MINUTES OF THE SAMESG MEETING

HELD ON 28 MAY 2020 AT 11:30

VIA ZOOM

Present:	**T Steele-Schober (Chairperson)**
	A Botha
	K Davies
	C Dixon
	N Fisher
	R Garner
	R Horn
	A Johnstone
	J Lake
	S Magnus
	Dr T Marshall
	E Moodie
	A Rooplall
	Prof S Rupprecht
	L Selby
	S Visser
	B Williamson
Apologies:	
In Attendance:	**Ms C Jardine (SAIMM)**

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1. WELCOME

The Chairperson welcomed everyone to the meeting and advised that she had taken over as Chair of the SAMESG Committee from Ms Magnus. As there were so many new attendees, she asked everyone to introduce themselves:

Anneli Botha	-	Vice-chair of the SAMESG since its inception
Carol Dixon	-	Had been a member of SAMESG since its inception and was assisting from the legal side
Richard Horn	-	Geologist by profession
Andrew Johnstone	-	New member of SAMESG. Managed GCS and looked forward to adding some value
James Lake	-	Mine Closure Lead for SRK Consulting
Richard Garner	-	Head of Environment for MSA Group.

Tania Marshall	-	Geologist by profession and worked mostly in the exploration space as a consultant. Chair of the SSC.
Steve Rupprecht	-	Outgoing Chair of the SSC, from the University of Johannesburg.
Nikki Fisher	-	New member of SAMESG. From Anglo American Coal South Africa
Bruce Williamson	-	Integral Asset Management involved in the analyst fund management. Wanted to get a link between the investment community and the work done by SAMESG
Sarah Magnus	-	Past Chair of SAMESG. Currently working for Deloittes in the Sustainability Team
Camielah Jardine	-	SAIMM Secretariat, offering support function to SAMESG Committee
Susan Visser	-	Glencore Chemical Engineer
Kevin Davies	-	Accountant by profession. Currently working for AngloGold Ashanti in their UK office. Was one of the original members of SAMESG and also a member of SSC.
Liam Selby	-	Environmental Consultant working for Sustain Consulting, with a Zoology and Biodiversity background.
Elzaan Moodie	-	Group Environmental Manager for Glencore Ferro Alloys and a Medical and Environmental Scientist by profession.

Ms Steele-Schober advised that there were a few other people who had agreed to join the Committee but were not able to attend the meeting. That would receive the minutes and could access the recording afterwards, if necessary.

2. ACCEPTANCE OF PREVIOUS MINUTES AND KEY ACTION ITEMS

The minutes of that meeting held on 05 March 2020 were taken as read.

The action items were discussed as follows:

In terms of the Readers' Panel, Dr Marshall was tasked to give feedback on the analysis to all members. She advised that this was an error, as the feedback had not been received, so it could not be distributed. Ms Steele-Schober responded that this would be discussed later as an agenda item.

In terms of the questionnaire from the United Nations Development Account Project, Mr Davies was thanked for stepping in to give a lot of input. As some background information, Ms Steele-Schober advised that last year, SAMESG won an award from the United Nations International Standards of Accounting and Reporting (ISAR) and, through that, SAMESG was invited to be involved in the development of a standard reporting framework for countries around the world. SAMESG was then asked to submit a questionnaire. The questionnaire was almost asking SAMESG to report on behalf of the entire mining industry, which was not necessarily something that SAMESG was best placed to do. Mr Davies was able to contribute a lot of answers from a generic mining industry perspective, which was then sent through to the Committee. Ms Botha added that, given that SAMESG was in the mining space and the UNDAP was looking for that kind of input, SAMESG supplemented what Mr Davies had provided with some high level information on mining-related legislation that had linkages to some of the questions that they were asking in the questionnaire. Basically, it was just guiding them that certain of the departments did record information that they were looking for and that there would need to be further engagement with those departments to see what information they could obtain from them.

