NOTES OF THE SAMESG MEETING

HELD ON 28 NOVEMBER 2019 AT 11:30

CSIR MININGTEK, CARLOW/RUSTENBURG ROADS, AUCKLAND PARK JOHANNESBURG

Present:	**Ms T Steele-Schober**	**(Chairperson)**
	Mr K Davies	
	Dr S Rupprecht	
	Ms A Botha	
	Ms E Moodie	
Dialling in:	**Dr T Marshall**	
Apologies:	**Mr J Lake**	
	Ms N Moeketsi	
	Mr G Nussey	
	Ms S Magnus	
In Attendance:	**Ms C Jardine (SAIMM)**	
	Ms G Charlie	

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1. WELCOME

The Chairperson welcomed everyone to the meeting and apologies were noted.

2. ACCEPTANCE OF PREVIOUS MINUTES AND MATTERS ARISING

The Chairperson advised that the last meeting had taken place on 30 May 2019. The minutes of that meeting were taken as read.

Some discussion took place around the following two points arising from these minutes.

Regarding the issue of getting SACNASP to get Ground Water recognised as a discipline in the field of practice the GSSA Groundwater Division has advised that it remains a work in progress and that they will be unable to proceed with developing a best practice guideline on groundwater reserves and resources until the discipline has been recognised by SACNASP.

ACTION: NONE

The action out of the minutes was for the Chairperson to share the comment by Carol Dixon on the latest Financial Provisioning Regulations for comment. This matter was on the agenda and Ms Steele-Schober advised that she had spoken to Ms Dixon and it seemed that another version of the Regs would be put out for comment. She suggested that SAMESG wait for the next version and ensure that this was circulated to all and that Ms Dixon would share her comments at that point.

3. MATTERS ARISING

3.1 SAMESG PRESENTATIONS

The Chairperson advised that, in terms of SAMESG presentations, the latest one since May was in June at the SAIMM Smart Mining/Smart Environment Conference, where she had presented. Three presentations had been given in 2019 and the aim for 2020 was to try and present as often as possible in order to get the word out. Most audiences were still uninformed about SAMESG.

Connected to that, and in terms of understanding what was happening with SAMESG, the Chairperson and Ms Botha were working on reviewing some reports that were received from Mr Rob Ingram from the Readers' Panel. It was planned that Ms Botha would be presenting in February at the SAMCODES Conference.

Dr Marshall asked for a copy of the presentation to be sent to her for inclusion on the website.

ACTION: ANNELI BOTHA

In response to a question as to whether it would be a presentation or a panel, Ms Steele-Schober advised that there were two components and an e-mail would be sent to Mr Lomberg around potentially having a session on ESG issues which would induce this feedback and a panel with Nick Holdcroft (from the International Finance Corporation) and Nigel Beck from Standard Bank / Chair of the Equator Principles. The SAMCODES Conference was being held in Johannesburg on 25/26 February and Ms Steele-Schober would engage with Mr Lomberg regarding the possibility of having panel discussions with the head of the IFC's ESG for Mining team for the African continent and he would talk around the inclusion of ESG issues in the IFC's decision-making process and the importance of that.

ACTION: TERESA STEELE-SCHOBER

Some background was given on Mr. Beck and the thinking was to raise the awareness of the global importance of ESG in investment decisions because it was felt that the mining community did not appreciate this fully in South Africa. Mr. Holdcroft from the IFC was the champion for ESG due diligence for all the African projects. Mr. Beck could then give a more South African-based perspective but also what was happening in the international market and how important the ESG matters were as part of transaction processes. Ms Jardine advised that there was already a slot in the Conference programme. Mr. Holcroft was getting approval to speak at the Conference and this would be confirmed. Mr. Beck requested that he be contacted closer to the time.

SAMESG would provide an update on the level of compliance for ESG, with a comparative analysis. This would be coupled with the investment review perspective and it was hoped that this would elevate the importance of the issues in the mind of SA mining.

