

# CLIMATE CHANGE

Gold Fields - South Deep



MINERALS COUNCIL SOUTH AFRICA

#MakingMiningMatter



## Climate change is a critical global challenge.

The **Paris Agreement** under the UN Framework Convention on Climate Change set long-term goals to significantly reduce the risks and impacts of climate change by avoiding the increase in the global average temperature, with a target to limit temperature increase to 1.5°C. The **Glasgow Climate Pact** of 2021 states that meeting this goal requires a cut of global emissions by 45% by 2030, and to overall net zero by 2050. This was further reaffirmed at the Sharm el-Sheikh, Egypt Climate Change conference COP 27 which highlighted an urgent need for increased ambition in the reduction of global emissions, and noting the historic breakthrough of the establishment of the loss facility to help vulnerable countries deal with losses and damages from the impacts of climate change.

### MINERALS COUNCIL CLIMATE CHANGE POSITION STATEMENT

Minerals Council South Africa and its members are committed to participating in a responsible transition to a net zero-carbon economy, prioritising climate resilient development.



Climate change is a serious global challenge that has long-term implications for all life and infrastructure on earth. We recognise and support the common but differentiated approach and the urgent action needed to mitigate, adapt and build resilience to a changing climate - in accordance with the UN Framework Convention on Climate Change (UNFCCC) and associated commitments and goals.



The technology-enabled transition away from fossil fuels is amongst other factors dependent on the availability of key minerals used in the manufacturing of renewable energy technologies, many of which are currently mined or exist in South Africa. Therefore, mining has a critical role to play in the transition.



Mining activities are closely tied to the economies of their host communities. Therefore, any changes made in response to climate change will likely have near and longer-term economic, social and environmental outcomes - both negative and positive.



There is a need to develop partnerships with key role players - including government entities, businesses, suppliers, investors - to reduce emissions along all mining and minerals value chains.



It is also critical to establish collaborations with these role players and communities, civil society and organised labour to bring about a Just Energy Transition (JET) that supports and enables sustainable development in South Africa.



Although the future will see coal making up a lower fraction of the South African energy mix, future R&D investment into clean coal technologies and alternative coal uses - outside of its combustion for fuel - presents an opportunity to extend the life of the coal mining industry. During this transition it is also critical to ensure energy security while going through a JET.



An approach to climate change must provide incentives to the private sector to invest in low carbon technology to maintain the competitiveness of internationally trade-exposed industries. Companies must remain viable to ensure we are equipped to adapt to a changing world, while creating shared value. This is essential to meeting obligations to shareholders, workforces and making sure that companies can invest in the required green technologies.



**The mining industry can and should play a role in adapting to; and mitigating the consequences of, climate change in the South African ecosystem and supporting a Just Energy Transition.**



Pan African Resources

## INDIVIDUAL MEMBER COMMITMENTS

The Minerals Council board adopted the following individual member commitments:

1

Develop a Climate Change response that reduces Scope 1 and 2 greenhouse gas (GHG) emissions to achieve near-term reductions in emissions over the next 5 – 15 years and net-zero emissions ambition by 2050. This would include switching some part of the energy supply within operations to renewable energy sources.

2

Implement mitigation and adaptation mechanisms into their operations. This would include conducting climate change risk and vulnerability assessments.

3

Build capacity to achieve these commitments and integrate the management of climate solutions into management practices.

4

Collaborate with business and supply chain partners to support the reduction of indirect Scope 3 emissions in their value chain and adoption of resilient management approaches.

5

Continuously improve the transparency of public reporting and disclosure of emissions profiles, and climate change mitigation performance metrics. If reporting is conducted through a global parent company, then the South African specific information should be extracted. Disclosure of GHG emissions in South Africa is covered by the National GHG Emission Reporting Regulations under the Department of Forestry, Fisheries, and the Environment. This will also include reporting through platforms like the Carbon Disclosure Project, or the preparation of a report based on the recommendations of the Task Force for Climate Related Financial Disclosure.

