis affecting the sector.

Our efforts to work with government to address the energy crisis led to South Africa's most significant structural and institutional reforms in the past 20 years, liberalising the energy market and enabling the private sector to invest in 9GW of renewable energy projects valued at R160 billion. These investments could materially change the energy supply situation.

Our work has involved engaging government on a vast range of legislation to promote stable, effective and competitive legislation that promotes investment and inclusive growth. Reasonably often, those efforts have borne fruit.

We continue to support South Africa's actions to implement its commitments to long term goals and actions set through the Paris Agreement and the Glasgow Climate Pact under the UN Framework Convention on Climate Change. It has been our task, in consultation with members, to develop a coherent policy position and programmes that are environmentally, socially and economically responsible and compatible with a JET. We must also consider the critical need for energy security in South Africa from a developing country perspective.

Legislative and policy interventions

During the year the Minerals Council made several legislative and policy interventions:



National Health Insurance: as a representative industry body, we continue to engage with government and the legislature on government's intentions to implement National Health Insurance (NHI). While we support the principle of universal health coverage, we have a range of concerns about the plan and the way government currently

intends to implement it. We will continue to raise these concerns with government.



NEMLA 4 Bill: the National Environmental Laws Amendment Bill (NEMLA 4) became law in June 2022. We worked extensively with government and the relevant parliamentary portfolio committee in its development. For the industry, a key consequence of our involvement was the reinstatement of the exclusion of mine residue deposits and stockpile from the ambit of the waste legislation, among other issues.



NEMA Financial Provision Regulations:

the DFFE published revised regulations in July 2022. Most of our concerns were considered. These included:

- Maintaining the approach to determining financial provision being forward looking on a one-or two-year basis from 2021
- Upholding the methodology for calculating provisioning for new and existing operations
- Continuing with the differentiated approach for low-risk enterprises and additional mineral commodities such as limestone, dimension stone and gravel as low risk commodities
- A five-yearly audit cycle for independent auditing

Despite these positive amendments, we continued to work and engage on outstanding fundamental issues, which have not been resolved or addressed in the proposed 2022 Regulations. These include, among others, tax implications for inclusion in VAT, legal and administrative burdens, governance concerns, practical issues with respect to the restrictions on the use of financial provisioning for progressive rehabilitation and issues regarding the application of transitional provisions and above-inflation increases to the calculated quantum, which impact negatively on the cost of doing business for the mining industry.



Backfilling requirements: as a result of discussions with members and DMRE officials, agreement has been reached with the DMRE on a risk-based



Stephinah Mudau

Head: Environment

“Our comprehensive position on climate change commits members to achieve near-term reductions in emissions over the next five to 15 years and net zero emissions by 2050.”



STRATEGIC GOAL 2 – creating an enabling policy, legislative, regulatory and operating environment for a successful mining industry continued

approach to rehabilitation. The agreement should see the DMRE agreeing to move away from a “one-size-fits-all” approach requirement for backfilling without looking at site-specific or case-by-case circumstances.



Climate Change Bill: we worked extensively with the DFFE and the relevant parliamentary portfolio committee to engage on the challenges the industry has with aspects of the Climate Change Bill. These challenges include alignment between the carbon budget, the implication of higher carbon tax for emissions above the carbon budget and certain penalty clauses.



Draft Tax Laws Amendment Bill (Amendment of Carbon Tax): in response to the call for public comments on the draft Tax Laws Amendment Bill (TLAB) by National Treasury and by the Parliamentary Standing Committee on Finance, we developed a submission detailing our technical and legal comments on the amendment to the carbon tax through the TLAB process.

The process entailed undertaking a critical review of the amendment to carbon tax with a view to identify the implications of the Bill on the mining industry while also proposing solutions to address those challenges. We also ensured alignment between environmental experts, the taxation committee and the Head of Legal – allowing us

to present balanced views covering tax, legal and technical issues.



Draft Pricing Strategy for Raw Water Use Charges: detailed comments were submitted on the revised draft National Raw Water Use Pricing Strategy – the last implemented pricing strategy was published in March 2007.

The mining industry has invested significant resources towards adopting Water Conservation and Water Demand Management (WCWDM) measures and implementing programmes and best practices in water resources management. It is important that alignment with newly developed strategies such as the National Water and Sanitation Master Plan, NWRS-3, WCWDM – and the work being done to satisfy these policy instruments – is considered during any determination of charges and pricing for users.



Water use licence authorisation applications: we continued our work with the DWS to address the mining industry’s challenges regarding water use licence authorisation applications. This intervention has strengthened collaboration with the DWS, and members have seen significant improvement in the way government administers water use licences generally, as well as the timeous issuance of licences.



Draft National Water Resource Infrastructure Agency (NWRIA) Bill: we reviewed the draft NWRIA Bill and made a comprehensive submission on issues of concern to the industry for consideration by the DWS.



Biodiversity Policy Developments: during the period under review, the Minister of Forestry, Fisheries and the Environment published the Draft White Paper on the Conservation and Sustainable use of South Africa’s Biodiversity. Mining industry comments were compiled, and a written representation submitted to the department for consideration. Our team also gave inputs on the National Biodiversity Offset Guideline which was published by the Minister. Written comments on the draft guideline were submitted, outlining high-level issues that may negatively affect mining business, with recommendations for consideration by the department to achieve a more beneficial outcome. The department is yet to finalise the guideline.



Implementation of Waste Discharge Charge System and Revision of Regulations on the Use of Water for Mining and Related Activities aimed at the Protection of Water Resources-GN704 Regulations:

we initially worked with the DWS on the implementation of the waste discharge charge system (WDCS) and the envisaged update of the GN704 regulations prior to gazetting in July and again during a stakeholder engagement session in November.

Of concern to the mining industry is the non-point source calculator and the mitigation charge where clarity is still needed. During follow up sessions, the department acknowledged that the system is not yet perfect, and the calculator will be updated.

The update of GN704 proposes a change from using the MPRDA or NEMA as a trigger to exempt mines with low impacts from some of the requirements of the regulations, to using Categorisation of Mines

as a trigger. We assessed the proposed changes, identified issues of concern for the mining industry and submitted a detailed written submission for consideration by the department before gazetting for broader public consultation.



National Water Resources Strategy-3: the Minister of Water and Sanitation published the draft National Water Resource Strategy Third Edition (NWRS-3), the tool to operationalise the National Water Act, in July. Our team conducted extensive reviews of the NWRS-3 at various stakeholder consultations, advocating the mining industry position in relation to policy proposals articulated in the document. In parallel, extensive analysis of the NWRS-3 was undertaken, resulting in the development of a compelling submission on behalf of the mining industry, articulating comments and inputs to ensure water security, to enable equitable access to water and sanitation in support of socio-economic growth and the development of various sectors including the mining industry.



DFFE call for comments: the development and installation of renewable energy systems has gained momentum and political support in South Africa. We responded to a call from the DFFE for comments on several issues:

- A protocol for the assessment and minimum report content requirements for determining the impacts of the development of onshore wind generation facilities that require environmental authorisation for Cape vultures
- The adoption of a national web-based environmental screening tool as an environmental management instrument
- The exclusion of solar photovoltaic installations from the requirement to obtain an environmental authorisation based on compliance with an adopted environmental management instrument

We undertook a critical review of the notices to identify implications for the mining industry’s renewable energy initiatives and made submissions accordingly.



Sibanye-Stillwater – South Africa Gold operations

STRATEGIC GOAL 2 – creating an enabling policy, legislative, regulatory and operating environment for a successful mining industry continued



Ursula Brown

Head: Legal

“It is our responsibility to keep key security issues and their impact on the sector at the forefront of government priorities, and that the resources necessary for dealing with the challenge are, as far as possible, made available when and where they are needed.”



Illegal mining, organised crime and corruption

The Minerals Council remains deeply concerned about the inroads being made by organised crime into areas that have had a serious negative impact on the sector. These include illegal mining, product theft, copper cable theft and the associated disabling of infrastructure (especially rail and electricity networks), and the further encroachment of mafia-associated behaviour into mine-associated procurement and contracts. In addition, the impact of crime on every aspect of doing business in South Africa has had a significant overall negative impact on our members and their employees.

Significant effort has been put into maintaining and developing existing and new relationships across the law enforcement and security clusters, at all levels of our stakeholder engagement (as well as that of our member companies). We acknowledge the constraints faced by the security cluster and continue to work with our stakeholders in the sector to support and collaborate on issues of mutual interest.

As regards cooperation and collaboration, our members note largely positive work with all levels of law enforcement, which has yielded some results. Our role in this area is as a facilitator and support mechanism for our members. Especially in the context of engaging with the senior levels of government and the security cluster, a significant amount of positive work occurred in the period under which we are reporting.

Skills development

The Minerals Council's Skills Development department continued to actively cooperate with a range of skills and education structures in our efforts to ensure that the framework exists to deliver the right kind and level of skills to the mining industry. This involved work not only within mining industry training bodies, but with national education structures too.

We are represented on and actively participate in the Human Resources Development (HRD) Council for South Africa, which is the highest HRD policy direction platform, dealing with all levels of education, from early childhood development to post school education and training.

We are also represented on the National Skills Authority, which is responsible for oversight of post-school education training systems. This includes oversight over the skills education and training authorities (SETAs), skills development funding and their skills development approaches, strategies, objectives and outcomes.

The industry's key training institution is the Mining Qualifications Authority (MQA) SETA, for which we nominate employer board members, and it is where challenges experienced in the sector are raised and discussed. Our Education Advisory Committee is central to feeding these issues into the MQA.

