



**MINERALS COUNCIL**  
SOUTH AFRICA

INTEGRATED  
**ANNUAL REVIEW**  
**2023**

**#MiningMatters**



## About the Minerals Council

The Minerals Council South Africa (Minerals Council) is the primary advocate and representative of the South African mining industry. For the year ended 31 December 2023, we represented more than 90% of South Africa's mineral production by value and remained an effective and trusted business advocacy organisation.

Our strategic goals were reviewed in 2023 and are founded on four pillars that continue to uphold the resilience of the organisation and drive the growth of the South African mining sector. Please see the section [Delivering on our strategy](#) on page 40 for these strategic goals.

We derive our mandate from our Board, comprising member company CEOs. We facilitate leadership interaction among mining companies to examine industry and economic policy issues and critical matters of mutual concern with stakeholders, and to develop and refine positions on key matters related to the effective functioning of the industry and the economy. This work includes engaging with stakeholders and partners, among others, government, Parliament, organised business, organised labour, state-owned enterprises (SOEs), communities, investors, media and multilateral entities, on behalf of our members. We collaborate for constructive

outcomes, consult to solicit and understand perspectives, negotiate fair and equitable outcomes and lobby stakeholders to convey our point of view. It is a priority and imperative that we communicate with stakeholders and the wider public about all matters associated with, and affecting, the mining industry.

We continuously look for ways to advance the position of the South African mining industry, 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, advocating greater private sector participation in key network industries (such as electricity, rail, ports and water), promoting health and safety, education, environmental responsibility, policy and regulation. The industry's impact from these activities complements our advocacy role.

COVER: Glencore Coal – Goedgevonden Colliery / Sibanye-Stillwater – SA gold / Pan African Resources solar / Anglo American Platinum – Tumele

### Membership benefits

As a membership body, our success and effectiveness are based on more 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 and act 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 Presidential Climate Change Commission, the various Presidential and governmental task teams on crisis issues (such as the National Energy 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 we support the World Platinum Investment Council (WPIC) and FutureCoal.

Our management team consists of leading industry professionals, who enjoy the confidence and respect of the policy-making community and who drive our agenda and mandates in several areas.

## Our mission, purpose, vision and values

### Our mission

Our mission is to lead in enabling the South African mining sector to shift from potential to performance through investment, growth, transformation and development in a socially and environmentally responsible manner: we put South Africa first.

### Our purpose

The Minerals Council is a mining industry employers' organisation that supports and promotes the South African mining industry. We serve our members and promote 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 determine and articulate industry positions. We promote voluntary consultation, collaboration, learning and support among members. We take care never to encroach on the autonomy of members or breach confidentiality and competition regulations.

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

### Our vision

Mining matters for South Africa. We actively position the mining sector as South Africa's foremost industrial sector, in terms of both impact and reputation in the eyes of all stakeholders. We recognise that this happens through our actions, as an industry and the Minerals Council, while acknowledging the sector's legacies in South Africa.

Our activities are focused on creating a conducive and business-friendly environment for the mining sector. Ultimately, these actions strive to encourage higher levels of investment and to increase the contribution of the mining sector to the broader South African economy.

Our role as a respected mining advocacy and lobbying organisation is trust-based and uses constructive and collaborative problem-solving partnerships to deliver positive impacts in and by the mining industry.

Our vision supports and enables South Africa to achieve its National Development Plan (NDP) of improving economic growth, with a developmental and transformation vision for its people.

### Our values

Members are obliged to conduct their business according to the Minerals Council Membership Compact, which dictates that we:



**Responsible citizenship**

Demonstrate responsible citizenship



**Trust**

Strive to earn the trust of society



**Accountability**

Be accountable to our stakeholders



**Respect**

Conduct ourselves towards others with respect



**Honesty**

Engage stakeholders with honesty and transparency

## About this report

This integrated annual review covers the financial year 1 January 2023 to 31 December 2023. It provides Minerals Council members and stakeholders with a holistic view of our intention and ability to create, enhance and preserve value. The report covers noteworthy events and developments during the reporting period. Significant, material events occurring between the end of the financial year and the date of approval of this report are also included.

While this report is an account of the Minerals Council's strategy and performance, where relevant, we also indicate the position and role of the mining industry in South Africa.

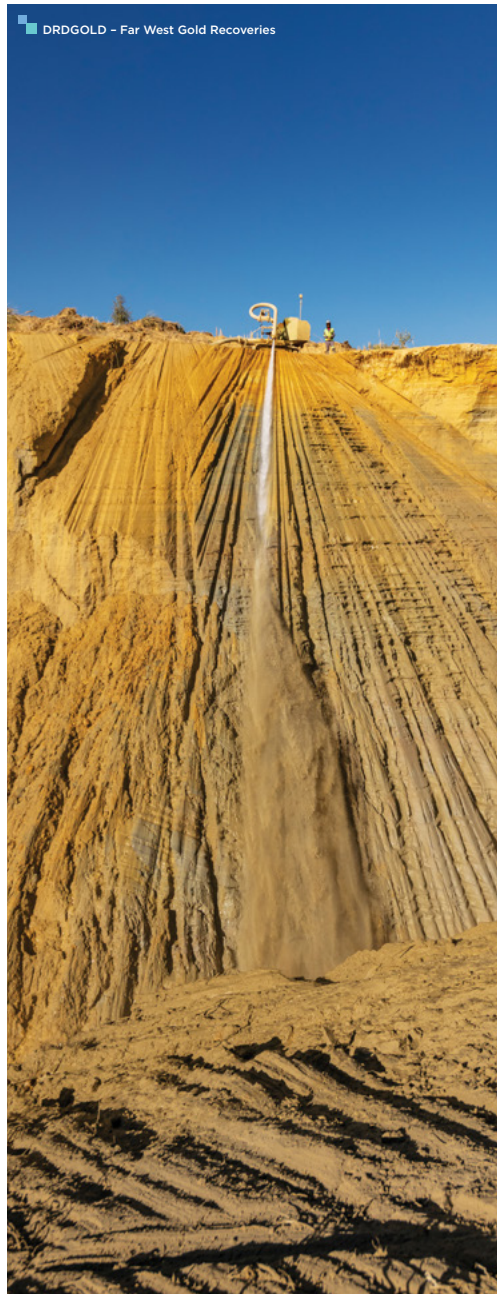
The *International Sustainability Standards Board's (ISSB) and International Integrated Reporting Framework (International <IR> Framework)* informed the preparation of this report. In line with new disclosure trends, we undertook a double materiality assessment for this year's report. Our reporting is aligned with the principles and approach of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), now part of the International Financial Reporting Standards (IFRS) Foundation.

We also report on our contribution in promoting and driving delivery on the United Nations Sustainable Development Goals (UN SDGs).


The separate annual financial statements (AFS) have been prepared in accordance with the IFRS for small and medium-sized entities.



This report and the AFS are available on the [new reporting sub site](#).



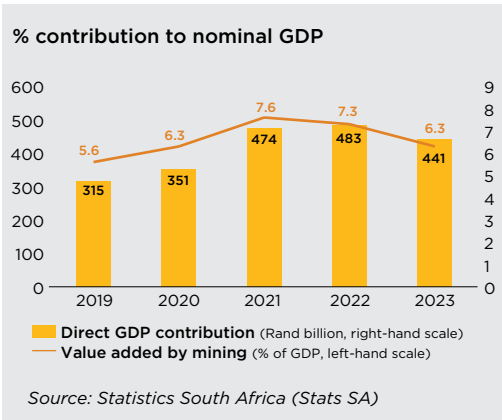
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## Key features: the South African mining industry in 2023

**Our numbers show and tell the story: mining matters for South Africa:**

**% contribution to nominal gross domestic product (GDP)**  
**6.3% ↓**  
 (2022: 7.3%)



**Total primary sales (current prices)**  
**R792.3 billion ↓**  
 (2022: R883.5 billion)

**Employee earnings**  
**R178.8 billion ↑**  
 (2022: R163.9 billion)

**Pay as you earn (PAYE) by mining employees\***  
**R31.3 billion ↑**  
 (2022: R27.1 billion)

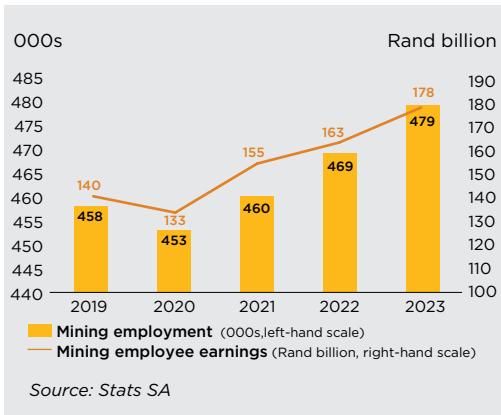
**Mineral exports**  
**R781.6 billion ↓**  
 (2022: R882.8 billion)

**Value added tax (VAT) (net outflows)\***  
**R37.2 billion ↑**  
 (2022: R28.9 billion)

**Direct GDP contribution (current prices)**  
**R440.8 billion ↓**  
 (2022: R483.3 billion)

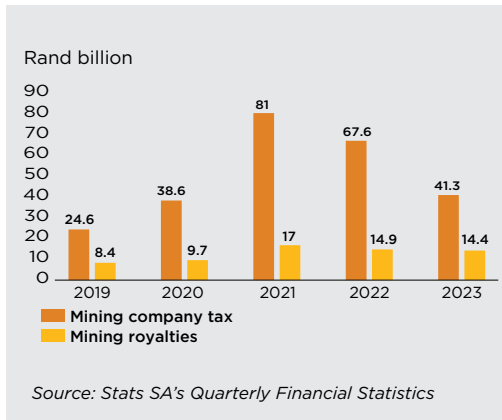


**Employment**  
**479,111 ↑**  
 (2022: 469,353)



**Company tax paid\***  
**R89.9 billion ↑**  
 (2022: R73.6 billion)

**Royalties paid\*\***  
**R14.1 billion ↓**  
 (2022: 25.3 billion)



\* 2023 refers to the 2022/23 financial year, 2022 to the 2021/22 financial year.

\*\* Based on National Treasury's estimates as in the Statement of National Revenue, Expenditure and Borrowing from April 2023 to October 2023.

\*\*\* The figures for 2022 are not strictly comparable to what was used in the 2022 Integrated Annual Report due to data revisions since the publication of the report and/or because the final data for 2022 was not yet available at the time.

## Key features: the Minerals Council in 2023

**90%**

We represented 90% of South African minerals production by value in 2023

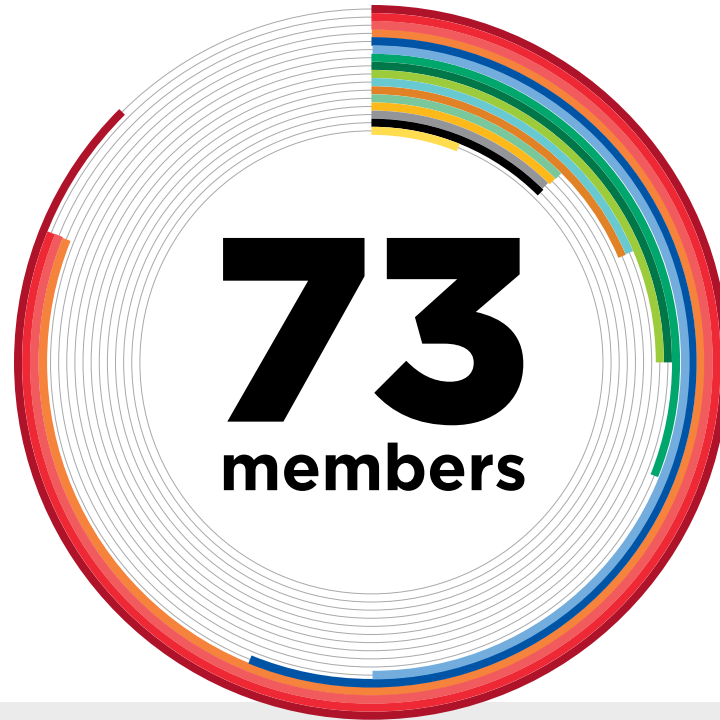
### Our membership comprises:

**70**

Direct members

**3**

Mining associations, representing more than 200 mining companies



### Who our members are

**14**

#### Platinum group metal (PGMs)

Anglo American Platinum, Barplats Mines, Bauba Platinum, Impala Platinum, Ivanhoe Mines, Miracle Upon Miracle Investments, Nkwe Platinum, Northam Platinum, Platinum Group Metals, Sedibelo Resources, Sibanye-Stillwater, Siyanda Resources, Tharisa Minerals, Wesizwe Platinum

**13**

#### Coal

African Rainbow Minerals, Coastal Fuels, Exxaro Resources, Glencore Coal, HCl Coal, Ilima Coal Company, Mbuyelo Group, MC Mining, Msobo Coal, Sasol Mining, Seriti Resources, Thungela Resources, Vaalbult Mining Company

**13**

#### Chrome

African Rainbow Minerals, Anglo American Platinum, Assore, Barplats Mines, Chrometco, Glencore Ferroalloys, Limberg Mining Company, New Venture Mining Investment Holdings, Northam Platinum, Samancor Chrome, Sibanye-Stillwater, Siyanda Resources, Tharisa Minerals

**13**

#### Other commodities

African Rainbow Minerals, Afrimat Demaneng, Corobrik, Kolobe Nala Investments, Imerys SA, Kropz Elandsfontein, M-Resources, PPC Cement, Richards Bay Minerals, Sibanye-Stillwater, South32, Tronox Mineral Sands, Vedanta Zinc International

**9**

#### Manganese

African Rainbow Minerals, Afrimat Demaneng, AGA Capital, Artika Resources, Assore, Kudumane Manganese Resources, South32, Tshipi é Ntle Manganese Mining, United Manganese of Kalahari

**8**

#### Gold

AGA Capital, DRDGOLD, Gold Fields, Harmony Gold, Pan African Resources, Sibanye-Stillwater, Theta Gold, West Wits Mining

**5**

#### Iron ore

African Rainbow Minerals, Afrimat Demaneng, AGA Capital, Assore, Kumba Iron Ore

**4**

#### Mining contractors

Fraser Alexander, Moolmans, Murray and Roberts Cementation, Redpath Mining Africa

**4**

#### Diamond

De Beers Consolidated Mines, Ekapa Mining, Petra Diamonds, South African Diamond Producers' Association

**3**

#### Copper

Orion Minerals, Palabora Mining Company, Vedanta Zinc International

**3**

#### Associations

ASPASA, Clay Brick Association, South African Diamond Producers' Association

**2**

#### Vanadium

Bushveld Minerals, Vanadium Resources

**2**

#### Exploration

AGA Capital, Lethabo Exploration

**2**

#### Corporate

Anglo American South Africa, AngloGold Ashanti

**2**

#### Zinc

Orion Minerals, Vedanta Zinc International

**1**

#### Investment companies

Kolobe Nala Investments



## Message from the Minerals Council President, Nolitha Fakude

**Mining in South Africa has, over the past three decades, increased its relevance and the positive impact it has on society, and it continues to be a critical industry within our economy.**

Mining matters to South Africa. This is an industry that has made fundamental changes to the way it engages and shares the benefits of the nation's mineral wealth.

As we mark 30 years of operating in a democratic dispensation since 1994, it is timely to consider the milestones the industry has achieved during its significant transformation journey and what it has delivered in improved safety and health, higher wages, and its contributions to society, despite declining employment, and to GDP.

This will be my final letter as Minerals Council President as I end my three-year tenure at the helm of this remarkable organisation. I will, therefore, reflect on key points during my tenure since May 2021 as the organisation's first woman president.

Mining continues to be a key contributor to the fiscus, which matters to all South Africans who benefit from the taxes and royalties the industry pays.

In the past three decades, mining companies have developed and matured their relationships with employees as well as with communities from whom they source personnel. Wages have increased ahead of consumer inflation during the past 15 years, safety and health performance has improved significantly, and mines provide business opportunities to improve the lives and livelihoods of their stakeholders. The sector also delivers positive impacts through investments in education, health and infrastructure for communities.

However, we must be cognisant of the operational constraints, such as deteriorating and expensive electricity supplies as well as declining rail and port functionality, that have prevented the mining industry from reaching its full potential for the benefit of all our stakeholders. The Minerals Council and our members are at the forefront of business' engagements with the Government to actively address these issues through structural and regulatory reforms to ensure that we have an environment conducive to investment and growth.

### Setting a new benchmark for safety and health 30 years on

The safety and health of employees is a priority for the Minerals Council and our members. Since 1994, the number of fatalities from all agencies has decreased by 88% from 484 to 55 in 2023.

While the year under review marked a regression from the record low of 49 fatalities reported in 2022, we are encouraged that the performance during the year was tracking closely with our best performance until November when one of our members had a tragic shaft incident in which 13 employees were killed.

Since 1994 injuries have decreased by 75% to 2,080 from 8,347.

Two of the historically leading causes of fatalities, namely falls of ground (FOG) and transport and machinery, have received unwavering attention from the Minerals Council, our members, the Department of Mineral Resources and Energy (DMRE) and organised labour in the quest for zero harm.

Several breakthroughs and interventions contributed to the number of fatalities from FOG significantly reducing by 95% to 15 from 239 in 1994. The industry reported a record low of 6 FOG fatalities in 2022, which is a 97.5% reduction, an indication that the Minerals Council's Fall of Ground Action Plan (FOGAP) is working.

Transport and machinery fatalities have decreased by 91% to 8 from 87 in three decades.

The reduction in fatalities and injuries were, and continue to be, driven by visible felt leadership at operations and driven by the CEOs of our member companies. During my tenure, we introduced an hour of learning each month attended by CEOs and senior management to ensure learnings are shared to prevent repeat incidents.

The collection of health data has evolved because there were no systems in place for reporting statistics to the DMRE before and immediately after 1994. The industry now has reliable data from 2003.

At the peak of the tuberculosis (TB) epidemic in the early 2000s, incidence rates in the mining industry were about seven times the rates in the general population. In 2003, a total of 8,400 cases of TB were diagnosed in the industry, translating to an incidence rate of 1,928/100,000 employees. The national TB incidence rate that year was

245/100,000 people. The mining sector was at the epicentre of the epidemic. The industry's fight against TB has been a long one, with 2003 marking a seminal year for the industry as the first milestones were established for improving health including for human immunodeficiency virus (HIV), which is a driver for TB.

In 2014, the MHSC set the milestone of achieving a TB incidence rate for the sector below the national average by 2024. In 2015, the mining industry's TB incidence rate was more than 1,060/100,000 employees according to Minerals Council data, compared to a national average of 834/100,000 people. By 2022, the latest year for which the Minerals Council has verified data, the incidence rate was 278/100,000, well below the 537/100,000 national rate. This is our biggest achievement in improving the health of mineworkers.

We have also made significant inroads in reducing cases of silicosis and noise-induced hearing loss (NIHL), with reductions of 90% and 86% respectively between 2003 and 2022.

During the COVID-19 pandemic in 2020, when I was Vice-President of the Minerals Council, the mining sector spearheaded the rollout of vaccines in South Africa, vaccinating its workforce, their families and communities. Working closely with the Department of Health (DoH) and the DMRE, the mining industry was the first sector to return safely to work, realising the benefits of higher commodity prices and providing a vital source of revenue for the fiscus, allowing government to pay social grants and underpinning the importance of mining to society and the economy for two consecutive years in 2020 and 2021.

These statistics show the seriousness with which the industry is addressing the health and safety of employees. We are committed to achieving zero harm and we continue to learn, share and adopt leading practices to avoid repeat incidents. We also encourage the adoption of new technologies to modernise mining and make it safer and more accessible to both men and women as we transform the industry.

In 2014, the industry, the DMRE and organised labour, through the MHSC, set new milestones for 2024, continuing our journey towards zero harm. We will assess our achievements and shortfalls against the milestone targets and re-engage our stakeholders as we set our revised and new milestones. We will continue driving step changes

*“Mining continues to be a key contributor to the fiscus, which matters to all South Africans”*

**Nolitha Fakude**  
President

**#MiningMatters**



## Message from the Minerals Council President, Nolitha Fakude continued

in improvements in health and safety performance, using all the tools at our disposal to ensure that every mineworker returns home unharmed. This ambition can only be realised through the collaboration and cooperation of all stakeholders.

### Transforming the mining industry for the better

One of the key platforms and successes of my tenure at the Minerals Council has been my involvement as Chair of the WiM Leadership Forum.

Concerted programmes in the industry to employ women has resulted in an estimated 90,300 women working in the sector during 2023, representing 19% of the total full-time workforce, a noteworthy progression from 15% in previous years. Women were prevented by law from working in operational jobs before the mid-1990s.

The Minerals Council estimates that women of all races occupy about 25% of managerial jobs. In recent years we have seen women, particularly black women, holding CEO and key leadership roles in both the industry and the Minerals Council.

Management of the industry has substantially transformed since the early 1990s when black people were excluded from managerial positions. Based on a survey and analysis of the employment equity and human resources development data of 35 Minerals Council members representing about half of the mining industry by employment, 83% of employees are historically disadvantaged South Africans, while white males accounted for 5% and foreign nationals 12%.

We have made substantial progress during the past three decades and, certainly, since the gazetting of the Mineral and Petroleum Resources Development Act (MPRDA) and the first iteration of the Mining Charter in 2004 when transformation targets were defined.

If we consider the introduction of the Mining Charter in 2004 and the obligations placed on mining companies regarding transformation, inclusion, and social and labour plan (SLP) projects, the South African mining industry is at the forefront of implementing and complying with EESG standards against which investors hold mining companies to account.

Transformation has yielded substantial black-owned and managed companies such as African Rainbow

Minerals, Exxaro Resources, Seriti Resources, Siyanda Resources and Thungela Resources.

When we consider the lost opportunities of the mining industry due to a variety of constraints that we are actively tackling, it is clear that the South African mining industry is performing beyond its potential.

Employment on mines has reduced to approximately 480,000 from 610,000 in 1994. The industry accounts for 4.7% of South Africa's formal employment, compared to 6.3% 30 years ago.

Wages increased by 9% or R15 billion to R179 billion in 2023. In 1994, wages of R13.6 billion were paid, which, if adjusted for inflation, are equivalent to about R68 billion in 2023 terms.

Mining's contribution to the economy continues to be important, generating 6.3% of GDP in 2023, down from the previous year's 7.3% as the industry faced the headwinds of record levels of power disruptions by Eskom, severely constrained export sales because of inadequate rail and port services provided by Transnet, the ongoing consequences of crime and corruption as well as sharply lower export prices of PGMs and coal.

The industry's total mineral sales decreased by 10% year-on-year to R792 billion, with exports reducing 11.5% to R781.6 billion.

Mining accounted for 8.7% of GDP in 1994 and reported total mineral sales of R51 billion, of which R41 billion came from exports, translating to about R200 billion in 2023 terms.

While we can count our successes and tangible impact and relevance of mining for our stakeholders, we must also acknowledge the missed opportunities because of a less-than-ideal operating and legislative environment. The slow pace of approvals of mining and exploration rights, in part due to a dysfunctional mineral rights management system, have hobbled prospecting, with South Africa's share of global exploration expenditure stubbornly below 1% for the past three years compared to more than 5% 20 years ago.

As a lobby and advocacy organisation, we are in close and regular contact with the DMRE and other government departments to optimise legislation and policy, and remove bureaucratic hurdles that are constraining prospecting, mine development, mergers and acquisitions, and the operation of mines, in other words, growth.

These constraints must be eliminated if South Africa is to play a meaningful role, both at home and abroad, in the supply of critical minerals. We cannot afford to lose this unique opportunity, which will unlock investment, job creation, skills development, taxes and infrastructure for the benefit of all South Africans.

The mining industry is well represented at the NECOM by me, as Minerals Council President, and former Sasol CEO, Fleetwood Grobler. NECOM was set up in July 2022 to implement the Presidential Energy Action Plan through the partnership of government, business and Eskom.

The Minerals Council was at the forefront of establishing the National Logistics Crisis Committee (NLCC) where business is represented by former Exxaro Resources CEO and Minerals Council President, Mxolisi Mgojo, and Kumba Iron Ore CEO, Mpumi Zikalala.

In addition, addressing crime and corruption is critical to ensuring the safety and security of all citizens as well as the physical infrastructure and assets. In this regard, the Joint Initiative on Crime and Corruption (JICC) is the third crisis committee that the Presidency has established, on which the mining industry is well represented by Sibanye-Stillwater CEO, Neal Froneman.

Water is rapidly becoming the next crisis point and it is essential that the Government and the private sector urgently resolve growing water constraints before we are in a full-blown crisis, resulting in social unrest. Mining companies are involved in the Northern Cape and Limpopo provinces to ensure that communities, businesses, mines and the agricultural sector have stable supplies of water.

### Conclusion

We can look back with a sense of achievement at the journey we have travelled during the past three decades, but we have so much more to do on the health and safety aspects to ensure that every employee returns home in good health and physical well-being at the end of each shift.

Our transformation journey is well underway, and we remain committed to transforming our sector. We are making a positive impact in our communities and there is still a lot to be done as we consider the relevance and sustainability of our programmes and interventions. Easing the restrictions on combining our SLP projects to deliver greater and more lasting impact must be

a critical consideration by our regulator, working with other government departments for holistic and impactful community development.

An improved operating environment and a regulatory environment conducive to long-term investment will position the industry to realise the inherent potential from our world-class deposits of critical minerals to supply domestic and export demand in the global transition to a low-carbon future, demonstrating that mining matters to all.

### Acknowledgements

2023 has undoubtedly been a challenging year for the economy, and the mining industry has been no exception. Yet, in the face of these difficulties, we remain committed to contributing meaningfully to the economy, society and the communities in which our member companies are active.

As I conclude my tenure as President of the Minerals Council, I wish to express my gratitude to the nearly half a million individuals employed in our sector. Their dedication and hard work ensure that the mining industry remains a key driver of growth and development.

I also extend my deepest appreciation for the steadfast dedication of many exceptional leaders who have strived to improve South Africa through their passionate and principled leadership during some of the most trying times for our industry. The guidance provided by our Vice Presidents, with whom we lead the Minerals Council, has been crucial. Moreover, the tireless efforts of the Minerals Council team, under the capable leadership of former CEO, Roger Baxter, and current CEO, Mzila Mthenjane, have been indispensable.

On behalf of the Minerals Council Board, I thank Roger for the 30 years of his career that he spent at the organisation, helping steer us through the fundamental changes we have experienced in these three decades, repositioning and rebranding the Minerals Council so that we can continue playing a meaningful and significant role in the mining industry on behalf of our members and for the good of the economy. Roger left the Minerals Council well placed to continue our good work for a great industry in one of the world's highest potential mining jurisdictions.

**Nolitha Fakude**  
President

12 June 2024

## Our Board and approach to governance

**Our approach to governance fosters the principles and leading practices of King IV, follows the highest ethical standards and subscribes to fairness and integrity. We require our members to comply with all relevant legislation, and 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, the management of business integrity, conflicts of interest and interactions with stakeholders to ensure honest ethical and mutually constructive relationships.






### Our Board







Our Board members as at 31 December 2023 were:







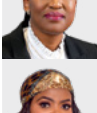

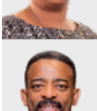


#### Office Bearers











Our Office Bearers provide leadership to the Minerals Council on behalf of the Board and are elected each year at the annual general meeting (AGM).

Members of the Minerals Council Board are elected at the AGM by member representatives. Each Board member holds office until the next AGM after their election, when the member will retire but be eligible for re-election.

	<b>Nolitha Fakude</b> - President Anglo American: Chair of Management Board in South Africa
	<b>Themba Mkhwanazi</b> - Vice President Anglo American: Regional Director, Africa and Australia
	<b>Nombasa Tsengwa</b> - Vice President Exxaro Resources: CEO
	<b>Peter Steenkamp</b> - Vice President Harmony Gold: CEO
	<b>Paul Dunne</b> - Vice President Northam Platinum: CEO

	<b>Phillip Tobias</b> African Rainbow Minerals: CEO
	<b>Craig Miller</b> Anglo American Platinum: CEO
	<b>Charles Walters</b> Assore: CEO
	<b>Mariana Lamont</b> (for associations) Clay Brick Association: Executive Director
	<b>Barend Petersen</b> De Beers Consolidated Mines: Executive Chair
	<b>Moses Madondo</b> De Beers Consolidated Mines: Managing Director

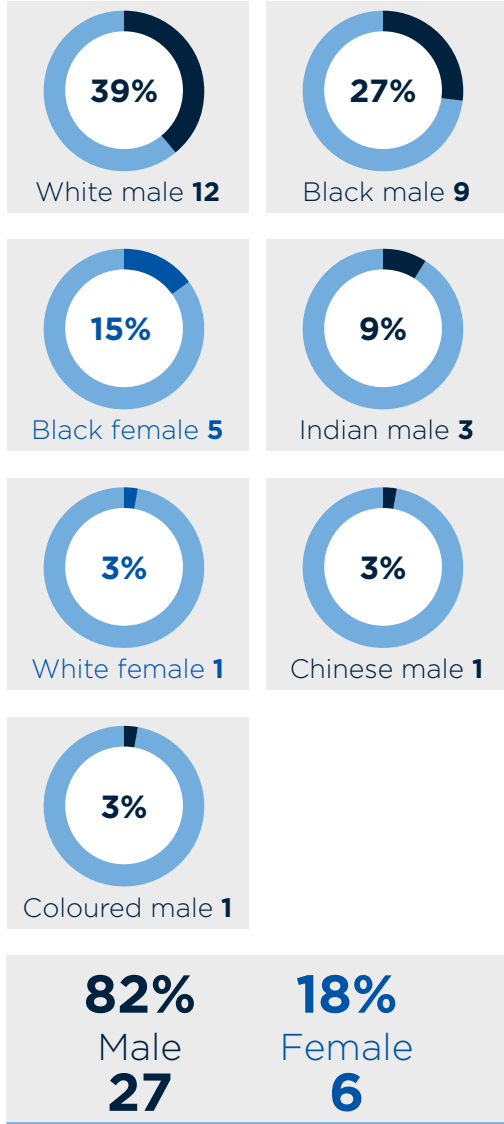
	<b>Niël Pretorius</b> DRDGold: CEO
	<b>Kgabi Masia</b> Exxaro: Managing Director, Minerals
	<b>Japie Fullard</b> Glencore Alloys: CEO
	<b>Murray Houston</b> Glencore Coal: CEO
	<b>Martin Preece</b> Gold Fields: Interim CEO
	<b>Nico Muller</b> Impala Platinum: CEO
	<b>Mpumi Zikalala</b> Kumba Iron Ore: CEO
	<b>Mandy Malebe</b> (for junior and emerging mines) Lethabo Exploration: CEO
	<b>Zanele Matlala</b> Merafe Resources: CEO
	<b>Mzila Mthenjane</b> (ex officio) Minerals Council: CEO
	<b>Errol Smart</b> (for junior and emerging mines) Orion Minerals: CEO

	<b>Guangmin Wei</b> Palabora Mining Company: Executive Director and CEO
	<b>Jaison Rajan</b> Petra Diamonds: Chief Operating Officer (COO)
	<b>Werner Duvenhage</b> Richards Bay Minerals: Managing Director
	<b>Sandile Siyaya</b> Sasol Mining: Senior Vice President
	<b>Mike Teke</b> Seriti Resources: CEO
	<b>Richard Stewart</b> Sibanye-Stillwater: Chief Regional Officer: Southern Africa
	<b>Lerato Legong</b> Sibanye-Stillwater: Executive Vice President: Legal and Compliance
	<b>Noel Pillay</b> South32 Africa: COO
	<b>July Ndlovu</b> Thungela Resources: CEO
	<b>Pushpender Singla</b> Vedanta Zinc International: Executive Director and Chief Financial Officer (CFO)
	<b>Chris Griffith</b> Vedanta Base Metals: CEO



## Our Board and approach to governance continued

### Representation:



### Our Board committees

Three committees, the Audit and Risk Committee, the Nominations Committee and the Remuneration Committee support the Board in the discharge of its duties.

**The Audit and Risk Committee** chair and members assist the Board in discharging its duties relating to the safeguarding of assets; 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 and accounting standards. This committee also reviews the management of enterprise risk and monitors corporate governance effectiveness.

**The Nominations Committee** chair and members assist the Board to evaluate and recommend candidates to fill key positions, including the Board members, Board committee members, the CEO and Office Bearers. This committee makes recommendations to the Board and the AGM for final approval.

**The Remuneration Committee** chair and members assist the Board in ensuring the Minerals Council effectively implements our Human Resources Strategy, including the attraction and retention of employees through a competitive remuneration and incentive system. This committee fulfils an independent role in formulating recommendations on executive and senior leadership remuneration and incentives for consideration and approval by the Office Bearers.

Key priorities that the Board focused on during 2023 to address the risk and opportunity areas for the industry included the following:

#### 1. Improving members' mine safety and health performance, for more information see:

- Our approach to managing risk: [Health and safety](#)
- Our business model: [Mine safety and health performance](#)
- Strategic goal 3: [Mine employee state of safety](#)
- Strategic goal 3: [Mine employee health](#)

#### 2. Resolving the crises in relation to electricity, logistics, and crime and corruption, for more information see:

- [Letter from the CEO, Mzila Mthenjane](#)
- [Our approach to managing risk](#)
- What impact we had: [Energy, transport and logistics, crime and corruption](#)
- Strategic goal 2: [Illegal mining, organised crime and corruption](#)

#### 3. Addressing policy and legislative uncertainties and constraints, for more information see:

- Strategic goal 2: [Advocating and lobbying for a policy, infrastructure and social environment that is conducive to investment and growth of the industry](#)

#### 4. Improving diversity and inclusion in the mining sector, for more information see:

- What impact we had: [Diversity and inclusion](#)
- Strategic goal 3: [Transformation of the mining sector](#)
- Strategic goal 3: [WiM](#)

#### 5. Embedding the research, development and innovation, (RD&I) culture to modernise the sector and improve its competitiveness, for more information see:

- What impact we had: [RD&I](#)
- Strategic goal 1: [Driving innovation and RD&I in the mining industry](#)

#### 6. Addressing climate change and the just energy transition, for more information see:

- What impact we had: [Energy, transport and logistics, crime and corruption](#)
- Strategic goal 3: [Climate change and Just Energy Transition](#)

#### 7. Addressing community challenges, for more information see:

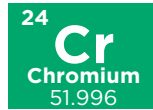
- What impact we had: [Community challenges](#)
- Strategic goal 1: [Improving social performance and licence to operate](#)

## Our leadership forums

Member companies collaborate through 10 leadership forums. These forums meet on a regular basis throughout the year to streamline and promote collaboration, with due cognisance for the provisions of the Competition Act; act as a platform for the Minerals Council to engage with our members and provide a medium through which members can engage with government and other key partners and stakeholders.