6

Contribute to the Just Energy Transition by, for instance, making a positive contribution to the socio-economic development of impacted communities. It is recommended that the contributions made to achieve the transition is incorporated in operations' Social and Labour Plans (SLPs), and not added as a standalone initiative within the organisation.

It is worth noting that even before the adoption of the position by the board most of the Minerals Council members has made significant progress/efforts to decarbonize the mining industry through the implementation of GHG mitigation measures, energy efficiency programmes, self-generation renewable energy projects, fuel switching etc.



**MINERALS COUNCIL**  
SOUTH AFRICA

## ROLE OF MINERALS COUNCIL SOUTH AFRICA

Minerals Council SA itself has committed to taking on an advisory and leadership role; to advocate for members' needs; monitor progress and provide adequate support in addressing climate change challenges; and supporting a just transition to a decarbonised economy, while promoting the adoption of climate change mitigation and adaptation efforts.

## GUIDELINES

In line with this role, the Minerals Council has developed a set of detailed guidelines for members to follow as they proceed to fulfil the commitments. Implementing the guidelines will allow for a process that increases the resilience of the members of the Minerals Council to climate change and simultaneously facilitates continuous improvement to meeting climate change-related commitments.

The first step would be to analyse their status quo, that is, how far they are on their journey towards reducing GHG emissions.

Following this, a gap analysis must be done to identify existing shortcomings with reference to the Minerals Council Climate Change Position Statement and other recommendations. Based on this, an action plan is to be prepared.



## MINERALS COUNCIL CLIMATE CHANGE FRAMEWORK

Addressing the multiple impacts of climate change and a just transition to a less carbon-intensive future requires a comprehensive set of responses in the mining industry. This table outlines each of the areas that need to be addressed.

The following components are critical for a comprehensive climate change response in the mining industry:

Area	Core Activities	Examples
<b>MITIGATION</b>	Reduce direct emissions	Decarbonising haul fleets with battery technology, hydrogen fuel cells and trialling green ammonia; participating in carbon markets and credit schemes, carbon offsets, adoption of low emissions mining practices; improved combustion technologies, fugitive emissions technologies R&D.
	Reduce Scope 2 emissions	Includes management of energy usage (eg integration of renewables into mining operations, smart energy optimisation systems, energy harvesting) and resource efficiency and process optimisation (eg material transport alternatives, pre-processing and sorting, reprocessing).
	Reduce Scope 3 emissions	Collaborate with stakeholders in the value chain to support industry to develop technologies and pathways for emissions intensity reduction.
<b>ADAPTATION</b>	Risk mapping	Climate proof mining operations, incorporate climate scenarios into project design and mine closure planning, establish how climate change will affect demand, supply, and implied pricing for portfolio of commodities, including host communities in climate risk and resilience planning.
	Planning for increased variability and intensity in weather patterns	Disaster preparedness planning for unpredictable and high intensity weather events, water stress (drought and flooding) planning; preparing workforce and infrastructure for increased average temperatures.
	Shifting portfolio to adapt to changing demand for minerals	Waste valorisation, mining critical minerals of the future.
<b>JET Just Energy Transition</b>	Minimise impact of energy transition on employees	Creating green jobs, managing the impacts of labour dislocation, and reducing economic over-dependence on the mining sector.
	Community engagement and public awareness ensuring procedural justice is achieved	Developing tools and guidance for vulnerability assessments and adaptation activities for host communities; empowering workers, communities, and small businesses to define their own development pathway in the transition.
	Refine mine closure planning to account for the impacts of the energy transition	Understand the required equilibrium between the closure landscape and the existing landscape; accounting for impacts on economic development, including economic diversification and entrepreneurship development, aligning to social performance and SLP programmes, planning compensation allowances for early closures.

### CONCLUSION

The Minerals Council and its members have devoted much work to developing this policy framework and guidelines to facilitate mitigation and adaptation in the mining industry and broader climate action. We offer the assurance that our energy to address mitigating our part of the global climate change crisis will not falter.

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