The MQA channels some 700 people into funded internships in our member companies. It has worked on a programme to develop centres of specialisation – the delivery of high quality occupational qualifications at technical vocational institutions.

There has been significant investment through the MQA in two community development programmes related to skills development, which include both portable skills and industry specific skills. We continue our administrative role in respect of what are still called the Chamber of Mines Certificates of Competency for senior, skilled miners.

We also sit on the Quality Council for Trades and Occupations, responsible for quality assurance and the oversight of the design, accreditation, implementation, assessment and certification of occupational qualifications and skills programmes.

Because we deal with national education and training issues, our team participates actively in BUSA's sub-committee on education and training. Among the important programmes in which we have participated is the Youth Employment Service (YES) programme, a business-led collaboration that seeks to provide otherwise unemployed young people with a dignified chance to enter the labour market through a 12-month quality work experience.

Our BUSA work leads us to Nedlac – education and training work in 2022 included interactions on the Basic Education Laws Amendment Bill and the Education Infrastructure Amendment Bill. The latter is critical, addressing, among other things, toilets, safety and security at schools.



Mustak Ally

Head: Skills Development

“The future of South Africa's mining industry depends on the availability of a wide range of skill sets in the workforce. As a result, we have a material interest in every aspect of the country's education and training systems, policies and structures. As the Minerals Council, we have an obligation not just to our members but to all our stakeholders to ensure we play a constructive role.”



STRATEGIC GOAL 2 – creating an enabling policy, legislative, regulatory and operating environment for a successful mining industry continued



Grant Mitchell

JEMD

“The JEMD gets a constant flow of queries from junior companies, consultants and academics on the nature of our work and the support that we provide. Where possible within our mandate, all queries are answered.”



Ensuring an enabling environment for junior and emerging miners

The Junior and Emerging Miners Desk (JEMD) currently has a membership of 38, including three associations (the South African Diamond Producers Association, the Clay Brick Association and the Aggregate and Sand Producers Association of South Africa). Most members are smaller to mid-tier producers, along with a number of exploration and development companies, as well as companies that finance and develop junior mining projects.

The JEMD conducted several snap surveys among its members to ascertain the impact of COVID-19 on the sector. The JEMD also commissioned and participated in a study on the viability of the Flow Through Share Model (with law firm, Fasken) as a tax incentive for the junior sector, and has managed further expert inputs as to how this system could be built into South Africa's tax regime.

The JEMD runs bi-annual webinars on topics of interest to the junior sector. Examples are *How to list a Junior Mining Company on the JSE*, *Modernisation and new technology for Junior Mining Companies* and *Community engagement and participation for Junior Mining Companies*.

The JEMD hosted a webinar with the CGS, entitled *Strategies to Support the Junior and Exploration Sectors in South Africa* and participated in another on exploration. In 2022 the JEMD also assisted in organising and participating, with some member companies, in a workshop on Mine Closure Strategy facilitated by Professor Mike Solomon from the University of Cape Town.

The JEMD works closely with the Junior and Emerging Mining Leadership Forum in lobbying on behalf of the sector. The JEMD was part of the Exploration Revival Task Team and made inputs and assisted in the drafting of the Exploration Implementation Plan.

The JEMD commissioned a review of the Artisanal and Small-Scale Mining Policy Framework released by the DMRE earlier in 2022. This will form part of our submission on the policy framework. The JEMD is part of the committee on small, medium and micro enterprises (SMMEs) at BUSA, and the committee on Artisanal Mining at the ICM. The JEMD has also formed a close association with the JSE.

In 2022 the JEMD selected six mentors – senior executives from our major producers – who will be

paired with the CEOs of our junior companies as the need arises. Along with the JSE the JEMD initiated a Junior Mining Accelerator Programme, which aims to provide strategic support to junior mining companies.

The JEMD also funded several artisanal diamond producers to attend a Small-Scale Diamond course in 2022. Comprising of theory and field work, it aims to upskill small-scale diamond producers as well as newly-graduated students.

The JEMD was also part of a team led by our Economics department that met the National

Treasury on developing exploration. The JEMD cooperated with the Industrial Development Corporation of South Africa (IDC) on their proposed Junior Mining Fund. Little progress has been made in this regard mainly because the IDC and the DMRE have not managed to get the fund up and running. The JEMD also worked with industry experts in implementing an online management system (cadastre) and has been vocal in the need for such a system to be applied in South Africa.



Orion Minerals – Prieska

STRATEGIC GOAL 3 – implementing a positive contribution model



Strategic goal 3

Material issues addressed:



- Ensuring access to efficient, reliable, affordable infrastructure services – water, logistics (road and rail)



- Creating and maintaining a competitive, enabling and conducive environment for mining



- Preserving and enhancing the reputation of the industry



- Encouraging and facilitating practices for community engagement and support – social licence to operate

The Minerals Council remains conscious of our obligation and responsibility – as an organisation and as a membership body – to contribute positively to South Africa, including through the NDP. We report on our contributions to this aim throughout this report, but with a focus in this section on promoting RD&I for the South African mining industry, promoting local economic and community development and the role of the Minerals Council in helping to expand a cost competitive and efficient infrastructure base for mining.



Driving innovation and RD&I in the mining industry

The Minerals Council has continued to drive RD&I in the mining sector, including through the co-funding model on innovation with government and the MMP.

The Minerals Council's five-year Strategic Partnership for People-Centric Modernisation with the RIIS, has three key objectives for the 2022-2026 cycle:



Implementing medium-term modernisation programmes



Strengthening collaboration with member companies



Strengthening the external RD&I ecosystem

State of innovation

A key priority for 2022 was undertaking a review of the current state of the mining innovation ecosystem in South Africa and assessing the relative performance and strength of key performance indicators that characterise healthy innovation ecosystems:

- Technology innovation for improved security in mining: we facilitated the sharing of leading practices in technology innovation for improved security through a dedicated Day of Learning, recognising that this is a major risk. Applications included artificial intelligence to enhance closed-circuit television, various movement detection systems, drones, body cameras on guards deployed on the ground and a range of sensors that improve the accuracy of monitoring.
- Improved data collection and analysis of RD&I expenditure trends in mining: since RD&I investment is critical to the global competitiveness of members, we are partnering with the Human Sciences Research Council's (HSRC's) Centre for Science, Technology and Innovation Indicators to better understand the investment involved and advise on ways in which this could be improved.
- Policy advocacy for RD&I tax incentive renewal and amendments: we facilitated engagements between the National Treasury, the DSI, the mining industry and suppliers to advocate the extension of the RD&I incentive under Section 11D of the Income Tax Act beyond the sunset date of 2022. The incentive was extended, and we will continue to advocate an incentive that delivers most value for our members.
- Innovation ecosystem review: since 2017, we have driven collaborative and inclusive people-centric modernisation initiatives aiming to strengthen the innovation ecosystem in the South African mining industry. In 2021, the modernisation partnership was extended by five years to address more medium-term issues like climate change. The ecosystem was reviewed extensively during 2022 using international guidelines. It was found that during the first phase of the partnership, significant progress has been made on innovation culture, network assets and a collective approach.
- Tailings storage facility (TSF) geographic information system (GIS) risk assessment: prompted by the recent Jagersfontein tailings breach and humanitarian consequences to which it led, we leveraged our GIS and data capabilities to undertake an initial analysis of satellite imagery and available GIS data. The analysis covered Jagersfontein before and after the breach, as well as the identification of TSFs that are active and not managed by Minerals Council members. Further work in this regard will continue.
- Towards the hydrogen economy: the Hydrogen Leadership Forum was established as an executive-led forum for strategic reflection and advocacy. We accelerated members' understanding of the hydrogen economy opportunities and facilitated engagements on the issues at hand.



Sietse van der Woude

Senior Executive: Modernisation and Safety

“Modernisation has a critical role to play in supporting mining’s contribution to South Africa. It spans every aspect of the industry’s work, and will be key to ensuring that South African mining is a sunrise industry into the future.”



STRATEGIC GOAL 3 – implementing a positive contribution model continued

Progress at the MMP

The MMP has made good progress on several issues.

University research centres: The MMP team expanded its RD&I partners and collaborator pool, and the establishment and operationalisation of four Research Centres at Wits University, University of Johannesburg and University of Pretoria are at different stages. The contract with the Advanced Orebody Knowledge (AOK) South African Mining Extraction Research, Development and Innovation (SAMERDI) Research Centre (SRC) at the University of the Free State is currently being finalised.

There continues to be a strong focus on ensuring that project outputs include clear implementable solutions for the industry. A plan has also been developed for the products closest to being ready for industry uptake to ensure that these are finalised and introduced to industry. We will also be monitoring their uptake over time.

In its efforts to promote human capital development, the MMP has appointed eight interns over the past year, assisting on different research programmes. An MMP internship induction plan and an internship development plan have been developed to ensure that they receive a well-rounded exposure to various aspects of their programmes.

In addition, in each of the SRCs established at universities, there will be a strong focus on the skills development of students. Each SRC must support at least four post-graduate students, of which at least one must be from a historically disadvantaged background. Inclusion of post-graduates in research projects by the service providers also remains a priority to ensure the development of this important mining RD&I capability in South Africa.

Collaborative partnerships

The SAMERDI strategy and business plans are executed through a group of research partners, with projects undertaken collaboratively by a team of researchers. The strategic and operational partnerships with MEMSA continue as planned and the relationships with the DTIC, MHSC, OEM Forum and various industry forums and private companies have been improved through planned joint projects and initiatives. We continue to pay special attention to our relationship and collaborations with the DMRE, CGS, Mintek, MHSC, CSIR, universities and relevant mining industry forums.