There are three types of forums: commodity forums, topical forums and forums dedicated to specific interest groups. In 2023, the Exploration Leadership Forum was incorporated into the former Junior and Emerging Miners Leadership Forum, and renamed the Junior, Exploration and Mining Leadership Forum.

### Commodity forums



#### 1. Chrome Leadership Forum (CrLF)

The CrLF deals with strategic issues related to the chrome sector. Known for its high corrosion resistance and hardness, chrome is essential in the production of stainless steel, which accounts for 85% of its commercial use.

The forum continued to focus 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. While the establishment of the NLCC in June 2023 and appointment of a new Transnet board in July 2023 were viewed as steps in the right direction, it did not result in any immediate improvement in rail and port performance.



#### 2. Coal Leadership Forum (CLF)

The CLF is a platform for collaboration among coal CEOs and company executives. As the largest component of mining by production volumes, coal is a critical source of primary energy driving the South African economy.

The forum continued to discuss issues pertaining to the NLCC and collaborated in funding the acquisition of a R14 million transformer for the Emalahleni Local Municipality after a significant portion of Emalahleni was plunged into darkness and the municipality did not have funds to procure a transformer. The forum also initiated processes to create a platform where CEOs can engage the Premier of Mpumalanga as a collective, while they can still engage the Premier individually on their company-specific interests. The forum facilitated the compilation of SLP projects that were showcased during the Premier's Imbizo.

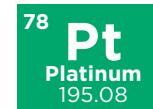


#### 3. Diamond Leadership Forum (DLF)

The DLF deals with strategic issues related to the diamond sector. Diamonds have a crystalline structure that makes them harder than any other form in nature. They are not only very popular in jewellery and adornment, but also desirable in high-tech cutting, grinding and polishing tools.

The forum continued to have quarterly meetings with the South African Diamond and Precious Metals Regulator (SADPMR) to:

- Address regulatory challenges in the diamond industry: a 17-point action plan was developed which formed the basis for the quarterly meetings
- Explore ways to further encourage diamond beneficiation in the country: a 10-point plan to encourage beneficiation was developed and discussed
- Meet the National Treasury and the South African Revenue Service (SARS) regarding the removal of VAT on the sale of all natural rough diamonds in the country: a more formal submission is to be prepared for consideration



#### 4. Platinum Leadership Forum (PLF)

The PLF deals with strategic issues in the PGM sector including the development of a national PGM strategy. PGMs consist of six noble metals – platinum, palladium, rhodium, ruthenium, osmium and iridium. Platinum, palladium and rhodium are the primary metals of significant economic value. They are used largely in the automotive, industrial and jewellery sectors.

The forum continues to receive feedback on what is being done collaboratively to stimulate PGM demand. Given the current crisis in the PGM sector, the forum agreed that the Minerals Council should develop a position statement on future PGM demand. The forum retains a keen interest in the activities of the HLF.

## Our leadership forums continued

### Topical forums



#### 5. CEO Zero Harm Forum (ZHF)

The CEO ZHF is based on the belief that the industry's CEOs must lead by example, drive health and safety initiatives in the industry, and address key challenges to accelerate the industry's journey to zero harm.

The CEO ZHF conducted deep-dive discussions in each of its meetings supported by a preceding health and safety hour of learning covering health and safety issues related to the elimination of safety fatalities (collision prevention systems, FOGAP, accident and incident investigations) and health fatalities (occupational lung diseases, post-incident medical care).



#### 6. Hydrogen Leadership Forum (HLF)

The HLF is an executive-led forum that accelerates members' understanding of hydrogen economy opportunities and facilitates engagements with key stakeholders. PGMs are used in the electrolysis of water to make hydrogen and are used in hydrogen fuel cells to generate electricity.

The forum prioritised the increase in local demand through stationary and mobility applications in mining. A Hydrogen Expert Team was established to do the forum's groundwork on the strategic pillars of policy, funding, research, ecosystem strengthening, skills and capacity-building, as well as quick-win projects. As part of its action-driven approach, action plans on the strategic pillars for 2024 were approved.



#### 7. Women in Mining Leadership Forum (WiMLF)

The WiMLF aims to streamline the industry's strategies to advance women in the industry with a focus on improving the representation of women in the sector and encouraging leaders to make decisions that are in the best interest of women.

During 2023, 11 member companies pledged their support of the fight against gender-based violence and femicide (GBVF) through either building new Thuthuzela Care Centres (TCCs), accommodating existing centres to more suitable structures or the provision of marketing material and signage for the centres. During the 16 Days of Activism Against Gender-Based Violence campaign in 2023, Minerals Council member companies joined hands with TCCs to champion the cause of survivors through the provision of comfort packs, renovations to TCC buildings and donation of blankets and teddy bears for children who are survivors of abuse. Member companies also participated in a day of learning in December 2023 to share insights on their individual initiatives in the fight against GBVF in their host communities, and to map possible areas of collaboration in support of the national partnership on the TCCs.

### Forums dedicated to specific interest groups



#### 8. Associations Leadership Forum (ALF)

The Associations Leadership Forum provides an opportunity for the three associations to collaborate on matters impacting the sub-industries in which their members operate, and to promote the interests and collectively amplify the voices of their members.

The forum considered a range of issues affecting smaller miners, *inter alia*, the implications of the implementation of the Trackless Mobile Machinery (TMM) Regulations, a review of the Mine Health and Safety Act (MHSA) Regulations, a review of the MPRDA in relation to smaller and artisanal miners and the unique challenges they face in complying with legislation.



#### 9. Junior, Exploration and Mining Leadership Forum (JEMLF)

The JEMLF deals with strategic issues related to junior and emerging miners and exploration, including the development of a practical, globally competitive exploration strategy to re-ignite a greenfield exploration boom in South Africa. South Africa's junior and emerging miners' sector has been growing significantly and requires a considered and differentiated regulatory regime.

The forum's key focus areas included compliance and regulatory challenges facing the smaller miners, a review of the Artisanal and Small-Scale Mining (ASM) Policy and the MPRDA, implementation of the Isometrix digitisation project for junior miners, tax incentives and procurement of a functional mining cadastre system to promote exploration and investment.

Sponsorship was provided for three junior members to participate in the JSE Accelerator programme and for selected junior miners to participate in the Junior Mining Indaba.



#### 10. Northern Cape Mines Leadership Forum (NCMLF)

The NCMLF deals with strategic issues of common interest in the province. Miners in the Northern Cape produce primarily manganese, iron ore, diamonds and zinc.

The forum continued to engage with the Department of Water and Sanitation (DWS) and Vaal Central Water to structure a suitable collaborative arrangement to ensure a sustainable, cost-effective supply of water from the Vaal Gamagara Water Supply Scheme. The critical interventions by the mines to address emergency repairs and maintenance of the pipeline continued with forum members providing R50 million to this end, which mitigated the risk of water supply interruptions to communities and the mines in the region.

The challenges with the diminishing performance of Transnet posed serious threats to both the iron ore and manganese producers. The establishment of the NLCC and changes in the Transnet board and executive management resulted in positive sentiment.

Regular engagements with the provincial and local government leadership assisted in addressing the volatility of communities in the region due to increasing poverty and the lack of economic opportunities.

## Letter from our CEO, Mzila Mthenjane

### #MiningMatters, because the lives of South Africans matter to us as leaders in the minerals and metals industry.

It is our enduring vision for mining to be **significant** in the economy and **meaningful** in the lives of employees and communities in South Africa. The significance of mining is evident in its GDP contribution and the catalyst it provides for investment. Mining is meaningful through its social impact; providing jobs, supporting local economic development and, going forward, enabling the just energy transition.

In 2023, this vision was manifested through the mining industry's contribution to South Africa, despite a challenging domestic and volatile global operating environment. It was a year characterised by bold industry action in response to, and to drive, change.

The global economic backdrop was a tapestry of interest rate policy uncertainty in the first half of the year, geopolitical tensions, regional wars, a stark divergence in real GDP growth rates, and horrendous commodity price movements in the coal and PGM markets. On the upside, gold and iron ore prices were well supported. Along with ongoing Transnet logistical constraints, this resulted in a mixed mining export performance. Global growth rates diverged, with the United States (US) maintaining a strong performance compared to Europe and the United Kingdom (UK). Growth in China recovered but was less than expected at the start of the year. Global consumer inflation moderated in the second half of 2023 and provided room for developed country central banks to stop aggressive interest rate hikes, while some banks in emerging markets started to reduce policy rates.

Real GDP growth in South Africa slowed to 0.6% in 2023, down notably from 1.9% in 2022, held back by record load shedding, logistical constraints and weak consumer spending.

Although easing from an annual rise of almost 14% in 2022, at an average increase of 8.3% year-on-year, South Africa's mining input costs rose well above general inflation in 2023.

Although down from 7.3% in the previous year, at 6.3% mining's contribution to South Africa's GDP remained a significant R440.8 billion. Commodity exports contributed more than 50% to the value of total South African merchandise exports, with PGMs, coal, gold and iron ore accounting for circa 80% of the country's commodity export revenue in 2023. The industry was also capable of maintaining its part of the social bargain. Employment increased by more than 7,000 to 481,000 people in Q4 2023, and the compensation of employees increased by 9% (almost R15 billion) to R178.8 billion to secure the lives and livelihoods of mining employees and their families. Our total contribution to the fiscus during the year, through various taxes (PAYE, VAT, company taxes and royalties) was a meaningful R172.5 billion, an increase of 11% (R17.6 billion) during a period of strained public finances in South Africa and infrastructure constraints for the mining industry.

**The safety and health of employees remained a primary leadership focus** among mining companies, labour and government. The overall trend towards zero harm, for both physical safety and human health, remains in the right direction. We have achieved significant breakthroughs in FOG fatalities in the past 30 years as well as recording well below the national average number of TB cases among employees. The tragedy of the loss of 13 lives at one of our member's mines was a harsh reminder of the need for continued vigilance. We remain committed to **zero harm** and are confident of achieving this as a "state of the industry performance". A review of our ten-year safety and health milestones to 2024 will provide insights on the achievements and areas that require further improvement.

In addition to safety and health, key priority activities during the past year were:



#### Responding decisively and assertively to the crises in energy, transport and logistics, and crime and corruption.

The collaborative response between business (through BUSA and Business for South Africa (B4SA)) and government (the Presidency and several government departments) was a further relationship milestone since the event of COVID-19 in 2020. The Minerals Council has deployed several of its member company CEOs in each of the three crisis committees as described in the Minerals Council President's message in this report.

- In response to the energy crisis, the mining industry is leading in its investments in renewable energy generation. Based on information from Operation Vulindlela, there is a pipeline of more than 90 mining-related embedded generation projects. These projects amount to almost 16,000 megawatts (MW), with an investment value of R275 billion. This investment is a critical risk response strategy, demonstrating the prevalence of the business case for investing in renewable energy while supporting the national efforts in energy security and the response to climate change. In the short term, electricity availability is secured for operations and the cost of electricity is reduced (improved cost competitiveness), and Scope 2 carbon emissions are reduced in the long term. The appointment of new Eskom leadership (at the board and executive level) has facilitated participation of business to work with government and the power utility. While progress towards the goal of stabilising Eskom's performance and reducing load shedding was slow in 2023, the fruits of these

*"2023 was characterised by bold industry action in response to, and to drive, change"*

**Mzila Mthenjane**  
CEO

**#MiningMatters**



## Letter from our CEO, Mzila Mthenjane *continued*

efforts was seen in April and May 2024 when the country was free of load shedding.

- The activities of the NLCC, including policy reforms and provision of expertise to Transnet, are in addition to significant involvement and investment in infrastructure by members within each of the corridors (coal, iron ore, manganese and chrome). Progress to date, measured in improvement in tonnes railed, has been negligible, but is moving in the right direction, assisted by the appointment of permanent new leadership at the Transnet board and executive levels. Policy reforms are providing the required momentum to achieve structural changes and improvements to the national logistics network.
- The policy reforms for, *inter alia*, private sector participation in the generation of renewable energy and rail logistics are a function and outcome of the government and business collaboration. While performance in 2023 was not where we had expected, the changes experienced to date are encouraging signs of the required transformation in the performance of Transnet and Eskom. The cooperative relationships between the Minerals Council and both Eskom and Transnet bode well for the performance of both the economy and the mining industry as it repositions for a commodity cycle upturn and investment opportunities in critical minerals. A business environment of no load shedding and improved Transnet operational performance will inspire a pathway to real GDP growth in South Africa to above 2% per annum.
- The JICC is slowly building capacity, initially, to respond to the crime and corruption that continues to shackle effective and faster progress in the performance of both Eskom and Transnet, and broadly to national justice and action for the well being of society.

As investor sentiment remains low, achieving the objectives of each of the crisis committees is an imperative to arrest economic decline, attract investment and stimulate the mining industry and the rest of the economy.



### Developing and communicating a shared vision for growth.

The decline in the industry's performance in the past two years is far from the anxious whispers of an industry in sunset mode. There is evidence that the industry's response to the infrastructure challenges will arrest this decline and stabilise performance over the next year. On the outlook of sustained performance, this stability should instil domestic and foreign confidence to invest in the mining industry and the economy to unlock further and longer-term growth. South Africa remains well-endowed with mineral commodities which, if effectively developed, will enable both improved socio-economic conditions and the transition to a lower carbon future. However, to achieve these ambitions, a healthier policy environment and trust relationship between government and the mining sector is required to enable investment into the mining sector that is geared to expansion as opposed to business survival. In an independent minerals policy review conducted by Mining Dialogues 360° (MD360°) and Good Governance Africa (GGA), among other issues, participants:

- Were of the view that government's approach to the management of the industry is prescriptive, that its applications of the MPRDA and its regulations were inconsistent and inefficient, and that it does not encourage investment in exploration and growth of the mining sector.
- Were of the view that efforts to address the constraints to growth and development in the mining industry should be reconsidered in terms of what stakeholders believe exploitation of the country's mineral wealth should do for national development. This in turn needs to be articulated through a new vision and narrative around which sector stakeholder groups can coalesce and find common purpose. The multidimensional nature of the crisis facing the industry demands holistic, integrated solutions driven by multiple stakeholders with the private sector more prominent than it has been to date.

- Noted that in 2004, the MPRDA was introduced with the twin aims of promoting sector growth and development by increasing levels of prospecting, exploration, mining and production, and by installing an internationally competitive and efficient administrative and regulatory regime. However, the MPRDA is widely regarded as needing review and further amendment to address provisions that currently give rise to regulatory inconsistency and uncertainty that deter investment even within mining's wider national context. The most impactful provisions that require review include administrative discretion in decision-making, principles of administrative justice, security of tenure, registration and cession of parts of rights, competing rights and associated minerals, administrative appeals and judicial reviews, mining permits, environmental aspects and financial aspects.

While industry stagnation and decline are a source of immense frustration to many, and the crisis that the industry finds itself in is real, so too is the tremendous potential that still exists for mining sector growth and development.



### Establishing a firm platform for the continued performance of the Minerals Council.

The CEO handover process from Roger Baxter was seamless and provided for a constructive and efficient step into the business of the Minerals Council, attributable to, *inter alia*, participation in the Board strategy review and several management meetings, structured induction and "first 100 days" programmes. The early days of my tenure focused on reviewing the strategic goals and our "bench strength" in preparation for the new financial year. It was pleasing to acknowledge the successes of the Minerals Council since the establishment of the strategic goals by the Board in 2019, among others, the successful launch of the Minerals Council brand and improved reputation of the organisation. The outcome of the strategy review was, therefore, fewer and refined strategic goals and objectives. In relation to bench

strength, structured succession planning will help anticipate personnel changes over the next three to five years and ensure sustainability of performance during a period of projected heightened industry and economic activity.

It has been an exciting few months since the commencement of my role as CEO, and I am looking forward to continuing my service to the industry and the country. So, looking to the year ahead, ***my most critical priority is to continue the effort of shifting the narrative about the industry from potential to performance and growth*** by driving our strategic goal of ***developing a shared vision for a globally competitive mining industry that is a significant contributor to South Africa's economy and supported by all stakeholders***. The following activities will give evidence to the shift:

- Achieving stable and predictable performance from water and energy supply and logistics, enabling a higher level of output from the mining industry and the rest of the economy. To this end, the Minerals Council will continue its active participation and work with the Government to build a better national logistics network. The combined investment in renewable energy by the mining industry and directly into existing and future mining operations, will provide an immediate positive economic stimulus and elevate the performance of our country's economy to levels that will change livelihoods for the better.
- Implementing legislative changes that promote exploration and encouraging increased investment in exploration for future mining growth and new commodity opportunities. A coordinated and successful implementation of the cadastral system will inspire interest in new mineral commodity exploration in the country. Investment promotion activities in partnership with the DMRE and other institutions will continue, based on successes in turning around infrastructure performance, implementation of enabling legislative changes and improving local business sentiment.

## Letter from our CEO, Mzila Mthenjane *continued*

- Continuing with the proactive engagement between government and members to address worrying water infrastructure challenges in several mining regions. The presence of mining activities has the potential to greatly enhance the viability of funding water infrastructure, which will also serve local communities and farming activities and provide incentives for additional local investment and economic growth.
- Strengthening our involvement in, and contribution to, the development of our country's critical minerals strategy by supporting the DMRE and other government departments and research institutions in this regard. To date, key considerations in the development of this strategy include:
  - South Africa's self interest in the identification and exploitation of critical minerals in terms of, firstly, driving **economic development needs** of the country, and secondly, enabling a domestic and global **energy transition**. The risk of security of global supply chains for critical minerals is an opportunity for South Africa to secure and grow the supply of the critical minerals that the country is well-endowed with.
  - A coherent minerals beneficiation strategy, in terms of enhancing current beneficiation activities through dealing with the major constraints, including energy security concerns, and identifying the minerals that are well positioned for maximisation of future beneficiation (i.e., what the extent of beneficiation of the various minerals and the comparative advantage of South Africa to conduct such beneficiation is).
  - The transition to a lower carbon future must be a **whole country transition**, and not only mining and broader business, to be 'just'. Hence, the urgency of a coordinated economic development plan that locates the role of business, especially mining, alongside government, labour and civil society.
- Lastly, building our social capital and strengthening our relationships with stakeholders is increasingly a distinguishing and resilience trait during periods of volatility in our fragmenting operating environment. The mining industry is a critical epicentre of the economy and must remain strong for the country, and the African continent, to maintain viability:
  - While labour relations in the mining sector were relatively stable during 2023, the development of underground sit-ins towards the end of the year is of concern to all industry stakeholders. Initial engagements with union leadership are pointing towards structured engagement and courageous conversations to address and resolve underlying issues and broader industry challenges.
  - Improving the industry's social performance through collaborating for impact, i.e., the social investments and developments in communities and districts within which we operate being directed at real needs (employment and enterprise development creation) and challenges (utility and basic services such as affordable electricity and water, education and health) to create large-scale (regional), lasting and empowering change for people. This collaboration will be among Minerals Council members, government, capital providers, social partners and expertise to implement meaningful change.
- FY2024 marks the 30-year anniversary of our democracy and coincided with a highly anticipated and contested national election that saw over 80 parties position themselves for a role in the next and 7th administration. My wish, at the time of writing, was that the "will of the people" be conveyed with fairness, dignity and integrity, and received with respect and maturity by the 7th administration. Such an outcome will provide a firm foundation for constructive engagement between business and the new government to continue the

reconstruction work started before the elections and, most importantly, to establish and agree on an economic development agenda for South Africa. The second agenda item in this engagement (following the first agenda item on safety, security and the well-being of South Africans), in my view, should leverage the **Magnificent 7 elements of South Africa**, namely:

- i. The positive value chain impact and multiplier effect from a performing **mining industry** is immense, such as investment attraction, catalyst for infrastructure and economic development, employment creation and contribution to the fiscus, to name a few.
- ii. **Tourism and agriculture industries**, which provide a spectrum of employment and skills development opportunities that will further reduce the unemployment levels and address food security concerns.
- iii. A **youthful population**, eager to contribute to the development of the economy through skills development and entrepreneurship (including mineral development, innovation and exploration).
- iv. **Tertiary and research institutions** that are involved in world class applied research activities that will make our mining industry more globally competitive and create new industries.
- v. Institutional capacity in the **judicial system, media and civil society** which provided resilience during the worst period of corruption in our democracy.
- vi. Established and **world class financial sector** to provide the capital required for the significant investments required.
- vii. A **functioning multi-party democracy**, which, after 30 years, continues to hold the confidence and hope of the people of South Africa.

Key to successfully achieving the ambitions of this agenda is a national **leadership coalition and compact**, among business, organised labour, government and civil society to act as a lever for the upliftment of South African society.

In conclusion, I wish to thank Roger Baxter for his nine-year service as CEO and the 30 years he has dedicated to the Minerals Council. The progress achieved during his tenure has created a firm foundation for the continued success of the Minerals Council for the years ahead to transform and grow the mining industry.

On behalf of the Board and employees, I also want to thank Henk Langenhoven, who retired as Chief Economist at the end of October 2023, for his service and contribution to the industry and economy during his five-year tenure at the Minerals Council.

Nolitha Fakude has been President for the past three terms and she steps down as President at the 2024 AGM. I am grateful for the support Nolitha has provided me since commencement of my role. Equally, I extend my thanks to the outgoing Vice Presidents who have shown unwavering support for the work of the Minerals Council.

A massive thank you to the Board members and Minerals Council member CEOs for their leadership and guidance. I feel empowered with the support that I receive and look forward to the period ahead with confidence and positive anticipation.

**Mzila Mthenjane**  
CEO

12 June 2024

## Minerals Council leadership and core disciplines

The Minerals Council Senior Executive Team (SET) advises and takes direction from the Board, the Office Bearers and the leadership forums. Led by the Minerals Council CEO, the SET provides leadership to the core disciplines of the Minerals Council, which are in turn lead by the Heads of Departments.

### Senior Executive Team (SET)



**Mzila Mthenjane** (53 years)  
CEO  
Bachelor of Science (Mining Engineering)

Mzila joined the Minerals Council in August 2023 after 10 years at Exxaro Resources. He has over 30 years' experience in business, which he attained in the mining and financial services sectors. He has held board positions as non-executive director in various entities including Pamodzi Gold Limited, Fraser Alexander and Merafe Resources.

Mzila has also held the roles of President of the South African Institute of Mining and Metallurgy (SAIMM), Chairman of the Wits University Mining Engineers Association and Secretary-General of the Association of Black Securities and Investment Professionals.

He is currently the Chair of the Board of The Impact Catalyst, a collaborative regional development platform among government, government agencies and private (largely mining industry) sector; a fellow member of the Council of the SAIMM; a board member of Student Support Programme (SSP), a non-profit organisation for developing talented young leaders and financially supporting their entry into South Africa's top private schools; and an associate member of the Association of Mine Managers.

**Job description:** The CEO is the primary lobbyist and spokesperson for the Minerals Council and plays a leadership role in driving key debates with government and other key stakeholders. The position provides inspired and effective leadership to the SET and the organisation to effectively execute the Board-approved strategic plan.



**Tebello Chabana** (51 years)  
Senior Executive: Public Affairs and Transformation  
Bachelor of Arts (Law), LLB (Legum Baccalaureus)

Tebello joined the Minerals Council in July 2016, with more than two decades of legal and mining experience. He began his legal career at Deneys Reitz Attorneys, then joined Anglo American South Africa as a legal advisor in 1998. He served in a range of positions within the Anglo American group of companies, including at Kumba Iron Ore as Executive Head of Public Affairs, and Head of Public Affairs for Anglo American South Africa.

**Job description:** Responsible for stakeholder relations, social performance and communication. Provides industry leadership on transformation and keeps abreast of transformation progress among members relating to the Mining Charter.



**Nikisi Lesufi** (62 years)  
Senior Executive: Environment, Health, Legacies and Employee Relations  
Bachelor of Science (Honours), Master of Science

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.

**Job description:** The premier representative on health and legacy initiatives of the mining sector in functional area related policy initiatives. Leads discussions and develops draft position papers to assist policy formulation and implementation on environment, health and legacy matters.



**Harry Groenewald** (66 years)  
Senior Executive: Finance and Administration  
Bachelor of Commerce, Master of Business Leadership

Harry joined the Minerals Council in 2010 as Executive Manager: Finance and was appointed to his current position in 2015. His career spans more than 39 years in mining having started his career in 1985 when he joined Rand Mines. He held various senior positions including financial manager at open cast and underground mines. Prior to joining the Minerals Council, Harry was involved with copper and cobalt projects in the Democratic Republic of Congo.

**Job description:** Provides financial direction to the Minerals Council and advises the Minerals Council on financial strategy. Ensures superior financial and accounting management, and oversees the risk management, administrative and human resources functions of the Minerals Council.

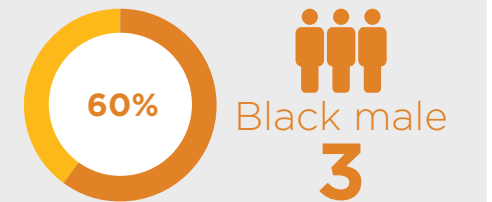


**Sietse van der Woude** (59 years)  
Senior Executive: Modernisation and Safety  
Master of Science, Master of Business Leadership

Sietse joined the Minerals Council in 2004 as a safety and sustainable development manager. He previously was a safety, health, environment and quality (SHEQ) manager at Glencore and, before that, led the implementation of a regulatory framework for radiation safety in the mining industry at the National Nuclear Regulator.

**Job description:** Promotes RD&I in the South African mining industry and provides strategic management of the Safety Department and the Mining Occupational Safety and Health (MOSH) Learning Hub with the aim of encouraging mining companies to learn from the pockets of excellence that exist in the industry.

### Demographics:



## Minerals Council leadership and core disciplines continued

### Core disciplines

The Mineral Council's work is organised into 14 core disciplines, indicating the depth and range of the work we undertake for and with our members.

<b>Economics:</b>	Provides input, advisory services and analysis on matters affecting the industry's economic viability and performance, investment appeal and other economic impacts. Also responsible for shaping industry responses to critical concerns affecting the sector.
<b>Employment Relations:</b>	Provides advisory services to members on labour relations, including labour market issues, immigration issues, employment equity and social security. Lobby key stakeholders on labour legislation and policy on behalf of the industry.
<b>Environment:</b>	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. Undertakes lobbying and advocacy on key environmental sustainability and water legislation and policy on behalf of the industry.

<b>Health:</b>	Provides advisory services, leadership and support in the field of occupational health, medicine and hygiene, along with advocacy and advice on TB, HIV and acquired immunodeficiency syndrome (AIDS). The Head of Health also champions the Women in Mining (WiM) Strategy.
<b>Junior and Emerging Miners' Desk (JEMD):</b>	Provides advice and support, and acts as a resource centre for smaller Minerals Council member companies. Also ensures that the voice of junior and emerging miners is heard and understood by government.
<b>Legal:</b>	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.
<b>Modernisation:</b>	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.
<b>MOSH Learning Hub:</b>	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.

<b>Public Affairs and Transformation:</b>	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.
<b>Safety and Sustainable Development:</b>	Actively promotes mineworkers' safety and health in the workplace. Also provides high-level guidance on matters that affect the environmental, social and governance (ESG) impacts of the industry.
<b>Skills Development:</b>	Advocates the creation of an environment that enables the mining industry to develop skilled employees for advancement and deployment.
<b>Social Performance:</b>	Provides a more collaborative and coordinated approach to community relations and local economic development.
<b>Finance and Administration:</b>	Provides the governance, risk management, human resources and administrative structures; and the financial, information and communications technology (ICT) and facilities management of the Minerals Council.
<b>Communications:</b>	Conveys information about the Minerals Council and the mining industry to stakeholders in an honest, transparent and balanced manner. Also plays a critical role in ensuring external stakeholders are accurately and timeously informed about matters impacting the South African mining industry.



## Minerals Council leadership and core disciplines continued

### Heads of Departments



**Mustak Ally** (56 years)  
Head: Skills Development and Human Resources (HR)  
Master of Business Administration

**Focus area:** Design, development and implementation of the mining industry skills development strategy and the HR strategy for the Minerals Council



**Alex Khumalo** (55 years)  
Head: Social Performance  
Master of Business Administration

**Focus area:** Socio-economic development, social performance support and collaboration across the industry



**Stephinah Mudau** (44 years)  
Head: Environment  
Master of Science, Master of Business Administration

**Focus area:** Mining industry performance on environmental sustainability and climate change policy and legislation



**Thuthula Balfour** (60 years)  
Head: Health  
Bachelor of Medicine and Surgery, Fellow of the College of Public Health Medicine of South Africa, Master of Business Administration

**Focus area:** Health policy and services management in the mining sector



**Hugo Pienaar** (45 years)  
Chief Economist  
Master of Economics

**Focus area:** Economic research conducted by the Minerals Council to enhance its position as the authority on mining economics in South Africa  
Joined in November 2023



**Dushendra Naidoo** (46 years)  
Head: Safety and Sustainable Development  
Master of Science (Mechanical Engineering)

**Focus area:** Safety performance - industry targets, strategies and effective initiatives and policies



**Ursula Brown** (54 years)  
Head: Legal  
Master of Law, Master of Business Administration

**Focus area:** Legal risks impacting the mining industry as a collective and the Minerals Council specifically



**Stanford Mamoshito Malatji** (54 years)  
Head: Learning Hub  
Bachelor of Administration (Industrial Psychology), Business Management Development Programme, Leadership Development Programme

**Focus area:** Implementation of health and safety leading practices across the mining industry



**Allan Seccombe** (55 years)  
Head: Communications  
Bachelor of Arts with Honours (Journalism)

**Focus area:** Communication and engagement with stakeholders regarding the Minerals Council and the mining industry



**Jeannette Hofsjager-Van Wyk** (59 years)  
Head: Administration  
Master of Information Management

**Focus area:** Administration, facilities and ICT for the Minerals Council



**Motsamai Motlhamme** (56 years)  
Head: Employment Relations  
BProc (Baccalaureus Procurationis), Post Graduate Diploma in Labour Law

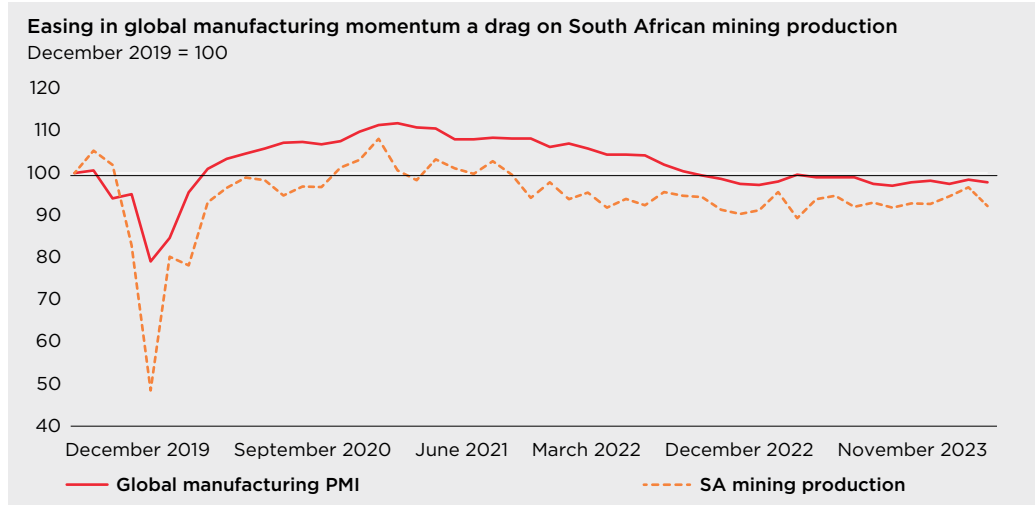
**Focus area:** Labour legislation, labour market policy issues, labour migration and social security

## How mining contributes to South Africa

### Global macroeconomic context

The global economic environment was not conducive to a productive South African mining sector performance in 2023. While real GDP growth in the US remained remarkably resilient, activity stalled in the Eurozone (EZ) and the UK in the second half of the year. In China, the recovery from draconian COVID-19 lockdowns in 2022 proved to be weaker than initially anticipated. The divergent regional trends were reflected in the global manufacturing purchasing managers' index (PMI), an important gauge of factory sector activity, remaining under pressure during 2023. Manufacturing production in those major economies (especially China) is an important driver of domestic mining sector performance.

For the information in this section, the Minerals Council relies on various primary data sources, including Stats SA, the DMRE, the South African Reserve Bank (SARB), the World Bank and the United States Geological Survey.



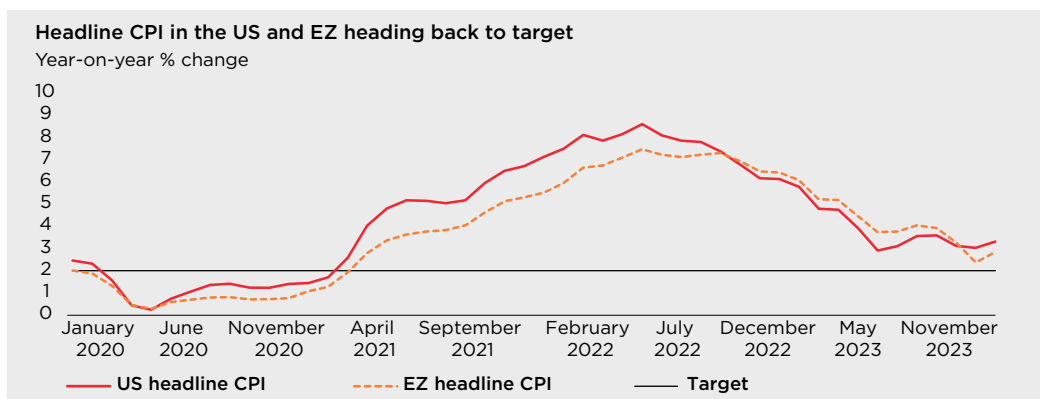
Source: S&P Global, Stats SA, Minerals Council

In addition, elevated global consumer inflation of almost 7%, as well as high international policy and long-term interest rates, lifted the cost of capital for South African mining companies. Along with other constraints, this weighed on mining sector fixed investment. Furthermore, the squeeze on household disposable income in developed countries amid higher borrowing costs dampened the demand for luxury goods, including diamonds.