Mr Davies asked whether the Readers' Panel provided any consequences of reports not being ESG compliant. It was understood that it was up to the Readers' Panel to inform the SAMESG around compliance, but that there had been no calls for assistance to date. Dr Marshall advised that, up until now, there had been no ESG readers on the panel for the simple reason that ESG was just one portion of the report. It was up to the individual reader to highlight where there had been a need. Now that the SAMESG was doing the review, this would assist in identifying what to look out for. This review was essential to help the Readers' Panel. This was the reason why the global importance of ESG had to be brought home to the South African market in order to elevate the SAMESG guideline and hopefully to progress it to a Code once people understood the importance of this in investment decision making. The only way to get that message across was if it touched the companies' bottom line.

Dr Marshall cautioned that if there was a reader on the Readers' Panel, this person would have to review every single incoming report and would have to have the capacity to be able to do that. Ms Steele-Schober responded that it would probably require a dedicated ESG person, but also a skills awareness for the rest of the readers to flag reports so that at least there would be some kind of process. Dr Rupprecht added that it should be clearly stated that the CPR needed to have the ESG aspects included. At this stage, not all CPRs had that information. Dr Marshall agreed and it was reasonably clear in Table 1 what needed to be done. All the ESG needed to be included as per Table 1. Dr Rupprecht was not sure if all aspects were covered in Table 1. The Chairperson advised that an Excel version of Table 1 was on the website and available for downloading. Within that, there was a mapping to SAMREC and SAMVAL to SAMESG, so it was a reference for people to use. Dr Rupprecht believed that if it was not in the SAMREC Code or Table 1, the SAMREC Code has to be updated to ensure that the SAMESG requirements are contained there. He added that not all CPRs went to the JSE. He believed that 80% of the ESG was covered in Table 1. His advice was to check the guidelines against Table 1 to see if anything was missing. This information could then be included when the Code was next updated. Some discussion followed on what was required in reports and how to find the balance between what SAMREC wanted and what SAMESG recommended. Currently it was not necessary to be a Competent Person to compile the ESG component of the annual report. The advice to the CP was to get assistance from technical experts. If SAMESG was codified, this would require a certified CP. That would also help to elevate the ESG in South Africa. Ms Steele-Schober commented that the challenge would be how people would demonstrate competency

It was suggested that the matter of whether SAMESG should be codified be put on the agenda and, if so, who would be the CP to prepare reports in this field in South Africa. Ms Steele-Schober suggested that the review be done first and it could then be built into that. It was agreed that this would be kept on the radar.

4. UNITED NATIONS INTERNATIONAL STANDARDS OF ACCOUNTING & REPORTING

Ms A Botha reported on her visit to Geneva to accept this prestigious award.

She sat in on the main assembly of the UN, where they discussed the implementation of the Sustainable Development Goals (SDGs) and advised that those presentations could be made available to anyone who was interested.

A number of country case studies were presented on how countries were implementing the SDGs, but also from companies on how they were integrating the SDGs in their annual reporting processes, as well as operational implementation. A major take-away was that globally people were saying that there were too many standards and there was a need to collaborate. There was a goal for the UN to lead that process. The challenge they would face with standards organisations was that it was an industry in its own right, and therefore close collaboration was necessary.

The Awards Ceremony had two categories:

- International organisations who were assisting in the implementation of the standards in their own way. One example was the German Sustainability Code, which they were contemplating making applicable internationally.

- SAMESG was awarded for an outstanding national initiative. Ms Botha provided some background on how SAMESG came to be recognised. The international judging panel was made up of 15 people, including people from the UN, etc.

A vote of thanks was extended to Mr Davies and Dr Marshall for their support over the past four years.