Improving social performance and licence to operate

The Minerals Council is currently facilitating several collaboration initiatives in high priority mining areas in Limpopo (Far Eastern Limb – FEL), North West and the Northern Cape.

- 1 In the FEL, the focus has been on working with members to identify and motivate funding of significant infrastructure projects, the most advanced being a ‘steel bridge’ replacement project at an estimated cost of R85 million. The other projects under discussion include upgrading old or constructing new water treatment works and three police stations. The Concentric Alliance has been engaged to facilitate dialogue between mines and communities to reduce or eliminate protest action.
- 2 In the North West, the industry is reviewing work done by Magalies Water on the Brits Water Treatment Works in the Madibeng Municipality.
- 3 In the Northern Cape, several socio-economic development projects are being implemented by The Impact Catalyst and the industry.



Regional offices providing support

In 2018, the Minerals Council resolved to pilot the establishment of regional offices in order to foster collaboration and partnership between members operating in the same regions and, within those regions, to improve industry relationships with stakeholders and thus lead to better transformation outcomes.

The COVID-19 pandemic had a significant impact on those plans, given that they involved face-to-face regional engagements which could not

happen for much of that period. The initial pilot offices in the Northern Cape and Mpumalanga remain the only two that have been established. They are useful in that members can engage a local Minerals Council representative, who can also lead engagements with key stakeholders in those regions.

However, the pandemic also taught us to use other engagement platforms and still maintain the envisaged objective of nurturing better regional relationships. Given limitations on resources, the Minerals Council has adopted different models in different regions. There are those in which there are regional representatives and a hands-on approach. In other regions, we have acted as a facilitator and catalyst but where one of the mining companies in the region takes a strong leadership role in respect of any one project.

Much of the regional collaborative work between mining companies must take place outside their SLPs because these are very difficult to amend, run over different periods for different mining operations and are part of their formal or legal licence to operate. There is, however, one sign of progress in this regard in the Northern Cape.

Of the two non-Gauteng mining provinces in which we have regional representation, our greatest successes have been in the Northern Cape. Possibly for historical reasons the Minerals Council has tended to have particularly close relationships with the provincial and local governments there. That has facilitated industry and government cooperation on a range of projects.

Many of the cooperative initiatives that are being piloted take place under the auspices of a multi-stakeholder structure called The Impact Catalyst.

There has been significant progress in collaborative engagements, starting with an all-inclusive SLP collaboration workshop where the DMRE, the Minerals Council and our members brainstormed and worked together to seek alignment on SLP spending. Future engagements will also include mining groups that are not Minerals Council members.

The largest example of a joint project in the Northern Cape is the Vaal Gamagara water supply scheme. The purpose of the scheme is to supply water from the Vaal River to the arid areas of the Gamagara valley, starting

Alex Khumalo

Head: Social Performance

“The pandemic taught us to use other engagement platforms and still maintain the envisaged objective of nurturing better regional relationships.”



STRATEGIC GOAL 3 - implementing a positive contribution model continued

with the diamond mines at Lime Acres through Postmasburg and northwards to the rest of the iron ore and manganese mines around Kathu to Hotazel - and to the communities in those areas. The industry has committed to funding 56% of the cost of refurbishing that pipeline and the remaining 44% will be provided by the DWS.

Another major joint project that is underway is the upgrading of a 42km stretch of the R380 road between Kathu and Hotazel. Other joint industry projects in their planning or piloting stages, all under the auspices of The Impact Catalyst, include:



A waste tyre facility



Two cattle farming programmes



A bolts, nuts and fasteners plant



A Wi-Fi provision project for seven schools



A social employment fund supported by the IDC



A coolant manufacturing plant



Personal hygiene product manufacturing



The development of the Kathu Industrial Park

Much of our work in Mpumalanga has focused on engagements with all spheres of government, particularly local and district municipalities and several provincial departments. These engagements have focused on unlocking socio-economic value that would benefit communities while considering issues related to the JET. It is in that context that several engagements have been held with the JET Team at Eskom in the face of the approaching closure of the Hendrina and Komati power stations. We have worked with

them on their socio-economic baseline studies of affected communities.

Even as each Eskom power station closes - as is planned for a number in the coming decades - the supplying mine will be the remaining large economic entity in their area, if they find alternative customers. Our work with Eskom is providing our members with additional insights into how to shape and collaborate on future SLPs.



Driving the skills development agenda

The Minerals Council and its members played a material ongoing leadership role in driving skills development in mining, including guiding the MQA, the MHSC and the universities on key mining skills and Mining 4.0. The Minerals Council also successfully managed the Chamber of Mines certificate programme. For more on skills development, refer to page 41.



Collaboration to solve logistical constraints

A manganese producers' consortium bid to design and build a manganese terminal at Coega was successful in Stage 1 and has now moved to Stage 2 of the process. The Minerals Council facilitated this process and has exited to enable the producers to corporatise and continue.

56%

The industry has committed to funding 56% of the cost of refurbishing that pipeline and the remaining 44% will be provided by the DWS.



Implats - Impala TIC Shaft

STRATEGIC GOAL 4 – demonstrating progress on safety, social and environmental imperatives



Strategic goal 4

Material issues addressed:

-  Preserving and enhancing the reputation of the industry
-  Encouraging and facilitating practices for community engagement and support – social licence to operate
-  Developing strategies for improving employee health and safety, encouraging the sharing of learning between members, and adopting leading practice
-  Developing and supporting the industry's position on climate change and creating an informed and conducive environment for its approach to decarbonisation and net zero. This includes resilience to climate change impacts and the just transition
-  Supporting the development of an enabling environment for effective water resource management and stewardship, and providing guidance to members on their approach

Leading industry efforts to improve safety and health in the industry

The Minerals Council has three clear areas of focus under this strategic objective, namely:

- Promoting zero harm
- Promoting and enabling effective transformation
- Reducing the mining industry's environmental footprint

The Minerals Council plays a leadership role in guiding and supporting the industry's journey towards zero harm, working in close collaboration with unions and the DMRE.

Given that mining is a complex, technical, and often labour-intensive industry, the risks and hazards it presents – if not countered – may cause harm or threaten lives. Mining requires rigorous training, absolute vigilance and unfailing adherence to health and safety standards and procedures.

Understanding that occupational health and safety is about people is a fundamental driver of the industry's approach. Efforts to reduce mineworkers' exposures to risks and hazards, to prevent and treat occupational diseases, and, above all, to eliminate fatalities, is an abiding priority. In its commitment to the goal of zero harm, the industry aims to ensure that every mineworker returns home unharmed at the end of every workday.

We acknowledge with gratitude the immense contribution to the industry's health and safety performance made by our stakeholders, particularly our regulator, the DMRE, the unions that also play a critical part, and a range of other experts including those at the MHSC.

Fall of ground-related accidents were reduced by 73% to six in 2022



Safety

Safety performance


The 49 fatalities reported in the industry in 2022 represent an improvement of 34% on the 74 deaths in 2021, and were the lowest number of annual fatalities in the industry's recorded history. However, we emphasise that our goal is zero fatalities, and we will not be satisfied until this goal is sustainably reached.

Our overriding goal – and that of the South African mining industry as a whole – is to ensure that every employee goes home safe and well at the end of the day. We are absolute in our stand that one fatality is a fatality too many, and that the industry remains focused on the road to zero harm.

It was, therefore, encouraging and reassuring that 2022 saw a significant reduction in fatalities to a record low of 49 after a concerted effort by all stakeholders and strict focus on the safety strategies developed to improve working conditions. The industry also reported a total of 2,056 serious injuries in 2022, down from 2,143 in 2021.

There are encouraging signs that initiatives like the Fall of Ground Action Plan (FOGAP) adopted by the Minerals Council Board and CEO Zero Harm Forum in July 2021 may be contributing to the reduction in fatalities. In 2022, there were six fall of ground-related fatalities, a 73% reduction from the 22 fatalities the year before.

The platinum sector reported the highest number of fatalities with 18 in 2022, compared with 21 in 2021 (14% reduction). The gold sector reported 15 fatalities compared with 30 during 2021 (50% reduction). The coal sector recorded six fatalities, compared with 10 in 2021 (40% reduction) and the other commodities (zinc, dolerite, diamond, iron ore, chrome, copper, sand and manganese) reported 10 fatalities, compared with 13 fatalities in 2021 (23% reduction).