Combined with geopolitical tensions, changing expectations about central bank interest rate actions led to volatile international currency markets. On average, the US Dollar weakened

against the Euro in 2023, but traded stronger versus the Japanese Yen. Against this uncertain backdrop, the Rand weakened by almost 13% against the US Dollar to an average of R18.46/\$ (2022: R16.37/\$) in 2023.

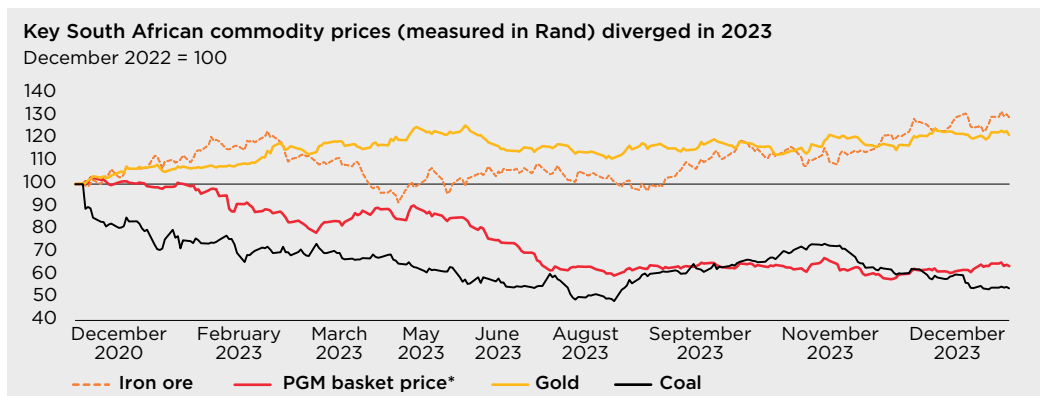
On a positive note, there was a widespread moderation in the annual rate of increase for global consumer price index (CPI) inflation to 3% and below in the second half of 2023. This provided room for central banks in the US, the EZ and the UK to stop their aggressive interest rate hiking cycles.



Source: Organisation for Economic Co-operation and Development

### Mixed bag for South African export commodity prices in 2023

The uncertain global economic conditions pushed prices of the major minerals that South Africa produces and exports in opposing directions. Growing concerns about the future demand for PGMs as the electrical vehicle market takes off weighed on prices. Rhodium was the hardest hit, while the price of palladium normalised from the sharp gains in 2022 after Russia, a major producer, invaded Ukraine. The coal price also corrected sharply lower after surging in 2022 amid renewed European demand as the continent was forced to reduce its reliance on gas imports from Russia.



Source: Refinitiv, Minerals Council

\* PGM basket consists of platinum, palladium and rhodium

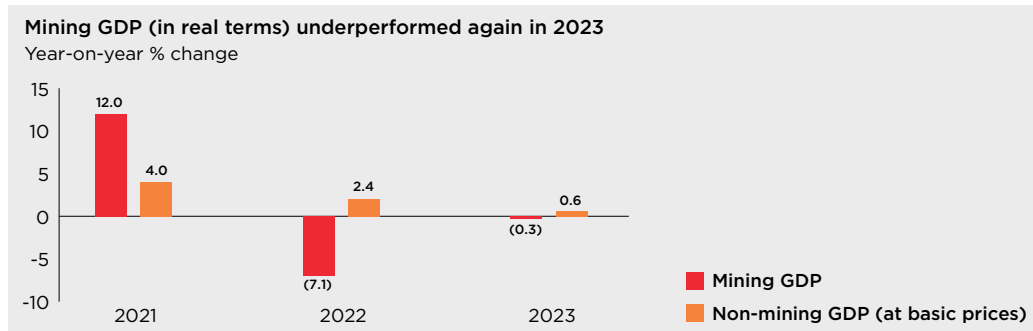
In stark contrast to the price declines for PGM and coal, the US Dollar prices of gold and iron ore both ended 2023 more than 20% higher compared to December 2022. Gold was supported by a weaker US Dollar, investor demand amid geopolitical uncertainties that drove a flight to safe-haven assets, and sustained robust central bank buying. A ramp-up of fiscal and monetary stimulus measures from Chinese authorities in the second half of 2023, including measures to stabilise a weak property market, helped to increase the iron ore price.

## How mining contributes to South Africa continued

### Despite improvement in Q4, mining GDP underperformed again in 2023

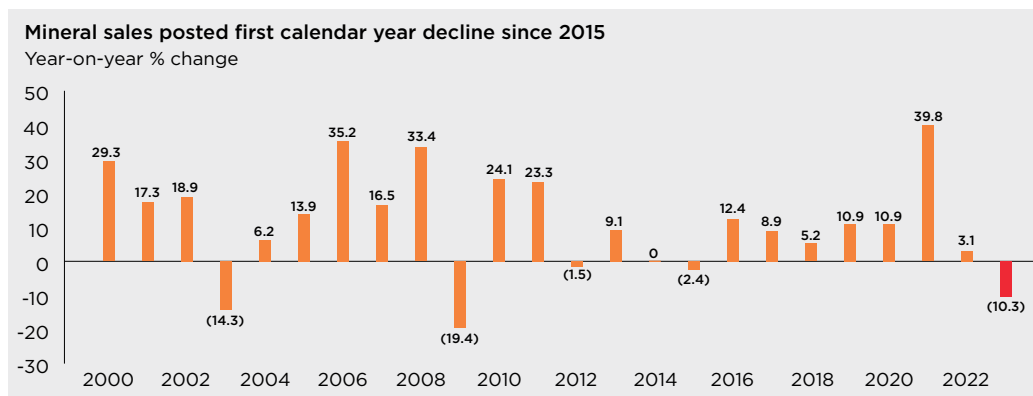
Stats SA's real GDP data for Q4 2023 showed that activity in the mining sector was notably better than in the rest of the economy during the final months of the year. Mining GDP increased by 2.4% quarter-on-quarter in Q4, vastly outpacing non-mining GDP that contracted by 0.1% quarter-on-quarter. The increase in mining GDP supported a modest rise of 0.1% quarter-on-quarter in overall real GDP. The quarterly gain for mining was driven by increased activity for PGMs, coal, chromium and diamonds.

Whereas mining sector GDP outperformed the rest of the economy in the fourth quarter, annual mining GDP contracted for a second consecutive year in 2023. On a less downbeat note, the rate of decline eased significantly when compared to 2022. Nevertheless, although the gap closed materially for the entire 2023, mining GDP again performed worse than the non-mining part of the economy. This is very different from 2021 when, on the back of rising commodity prices, real mining GDP expanded three times faster than the non-mining sectors. Since 2022, the mining sector has been particularly hard hit by record electricity load-curtailment and freight logistics challenges.



Source: Stats SA, Minerals Council

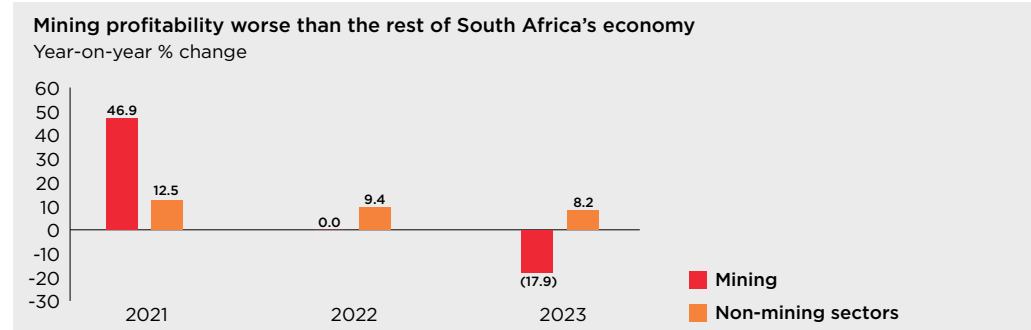
The combination of declining mining production and lower commodity prices in some key mining subsectors meant that South African mineral sales (in nominal terms) declined by a significant 10.3% year-on-year in 2023. This was the first calendar year decline since 2015 and the largest annual decrease since the aftermath of the global financial crisis in 2008.



Source: Stats SA

### Profitability taking strain

The relative underperformance from the mining sector is also evident in the gross operating surplus figures from Stats SA. These provide a broad measure of profitability in the economy and illustrates the cyclical nature of mining sector profitability. After gross operating surplus (profit) growth in mining vastly outpaced the non-mining part of the economy in 2021, it underperformed notably in 2022. The underperformance was even more pronounced during 2023.



Source: Stats SA, Minerals Council

The fiscal impact of lower mining sector profitability was starkly highlighted in the February 2024 National Budget. The Treasury reported that corporate tax receipts from the mining sector declined by more than R39 billion year-on-year in the first 10 months of the 2023/24 fiscal year. Combined, tax receipts from other key sectors of the economy were down by R1 billion.

In the context of falling profitability, the figures regarding compensation of employees are interesting. The mining sector paid out almost R179 billion to employees in 2023. This was 9.1% more than during 2022, outpacing the 5.4% year-on-year rise in compensation for the non-mining sectors.

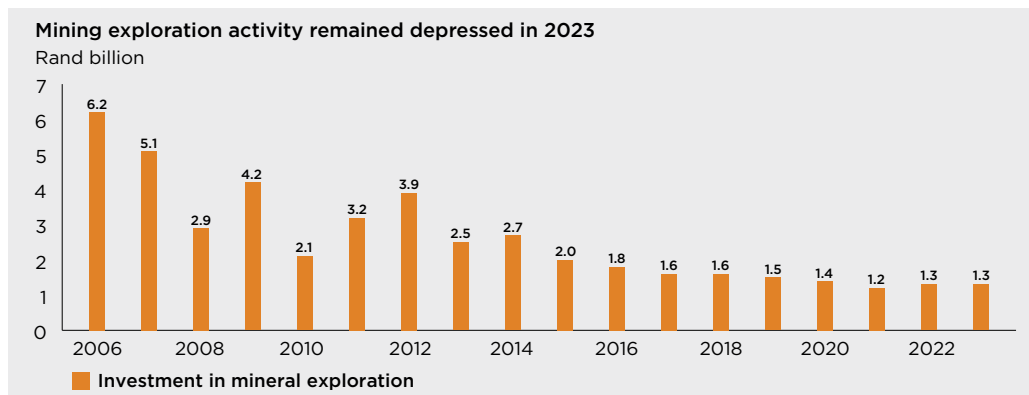


Sedibelo Platinum Mines - Pilansberg Platinum Mine

## How mining contributes to South Africa *continued*

### Fixed investment focused on sustaining operations

The Q4 GDP data also provided a first glance at real mining sector fixed investment (capex) during 2023. This showed that the mining sector contributed almost 12% to overall real fixed investment in South Africa. The real growth in mining capex slowed to 4.8% year-on-year during 2023, down from 8.1% in 2022. Despite losing momentum, the increase in mining sector capex was ahead of a 4.2% increase for the non-mining sectors. However, discouragingly, from already low levels, real investment in mineral exploration extended the downward trend, declining by 1.2% in 2023. This requires urgent leadership attention and response.



Source: Stats SA

### Mining export volumes curtailed by Transnet rail problems

As was the case in 2022, bulk commodity exporters (especially coal and iron ore) continued to be negatively impacted by Transnet's rail infrastructure constraints in 2023, with significant export tonnages and revenue lost. A notable example of this is that the tonnages of coal railed to the Richards Bay Coal Terminal (RBCT) dropped to less than 48 million tonnes in 2023, the lowest since 1992. Based on the tonnages exported and average commodity prices, we estimate that between 2021 and 2023, the freight logistics constraints saw South Africa lose out on an estimated R98 billion (1.4% of GDP) in export revenue from coal and iron ore exports. Because of the problems with key Transnet rail corridors, mining companies were again forced to look to alternative ports, including Maputo in Mozambique, and increased road transportation to sustain export volumes. Although it resulted in higher transportation costs, these alternative measures, which were made possible by higher chrome ore prices, were particularly successful in the chrome industry where annual export tonnages reached a record high of 17.7 million tonnes in 2023.

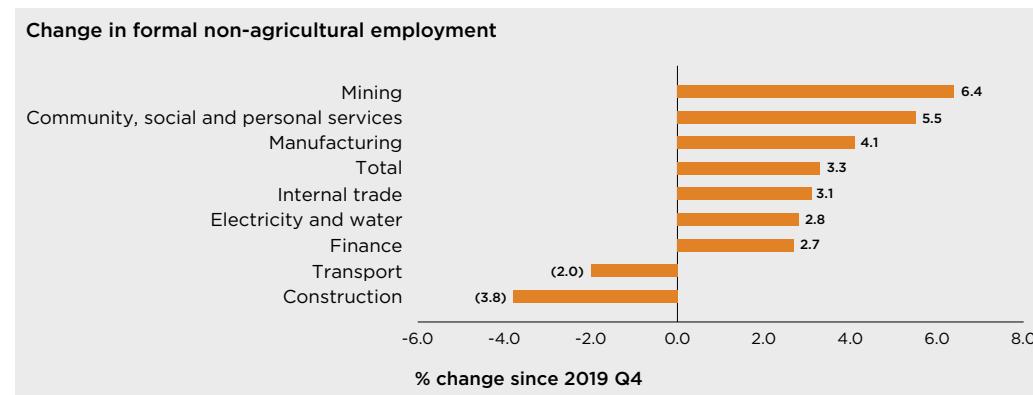
### Iron ore and coal export losses: 2021-2023

	Tonnes (million)			Rand (billion)		
	2021	2022	2023	2021	2022	2023
Iron ore	+1.0	-9.0	-7.6	+2.3	-17.6	-16.8
Coal	-12.8	-6.9	-4.7	-23.6	-31.3	-10.5
<b>Total</b>	<b>-11.8</b>	<b>-15.9</b>	<b>-12.3</b>	<b>-21.3</b>	<b>-49.0</b>	<b>-27.3</b>

Source: SARS, Minerals Council

### Mining employment defies poor operating environment

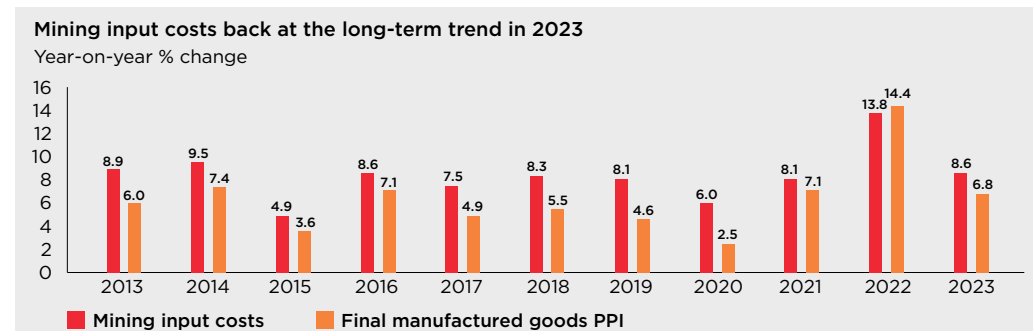
According to Stats SA's quarterly employment statistics, 481,307 people were employed in the formal mining sector during Q4 2023. Although this reflected a slight decline of 0.1% compared to Q3 2023, it was 9,000, or 1.9%, more than in the corresponding period of 2022. The mining sector did not experience nearly the magnitude of job losses suffered in many other parts of the economy during 2020. This explains why the level of mining employment was 6.4% higher in Q4 2023 than the pre-COVID-19 level in Q4 2019, vastly outpacing the non-mining (excluding agriculture) sectors where employment was 'only' 2.5% above the pre-COVID-19 level in the final quarter of 2023.



Source: Stats SA, Minerals Council

### Input cost pressures ease, but remain elevated

The Minerals Council's mining input cost index increased by 8.6% in 2023. Although still elevated and above the 6% increase for headline CPI and the 6.8% rise for manufacturing producer price index (PPI), the rate of increase for mining input costs eased notably from 13.8% in 2022. In addition, mining input cost inflation returned to its long-term (2013-19) average of 8%. The gold sector had the highest average increase in input costs during 2023, averaging 9.7%. By contrast, coal experienced the lowest average increase of 8.1%. The main drivers of mining input cost inflation in 2023 were electricity and water (increased by an average of 15.4%), as well as machinery and equipment input prices (averaged 12.4% in 2023).



Source: Stats SA, Minerals Council

## The Minerals Council's contribution to South African mining



The Minerals Council has represented the South African mining industry since 1889.

**Our transformation into a leading, modern business advocacy organisation that, since 1994, has sought to play a leadership role in enabling the country's mining industry to achieve its potential for investment and inclusive growth, transformation and development in a socially and environmentally responsible manner, was signalled by the rebranding and renaming of the organisation in 2018.**

The Minerals Council represents 70 mining companies and 3 associations representing more than 200 companies, which account for 90% of South Africa's mineral production by value.

The Minerals Council's key role is to advocate a conducive policy, legislative and operating environment that facilitates growth and investment and create impact through interaction with stakeholders, such as government, SOEs, business organisations, trade unions and non-governmental organisations (NGOs) on issues that are material to the enduring growth of the mining industry.

The CEOs of member companies and Minerals Council champions drive leadership forums. Led by internal Minerals Council subject matter experts, policy committees are supported by professional experts from member companies who provide inputs and guidance.

Over the past few decades, much of our work has been aimed at addressing the industry's negative legacy, while advancing inclusive growth and the development of the sector.

Our Board approved a revised strategic plan and set of priorities at the September 2023 Board meeting, following the Board strategy review held in June 2023. The priorities shifted to addressing the existential threats facing the mining sector with the energy, transport and logistics, and crime and corruption crises at the forefront.

We provide a coordinating function for our members. Part of this coordination function is engaging stakeholders such as government, SOEs, NGOs and community representatives in mining regions about local economic development projects and other critical issues as necessary. We also provide guidance to our members in addressing complex issues when the need arises.

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***“We represent 70 mining companies and 3 associations representing more than 200 companies, which account for 90% of South Africa's mineral production by value”***

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## The Minerals Council's contribution to South African mining *continued*

### Snapshot of our year

1	2	3	4	5	6
<p><b>January</b></p> <ul style="list-style-type: none"> <li>Industry records its first fatality-free January and full calendar month without loss of life</li> <li>Minerals Council notes with dismay the above-inflation electricity tariff increases granted to Eskom</li> <li>Minerals Council warns that a social media campaign to stop coal exports will result in disrupted mining operations and potential job losses</li> </ul>	<p><b>February</b></p> <ul style="list-style-type: none"> <li>Minerals Council represents members at Mining Indaba and shares its position on climate change</li> <li>Minerals Council welcomes energy interventions in national budget speech</li> </ul>	<p><b>March</b></p> <ul style="list-style-type: none"> <li>Minerals Council participates in the Prospectors &amp; Developers Association of Canada (PDAC) Convention</li> <li>Board approves the 2022 annual financial statements</li> <li>Minerals Council participates (with several mining companies) in the World TB Day celebrations hosted by the Deputy President of South Africa</li> </ul>	<p><b>April</b></p> <ul style="list-style-type: none"> <li>Minerals Council and PwC release <i>'The state of digital transformation in the South African mining industry: Ten insights into 4IR 2023'</i></li> <li>Minerals Council and its members in the Northern Cape welcome the completion of the first phase of the project to refurbish the Vaal Gamagara Water Supply Scheme</li> </ul>	<p><b>May</b></p> <ul style="list-style-type: none"> <li>Minerals Council holds 133<sup>rd</sup> AGM and publishes Integrated Annual Review 2022</li> <li>Minerals Council appoints Mzila Mthenjane as our new CEO</li> <li>Minerals Council expresses concern that South Africa remains poorly rated as a mining investment jurisdiction in the latest Fraser Institute Survey</li> </ul>	<p><b>June</b></p> <ul style="list-style-type: none"> <li>Minerals Council celebrates International Day of WiM</li> <li>Minerals Council participates in the Junior Indaba</li> <li>Review of the Minerals Council strategic plan</li> <li>The Masoyise Health Programme (Masoyise), in collaboration with the MHSC and the Internal Labour Organization, hosts a seminar at the 11th SAAIDS Conference 2023</li> </ul>
7	8	9	10	11	12
<p><b>July</b></p> <ul style="list-style-type: none"> <li>Minerals Council welcomes the appointment of nine new members to the Transnet board chaired by Andile Sangqu</li> <li>Member CEOs share learnings on FOG fatalities at the monthly hour of learning meetings</li> </ul>	<p><b>August</b></p> <ul style="list-style-type: none"> <li>Minerals Council hosts the 6th National Day of Health and Safety in Mining</li> <li>Minerals Council President delivers a paper at the inaugural African Critical Minerals Summit</li> </ul>	<p><b>September</b></p> <ul style="list-style-type: none"> <li>Minerals Council participates in a MIASA event</li> <li>Minerals Council CEO presents paper at the Africa Down Under Conference on mining being an enabler to a low carbon future</li> </ul>	<p><b>October</b></p> <ul style="list-style-type: none"> <li>Minerals Council ICMM meeting in London</li> <li>Minerals Council CEO participates in a panel at the Joburg Indaba on reviving mining and exploration in South Africa</li> </ul>	<p><b>November</b></p> <ul style="list-style-type: none"> <li>Minerals Council publishes <i>Facts and Figures Pocketbook 2023</i></li> <li>Minerals Council notes the release of the medium term budget</li> <li>Board approves the revised Minerals Council strategy</li> <li>B4SA briefs Minerals Council on government and organised business partnerships to deliver meaningful economic growth</li> </ul>	<p><b>December</b></p> <ul style="list-style-type: none"> <li>Minerals Council mourns the loss of life in tragic accident at Impala Platinum</li> <li>Minerals Council mobilises its members to contribute funds towards the NLCC to pay for expertise to assist Transnet with critical reforms and operational improvement</li> </ul>

## Our external environment in 2023

South Africa's mining industry, and, in some respects, the mining industry internationally, is required to deal with a range of complex issues. The Minerals Council, as the representative of the industry in South Africa, addresses these issues proactively and constructively with due consideration for growth in the industry and the expectations of our stakeholders. We maintain an awareness of those issues where it is beyond our power to influence them in order to assist the industry to adapt to them as best as possible.

The four primary elements of our external environment that we identified and reported on in our 2022 report remain valid, but with a further intensification of their impact during 2023.

### The four primary elements of our external environment



1. Transition to a lower carbon economy, and the influence of ESG investors



2. South Africa's political and economic environment



3. Geopolitical crises



4. Digitalisation and the modernisation of work



### 1. Transition to a lower carbon economy, and the influence of ESG investors

Our industry, particularly its deep level mining operations and its minerals processing plants – most notably smelters and refineries, is energy intensive, consuming an estimated 30% of the power generated in South Africa. Until recently, Eskom was the country's sole power producer and much of the power it generates is coal-fired, the exception being the Koeberg nuclear power plant which accounts for about 4% of Eskom's power generation. Our coal mining operations produce 250 million tonnes of coal annually, which contribute substantially to power generation and the country's extensive petrochemical sector. The coal mining sector employs more than 90,000 people and is a prominent export industry, generating foreign exchange for the economy.

Much of our work is based on achieving a just transition that will mitigate the negative impacts of the energy transition for the economy and on people and communities, particularly those who are dependent on the coal and energy sector.

Moreover, 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. As responsible producers, member companies are rising to the challenge of decarbonising their operations and adapting to the impacts of climate change. We are highly cognisant of both the expectations of the investors and customers of the adoption of a lower carbon pathway, and the need to support the communities in which we operate to adapt to the potential physical impacts of climate change.

Our awareness of the climate crisis means that we can be pleased with our industry's contribution to the transition. We mine many of the minerals that are crucial to the transition - PGMs, vanadium, copper and manganese, among others. Equally importantly, we have been in the forefront of investing in renewable energy generation. South African mining companies are developing a combined 16,000MW of renewable power including coal mining companies, who now describe themselves as energy companies

as they increasingly pursue solar and wind power production.

The Minerals Council and several member companies are at the forefront of developing the building blocks for the South African green hydrogen economy.

While investors and other stakeholders have significant expectations in respect of our industry and companies' responses to the climate crisis, we have seen a sharp increase in ESG regulation and expectations. There has been greater focus on water and nature/biodiversity, but also human capital and human rights. The South African mining industry has long been at the forefront of ESG reporting, supported in part by the Mining Charter requirements of the JSE and voluntary bodies and associations, such as the ICMM, the World Gold Council, the Extractable Industries Transparency Initiative (EITI), the UN Global Compact and the Voluntary Principles on Security and Human Rights. As a member of the ICMM, the Minerals Council encourages clear and transparent reporting on ESG matters.



### 2. South Africa's political and economic environment

For the first time since 1994, the May 2024 election has the capability to deliver real and significant political change that stands to reshape South Africa's political landscape.

This raises the possibility of electoral alliances possibly having to be formed subsequent to the election, both nationally and in some provinces. The experience of alliances in local government has been mixed, often characterised by instability given the number of smaller parties that have had to be accommodated. In addition, many new parties have been established in recent times. However, the Minerals Council will be ready to continue our government engagement with the new administration.

Two particular issues remain a priority: public infrastructure and SOEs, and crime and security.

#### Public infrastructure and SOEs

It remains the case that the decade of corruption and poor governance between 2008 and 2018 has taken longer to repair than many imagined.

In 2023, there were apparent improvements made to governance structures of the two SOEs of importance to the economy – Eskom and Transnet. However, the impact of their poor performance over many years has affected both business and ordinary citizens, and improvements will, at best, be gradual.

The Minerals Council has played a critical leadership role in pushing for structural reforms in respect of both these SOEs.

Engagements with the Presidency and Eskom led to the significant reform measures announced by the President on 27 July 2022, the elimination of licence requirements on self-generation, the halving of grid connection times, the reduction in registration times and a focus on the critical issues holding back self-generation. We engaged extensively with the new Minister of Electricity, appointed on 6 March 2023, and continued to work with Eskom on improving the electricity availability factor.

We are also playing a critical leadership role in initially attempting to resolve the Transnet crisis. The Minerals Council, member CEOs and Transnet established an Oversight Panel and a Recovery Steering Committee and continue with the work being done through Channel Optimisation Teams for coal, manganese, iron ore and chrome. The mining CEOs experienced greater transparency from Transnet executives and positive collaboration with them on assisting the industry. The NLCC was established, and by July 2023 we were able to welcome the appointment of a new board, chaired by former Minerals Council President, Andile Sangqu, who has significant experience and appreciation of the role and impact of the industry on South African society.

#### Crime, corruption and security

High levels of crime, corruption and a lack of security impose serious constraints on the industry. The so-called "procurement mafia", which seek ways to extort unlawful "commissions" from mining company procurement spending, continue to be a major challenge. High levels of illegal mining, theft of copper cables and diesel, and attacks on precious metals facilities by large armed groups of insurgents are other challenges to our operations.

## Our external environment in 2023 continued

We have engaged the Government leadership on all these issues, including continuing to call for the establishment of a dedicated police task force focused on the mining sector. At our request, the South African Police Service (SAPS) deployed a significant number of specialised police resources in various areas which resulted in significant crime combatting successes. In December 2023, the Crime Combating Illegal Mining Task Team was established. This is a collaborative initiative between multi-disciplinary law enforcement agencies (including, but not limited to SAPS, the Department of Home Affairs (DHA), the DMRE, the National Prosecuting Authority (NPA), the Asset Forfeiture Unit and Border Management Authority), and the South African National Defence Force (SANDF) to target and apprehend suspected illegal miners and also those higher up in the value chain who benefit from illegal mining activities.



### 3. Geopolitical crises

The World Economic Forum's latest Global Risks Report notes that in 2023: "Vulnerable populations grappled with lethal conflicts, from Sudan to Gaza and Israel, alongside record-breaking heat conditions, drought, wildfires and flooding. Societal discontent was palpable in many countries, with news cycles dominated by polarisation, violent protests, riots and strikes. Although globally destabilising consequences – such as those seen at the initial outbreak of the Russia-Ukraine war or the COVID-19 pandemic – were largely avoided, the longer-term outlook for these developments could bring further global shocks".

The consequent disruptions to supply chains and commodity price volatility continue to affect the sector.



### 4. Digitalisation and the modernisation of work

Digital transformation serves as the seamless thread throughout the mining value chain processes. It enhances safety and health, security, production, and workforce and leadership capability and is, therefore, imperative for the industry. The Minerals Council, in collaboration with PwC and the Mandela Mining Precinct (MMP), concluded a second study into the ['The state of digital transformation in the South African mining industry: Ten insights into 4IR'](#) in 2023 which had a focus on ESG issues.

A third study is planned for 2024 focusing on Artificial Intelligence (AI). Modern integration requires new approaches and ways of thinking, as what applied and worked 10 years ago no longer suffices to meet the goals of modern mining. The 2024 study will cover topics such as:

1. **Different AI applications:** AI tools and technologies currently employed in the mining sector for, among others, predictive maintenance, automated drilling and blasting, ore sorting and environmental monitoring systems.
2. **Policies on AI use:** existing regulations and frameworks guiding AI implementation in mining and gaps in the current policy environment.
3. **Case studies:** case studies from local and international mining operations where the use of AI has contributed to better EESG outcomes.
4. **Skills development and workforce transformation:** explore how AI is changing job roles within the mining industry and what this means for future skills requirements.





## Our approach to managing risk

**Our risk identification, assessment and management process involves not only our organisation but the mining industry that we represent.**

This process is aligned to our reviewed strategic plan, specifically speaking to Strategic Goal 4: Ensure continuous improvement of the effectiveness and service of the Minerals Council to members. This process is also aligned to 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.

We manage risks by executing preventative or mitigating actions formulated by a detailed risk analysis and captured in a risk assessment (risk bowtie). The identified risks are ranked in terms of likelihood and consequences, which guide us in the allocation of financial and other resources. This risk rating also underpins the relative importance of management's key performance areas.

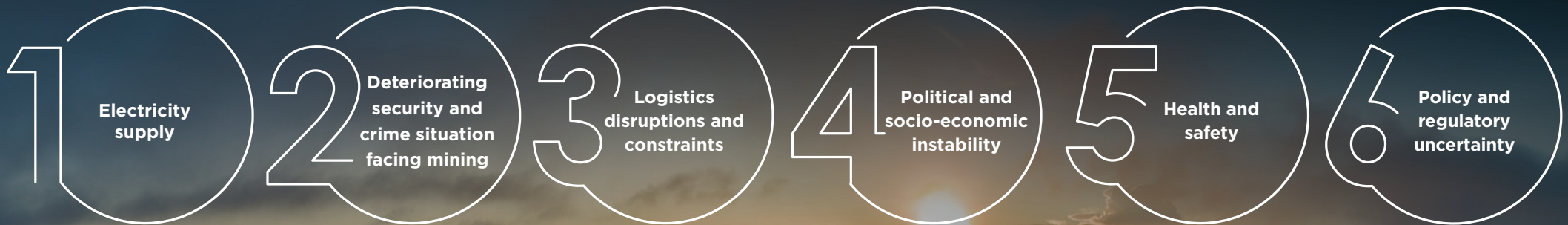
The significant risks are those that, based on our risk assessments, pose the greatest threats to the mining industry. Each key risk poses a threat to one of the key drivers of the mining industry's future success.

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*“This process is aligned to our reviewed strategic plan, specifically speaking to Strategic Goal 4: Ensure continuous improvement of our effectiveness and service to our members”*

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### Principal risks identified in 2023



## Our approach to managing risk continued

### Principal risks identified in 2023

An overarching risk for South Africa and for the mining industry is the country level investment risk rating. Six further principal risks were identified in 2023.

