SAMESG Committee Meeting Minutes

Date of Meeting	24 February 2022	**Time**	11:30
Chaired by:	Teresa Steele-Schober Chair	**Location**	Zoom
Minutes prepared by:	Gugu Charlie		

Present:

Teresa Steele-Schober	Maria Antoniades	Kelly Poulton-Wurth
	Anneli Botha	Martha Sethuke
	Kevin Davies	Lynne Soulsby
	Carol Dixon	Seef Vermaak
	Rob Greenberg	Melanie Voges
	Tania Marshall	Bruce Williamson
	Santhoshnie Naicker	Charlene Wrigley

SAIMM Secretariat:

Tshepi Letlhaku

Apologies:

Topic	Discussion
1.Welcome and Introduction of New Members	Ms Steele-Schober welcomed everybody to the meeting and extended a special welcome to new members attending for the first time. Melanie Voges is representing Glenmore and advised that in the interim she would be sitting in on these sessions while they were waiting for a new environmental manager to be appointed. Martha Sethuke is representing the Mineral Resources and Oil Reserves reporting person within Anglo American and was looking forward to the discussions. Robert Greenberg is the Head of State Liability Integration Governance at Anglo American.
2. Minutes of the previous meeting	The minutes of the meeting held on 25 November 2021 as previously circulated were accepted as a correct record, subject to the following amendments: Mr Davies noted that there were a few references to Tania Marshall, but she had not been present. He also asked that whether either the agenda or the minutes could include the participants' e-mail addresses, like the SAMCODES Committee had. Ms Steele-Schober advised that everybody's e-mail

	details were included on the meeting invitation. She agreed to ask Ms Letlhaku to send an e-mail to the Committee, asking if anyone had any POPI objections to their e-mail being made available. **Action**: Teresa Steele-Schober *Page 2, Item 5* – it spoke about the GSSA having training courses available on their YouTube channel. Mr Davies asked that, when references were made to data bases, etc., whether the links could be put in. Ms Steele-Schober agreed that this should be done. Dr Marshall advised that it was all available on the GSSA website. *Page 2, Item 6* – the second paragraph should read 'ESG disclosures' instead of 'PSG disclosures'. *Page 5, Item 7* – the second paragraph should read: *'Teresa agreed that developing countries might be unable to repay their loans'*.
3. Action items from previous meeting	Ms Dixon confirmed that she had sent through some comments on the possible link to the website. In terms of sending the links to resources, Ms Steele-Schober advised that she had not gone through that yet. With regard to all members perusing the document and providing feedback to Ms Steele-Schober, this would be carried over. The agenda item regarding a regular update on the CRIRSCO SAMESG Working Group had been added.
4. Matters arising	Ms Steele-Schober advised that there were quite a few things happening in the ESG space and these had been added to the agenda. The first one was the update of the SAMESG Guidelines and, to achieve that, there had been an integrated SAMCODES working group constituted under the banner of the SSC. This is chaired by Mr Andy McDonald who is also the new Chair of the SSC. He took over from Dr Marshall at the beginning of the year. A couple of meetings had been held by that working group and some people on this call were also participating in the process, so there was good SAMESG representation on the SSC working group. Ms Steele-Schober outlined the objectives of the SSC working group. In the last meeting, there had been a discussion around what the format of a SAMESG guideline might look like going forward; and there was agreement that it should remain as a guideline, with stronger references within the specific SAMCODES. The discussions were very fruitful and the team was getting its collective head around what needed to be done the get the guideline to the next level. Ms Steele-Schober provided more detailed feedback on the three workstreams that had been created. She and Ms Wrigley were responsible for Workstream II, which was categorising the findings from the ESG Inquisition held last year. That process had been very useful in helping to distil the key questions that should be asked going forward.