Ms Dixon raised a question in connection with the Development Account Project. In the minutes, it was mentioned that the UN team should be engaging with the Minerals Council and she had been asked offline to test the waters with Ms Stephinah Mudau about her involvement with that. She asked whether there had been any contact with the Minerals Council. In an informal discussion with Ms Mudau, the latter had asked that she would like to be involved. It was suggested that the incorrect e-mail had been used for Ms Mudau in the past. Ms Steele-Schober requested Ms Dixon to ensure that SAMESG received Ms Mudau's correct address.

ACTION: Ms Dixon

In response to the first question, Ms Steele-Schober advised that the deadline for the questionnaire was very tight and so SAMESG knew that there was not going to be an opportunity to engage with the Minerals Council at this stage; and that as all the questions in it related to financial accounting standards, Mr Davies submitted that information from a general accounting perspective. Going forward, SAMESG would engage with Ms Mudau and put her in touch with the United Nations as opposed to SAMESG, as SAMESG did not represent the entire mining industry. SAMESG would ensure that someone reached out to Ms Mudau.

ACTION: Ms Steele-Schober

Mr Davies added that the questionnaire was predominantly around accounting. Some of the questions that really struck him included a focus on disciplinary action; a concentration on accountability; and how disciplinary action was implemented across various professional groupings. Given that the South African situation was quite fragmented meant that he sent a fragmented answer. They were looking for a concentrated 'here's accountability and who enforces it', which was not necessarily where the South African legal jurisdiction sat at the moment. Ms Steele-Schober advised that the project was really aimed at getting countries to have set reporting standards and, in theory, they were supposed to be liaising with all Government Departments in South Africa. They were hosted by the Department of Trade & Industry and, in theory, they should be engaging with all other Government Departments to help unpack the landscape for these people to understand how South Africa worked and SAMESG could just be one of the small voices contributing to the overall discussion.

Ms Botha advised that the UN did indicate that they would really appreciate being put in contact with the Minerals Council, so they were definitely open to involving them directly on the Committee as well.

Regarding volunteers to participate in a presentation at the GSSA SAMREC workshop in September, this item was up for discussion later in the agenda.

The SAMESG guideline errors would also be discussed further on the agenda.

3. MATTERS ARISING

3.1 SAMESG READERS' PANEL ANALYSIS

Ms Steele-Schober reported that SAMESG had been given a sample of reports that went through the JSE Readers' Panel in 2019. These were then reviewed against the SAMESG requirements and what Ms Botha would show was the result of the review that was done and the outcomes from that.

Ms Botha presented a spider diagram showing the evaluation of the reports. Audits were done on four of the reports suggested by the Readers' Panel. There was one coal mining company based in South Africa; a gold international; a South African manganese; and a platinum group organisation from the US but based in South Africa. She went through the dashboard results. Each of the questions was scored and once the audit had been completed, the software synthesized all of the results. The platinum and manganese operations achieved a 3-star rating, while the gold and coal operations achieved a 2-star rating.

The bar chart indicated that the highest score was achieved by a manganese operation, at 67%; while a gold multinational scored the lowest at 27%. This showed that the collective reporting performance against the SAMREC guidelines was quite low. The guideline was fairly new, so it the Committee needed to aim to improve the uptake of the guideline itself.

General reporting requirements rated quite well at 69% performance on compliance and 75% on materiality. The exploration, resources and reserves scored quite low at 50% overall for all of the reports evaluated.

Element three represented the application of SAMESG and that was really quite low at 16%. None of the operations had stand-alone reports and therefore the Table of Contents scored 0%.

The heat map also indicated the high materiality aspects, which scored quite low.

Competencies and responsibilities scored fairly low, with a high importance and the application of SAMESG would be around here.

Each one of the aspects and elements that were evaluated were indicated to allow for comparisons to be made.

Regarding refining SAMESG and improving awareness in the industry on applying the guidelines, it was now also possible to dig into the data to obtain a more in-depth view of reporting performance, which would be of great assistance. For example, on reserves; it was possible to see the performance of each of the aspects that the guidelines addressed under the ESG parameters around reporting on reserves. It was then possible to see how each of the operations performed.