Ranking in 2023	Risk title, description and impact	Ranking in 2022	Our response	Outcomes and outlook
<b>OVERARCHING COUNTRY RISK</b>				
<b>Overarching risk</b>	Country level investment risk is the overall risk to investment in the country. This risk is made up of several risk factors, including political and socio-economic instability risks, law and order risks, security and crime risks, infrastructure risks, policy and regulatory (red tape) risks.	<b>Country risk</b>	<p>We support and, in some cases, lead B4SA efforts in engaging government and working in partnership on practical solutions on all the relevant pillars affecting this overall risk rating. Given the uncertainty of the 2024 national elections, we have stepped up engagement with political parties to build a framework for understanding an emergent political landscape of coalition.</p> <p>We are also engaging all relevant trade union partners, think tanks and other relevant institutions on positive structural and institutional reforms.</p>	<p>The outlook on country level risks remains high due to structural challenges and increased political uncertainty ahead of the 2024 national election. South African miners are lagging behind global competitors who are not dealing with the same hurdles resulting in local mining companies offloading their South African assets.</p> <p>Positive results from the B4SA partnership with government is expected in the medium to long term.</p>
<b>Sector risks</b>				
<b>1</b>	<p><b>Electricity supply:</b></p> <p>Unreliable electricity supply, risks of a blackout and unsustainable tariff escalation. These electricity supply risks not only threaten the sustainability of existing mines but also dampen any prospect of new investment.</p>	<b>2</b>	<p>Key stakeholders engaged were Eskom, the Energy Council and government through NECOM. We continued to lobby the Presidency and Minister of Electricity through the B4SA process (with our President, Nolitha Fakude, as our champion) and directly through NECOM on further implementation of the agreed reforms to unlock private sector generation and links to the transmission network. Focus was on encouraging government to unlock private sector investment in self-generation, the restructuring of the electricity supply industry in terms of “freewheeling”, improving Eskom’s plant reliability and ensuring a more realistic price path. Legislation related to electricity trading is imminent.</p> <ul style="list-style-type: none"> <li>• The just energy transition as the country moves towards a lower carbon intensity economy. Other future energy sources, such as green hydrogen, are being researched.</li> <li>• Continued to pressure Eskom to reduce costs, improve reliability, reduce unplanned capacity load factors and reduce the use of open cycle gas turbines.</li> <li>• Encouraged government to unlock private sector investment in self-generation, the restructuring of the electricity supply industry, improving Eskom’s plant reliability and ensuring a more realistic price path.</li> <li>• Participated in and contributed to the Energy Council with positive results – should momentum continue in this trajectory, the electricity supply risk could reduce significantly.</li> <li>• Lobbying the DMRE and National Energy Regulator of South Africa (NERSA) for a fit-for-purpose, multi-year price determination methodology to enable greater predictability for future tariffs. This also has medium- and long-term implications.</li> <li>• Continued to explore and promote least cost self-generation methods, across all technologies, that can be adopted by the mining sector.</li> <li>• Participated in the Integrated Resource Plan (IRP) reviews to ensure energy sufficiency for the country, including the baseload requirements of the mining sector.</li> <li>• Engaged other leading companies and government on practical steps to adopt a green hydrogen, PGM, fuel-based strategy for the country for both baseload supply and large vehicle mobility (trucks, rail, ships, cranes).</li> </ul>	<p>The risk remains high.</p> <p>The immediate objective of reducing load shedding remains in focus and, according to the Minister of Electricity, is planned to be overcome by the end of the year.</p> <ul style="list-style-type: none"> <li>• Energy availability factor (EAF) 2023: 54.71% (2022: 58.11%)</li> <li>• In the first few months of 2024, the EAF has averaged 51.91%, almost identical to the same period in 2023 when it was 51.87%. The lack of improvement in the EAF is at least partly because Eskom has increased planned maintenance in the first quarter of 2024. This bodes well for the EAF in future if it results in less unplanned breakdowns. While the EAF remains low, there has been a 66% year-on-year reduction in the intensity and duration of load shedding. This suggests less demand for Eskom-generated power and is most likely a function of the significant increase in private sector renewable energy investment during the last 18 months. Renewable energy projects totalling more than 4,300MW were registered with NERSA in 2023. This follows the removal of the licensing cap for embedded generation in mid-2022.</li> <li>• Key milestones in the B4SA process include Treasury’s R254 billion Eskom debt relief package over three years, the establishment of the National Transmission Company, and the appointment of Dan Marokane on 1 March 2024 as the new Eskom CEO.</li> </ul>

## Our approach to managing risk continued

Ranking in 2023	Risk title, description and impact	Ranking in 2022	Our response	Outcomes and outlook
<b>Sector risks</b>				
2	<p><b>Deteriorating security and crime situation facing mining:</b></p> <p>The deteriorating security and crime situation facing the mining sector (as a consequence of the lack of capacity in the government security cluster, the lack of prosecution of criminals, the increase in criminal syndicate activity and the country's social crisis) is a significant risk for mining. Copper and precious metals theft, attacks on precious metals facilities and the activities of the procurement and coal mafias are among the factors undermining production and investment.</p>	3	<p>We engaged with government, working through the B4SA (BUSA) structure to address the crime and security crisis. In partnership with the Presidency, Neal Froneman is the key CEO leading the JICC to drive reforms in the policing and justice clusters. There will be a specific focus on the allocation of dedicated policing and prosecutorial capability to the mining sector.</p> <ul style="list-style-type: none"> <li>Relationships between the SAPS and mining houses were strengthened resulting in the deployment of specialist resources to deal with illegal mining, community unrest and coal swapping issues in certain provinces.</li> </ul>	<p>This risk remains high given the diversity of criminal activity, increasing sophistication of criminals, inadequate policing and law enforcement.</p> <ul style="list-style-type: none"> <li>Progress was made with the establishment of the Crime Combating Illegal Mining Task Team in December 2023, which is a collaborative initiative between multi-disciplinary law enforcement agencies (including, but not limited to SAPS, the DHA, the DMRE, the NPA, the Asset Forfeiture Unit, Border Management Authority) and the SANDF to target and apprehend suspected illegal miners and also those higher up in the value chain who benefit from illegal mining activities. The Department of Justice and Constitutional Development made available more than R1.7 billion from the Criminal Asset Recovery Account to counter illegal mining activities.</li> <li>The National Priority Committee on Extortion and Violence was established at economic sites (including mining) to tackle extortion by procurement mafia. This committee is replicated across the provinces where mining houses can directly engage on their extortion-related matters.</li> <li>Essential Infrastructure Task Teams were established to tackle copper cable and other non-ferrous metals related crimes.</li> </ul>
3	<p><b>Logistics disruptions and constraints:</b></p> <p>This relates to the collapse in Transnet's rail performance. The risk is the continued cost to the industry of not achieving contracted and targeted export volumes.</p>	4	<ul style="list-style-type: none"> <li>Further to the close out of the Transnet-Minerals Council Recovery Steering Committee process and folding it into the NLCC process, constructive engagements continued with the Chair of the Transnet board and acting (now permanent) CEO. Engagements with the respective CEOs continued at the channel recovery teams for each of the four bulk commodity lines to implement practical short-term solutions to stabilise performance.</li> <li>Full-time executive leadership was announced at both Transnet and Transnet Freight Rail, providing stability and confidence to employees, customers and the financial markets. Policy reforms (including conditional government funding) continue to evolve towards private sector participation and members continue to invest, where required, directly into Transnet Freight Rail in security and strategic equipment.</li> <li>The Minerals Council is actively working with members on private concession arrangements in the ports.</li> <li>Through the NLCC, business expertise has been mobilised to support the turnaround.</li> <li>The key areas identified to improve operational performance in the short term include accelerating capital spending on operational equipment such as port cranes, marine vessels and rail rolling stock. The rail recovery focuses on allocating capital for the rehabilitation of rail infrastructure and returning older locomotives to service.</li> <li>Cabinet approved the <i>Freight Logistics Roadmap</i> in December 2023, paving the way for greater private sector participation on the rail network.</li> <li>New Transnet CEO, CFO and Transnet Freight Rail CEO were appointed.</li> </ul>	<p>This risk remains high. Recent positive and cooperative responses from Transnet are encouraging. Policy reform is underway.</p> <ul style="list-style-type: none"> <li>Transnet announced an 18-month operational recovery plan, which aims to lift total rail volumes from a desperately low 149 million tonnes in 2022/23 (in 2017/18 they were at 226 million tonnes) to 170 million tonnes in 2023/24.</li> <li>Treasury provided a R47 billion loan guarantee to Transnet to support the turnaround. However, Transnet was only allowed to utilise R14 billion of this between December 2023 and March 2024 to pay off maturing debt. The staggered terms of the guarantee are to ensure Transnet implements the short-term initiatives in its 18-month recovery plan and aligns it with the Cabinet-approved roadmap for freight logistics. Transnet is required to divest from non-core assets, reduce its current cost structure and explore alternative funding models for infrastructure and maintenance, including project finance, third-party access, concessions and joint ventures.</li> <li>Transnet published a draft network statement, with industry pushing back on the proposed tariff structure.</li> </ul>

## Our approach to managing risk continued

Ranking in 2023	Risk title, description and impact	Ranking in 2022	Our response	Outcomes and outlook
<b>Sector risks</b>				
4	<p><b>Political and socio-economic instability:</b></p> <p>Political instability impacts negatively on the business climate, limiting investment and resulting in low growth, with the outcome of persistent high unemployment and poverty, growing inequality, political opportunism and increasing social discontent, and the associated risks of crime, strikes, unrest and looting.</p>	1	<ul style="list-style-type: none"> <li>• We engaged government on the need for a pragmatic approach to South Africa's foreign policy given the country's economic, trade and investment linkages to the West.</li> <li>• To narrow the abstruseness and intricacies of the complex South African election-year political landscape, we initiated our 'Election Insights Series' (EIS) to engage key political parties on their election manifestos, their visions for the future and key policy outlines. The EIS is based on a non-partisan approach and engagement with the willing. It will hopefully serve as a catalyst for a more representational and less siloed approach to government engagement in the future. The EIS is not limited solely to political parties as it remains crucial to obtain multifaceted perspectives when dealing with phenomena that invoke predilection. It is in this spirit that the EIS has included discussions with independent political consultants and the Independent Electoral Commission.</li> <li>• We coordinated the work of our members in different communities to ensure a maximum and broad-based impact. We also engaged with traditional leaders, faith-based organisations and other community organisations (including business forums) that have a presence in areas where our members have operations. These engagements will continue to include the various spheres of local, district and provincial governments as the elected representatives of the communities.</li> <li>• While the mining industry has limited direct political influence, it has continued to not only encourage government to act on various matters (for example, electricity, logistics and security), but it has also provided resources to realise those transformative objectives.</li> </ul>	<p>This risk remains high in the short term, given uncertainty regarding the outcome of the national election and the implications for political structures and government.</p> <ul style="list-style-type: none"> <li>• The prevailing economic environment that is characterised by stagnant growth and high unemployment levels has placed additional pressure on mining companies.</li> <li>• The deteriorating social fabric in mine host communities continues unabated.</li> </ul>
5	<p><b>Health and safety:</b></p> <p>This risk relates to the industry not achieving the 2024 Occupational Health and Safety Summit Milestones.</p>	6	<ul style="list-style-type: none"> <li>• The Board, supported by the CEO ZHF, along with our internal structures, continued to implement the Khumbul'ekhaya strategy by strengthening CEO-ship through monthly hours of learning, and promoting health and safety leading practices through the MOSH Learning Hub. The focus was on striving to improve safety and health performance in mining, with a core emphasis on the elimination of fatalities, reduction of exposures and reduction in health-related impacts.</li> <li>• Monthly Board and CEO safety shares and implementation of CEO Zero Harm recommendations: implementing the Culture Transformation Framework. Just Culture Accountability Framework – transforming from blame culture to a just learning culture. The Learning from Incidents (LFI) Working Group, in partnership with the MOSH Transport and Machinery Team, implemented various days of learning.</li> <li>• Implemented various MOSH leading practices (FOGAP and reduction in FOG fatalities, underground workplace illumination for improved visibility leading practice, scraper winch leading practice).</li> <li>• We continued to drive industry alignment on TMM Regulations towards ecosystem readiness at the operational, technology and skills readiness phases, enabling members to apply for exemptions.</li> <li>• Key stakeholders engaged were the Masoyise stakeholders (including the DoH, the DMRE, organised labour, and UN organisations), the MHSC and the Medical Bureau of Occupational Diseases (MBOD) and the Compensation Commissioner for Occupational Diseases (CCOD).</li> <li>• The Masoyise Health Programme strategy 2023-2024 was implemented with learning from best practices on control of diseases (mental health, TB, HIV, non-communicable diseases (NCDs)) encouraged.</li> </ul>	<p>This risk is taking a downward trajectory, which is attributable to meaningful responses from the industry and our members to safety and health risks, which remains a core priority for sustainable mining operations and businesses. Recent progress and achievements are encouraging and the high-level commitment to maintain excellent safety and health performance prevails.</p>

## Our approach to managing risk continued

Ranking in 2023	Risk title, description and impact	Ranking in 2022	Our response	Outcomes and outlook
<b>Sector risks</b>				
6	<p><b>Policy and regulatory uncertainty:</b></p> <p>The South African investment, and specifically the mining investment environment, is not globally competitive for exploration and mining.</p>	5	<ul style="list-style-type: none"> <li>• We urged the Government to urgently implement structural and institutional reforms that significantly improve the country’s competitiveness, investment attractiveness and ease of doing business.</li> <li>• We focused on extracting more medium- to long-term and structural benefits from the engagements in December 2023 between the DMRE and the industry on job losses and various other industry challenges. While the DMRE’s focus was on minimising immediate job losses, we demonstrated that the industry had taken measures to mitigate immediate job losses.</li> <li>• We initiated a minerals policy review project with MD360° and GGA to produce a stakeholder informed critique of the MPRDA from a competitiveness perspective.</li> <li>• Pressure relating to the imperative of implementing a globally competitive minerals cadastre system continues with the announcement by the DMRE of the chosen consortium to implement such as system. We continued engagements to ensure that the system is fit for purpose.</li> <li>• We lobbied National Treasury for tax and investment incentives to promote exploration (such as the adoption of a flow-through shares scheme).</li> <li>• We engaged development finance institutions, the National Treasury and the private financial sector on potential public-private partnerships for junior venture capital funding.</li> <li>• We continued to support and highlight to member companies and government the impact of market development on the demand and end use for mineral commodities, with specific emphasis on critical minerals and benefits for the country and the continent.</li> <li>• We lobbied the Department of Forestry, Fisheries and the Environment (DFFE), the DWS and the DMRE for a conducive policy and regulatory framework on water and environmental sustainability matters.</li> </ul>	<p>The risk remains high. Policy reforms to boost exploration and mining investment continue to lag behind. Key concerns remain, <i>inter alia</i>, land use conflicts, incoherence and lack of coordination among government departments in terms of legislation that impacts mining.</p> <p>South Africa’s ranking in the Fraser Institute annual survey of mining companies has been a major concern for years as investors continue to view the country’s policy and regulatory environment as hostile. South Africa has continued its decline in this survey in relation to policy perceptions.</p>



These material risks are regularly dealt with at management meetings, discussed at our Board meetings and are covered in our reviewed strategic plan.

## Our business model

To create value over time for our stakeholders, deliver on our strategy and fulfil our strategic aims, we employ inputs to generate the required outputs and outcomes. We act as the principal advocate for the South African mining industry on behalf of our members, our primary stakeholder.

# What we do

(Our business activities)

<p><b>Our business activities</b></p>	 <p><b>Identify and understand</b> main issues of concern to members and other stakeholders.</p> <p>We examine policy issues and matters of mutual concern to the industry</p>	 <p><b>Collaborate, engage and partner</b> with stakeholders to address concerns identified, and devise strategies to address them effectively. We promote consultation and collaboration, and facilitate interaction among members</p>	 <p><b>Guide</b> industry on leading practice in areas of safety, transformation, industrial relations, skills development, occupational health and environmental management</p>	 <p><b>Communicate and advocate</b> on behalf of the industry to ensure an enabling policy, legislative, regulatory and operating environment</p>
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<p><b>Capitals employed in the conduct of our business activities to enable delivery on our strategic goals</b></p>	<p><b>Human</b></p> <p>Employees with the skills, knowledge and expertise required to enable us to conduct our business</p>	<p><b>Intellectual</b></p> <p>Inbuilt institutional knowledge of the South African mining industry and the national and global economy</p>	<p><b>Social and relationship</b></p> <p>Those relationships and partnerships with our many and varied stakeholders that are core to our business</p>	<p><b>Financial</b></p> <p>Funds to enable us to conduct our business</p>	<p><b>Manufactured</b></p> <p>Offices, ICT and security systems</p>	<p><b>Natural*</b></p> <p>The natural resources – energy, water – necessary in the conduct of our business</p>
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\* Not a significant capital for us – for our members this is a vital capital

Our business activities are guided by our four strategic goals. To read more about these and their accompanying objectives, see the section, [Delivering on our strategy](#) on page 40.

**Our business model** continued

# What we used

(Our inputs 2023)

 <h3>Human capital</h3> <ul style="list-style-type: none"> <li>• Employed 81 people with the necessary knowledge and skills – 48 permanent and 33 fixed-term (2022: 85, 53 and 32 respectively)</li> <li>• R650,000 spent on employee training (2022: R650,000)</li> <li>• Further education: R422k (2022: R69k):             <ul style="list-style-type: none"> <li>◦ One employee studying for a law degree (LLB), one for a Doctor of Philosophy (PhD) in Chemical Engineering and another for a Master of Business Administration (MBA). Three others completed the Management Development Programme</li> </ul> </li> </ul>	 <h3>Intellectual capital</h3> <ul style="list-style-type: none"> <li>• Institutional knowledge of the South African mining industry and economics</li> <li>• Policies in place to guide governance and actions include: <i>Employment Equity, Code of Ethics, Business Integrity, Conflict of Interest, Competition Compliance Guidelines, Human Resource Development, Sexual Harassment, Talent Management, Education</i></li> </ul>	 <h3>Social and relationship capital</h3> <ul style="list-style-type: none"> <li>• Primary stakeholders: our 73 members (2022: 77)</li> <li>• Actively engaged and collaborated with key stakeholders: our members; all levels of government, including cabinet ministers and regional provincial departments; labour unions; NGOs; mining-related communities; and mining industry investors and analysts, among others</li> <li>• Required engagement structures and systems are in place</li> </ul>
 <h3>Financial capital</h3> <ul style="list-style-type: none"> <li>• R262m received in member fees (2022: R241m)</li> <li>• R175m spent in operating costs (2022: R107m)</li> <li>• R60m spent on special projects (2022: R68m) including:             <ul style="list-style-type: none"> <li>◦ Advocacy for occupational health</li> <li>◦ Advance people-centred modernisation</li> <li>◦ Promoting women in mining</li> <li>◦ Promoting transformation in the mining industry</li> <li>◦ TMM collision avoidance</li> </ul> </li> </ul>	 <h3>Manufactured capital</h3> <ul style="list-style-type: none"> <li>• Maintained and updated ICT and security systems to enable effective and efficient operations</li> <li>• Leased and maintained office space</li> <li>• Offices are managed in line with the Green Building Council of South Africa guidelines (including water resource and waste management), the Building Research Establishment Environmental Assessment Method (BREEAM) requirements and Code for a Sustainable Built Environment</li> </ul>	 <h3>Natural capital*</h3> <ul style="list-style-type: none"> <li>• A focus on energy management and efficiency initiatives contributes to ongoing improvements in increased renewable energy generation and reduced grid-supplied energy consumption</li> <li>• Head office consumed an average of:             <ul style="list-style-type: none"> <li>◦ 197kWh of electricity daily (2022: 197kWh)</li> <li>◦ 1.4kl of water daily (2022: 1.4kl)</li> </ul> </li> <li>• Negligible amounts of paper used, in line with aim to be as paperless as practically possible</li> </ul>

\* Not a significant capital for us – for our members this is a vital capital

**Our business model** continued

# What we delivered

(Outputs 2023)

We aim to reposition the South African mining industry to maximise its potential and optimise its contribution to the national economy. Much of the value we create is indirect and cannot be measured strictly in financial terms.

## Issues identified and prioritised

Safety and health

Energy, transport and logistics, crime and corruption

Policy and legislative uncertainties and constraints

Diversity and inclusion

RD&I

Community challenges

## Stakeholders – who we collaborated and/or worked with and why

- Logistics stakeholders on the establishment of the Transnet-Minerals Council Oversight Panel, Steering Committee and four Channel Optimisation Teams (coal, chrome, iron ore and manganese)
- NECOM, the Energy Council and the Electricity Minister - engaged to identify key constraints to grid connections and Eskom's tariff increases
- BUSA and alliance – pressing government on key structural and institutional reforms
- Government and members – ensuring water supplies from the Northern Cape Vaal Gamagara bulk water supply scheme continued
- Provincial and local governments as part of the regional presence special project in Mpumalanga and the Northern Cape
- Business and government – engaged with the President, cabinet ministers, the National Joint Operations Centre and the National Coordination and Strategic Management Team on addressing crime and corruption
- MOSH Learning Hub and the Masoyise Health Programme on health and safety matters
- Department of Science and Technology on mining innovation



## Guidance and communication provided

- Published annual *Facts and Figures* – pocketbook and full version) as well as *Integrated Annual Review 2022*
- Maintained and updated website from which there were more than 52,200 downloads of media statements, fact sheets and presentations
- Participated in and presented at the annual Investing in African Mining Indaba and the five Resources 4 Africa conferences
- Maintained regular communication with members during the year with 73 communication executives and practitioners from member companies
- Promoted awareness of issues facing the South African mining industry by means of columns and op-eds published in online, daily and specialist publications
- Welcomed Mzila Mthenjane's appointment as the new CEO of the Minerals Council and gradually raised his profile with external stakeholders

## Economic value distributed in 2023:

R151m paid in salaries (2022: R134m)

R5m spent on corporate social investment (CSI) (2022: R3m)

Procurement spend of R34m (2022: R32m)



**Our business model** continued

# What impact we had

(Outcomes 2023)

## What we delivered on issues identified and prioritised



### Mine safety and health performance

- Continuous sharing of learnings from safety- and health-related incidents aimed at preventing similar incidents
- Member companies are actively driving the visible felt leadership safety programme
- Mine champions nominated to enable the swift adoption of leading practices at their respective mines

### Energy, transport and logistics, crime and corruption

- Relevant crisis committees established, namely, NECOM, NLCC, JICC
- Although load shedding was at an all-time high in 2023, significant green energy investment was unlocked following inclusion of the private sector as a key partner in resolving the energy crisis
- NECOM continued to promote the separation of Eskom into different business units as well as the conditions necessary for increased investment in Eskom's transmission infrastructure.
- Continued to promote maintenance as a priority in improving Eskom's coal plant performance
- Regarding logistics, worked to secure funding from members to improve the operational performance of Transnet Freight Rail - they provided funding for the coal line and the sourcing of locomotive spares and other equipment from original equipment manufacturers (OEMs)
- Worked to establish cordial engagements with new Transnet board

### Policy and legislative uncertainties and constraints

- Significance progress attained in providing policy certainty and addressing constraints on environmental sustainability regulatory requirements through the extensive engagements and lobbying held with the DFFE and the DWS
- Initiated a minerals policy review project to produce a stakeholder-informed critique of the MPRDA to identify the policy and legislative reform required to achieve a globally competitive minerals, mining and exploration policy and legislative framework - submission, including recommendations, will be made to the DMRE early in 2024
- Investigated challenges faced by the industry that were leading to substantive job losses and what measures could be taken to mitigate these losses and their impact on employees

### Diversity and inclusion

- Engaged the Department of Employment and Labour (DEL) on the mining and quarrying sector diversity targets to advance transformation in the industry
- Developed a Transformation Beyond Compliance Framework together with a comprehensive matrix aligned with the UN SDGs to further drive transformation in the sector
- Engaged the DMRE and various civil society organisations on the proposed framework to understand any challenges and establish viable solutions

### RD&I

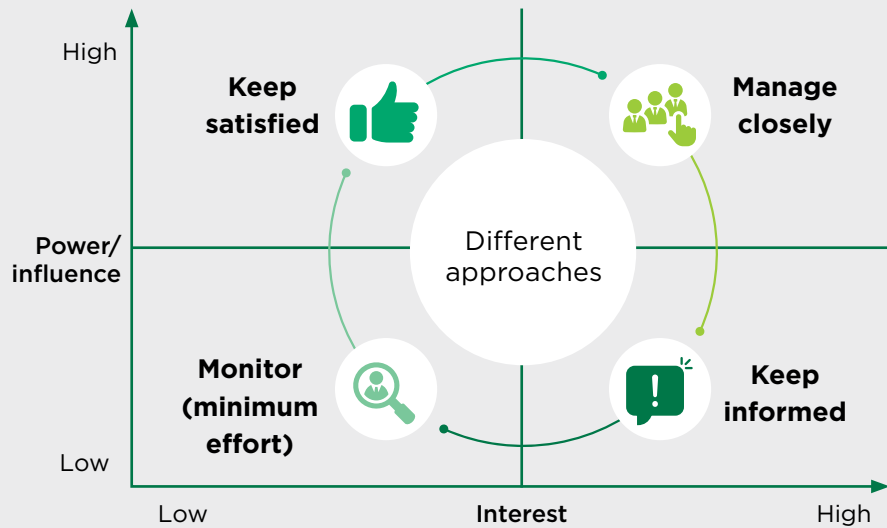
- Working to embed a RD&I culture to modernise the sector and improve its competitiveness
- Established by the Minerals Council, the MMP celebrated its five-year anniversary in 2023 and received recognition of its public-private partnership with the Department of Science and Innovation (DSI) at the Presidential Plenary on Innovation
- Established the Hydrogen Expert Team that adopted an action-driven approach focused on policy development, research, funding, skills development, supply chain to strengthen ecosystems and identify quick-win projects
- Supported the DMRE in development of a National Critical Minerals Framework to inform development of a National Critical Minerals Strategy

### Community challenges

- In the Northern Cape, we:**
- Ensured potable water continued to flow to communities along the pipeline
  - Facilitated the completion of several prefeasibility and feasibility studies as well as the school broadband connectivity pilot project
- In Mpumalanga:**
- CLF raised emergency funding of approximately R14 million to procure a much-needed transformer for the Emalahleni Municipality
  - After more than five years of planning, the R110 million replacement of the aging steel bridge in Steelpoort is nearing completion - this project was funded by members

## Our stakeholders

The figure below explains the different approaches the Minerals Council adopts when engaging our selected stakeholders.



### 1.

**High power, high interest (manage closely):**

These stakeholders have both the ability and the motivation to exert considerable influence on the Mineral Council's projects. It is essential to actively engage with them, keep them informed and address their concerns.

### 2.

**High power, low interest (keep satisfied):**

While these stakeholders have the power to impact the Minerals Council's projects, they may not be directly interested in project outcomes. While it remains vital to meet their needs and to keep them satisfied, it is important to refrain from overwhelming them with project details.

### 3.

**Low power, high interest (keep informed):**

These stakeholders have a keen interest in the Minerals Council's projects but have limited influence. It is important for the Minerals Council to keep them informed about project developments to manage their expectations and ensure transparency.

### 4.

**Low power, low interest (monitor):**


Stakeholders in this category have minimal influence and interest. The Minerals Council monitors their influence and interest in case their situation changes.









## Our stakeholders *continued*

As a member-led organisation, the Minerals Council plays a dual role in engaging with a broad range of stakeholders as the representative of the sector, and with member companies. The table below encapsulates some of the stakeholders that were instrumental to our work during the period under review, illustrates how we engage them and highlights the key issues that we dealt with.

Issue-based, impact-driven and inclusivity-oriented, the Minerals Council's stakeholder mapping is determined by material risk factors faced by the organisation.

Stakeholder	This includes:	How we engage/frequency of engagement	Key issues	Relationship objectives
Member companies	Minerals Council members	Quarterly	Policy advocacy; transparency; disclosure; leading practices in health and safety; innovation and modernisation; transformation; skills development and retention; junior mining and exploration; safety and security; 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.	 <b>Manage closely</b>
Industry associations – including international associations	Associations: ICMM, MIASA, the SAIMM, the Mine Ventilation Society, the Association of Mine Surveyors and Coaltech	Annually/bi-annually	Leading practices in health and safety; innovation and modernisation; transformation; skills development and retention; junior mining and exploration; safety and security; 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.	 <b>Keep satisfied</b>
Government (including foreign governments and international structures)	The Presidency, the DMRE, the Department of Police and other security-related ministries, the DSI, the DEL, the DFFE, the DWS, the Department of Human Settlements, the DHA, the National Treasury, provincial and local government, law enforcement structures, the Southern African Development Community (SADC) and the International Labour Organization and the DoH	As required, but at least bi-annually	Development and amendment of legislation (i.e., MHSA, Occupational Diseases in Mines and Works Act (ODMWA), 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 an enabling environment, safety and security (illegal mining and trafficking of precious metals and diamonds), extortion and violence at mining sites and crime affecting the mining industry.	 <b>Manage closely</b>
The National Legislature	Parliament of the Republic of South Africa	As required, but at least bi-annually	Development and amendment of legislation, regulation, policies, health and safety, social licence to operate, transformation and employment equity, B-BBEE, development and maintenance of infrastructure and an enabling environment, safety and security (illegal mining and trafficking of precious metals and diamonds), extortion and violence at mining sites and crime affecting the mining industry.	 <b>Manage closely</b>
Government bodies, regulators and SOEs	The South African Local Government Association (SALGA), Eskom, Transnet, the MHSC, the Council for Geoscience (CGS), Mintek, the South African National AIDS Council, the MQA, the National Skills Authority, the Water Research Commission, the South African Bureau of Standards	As required, but at least bi-annually	Engagement with local government structures on mining community issues, national energy and logistics crises, mining health statistics, mining exploration, sector-specific skills development, water reticulation, RD&I, and standardisation and quality assurance.	 <b>Manage closely</b>

## Our stakeholders *continued*

Stakeholder	This includes:	How we engage/frequency of engagement	Key issues	Relationship objectives
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, the Federation of Unions of South Africa and the Southern Africa Trade Union Coordination Council	At least quarterly, or as required	Labour migration, wage negotiations, protests, health and safety, housing and living conditions, labour policies and legislation, employment and labour issues.	 <b>Manage closely</b>
Business groupings and national associations	Nedlac, BUSA, BLSA, Black Business Council, the Energy Council, the South African Business Coalition on Health and AIDS, the Water Institute of Southern Africa, the Land Rehabilitation Society of Southern Africa, and host community-based business forums	Quarterly, bi-annually and annually, as required	Issues of national and mutual interest, social policy issues including amendments to legislation affecting business in general and the labour market.	 <b>Keep informed</b>
Academic and research institutions	The Council for Scientific and Industrial Research (CSIR), the Water Research Commission, the University of the Witwatersrand, the University of Pretoria, the University of Johannesburg, Stellenbosch University, the University of the Free State and the University of Cape Town	Quarterly to bi-annually	Knowledge transfer and information sharing, industry-wide collective initiatives, training, inform the research agenda, grow RD&I capabilities and capacity.	 <b>Keep informed</b>
Media	Local, regional, national and international media	Ongoing	Key issues confronting the mining industry in South Africa – including logistics, energy, crime and security, communities, social transformation, regulatory environment and exploration.	 <b>Keep informed</b>
OEMs and suppliers	Mining Equipment Manufacturers of South Africa, the South African Mineral Processing Equipment Cluster, the OEM Forum and CSR Europe	At least quarterly	RD&I collaboration, lobbying for policies supporting use of locally manufactured equipment, product testing and development, occupational health and safety policy and regulatory changes.	 <b>Monitor</b>
NGOs and civil society, communities and small-, medium- and micro-enterprises 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	Bi-annually to annually as required	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 SLPs, engagement on industry performance on environmental sustainability issues and mine water management.	 <b>Keep informed</b>

## Assessing materiality and our material issues

The Minerals Council's integrated annual review is unique in that we report on the positioning and performance of the industry, and account to our members for our own work.

The double materiality assessment we undertook this year, therefore, considers the principal issues that are most material to the industry we serve, and to the role and work of the Minerals Council.

We use the definition of double materiality recommended under the IFRS Foundation's SASB as the combination of impact materiality and financial materiality, where:

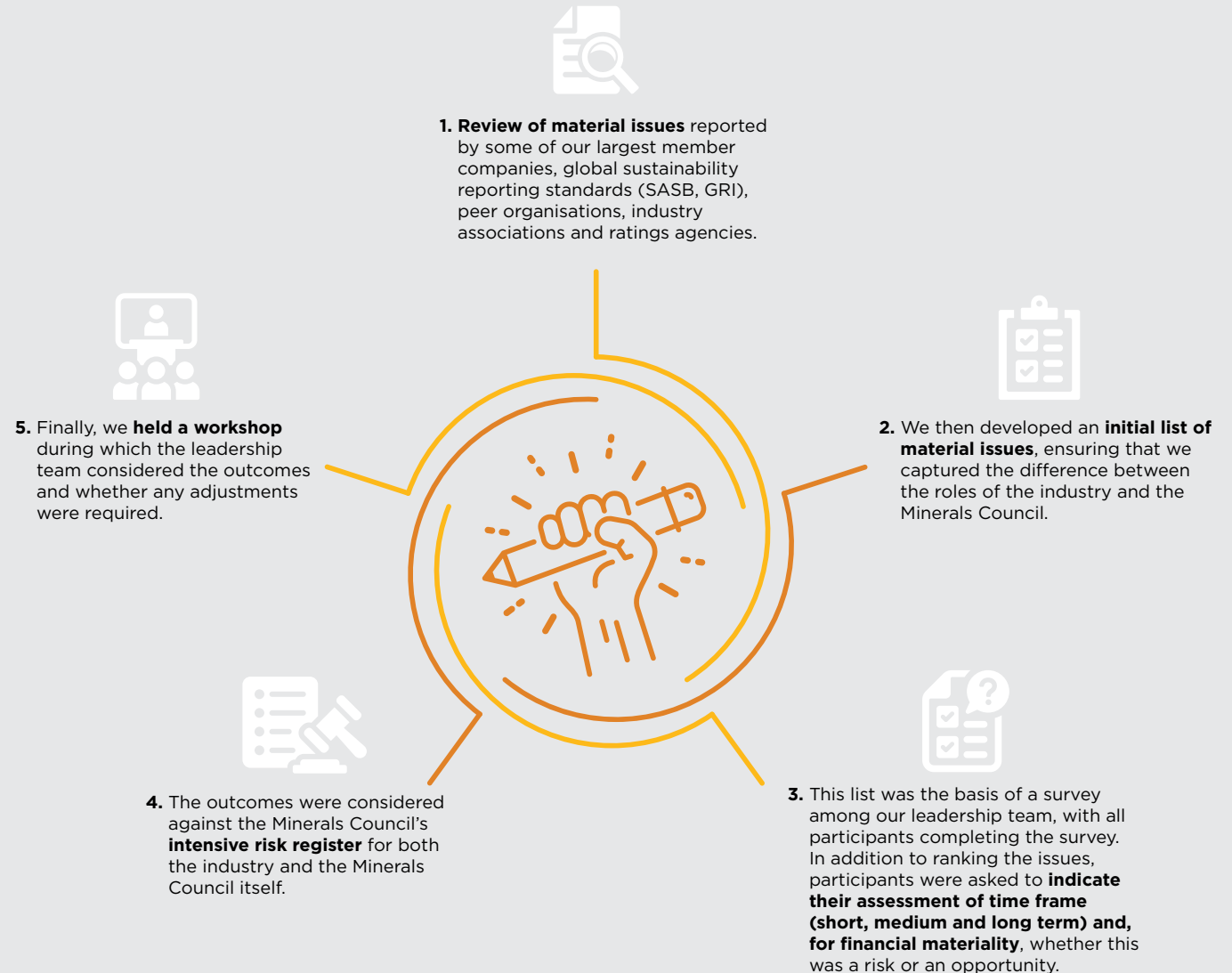
- **Impact materiality** defines how a company's activities, operations and value chain impact a broad range of internal and external stakeholders and the environment.
- **Financial materiality** defines how sustainability impacts related to the external environment and stakeholders have an impact on the financial performance, cashflows and prospects of the sector (Part 1) and the Minerals Council (Part 2).



