SAMESG Committee Meeting Minutes

Date of Meeting	27 May 2021	**Time**	11:30
Chaired by:	Teresa Steele-Schober Chair	**Location**	Zoom
Minutes prepared by:	Gugu Charlie		

Present:

Teresa Steele-Schober Chair

Muhammed Ali
Anneli Botha
Kevin Davies
Richard Garner
Richard Horn
Andrew Johnstone
Sunday Mabaso

Fulufhelo Makhani
Lynne Soulby
Mark Taylor
Seef Vermaak
Bruce Williamson
Charlene Wrigley

SAIMM Secretariat:

Camielah Jardine

Apologies:

Anneli Botha
Sarah Magnus

Topic	Discussion
• **Welcome**	Ms Steele-Schober welcomed everybody to the meeting and extended a special welcome to Charlene Wrigley (Goldfields), Fulufhelo Makhani from MSA, Sunday Mabaso (DMR), and Mohammed Ali, all of whom were attending their first meeting.
2. Minutes of previous meeting	The minutes of 27 May 2021 as previously circulated were accepted as a correct record, subject to the following amendments: On Page 2, under Matters Arising, it should read: *'Speakers will be able to* ***offer*** *their opinions for discussion….'*
3. Action items from previous meeting	Ms Steele-Schober reported that she had been trying unsuccessfully to get in touch with Ms Mudau from the Minerals Council and it was suggested that this item should be removed from the key action item list. It was still the intention to get Ms Mudau involved. It was confirmed that the presentation on ESG trends by Rob Ingram to the ESG Committee had been circulated by Ms Steele-Schober. Ms Steele-Schober apologised that she and Mr Garner had not finalised the list of updates for the website in time for the update which Dr Marshall did in July. She asked whether Mer Garner and Ms Makhani could action that for the next meeting. **Action**: Richard Garner and Fulufhelo Makhani

	The nominations for Vice-Chair would be covered later on the agenda.
4. Matters Arising	**GSSA ESG Inquisition** Ms Steele-Schober thanked all those who attended the ESG Inquisition. She believed it was a great session. Some feedback had been received which Dr Marshall was hoping to share, but she unfortunately had conflicting meetings. Ms Steele-Schober went through the feedback. Leading up to the Inquisition, there was a survey sent out, to which a number of people had responded. There were a number of discussions around SAMESG which were published in the survey and the results of the survey were in part used to inform discussions that were held in the ESG Inquisition, particularly the panel sessions held on Day 2. The survey was a standard Survey Monkey questionnaire, where the results can be presented as graphs. Key taka-ways from the survey are: • There remains limited awareness of SAMESG and its role in terms of supporting Mineral Reporting; • Confusion exists as to which reports that are regularly prepared by mining companies should align with SAMESG; • A clear link is required to point authors of CPRs who rely on Table 1 as their checklist to SAMESG and ESG considerations; • The SAMESG update should address the following needs: ensure alignment with the SAMREC Code, provide clear guidance that SAMESG should be used by for the compilation of Competent Persons Reports and Annual Mineral Resource and Mineral Reserve Reporting and not for ESG or Sustainability Reports. • Competent Persons are likely not experts in ESG and this impacts their ability to determine what information should be included in Mineral Reports and how to interpret this information. • Integration of ESG into Mineral Reports is a concern as there is perception that ESG may dominate the report content and make the reports overly onerous and expensive to produce. Additionally, not all ESG information can be quantified which is required where Mineral Resources and Mineral Reserve declarations are determined. ESG needs to be integrated in a quantifiable format where possible but qualitatively where this is not possible. • Whilst ESG needs to be integrated into Mineral Reports there may also be opportunities for traditional sustainability reports to reference and note Mineral Resource and / or Mineral Reserve issues of relevance as well. • Governance is an aspect that should be included in the definition of ESG as a Modifying Factor, however further clarification of what governance means is required. Ms Steele-Schober invited comments from the floor on the responses. Mr Davies believed it was about accountability. He thought there should be a way internally, within the corporates and not in the public domain, to be able to reconcile the ESG Modifying Factors with the disclosures