 **Sizwe Phakathi**

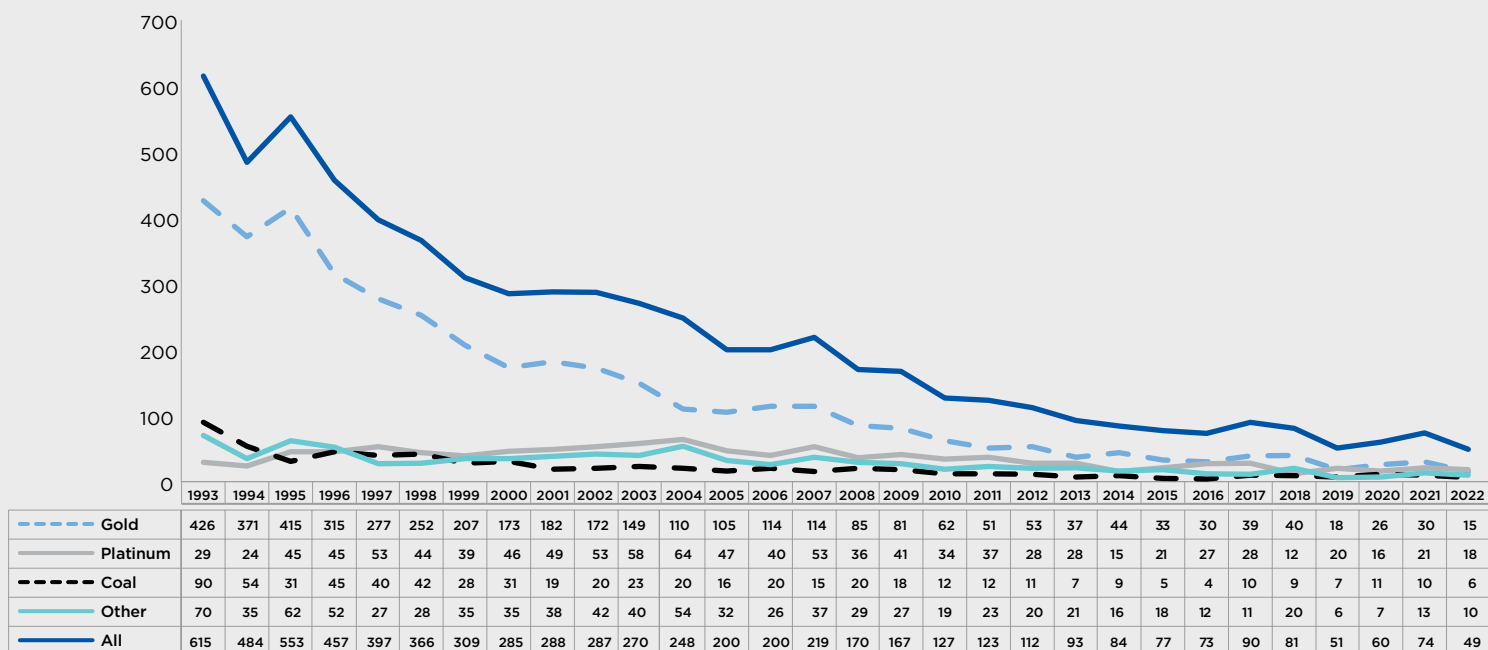
Head: Safety and Sustainable Development

“We acknowledge with gratitude the immense contribution to the industry's health and safety performance made by our stakeholders.”



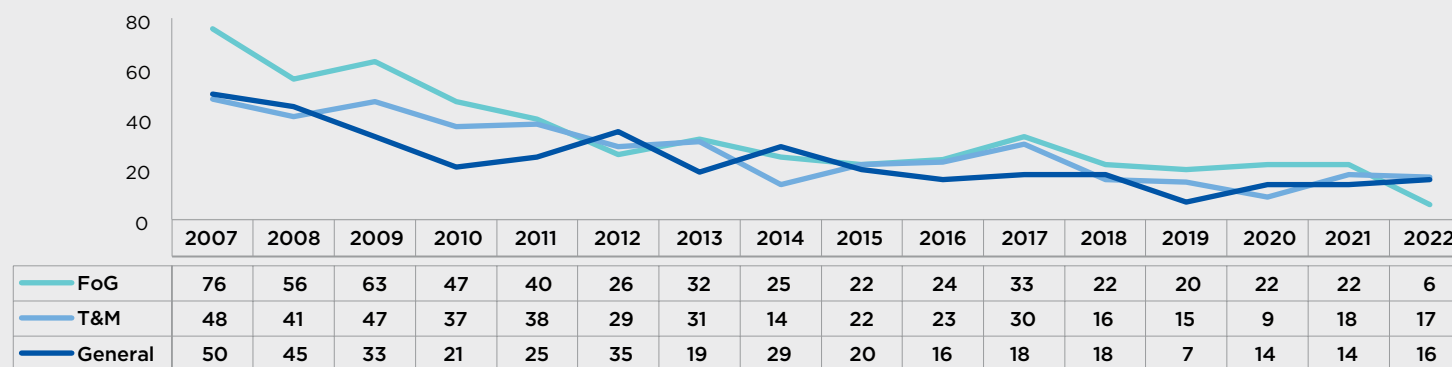
STRATEGIC GOAL 4 - demonstrating progress on safety, social and environmental imperatives continued

Fatalities - Performance by commodity



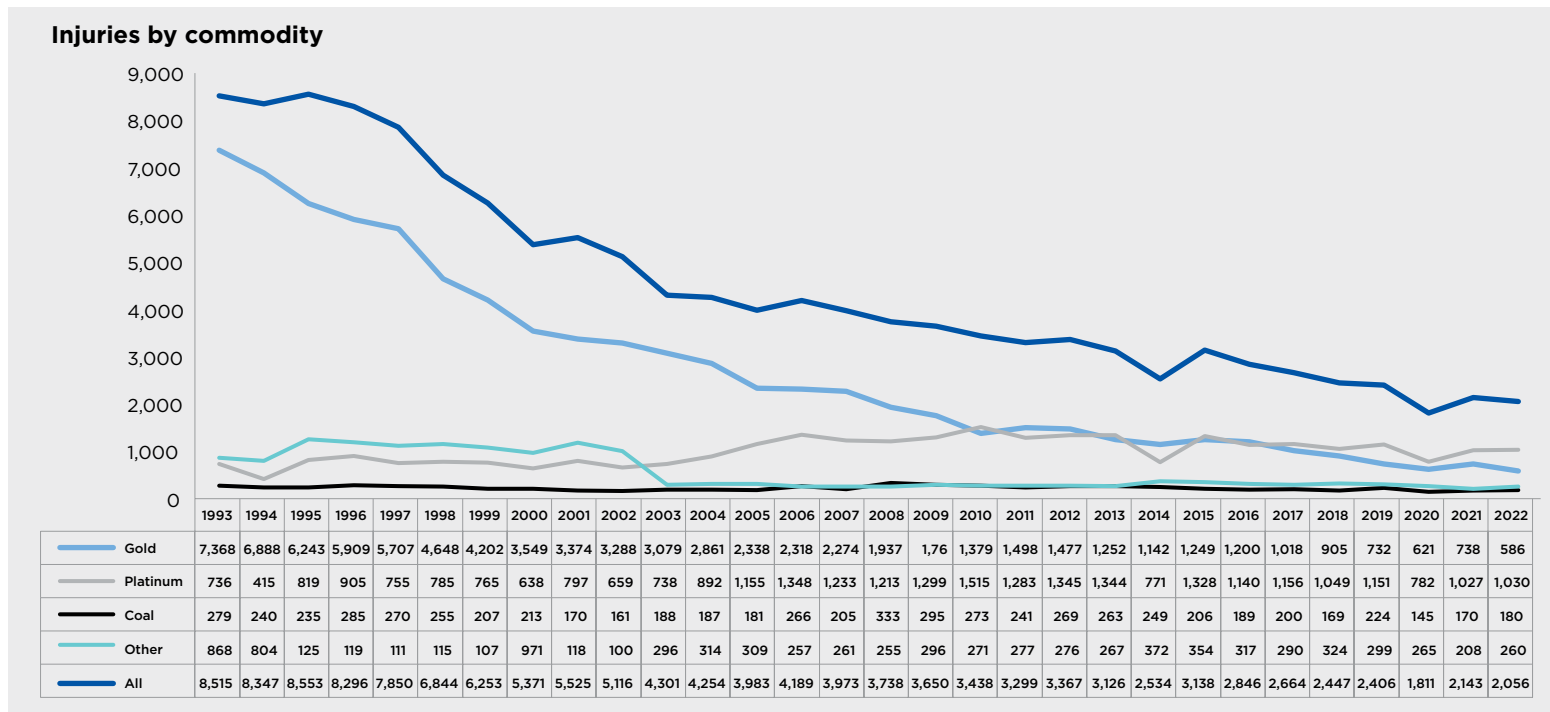
Anglo American Platinum - Dishaba Mine

Performance by cause of fatality



Transport and mining-related accidents, of which there were 17, were the cause of the largest number of fatalities (this includes fatalities emanating from rail-bound, trackless mobile machinery and winches). "General" accidents were the next highest contributor to overall fatalities with 16 fatalities recorded in 2022 (this includes mud rushes, struck by objects, fires, explosives, electricity, conveyances, etc.). Fall of ground-related accidents were reduced by 73% to six in 2022. No machinery related fatalities were recorded in 2022.

STRATEGIC GOAL 4 – demonstrating progress on safety, social and environmental imperatives continued



Stanford Malatji

Head: Learning Hub

“The FOGAP approach is to develop systems that will protect lives, even where errors are made, and is focused on capacity building of local rock engineers in the context of high foreign demand for experienced rock engineers.”



Partnerships

We and our member companies remain committed to the industry’s goal of zero harm and we continue to be actively involved in initiatives and partnerships aimed at eliminating fatalities and injuries.

We achieve this through the Minerals Council’s Occupational Health and Safety Policy Committee, the MOSH Learning Hub, the Rock Engineering Technical Committee (RETC), and the CEO Zero Harm Forum. We also engage with regional associations, including the regional tripartite forums, the Association of Mine Managers of South Africa (AMMSA) and the South African Colliery Managers Association (SACMA); the DMRE and organised labour, through the MHSC; and with international industry bodies through the Minerals Council’s membership of the ICMM.

Much has been achieved in recent years and we are encouraged to see employers, labour and

government working together to protect the safety and health of all mine employees.

Our strategy

We recognise that a company’s safe mining environment cannot and will not materialise without leadership coming from the top of the company. The leadership, starting with the CEO, needs to advocate safety and ensure it becomes the company’s firm position in all communication from all levels of management.

