



**MINERALS COUNCIL 132ND ANNUAL GENERAL MEETING (AGM)
ADDRESS BY MINERALS COUNCIL PRESIDENT NOLITHA FAKUDE
25 MAY 2022**

Honourable Minister Gwede Mantashe,
Minerals Council CEO Roger Baxter,
Office Bearers,
Board Members,
Fellow CEOs and MSCA colleagues,
Good afternoon and welcome to our 132nd AGM.

Unfortunately, the Covid-19 virus has once again disrupted our plans to meet in person for our annual general meeting.

When we last met in 2021, we were well within the pandemic on various lockdown levels. As an industry, we had embarked on what would turn out to be a remarkably successful vaccination programme for our employees, their dependents, and people in neighbouring communities. We should be justifiably proud of our achievements, with more than three quarters of the industry's nearly 460,000-strong workforce vaccinated and two thirds of our employees double vaccinated. The mining industry in South Africa is the leading economic sector in vaccinations. Thanks to our partners in labour, DMRE, and various local governments, we are well ahead of the national average.

Despite our best efforts, since March 2020, we lost 749 of our colleagues to Covid-related complications. The deaths of our colleagues from Covid-19 represents less than 1% of the national Covid-related deaths (100,370 as per Department of Health data) and 0.16% of our entire workforce; that is a small consolation.

However, of great concern and most troubling, is that we had an unacceptable second year of reversal in our safety performance. We lost 74 of our colleagues in 2021, a worrying increase

from 60 in 2020 and the all-time low of 51 fatalities suffered in 2019. This is a devastating downward trend. We must honour those who died at work, by recommitting ourselves to safety every day, that is the least we can do for their families, friends, and colleagues.

In December last year, we called a special board meeting to agree on urgent safety interventions to immediately stop the regression in the short term and reverse the trend in the medium term. Eight focus areas were identified by the CEOs. However, looking at the current situation in 2022, we are not out of the woods yet. Unfortunately, the number of deaths so far this year is 20 colleagues compared to 21 in the same period a year earlier.

We remain steadfast in our commitment to zero harm - we know that it is possible. We have managed to reach our best safety performance in 2019. We can do it again. We will do it again. For example, if we consider falls-of-ground, one of the most dangerous aspects of underground mining, we have made heartening headway. For the first time ever, the gold and platinum mines had no fall-of-ground related fatalities in the first four months of the year. There was one such fatality, however, in the coal sector which is highly unusual. We will, and must, make mining safer. However, all CEOs must put this as top of their agenda every day.

Zero harm goes beyond mining safely without injuries and fatalities. It is a culture that includes having safe mining working environments for women. The sobering release of Rio Tinto's external report in February 2022 on workplace culture at its global operations, highlighting bullying, sexual harassment, racism, and discrimination throughout the company was the right thing to do and should be commended. It made us all look at our own operations where we have the same problems that need urgent attention and action. Gender-based violence and femicide is another pandemic that is eating out the fibre of our society. As employers we must play our part too.

Since 1996, when women were first legally allowed to work underground in mining operations, the industry now employs 64,500 women out of a total workforce of nearly 460,000, which translates to just 14%.

Gender-based violence and femicide, sexism and discrimination are a lived reality for so many of our women colleagues, unfortunately, extending beyond the mine gates. While we can implement programmes and interventions at our mines, the problems extend into the

communities. It needs concerted, focused interventions by all stakeholders and communities to address this scourge.

The Minerals Council Board has identified six priority areas to be incorporated into the Women in Mining strategic plan in the White Paper on Women in Mining published in March 2020.

One of the key priority areas is this review of the physical safety requirements to be in line with the Mine Health and Safety Council's requirements for PPE, change rooms and ablution facilities, among others.

The Minerals Council and its members have set targets to at least double the percentage of women in mining by 2025, and to work towards 30% to 40% women representation across the industry and 50% in management over the next decade. For these targets to be met we must make the industry attractive for women to build thriving careers.

Early this year, the Minerals Council Women in Mining Leadership Forum sought to acknowledge the crucial role modernisation plays in making mining attractive to women, while accelerating transformation and growth within the industry. Through the Women in Mining Modernisation Heroes campaign, we honoured and celebrated these unsung heroes in the industry who work tirelessly to create an environment in which more women can participate and realise their potential through innovation and technology.

To mark International Women's Day 2022, in partnership with the Department of Mineral Resources and Energy, organised labour, the South African Institute of Mining and Metallurgy and the Mining Education Trust Fund, we celebrated ten Women in Mining Modernisation Heroes - heroes who were selected out of more than 180 women nominated by the Minerals Council's 78 member companies and associations.

Our next campaign will focus on Women in Mining as Community Development Heroes.

MARIKANA TRAGEDY

This year marks a decade since the Marikana tragedy when 44 people lost their lives under tragic circumstances. Their memory lives on. We must use this anniversary of those dark days to reflect on the role mining is playing within its communities and with its employees:

- Are we making a positive, constructive contribution to our most important stakeholders?
- Are our social and labour plans achieving the intentions behind them to uplift communities out of poverty and giving them opportunities for improved livelihoods?

These are some of the questions that we need to reflect on honestly if we are to honour the memory of those who died in this tragedy. It would be disrespectful to them if we take no lessons from those events and make mining matter and be a force for good.