	in the Sustainability Report, rather than long narratives in the CPR, there would be a way of cross-referencing to the Sustainability Report and the detail could be given in a better context. The issue could still be accountability, so it may be necessary to pull the JSE in and perhaps assign an audit committee or some other committee so that it was mandatorily required in terms of the Companies Act to be responsible for the document, so that SAMESG 2.0 could talk about the way to reconcile the CPR to the ESG report. Ms Steele-Schober advised that it was a major challenge and there were a couple of principles that came out of that. Everyone recognised that CPRs needed to have a finite length and could not expand forever, and cross-referencing was important. It spoke to the importance of integrated reporting so that each element of the organisation knew what the other sides were doing. The people doing the CPRs needed to ask the 'so what' questions. SAMESG 2.0 will need to provide guidance on how to ask those questions and integrate the information. Not everything could be put down to a number in all cases, but cross-referencing had to be made clear. Mr Davies added that there needed to be a way in which all the parties started working together. A way had to be found to put an end to the 'silo' approach. Mr Williamson asked how to ensure that the big and small operators could remain competitive because, from a cost and affordability point of view, the big companies could pay for extra skills and departments. He asked how to keep the small parts of the industry competitive and, from a fund management point of view, it was very easy for the bigger companies to add another 100 people to their staff to cover all of these issues. He believed the whole issue of competitiveness should be kept in mind. CRIRSCO came in, to a degree. In Australia, all the well-known jurisdictions bought in and abided properly with the new ESG rules, regulations and guidelines. He believed it was really about competitiveness. Ms Steele-Schober added that the investment community should be rewarding companies for developing mining projects in jurisdictions where there were stricter ESG requirements and because of all the benefits around integrating ESG and reporting. Some discussion followed on the challenges faced by smaller companies in terms of compliance to ESG principles. It was recognised that there should at lease be some reference to some of the environmental and social aspects involved especially considering that legally mandated environmental approvals processes will generate this information. Mr William referred to Mr Davies' presentation (delivered at the ESG Inquisition) highlighting the accounting issues. He supported that completely, because that flowed into the area of investors. Whatever ESG guidelines, rules and regulations were coming; they had to be linked to an accounting principle which would end up as a number in the income statement and balance sheet. He believed a lot of discussion needed to be held with people like Mr Davies in order to understand that whatever was regulated or asked for should show as a number somewhere. It had to be reasonably quantifiable and understood. When talking about ESG and what should be put into public reports, Mr Garner believed the reality check was what was actually valuable and

	essential, i.e. a relevant set of parameters that could be applied to a CPR and actually have a value that was quantifiable. The second point was whether it would inform the company executives appropriately. The data should be accessible for all sides of the business and it should be meaningful.
	
	Ms Steele-Schober agreed and advised that when she was doing the peer review of the PERC update, one of the requirements that had been put into the ESG section was that they would like the CPRs to detail every single stakeholder engagement that had been undertaken during the reporting period and the outcomes and comments made. That was incredibly onerous and she was not sure what the rest of the mining industry in Europe would think of that. Mr Garner agreed and some discussion followed.
	
	Ms Steele-Schober shared Dr Marshall's succinct summary of the Inquisition outcomes, as well as indications of the next steps. These were:
	
	• ESG was not going away and would need to be integrated into public reporting
	• However, these documents were not Sustainability Reports; they were primarily technical reports with ESG as one of the Modifying Factors that needed to be addressed to understand that it might affect the Mineral Resource and Mineral Reserve estimates. The big question was how much ESG information was relevant: probably more than was currently the case.
	• Authors of such reports must view ESG as adding value to the company and not just as an expensive compliance (box ticking) exercise
	• There would always be companies that were leaders in the field of ESG reporting, but the industry needed minimum reporting requirements that were clear, simple and practicable. There needed to be a distinction between what was needed and 'data dumping', which simply leads to inflated and unwieldy documents
	• There needed to be convergence and alignment between all the SAMCODES Guidelines and CRIRSCO
	    – Did SAMESG need to be assimilated into SAMREC, SAMVAL and SAMOG in whole or in part?
	    – Did SAMESG take its lead from CRIRSCO, or did it lead the way, knowing that other CRIRSCO organisations were also in the throes of updating the ESG requirements of their Codes?
	• The recognition that 'one size would not fit all'; that there needed to be different requirements for different sized companies and all different requirements across the various project stages.
	
