**MINUTES OF THE SAMESG WORKING GROUP MEETING**

**HELD ON 28 FEBRUARY 2019 AT 11:30**

**At CSIR MININGTEK, CARLOW RD & RUSTENBURG ROAD, AUCKLAND PARK, JOHANNESBURG**

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| **Present:** | **T Steele-Schober (Chairperson)**<br>**A Botha**<br>**J Lake**<br>**Dr T Marshall**<br>**K Davies** |
| **Dialling in:** | **S Govender**<br>**S George** |
| **Apologies:** | **C Dixon**<br>**A Baker** |
| **In Attendance:** | **C Jardine**<br>**Y Ndimande**<br>**M Engelbrecht (Scribe)** |

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## 1. WELCOME

Ms Steele-Schober welcomed everyone to the meeting.

## 2. ACCEPTANCE OF MINUTES

The minutes of the meeting held on 29 November 2018 were accepted as being a true reflection of proceedings.

## 3. FEEDBACK ON KEY ACTION ITEMS

**Readers Panel**
In terms of Rob Ingram to look into his list and advise the committee on who they can reach out to – to assist with the readers panel, Ms Steele-Schober confirmed that the committee agreed with Rob Ingram. We agreed with Rob to Chair the Readers Panel where we will do the review of a handful of the reports to the quality of the reporting that we are given. Ms Steele-Schober and Ms Botha will go through the quality of the reports and give feedback on the reports.

**ACTION: Ms Steele-Schober & Ms Botha**

## 4. DISCUSSION OF PROGRESS AND ACTIVITIES TO DATE

**Readers Panel**
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**ACTION: Ms Steele-Schober & Ms Botha**

**GROUND BOARD WATER DIVISION OF GSSA**

Mrs Steele-Schober apologised and confirmed that she will try and meet with Mr Dippenaar between this meeting and the next meeting. Mrs Steele-Schober has sent Mr Dippenaar's contact details to Ms Jardine to invite Mr Dippenaar to the meeting going forward.

**ACTION: Mrs Steele-Schober & Ms Jardine**

## 5. OBJECTIVES FOR 2019

The objective is to socialise and getting an awareness of the SAMESG Committee out to the other committees.

Mrs Steele-Schober confirmed that she will be attending the SSC event.

The SAMVAL Conferences is now scheduled for February 2020 and will no longer take place during October 2019. Ms Steele-Schober confirmed that she is on the organising committee and want to make sure that SAMESG has a slot available. Ms Steele-Schober asked MS Botha to share any ideas that she may have to be presented during the conference.

Ms Botha confirmed that one of the things that they have been thinking about is to get the International Finance Corporation involved to be a guest speaker at the event. Just to provide everyone with a bit of an international overview of how important the GSE component is globally, especially from an investment point of view. It is The International Finance Corporation, and we are looking at the Head of Mining and Infrastructure Development for Africa to come and do a short presentation. Ms Botha also thought about getting the Head of Principles to do a presentation about the Finance in the industry globally. We just want to highlight to use it as a flag to get a lot more attraction on SAMESG. Mrs Steele-Schober agreed that it is a good idea and will put it forward to the organising committee and spread it around some ad hoc sessions and as the agenda materialising the committee could confirm the dates to the speakers as February 2020 and the committee can reach out to them for the events that are already diarised.

IFC is looking to triple their investment portfolio in Africa. Last year they invested USD260.000-00 into the mining industry in Africa, and this year they wanted triple the amount. Mrs Steele-Schober said that it is really something for the committee to look forward to.

Mrs Steele-Schober further confirmed that the other call that we have made are for people who are aware of other forms for us to present SAMESG. Yolanda has rolled me onto the committee for the SAIMM Conference that will be held in July. Mrs Steele-Schober has requested that the flyer be circulated to everyone.

Dr Marshall asked if Mrs Steele-Schober was also on the Introduction to the Codes Workshop on the 16th and 17th of May? Mrs Steele-Schober confirmed that it has been diarised and that she will be attending the workshop.

Dr Marshall mentioned that there is a Diamond Conference scheduled for June 2020.

Mrs Steele-Schober said that Leslie has invited SAMESG to present at the Coal Mine Geoskills on the 15th and the 16th. The agenda is already quite full, but they are willing to allow SAMESG some time to present.

Ms Jardine confirmed that there is a YPC conference on the 11th of May and they can forward the details to Mrs Steele-Schober to see if SAMESG will be interested in presenting there as well.

Mrs Steele-Schober requested that the team work together to spread the workload by putting a presentation together that can be adjusted prior to every conference or meeting with other committees and organisations to ensure that they get the right message across. Dr Marshall recommended that Carol is a good speaker to use for presentations.