Ms Botha and Ms Steele-Schober attended a meeting and the UN/ISAR had been invited through South Africa's Department of Trade & Industry to roll this out in South Africa. The challenge was that they were looking at SAMESG to represent the mining industry in South Africa. SAMESG declined, but agreed to make the contacts. They were trying to get companies and countries to report on 33 parameters, some of which had already been reported on. That invitation was a spin off from being involved in this award. It was believed that there would be some additional spin offs.

There was a motivation for SAMESG to win this award again and there were a few conferences which they would like SAMESG to join. Ms Botha queried whether the SSC would consider sponsoring SAMESG in this regard. Dr Rupprecht responded that the motivation for this would have to be sent via Ms Moolla for tabling at the SSC. Currently the SSC budget was mainly used for CRIRSCO meetings. He believed that costs would be the deciding factor. Dr Marshall added that the process would be to put in a motivation for a specific event, with costs, and this would have to be submitted by the end of January, but that there was no guarantee that the funds would be made available. Dr Rupprecht suggested that there should be some way of generating income via training and that this income could then be earmarked for SAMESG.

5. SAMCODES CONFERENCE 2020 – 25/26 FEBRUARY 2020

This had been covered under Agenda Item 2.

6. GENERAL

The Chairperson advised that there had initially been a long list of SAMESG committee members, some of whom had only attended one or two meetings. She was looking for ideas on how to invigorate SAMESG and get people back to being involved. A meeting had been set up with GRI in this regard. Any ideas on how to get people involved would be welcome. Mr Davies was interested to know what the JSE was doing. He suggested that it may be possible to give a paid presentation to the Investment Analysts Society regarding investment reporting. Ms Steele-Schober advised that some companies take the ESG issues more seriously than others, especially in terms of the IFC requirements. Mr Davies suggested that there may be an opportunity via Nedbank on the equator principles.

The Chairperson believed it should be a two-pronged approach. When the Committee was put together, it was comprised of people who had to comply with the Code. It would be to ensure that there was be an awareness that ESG was required and that SAMESG was there to make their jobs easier. It was believed that the JSE approach would gain more traction.

Dr Marshall asked if anyone was on the Integrated Report Panel. She suggested speaking to Christina Dohm regarding the companies writing the best report award, i.e. Squirrel Awards. If there was someone from SAMESG on that panel, they could look at the ESG side of this report and IASA could perhaps be persuaded to present a Squirrel Award for the best ESG component on an annual report. Dr Rupprecht advised that Integrated Reports require by Section 12. There was a disconnect between SAMESG and the JSE Integrated annual reporting requirements. The links with the JSE would have to be strengthened. The JSE was sitting on the panel which the UN had set up in South Africa. SAMESG should capitalise on the awards and create awareness about it via newsletters, etc. Investors should also be made aware of ESG. It was quite a broad marketing campaign.

Elzaan Moodie (Glencore) advised that her colleagues would be open to being approached regarding SAMESG. Most of the companies had reporting guidelines via sustainability reports on ESG. She proposed that the Minerals Council of SA be approached and they could then assist in approaching a couple of the mining houses. The other forum she suggested was the Business Committee of South Africa who had other industries apart from mining who might also be approached in assisting with this. Carol knew that committee well and she would also be asked to help. A suggestion was made to remind people of SAMESG and the award. Participants were asked to send any contact names through to Ms Jardine.

The Chairperson was encouraged by the positive end to the year and advised that the award and certificate would be handed over to the SSC for safekeeping and kept at the SAIMM offices.

7. NEXT MEETING

The Chairperson thanked all members for their participation and advised that the next meeting was scheduled for 5 March 2020. She advised that she would be on maternity leave and that Ms Botha would stand in for her. She wished everyone well over the Festive Season and the meeting was closed.

KEY ACTION ITEMS
1. TERESA STEELE-SCHOBER
Send copy of proposed SAMCODES Conference presentation to Dr Marshall for inclusion on website once developed.
2. TERESA STEELE-SCHOBER
Engage with Mr Lomberg regarding possibility of having panel discussions with the head of the IFC’S ESG for Mining team and Chair of the Equator Principles.