Since 2020, our colleagues at Sibanye-Stillwater have conducted annual commemorations of the events at the assets they bought from Lonmin, marking the day as one to pause, reflect and never forget the events that shocked us all so deeply. Sibanye developed and, in 2020, launched the Marikana Renewal programme, a three-pronged strategy of renewal, honouring, and restitution to shape a new legacy for Marikana. It is working with the widows of all those who died a decade ago to ensure they received the houses they were promised. It is funding the education of 139 beneficiaries. So far, the Sixteen-Eight Memorial Trust has spent R48.5 million on education up to and beyond university level for qualifying candidates. They have revitalised the social and labour plans they inherited to create social and economic opportunities in that community.

For the industry, one of the positive outcomes of the Marikana tragedy, if anything, was the introspection on employee indebtedness, which fed into the events around Marikana. Many companies developed indebtedness programmes to ensure the financial wellbeing of their employees to prevent a recurrence of the events a decade ago. However, we must acknowledge that much more can still be done for most mining communities to ensure future sustainability and wellbeing, especially in the context of a just energy transition.

BUSINESS PERFORMANCE

For our members, 2021 was a good year, with demand for the minerals we produce in an uncertain socio-political global environment pushing prices higher across the board. A major area of concern, particularly for our bulk mineral members, was the inability of Transnet to rail contracted volumes of iron ore, coal, chrome, and manganese. If we consider the opportunity cost of what was delivered against target, the industry forfeited R35 billion of sales.

We are in close talks with the Minister of Public Enterprises and senior management within Transnet to address the constraints which appear to be worsening this year, and which are the cause for deep concern and alarm. The industry cannot afford a repeat of 2021 and nor can the country. The Minerals Council is playing a leadership role working with Transnet and government to resolve the challenges and get rail capacity back to target.

We have taken a proactive approach to managing the rail challenges and our members are standing up and being counted. As an example, on security alone the coal mining companies contributed an extra R100 million to managing the security issues on the COAL link line, in partnership with Transnet.

ESG/LOW CARBON FUTURE

Many of the minerals produced by mining are essential building blocks towards a low carbon future and net zero target emission. By applying technologies, building infrastructure, generating energy, and supporting agriculture mining plays a crucial role in life in general, reminiscent of the adage that: If it is not grown, it is mined. And mining has done a great deal to enhance physical infrastructure, potable and agricultural water supplies and the like for communities. However, all this has to be done with huge consideration for the benefit of all stakeholders within competing priorities. The United Nations social development goals (SDGs) are a great framework to help guide us in our prioritisation.

Some crucial SDG goals for us are the achievement of good health and wellbeing of our employees and positive socio-economic impact for the mining communities.

Together with the steps being taken to modernise our industry – to introduce AI and remote working – we expect to see significant improvements in safety performance, productivity and making room for more women in mining. The work being undertaken at the Mandela Mining Precinct is an example of public-private partnerships that work.

Our mining industry is a long way from reaching its potential, in part due to shortcomings and constraints I have already outlined, both internally and as well external.

I am, by nature, both a pragmatist and an optimist – my optimism is firmly rooted in reality.

I have no doubt that we, as an industry and a nation can work together to build and unleash the potential of the minerals sector for a brighter future for South Africa. It will take hard work, the courage of our convictions, innovation, and leaders who see far beyond just the two to three-year cycle. Ours is an industry that cities and countries have been built on – we have to, therefore, move away from short-term thinking.

The Minerals Council has continued to engage the DMRE on various issues and especially on the Exploration Implementation Plan agreed in January 2021 and gazetted in April 2022, recognising the urgent need for exploration to attract growth and investment within the industry. We are encouraged by the progress we have seen in the development of recently published Exploration Plan. However, we cannot associate ourselves as the Minerals Council with the Exploration Strategy as we were not consulted with the development of its contents. We hope this will be rectified in due course.

In 2022, ensuring the inclusive growth of the mining sector will require ongoing constructive and honest discussion with government, labour, communities and other key stakeholders around the inhibitors to growth, including challenges around the country's energy generation capacity and the ailing rail infrastructure.

Addressing growing community discontent around mining operations, which stems at least in part from municipal capacity challenges and rising unemployment, will also require greater stakeholder engagement to co-create workable solutions that are supportive of a progressive and economically viable society in the long run. The importance of community engagement cannot be under emphasised. In many instances it is at the heart of our license to operate, and we know we have a long way to go in this regard. It cannot be business as usual.

In this new normal, the mining industry, with its wealth of engineering capacity and strong financial and project management skills, can play a key role in ensuring better lives for our neighbouring and labour-sending communities. We are in this together. Achieving this will take transparency, collaboration, and accountability as we work closely with government, communities, and other key stakeholders.

With Climate change issues and the just energy transition debates taking place throughout the world, the South African mining industry has to be front and centre in these discussion so as to ensure that for our host communities the transition is indeed just and fair. The inclusion of

women and youth in all our engagements should be deliberate and sustained. As partners, we must ensure that they are included in all opportunities and discussions in order for them to contribute in shaping and co-creating their future destinies.

With promising structural reforms coming from the government together we can shape our destiny. We must be active, engaged and caring citizens on this journey to reset the economy and to strive for higher investment and improved inclusive growth and socio-economic impact. Minister Mantashe, we believe that the time has come for that talk you mentioned. We need now to collaborate in developing a socio-economic framework capable of carrying forward the work of the mining charter, moving beyond near compliance and also demonstrating a new benchmark of transformation and socio-economic empowerment to the world. Together we will make mining matter. #MakingMiningMatter

Thank Minister Mantashe;

Thank Office Bearers;

Thank Roger Baxter;

Thank Minerals Council SA staff;

Thank all Minerals Council board members

for continuing to rise above every challenge and for choosing to be part of South Africa's solutions rather than be part of the problem... "be the change that you seek to see in the world"

I thank you.

ENDS//