For comparative analysis, it was also possible to look at each one of the operations and dig into the findings to see where to improve the guidelines/awareness/training. There was a detailed report for each of the evaluations, broken down into the elements and aspects. All of the comparative analysis was accompanied by detailed reports for each one of the operations. It was also important that, over time, as year-on-year analyses were done, it would be possible to see how overall performance improved.

Ms Steele-Schober noted that it was very interesting that there was a clear difference in the scores for single site reports, which was the manganese (SA) and the platinum group (USA). Those were reports for multiple different sites, so the level of detail that was provided in that category of reports was significantly different. SAMESG was asking for information to be provided at a site level, but it was just not coming through. That could be partly due to the way that companies were used to doing their reserve and resource reporting and their personal interpretations of the guidelines, and their consideration of it or not. What she found interesting was that the manganese (SA) site actually referenced the specific SAMESG clauses for each of the sections that they were describing, which made it very easy to see that they had used the guideline in preparing the CPR. In terms of the way in which their reports were produced, the gold multinational had described in detail each of their different sites, so their structure was in place to be able to provide the detail that SAMESG was looking for, but it was just not there in the report at the moment.

Mr Selby advised that it was similar for the manganese (SA), he found something very general in the PGM of South Africa, where they actually had a table at the end of the CPR which directly referenced to the different paragraphs in the report that addressed the different SAMESG requirements. It was showing that, at site level, when they focussed in based on a CPR, those requirements were definitely coming through stronger than in the overall reports that were seen on the multi-site reporting.

Ms Steele-Schober commented that the guideline was new and this process had been useful to help SAMESG to figure out how to show and educate people on the guidelines going forward. Part of the presentations had initially been making people aware of SAMESG and now people could be educated on what SAMESG was really about and what it meant. Ms Botha believed the software and graphs would help SAMESG move forward on this.

Ms Steele-Schober advised that regarding competence and responsibility, on the manganese (SA) side, they mentioned that an external company had provided environmental information that they were using in the report, but with that, they did not provide the details of the technical specialist who had provided the input. This was a shortcoming. Most of the reports were very good and gave the details of the Competent Person, but SAMESG would like to see the details of the technical specialists involved in contributing to these reports.

Dr Rupprecht commented that an executive director had asked him what SAMESG was. Much of this was about getting on the radar and that was one of the big hurdles. The second hurdle was that, as a CP writing the report, it was often about the budge and often all they wanted to do was to report enough to comply with Table 1, and often the CP's were not always including SAMESG. Moving forward, more and more companies were bringing this in and so there should be a guideline for addressing all the issues. For instance, last year he completed a CPR for DRD Gold. SAMESG had not been put in, but it was now being put in for the new run. It was a process. Ms Steele-Schober agreed and the plan was modification to Table 1, where it would include in italics: *'Include the SAMESG requirements',* so that it was very obvious, when looking at Table 1, that there were other considerations and guidelines on the ESG component to be considered. Also, with this Committee expanding and new members joining, the more people who were aware of SAMESG and spread the word across the fraternity was important. That was why things like the GSSA Day in September would be so important, to try and get people to at least be aware of the existence of the guidelines.

Regarding the comment about Lonmin, Ms Steele-Schober advised that SAMESG would definitely like to have more representatives from mining companies on the Committee. She had been casting the net to catch a few, but there were still not as many people as she would like from the small, medium and large companies. A plea was sent to everyone to invite other people to get involved on SAMESG in order to create awareness of the guidelines.

Dr Rupprecht was on the SAIMM Publications Committee, and he recommended doing a one-page write-up about SAMESG. He was sure that this could be put in the publication.

Ms Steele-Schober responded that it had already been agreed with Dr Marshall that SAMESG would write up these findings for the SAMCODES website, but she would be happy to publish this on as many platforms as possible to increase awareness. Dr Rupprecht responded that the journal would get to more people and, in addition to that, it might be good to do a write-up to let people know of SAMESG's existence. This would help to get the message out. He believed that Dr Marshall and the GSSA could do something similar. Dr Steele-Schober agreed to follow up on that and Dr Rupprecht offered to facilitate it from the journal point of view. Dr Marshall offered to do the same from the GSSA point of view.