That of course is not enough. Systems designed to achieve these goals need to be implemented. All employees must be empowered to understand the safety systems, including the right to withdraw from unsafe working conditions. And all this must be a feature of everyday operations.

CEO-ship advances in 2022

It was resolved by the CEO Zero Harm Forum and by the Board respectively that there should be longer and more frequent CEO Zero Harm Forum meetings and monthly Special Board meetings

on safety. We believe this will further enhance the opportunities for CEOs to learn from each other and expand the safety matters that can be raised in these interactions. These new arrangements came into force in early 2023.

Addressing FOG safety

A key safety focus for 2022 was addressing FOG risks – which have been a leading cause of fatalities over many years. The project – FOGAP has begun to show results. 2022 was the first of a five-year R46 million project to which the CEO Zero Harm Forum committed in December 2021.

FOG fatalities were significantly lower in 2022 than in the previous year. While it is premature to attribute this to the FOGAP programme, that work raised awareness around fall of ground management in the industry. The programme is overseen by the industry’s senior rock engineers, working in close collaboration with the South African National Institute of Rock Engineers, the AMMSA and SACMA.

STRATEGIC GOAL 4 – demonstrating progress on safety, social and environmental imperatives continued

Standout FOGAP innovations in 2022 include:

- Better illumination of the underground working environment and permanent aerial support for the roof by the enhanced use of roof netting. In addition to improving the safety environment it has also led to reports by women mineworkers that the lighter environment has made them safer from sexual harassment.
- Tools to predict the presence of loose rock; and
- How to remove loose rock without endangering those carrying out this work.

The overall adoption by members of the ledging planning leading practice increased to 78%, with 22 mines participating, and plans have been made to bring lagging mines to full adoption. Ledging is a conventional stoping activity – and the quality of the ledge dictates the efficiency of the stope. Pockets of excellence in ledging are characterised by a good, integrated and multidisciplinary approach to planning processes, clearly defined ledging standard, clearly defined roles and responsibilities, dedicated ledging crews, maintaining the integrity of the hanging wall, maintaining a sound ledge for effective support, and keeping the stope “aorta” alive and well for the life of the stope. These contribute towards reducing or eliminating the risk of fatality per ledging square metre.

The Illumination leading practice aimed at improving underground workplace visibility was successfully launched on the 14 July 2022 and 11 companies registered to adopt it.

Two FOG-related case studies have been documented from Masimong and Bambanani mines, looking at in-stope permanent steel netting and its effectiveness in saving lives. Both case studies can be found on the MOSH [website](#).

Transport fatalities

The Holistic Transport Action Plan is an initiative to address the largest single cause of fatalities in 2022. It involves paying close attention to the installation, repair and maintenance of transport machinery. MOSH has also developed technical guides for surface and underground traffic management.

The year also saw a focus on industry alignment and implementation readiness for trackless mobile machinery regulations and scraper winch systems.

Finally, we are investing in complex, globally-leading collision prevention systems (CPS). We will continue to work with the DMRE, unions, suppliers, the MHSC and others to facilitate CPS ecosystem readiness as quickly as possible using a holistic, risk-phased approach.

A CPS testing strategy was agreed upon that is performed under well-controlled conditions, uses appropriate test equipment, uses experienced human resources to conduct the tests and takes account of well-defined industry test procedures to ensure repeatability.

Intensive engagements were held with key stakeholders to accelerate readiness. Efforts are also being made to localise the manufacture and assembling of CPS technology. Detailed information on the transport and machinery initiatives is accessible [here](#).

Accident investigation

Through the Khumbul'ekhaya health and safety programme we have developed a new approach to accident investigations. It focuses on a transition to a just culture as opposed to a culture of blame. Instead of focusing on which individual or individuals did wrong, the focus is on systemic deficiencies. This is achieved through better quality accident investigations through peer review of investigation methods, better accountability management through the Just Culture Accountability Framework guidelines and better peer learning and accountability through learning from incidents and learning from global leading practices.

Digitisation of safety data

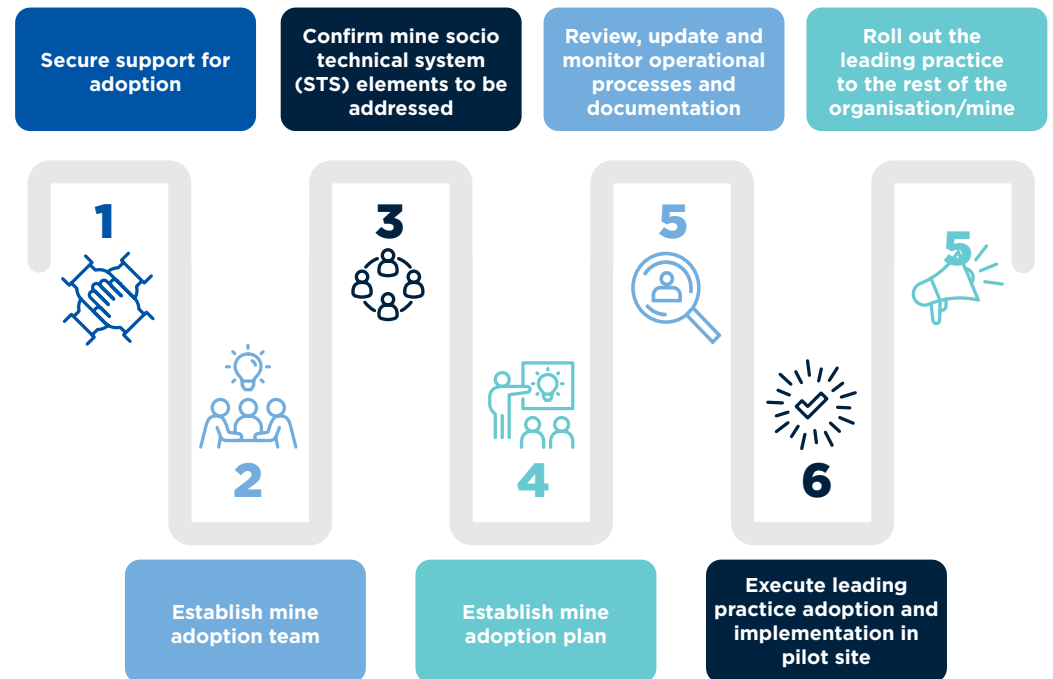
In order to help members and the industry improve further, we have requested a wide range of safety data from members which is being digitised. This is intended to enable companies to analyse trends so that they can take quick decisions on what interventions are necessary. We are developing a web-based safety information system that can be used in this regard by all.

We do receive information from the DMRE and will continue using that, especially as regards safety issues at non-member companies. The system we are developing will also have more granular categorisations than are used by the DMRE to make us better able to analyse trends of specific safety events.

Adoption of leading safety practices

MOSH has devised the following adoption approach for members in order to implement the leading practices developed under its auspices. The focus is on working systematically towards full adoption of the leading practices, with teams appointed at each mine to ensure a coherent implementation of the systems.

Leading practice adoption process



STRATEGIC GOAL 4 – demonstrating progress on safety, social and environmental imperatives continued



Thuthula Balfour

Head: Health

“The Masoyise Health Programme is recognised internationally as best practice for managing TB and other diseases, with the Minerals Council invited to share lessons with MIASA members and at meetings organised by the Eastern, Central and Southern African health community.”



Health

The Health Department is responsible for promoting good health outcomes in the mining industry, working with the DMRE, MHSC, the Department of Health and other government and statutory bodies, and supporting Minerals Council members in achieving both their own and industry-wide targets.

This health report draws on data published by the DMRE for 2021, as well as 2022 hygiene data and 2021 medical data from the Minerals Council reporting system.

In 2022, our priorities included continuing to manage the impact of the COVID-19 pandemic on employees, families and communities, maintaining the TB incidence rate at below 300 cases per 100,000 members of the workforce, achieving our milestone goals on pneumoconiosis, addressing the ongoing challenge of noise-induced hearing loss (NIHL) and further improving monitoring and reporting for occupational health and transmissible diseases in the industry.

The Minerals Council Occupational Health Reporting System continues to be best practice for comprehensive reporting in the industry. It has now been linked to the MHSC Milestone Reporting System. The MHSC Summit reports were still largely based on the Minerals Council reporting system.

Assessments of occupational health trends, including occupational lung diseases and NIHL, may currently be less than optimal at this time. This is due to the impact of and focus on COVID-19, resulting in the industry’s screening, monitoring and reporting of occupational lung diseases and NIHL reducing during the first two years of the pandemic. As reporting returns to its pre-2020 levels, as it began to do later in 2022, it can be expected that we will see increases in incidences reported due to a return to higher levels of screening and monitoring.

Industry performance review

The DMRE reports on occupational diseases in the industry and the report is published a year behind.

In this context, from January to December 2021 the industry reported 1,924 occupational diseases, compared with 2,013 diseases in the same period in 2020, translating to a 4.4% decrease. Industry performance on major diseases is shown below.

Occupational diseases in the mining industry: January to December 2021

Disease	Industry: January to December 2021	Industry: January to December 2022	Percentage change	
TB	849	793	6.6%	↓
NIHL	738	776	5.1%	↑
Silicosis	271	240	11.4%	↓
Coal Workers Pneumoconiosis	19	11	43%	↓
Total	2,013	1,924	4.4%	↓

Noting the proviso mentioned above, there was a decrease in the reported occurrence of all diseases except NIHL where there was an increase.

Minerals Council milestone performance in 2022 – occupational hygiene

Measured against the 2022 targets set in the Occupational Health and Safety Council 2014 milestones, the industry’s performance for 2022 is depicted below. We have noted that, while pneumoconiosis was the only lung disease not to show an increase in incidence, coal dust incidence was the one not to achieve its milestone target.