### The outcome of this assessment:

- Has been used to inform the structure and content of this report
- Will be taken into account in the Minerals Council's own strategic planning processes

## We adopted a five-stage process:



## Assessing materiality and our material issues *continued*

### Part 1: industry perspective

In the first part of the materiality assessment, we delved into the broader landscape of our industry, conducting a comprehensive analysis that encompassed the collective voices and concerns of stakeholders within the sector. From environmental sustainability to social responsibility, this section offers insights into the material topics that resonate across the industry and our various stakeholders.

#### Top 16 material sustainability issues

##### Environment



- Access to water and water stewardship: the industry's ability to access water, and responsible stewardship of this shared resource
- Environmental performance: the industry's environmental performance (including impacts, emissions, engagement, provisions and compliance)
- Climate action: the industry's ability to mitigate the impacts of climate change, through a responsible transition to renewables and reducing greenhouse gas (GHG) emissions
- Responsible tailings management: responsibly managing tailings storage facilities (TSFs) to mitigate risks to people and the environment
- Rehabilitation and closure: planning and providing for, and ensuring effective rehabilitation and closure of, mining operations and supporting a transition to alternative land uses

##### Social



- Zero harm: continuously improving safety performance and safeguarding the health and well-being of employees through the adoption of leading practices
- Transformation and diversity: ensuring the transformation of the industry, and eliminating racism, sexism and sexual harassment
- Community development: supporting the socio-economic welfare of communities, today and in the future
- Skilled, engaged workforce: attracting and retaining talent, and developing a skilled and engaged workforce

##### Governance



- Crime and corruption: preventing any acts of corruption and working collaboratively to address crime
- Illegal mining and ASM: preventing illegal mining, while seeking to regulate and support small-scale mining activities
- Regulatory and political risk: navigating regulatory and political risk through appropriate risk management and engagement
- Community engagement: active engagement with communities to understand their needs, and to gain and maintain our social licence to operate
- Business ethics, governance and transparency: promoting and ensuring sound business ethics and the highest levels of corporate governance, and engaging with and reporting transparently to stakeholders

##### Economic



- Infrastructure and services: safeguarding, securing and improving access to infrastructure and services through collaboration and investment (including electricity, transport and water)
- Exploration and development: undertaking greenfield and brownfield exploration, developing new mining projects and extending the productive lives of existing mines

### Part 2: Minerals Council focus

In the second part of the materiality assessment, we looked at the unique challenges and opportunities facing the Minerals Council. With a tailored approach, we explored the specific issues that were significant to our organisation, reflecting the diverse interests and priorities of our stakeholders. Through targeted surveys and consultations, we aimed to capture the nuances of our operating environment, facilitating a deeper understanding of the issues that drive value creation and sustainable development within the Minerals Council.

#### Top 16 material sustainability issues

##### Environment



- Water stewardship and licensing: supporting the development of an enabling environment for effective water resource management and stewardship and providing guidance to members on their approach
- Environmental management: supporting the development of an enabling environment for effective water resource management and stewardship, and providing guidance to members on their approach

##### Social



- Zero harm: developing strategies for improving employee health and safety, encouraging the sharing of learning between members, and adopting leading practice
- Transformation and diversity: promoting efforts to achieve diversity, inclusion and transformation. This includes specific efforts supporting women in mining and the elimination of GBVF
- Community development: supporting members in developing structures and strategies to improve the socio-economic welfare of communities, today and in the future
- Skilled, engaged workforce: supporting the industry in attracting and retaining talent, and developing a skilled and engaged workforce
- Constructive labour relations: supporting the industry in respect of relations with organised labour, and fair and enabling labour legislation

##### Governance



- Crime and corruption: addressing and eradicating all forms of corruption, including through enhanced security, and eliminating organised crime
- Illegal mining and ASM: Supporting efforts to address illegal mining and supporting small-scale mining
- Regulatory and political risk: navigating regulatory and political risk in the interests of the industry, our members and society
- Community engagement: encouraging and facilitating practices for community engagement and support - social licence to operate
- Reputation: preserving and enhancing the reputation of the industry. Improving the understanding of the critical contribution mining makes to society and the economy
- Regulation and compliance: anticipating and influencing new regulation and supporting members in achieving compliance

##### Economic



- Infrastructure and services: supporting processes to improve access to efficient, reliable, affordable infrastructural services - water, logistics (road and rail) and electricity (especially renewables)
- Exploration and development: supporting strategies to promote greenfield and brownfield exploration, new mining projects and extending the productive lives of existing mines, including through enabling legislation and regulation
- Competitive, enabling environment: creating and maintaining a competitive, enabling, and conducive environment for mining

## Mining and the SDGs

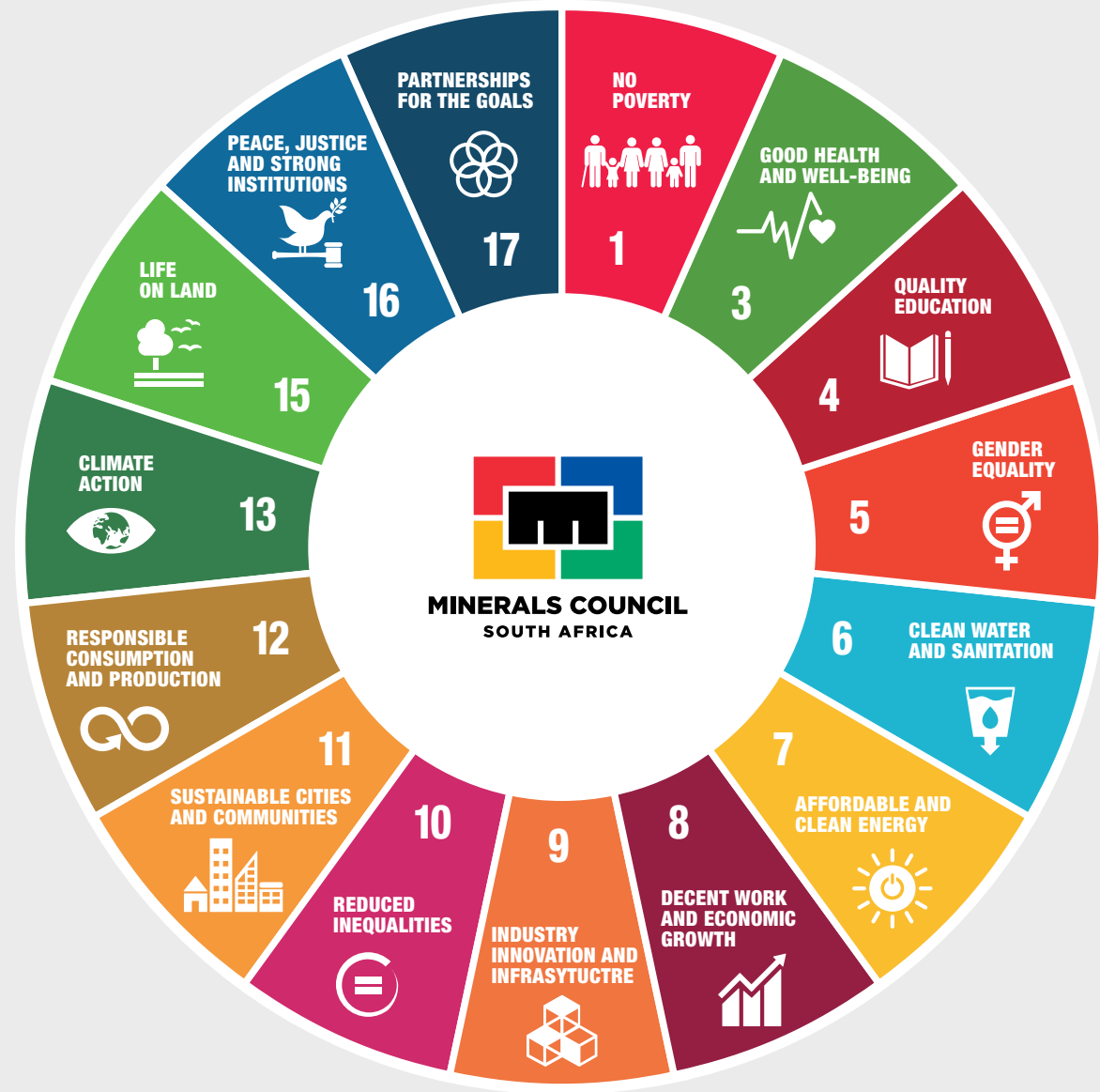


The 17 SDGs are at the heart of the 2030 Agenda for Sustainable Development which was adopted by all UN Member States in 2015.

The 2030 Agenda provides a shared blueprint for peace and prosperity for people and the planet. The SDGs, also known as the Global Goals, recognise that ending poverty and other deprivations needs to go hand-in-hand with strategies that improve health and education, reduce inequality and spur economic growth, all while tackling climate change and restoring our natural environment.

We endorse the SDGs and encourage our members to consider and meaningfully contribute to them, while reporting their progress on an ongoing basis. [Our business model](#), [Delivering on our strategy](#) and [Assessing our material issues](#) illustrate our alignment with the SDGs. The Global Goals are also supported by South Africa's NDP.










Some of the SDGs are not within the remit of the private sector to influence or achieve. However, there are many that the mining sector can directly contribute to, and a number that are best served through public and private partnerships.



## Mining and the SDGs *continued*

### Priority SDGs:

These are SDGs to which the Minerals Council and our members can make a direct contribution.

 <p><b>Targets: 3.3, 3.8</b></p> <ul style="list-style-type: none"> <li>Preventative healthcare (employees and communities)</li> <li>Focus on mental health</li> <li>HIV/AIDS and TB prevention and treatment</li> <li>Safety initiatives</li> </ul>	 <p><b>Targets: 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4a, 4b</b></p> <ul style="list-style-type: none"> <li>Investment in school infrastructure, and learner and educator support</li> <li>Provision of bursaries and scholarships</li> <li>Support to tertiary institutions (funding and infrastructure)</li> <li>Skills development and training (employees and communities)</li> </ul>	 <p><b>Targets: 5.1, 5.2, 5.5, 5b, 5c</b></p> <ul style="list-style-type: none"> <li>Advancing the role of women in mining</li> </ul>	 <p><b>Targets: 6.1, 6.3, 6.4, 6.6, 6b</b></p> <ul style="list-style-type: none"> <li>Investment in water infrastructure and shared resources (with communities and municipalities)</li> <li>Pollution prevention, reuse and recycling</li> <li>Mainstreaming of water conservation and water demand management</li> </ul>	 <p><b>Targets: 7.2, 7.3</b></p> <ul style="list-style-type: none"> <li>Reduction and optimisation of energy usage</li> <li>Transition to and investing in renewables</li> </ul>
 <p><b>Targets: 8.1.1, 8.2, 8.3, 8.5, 8.6, 8.8</b></p> <ul style="list-style-type: none"> <li>Promoting responsible sustainable growth</li> <li>Direct and indirect job creation</li> <li>Direct and indirect investment</li> <li>Enterprise development and local procurement</li> </ul>	 <p><b>Targets: 9.2, 9.5</b></p> <ul style="list-style-type: none"> <li>Investment in private and public infrastructure</li> <li>RD&amp;I</li> </ul>	 <p><b>Targets: 12.2, 12.4, 12.6, 12.7</b></p> <ul style="list-style-type: none"> <li>Materials stewardship and integration in the circular economy</li> <li>Waste minimisation, reuse and recycling</li> </ul>	 <p><b>Targets: 13.1, 13.3</b></p> <ul style="list-style-type: none"> <li>Decarbonisation of operations</li> <li>Support for mitigation, adaptation and impact reduction in respect of climate change</li> <li>Commitment to just energy transition</li> </ul>	 <p><b>Targets: 17.16, 17.17</b></p> <ul style="list-style-type: none"> <li>Support for national and regional initiatives against crime and corruption</li> <li>Promoting transparency in reporting</li> </ul>

### Important SDGs:

These are SDGs to which we can make an indirect contribution, often through partnerships with the public and private sector.

 <ul style="list-style-type: none"> <li>Direct and indirect job creation</li> <li>Payment of taxes and royalties</li> <li>Supporting basic services and infrastructure</li> </ul>	 <ul style="list-style-type: none"> <li>Promoting inclusive economic growth and transformation</li> </ul>	 <ul style="list-style-type: none"> <li>Investment in accommodation and infrastructure for employees and communities</li> <li>Respect for and protection of heritage sites</li> </ul>	 <ul style="list-style-type: none"> <li>Support for ecosystem services</li> <li>Sustainable rehabilitation options.</li> <li>Promoting and protecting biodiversity, including through offsets</li> </ul>
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## Mining and the SDGs continued

### Strategic partnership for the SDGs

**The Minerals Council has signed a memorandum of understanding (MoU) and became a strategic partner to the UN Global Compact Network South Africa in 2023.**

A task team within the Minerals Council has been set up to support the Voluntary National Review (VNR) Process that was established by the UN as an accountability mechanism. Through the VNR Process, UN member states assess and present their national progress on the 2030 Agenda, including their performance on the 17 SDGs.

The Minerals Council task team has participated in VNR Process dialogues (as voluntary keynote speakers and leading voices for specific roundtable topics) and has also contributed to the VNR report through the submission of information, particularly case studies. The case studies submitted are based on initiatives within the Minerals Council that are aligned to the SDGs which include:

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*“We endorse the SDGs and encourage our members to consider and meaningfully contribute to them, while reporting their progress on an ongoing basis”*

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- **The WiM initiative**, which focuses on leading by example in transforming the mining sector by breaking down barriers to entry, promoting equal opportunities for career advancement and fostering a supportive and empowering work environment for all. For more information on the WiM initiative, please visit: [www.mineralscouncil.org.za/womeninmining/](http://www.mineralscouncil.org.za/womeninmining/)



- **The Masoyise Health Programme** is a multi-stakeholder programme that leads the South African mining industry's commitment to fight TB, HIV and AIDS, occupational lung diseases (OLDs), NCDs and mental illnesses. The focus is on disease reduction, management and support. For more information on the Masoyise Health Programme, please visit: [www.mineralscouncil.org.za/work/masoyise](http://www.mineralscouncil.org.za/work/masoyise)



- **The Water Conservation and Water Demand Management (WC/WDM)** self-assessment reporting tool (WSART) supports government regulatory requirements for water use efficiency in mining. Facing water supply insecurity, the mining sector integrates WC/WDM practices to ensure sustainable water management. We spearhead the development of a user-friendly tool, addressing challenges in the allocation, development and protection of water resources. Mainstreaming WC/WDM ensures water use efficiency and pollution mitigation through systematic steps: avoidance, minimisation, mitigation and correction. Our ambition is to lead in developing tools for mining to implement WC/WDM principles, promoting sustainable mineral resource development and ensuring clean water and sanitation for all. For more information on the WC/WDM reporting tool, please visit: <https://www.mineralscouncil.org.za/work/environment/environmental-resources>

## Delivering on our strategy

**Our aim is to constructively engage our stakeholders for an enabling policy and social environment for the mining sector to ensure that it is stable, competitive and predictable to promote investment and transformation.**

Our Board approved a revised strategic plan at the September 2023 Board meeting after a strategic review in June 2023, resulting in the following four strategic goals (from five strategic goals previously). These new goals are aligned with our previous strategic plan, and this report has been structured to reflect progress under this new strategic plan.



**An enabling policy should be:**

1

- Stable, form clear intentions and outline expected long-term outcomes

2

- Competitive, distinguish the industry attractiveness in relation to safety of capital and returns

3

- Predictable, engaging on expected changes through policy impact assessments and hence promote investment and sustainable growth and transformation



### STRATEGIC GOAL 1

**Drive the development of a shared vision for a globally competitive mining industry that is a significant contributor to South Africa's economy and supported by all stakeholders.**



### STRATEGIC GOAL 2

**Advocate and lobby for a policy, infrastructure and social environment that is conducive to investment and growth of the industry and maximises the benefit for the country from its mineral endowment.**



### STRATEGIC GOAL 3

**Communicate progress and impact of aggregate EESG performance and adoption of leading practices.**



### STRATEGIC GOAL 4

**Ensure continuous improvement of the effectiveness and service of the Minerals Council to members.**

# STRATEGIC GOAL 1 – Driving the development of a shared vision for a globally competitive mining industry that is a significant contributor to South Africa’s economy and supported by all stakeholders



## STRATEGIC GOAL 1

### Our objectives:

#### Objective 1.1

Lead the industry agenda for structural change, ethical leadership and good governance to arrest the decline and stabilise volume output to position the industry for growth, through partnerships for business advocacy and impact.

#### Objective 1.2

Build and promote a positive image and reputation of the mining industry and deploy the Minerals Council brand for a reimagined mining industry integral to growth and development.

#### Objective 1.3

Successfully alleviate and prevent the negative impacts of mining legacy issues (viz. migrant labour, poor living conditions, social wage, acid mine drainage, derelict and ownerless mines, mine rehabilitation, outstanding payments of compensation for OLDs and pension funds) in collaboration with stakeholders.

#### Objective 1.4

Promote RD&I to modernise the mining sector through adoption of relevant technology applications.

Material matters	Principal risks	SDGs
<ul style="list-style-type: none"> <li><b>Zero harm:</b> developing strategies for improving employee health and safety, encouraging the sharing of learning between members, and adopting leading practice</li> <li><b>Community development:</b> supporting members in developing structures and strategies to improve the socio-economic welfare of communities, today and in the future</li> <li><b>Skilled, engaged workforce:</b> supporting the industry in attracting and retaining talent, and developing a skilled and engaged workforce</li> <li><b>Crime and corruption:</b> addressing and eradicating all forms of corruption, including through enhanced security, and eliminating organised crime</li> </ul>	<ul style="list-style-type: none"> <li><b>Community engagement:</b> encouraging and facilitating practices for community engagement and support – social licence to operate</li> <li><b>Reputation:</b> preserving and enhancing the reputation of the industry. Improving the understanding of the critical contribution mining makes to society and the economy</li> <li><b>Infrastructure and services:</b> supporting processes to improve access to efficient, reliable, affordable infrastructural services – water, logistics (road and rail) and electricity (especially renewables)</li> </ul>	<ul style="list-style-type: none"> <li><b>Risk to investment in South Africa</b></li> <li><b>Policy and socio-economic risks</b></li> <li><b>Health and safety risks</b></li> </ul>
		<ul style="list-style-type: none"> <li><b>SDG3:</b> Good health and well-being</li> <li><b>SDG6:</b> Clean water and sanitation</li> <li><b>SDG8:</b> Decent work and economic growth</li> <li><b>SDG9:</b> Industry, innovation and infrastructure</li> <li><b>SDG10:</b> Reduced inequalities</li> <li><b>SDG16:</b> Peace, justice and strong institutions</li> </ul>

### Our performance:

#### Promoting ethical leadership and good governance

In 2023, we continued to work closely with organised business in South Africa and the ICMM at a global level in setting a business agenda for transformative change and good governance. We also strengthened and formed new relationships with key business, labour, community, government, parliamentary and religious groupings to establish mechanisms for ongoing collaboration and engagement on strategic country and mining industry matters.

All our member companies are signatories to the Minerals Council’s Membership Compact, which is regularly assessed, and modifications are considered to align with changing issues and circumstances.

#### Management of legacy issues pertaining to occupational lung diseases

The ODMWA 78 of 1973 governs the lifelong monitoring and surveillance of current and former miners and provides for the evaluation of both former and active miners for possible compensable OLDs (TB, silicosis and four other OLDs):

- The surveillance of an active miner is stipulated under the MHSA and is the responsibility of the employer
- The certification of the defined compensable diseases is done by the MBOD. The bureau falls under the DoH

- The office of the CCOD, also under the DoH, is responsible for the payment of compensation for occupational diseases
- ODMWA stipulates that all employees should be monitored for silicosis by undergoing two benefit medical examinations a year. Even when miners leave the employment of the mines, the MBOD must ensure that the examinations continue to be done twice a year.

An employee who develops silicosis qualifies for compensation, depending on the degree of lung impairment, the employee is compensated for first- or second-degree impairment. Qualification for second-degree impairment, either at work or at home, entitles the employee to higher compensation.

ODMWA only covers compensation for the heart and lung impairment of current mineworkers (approximately 480,000) as well as for former mineworkers both in South Africa and outside the country as per historical recruitment practices (estimated at about 1.5 million).

- Other health-related concerns for mineworkers (and the rest of the approximately 15 million employees in other sectors in South Africa) are covered by the Compensation for Occupational Diseases Act (COIDA). COIDA is administered by the DEL and is implemented by Rand Mutual Assurance on behalf of the DEL in the mining industry.

- Since 2019, the Minerals Council and its members have provided funding in excess of R600 million for the enhancement and optimisation of business efficiencies at the MBOD/CCOD.

This funding over the past five years has resulted in several benefits to current and former mineworkers as well as to Minerals Council members:

- For current and former mineworkers: efficient service delivery and improved benefits
- For member companies: cost reflective levies and good governance

#### Resolving issues relating to foreign employees

Migrant labour is an important part of South Africa’s mining industry. A matter that needs full resolution in respect of foreign labour relates to visa requirements to enable companies to continue employing migrant workers. In 2023, we continued our engagements with the DHA and DEL to convert from the old system of an indefinite corporate permit to one of a three-year corporate visa.

Following the 2018 amendment of the Unemployment Insurance Act to cater for Unemployment Insurance Fund (UIF) contributions by foreign nationals, the industry has been seeking to prevent a new set of outstanding legacy claims arising from the non-payment of UIF benefits to foreign former

## STRATEGIC GOAL 1 – Driving the development of a shared vision for a globally competitive mining industry that is a significant contributor to South Africa’s economy and supported by all stakeholders *continued*

mineworkers as they were not contributing to the UIF prior to the Act amendment.

Employees from Botswana, Lesotho, Eswatini and Mozambique cannot access UIF benefits in their countries due to the absence of UIF systems and infrastructure there. The Minerals Council presented a proposal for TEBA to act as an agent of the UIF and utilise its footprint and infrastructure in these countries for the processing and payment of benefit claims. The UIF agreed to consider the proposal but has not yet given a response. The Minerals Council plans to obtain a seat on the UIF Board to try and influence matters from within.

The Minerals Council also dealt with the challenge regarding access by family members to the estates of deceased former mineworkers from Botswana, Lesotho, Eswatini and Mozambique. The law regarding the administration of estates of foreign nationals is quite stringent and presents a barrier for surviving family members. The Minerals Council engaged with the Master of the Bloemfontein High Court, TEBA and the Lesotho District Administrator (DA) to explore solutions to identified challenges. The parties agreed to cooperate and conclude a MoU covering monetary thresholds, guidelines for the DA’s office, communication and outreach campaigns and capacity building. Engagements are ongoing in respect of Botswana, Eswatini and Mozambique.

We finalised the Nedlac engagements on the Employment Services Amendment Bill in the second half of 2023, with a Nedlac report completed. While the Minerals Council did not achieve all that we set out to achieve, the final product reflects a balanced compromise between the various interests. The next step is for the Bill to be tabled in Parliament. Meanwhile we are continuing with engagements on the national labour migration policy framework.

In 2024, we will focus on:

- Resolving the tax issue for Mozambican employees
- Ensuring the smooth conversion from the old corporate work permit to the new corporate visa regime

- Addressing the factors constraining corporate visa applications by our members
- Fostering cooperation with the South African Master’s office and TEBA to resolve the issues impacting the finalisation of former mineworkers’ deceased estates
- Shaping policy decision making on key labour legislation to ensure a favourable labour relations operating environment for the industry
- Promoting labour peace and stability in our members’ operations through constructive dialogue with organised labour and other key stakeholders

### Accommodation and living conditions

The Minerals Council initiated engagements with the National Housing Finance Corporation (NHFC) to address some of the key constraints encountered in accessing the national housing subsidy scheme. The scope of the subsidy has been extended to cover home ownership on tribal land. This is an important development as it will enable employees to build their own homes in the labour-sending areas and on unproclaimed land. The NHFC and the Minerals Council agreed to explore areas for cooperation.

The Minerals Council also engaged with the North West Department of Human Settlements to address members’ concerns regarding the application process for the province’s government housing subsidy scheme. The Minerals Council developed a guideline to assist members with subsidy applications, which will help to fast track the application process. In addition, we developed an income template which we submitted to the department. The template was approved and is now being used by the department to assess subsidy applications.

In 2024, we will focus on:

- Resolving subsidy-related constraints to the promotion of home ownership
- Promoting the visibility of members’ housing initiatives through appropriate and relevant messaging

### Fostering collaboration through MIASA

The annual in-country MIASA meeting was hosted in Antananarivo, Madagascar, in September 2023 at which critical minerals were a topical issue. The collective of chambers of mines reported on how their governments were dealing with related issues such as the export of critical minerals without local beneficiation. The Namibian government had recently followed the Zimbabwe government in banning the export of unprocessed critical minerals. It was recognised by the collective that it was important for the region to get the most out of the critical minerals boom for the benefit of the region. It was decided that it was imperative for MIASA to develop a position on critical minerals, focused on the SADC region, and informed by individual country imperatives and the collective of its members.

The various chambers of mines’ country representatives also shared mining industry data and learnings from their countries relating to health, safety, logistics, economic performance, minerals legislation, royalty taxes, environmental sustainability, transformation and modernisation.

In 2024, we will focus our efforts on compiling and adopting a SADC region-appropriate critical minerals position.

### Driving innovation and RD&I in the mining industry

The Minerals Council continued its five-year (2022-2026) strategic partnership for people-centred modernisation with the Research Institute for Innovation and Sustainability (RIIS) aimed at strengthening South Africa’s mining innovation ecosystem. This partnership is guided by the RIIS Modernisation Partnership Project Charter, which in 2023 focused on:

- Fostering leadership consensus and innovation
- Strengthening the mining innovation ecosystem: *A Mining Innovation Ecosystem Review* was released in 2023 to understand the status of the ecosystem and recommend ways to strengthen it further
- Supporting cluster partners
- Demonstrating the value of inclusive modernisation processes and tools

### Supporting cluster partners

Mining cluster acceleration through climate change action technology integration: The Mpumalanga Climate Change Technology 30-Year Futures Plan study stands out as a hallmark project that recognises the pressing need to address the challenges posed by climate change. This initiative was developed to gain a deeper understanding of the social and economic dynamics of an energy transition as well as climate change efforts in Mpumalanga.

This study was used to explore opportunities to deal with climate change through technology. It identified opportunities for technology applications such as energy efficiency and floating solar technologies to achieve the 2050 net-zero and decarbonisation targets, while addressing youth unemployment and reducing the impacts on the coal labour force, ensuring a just energy transition. Through an extensive review and technology scouting, the resulting technology roadmap offers a strategic focus on mitigation, adaptation and just energy transition.

Demonstrating the value of inclusive modernisation processes and tools: following the aftermath of the Jagersfontein TSF disaster, the Minerals Council initiated a comprehensive geospatial analysis project, leveraging advanced geographic information system (GIS) capabilities, high-resolution satellite imagery and machine learning algorithms to pinpoint high-risk TSFs and propose preventative measures. The initiative achieved a 91% accuracy rate in detecting complex land-cover features from remote sensing images (such as locating and identifying the composition of TSFs), highlighting the potential of earth observation data and AI to reinforce the safety and environmental stewardship of mining operations across South Africa, in a rapid and cost-efficient manner.

### The MMP

In 2023, the MMP team expanded its RD&I partner and collaborator pool, establishing and operationalising five South African Mining Extraction Research, Development and Innovation (SAMERDI) Research Centres (SRCs), one for each MMP programme at four participating universities.

## STRATEGIC GOAL 1 – Driving the development of a shared vision for a globally competitive mining industry that is a significant contributor to South Africa’s economy and supported by all stakeholders *continued*

The universities and number of research centres are as follows:

- University of the Witwatersrand one for research on real-time information management systems and another for research on successful application of technology centred around people (2)
- University of Johannesburg for research on extending the longevity of current mines (1)
- University of the Free State for research on advanced orebody knowledge (1)
- University of Pretoria for research on mechanised mining systems (1)

These universities were selected based on centres of excellence that already exist. As part of the agreements with the SRCs, the MMP has to involve historically disadvantaged universities in its work.

In its efforts to promote human capital development, the MMP has continued recruiting interns as well as including postgraduates on research projects.

An important project by the MMP was the establishment of an underground test facility to analyse, develop and demonstrate new technologies for the modernisation of mining. A rigorous feasibility study and legal framework was completed with positive outcomes, resulting in an MoU between Royal Bafokeng Platinum (now Impala Bafokeng), the CSIR and the Minerals Council. The focus going forward is to equip and operationalise the testing facility, although some low-risk testing and research is already underway.

In 2024, we will focus on strategic initiatives including:

- Commercialising research outcomes
- Completing a Critical Minerals Competitiveness Assessment
- Circularity through the newly launched South African Circular Minerals and Metals Initiative
- Leveraging additional funding
- Progressing the underground test mine to test MMP innovations

- Developing human capacity and capability through universities and other institutions

### Improving social performance and licence to operate

In 2023, we continued planning and implementing member-led collaboration initiatives in high-priority mining areas in Limpopo (Far Eastern Limb - FEL), North West and the Northern Cape.

- In the FEL, the focus continued to be on the funding of significant infrastructure projects, the most advanced being a more than R100 million steel bridge replacement project. Other projects included upgrading old or building new water treatment works and three police stations. The industry and members of the Lebalelo Water Users Association continued exploring extension of access to water by both the industry and communities.
- In the North West, the industry is supporting Magalies Water on the Brits Water Treatment Works in Madibeng Municipality.
- In the Northern Cape, the viability of additional socio-economic development initiatives was conducted by The Impact Catalyst, a multi-stakeholder structure and the industry.

### Regional offices providing support

Our work through the regional offices in Mpumalanga and the Northern Cape focused on improving stakeholder engagement to improve industry relationships with stakeholders and foster collaboration between members operating in the same regions. In the Northern Cape, our engagements with the Office of the Premier have been institutionalised, paving the way for proactive engagements on issues of mutual concern.

To ensure that regional collaborative work between mining companies is a priority, the Northern Cape office also facilitated and led the drafting of terms of reference for collaboration on current, approved SLPs. In line with MPRDA Regulations, these terms of reference make provisions for the amendment of SLPs which generally run over different periods for different mining operations.

The Minerals Council continued driving initiatives in the Northern Cape through The Impact

Catalyst, a non-profit entity that was established by member companies.

The Vaal Gamagara Water Supply Scheme continued to be the most significant and challenging collaborative project for the mining industry. The scheme’s aim is to supply water from the Vaal River to the arid areas of the Gamagara Valley, starting 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 – as well as to host communities in those areas. The industry remains committed to funding 56% (R5.9 billion) of the cost of refurbishing that pipeline for Phase 2, and the remaining 44% will be provided for by the DWS and the Vaal Central Water Board (which is the result of the integration of Bloem Water and the dismantled Sedibeng Water).

Another major joint project that mining companies focused on in 2023 was the upgrade of a 42km stretch of the R380 road between Kathu and Hotazel. Other joint industry projects under the auspices of The Impact Catalyst, included:

- A waste tyre facility
- A cattle farming programme
- A project to provide Wi-Fi to seven schools
- A social employment fund programme supported by the Industrial Development Corporation
- The development of the Kathu Industrial Park

Our work in Mpumalanga continued to focus on engagements with all spheres of government,

particularly local and district municipalities and several provincial departments. Engagements now include discussions on the impact of climate change on host communities and possible mitigation measures. More importantly, alignment between industry and government on the appropriate institutional engagement framework, was a key focus area for the Mpumalanga office in 2023.

The introduction of the District Development Model (DDM) by the Department of Cooperative Governance and Traditional Affairs (CoGTA) has refocused development efforts by municipalities on the importance of planning. As a key player in the economic landscape, our regional office contributed to several DDM-focused discussions and workshops.

### Driving the skills development agenda

As an organisation that represents more than 90% of mineral production by value we are ideally positioned and recognised by the various national, regional and sectoral institutions, organisations and stakeholders as the voice of industry. As a result of this, we are members of the governance structures of various strategic skills development platforms like the Human Resource Development Council of South Africa (HRDC SA), National Skills Authority, MQA, Quality Council for Trades and Occupations (QCTO) and other significant platforms. These roles enable us to influence the narrative, strategies, policies, legislation and regulations on skills development for the sector and the broader business sector.



Royal Bafokeng Platinum - Housing project

## STRATEGIC GOAL 1 – Driving the development of a shared vision for a globally competitive mining industry that is a significant contributor to South Africa’s economy and supported by all stakeholders *continued*

Some engagements and initiatives in which we played a significant role during 2023 are:

1. Collaborating with the Department of Higher Education and Training (DHET) in reviewing and improving Technical Vocational Education and Training (TVET) learning materials for mining-specific engineering trades
2. Working with industry to unpack the challenges in the Annexure E Booklet, which is completed as a prerequisite to sit the DMRE Government Certificates of Competence examinations
3. Starting engagements with the DHET to partner and support TVET colleges that are identified as centres of specialisation in mining regions and mining specific occupational trades – this work continues in 2024

In 2024, we will largely focus on:

- Ensuring that the occupational qualifications and skills programmes that are relevant to the mining sector are developed and registered with the QCTO
- Ensuring the alignment of the draft MSHA Chapter 2 regulations with industry views and concerns, and advocating an industry friendly solution
- Through engagements with the MQA, advocating and lobbying for skills development policies, strategies, skills grant funding and incentives that would drive the skills development agenda of our members and sector

### Open and transparent communication with members, stakeholders and the public

The work of the Communications Department was informed by Strategic Goal 1 and Objective 1.2 to build and promote a positive image and

reputation of the mining industry and deploy our brand for a reimagined mining industry that is integral to growth and development.

