

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

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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:





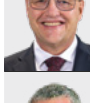

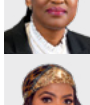
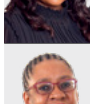
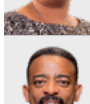


Office Bearers



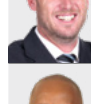




Our Office Bearers provide leadership to the Minerals Council on behalf of the Board and are elected each year at the annual general meeting (AGM).

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.

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

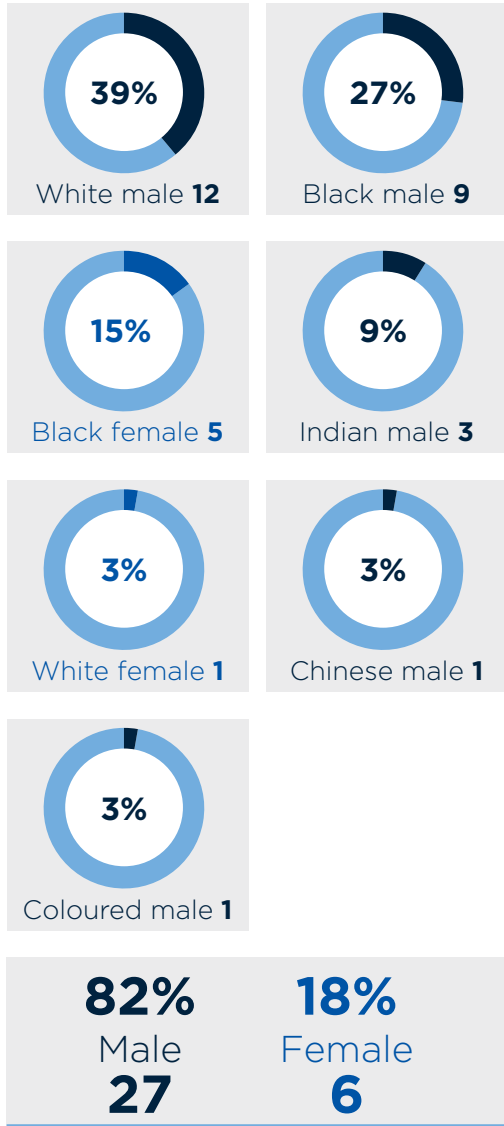
	Phillip Tobias African Rainbow Minerals: CEO
	Craig Miller Anglo American Platinum: CEO
	Charles Walters Assore: CEO
	Mariana Lamont (for associations) Clay Brick Association: Executive Director
	Barend Petersen De Beers Consolidated Mines: Executive Chair
	Moses Madondo De Beers Consolidated Mines: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

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

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

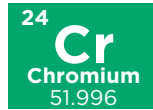
- What impact we had: [Community challenges](#)
- Strategic goal 1: [Improving social performance and licence to operate](#)

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.

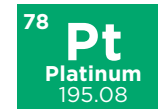


3. Diamond Leadership Forum (DLF)

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 stationery 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.

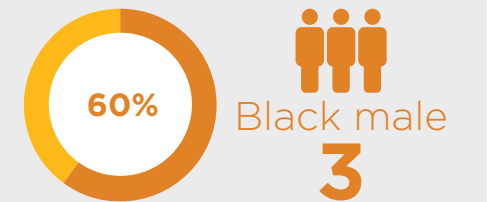


Sietse van der Woude (59 years)
Senior Executive: Modernisation and Safety
Master of Science, Master of Business Leadership

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.

Economics:	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.
Employment Relations:	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.
Environment:	Provides advisory services, guidance and strategic leadership on environmental sustainability, climate change, mine closure and rehabilitation in a manner that enhances members' contributions to sustainable development. Undertakes lobbying and advocacy on key environmental sustainability and water legislation and policy on behalf of the industry.

Health:	Provides advisory services, leadership and support in the field of occupational health, medicine and hygiene, along with advocacy and advice on TB, HIV and acquired immunodeficiency syndrome (AIDS). The Head of Health also champions the Women in Mining (WiM) Strategy.
Junior and Emerging Miners' Desk (JEMD):	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.
Legal:	Provides legal advice in influencing legislative and other matters affecting members' interests. The focus is on constructive policies that are consistent with the national interest. This includes addressing challenges that have arisen as a result of the increase in illegal mining.
Modernisation:	Promotes RD&I as a critical enabler of modernisation. The discipline acts to facilitate a collaborative effort on innovation that will contribute to achieving zero harm, improving productivity and competitiveness, and creating sustainable and socially acceptable mining.
MOSH Learning Hub:	Encourages and enables mining companies to learn from the safety and health expertise and leading practices that exist in the global and local mining industries.

Public Affairs and Transformation:	Engages with social partners on matters of public policy, drives the internal and industry transformation agenda and engages on the public policy implications of the issues affecting the industry.
Safety and Sustainable Development:	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.
Skills Development:	Advocates the creation of an environment that enables the mining industry to develop skilled employees for advancement and deployment.
Social Performance:	Provides a more collaborative and coordinated approach to community relations and local economic development.
Finance and Administration:	Provides the governance, risk management, human resources and administrative structures; and the financial, information and communications technology (ICT) and facilities management of the Minerals Council.
Communications:	Conveys information about the Minerals Council and the mining industry to stakeholders in an honest, transparent and balanced manner. 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