Occupational hygiene milestone performance

Milestone	Target	Industry performance 2022
Respirable crystalline silica samples > 0.05mg/m ³	7%	6.5%
Respirable coal dust samples > 1.5mg/m ³	7%	9.2%
Respirable platinum dust samples > 1.5mg/m ³	5%	1.3%
No. of pieces of machinery emitting > 109 dB(A)	-	273

Currently the milestone targets for respirable silica and platinum dusts are being met. The targets for coal dust and noisy machinery are not being met.

The MOSH Learning Hub continued to improve the adoption of three available dust leading practices, creating accessible health and safety knowledge platforms, strengthened relations with various mining operations across various commodity sectors. It also provided support to the underground fiery colliery mines’ endeavour to adopt continuous real-time monitoring of airborne pollutant controls and conveyor belt automated transfer-point fogging dust suppression systems. Efforts were made to complete the documenting and crafting of the adoption guidance for the next dust leading practice.

This process involved source mine investigations, consulting management and relevant stakeholders, and engaging with production crews and an internal peer review. The adoption of in-stope atomisation for dust suppression has gained momentum.

The MOSH Learning Hub organised commodity- and regionally-targeted days of learning across four commodity sectors. These sessions reached at least 140 ventilation and occupational hygiene professionals and various mining industry stakeholders.

STRATEGIC GOAL 4 – demonstrating progress on safety, social and environmental imperatives continued

MOSH Learning Hub initiatives to address noise risk at source include best practice sharing within the industry and the successful application and internalisation of the Industry Buy and Maintain Quiet Initiative (IBMQI) suite of documents. In addition a guidance note for noise measurement of equipment based on Kumba Iron Ore’s Sishen operation and a case study on the implementation of IBMQI at Impala Platinum’s Rustenburg mine were completed.

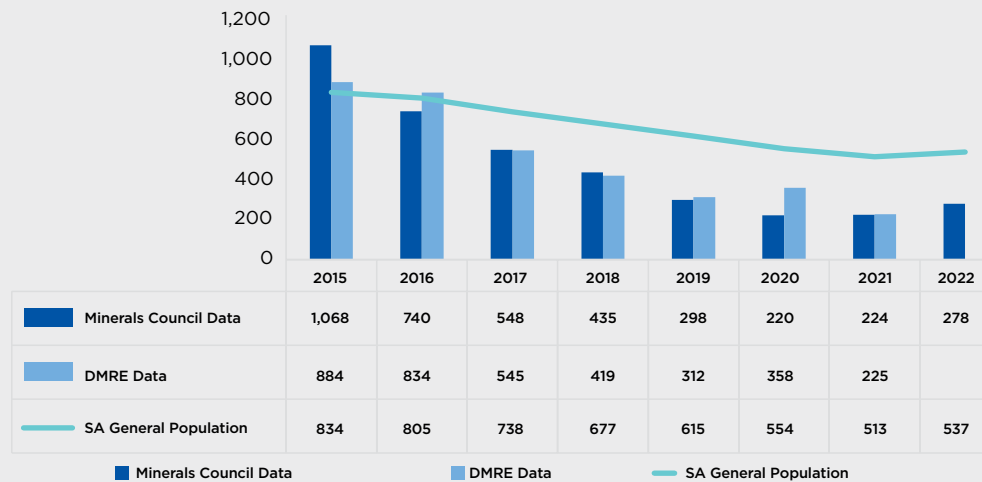
Detailed information on the MOSH [dust](#) and [noise](#) initiatives can be accessed at the links.

Progress on TB incidence

The industry’s biggest achievement was reaching and sustaining the milestone set for TB – to reduce the industry’s TB incidence rate to below that of South Africa’s overall incidence rate. That target was reached in 2017 and has been sustained, even as the country’s incidence rate has also continued to improve.

Nonetheless, the TB incidence rate in sectors where deep level mining occurs is higher than in other sectors, and more work is required in these environments.

Aspirational curves: TB incidence/100,000



COVID-19

2022 was a turning point in the COVID-19 pandemic as the virus lost its potential to cause widespread disease and death. The mining industry benefitted from having high vaccination rates, with 77% of employees fully vaccinated by April 2022, sparing many lives and reducing absenteeism. It should be noted, however, that close to 100 employees died due to COVID-19 in 2022, most of these earlier in the year before the intensity of the disease began to decline. Companies are now re-purposing the infrastructure they set up for managing COVID-19.

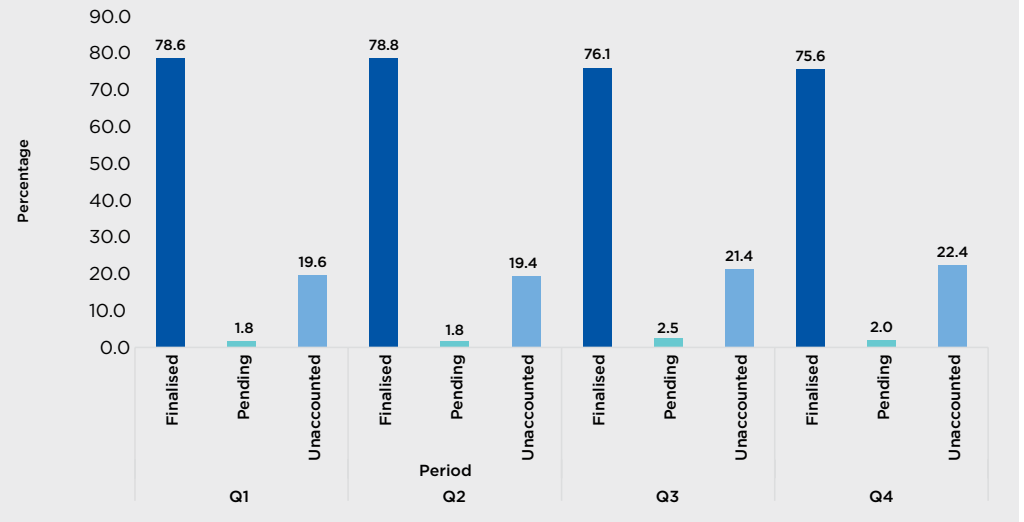
Our efforts were acknowledged when the Minerals Council and our members were inducted into the Joburg Indaba South Africa Hall of Fame, for our “invaluable contribution during the fight against the COVID-19 pandemic”.

Occupational medicine

Industry performance against compliance reporting and occupational medicine targets: 2022

Activity	Milestone	Performance	Comment
Compliance to milestone reporting (% compliance)	100% compliance to milestone reporting on the system	84 companies (0%) 32 companies reached a milestone of 100% reporting compliance 4 companies with less than 100% compliance reporting	100% target for compliance reporting for all companies on reporting of occupational medicine milestones has not been reached Compliance for reporting in 2022 was 73.6%
Silicosis, and coal workers’ pneumoconiosis	No new cases of silicosis amongst novice workers	–	Target reached
Standard threshold shift (STS)	No employee’s STS will exceed 25dB from the baseline when averaged at 2,000, 3,000 and 4,000 HZ in one or both ears	26	Target not reached

Quarterly compliance to reporting: 2022 (%)



STRATEGIC GOAL 4 – demonstrating progress on safety, social and environmental imperatives continued

Milestone performance

As has been the case throughout the COVID-19 pandemic, annual screening for HIV, TB and non-communicable diseases (the latter monitored since 2019 in terms of the Masoyise recommendations) are not meeting their 100% annual targets.

Screening for HIV, TB, hypertension and diabetes slowly gained traction during the year and ended at 83% for HIV, TB, hypertension and 79% for diabetes. Pneumoconiosis in novice workers remains at zero which is in line with the 2014 Milestones. 26 STS cases were reported by the end of 2022.

A major verification study was conducted on the milestones that were not achieved. These were cases of pneumoconiosis reported in novices that joined the industry after 2008, and on cases of STS. The study was of great value, revealing shortcomings in both the tools used for measurement and in their application. It further highlighted confusion over the various noise-

induced guidelines that have been produced. The outcomes of the study are informing further work that will be done by the MHSC and training that is being conducted for industry health practitioners in 2023.

Occupational medicine milestone performance

Milestone	2022 Year End vs Target 100%
No novice employees with pneumoconiosis	-
No cases of STS (NIHL)	26
All employees counselled for HIV	83%
All employees screened for TB	83%
Screening for hypertension	83%
Screening for diabetes	79%



Environmental management Climate change and the JET

In September 2022 the Minerals Council Board adopted a comprehensive position on climate change.

The position, among other things, commits members to developing a climate change response that aims to reduce Scope 1 and 2 greenhouse gas (GHG) emissions to achieve near-term reductions in emissions over the next five to 15 years and net zero emissions by 2050. Members are also committed to continuously improving the transparency of public reporting and disclosure of emissions profiles and climate change mitigation performance metrics.

Members are also committed to contributing to the JET by, for instance, making a positive contribution to the socio-economic development of impacted communities. It is noted that, even before the adoption of the position, most Minerals Council members had made significant progress towards decarbonisation through the implementation of GHG mitigation measures, energy efficiency programmes and self-generation renewable energy projects.

The Minerals Council has continued to participate actively in engagements with other business organisations on the JET, including BUSA, the NBI and the EIUG, as well as the Presidential Climate Change Commission on climate change and energy transition matters. The goal is to achieve a net zero emissions economy for South Africa by 2050 that is socially sustainable, inclusive and just, resilient to climate change and globally competitive.