	In terms of Workstream I, Ms Wansbury and Mr Vermaak were involved in that and they were still busy capturing the findings of the work they had done in terms of understanding stakeholders and their expectations. Ms Wrigley gave a summary of what Workstream II had done to date. Four main areas had been identified and grouped together in doing the work. Coming out of this was very obviously the 'why' for ESG-related reporting and there was a lot of reinforcement and repetition around this. Leading on from this was what to do with this going forward. On the key themes, there was a very clear demand/request/requirement to figure out what E, S and G mean in the context of mineral reporting. There were a lot of contributing factors, and a lot of cross-cutting issues were identified. While the importance of ESG was recognised – trying to define it was going to be quite important in the work, to ensure that there was a shared understanding of that. It was very important to identify where the boundary limits were for some of these cross-cutting methods, e.g., tailings management. The next big thing that became clear from the Inquisition was what format the ESG Guideline should take. This took the working group back to what the purpose of ESG was and what the audience and users of the information wanted. Risk of duplication/multiplication were also considered; what the regulatory requirements were; how to define things like transparency, etc. Some of these questions needed to be answered when looking at ESG, the Code and reporting. There were also some things that needed to be remembered, i.e. many people operated in a multi-jurisdiction environment, not just South Africa; but there was a minimum requirement for South African reporters and it was very obvious and clear what that was. Just the opposite of that existed where members of the Stock Exchange were listed at elsewhere, with differing reporting obligations, requirements, etc. and there were other guidelines and frameworks. Lastly, additional issues to consider were education and awareness for users and report preparers and peer review, multiple listing requirements for SAMREC and SAMVAL updates, CRIRSCO ESG work stream. The group was able to distil the ESG Inquisition outcomes into tangible bullet points or questions of things that actually needed to be addressed when this work was done going forward. One of the obvious questions that had come up many times was whether SAMESG should remain a guideline which is referenced in the other Codes, or whether the content should be integrated into SAMREC and SAMVAL and the guideline dissolved. – If it remains a Guideline; how/where is the purpose and interconnected requirements stated? – To what extent should SAMESG include an explanation of the need and rationality for the Guideline, including the difference between SAMESG and traditional sustainability reporting? – What format/Table of Contents should be the structure of SAMESG 2.0, considering the need to support cross-referencing between SAMESG and the other SAMCODES? • Current SAMESG Table of Contents • Table of Contents more closely aligned to SAMREC/SAMVAL

	• Something different – Should the SAMESG update wait for outcomes of the ESG process, or should it be completed and fit into CRIRSCO? Ms Steele-Schober suggested that this presentation be shared with members and they could look at it the list of questions. Ms Wrigley agreed to share. **Action**: Charlene Wrigley Comments were invited from the floor. Ms Soulsby advised that she had had questions about when the update might happen time-wise. Ms Steele-Schober responded that it would be at least a two-year process to get through everything. One of the many things that needed to be done was to socialise the update and get wide exposure and comments from as many entities as possible when there was something for people to look at. Mr Williamson advised that the global investment community had looked so far ahead and they seemed to know exactly what needed to be done and were making demands on companies and he was not sure if SAMESG should be communicating to the JSE to tie this in with the runaway that was happening in the investment world. Ms Steele-Schober advised that Ms de Bruyn from the JSE did sit on the working group; and SAMESG, as a guideline, was already there, providing a lot of direction for people to use in terms of the technical requirements that should be considered when reporting on ESG matters in terms of CPRs. SAMESG was aware of the need to make it more specific and providing actual guidance in terms of how to meet the requirements, particularly for junior miners who perhaps did not have the resources of the likes of Glencor or Anglo America who had a fleet of ESG people to provide advice. She believed SAMESG had an advantage over the other CRIRSCO Codes in that it had an existing SAMESG Guideline. The only other clear ESG considerations at the moment in the CRIRSCO family were in PERC. They had done updates last year and had taken the approach of integrating ESG requirements into their standards and JORC were busy with their process. The CRIRSCO process and the SAMESG process were moving along at a similar pace, trying to distil things and to learn from each other. Mr Davies commented to Mr Williamson that he agreed that the investment community had run ahead. The problem was that they had run so fast that they did not like the answer. With all these ESG bonds that had now started to be issued, they had now created the ISSB to get the accounting changed, because they did not like accounting for ESG bonds in the way that accounting rules currently stipulated. That would take at least a year to fifteen months before that was changed, as it had to be done by consensus. Another thing was that different investors had different understanding of what the words meant. Mr Williamson agreed that everyone seemed to have their own idea of what ESG meant and that created some confusion. Mr Greenberg agreed that what Mr Davies and Mr Williamson said around the varying views and opinions of what ESG meant in a rapidly evolving environment. He believed that for anything done going forward, it would be useful to recognise the interdependency between ESG or