Working within the Public Affairs and Transformation Team, the Communications 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 Minerals Council’s lobbying and advocacy roles and functions as well as the initiatives in which we are involved on behalf of our members. The relevance of mining and its positive impact on the country, society, employees and communities is the underlying theme in all our engagements.

The department regularly engages member companies’ communications practitioners to achieve alignment, understanding and comprehensive information sharing on industry-wide issues.

Media relations are open, engaged and transparent to ensure a fair reflection of, and reporting on, the work that we do on behalf of our members and the broader mining industry to ensure that we are a vibrant sector that contributes meaningfully to communities, society and the country as we strive to confirm that #MiningMatters.

Our narrative underwent a shift during the year under review to a more assertive tone, highlighting that mining matters to employees, communities, society and the economy, after our Board approved our revised strategic goals and objectives/strategic plan and changed the vision statement of the organisation to “mining matters for South Africa” (#MiningMatters) from “making mining matter for South Africa” (#MakingMiningMatter).

Key documents related to this position include the *Facts and Figures Pocketbook 2022* released in February and the *Comprehensive Facts and Figures 2022* in November. These sought-after publications clearly outline the total contribution of mining to the economy and society as well as

a breakdown by commodity. Communications stress the cooperative and collaborative nature of our engagements with stakeholders as we strive to create a globally competitive mining industry that is a significant contributor to, and partner in, the economy.

Our communications share progress on our strategic objectives and include telling good news stories to highlight the positive impact and relevance mining has on the economy and society. Our communication initiatives remain evidence-based and highlight industry proof points through a wide variety of platforms.

Following the Chamber of Mines renaming, rebranding and repositioning in 2018, we commissioned an audit in late 2022 to assess the Minerals Council’s brand health and reputation among key stakeholders in the mining industry, mine communities and the general public. The brand health and reputation audit was conducted by HKLM and included a strength, weakness, opportunities and threats (SWOT) analysis as well as recommendations that formed the foundation for our media strategy and plan for 2023 and beyond.

In April 2023, the findings released indicated that our brand is well-defined, with a good, strong reputation and that the organisation is still relevant. The Minerals Council is recognised as the principal voice and champion for the mining industry in engagements with the Government, industry partners and, more broadly, because we have the best interests of the sector and South Africa at heart.

One of the key findings in the HKLM report was the need to use more positive stories to illustrate mining’s contribution to communities, society and the economy. The Board adopted the four revised strategic goals and associated objectives with the vision statement: #MiningMatters, which will form the bedrock of our communications in 2024.

During 2023, health and safety were an area of critical focus after the industry recorded its lowest number of fatalities in 2022. The mining industry reported its first fatality-free month in January 2023. The year was marked by various safety and health campaigns, particularly towards the end of the year, to supplement the campaigns of member companies or as stand-alone campaigns for smaller companies not in a position to develop



## STRATEGIC GOAL 1 – Driving the development of a shared vision for a globally competitive mining industry that is a significant contributor to South Africa’s economy and supported by all stakeholders *continued*

their own. The Khumbul’ekhaya year-end safety and health awareness campaign for the final weeks of the working year as well as for the festive season travels, along with the Masoyise Health Programme various campaigns, were translated into five languages and various forms of communication for member companies to use.

At the onset of the cholera outbreak in South Africa, we prepared a cholera awareness campaign for member company use, which included posters, animations and fact sheets in five languages coupled with a social media campaign in June. Through our social media campaign, we reached an estimated 840,000 people, while our related materials were downloaded 451 times from the Minerals Council website.

We also launched the inaugural FOGAP quarterly newsletter in May, to keep the industry and our stakeholders informed of developments, initiatives and programmes to reduce fatalities and injuries resulting from falls of ground. This newsletter has been well received with nearly 4,000 downloads of the three 2023 editions, which excludes the wide dispersal of the newsletter by email to member companies, the media and industry stakeholders. On the back of the success of the FOGAP newsletter, we introduced a WiM newsletter to update our internal and external stakeholders about our work and that of our members in this area.

The Minerals Council was a consistent champion of the three workstreams on energy, transport and logistics, and crime and corruption within the Presidency and B4SA, including high levels of mining industry participation on the Corridor Recovery Teams. While the provision of energy, and rail and port services deteriorated further during 2023, we continued to support the public-private sector collaboration which, in the latter part of the year, began delivering much-anticipated green shoots of regulatory reforms. We did not shy away from highlighting the negative consequences on the mining industry of disrupted electricity supply and rising costs, and dysfunctional rail and

port services. We welcomed the appointment of the new Transnet board in July 2023 after being at the forefront of engagements with the Government and the previous board to arrest the decline of Transnet’s services.

The role the mining industry is playing in the private sector’s renewable energy initiatives was highlighted. This presented an opportunity to highlight the positive role the sector plays in decarbonising South Africa’s economy, mitigating the risks arising from local and foreign carbon taxes, and greening mining operations while securing predictable energy supply and prices.

We welcomed the appointment of Mzila Mthenjane as Minerals Council CEO during the 2023 AGM in May. Towards the end of the year, using the Joburg Indaba in October as a platform, the new CEO’s profile was raised in public through print, online and broadcast interviews, editorials and social media.

Our communications during the year 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 various challenges. An example was the partnership between the Minerals Council and our members in the Northern Cape to complete the first phase of the project to refurbish the Vaal Gamagara Water Supply Scheme to ensure water is supplied to communities, mines, agriculture and other businesses in the province. With water disruptions becoming an increasingly critical factor in South Africa, this will be a key area of our communications in 2024.

We have maintained communications, events and awareness of the WiM initiative and the national challenge of GBVF. A sub-site within the Minerals Council’s website was established and populated with material and information during the year to provide ready access to all our WiM initiatives, literature and actions by member companies. As safety is a critical aspect of the mining process, we sought to celebrate women who have made a

remarkable contribution to making mining safer in their respective organisations by highlighting the WiM Safety Heroes, thus promoting the role of women in a traditionally male-dominated industry.

Communications focused on going beyond the traditional communications channels of media statements and social media by using public events like conferences to articulate 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 2023, 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.

### Communication channels

Usage statistics increased as our website continues to be an important communications tool. During 2023, there were more than 52,200 downloads of media statements, various publications, fact sheets and presentations compared to a total of 23,030 downloads in 2022. The single largest download for the year under review was the *Facts and Figures Pocketbook 2023* with 10,000 downloads. Website users downloaded the media statement about Mzila Mthenjane’s appointment 3,400 times, making it the second-most popular media statement after the statement about the *Facts and Figures Pocketbook 2023* launch with 5,200 downloads.

Of the top 20 downloads, media statements made up half of the total, with the *Integrated Annual Review 2022*, the new corporate profile, the climate change fact sheet, the innovation ecosystem review, the WiM Safety Heroes, the FOGAP and WiM newsletters making up the balance. This was a far more balanced range of downloads compared to the previous year when 14 of the top 20 downloads were media statements.

The Minerals Council realised an advertising value equivalency of R197.5 million during 2023, a 7.3% increase compared to 2022. The number

of media clips for the year were steady at 2,708 compared to 2,738 the year before.

On our X (formerly Twitter), LinkedIn and Facebook social media platforms, there were notable engagements on our cholera awareness campaign, which was by far the most read on LinkedIn and Facebook, as well as the #StopAbuseOfWomen campaign. This suggests Minerals Council’s users access these platforms for informational and educational purposes. There was also a high level of interest in the media statements we issued across all three platforms.

Over the course of the year, we executed a diverse array of campaigns on social media ranging from awareness initiatives to educational endeavours, informative updates, media releases and more. These posts generated significant engagement and responses from users, with an overall positive reception from the online community. Complemented by our routine website updates, our social media channels have effectively served as a central information hub, delivering consistent updates, valuable insights and industry news to our users and followers regarding the Minerals Council and the mining sector.

## STRATEGIC GOAL 2 – Advocating and lobbying for a policy, infrastructure and social environment that is conducive to investment and growth of the industry



### STRATEGIC GOAL 2

#### Our objectives:

##### Objective 2.1

Engage government (and other stakeholders) on relevant policies, legislation and regulations to create an enabling environment that is stable, competitive and predictable to promote and facilitate mining investment and growth.

##### Objective 2.2

Partner with government, regulators, SOEs, labour and communities to resolve infrastructure challenges (electricity supply and prices, rail, ports and water); social development in mining communities (housing, schools, clinics); and crime (as it affects mining through illegal mining, product theft, theft of mining supplies, criminal syndicates).

Material matters	Principal risks	SDGs
<ul style="list-style-type: none"> <li>• <b>Skilled, engaged workforce:</b> supporting the industry in attracting and retaining talent, and developing a skilled and engaged workforce</li> <li>• <b>Illegal mining and ASM:</b> Supporting efforts to address illegal mining and supporting small-scale mining</li> <li>• <b>Regulatory and political risk:</b> navigating regulatory and political risk in the interests of the industry, our members and society</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Community engagement:</b> encouraging and facilitating practices for community engagement and support – social licence to operate</li> <li>• <b>Regulation and compliance:</b> anticipating and influencing new regulation and supporting members in achieving compliance</li> <li>• <b>Infrastructure and services:</b> supporting processes to improve access to efficient, reliable, affordable infrastructural services – water, logistics (road and rail) and electricity (especially renewables)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Risk to investment in South Africa</b></li> <li>• <b>Policy and socio-economic risks</b></li> <li>• <b>Health and safety risks</b></li> </ul>
		<ul style="list-style-type: none"> <li>SDG3: Good health and well-being</li> <li>SDG6: Clean water and sanitation</li> <li>SDG12: Responsible consumption and production</li> <li>SDG13: Climate action</li> <li>SDG15: Life on land</li> <li>SDG16: Peace, justice and strong institutions</li> </ul>

#### Our performance:

As a mining industry advocate and lobbying organisation, the work we have done over the years has contributed to more certainty on the Mining Charter. In addition, we have strengthened our relationships with stakeholders such as communities, government and regulators. In 2023, we continued to engage government on legislation that advances investment and is inclusive of mining industry growth.

Working with member companies in the Northern Cape, we engaged government, community groupings and business forums to diffuse discontent and establish good rapport between all stakeholders. These engagements will culminate in the establishment of an inclusive stakeholder engagement framework. In Mpumalanga, we and our members in the region eased mounting tensions by providing Emalaheni Local Municipality with a much-needed electrical transformer.

As part of a broad review of the MPRDA, the Minerals Council conducted a deep dive on the myriad of challenges faced by the mining sector. Along with a comparative legal review, this work will inform recommendations to the DMRE on major policy issues that need to be addressed for the mining sector to realise its full potential.

In the freight logistics area, sustained pressure for change from the Minerals Council culminated in the resignation of senior management at

Transnet. In 2023, the mining industry had fruitful engagements with the interim Transnet leadership and the new board about collaborating to stabilise the operational performance of Transnet freight, rail and the ports.

#### Legislative and policy interventions

Advocacy and lobbying for enabling legislation are a primary and enormous area of focus. Key legislative and policy engagements included the following;

##### *National Environmental Management Act (NEMA) 107 of 1998 Financial Provision Regulations*

The Minerals Council continued to engage extensively with the DFFE, highlighting the implications of continuous extensions and delays in the finalisation of the revised NEMA regulations and resulting in undesirable policy uncertainty for the industry.

These engagements culminated in the officials of the department providing certainty in terms of the timelines for the finalisation of regulations. On 4 December 2023, the DFFE published a notice on the extension to the transitional timeframe on financial provision regulations by another 12 months from February 2024. The Minerals Council also discovered that the department intends to finalise another version of the proposed amendments on the NEMA Financial Provision Regulations for consideration as soon as possible.

##### *Proposed amendments to the Environmental Impact Assessment Regulations, 2014 (as amended) and Listing Notices 1,2,3 of 2014, as amended*

Following the publication of the Environmental Impact Assessment Regulations, the Minerals Council extensively reviewed, analysed and engaged members on its amendments. Consequently, we developed a submission which gives a holistic overview of the mining industry's challenges such as the listings notices, definitions and the application for amendment of the environmental management programmes. This was followed by a successful engagement with the DFFE.

##### *Draft National Appeal Regulations*

Applications for Environmental Authorisation in respect of mining activities are generally met with numerous appeals. While we appreciate the appeal mechanism as a funnel for interested and affected parties to ventilate their concerns, the Minerals Council's contention on this matter is around the procedures and timelines in the administration of appeals.

The DFFE does delay the administration of appeals, in some cases stretching these to over a year. Thus, when the National Appeal Regulations were published in Government Gazette No 49189 on 25 August 2023, the Minerals Council immediately initiated a discussion paper with members, detailing provisions of concern. This



## STRATEGIC GOAL 2 – Advocating and lobbying for a policy, infrastructure and social environment that is conducive to investment and growth of the industry *continued*

effort ultimately culminated in a submission that captures the concerns of the industry, while adding recommendations to boost the administration process.

Some of the key features in the regulations are new provisions relating to answering statements and additional information – potentially extending timeframes, lodging of an appeal suspending the Environmental Authorisation decision consequently halting the mining operation, misalignment between the provisions of the regulations and the act, and the timeous processing of applications.

### *Development of the carbon budgets and mitigation plan regulations*

The Minerals Council conducted a series of engagements on its members' positions regarding the carbon budget and mitigation plans regulations through BUSA and directly with the DFFE. During these discussions, we emphasised that the regulations should align with the requirements of Section 24 of the Climate Change Bill, which outline the factors the DFFE Minister must consider when allocating a carbon budget.

In addition, we urged the DFFE to ensure that the allocation of the carbon budget does not negatively impact the sustainability of mining production. These proposals were subsequently discussed and accepted by the DFFE on 7 December 2023 for consideration in the development of the regulations.

### *Proposed regulations for implementing and enforcing Priority Area Air Quality Management Plans*

The DFFE republished the proposed regulations for implementing and enforcing Priority Area Air Quality Management Plans during the period under review. The draft regulations set out the requirements necessary for implementing and enforcing any approved Priority Area Air Quality Management Plans. They also provide for mandatory implementation of interventions, mechanisms for government to monitor and evaluate the effectiveness of the plans, transitional arrangements as well as the activation of enforcement measures where non-compliance is identified.

These draft regulations included recommendations made by the Minerals Council in the previous

draft regulations. The latter included that mining companies must submit their Emissions Reduction and Management Plan (ERMP) to the national department and not the municipality or province. The mining industry proposed that the provision to submit ERMPs be deleted, arguing that this was practically impossible, given the number and variety of companies within a priority area.

In the current draft regulations, the Minerals Council stated that the regulations need to:

- Define the emission reduction targets and further explain how these will be developed
- Provide clarity on where the ERMP submitted for noting and approval is in the process
- Recognise situations in which a company has exhausted the available reduction, to a point where there are no least cost opportunities available

The Minerals Council anticipates further engagements on the draft regulations soon after they are amended.

### *The draft National Regulations for the Management of Mercury in South Africa*

The DFFE published the draft National Regulations for the Management of Mercury in early 2023 and, subsequently, the amended regulations towards the end of 2023. In both cases, the Minerals Council submitted comments to the DFFE mainly emphasising the non-use of mercury in the mining industry and this was acknowledged in the subsequent draft regulations. In fact, most of the concerns raised in the initial submission were taken into account. We submitted comments on the latest regulations which were general and non-substantive in nature.

### *Revision of Regulation GN704*

The DWS afforded the Minerals Council an opportunity to submit written representations on the revision and update of regulations on the use of water for mining and related activities aimed at protecting water resources (GN704 Regulations).

Following the stakeholder consultation workshop held on 29 November 2022, which enabled robust engagement with the mining industry on pertinent issues, the Minerals Council prepared and submitted comprehensive comments on the draft revised regulations in January 2023 for consideration by the DWS prior to gazetting for broader public consultation. We currently await

the formal publication of the revised proposed regulations in the Government Gazette.

### *Proposed amendments to the Waste Classification and Management Regulations, 2013 and associated Norms and Standards*

The Minerals Council submitted comprehensive comments on the proposed amendments to the Waste Classification and Management Regulations and associated Norms and Standards published in a gazette on 24 March 2023 by the DFFE Minister for public comment.

Several key issues of concern for the mining industry were identified and articulated in the submission for consideration by the DFFE. Among other issues, the Minerals Council cautioned the DFFE on the regulation of engineering designs for pollution control barrier systems and recommended that the regulations should rather prescribe the desired outcome, which should be any proven barrier system that will prevent pollution and contamination of the water resources and the environment.

### *Simplified financial provision for low-risk commodities*

The Minerals Council engaged the DFFE on the proposed simplified financial provision process and the relevant draft documentation developed during a workshop hosted by the department on 19 July 2023 that enabled robust engagement with stakeholders. The workshop provided the Minerals Council with an opportunity to engage the DFFE on the mining industry's concerns on the proposed simplified financial provision process for low risk commodities prior to gazetting for broader public comment. The Minerals Council submitted written feedback highlighting issues of concern for the industry. The proposed simplified financial provision regime will be published with the revised NEMA Financial Provision Regulations.

### *Biodiversity*

The Minerals Council has decided to reinstate biodiversity to its agenda, following recent developments such as the Taskforce on Nature-related Financial Disclosures (TNFD) and issues emanating from the Kunming-Montreal Global Biodiversity Framework. We circulated recommendations on the TNFD, outlining several principles that should be adhered to, providing direction on how companies can implement the TNFD, and providing guidance on the

identification of risks, assessment, management and, most importantly, disclosure (what type of information will be expected) to satisfy the requirements of the task force.

### *Water use Authorisation and Registration Management System (WARMS) billing challenges*

The Minerals Council coordinated a meeting with the DWS on 29 November 2023 to discuss various issues with members' water accounts. The meeting proved to be successful as we managed to resolve a number of these issues including getting reversals of incorrectly billed amounts, leading to millions of Rands in refunds and rectifying information that was captured incorrectly in the WARMS certificate. The Minerals Council has aggregated data from members sharing similar issues and forwarded the document to the DWS. We anticipate a positive outcome that may also result in further refunds.

## STRATEGIC GOAL 2 – Advocating and lobbying for a policy, infrastructure and social environment that is conducive to investment and growth of the industry *continued*

Policy/legislation	Key concerns	Minerals Council response/position	Status	Next steps
Climate Change Bill	<ul style="list-style-type: none"> <li>Methodology for determination and application of carbon budget</li> <li>Alignment of carbon budget with carbon tax</li> <li>Multiple unaligned mitigation system (carbon budget and carbon tax)</li> <li>The inadequate reference to the just transition in the development of sector emission targets and carbon budgets main references: 22 and 24 of the Bill</li> <li>Double penalties for exceeding the carbon budgets</li> </ul>	<p>Following the invitation of the parliamentary process on the Climate Change Bill and subsequent submission and presentation on the Bill, the Minerals Council continued to participate in various engagements during year. The engagements included various parliamentary hearings, National Council of Provinces hearings and discussions with the DFFE.</p> <p>These engagements were important in getting insights on other stakeholders' perspectives on the Bill and, most importantly, to what extent Parliament is considering these views and those of the Minerals Council. Throughout these engagements, Minerals Council members received continuous feedback.</p>	The Bill is currently at a parliamentary phase. The National Council of Provinces has released a schedule on consultation.	We are awaiting finalisation of the parliamentary process.
Development of Carbon Budgets and Mitigation Plan Regulations	<ul style="list-style-type: none"> <li>The implementation of the provisions of Section 24(2) in the allocation of carbon budgets to ensure that the mining industry's sustainability is not compromised</li> <li>Methodology for allocation and intensity calculation (benchmarking vs mitigation potential vs fixed targets)</li> <li>Carbon budget allocation must not interfere or curtail existing authorisations' operational capacity (e.g., Mining Atmospheric Emissions Licence and Environmental Authorisation)</li> </ul>	<p>The Minerals Council conducted a series of engagements on our members' positions regarding the carbon budgets and mitigation plans regulations through BUSA and directly with the DFFE. During these discussions, we emphasised that the regulations should align with the requirements of Section 24, which outline the factors the DFFE Minister must consider when allocating a carbon budget.</p> <p>In addition, we urged the DFFE to ensure that the allocation of the carbon budget does not negatively impact the sustainability of mining production. These proposals were subsequently discussed and accepted by the DFFE on 7 December 2023 for consideration in the development of the regulations.</p>	The Minerals Council's and other stakeholders' comments are under consideration by the DFFE.	We are anticipating the formal publication of the regulations for public consultation.
Water Service Amendment Bill 2023	<ul style="list-style-type: none"> <li>Broadening the ambit of what constitutes a water services institution, potentially covering mining houses and in so doing imposing onerous and extensive duties, obligations, and functions to the same degree as entities constitutionally or statutorily required to provide basic water supply. Some of the duties, obligations and functions that would immediately fall up mining houses are compulsory national standards relating to:                             <ul style="list-style-type: none"> <li>The provision of water services</li> <li>The effective and sustainable use of water resources for water services</li> <li>The nature, operation, sustainability, operational efficiency and economic viability of water services</li> <li>Requirements for persons who install and operate water services works</li> <li>The construction and functioning of water services works and consumer installations</li> </ul> </li> <li>Licence to operate as a water use provider from the DWS over and above the Municipal Licence</li> <li>Enforcement and compliance measures</li> </ul>	<p>The Blue Drop and Green Drop Certification programmes published by the DWS in 2023 paint a troubling picture of the South African water resources management systems - including water quality and crippled infrastructure. In an effort to address this mammoth challenge, the DWS published the Water Service Amendment Bill on 17 November 2023, introducing a number of provisions that empower the intervention of national government. This is a sharp departure from the Water Services Act in which the regulation of water services lies solely with local government.</p> <p>One of the key features in the Bill is the amendment and expansion of what constitutes a "water services institution" to include a "water service intermediary". The rationale behind this is unclear, and it is uncertain if the DWS has cautiously measured the implications of this approach. In some cases, in which the local government is unable to provide basic water services, mining companies, as part of their corporate social licence, have had to step in and provide these services. In such instances mining companies would qualify as a "water services intermediary".</p> <p>The concern with the inclusion of a "water services intermediary" into the definition of "water services institution" is that there are several provisions contained in the Act itself and subordinate law which place obligations on water services institutions. As such, these obligations will, upon promulgation of the Water Service Amendment Bill, also fall onto water service intermediaries. These obligations would place an enormous burden on companies such as the mining industry whose primary business does not relate to the supply of water.</p>	The Minerals Council has had extensive consultation with the DWS to express the mining industry concerns on the Bill. Our comments are under consideration by the DWS.	We are anticipating that the Bill will be escalated to Parliament or returned for further consultation.

## STRATEGIC GOAL 2 – Advocating and lobbying for a policy, infrastructure and social environment that is conducive to investment and growth of the industry *continued*

Policy/legislation	Key concerns	Minerals Council response/position	Status	Next steps
National Water Amendment Bill 2023	<ul style="list-style-type: none"> <li>• Definition and declaration of strategic water source areas which could potentially prohibit mining activities</li> <li>• Definition of activities threatening the strategic water source areas.</li> <li>• Prohibition of all open cast and underground mining which may lead to acid mine drainage in water source areas which are threatened or vulnerable to mining</li> <li>• General prohibition and restriction of activities in threatened water source areas.</li> <li>• Review of existing water use licences which will tamper with security of tenure for the mines</li> </ul>	<p>On 17 November 2023, the DWS published the National Water Amendment Bill introducing draconian provisions with significant implications to the mining industry. While the Minerals Council acknowledges that South Africa is a water-scarce country requiring measures to safeguard water resources, the punitive approach adopted in this Bill is troubling.</p> <p>One of the key amendments is the identification and protection of water source areas. The Bill provides the DWS Minister with powers to prohibit and restrict certain development activities within and around water source areas, specifically regulating the mining, forestry and agricultural industries. For instance, the Bill prohibits any open cast and underground mining activities that could result in acid mine drainage within threatened or vulnerable water source areas and further prohibits the granting of water use licences. Furthermore, the Bill empowers the DWS Minister to publish a notice for the review of existing water use licences, which would most likely impact mining production and output.</p> <p>The Minerals Council promptly circulated a discussion paper among its members, outlining the potential impact of the proposed provisions on the mining industry. The paper also presented a suite of recommendations which included advocating for the strengthening of current policies to address water pollution instead of the protectionism approach. The Minerals Council also indicated that it is of concern that, despite decades of the mining industry's collaboration with the DWS on various initiatives such as the development of water infrastructure, water treatment, and water conservation and water demand management (WC/WDM), the DWS would opt for such a punitive approach. Further developments on the Bill are expected from the DWS.</p>	The Minerals Council had extensive consultations with the DWS. The consultation phase has closed and our comments are under consideration by the DWS.	Ongoing engagements with the DWS. We anticipate that the Bill will be escalated to Parliament or returned for further consultation.
National Forest Amendment Bill	<ul style="list-style-type: none"> <li>• The Minerals Council was not consulted on the National Forest Amendment Bill which contains a provision prohibiting mining activities in the state forest land. The Bill was passed by Parliament but has not yet been accented.</li> </ul>	<p>The Minerals Council engaged the DFFE on the meaningfulness of the consultation process on the National Forest Amendment Act. The DFFE failed to consult with the mining industry, yet the amendment act is explicit on prohibiting mining activities in state forest land, potentially sterilising strategic mineral reserves.</p> <p>While the Minerals Council recognises the value in the preservation of forestry estate, we are of the view that the amendment act does not reflect an equitable balancing of forestry against justifiable economic and social development, by recognising the predominant role of mining in the national interest. The Minerals Council laid its arguments against this amendment act explaining the socio-economic benefits of the mining industry and advocating coexistence. We urged the DFFE to pause the enactment of the act and undertake proper consultation that is inclusive of the mining industry.</p>	The Amendment Bill was passed by Parliament but has not yet been accented.	Engagement with the DFFE on the Amendment Act is planned before it is accented by the President.

## STRATEGIC GOAL 2 – Advocating and lobbying for a policy, infrastructure and social environment that is conducive to investment and growth of the industry *continued*

Policy/legislation	Key concerns	Minerals Council response/position	Status	Next steps
Preservation and Development of Agricultural Land Bill - B8-2021	<ul style="list-style-type: none"> <li>Protection of agricultural areas which seeks to prohibit non-agricultural land use activities including mining, thus sterilising mining activities.-</li> <li>A requirement to obtain an Agro-Ecosystem Authorisation over and above Environmental Authorisation</li> <li>The Minister Agriculture, Land Reform and Rural Development overrules the DMRE Minister’s mandate</li> </ul>	<p>Following the call by the Parliamentary Portfolio Committee on Agriculture, Land Reform and Rural Development for written comments on the Preservation and Development of the Agricultural Land Bill in May 2023, the Minerals Council made a comprehensive submission and subsequently participated in the parliamentary public hearings on the Bill. Both the presentation and submission highlighted the undesirable implications of the duplicative requirements for both an agro-ecosystem authorisation in terms of the Bill and Environmental Authorisation in terms of the NEMA.</p> <p>The Minerals Council emphasised its concerns on the designation of high-value agricultural areas as no-go zones for mining, noting that this could lead to the sterilisation of strategic mineral reserves. Throughout these engagements, the Minerals Council consistently advocated the integration of agricultural assessments into the environmental authorisation process instead of introducing an additional layer of agro-ecosystem authorisation.</p>	The Bill was passed by the National Council of Provinces without changes.	We are awaiting accentuation by the Presidency.
Proposed regulations for implementing and enforcing Priority Area Air Quality Management Plans	<ul style="list-style-type: none"> <li>Need to define the emission reduction targets and further explain how these will be developed.</li> <li>Need to provide clarity on where in the process the ERMP submitted for noting and approval is</li> <li>Need to recognise situations in which a company has exhausted the available reduction, to a point where there are no least cost opportunities available</li> </ul>	<p>The DFFE republished the proposed regulations for implementing and enforcing Priority Area Air Quality Management Plans during the year. The draft regulations set out the requirements necessary for implementing and enforcing any approved Priority Area Air Quality Management Plans. They also provide for mandatory implementation of interventions, mechanisms for government to monitor and evaluate the effectiveness of the plans, transitional arrangements as well as the activation of enforcement measures where non-compliance is identified.</p> <p>These draft regulations included recommendations made by the Minerals Council in the previous draft regulations. The latter included that mining companies must submit their ERMP to the national department and not the municipality or province. The mining industry proposed that the provision be deleted, arguing that this was practically impossible, given the number and variety of companies within a priority area.</p> <p>On the current draft regulations, the Minerals Council commented that the regulations need to:</p> <ul style="list-style-type: none"> <li>Define the emission reduction targets and explain how these will be developed</li> <li>Provide clarity on the status of the ERMP submitted for noting and approval in the process</li> <li>Recognise situations in which a company has exhausted the available reduction, to a point where there are no least cost opportunities available</li> </ul> <p>The Minerals Council anticipates further engagements with the DFFE on the draft regulations soon after they are amended.</p>	Public participation and comments are under consideration by the DFFE.	We are awaiting further engagement with the DFFE on the amendment regulations.

## STRATEGIC GOAL 2 – Advocating and lobbying for a policy, infrastructure and social environment that is conducive to investment and growth of the industry *continued*

### *National Health Insurance (NHI) Bill*

While both the Minerals Council and BUSA support the principle of universal health coverage, we have a range of concerns about the NHI Bill in its current form. The Minerals Council was part of the discussions on the Bill at the Nedlac Annual Summit in 2023. During these discussions, we established that there were very few gains for business in changing the key concerns, which are a single fund and Section 33 of the Bill that precludes medical aids from offering any services that will be provided by the NHI.

The Bill is currently waiting to be signed into law by President Cyril Ramaphosa. For the mining industry, we are certain that there will be no change in the provision of occupational health services for employees as these have not been included in the NHI Bill.

### *Mine Health and Safety Amendment Bill*

Although the draft Mine Health and Safety (MHS) Amendment Bill was gazetted in June 2022, following public consultations, a slightly different version was tabled at the Nedlac Labour Market Chamber Task Team. The discussions at the task team were very protracted due to major differences among the social partners and there were many areas of disagreement in the resulting Nedlac report. There were four main areas of disagreement:

- The appointment of an additional Section 12.1 appointee to provide occupational hygiene services
- Section 20 on appeals to the medical inspector. Business expressed concerns regarding the current Section 20(7) as it conflicts with Section 188(1) of the Labour Relations Act (LRA) on dismissals in relation to capacity
- The employer’s liability outlined in Section 86A (4)(b) pertaining to all work-related deaths, injuries or illnesses where business submitted that this provision was unconstitutional as

Section 86A(4)(b) could be interpreted to mean that an employer is vicariously liable for the acts or omissions of its employees despite the absence of fault on the part of the employer

- Section 92 (8), where business disagreed with the principle of the proposed 10% annual turnover fine as there was no rational basis for imposing such an excessively harsh provision

Another critical shift was the deletion of the phrase “as far as reasonably practicable” in several sections.

The MHS Amendment Bill is expected to be submitted to the National Assembly in 2024.

### **Illegal mining, organised crime and corruption**

Criminal activity in the mining industry continues to be of great concern. In the past few years, we have seen a surge in product theft, copper cable theft and the associated infrastructure destruction (especially rail and electricity networks). Mafia-associated behaviour relating to mine procurement contracts has also been on the rise.

Ending these crimes requires a coordinated approach and the establishment of the Crime Combating Illegal Mining Task Team at the end of 2023 was a step in the right direction. The task team has been proactive in operationalising gathered intelligence to find and arrest suspected illegal miners at identified illegal mining sites.

The task team is a collaborative initiative between multiple law enforcement agencies and the SANDF. The Minerals Council’s role in this area continues to be that of a facilitator and support mechanism for our members, especially in the context of engaging with the senior levels of government and the security cluster.

Crime and corruption have also been identified as a focal area in the partnership between government and organised business led by President Cyril Ramaphosa. The partnership

agreed to establish the JICC, which will coordinate and monitor joint initiatives. The JICC will focus on interventions that curb crime and vandalism, support existing long-term government efforts to bolster investigations and prosecution capacity, as well as modernise and streamline the Justice, Crime Prevention and Security Cluster’s services.

### **Human Resource Development Strategy and Master Skills Plan**

The quality of basic education, challenges in the post-school education system and a higher education system that does not fully address skills demands continues to challenge the sector and the various other economic sectors in the country. In lieu of this the Office of the Presidency and the DHET through the HRDC SA drafted a reconceptualised Human Resource Development Strategy for South Africa and a Master Skills Plan (MSP) for the country to address these challenges. The Minerals Council, as a standing member of the HRDC SA, was able to ensure that the views, opinions and inputs of its members and broader business were incorporated and considered during the crafting of these strategies and plans. The MSP attempts to achieve the following four goals:

- Improve early learning and schooling outcomes
- Improve the employability for youth who are not in employment, education and training
- Improve the responsiveness of the post-school education and training system to skills demands
- Improve governance, leadership and management in the public sector.

### **Sector skills development through the MQA**

The industry’s key training institution is the MQA, to which we nominate employer board members, and it is where skills challenges experienced in the sector are raised and discussed. The Minerals Council’s Education Advisory Committee communicates these issues to the MQA.

Some of the major work we undertook through engagement and collaboration with the MQA in 2023 includes:

- A review of the discretionary grant allocation strategy to have a more “business friendly” approach
- Deregistering several legacy mining qualifications from the South African Qualifications Authority, and developing and registering new occupational qualifications in their place through collaboration between industry and the MQA
- A review of the mine ventilation and mine overseer qualifications
- Research related to the relevance of adult basic education in the mining sector, the Fourth Industrial Revolution necessity and its impacts on the mining sector

### **Occupational qualifications and skills development**

The skills department is active on the QCTO, which is responsible for quality assurance and the oversight of the design, accreditation, implementation, assessment and certification of occupational qualifications and skills development programmes. Some of the key work that the Minerals Council undertook in 2023 was:

- Collaborating with relevant stakeholders to convince the QCTO to change its process and criteria for the certification and registration of its training programmes. Prior to that the QCTO could not register or certify regulatory skills programmes that were less than eight credits
- Engaging with the QCTO to ensure that the deregistration of legacy qualifications and the registration of new occupational qualifications and skills programmes is done in a manner that does not negatively affect the continued training and development of our employees in the mining sector

## STRATEGIC GOAL 3 – Communicating progress and impact of aggregate EESG performance and adoption of leading practices



### STRATEGIC GOAL 3

#### Our objectives:

##### Objective 3.1

Lead initiatives to fast track mining's progress to zero harm.