	It was recommended that a working group be constituted with representatives from SAMESG, SAMREC, SAMVAL and SAMOG committees, as well as from large companies, junior companies and consultants. The mandate of such a working group would be to assist the SAMESG Committee to update the SAMESG Guidelines and ensure integration and alignment with the SAMCODES in a manner that was both practicable and useful. This would be discussed at the SSC meeting held later in the afternoon and the outcome would be shared.
	Action: Teresa Steele-Schober

5. GSSA ESG Interest Group	Ms Soulby advised that it was hoped to establish an ESG interest group within the GSSA. The plan was to start out as a group and hopefully this would then become a division within the GSSA in future. This ESG

	group would be committed to giving ESG members some sort of code of conduct and accountability and it would be committed to promoting professionalism amongst the ESG practitioners. Hopefully this could in time be recognised as a professional body for those practicing in ESG, who do not currently have a professional home. Other objectives would be networking, mentorship and helping younger members coming into ESG in the form of training, workshops, etc. There was currently no requirement to be a member of the GSSA in order to join the interest group, so if anyone was interested, she would provide an e-mail address for a short survey link. This could also be shared with other colleagues or professional networks. Ms Steele-Schober asked how many responses had been received to date and Ms Soulby responded that she was just awaiting a response from Survey Monkey. Ms Steele-Schober believed it was an exciting development to have a home for ESG professionals, as the GSSA was a well-respected professional body and she was excited at this new development. She offered to play any role in order to make it a success. The link would be sent to all members. **Action**: Lynne Soulby
6. Nomination for Vice-Chair	Ms Anneli Botha's term as Vice-Chair was coming to an end. Ms Botha had been pivotal in ensuring the successful establishment and progression of the SAMESG Committee and getting it where it is today. She had the privilege of representing SAMESG in Geneva to receive the ISAR Honours Award. She was enthusiastic and contributed greatly to the Committee for the past seven years. Ms Steele-Schober thanked her for everything she had done over the past seven years. Ms Botha responded that it had been a pleasure to be part of the team. As per the Terms of Reference, the Committee requires a Vice-Chair who had been nominated by the current or outgoing Chair, Vice-Chair or a member of the Committee. The term is for three years, which may be extended for a further term if all parties agreed. Charlene Wrigley was put forward as the new Vice-Chair. Ms Steele-Schober shared some background information on Ms Wrigley and her experience in the field of ESG. Ms Wrigley is currently with Goldfields as their Group Sustainability Development Manager and has a wealth of experience in the ESG arena. Ms Wrigley was already well-known by members of the Committee. She was an active participant in the ESG Inquisition. Ms Steele-Schober asked for feedback from the meeting and Ms Wrigley's appointment was supported by all members. Ms Wrigley thanked the meeting for the opportunity.
Meeting closure	Ms Steele-Schober thanked everyone for their attendance. The meeting ended at 12:30.
Next meeting	The next meeting was scheduled to take place on 25 November 2021.

Matters arising/Action Items

Meeting Date	Action	Responsible	Due	Status	Comments

27/05/21	Work together to include some Governance links on list of resources for the website and group these	Richard Garner & Teresa Steele-Schober	End Oct 2021		
26/08/21	Share outcome of SSC discussions on constitution of workgroup to update SAMESG Guidelines	Teresa Steele-Schober	End Oct 2021		
26/08/21	Send link to GSSA ESG interest group to all members	Lynne Soulby	End Oct 2021		