Risk-based approach in determining an appropriate pollution prevention system

The Minerals Council engaged the DWS in response to members' concerns around inconsistencies in the application of a risk-based approach by the DWS on the pollution barrier system for mine residue deposits and stockpile.

We presented a draft checklist for DWS to consider for the determination of appropriate pollution prevention systems, which they have undertaken to review.

International representation

The Minerals Council represented the South African mining industry at the 27th annual conference of the parties under the United Nations Framework Convention on Climate Change (UNFCCC), commonly known as COP27, in November 2022.

The South African government position at COP27 was mainly anchored on the expectation that negotiations would provide certainty in the following core issues under the UNFCCC and its Paris Agreement:

- South Africa's negotiating mandate focused on adaptation, mitigation, the JET and finance
- In line with the Africa group and the G77, South Africa expected the fulfilment of the adaptation activities for the developing countries through substantially increased funding for adaptation under the Global Goal on Adaptation. We emphasised the need for delivery of \$100 billion a year towards adaptation, coupled with a concise work programme that sets clear goals and targets for adaptation
- South Africa also expected that parties not 'backtrack' and rather scale up mitigation and honour their ambitions in terms of the Glasgow Climate Pact and Paris Agreement to conduct activities to limit global warming to 1.5°C
- Funding and technical support of South Africa's transition plans is critical in order to ensure that the energy transition supports climate justice
- Completion of the mechanism and funding for the loss and damage under the Convention, including the Santiago Network for Loss and Damage

The conference culminated in the adoption of the Sharm el-Sheikh Implementation Plan. This suggests significant progress towards the implementation of the Paris Agreement, particularly with regard to support for vulnerable countries.

STRATEGIC GOAL 4 – demonstrating progress on safety, social and environmental imperatives continued

COP27 called for stronger commitment by member countries to reduce GHG emissions. It is envisaged that governments would come up with stringent policy and regulatory frameworks to limit GHG emissions to meet this obligation. In South Africa this includes the introduction of carbon tax and a Climate Change Bill. This places pressure on the mining industry to progress with its endeavours to implement energy efficiency measures, cleaner technologies and the implementation of adaptation strategies.

National Mine Closure Strategy

The Minerals Council participated in follow up discussions and consultations on the draft National Mine Closure Strategy. Following this, the Minerals Council submitted written comments to the DMRE highlighting industry concerns. The Minerals Council believes that the draft strategy provides a

strong basis to strengthen regional collaboration between mines and various stakeholders in ensuring environmental sustainability and socio-economic succession during and post mine closure. We are awaiting final publication of the strategy and implementation guideline.

Update of water conservation and water demand management strategies

National and sectoral water conservation and water demand management (WCWDM) strategies were developed by the DWS in 2004 but never updated. Following the development of strategies such as the National Water and Sanitation Master Plan and the National Water Resources Management-3 by the DWS it was felt necessary to review the national and the sectoral strategies for alignment with current strategies and policy direction.

In 2022 the Minerals Council played a pivotal role in engaging with the DWS and has provided written submissions to ensure that there is alignment between the strategies and that the interests of the mining industry are considered during the review process. The review process is still ongoing, with an aim to be completed in June 2023.

Tailings management

The Minerals Council continued to advocate to our members the adoption of Global Tailings Standards, and national legislation and standards in order to enable sustainable tailings management. The Minerals Council provided inputs into and engaged on the update of South Africa's SANS 10286 Code on Mine Residue Deposit Management prior to this being published for public comment.


Following the Jagersfontein TSF disaster in September 2022, the Minerals Council successfully initiated a project to undertake dam breach analysis in order to enable the mining industry to strengthen their tailing management practices and draw lessons from the disaster.

Training in WCWDM

The Minerals Council continued its work to mainstream WCWDM in the mining sector by partnering with the DWS in the development of training modules that were finalised in November. These modules were developed in preparation for training and capacity building activities the WCWDM planned for 2023, to ensure an increase in the level of uptake and use of tools developed within the industry.





STRATEGIC GOAL 5 – continually improving effectiveness and performance



Strategic goal 5

Material issues addressed:

-  Promoting sound and ethical business conduct, and improving transparency and disclosure
-  Preserving and enhancing the reputation of the industry

Administration and governance

The governance, risk and administrative function of the Minerals Council seeks to:

- Properly filter external issues and ensure alignment with the strategic plan
- Ensure our effectiveness and efficiency
- Evaluate our performance and provide a proper feedback loop to members

Key elements of this work during the year were:

- Ongoing implementation of a modernised organisational structure to ensure alignment and implementation of the strategic plan.
- Ongoing implementation of a modernised human resources strategy to attract, retain and reward a capable Minerals Council team.
- Continue improving the comprehensive performance management system to monitor and manage implementation of the strategic plan. Biannual reviews and a final annual assessment were undertaken, and a performance review of the organisation was

completed by the CEO, and submitted to and reviewed by the Remuneration Committee, and ratified by the Office Bearers.

- Continue improving the risk management ecosystem – risk bowtie, heat map and matrix process. The Minerals Council risk register is acknowledged as one of the most comprehensive in organised business – (see page 20).
- Comprehensive budgeting process, planning and controls implemented along with annual financial statements (AFS). The Minerals Council again achieved an unqualified audit and obtained Board sign off on the AFS within three months of the financial year end. The Audit and Risk Committee has noted the continuous improvement in the financial statements and all internal and external financial controls. The Board approved the Minerals Council 2023 core operational and special projects budgets in November 2022.
- Policies are reviewed and updated as required by good governance standards, a comprehensive review and redesign of all internal policies has been completed and implemented.
- Governance improvements include the introduction of a Post Implementation Review Policy on special projects. The intention is to evaluate whether project implementation objectives were met, determine how effectively this was achieved, learn lessons for the future and ensure that the mining industry gets the most benefit from the implementation of projects. Internal controls were strengthened by implementing delegation of authority levels in an electronic workflow system on the approval of expenditure. Ethics awareness training was held through the year, emphasising business ethics that would improve the Minerals Council. The programmes are video-based scenarios addressing the types of issues employees face every day.
- Continue improving the integrated talent management (ITM) approach to drive our overall human resources strategy. The goal is not only to ensure an efficient human resources function, but more importantly to create an integrated system for managing people, to respond effectively to business needs.



Harry Groenewald

Senior Executive: Finance and Administration

“To ensure the relevance and leadership role played by the Minerals Council, we need to assess and filter external issues and the concerns of our members and ensure that our strategic plan is aligned. Our risk management process supports this and has been acknowledged as one of the most comprehensive in organised business. This year we augmented this process with an assessment and review of our material issues.”



Open and transparent communication with members, stakeholders and the public

Working within the public affairs and transformation team, the communication function is responsible for conveying information about the Minerals Council and the mining industry to stakeholders in an honest, transparent and balanced manner. It ensures internal and external stakeholders are informed about the role and functions of the Minerals Council and the initiatives we are involved in to promote and protect the South African mining industry. The department regularly engages member communications practitioners to achieve alignment, understanding and comprehensive information sharing on industry-wide issues throughout the member companies. Media relations are open, engaged and transparent to ensure a fair reflection of, and reporting on, the work that the Minerals Council does to lobby and advocate on behalf of its members and the broader mining industry to ensure there is a vibrant sector that contributes meaningfully to society and the country.

The year under review was the first full year where we brought our communication function back within the Minerals Council after many years of outsourcing the function.

Critical focus areas for 2022 were the maintenance and amplification in the public sphere of our position on crises affecting the mining industry and South Africa’s economy. These have already been highlighted in detail across this document. The Communications Department unambiguously flagged these concerns – and more importantly our interventions and proposed solutions – about the constraints that negatively affected the mining industry and the economy, and which pose an existential threat to the resources sector and broader society.

Most notably, these included energy (restricted and unreliable electricity availability from Eskom, alternative sources of energy generation, the constraints faced by companies developing renewable energy projects and the state of Eskom), infrastructure (especially the declining performance of rail and ports and the resultant heavy cost to our members and the fiscus) and the deterioration in crime and security, which are costing our members R2.5 billion annually, to

STRATEGIC GOAL 5 - continually improving effectiveness and performance continued

ensure their operations and employees are safe. The mining industry is facing unprecedented levels of illegal mining, theft, mine and processing plant invasions, corruption and the entrenchment of 'procurement mafia' by stoking community unrest and disruption to extort contracts and payments from our members.

The communications function ensured that our voice was heard as a critical and positive contributor to debates of national, provincial and municipal importance. We worked with all levels of government, SOEs and business organisations to address the challenges. An example of the success of this unrelenting focus was the agreement in December between the Minerals Council Board and the Transnet Board to set up collaborative structures to urgently stabilise Transnet's performance. Included in the agreement was a commitment to give junior mineral producers more access to rail and port export facilities. We did not shy away from difficult issues, nor from challenging reactions to our standpoints, underscoring our reputation as a fair, constructive and robust organisation that plays an important role in the national discourse.

Safety, health and our unrelenting focus on achieving zero harm was a critical component of our internal and external communication during 2022. We developed awareness campaigns with extensive material distributed to our members to reinforce their own health and safety campaigns, particularly in the final quarter of 2022 with the Khumbul'ekhaya year-end health and safety awareness campaign. Letters outlining industry-wide safety initiatives and Minerals Council Board commitments to these initiative were sent to the CEOs of all member companies and associations.

In conjunction with the Mine, Health and Safety Inspectorate and Chief Inspector of Mines, David Msiza, as well as representatives of organised labour - we hosted the National Day of Health and Safety in Mining in August, ensuring alignment in the quest for zero harm.