##### Objective 3.2

Lead the development of a vision of what good transformation looks like in collaboration with stakeholders, including the design of a practical, workable and enforceable instrument to facilitate further industry transformation.

##### Objective 3.3

Promote consolidated and cumulative member ESG performance.

Material matters	Principal risks	SDGs
<ul style="list-style-type: none"> <li><b>Water stewardship and licensing:</b> supporting the development of an enabling environment for effective water resource management and stewardship, and providing guidance to members on their approach</li> <li><b>Environmental management:</b> supporting the development of an enabling environment for effective environmental management and stewardship, and providing guidance to members on their approach</li> <li><b>Zero harm:</b> developing strategies for improving employee health and safety, encouraging the sharing of learning between members, and adopting leading practice</li> </ul>	<ul style="list-style-type: none"> <li><b>Transformation and diversity:</b> promoting efforts to achieve diversity, inclusion and transformation. This includes specific efforts supporting women in mining and the elimination of GBVF</li> <li><b>Reputation:</b> preserving and enhancing the reputation of the industry. Improving the understanding of the critical contribution mining makes to society and the economy</li> </ul>	<ul style="list-style-type: none"> <li><b>Policy and socio-economic risks</b></li> <li><b>Health and safety risks</b></li> </ul>
		<ul style="list-style-type: none"> <li><b>SDG3:</b> Good health and well-being</li> <li><b>SDG5:</b> Gender equality</li> <li><b>SDG6:</b> Clean water and sanitation</li> <li><b>SDG8:</b> Decent work and economic growth</li> <li><b>SDG9:</b> Industry, innovation and infrastructure</li> <li><b>SDG10:</b> Reduced inequalities</li> <li><b>SDG13:</b> Climate action</li> <li><b>SDG15:</b> Life on land</li> <li><b>SDG16:</b> Peace, justice and strong institutions</li> </ul>

#### Our performance:

##### Leading industry efforts to improve safety and health

We work in close collaboration with unions and the DMRE in guiding the mining industry's efforts to achieve zero harm. Through the various safety initiatives and extensive stakeholder mapping, we ensure that all parties are well informed on industry issues and all voices are heard through the various forums and committees.

Ensuring that employees work in a safe environment is a key priority for the industry, in addition to ensuring that all operations have a clear understanding of occupational health. Reducing mineworkers' exposure to risks and hazards, preventing and treating occupational diseases, while working to eliminate fatalities, is of great importance to us.

##### Mine employee state of safety

Safety lagging indicators trended positively in comparison with 2022, a year which had seen the best safety performance in the history of the industry. Throughout the year, the industry maintained an average improvement of between

4% and 6% on lagging indicators with agencies such as transport and mining (T&M) seeing an average improvement of around 60%.

This performance is the result of the hard work and dedication of all stakeholders in the mining industry towards ensuring the safest possible working conditions in South Africa's mines and towards achieving zero harm.

Despite the improvement, FOGs were an area of concern early in 2023, due to a marked decrease in performance compared to 2022.

Overall 2023 was a very challenging year for the South African mining industry in respect of occupational safety. On 27 November 2023, a winder accident at one of the PGM operations in the North West resulted in 13 mineworkers losing their lives, with dozens more seriously injured.

The trauma of this incident to the mining community cannot be understated. This catastrophe is a stark reminder to the industry to always be vigilant, resolute and thorough in managing processes, tasks and associated controls on a daily basis.

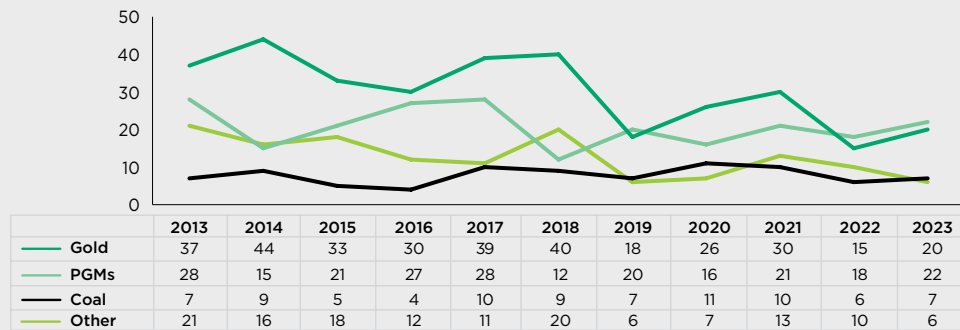
Statistics from the DMRE show an overall regression in safety performance. Industry statistics for the 2023 calendar year compared to 2022 showed a 12% regression in overall fatalities with 55 recorded in 2023 against 49 in 2022.

The PGM and gold sectors experienced the highest number of fatalities in 2023, with 22 and 20 casualties respectively. This is the second consecutive year in which fatalities in the PGM sector exceeded those in the gold sector. The coal sector recorded 7 fatalities, while the other commodities also accounted for a combined 6 fatalities. Although safety has improved in many aspects, our goal to have zero fatalities remains a priority.

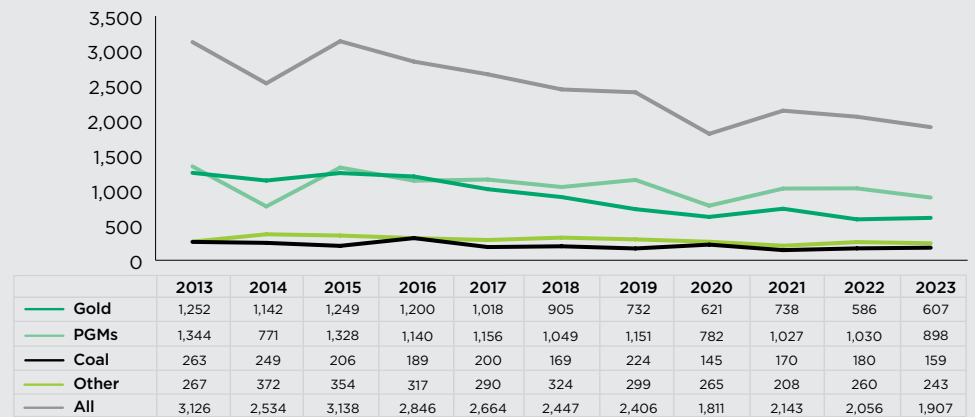
There has been a notable shift in the agencies responsible for fatalities in the industry. Sub-agencies clustered under the main agency of "other" were responsible for the largest contribution to the overall fatalities. This includes 13 fatalities due to conveyance accidents, 2 miscellaneous (cause undetermined) and 1 from a drowning event. FOG was responsible for 15 fatalities while the general category and T&M contributed 14 and 8 fatalities respectively.

## STRATEGIC GOAL 3 – Communicating progress and impact of aggregate EESG performance and adoption of leading practices *continued*

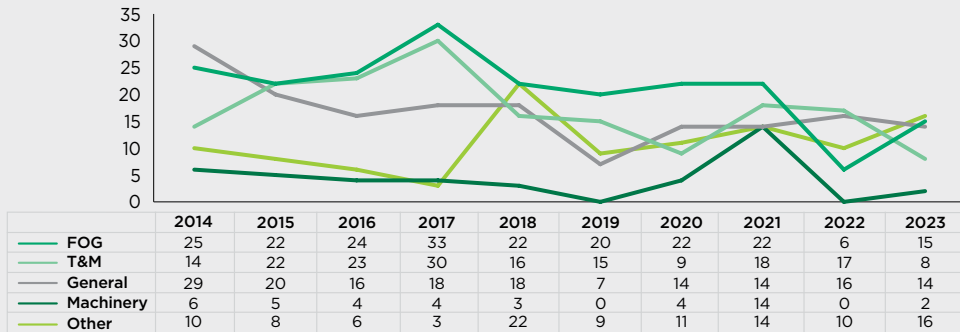
Fatalities – Performance by commodity: 2013-2023



Injuries by commodity: 2013-2023



Fatalities – Performance by cause: 2014-2023



T&M, general, fires, electricity and explosives were the areas that saw a decrease in fatalities, while the other agencies recorded an increase.

The Minerals Council Board and the CEO ZHF continue to monitor the progress on a TMM project that will address transport-related incidents. The industry continued to implement several initiatives with a focus on traffic flow and risk analysis. The marked improvement in this area can be attributed to the efforts of traffic management now bearing results as many mines have matured in their approach to vehicle and personnel interactions. Efforts have also

increased in managing compliance with TMM Regulations that came into effect in December 2022. The Minerals Council continues to support the mining industry with efforts to comply with these TMM regulations.

It was encouraging to note that the number of injuries decreased from 2,056 in 2022, to 1,907 in 2023. However, fatalities increased to 55 in 2023 from 49 in 2022, with most of these in the PGM sector (22). The second highest number of fatalities occurred in the gold sector (20), while the coal sector (6) had the lowest.

### Partnerships

The safety initiatives and partnerships that the Minerals Council is part of play a key role in getting the industry closer to its zero harm goal and include the following:

- Occupational Health and Safety Policy Committee
- MOSH Learning Hub
- Rock Engineering Technical Committee
- Consulting Mechanical and Electrical Engineering Committee
- CEO ZHF

Our engagements and partnerships include regional tripartite forums, the Association of Mine Managers of South Africa, the South African Colliery Managers Association, the DMRE, and organised labour through the MHSC. Internationally, the Minerals Council engages with industry bodies through its membership of the ICMM.

### Strategy

Company leadership, starting with the CEO, plays a vital role as an advocate for safety, without which a safe mining environment is not possible.

This advocacy, however, needs to be supported by specially designed safety systems, while employees are given a clear understanding of safety systems and their right to withdraw from unsafe working conditions.

The Minerals Council continues to drive strong initiatives both internally and externally to improve the industry's safety performance. We also develop safety campaigns to encourage a continuous learning process and awareness of risks associated with specific mining activities. The ultimate aim is to inculcate a safety culture focus that drives safe behaviour and an acknowledgement of the requirements of safe working environments to ensure that each and every mineworker returns home safely.

### CEO-ship advances in 2023

From the beginning of 2023 we met our commitment made in 2022 to have longer and more frequent CEO ZHF meetings and monthly hours of learning on safety. The decision has led to fruitful interactions between CEOs who have shared safety lessons and highlighted particular issues to each other.

In 2023 the CEO ZHF meetings took a more targeted approach with a clear focus on either the

## STRATEGIC GOAL 3 – Communicating progress and impact of aggregate EESG performance and adoption of leading practices *continued*

elimination of safety fatalities or the elimination of health fatalities, while giving each area ample time for deep-dive discussions. Attendance of these sessions was opened to a broader audience than just CEOs and the shared topics during the preceding hour of learning were aligned to the mainstream safety agenda.

### Addressing FOG safety

Implementing the FOGAP remained the central safety focus area within the mining industry in 2023. FOGAP, which was launched in 2021, was designed to address the elimination of FOG fatalities and has a R46 million budget funded by member companies. FOGs have historically been the largest contributor to fatalities within the industry.

Since its inception, FOGAP has sought to systematically tackle the various factors that contribute to FOG-related accidents, emphasising the importance of proactive measures to prevent such incidents. FOGAP's multifaceted approach includes:

- Engineering solutions
- Technological advancements
- Skills development
- Policy enhancements
- Research and development
- Fostering an enabling environment for safety improvement

During 2023, we focused on ensuring the FOGAP implementation, including promoting leading practices, research and development initiatives, skills development programmes, policy enhancements, and ongoing monitoring and evaluation of safety measures. As the primary safety focus for the year, the FOGAP emphasised the industry's collective commitment to prioritising safety and preventing FOG-related incidents. Through continued collaboration and concerted efforts, the mining sector aimed to achieve tangible improvements in safety outcomes, ultimately to ensure the well-being of mineworkers and foster a culture of safety excellence across mining operations.

Despite a notable decrease in FOG fatalities to 6 reported incidents in 2022, the mining industry experienced a setback in 2023, recording a total of 15 FOG-related fatalities. While this increase is of concern, industry stakeholders, including senior rock engineers and the South African National Institute of Rock Engineers, emphasise the importance of remaining steadfast in diligently implementing FOGAP. The FOGAP initiatives that were developed by experts are expected to lead to a significant improvement in FOG safety performance over time, reflecting their confidence in the effectiveness of the programme.

The increase in FOG fatalities in 2023 should not overshadow the ongoing efforts of the FOGAP. It is crucial to note that many of the FOGAP initiatives started in mid-2022 are still in the early stages of implementation. For instance, leading practices such as the illumination of underground workspaces and the installation of permanent aerial support were launched in July 2022 and September 2023 respectively and are currently being rolled out across mining companies. The full impact of these initiatives may take time to materialise.

We continued investigating technology-based initiatives like hydropower drilling and the use of drill guides, which hold significant potential for improving geotechnical safety. The preliminary results of hydropower drill pilots demonstrate promising benefits such as increased accuracy, faster drilling, reduced noise, remote operation capabilities and decreased weight compared to traditional pneumatic drills, all of which contribute to enhanced health and safety standards.

Furthermore, addressing key activities like barring is integral to improving FOG safety. Investigations are underway within the FOGAP to assess the impact of using tool-handling exoskeletons during barring activities. The hypothesis suggests that exoskeletons can support employees' arms and reduce fatigue, potentially improving overall safety during such tasks. Muscle assessments conducted in partnership with the University of Johannesburg's Biokinetics and Sports Management departments aim to validate this hypothesis.

While the increase in FOG fatalities in 2023 is of concern, it has not deterred the mining industry from continuing its commitment to implementing the FOGAP. With various initiatives and technologies still in the pipeline and ongoing investigations into key safety practices, the industry remains poised to make further advancements in reducing FOG-related incidents and safeguarding the well-being of its workforce.

### Adoption of safety leading practices: FOG

Member adoption of the Leding planning leading practice grew to 89% in 2023 from 78% in 2022. We are currently working on ensuring full adoption from lagging members.

Leding is a conventional stoping activity and the quality of the ledge dictates the efficiency of the stope. Leding best practices include:

- A good, integrated and multi-disciplinary approach to planning processes
- Clearly defined ledging standards
- Clearly defined roles and responsibilities
- Dedicated ledging crews
- Maintaining the integrity of the hanging wall
- Maintaining a sound ledge for effective support
- Keeping the stope "aorta" alive and well for the life of the stope

The Illumination leading practice aimed at improving underground workface visibility, which the industry launched in the middle of 2022, has experienced slow adoption. However, there has been renewed interest in adopting the leading practice following the CEO Zero Harm Forum's decision that each company nominate adoption champions. The number of mines that signed up for adoption increased from 11 in 2022 to 20 in 2023. Engagements are underway with the champions to develop adoption programmes for their respective mines.

The Permanent aerial support mesh launch in September 2023 attracted close to 200 people. The first community of practice for adoption was held in November 2023.

The adoption guides on these [leading practices](#) can be found on the MOSH website at the link.

### Adoption of safety leading practices: T&M

Our holistic Transport Action Plan focused on the following key issues towards the elimination of transport-related fatalities:

- Regional stakeholder workshops on industry alignment on TMM Regulations to understand significant risk and reasonably practicable measures
- Criticality of collision prevention system testing, since it is a technically complex safety system which culminated in the test specification verification
- Development of guidance documents related to frequency spectrum management and the unintended consequences of technology on operators
- Community of practice for adoption of the traffic management leading practice for surface operations
- Industry day of learning on winches and the establishment of a high-level technical team to find solutions to existing cleaning challenges and safer alternative cleaning solutions
- Industry day of learning on rail-bound equipment with a particular focus on mechanical issues in order to identify challenges and establish solutions
- Establishment of a multi-disciplinary team to find solutions for conveyor fire prevention
- Development of a request for proposals regarding the feasibility of collision prevention system components, local manufacturing, assembly, insourcing and outsourcing

Detailed information on the [T&M initiatives](#) is accessible at the link.

### Digitisation of safety data

Good progress has been made in developing and implementing a web-based safety information system for better and faster decision-making.



## STRATEGIC GOAL 3 – Communicating progress and impact of aggregate EESG performance and adoption of leading practices *continued*

In 2024, we will focus on:

- Enabling the transfer and capturing of safety data from members
- Analysing consolidated safety data to provide an industry snapshot of safety performance
- Conducting a gap analysis on safety data to highlight those areas that require more attention and focus

More generally on safety in 2024, the CEO ZHF will continue to:

- Hold deep dive discussions on ways to eliminate health and safety related fatalities
- Review industry performance on the 2014 Occupational Health and Safety Milestones
- Review the adoption status of leading practices and other related initiatives
- Review the Khumbul'ekhaya Health and Safety Strategy
- Provide employer mandates and engage the tripartite stakeholders on the new set of milestones

### Mine employee health

Our Health Department plays a key role in the mining industry's zero harm goals, together with its stakeholders, the DMRE, the MHSC, the DoH, other government and statutory bodies and organised labour. Mining has significant occupational health hazards and the Health Department advances good health outcomes by communicating industry performance on EESG, with an emphasis on health.

The Health Department's strategic approach to the advancement of employee health within the South African mining industry in 2023 includes:

- Embracing CEO-ship through engagements with the CEOs on occupational hygiene and occupational medicine milestone performance, as well as current and emerging occupational

health risks as part of the Zero Harm Strategy of the Minerals Council

- Supporting the MOSH Learning Hub in the identification, promotion and adoption of occupational health leading practices
- Coordination of the Minerals Council's Masoyise Health Programme
- Executing projects that support improved health such as the project on the verification of standard threshold shift (STS) cases for NIHL and verifying pneumoconiosis diagnosed in employees that joined the industry in 2009, as well as a project on the verification of mine fires and occupational hygiene milestones management systems

### Health performance trends

In 2023 the industry maintained a TB incidence rate of below 300 cases per 100,000 employees. However, TB rates are higher in the gold sector, which has led to the establishment of a TB in Gold Mines Working Group (TBGWG) to focus and provide advice on how TB incidence can be reduced. One of the group's first tasks in 2023 was to obtain an understanding from experts on true potential TB incidence reduction solutions.

During the COVID-19 pandemic of 2020 and 2021, industry health resources were diverted towards limiting the spread of the virus. As a result, other health programmes at mine operations suffered. In addition, focus on the COVID-19 pandemic led to distorted reporting on occupational diseases such as TB, resulting in a perceived increase in occupational diseases in 2022 and into 2023.

Notwithstanding, there has since been an increased incidence of TB across South Africa following the pandemic and this meant that mining companies had to increase vigilance on TB screening, diagnosis and management.

Throughout 2023 we continued assessing occupational health trends and these are covered in this section of this report.

### Industry performance review

The DMRE reports on occupational diseases in the industry in a report that is published for the prior year. From January to December 2022, the industry reported 2,233 occupational diseases, compared with 1,924 diseases in the same period in 2021, translating to a 16.1% increase. Industry performance on major diseases is shown below.

#### Occupational diseases in the mining industry year-on-year comparison

Disease	January to December 2021	January to December 2022	Percentage change
TB	793	839	5.8%
NIHL	776	891	14.8%
Silicosis	240	248	3.3%
Coal worker's pneumoconiosis (CWP)	11	73	536%
<b>Total</b>	<b>1,924</b>	<b>2,233</b>	<b>16.1%</b>

It is worth noting that the increase in total diseases in 2022 was largely due to significantly lower reporting of diseases during the COVID-19 years of 2020 and 2021. There was a 29% decrease in diseases reported in 2019 and 2020. A fair comparison between 2019 and 2022 shows that the diseases reported in 2019 at 3,458 cases are more than in 2022 in absolute terms and as rates. This illustrates that disease rates are reducing in the industry.

### Occupational hygiene progress

The main exposures reported by the DMRE in 2022 are airborne pollutants, noise and thermal stress. The performance for 2022 compared to 2021 is set out below:

#### Airborne pollutants

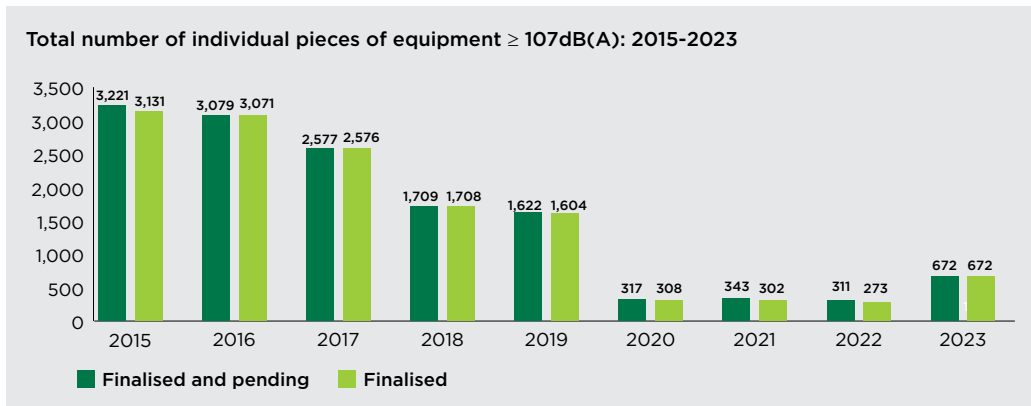
The percentage of employees exposed to airborne pollutants above the occupational exposure limit (OEL) in 2022 was 4.08%, down from 5.54% in 2021. The gold, coal, other commodities and diamond sectors were observed to have relatively higher exposure to airborne pollutants.

#### Noise

Nationally, the percentage of employees exposed to noise levels exceeding 105 A-weighted decibels (dB(A)) decreased from 0.51% (1,829 employees) in 2021 to 0.41% (1,544 employees) in 2022. The percentage of employees exposed to noise levels in category B (>85dB(A) and <105dB(A)), decreased from 60.68% in 2021 compared to 58.14% in 2022. This equates to most employees being at risk of exposure levels that are greater than the noise OEL of 85dB(A). The commodity sectors that contributed to noise levels exceeding 105dB(A) were PGMs, gold and other commodities.

## STRATEGIC GOAL 3 – Communicating progress and impact of aggregate EESG performance and adoption of leading practices *continued*

The equipment noise milestone agreed to by the South African mining industry is that, by December 2024, the total operational or process noise emitted by any equipment must not exceed a milestone sound pressure level of 107dB(A). The graph below shows the industry performance from 2015 to 2023.



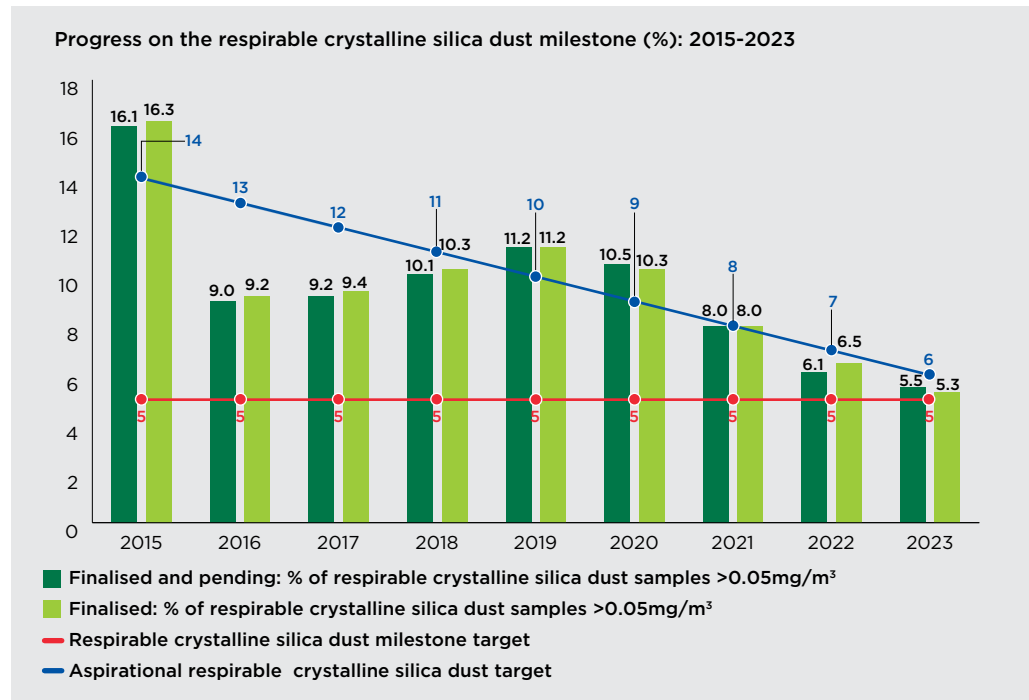
The milestone target on noisy machinery is not being met, despite the industry recording a reduction in the number of pieces of equipment exceeding the noise milestone. An investigation into the regression in 2023 revealed that this was due in part to rock drillers unintentionally damaging rock drill mufflers as a result of the high moisture levels in the compressed air reticulation systems of shallow shafts, which caused the freezing of rock drills, resulting in the reduced performance of the rock drills. The industry needs to continue focussing on reducing noise in equipment such as rock drills as well as the improvement of equipment and infrastructure maintenance.



### Industry performance on the respirable crystalline silica milestone

In 2014 the MHSC set a target that 95% of all silica exposure measurement results should be below 0.05mg/m<sup>3</sup> for respirable crystalline silica.

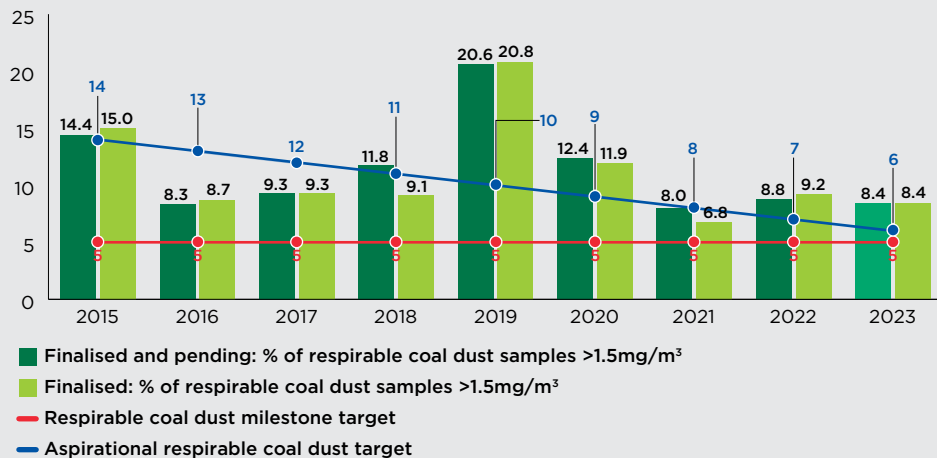
The industry's performance for 2023 indicates that the aspirational target on respirable crystalline silica was met, and that the industry is likely to reach the milestone by the end of 2024. The gold sector, however, is not likely to meet this goal.



The milestone target for coal dust was that, by December 2024, 95% of all exposure measurement results will be below the milestone level of coal dust respirable particulate of 1.5mg/m<sup>3</sup> (<5% crystalline silica). The performance for 2023 indicates that the industry is not meeting the aspirational target for 2023 and will not meet the target set for 2024. This is due to challenges associated with the effective adoption of dust leading practices, employee behaviours and supervision within the coal sector.

## STRATEGIC GOAL 3 – Communicating progress and impact of aggregate EESG performance and adoption of leading practices *continued*

Progress on respirable coal dust milestone (%): 2015-2023



For platinum mine dust, the goal is for 95% of all exposure measurement results to be below the milestone level of platinum mine dust respirable particulate of 1.5mg/m<sup>3</sup> (<5% crystalline silica) by December 2024. The industry has been meeting this milestone since the inception of this milestone in 2015.

The industry is meeting its targets for respirable silica dust and platinum mine dust, but it has not been able to meet the milestone target on respirable coal dust, with the underground coal mines experiencing challenges.

As part of ensuring that the industry has credible data on milestone performance, a review of the Group Environmental Engineers (GEE) members' occupational hygiene milestone data was conducted during 2023, which revealed that the state of occupational hygiene in the South African mining industry had progressed significantly since the promulgation of the MHSA regulations.

The review also found that:

- Competent, passionate people have been employed as Section 12.1 appointees to implement and manage the exposure management programmes and systems at the mines
- Mines had implemented well-structured airborne pollutant management systems

- Mines had well-structured noise reduction programmes implemented

The verification phase on the implementation of the noise reduction systems highlighted several challenges, which the GEE Committee is resolving through industry-level initiatives.

### Masoyise Health Programme

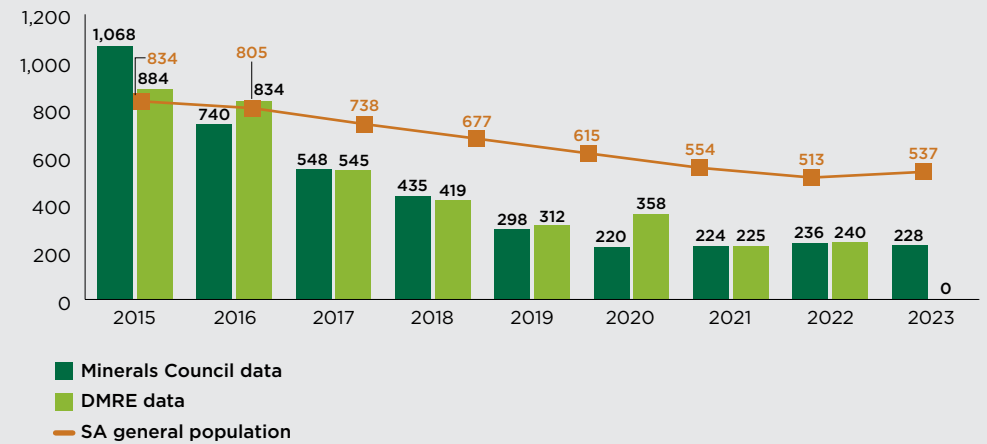
The Minerals Council's multi-stakeholder Masoyise Health Programme leads the South African mining industry's commitment to protect and improve the health and well-being of all its employees. Now in its third term, which runs until the end of 2024, the programme aims to reduce the incidences of TB, HIV, OLDs, NCDs, and mental health illnesses by monitoring performance on disease reduction, encouraging data gathering, analysis and knowledge-sharing across emerging and established mining companies. The programme enables evidence-based decision making to positively influence national and company policy.

### Progress on TB incidence

The industry milestone was that by December 2024, the TB incidence rate should be at or below the national TB incidence rate.

A great achievement for the industry has been maintaining a TB incidence rate that is at or below the national TB incidence rate, since meeting this

TB incidence rate/100,000 employees: 2015-2023



goal in 2017. The TB incidence rate in the industry reduced to 228/100,000 employees in 2023.

However, the TB incidence rate in the gold sector where deep-level mining occurs is higher than in other sectors and more work is required to improve this rate.

The industry milestone is that there should be no new cases of pneumoconiosis among previously unexposed individuals that joined the industry from 2009. Regrettably, about 8 cases of silicosis in novices were reported by the DMRE before 2023. Two cases were reported in 2023 and there have been no reports of cases of CWP in novices. The industry thus continues to have a challenge with high levels of silica dust manifesting in disease.

On noise the industry milestone is that, by 2016 no employee's STS will exceed 25dB from the baseline when averaged between 2,000 and 4,000 Hertz in one or both ears. As 40 cases of STS were reported in 2023, the milestone was not met.

Besides the milestones set by the MHSC, the industry also reports on targets set through Masoyise. The Masoyise target is for companies to screen 100% of employees for hypertension and diabetes annually. In 2023, screening for cholesterol, obesity and mental health was included.

The percentage of employees screened in 2023 was 93% for hypertension, 92% for diabetes and 93% for obesity. Cholesterol screening was 34% and 8% of employees were recorded as having sought assistance for mental health.

### Occupational medicine milestone and Masoyise Health Programme performance: 2023

Milestone/target	100%
All employees counselled for HIV*	91%
All employees screened for TB*	93%
Screening for hypertension	93%
Screening for diabetes	92%
Obesity screening	89%
Cholesterol screening	34%
Mental health screening	8%
No of novice employees with pneumoconiosis*	2
No of STS cases (NIHL)*	40

\*MHSC milestone

The industry conducted a major verification study on the targets that were not met in 2022. These were cases of pneumoconiosis reported in novices who joined the industry after 2008, and cases of STS.

## STRATEGIC GOAL 3 – Communicating progress and impact of aggregate EESG performance and adoption of leading practices *continued*

The study was of great value, revealing shortcomings both in the tools used for measurement and in their application. It further highlighted confusion over the various noise-induced guidelines that have been produced. To improve on these shortcomings, we conducted training sessions for industry health practitioners in 2023. These sessions were well attended, proving the growing need for frequent training and refresher courses for health practitioners.

The outcomes of the verification study are informing further work that is being done by the MHSC on the noise milestones.

In 2024, the Health Department will focus on the following initiatives to assist the industry improve occupational health outcomes:

- Facilitation of a closer collaboration between the mine occupational hygiene environmental control and engineering discipline to improve control measures for dust and noise
- Development of a toxicity index industry guide for improved management of combustible material use in underground mines
- Implementation of the post-incident and post-employment care frameworks that were approved by the CEO ZHF in 2023

### MOSH Learning Hub

The MOSH Learning Hub encourages mining companies to learn safety and health expertise from each other to prevent repeat health and safety incidents as well as address risks related to FOG, noise, dust, and transport and machinery. This is achieved by facilitating leading practice adoption and the execution of fit-for-purpose health and safety projects and initiatives. These are underpinned by a holistic approach and principles of leadership from the top, industry ownership, eager and early involvement, engagement and collaboration, people-centricity and non-competitiveness.