ACTION: Ms Steele-Schober/Dr Rupprecht/Dr Marshall

It was advised that there had been a change in President in Angola and that the new Government of that country wanted to take account of the diamond resources listed in their diamond province. They were looking at ways of reporting. Ms Steele-Schober responded that the more countries that SAMESG could get on board with the guidelines, the better.

Mr Garner cautioned that having seen some of the stats in the presentation, a lot more care should be taken about the background information to ensure anonymity. This would be addressed by Ms Botha and Mr Selby.

ACTION: Ms Botha/Mr Selby

3.2 UNITED NATIONS DEVELOPMENT ACCOUNT PROJECT

This had been discussed and, for now, Ms Steele-Schober suggested that SAMESG remain in touch with the people from this organisation. Ms Botha advised that the plan was that in July there would be a feedback meeting and the questionnaires from the different entities would be discussed there. This feedback would be shared with everyone.

3.3 AMENDMENTS TO SAMESG GUIDELINE

At the last meeting, it had been decided that there were two types of amendments that needed to be done. The first related to correcting errors that had been put up in the original Guideline. The version would be circulated to the Committee to address those errors. The second was that the Committee had identified that it could improve the guideline in a way to make it more closely reflect the objectives of what it wanted to achieve in terms of SAMREC and SAMVAL, and also to take into consideration other changes in the ESG reporting world that had appeared since SAMESG was developed. The 'SAMESG 2.0' process would take a while and it would need to be a collaborative and a consultative process, so it would have to be done in parallel with socialising and broadcasting awareness of the existing SAMESG document and the changes and errors that needed to be fixed now.

What was suggested was that the document showing the proposed changes be circulated to all members. This would be done ahead of the next meeting. This would start a process to get to SAMESG 2.0 and would be presented at the next meeting, with the requested for whoever wanted to be involved to let Ms Steele-Schober or Ms Botha know. People could be involved as much as they felt comfortable with.

Ms Magnus, Ms Botha and Ms Steele-Schober would work on the process on how to get to a SAMESG 2.0. Ms Steele-Schober invited comments from the floor.
Ms Magnus commented that it was so exciting to hear about the progress that had been made and the different opportunities that existed now. She encouraged people to get involved.

Ms Steele-Schober advised that what was related to this revision of SAMESG was related to Item 7 on the Agenda – the CRIRSCO AGM. She provided some background. She had been having conversations with PERC, which was the European equivalent of SAMREC. They had a Standard as opposed to a Code. PERC had been looking at ways to integrate ESG into their Standard. Coming out of that, Mr Lomberg – who was the Chair of the SAMREC Committee and also the Chair of CRIRSCO (which was the international body) – advised that CRIRSCO would be holding their Annual General Meeting in Johannesburg in September. Mr Lomberg had asked her to be present at the AGM. What they were hoping to achieve from those discussions was the formation of an international working group from across all the Codes and Standards to figure out how ESG could be incorporated into those Codes and Standards and related to the template from CRIRSCO. JORC were having various discussions around how they wanted to integrate ESG. Dr Marshall had given a mandate to say that SAMREC and SAMVAL had always led the international community in terms of the Codes and she expected no less from SAMESG. In response to that, it had been decided to take up the challenge and update the existing guideline to reflect the international best practice so that everybody could then get on board with SAMESG and have discussions with them and consider input as the process continued. It was hoped that there would be this international co-operative process starring towards the end of the year, where all the codes and standards could start talking to each other and align on what ESG should be integrated into the CPRs. The thought of that was very daunting, but also very encouraging.

Ms Steele-Schober gave an overview of SAMESG and apologised for not doing this at the beginning of the meeting. The Terms of Reference would be sent to new members for information.

ACTION: Ms Steele-Schober

Dr Marshall had also kindly offered to run an 'Introduction to SAMREC' as a virtual presentation during the next couple of weeks. This would also discuss 'modifying factors and 'RPEEE's', etc. This presentation would be less than an hour and Ms Steele-Schober would set up a Zoom meeting during the next month for this.