**All members**

## 6. DRAFT TERMS OF REFERENCE

Mrs Steele-Schober asked the committee if they had any questions or feedback on the Draft Terms of Reference? Mr Lake confirmed that he had few minor observations that he could share. Mrs Steele-Schober confirmed that SAMESG has been around for about five years and since then there was only one chairperson nominated during the five years. Mrs Steele-Schober attended the previous SAMREC and SAMVAL meetings just understand what they are about and in SAMVAL there was an understanding in terms of the chairperson being there for two years where after they were replaced with a new chairperson, to ensure that it doesn't become a "life sentence". Mrs Steele-Schober said that it might be something that SAMESG can adopt to formalise things to ensure that their period comes to an end and also to ensure that here is a flow of new blood. It is good for the committee to have new people coming into those roles.

There is the Terms of Reference that is being developed for the SSC, so there is some alignment between this and the SAMESG issue, but SAMESG also have the ability to structure it in a way that works for the SAMESG Committee. Mrs Steele-Schober invites all comments on the Terms of Reference.

Mr Lake gave further feedback on the Terms of Reference by referring to the first line that says: "*The purpose of the Committee is to develop, maintain and administer*." Although Mr Lake feels that it is an admirable purpose, but is it actually achievable? Mrs Steele-Schober says that it is her understanding that the word administer refers to these types of meetings and everything that goes around the admin side of it. We have developed, and we do need to maintain. Monitoring and compliance is certainly fundamental to what we do. Over time through building relationships we will be able to better ourselves, and certainly, promoting compliance is our instructions from the SSC.

Mr Lake said that he still does not have a clear understanding how the Committee is achieving that and Mrs Steele-Schober agreed that they can change the wording of the first line to be more clear.

Mrs Steele-Schober asked how often the Codes get changed and Dr Marshall explained that the Codes get updated as and when there are sufficient changes to require a change.

Ms Botha mentioned that the Committee should refrain of trying to make changes to the Code too often and maybe limit it to once a year if possible. Mrs Steele-Schober agreed that the committee should not make changes more often than once a year.

Mr Lake referred the Committee to page 2 of the Terms of Reference, on the Financial Evaluation Matrix, and asked if the Financial Evaluation Matrix has been developed yet? Mrs Steele-Schober mentioned that it was not done. Mrs Steele-Schober asked if the Vision and the Mission came from the final documents that Sarah has prepared and that was sanctioned by the SSC? Mrs Steele-Schober confirmed that Sarah has taken a look at these because she has signed the visionary statement, but the Financial Evaluation Matrix has not yet been developed. Mrs Steele-Schober suggested that the SAMESG Committee should be looking at providing support to SAMVAL and SAMREC.

Ms Botha referred to a previous discussion that she has had with Mrs Steele-Schober with regards to companies' financial disclosure of these matters. What they have said was that the GRI which is normally used for outstanding or relevant reporting already advised on some things to do and the financials surrounding GSE. And one thing to do is to bring in a new requirement on these companies, is to do a GRI guidance on what was to do and what was not.

Mrs Steele-Schober agreed and said that they will replace the wording to assist the function.

Mr Lake confirmed that he thought that the Terms of Reference was a good document.

Mrs Steele-Schober thanked everyone for their input and mentioned that she will send an email out to everyone to request any further feedback on the Terms of Reference over the next couple of weeks, where after the Terms of reference will then be finalised.

## 7. WEBSITE

Mrs Steele-Schober mentioned that she had not yet had the opportunity to look at the website and that it will have to be raised in the next meeting as an Action Item. The Committee need to look at the website to see if there is any terminology on the website that needs to be updated. On the website there is a link to an Excel file which has got the SAMREC tables, and it also has additional SAMREC and SAMVAL worksheets.

Mrs Steele-Schober confirmed that she is currently in the process of working through the tables to neat up a few things. Mrs Steele-Schober is also trying to include reference to the SAMESG sections.

## 8. DEFINITIONS

Mrs Steele-Schober mentioned that this is something that needs to be discussed throughout the year. There is a requirement in the liability sections 2.9, 3.9 and 4.9 to disclose social obligations, rehabilitation activities, material remaining liability and compliance cost. Mrs Steele-Schober said that she thought that SAMESG may be able to provide definitions for some of those headings in the guideline. The definition around compliance cost will be useful.

Mrs Steele-Schober said that she couldn't remember what is meant by "Material Remaining Liability", but she has tried to put together a proposed definition that may be completely wrong, and therefore she wanted it to be discussed during this meeting.