### Key MOSH dust initiatives

Some of the key MOSH dust team events that were held on a quarterly basis include:

- Collieries and gold working group
- Community of practice for adoption and interest group meetings for several leading practices (i.e., coal and gold continuous real-time monitoring with an average adoption rate of 60% per 7 mines, conveyor belt automated transfer point fogger spray system with an average adoption

rate of 63% per 3 mines, in stope atomisers with an average adoption rate of 64% per 10 mines)

- Sponsor meetings
- Commodity-based industry days of learning for dust and visibility at regional tripartite forum
- MineSafe health awards coordination

### MOSH noise initiatives

In collaboration with industry members and a subject matter expert, the MOSH noise team has meticulously compiled a comprehensive industry parent bowtie. The team followed this up with regional and company-level workshops, at which they shared the bowtie and the suite of Industry-wide Buy and Maintain Quiet Initiative (IBMQI) guidance documents. The regional workshops were attended by 21 people, while the company-level workshops had 315 attendees.

The team also held regional planning workshops, which identified 17 potential leading practices, with a predominant focus on the preventive aspects of the bowtie. These potential leading practices were subjected to the stringent MOSH leading practice evaluation process and this led to a concise list of 7 prioritised potential leading practices.

The process included 4 verification visits at source mines, where potential leading practices were documented. Following this process, we developed detailed action plans for each potential leading practice.

The MOSH noise sponsor has urged that these 7 potential leading practices be consolidated into a compilation of best/leading practices or case studies.

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

### Fire prevention

Fires are a rare but devastating occurrence in the mining industry and preventing them is a top priority. Our GEE Committee initiated a project on independent reviews to assess fire prevention, readiness and management, in compliance with the Mandatory Code of Practice on Prevention of Fires at Mines. The project also included a review of industry occupational hygiene milestone data as a quality assurance process.

The reviews indicated that mines have conducted and implemented comprehensive baseline and issue-based fire risk assessments as part of their fire preparedness and management processes,

with the following well established leading industry practices highlighted:

- Fire detection systems
- Fire suppression system on conveyor belts
- Vehicle suppression systems
- Conveyor belt fire testing is in the process of being conducted
- Backup power generation
- Learnings from previous incidents are shared and implemented
- Control rooms and emergency control rooms

The GEE Committee and Consulting Mechanical and Electrical Engineers Committee discussed industry learnings and leading practices during a workshop held in August 2023. Additionally, the workshop discussed fire safety recommendations adopted for implementation.

From a MOSH dust and noise perspective we will:

- Intensify efforts to monitor the adoption of current dust leading practices through bilateral engagements with individual mining companies
- Verify and document newly identified leading practices such as gouging noise reduction, remotely operated impact breaker, mobile impact wrench, continuous real-time monitoring and acoustic emissions testing
- Continue with company and regional level engagements to increase the internalisation of the IBMQI guidance documents on noise measurements, equipment online screening tool, information booklets, quality assurance, OEM engagements, and 3rd party verification
- Document and disseminate case studies where adoption of leading practices has been successful
- Host premier industry events such as days of learning, conferences, masterclasses and symposiums on topical issues
- Facilitate and empower mines to develop customised bowties to identify, implement and monitor critical controls on key risks

### Environmental management – our approach

#### Climate change and Just Energy Transition

In 2023, we continued to actively engage in various activities that seek to facilitate the

member companies' adoption of climate change response measures to enable them to lower their GHG emissions and to adapt and be resilient to the impact of climate change.

In addition, we held bilateral discussions with the DFFE regarding the development of carbon budgets and mitigation plans regulations. Prior to this meeting, we commissioned an independent assessment of the implications of the proposed regulations on the mining industry. Other engagement that the Minerals Council has embarked upon pertains to broader climate change policies, a review of the nationally determined contribution, an adaptation strategy, among others.

One of the key concerns we raised at the discussions was that Section 24 of the Climate Change Bill outlines several factors the DFFE Minister must consider when allocating carbon budgets such as socio-economic impacts and the best available science. We, therefore, emphasised the need for the proposed regulations to carefully consider these provisions to avoid negatively impacting the mining industry.

### International representation

The Minerals Council attended the 28th annual Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) held in November and December 2023 at which we represented the South African mining industry.

The key takeaway of the conference is adoption of the Global Stocktake (GST) which signifies how the international community has collectively reduced its GHG emissions since the Paris Agreement in 2015. The overall message of the GST is that the world has not made much progress in reducing GHG emissions thus the 1.5°C warming limit or goal agreed in Paris is at risk. Consequently, this presents a challenge for our members.

COP28 concluded that the next two years would be critical as it is expected that governments establish a new climate finance goal reflecting the scale and urgency of the climate challenge at COP29. In addition, parties should be prepared to present new, ambitious and economical nationally determined contributions that are fully aligned with the 1.5°C temperature limit at COP30.

## STRATEGIC GOAL 3 – Communicating progress and impact of aggregate EESG performance and adoption of leading practices *continued*

Of strategic importance to note are the following key COP28 outcomes that are critically important for the mining industry which the Minerals Council has taken forward:

### a) The role of transitional fuels in enabling the energy transitions

COP28 recognised that transitional fuels can play a role in facilitating the energy transition and are expected to stimulate the demand for minerals used to produce transition fuels and energy, such as solar panels, wind turbines and batteries. This provides an opportunity for the South African mining industry to take advantage of this mineral commodity boom to support the shift towards renewable energy technologies and the hydrogen economy through the facilitation of exploration and mining of these minerals. The Minerals Council is therefore collaborating with the DMRE to develop the Critical Minerals Strategy. Most importantly this calls for Minerals Council members to also diversify in the exploration of those critical minerals envisaged to support the transition.

### b) Phase down of unabated coal and phasing out of inefficient fossil fuel subsidies

With the adoption of the text on phasing down unabated coal and inefficient fossil fuel subsidies at COP28 it is evident that this will be reflected in the next round of South Africa's Nationally Determined Contributions (NDCs) and domestic legislation and policies.

The phase down of unabated coal and phasing out of coal subsidies in the energy system will inevitably result in the accelerated closure of coal mines before their actual end of life. This necessitates the current closure planning to factor in this accelerated closure scenario. These commitments could also have an impact on future coal mining project approvals and access

to capital, finance and insurance for existing and future coal projects. Consequently, this outcome of COP28 requires the Minerals Council to provide thought leadership in enabling its member companies to embark on a process to respond accordingly to avert the possible consequences of unplanned mine closure and transitions. In addition, member companies should adjust their mining and closure plans to ensure that transition is just, orderly and equitable as articulated in the GST.

### c) The need for countries to strengthen their National Climate Commitments

The GST outcome calls on countries to submit new NDCs well ahead of COP30 in 2025 with more ambitious goals and targets, noting that the Intergovernmental Panel on Climate Change finds that limiting warming to 1.5°C requires reducing global GHG emissions by 60% below 2019 levels by 2035. Consequently, this will result in countries such as South Africa imposing stricter emission reduction policies and measures which will require emitters such as mining companies to double their decarbonisation efforts and activities.

### d) A need for collaboration between mining and other sectors

The outcomes of COP28 presents opportunities for the mining sector to collaborate with governments, other sectors, suppliers and other role players to address climate change and economic succession projects post coal mining. The growing recognition that public finance needs to be deployed in a way that complements and unlocks private finance also provides the opportunity for further collaboration on energy transition projects, research and development and the implementation of regional transition plans.

Countries now have an opportunity to incorporate ambitious actions on methane into their next

NDCs in 2025, both in their top line emission targets and with specific methane targets.

### e) Funding the transition

It is estimated that overall, the transition to a low-carbon economy globally will require investments of \$4-6 trillion a year. Funding gaps in the South African Just Energy Transition Investment Plan (JET IP) provides a window for private sector funding. There's therefore a need for our member companies to explore private public sector funding and investment for the implementation of the JET IP. This is essential to ensure that there is alignment on the private and public sector investments required to achieve the country's decarbonisation commitments, while promoting sustainable development, and ensuring a just transition for affected employees and communities. As South African finance institutions and investors are geared up towards transition financing, the mining industry needs to take advantage of these developments in the financing of their decarbonisation initiatives.

There is therefore an opportunity for mining companies to also consider business opportunities around greener energy options and diversification in other transition minerals i.e. renewables projects for post-mine closure activities. Similarly, this also presents opportunities for collaboration by the South African coal industry which will be impacted heavily by the transition from coal to coordinate efforts on mine closure planning with the economic activities planned to enable a just transition.

### f) Adaptation

The continued focus on adaptation, loss and damage commitment and the financing of these during COP28 also calls for the private sector such as the mining industry to follow suite. The mining industry is equally impacted by the prevailing extreme events resulting from drastic climate

changes thus the urgent need for our member companies to upscale plans and measures to build climate resilience and adaptation to climate-proof mining activities. As a response to the global goal to avert climate change there is also a concerted effort by insurance companies and funders of mining projects on a requirement for companies to address the risk of climate change by incorporating this as a lending criterion. Consequently, the need for the private sector to also augment their funding for adaptation is also a reality.

### g) Reaffirmation of ambitious emission targets

The outcome of the GST notes the insignificant progress by Parties in meeting the Paris Agreement goals, taking cognisance that science indicates that the global GHG emissions need to be cut to 43% by 2030 compared to 2019 levels to limit global warming to 1.5°C. The GST has urged Parties to come forward with more ambitious, economy-wide emission reduction targets which are aligned with the 1.5°C limit at a global scale.

By implication, the mining industry together with other emitting sectors would be required to double their decarbonisation efforts such as increase in renewable energy and energy efficiency technology and capacity. Research and development regarding fuel switching and other decarbonisation and carbon abatement technologies will have to be intensified for the mining industry to reduce their GHG emissions to contribute to the national climate ambition. This requires continuous industry efforts for collaboration on the feasible technologies to facilitate carefully planned mainstreaming of a decarbonisation plan for the mining industry.

## STRATEGIC GOAL 3 – Communicating progress and impact of aggregate EESG performance and adoption of leading practices *continued*

### Update of water conservation and water demand management strategies

In 2023 the updated water conservation and water demand management (WC/WDM) strategies were finalised, considering comments submitted by interested and affected parties including the Minerals Council. The implementation of the national and sectoral WC/WDM strategies by all the relevant sectors will ensure improved water use efficiency and sustainable use of the water resources into the future.

Following the review process, the DWS embarked on a consultative process to develop an implementation/action plan to operationalise the updated strategies. The Minerals Council critiqued the implementation plan, particularly on the industry, mining and power generation implementation plan and submitted comprehensive comments ensuring that the mining industry's key concerns are considered prior to adoption of the action plan.

### Training in and adoption of the WC/WDM in the mining industry

The Minerals Council facilitated the second round of WC/WDM principles and the self-assessment tool training in partnership with the DWS in 2023. The training sessions aimed to ensure that mining operators understand the importance of accounting for all the water that goes into their operations by using the reporting tool. The uptake of the tool is gradually increasing, especially as water scarcity and supply challenges become a key business risk. Making use of the tool has contributed to operations implementing WC/WDM measures to lower their total water consumption making a significant contribution to sustainable water resource use.

### Notice of registration of water use

The Minerals Council has effectively coordinated its members' registration of various water uses, following the notice of registration of water use published in March 2023. Our coordination efforts included workshopping with members on various water uses for registration as per the notice, which we also interpreted to ensure that our members registered their water uses accurately

with the DWS before the June 2023 deadline. This process assisted members in understanding the requirements for the registration of water use which has ensured the availability of water at mining operations.

### Tailings management

We continued to encourage our members to adopt the Global Industry Standard on Tailings Management (GISTM) as well as national legislation and standards, in order to enable sustainable tailings management. In addition, we continued participating in the update of South Africa's SANS 10286 Code of Practice: Mine Residue to align with the GISTM.

The Minerals Council also concluded the dam breach analysis of the Jagersfontein TSF disaster of September 2022 in the first quarter of 2023. The analysis has helped us understand the multiple factors that led to the TSF collapse and enabled members to make use of the information and recommendations in strengthening their tailings management practices.

### Transformation of the mining sector

The Minerals Council continues to advocate for transformative change and growth of the mining industry. During 2023, the focus was furthering the work on Transformation Beyond Compliance through rigorous processes and workshops. This was the foundation for fact-based stakeholder engagements aimed at driving long-term, sustainable benefit for people (employees, community members and suppliers). Stakeholder engagements were held with the DMRE as well as some civil society organisations. The DMRE also hosted a summit in July 2023, which focused on reviewing the MPRDA, with a huge focus on transformation and therefore the Mining Charter. Lastly, a research project was commissioned by the Minerals Council to assess progress made by members on employment equity and human resources development.

### Update on the Transformation Beyond Compliance Project

As the Mining Charter was declared a policy document in 2021 by a high court judgment,

the work on developing an enforceable instrument that brings about greater policy certainty and alignment with global standards was paramount. In May 2023, the DMRE Minister met with our Board and called for an accelerated commitment towards the achievement of transformative socio-economic development outcomes.

The goal was to craft a draft framework that would more effectively drive measurable and integrated transformation impact commensurate with the resources expended by the sector. The sector invests billions of Rands annually on transformational initiatives across all the elements of the Mining Charter, but the impact of this investment is not positively endorsed or felt by our stakeholders. There is also the duplication of efforts and objectives in the Mining Charter and the SLPs.

After months of research and weighing up different options, the proposal centred on repurposing the SLP guideline as this would be the most efficient manner of achieving enforceability. This would include:

- Embedding the non-ownership elements into a repurposed SLP guideline
- Separating the ownership element and incorporating it into the mining right
- Separating those elements that are dealt with more comprehensively through other legislation and regulations

The repurposed SLP guideline would be the principal document for the socio-economic transformation of the sector and would be complemented by a comprehensive Transformative Impact Matrix.

The Transformative Impact Matrix had to align and harmonise with the SDGs, sustainability frameworks and standards that mining companies are accustomed to, but also had to remain a tool for transformation and be a catalyst for socio-economic development outcomes for the regions where mining companies operate and the communities therein.

The Transformative Impact Matrix, unlike the Mining Charter and other B-BBEE scorecards which focus on inputs through a single target, proposed a continuum of possible performance indicators, ranging from active harm, passive harm, inputs, outputs and outcomes. This would allow stakeholders to assess whether initiatives were achieving their desired outcomes and rank them accordingly.

To solidify this work, the industry again proposed that a Mining Sector Transformation Council be established. This Mining Sector Transformation Council would need representatives from the four constituencies represented in Nedlac, namely: government, business, labour and community. The main objectives of the Mining Sector Transformation Council would be to provide clarity and a shared understanding of transformation for the industry. This would include tracking, monitoring and evaluating progress on a regular basis, so that all stakeholders were on the same page. In addition, this council would have advisors comprising of experts, activists and culture catalyts.

The culture catalyts would be a select group of individuals who would serve as the embodiment, advocates and defenders of the values and the spirit of the Transformation Beyond Compliance framework. Primary targets would be leaders within the different stakeholder groupings. These leaders would have the task of inspiring stakeholders towards embracing and inculcating mindsets and cultures that generally enable transformative impact.

The DMRE held a summit to discuss the review of the MPRDA in July 2023. At the end of the summit, they presented high-level feedback and committed to preparing a comprehensive report of discussions within two months. They also committed to conducting stakeholder engagements. Both the report and the stakeholder engagements have not yet been initiated. The industry looks forward to these DMRE engagements as well as sharing some of the ideas in the Transformation Beyond Compliance framework and Transformative Impact Matrix with various stakeholders.

## STRATEGIC GOAL 3 – Communicating progress and impact of aggregate EESG performance and adoption of leading practices *continued*

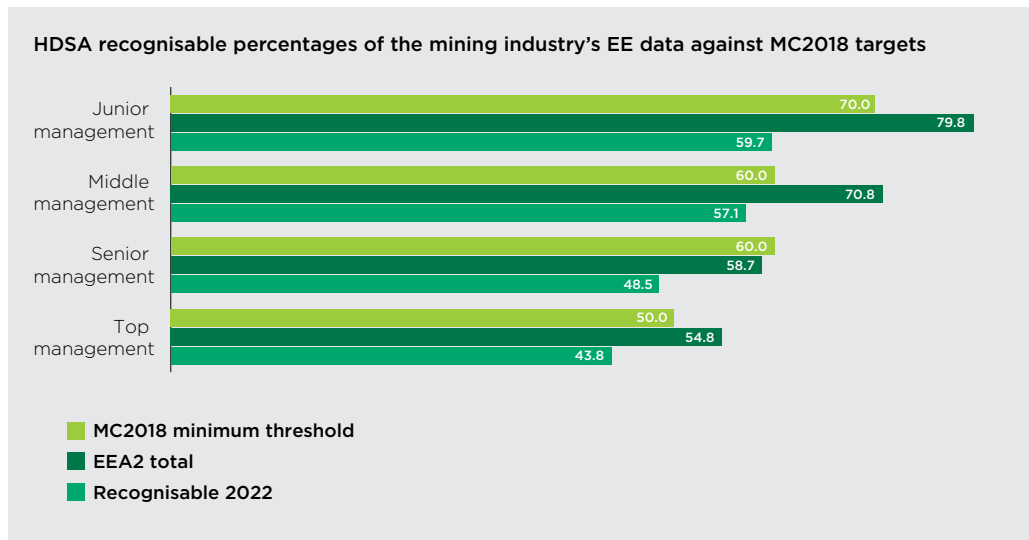
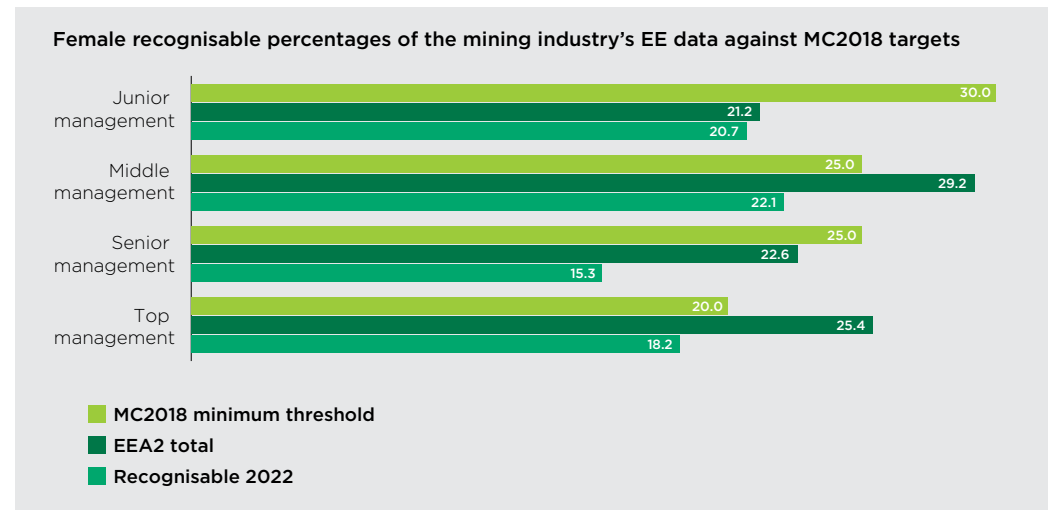
### Tracking transformation progress for the industry

When the Mining Charter 2018 (MC2018) and its implementation guidelines were gazetted, they were not accompanied by a standardised reporting template. At the end of March 2024, it was five years of mining companies reporting on MC2018 in various, unstandardised templates. Notwithstanding this, the Minerals Council commissioned a research study for the employment equity (EE) and human resources development (HRD) elements, as these elements can be analysed, tracked and monitored with a moderate amount of complexity. The other elements in the Charter, namely, ownership, inclusive procurement, enterprise, and supplier development, mine community development and housing and living conditions are hugely complex to review due to the volumes of data required and the unstandardised templates.

The Minerals Council study was based on data sourced from 35 member companies for the 2022 calendar year.

For employment equity, 74 mining right holders submitted reports, representing approximately 50% of the industry by number of employees (based on 238,000 employees in the study and 476,000 employees in the industry). For HRD, we analysed 64 reports representing approximately 69% of the total industry spend (R4.8 billion spent by participants against an estimated R7 billion industry spend).

The results of the study against MC2018's EE and HRD targets aligned to the national economically active population (EAP) statistics. Termed recognisable percentages found that none of the historically disadvantaged South African (HDSA) overall EE targets were met due to under-achievement in certain demographics. However, the spend on HRD met the target.



The graph illustrates that none of the HDSA targets were met, even though in almost all occupational levels, except at senior management, the EEA2 Total percentages at face value were above the MC2018 targets.

The graph illustrates that none of the female targets were met. Middle management and top management female targets were close to being achieved as the recognisable percentages recorded were 22.1% against 25% and 18.2% against 20% respectively.

When analysing the data further for each race and gender grouping at each occupational level, it revealed that White males and White females, as well as Indian males and Indian females far exceeded their EAP-aligned targets. In most occupational levels White males dominated, whereas African and Coloured females were underrepresented. African and Coloured males were the most aligned groupings, mostly just achieving or exceeding their targets.

The MC2018 target for employees living with disabilities was 1.5% for all employees but it was not met. The industry only managed to employ 0.2% of employees living with disabilities, most of whom were African males.

In February 2024, the five-year sector numerical targets were proposed under the Amended Employment Equity Act Draft Regulations and the industry is studying these closely and will endeavour to work deliberately and develop targeted strategies and implementation plans to increase representation of African and Coloured

females, as these are the most underrepresented groupings in most occupational levels.

The industry's R4.8 billion spend on HRD for employees and non-employees, exceeded the MC2018 target - the industry achieved 5.3% against a 5% target. This was a commendable achievement, however, the industry's investment in this element is closely linked to mandatory operational and safety training. This should be balanced with HRD spend that is focused on achieving transformation objectives and succession management.

The WiM team within the Minerals Council commissioned a study to explore how the sector was developing and procuring from women-owned businesses. For more information on this, please see the [WiM section](#).

Socio-economic progress of the sector remains paramount to the Minerals Council and our members, and we look forward to stakeholder engagements hosted by the DMRE. Some elements of MC2018 will reach their five-year transitional targets and therefore create a void for targets and expectations. The Minerals Council and our members hope that the work on the Transformation Beyond Compliance framework will continue to provide a fact-based approach in the co-creation of a new socio-economic landscape for the mining sector.

## STRATEGIC GOAL 3 – Communicating progress and impact of aggregate EESG performance and adoption of leading practices *continued*

### WiM

The Minerals Council's WiM initiative is now in its fourth year since inception in March 2020. The programme is part of the mining industry's strategies and efforts to attract more women to careers in mining and ensure their retention and professional advancement. These strategies also focus on creating a safe working environment for women and addressing barriers to their advancement to senior levels.

We made significant process in 2023 in embedding the WiM strategy and focus areas within the industry. We extended our work on GBVF beyond mine gates and we have included communities in the fight against GBVF through a national partnership on Thuthuzela Care Centres (TCCs) with the National Prosecuting Authority's Sexual Offences and Community Affairs unit and the GBVF Response Fund. The TCCs offer much needed medical, legal and psychological support to survivors of GBVF. It is crucial that these centres have a wide geographical footprint and are of a standard that reflects the sensitive nature of the services provided.

An additional highlight of 2023 was the launch of our procurement project, which supports women-owned businesses through our member companies in the form of supply chain and enterprise development programmes over a period of three years.

### Addressing GBVF

GBVF continues to plague South Africa and the mining industry is no exception. Our member companies recognise that they have an opportunity to contribute to the fight against GBVF in mining, host communities and society at large.

Partnerships with external stakeholders have proven important in amplifying our work. A testimony to this is the national partnership on TCCs which was launched in December 2022. During 2023, we made significant inroads in supporting the TCCs nationally, with 11 member companies pledging their support of the initiative by building new TCCs, renovating existing centres into more suitable structures and providing marketing material and signage for these centres. During the 16 Days of Activism for No Violence Against Women and Children campaign in 2023, Minerals Council member companies joined hands with the TCCs to champion the cause of survivors

by providing comfort packs, renovating TCC buildings and donating blankets and teddy bears for child survivors.

Member companies have pledged R6 million towards the initiative to date and three members have pledged to build three new centres.

### WiM gender diversity and inclusion reporting dashboard

We have seen an increase in reporting by member companies on the WiM gender diversity and inclusion dashboard. One of the key outcomes of the member review on the adoption of the outputs of the WiM Foundational Measures was the need to continue emphasising the importance of collecting data on transformation in the industry to provide critical insights into work required to increase the participation of women in the sector.

Our continued interaction with member companies on the transformation data through quarterly reports, has led to our decision to revise indicators that we track on the dashboard. The revised indicators have been expanded to include information such as the data required on the provision of personal protective equipment for women.

### WiM 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 WiM 2023 Safety Heroes campaign highlights the incredible contribution and the work done by our colleagues towards ensuring safety on mines and especially advocating the safety of women who face an additional risk to their safety at work due to the nature of mining.

You can read more about the WiM 2023 Safety Heroes at: <https://www.shorturl.at/>.

### Assessing the industry's support of the WiM initiative

A major activity for the WiM initiative in 2023 was the study of how Minerals Council member companies were supporting women-owned businesses through supply chain and enterprise development programmes. We embarked on the project in collaboration with the transformation and economics departments to evaluate the extent to which women-owned businesses have

participated in the mining industry between 2020 and 2022.

The purpose of the research project was to establish industry-wide insights on the support of women-owned businesses through the procurement of goods and services, and to understand the possibilities for women-owned businesses to play a more meaningful role in the sector. The report highlighted both progress and challenges. Although there was positive year-on-year growth in total procurement spending, challenges persist, including limited access to resources, patriarchal labour division and the underrepresentation of women in decision-making structures. The results of the study were presented to the WiM Leadership Forum in December and have provided insights into further opportunities for collaboration in the sector to expand transformation and women's economic empowerment beyond the mining gates.

### Assessing the industry's WiM performance

One of our biggest initiatives in 2022 was a study we conducted on how Minerals Council member companies were implementing the foundational measures set out in the WiM strategy. The study included a survey and site visits to companies, as well as focus group discussions. We visited 18 mines and surveyed 32 companies. We used the results of the survey to inform the WiM 2023 work plan.

The key areas we identified from our member review are the need for:

- Improved member engagement on the gender diversity and inclusion dashboard
- Continued mitigation on GBVF
- Elimination of bullying, harassment and victimisation
- Provision of childcare facilities
- Empowered structures at the respective organisations

We incorporated these key focus areas into the WiM strategy for 2023 and beyond. The WiM foundational measures provided a solid framework to drive our WiM objectives.

Some of the feedback from the member review called for the increased impact of WiM initiatives on the ground. To that end, we have adopted the principle of best practice to model ideal actions in the key areas identified and to encourage excellence replication throughout the industry. We have member companies that have championed change at their respective operations in the areas that continue to be challenging for women and these could be shared with other members. Furthermore, partner companies were identified from whom we can learn in setting an industrywide best practice.



Glencore Coal – Goedgevonden Colliery



## STRATEGIC GOAL 4 - Continually improving the effectiveness and service of the Minerals Council to members



### STRATEGIC GOAL 4

#### Our objectives:

##### Objective 4.1

Conduct regular (at least once per annum) reviews of the strategy and performance against the strategic objectives.

##### Objective 4.2

Broaden the Minerals Council's membership to include emerging miners and ensure their voice on the Board.

##### Objective 4.3

Proactive risk response management system, aligned with the strategic objectives, to manage mining industry risks and take advantage of opportunities.

##### Objective 4.4

Design and implement an effective Human Resources Development strategy to attract, develop and retain a professional team aligned to our strategic goals.

#### Material matters

- **Crime and corruption:** addressing and eradicating all forms of corruption, including through enhanced security, and eliminating organised crime
- **Reputation:** preserving and enhancing the reputation of the industry. Improving the understanding of the critical contribution mining makes to society and the economy
- **Exploration and development:** supporting strategies to promote greenfield and brownfield exploration, new mining projects and extending the productive lives of existing mines, including through enabling legislation and regulation

#### Performance

##### Administration and governance

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

- Properly filter external issues and ensure alignment with the revised 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 human resources strategy to attract, retain and reward a capable Minerals Council team aligned with the revised strategic plan.
- 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.
- 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 2024 core operational budget in November 2023 and special projects budgets in January 2024.
- 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.
- The Post Implementation Review Policy on special projects is now embedded. 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.
- Ongoing strengthening of internal controls by implementing electronic workflow systems 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 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 and to respond effectively to business needs.

##### Effectively engage members

Minerals Council membership was challenging in the period under review with one member leaving under unfavourable circumstances. We were strident in our efforts to arrest the decline of Transnet Freight Rail's performance and to affect a turnaround in that performance. The actions of the Minerals Council's leadership in this regard, while fully sanctioned by the Board and most of the bulk commodity producers, did not sit well with a particular member, leading to their resignation from the Minerals Council membership. We had taken care to ensure that we were aligned with our bulk commodity producers over the year and a half of intensified engagement with Transnet management, carrying out their mandates. As one member exited a new one came on board, a self-funded, black-owned junior gold exploration and mining company.

A particular challenge for the Minerals Council is interacting with or aligning with non-member

## STRATEGIC GOAL 4 – Continually improving the effectiveness and service of the Minerals Council to members

### continued

companies on broader industry related issues. While our research and leading practices relating to safety, helpdesk and seminars for junior and emerging miners are open to all companies irrespective of membership, we do face challenges working with non-members outside of these areas. We strive to ensure that the legitimate interests of all mining companies are looked after, whether they are members or not.

A key focus continues to be the need to communicate, grow and diversify membership – our membership now increasingly spans majors, mid-level and smaller companies. Through the Board and particularly through the leadership forums which cater for specific commodities and specific areas of interest, members voices are expressed and heard irrespective of the size of the organisation. These forums also ensure that issues of more general concern or interest (e.g. COVID-19, infrastructure and crime) are discussed across a broader member complement.

To ensure that all members are fully informed of discussions and decisions at a Board level, we continue to share Board In Brief notes after every Board meeting with every Minerals Council member company. The Board is mandated to make critical decisions, but we aim 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 mandate.

### Ensuring an enabling environment for junior and emerging miners

The JEMD was formed in 2014 and currently has 38 members which includes three associations. Collectively this represents 50% of the total Minerals Council membership.

The key role of the JEMD is to support membership in policy lobbying and research, and engagement with media and other key stakeholders on behalf of the sector.

*To this end the JEMD achieved the following milestones in 2023:*

#### Policy lobbying:

- The JEMD is reviewing the ASM Policy Framework released by the DMRE in 2022. It is planned to have a position on this by mid-2024.

- The JEMD was part of a team comprising the Minerals Council, MD360° and GGA, considering a competitive and workable mining policy framework for South Africa. The JEMD made inputs into the two focus groups as well as developed a regulatory template highlighting the challenges facing the junior mining sector. This will form part of the overall report.
- The JEMD, together with a team from the Minerals Council, met with the Chief Inspector of Mines in December 2023 to discuss the broad challenges facing junior miners in complying with the current legislative environment, in particular TMM regulations, as well as inconsistent applications of policy throughout the regions. Further engagements on this are planned for 2024.
- Engagement with the DMRE continued with an Exploration Task Team set up comprising of the DMRE, the CGS and the Minerals Council. The key outcomes were to lobby for a junior mining fund and to engage National Treasury on tax incentives for exploration activity.
- The JEMD approached industry experts on what a workable cadastre system should look like. This means that it will have an informed position when the cadastre is finally implemented.

#### Mentorship and support

- In 2023, the JEMD partnered with the JSE on the Junior Mining Accelerator Programme. This tailor-made programme aims to provide strategic support to junior mining companies by providing guidance on where a junior mining company should be positioning itself. Three Minerals Council JEMD members graduated from this programme in 2023.
- South African Diamond Producers Organisation (SADPO) in collaboration with the Geological Society of South Africa organised the Kimberley International Diamond Symposium in August 2023. The JEMD supported some students with funding to attend the SADPO Diamond Symposium.

#### Webinar

- A webinar was held on the transport and energy challenges faced by the junior mining sector. This webinar drew close to one hundred delegates and achieved significant media coverage.

Presenters included the Minerals Council, the Energy Council and industry experts.

#### Media engagement

- Multiple interviews were held with various mining publications and TV channels during the year.

#### Participation at the Mining Indaba

- The JEMD participated at the Mining Indaba 2023 and facilitated a meeting between the CEO of the JSE and the CEO of the CGS. This meeting resulted in further engagements between these two organisations with a particular emphasis on supporting the junior mining sector.

In 2024, we will:

- Continue to engage with both the DMRE and CGS on implementing the Exploration Implementation Plan
- Run a webinar on exploration
- Continue engagement with the media
- Continue to support the Junior Mining and Exploration Leadership Forum by providing both logistical support as well as research capacity
- Continue engagement with our junior members and provide them with support in the form of advice for individual queries with the appropriate expertise in the Minerals Council as well as networking opportunities

#### Hybrid working model – adapting to changing circumstances

The office building at 5 Hollard Street, Marshalltown, Johannesburg, which was home to the Minerals Council for 101 years, was sold in 2023, thereby discharging our mandate of exiting the Johannesburg CBD without any residual liabilities to our members.

As many organisations operating in a post-COVID-19 world, we have adopted a hybrid working model. Employees have the option to work from the new Rosebank offices or at an offsite location, subject to working from our offices for a minimum of two days per week to promote interpersonal interactions and to develop and retain the Minerals Council corporate culture. Some employees in identified positions are required to work fulltime from our offices.

This mode of work offers several advantages for both employer and employees, such as increased productivity, reduced costs, improved work-life balance, and enhanced diversity and inclusion. However, hybrid working also poses some challenges, such as communication and collaboration issues, cybersecurity risks and social isolation. Some of these challenges are mitigated by working from the office at least two days a week.

It is important for us to adopt a strategic and holistic approach to hybrid working that considers the needs, preferences and expectations of all the stakeholders involved, and that leverages the best practices and technologies available.

The hybrid working model is saving the industry in substantially reduced operational and overhead costs.

#### Corporate social investment

In August 2023 a fire engulfed an illegally-occupied, government-owned, five-storey building, Usindiso, in Marshalltown in Johannesburg's inner city, killing 77 people and injuring 88 others. It was one of the deadliest fires worldwide in recent years. The South African Red Cross Society (SARCS) was one of the NGOs to come to the rescue and assist victims of the fire. Based on our century-old association with Marshalltown, the Minerals Council donated R100,000 to the SARCS in 2023.





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