ACTION: Ms Steele-Schober

4. SAMESG SQUIRREL AWARDS FOR 2021

Ms Steele-Schober advised that the Squirrel Awards recognised the 'best in class' in terms of reporting in line with SAMREC. These were awarded annually as a joint incentive between SAMREC and the Investment Analysts Society of South Africa. SAMESG was approached to consider the development of an ESG Award which would be a separate award in addition to the SAMREC/IASSA Squirrel Award.

SAMESG would not be ready to do it for this year's award, but the idea was to develop a set of questions for next year's award, to recognise reports that were done well in terms of integrating SAMESG into the report. That would be a further incentive for companies to comply with SAMESG. Ms Steele-Schober was in the process of developing a questionnaire which was basically turning many of the SAMESG requirements into questions that the adjudicating panel could look at.

The idea was to take some of the qualifying reports for this year's Squirrel Awards and adjudicate these as a 'trial run' in line with the SAMESG questionnaire. This trial run would give the opportunity to determine whether the questions were indeed the right questions; whether the right information was being looked at; and what the standards on reporting were, etc.

Ms Steele-Schober asked if people were willing to be involved in a preliminary Squirrel Awards Committee and adjudicating panel, they should let her know. The questionnaires would be sent out once they were ready. She would welcome as much input as possible and believed it was a great opportunity. She thanked Dr Marshall and Prof Dohm for inviting SAMESG to be part of that.

ACTION: All Members

5. GSSA ESG DAY – 22 SEPTEMBER 2020

Some people had already volunteered to be part of the GSSA ESG day on 22 September 2020. This opportunity would be used to educate geologists not only on SAMESG as a guideline, but on ESG issues related to mining as a whole. It would probably be a half-day virtual session to take delegates through a systematic understanding of ESG, including SAMESG. Ms Steele-Schober would circulate an agenda and would really welcome anyone who would like to be part of training geologists on ESG. She suggested that Mr Johnstone's recent presentation would be ideal for this forum.

ACTION: All Members

6. GENERAL

Mr Johnstone believed it was a wonderful initiative, but that it was vital to get the information out to the industry. Even while the Committee was busy with SAMESG 2.0, the original version could still be put out to industry. He added that a training session on the Code would be welcome. Ms Steele-Schober responded that presentations had been done previously, but if he was aware of companies that would benefit from virtual information sessions, someone from the SAMESG Committee would be willing to present.

Dr Rupprecht believed that the reason for there being a lack of transparency on reports was that currently CPs were reporting to Table 1 of the SAMREC/SAMVAL Codes and companies did not currently have to report to the level that SAMESG required. The information may well be available, but right now the CPs and the companies did not have to report to that level. So, it was not that they were not doing the job right: it was also that there was a gap between what was required and where SAMESG wanted to be in the future. That should be highlighted. Ms Steele-Schober advised that this was a work in progress.

7. NEXT MEETING

The Chairperson thanked all members for their participation and advised that the next meeting was scheduled for 27 August 2020. The meeting was closed.

KEY ACTION ITEMS
1. CAROL DIXON
Provide SAMESG Committee with correct e-mail address for Ms Mudau from Minerals Council.
2. TERESA STEELE-SCHOBER
Engage with Ms Mudau and put her in touch with United Nations regarding Development Account Project.
3. TERESA STEELE-SCHOBER, STEVEN RUPPRECHT, TANIA MARSHALL
Prepare a write-up on SAMESG for publication in SAIMM and GSSA journals.
4. ANNELI BOTHA / LIAM SELBY
Address anonymity issues on SAMESG Readers' Panel Analysis stats.
5. TERESA STEELE-SCHOBER
Send Terms of Reference to all new members.

6. TERESA STEELE-SCHOBER

Set up Zoom meeting for 'Introduction to SAMREC' presentation.

7. ALL MEMBERS

Interested volunteers for preliminary Squirrel Awards Committee to advise Chair.

8. ALL MEMBERS

Members willing to be part of training geologists to contact Chair.