There was a significant reduction in industry fatalities and injuries during 2022.

Our reaction to the collapse in September 2022 of the Jagersfontein tailings dam, which was owned by a non-Minerals Council member, highlighted our commitment to safety and our members' responsible stewardship of their assets across the South African mining industry. Our

prompt and unflinching response to the crisis in the communities affected by the collapse and the prompt delivery of humanitarian aid demonstrated the rapid and efficient response we and our members were able to provide under difficult circumstances.

We have increased communications, events and awareness of the national challenge of GBVF. We applauded Rio Tinto for its *Report into Workplace Culture at Rio Tinto* in February 2022 and noted the mining industry recommitted itself to zero tolerance of GBVF, sexism and bullying. We highlighted the winners of the Women in Mining Social Performance Heroes awards, which promotes the role of women in a traditionally male-dominated industry. There was positive media coverage of the launch of a partnership with the NPA and GBVF Response Fund to support gender-based violence response centres in mining communities and labour-sending areas.

The team has focused on going beyond the traditional communications channels of media statements and social media by using public events like conferences to clearly state our position on key structural issues that are constraining the economy, safety, women in mining, the junior and exploration sector and the modernisation of mining. In 2022, these included partnerships with the Hyve Group's Investing in African Mining Indaba, as well as Resources 4 Africa's five annual conferences, including the Joburg Indaba. The Minerals Council's messages delivered at these events were positively conveyed in a broad range of media.

Communications channels

Our website continues to be an important communications resource. Usage statistics have decreased somewhat across the board from 2021 to 2022 as the traffic generated by the COVID-19 communications campaign reduced.

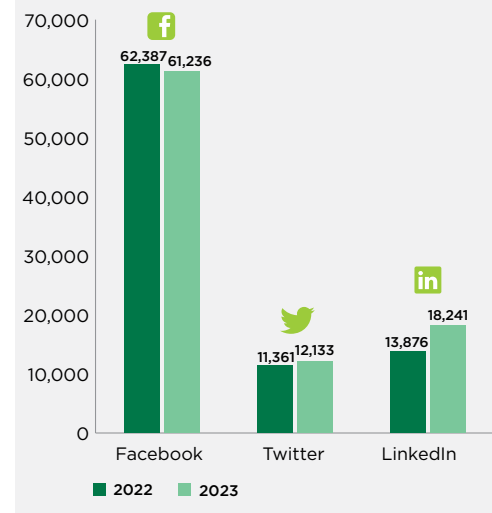
During 2022, the Facts and Figures 2021 and the Integrated Annual Review 2021 were the most downloaded publications, highlighting the importance of these resources to stakeholders as reliable and comprehensive sources of information on the state of the mining industry. Main updates included:

- Investing in African Mining Indaba material, which included videos of key media events
- Facts and Figures 2021 and Integrated Annual Review 2021

- National Day of Health and Safety in Mining 2022
- National Day of Women in Mining 2022
- Launch of the Mining in South Africa partnership with Mining Review Africa

Our social media presence remains a critical component of our engagement work, allowing us to raise awareness of various Minerals Council campaigns. It means we can reach a far wider range of stakeholders than when we use more traditional communications tools. We continued to grow our social media following on Facebook, LinkedIn and Twitter, and continue to reflect a high level of engagement.

Minerals Council social media followers (January 2022 - January 2023)



We consider 2022 to have been a successful one when it came to media coverage and media presence. The number of articles published about the Minerals Council increased by 3% year-on-year, with the biggest growth (40%) in print media, with circulation increasing by 25%.



Allan Seccombe

Head: Communications

“The role of the Minerals Council in informing and shaping solutions for improved health and safety, the energy crisis, logistics constraints, crime and security, communities and climate change - among many other issues - is clearly articulated and conveyed in the public domain and in engagements with all our stakeholders. Our reputation as a trusted, solutions-oriented and respected organisation in advocating, lobbying and expressing the interests of our members is of paramount importance as we constructively engage a broad spectrum of role players to resolve our country's challenges. This is a key theme in our communications with all stakeholders.”



STRATEGIC GOAL 5 - continually improving effectiveness and performance continued



Jeannette Hofsjager-Van Wyk

Head: Administration

“Although we are moving to our new premises with a certain amount of nostalgia, we are looking forward to an exciting new chapter in our 133-year-old existence. The Minerals Council is not, and never has been, defined by a location or by bricks and mortar.”



Moving out of the CBD - adapting to changing circumstances

Despite a 133-year history in the inner city, escalating risks meant we had to make the difficult decision to move to a centrally-located, smaller and more manageable, modern, green, professionally managed building on a major transport route.

In moving to an eco-friendly, green building we are living our ethical ethos as a sustainable, modern and forward-thinking organisation.

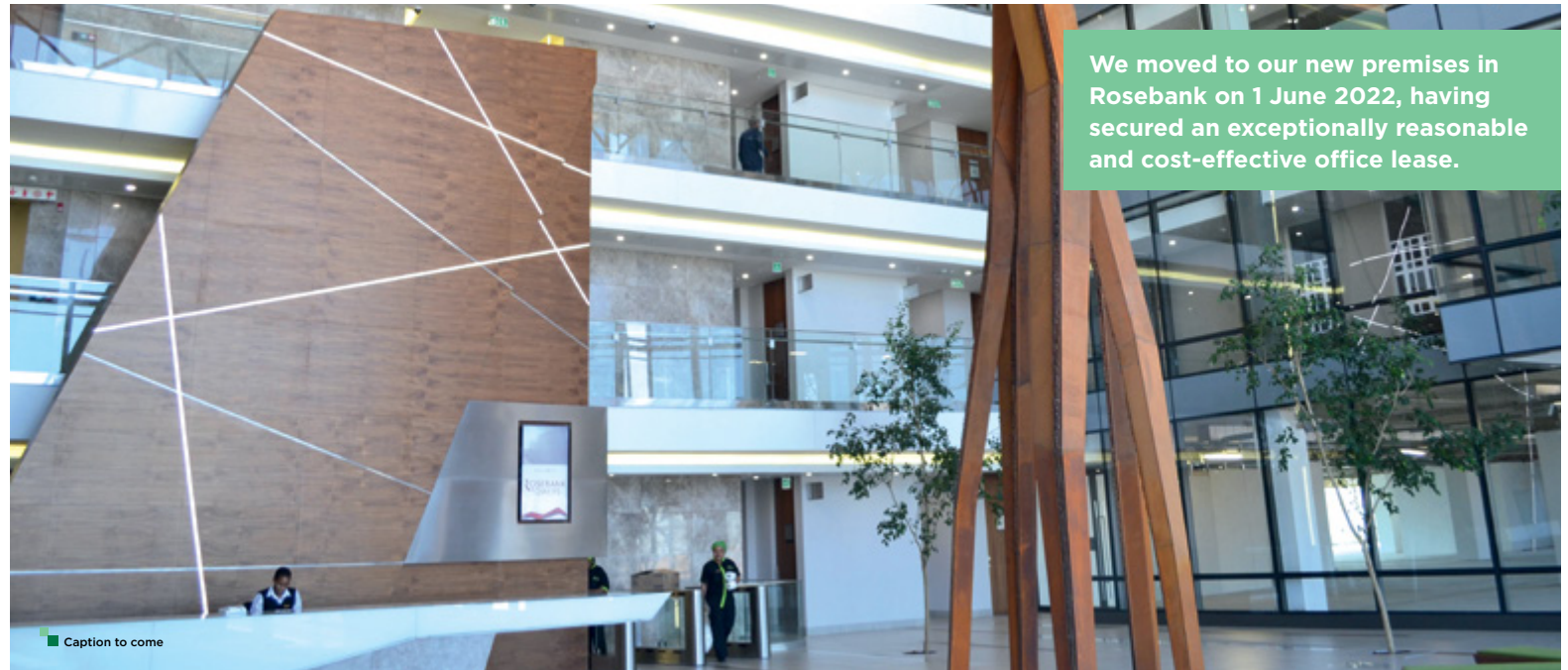
The relocation of the last of our member companies out of the CBD was a clear indicator that we were not alone in our concerns – given a duty of care to employees and to members, and the need to provide facilities and a modern, accessible location that attracts the brightest and the best.

The old building on Hollard Street far exceeded our current needs. The building was not optimally insulated, was noisy and not centrally airconditioned, had an impractical layout and, although we implemented energy saving initiatives, was a far cry from an eco-friendly green building, in tune with modern building requirements of a modern, progressive organisation.

Over the past two decades a number of new and critical risks emerged, including the significant deterioration in infrastructure in the CBD, the material increase in crime, personal safety risks to employees, not only in the immediate vicinity but also during commutes to and from work, the relocation of business out of the city, buildings being abandoned, a material decline in the availability and quality of emergency services, and rising reputational risks associated with that location.

Further, the COVID-19 pandemic altered the future of work practices and workspaces. We are no different, requiring less direct office space and using shared facilities. The use of virtual meeting platforms and hybrid meetings is now the norm with associated reductions in the demand for meeting venues and catering. Therefore, a smaller, modern set of offices equipped with the appropriate technology interfaces, tailor-made to our requirements, was sought.

The Minerals Council is a modern, forward-thinking, agile organisation at the forefront of technology and modernity. Attracting, nurturing and retaining the best and brightest young talent is an imperative to sustaining our continued trajectory as an organisation of excellence. Locating to a sought-after, modern, safer area would assist in doing so.



We moved to our new premises in Rosebank on 1 June 2022, having secured an exceptionally reasonable and cost-effective office lease.

■ Caption to come



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