Mrs Steele-Schober proposed definition wording: "All material cost, operating and associated with implementation actions around validating targets of approved licences and examples will include communities settlement, etcetera." Ms Botha mentioned that General Compliance or legislation is missing in the proposed definition, so it is not just the approval of the licence permits. There is also general compliance. Mrs Steele-Schober requested Ms Botha to think of some appropriate wording for the definition and has asked if Ms Botha could send it out to the Committee for feedback.

Mr Lake said that when you talk about compliance costs, you must make sure that you also focused on ESG compliance cost, because a geologist writing and looking at compliance cost they will be looking at prospecting, permits and other things as well. Ms Botha agreed that Mr Lake has raised a very good point.

Mrs Steele-Schober mentioned that the Committee should decide if they want to delete or change some of the wording to make it clear that it is residual. Dr Marshall suggested that they could do is write a guidance note of all kinds of thoughts and discussions and load it onto the SAMESG page on the website Mrs Steele-Schober agreed and mentioned that the guidance note can be around the whole liability component and what things should be considered. Mrs Steele-Schober asked the committee if where if they should write some guidance note or wait for the report? Ms Botha suggested that they should first get the basics in place and then go ahead.

Mrs Steele-Schober requested that the committee should consider the wording around the liability component.

Ms Botha asked if it will not be helpful if the committee created a survey to be sent out all the committee members on issues like this, because everybody does not attend the meeting. Ms Botha is sure that there are other people that has got a different opinion, but has not attended the meeting. Through the survey they will be able to get the other people's comments on this issue. Mrs Steele-Schober agreed and requested that this be diarised as an agenda point at the next meeting.

## 9. CLIMATE CHANGE

Mrs Steele-Schober raised the issue of climate change and feels that there is a need to consider climate change risks in future. Ms Botha said that Mrs Steele-Schober is raising a very good point as she was looking at SAMVAL development goals earlier during the week and Ms Botha was wondering how well aligned is SAMESG to it. Ms Botha said there is a need to go through the development goals and look at things like climate change, ecosystems, etcetera.

Dr Marshall asked how does climate change actually affect the operation? Mrs Steele-Schober responded that the easiest example is the thing around extreme risk. If you going to an area where you expect a huge amount of integrational events do you have a mine design that cannot deal with a lot of water. You are going to occur massive capital loss.

Dr Marshall, ask what climate change are they talking about and Mrs Steele-Schober answered that climate change is already happening and it is important to know what dangers your mine is exposed to. Dr Marshall explained that the Kalahari may not have seen rain in the last 14 years and they may not see rain the next 14 years, so how does climate change effect the mine in the Kalahari? Ms Botha explained that they recently completed a project with IFC and what they were asking for was what is your climate change allocation strategy and if on the scenario that was produced, what was the financial indication on the operation? Dr Marshall asked what does that mean and Ms Botha responded that they wanted you to think if this area is prone to flash flooding. It is more instantaneous than alarmed in climate change, but because climate change is escalating, your extreme events become so much bigger and then the operations cannot prepare for it. The question that we ask is what is the risk around flooding and landslides. What is it going to cost if we need to put this kind of management into plans? What is it meant the business case and the financial investment case? In the Kalahari it may not be a risk but in other places it may be a huge risk in finance want to see that you have considered the climate change allocation strategy for your mine. Dr Marshall responded that all those things should be considered on the risk assessment in any case. Ms Botha said that the international institutions advise that you have to design it for maximum probable flood and not in a hundred-year study.

Dr Marshall advised that one of the other things that you need to consider when you dealing with this is that not every company doing mining is large, they are also little mines that cannot afford to do 15 year trials.

Mrs Steele-Schober said that the Committee should prepare for some of the questions, but also ensure that it doesn't take any of the resources. Mrs Steele-Schober mentioned that it should be diarised as a repetitive agenda item as it is an ongoing event. The members should be thinking about the best ways to implicate around climate change as it can have a material impact. Dr Marshall mentioned that the committee should remember that the "E " stands for eventual, and the committee must decide how to define eventual, so you cannot look at eventual in 200 years if the mine and he has a resource for five years.

Mrs Steele-Schober said that if you are looking at other projects we have got 20 or 30 years and you already see trends of more extreme and more frequent events, yes that is a legal requirement, but from a risk perspective it is actually not acceptable.

**10. CLOSING**

Ms Steele-Schober closed the meeting and thanked everyone for their participation.

**11. DATE OF NEXT MEETING**

Mrs Steele-Schober advised that the next meeting will be held on 30 May 2019.

| SUMMARY OF KEY ACTION ITEMS |
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| **Teresa Steele-Schober** |
| Mrs Steele-Schober to give feedback on the website. |
| **Annalie Botha** |
| Draft definition and send out to committee for feedback. |
| **All members** |
| Draft a presentation to cover all the presentations and meetings. |