	sustainability matters rather than simply reacting to investment sentiment. The second point was around the use of the term 'ESG', but in some cases 'Sustainability' more accurately picks up the concept and recognises those interconnectivities between operational, social and environmental issues. Ms Steele-Schober believed it was about being clear at the organisational level of what it actually meant within each specific context and if you had ESG, how did you manage them and understand the interconnections between them and address all the components.
5. Amendments to SAMESG Guidelines	Captured in point 4 above
6. Feedback from CRIRSCO ESG Sub-Committee	CRIRSCO had formed an ESG Sub-committee. The Sub-committee was established on the back of the ESG discussions held at the last two CRIRSCO Annual General Meetings. CRIRSCO decided to take action at last year's AGM. The ESG Sub-committee is being chaired by Roger Dixon, who is a SAMCODES member on CRIRSCO and he was also being tasked with co-ordinating the update of the CRIRSCO template. He was well-placed to integrating all of the outcomes of the various working groups. All CRIRSCO NRO's had been invited to participate with provision for each NRO representative to be supported by ESG advisor/s. The Terms of Reference had been finalised. A survey had been prepared to baseline the current status of the ESG integration across the current and planned CRIRSCO-aligned Codes and Standards. The objectives of the ESG Sub-committee were: - To agree on whether or not there was a need for additional definitions of ESG within the current CRIRSCO definitions and, if there was such a need, to then prepare and propose such definitions for formal approval and adoption by CRIRSCO - To document the manner in which each NRO was approaching the integration of ESG into their Code/Standard, including the technical content of such requirements/courses that have been or will be intended to be developed - To identify areas of possible alignment and misalignment between the actual/expected ESG requirements that will be adopted by each Code/Standard - On the basis of the above, recommend amendments to the CRIRSCO template in order to facilitate and promote alignment across the NRO's in respect of reporting on ESG considerations - Ensure that all NROs receive regular communications and updates relating to the activity and deliverables of this ESG Sub-Committee

	Meetings were held every second month, with a clear schedule of the work that needed to be done. Feedback would be given on each of these CRIRSCO ESG meetings.
8. GSSA ESG Interest Group	Ms Soulsby reported that the first ESG meeting had been held in December and had gone really well. There was a lot of dialogue. It was a small group which actually seemed to work better, because everyone could talk and there was a lot of input from those present. It was planned to hold a meeting in March and she was hoping to get in some short talks as well. That would be put up on the GSSA website. She asked if anyone interested in giving a talk would please get in touch with her. Dr Marshall commented that if one looked at the GSSA website, it gave a link to the 'New Branches and Divisions' page, which showed the ESG. There was a bit of information regarding the ESG space and also a section on upcoming courses, talks, etc.
9. List of resources for website	Ms Steele-Schober apologised that she had not sent out the list of resources for the website and Ms Dixon had given some extra input and legislation that was missing. She agreed to send this out to all participants after the meeting. **Action**: Teresa Steele-Schober
10. Technical discussion	The topic for the technical discussion was: 'How do you define ESG for Mineral Reporting?' Ms Steele-Schober asked what members' thought should be considered. She believed that Environment and Social were easy to define, but Governance seemed to be causing a lot of debate. This included how to value Governance. Often, in the world of Governance, it was more about what was **not** said. She asked what the role of a Competent Person was in reporting this and what could be reasonably expected of CPs when it came to reporting on Governance. She suggested looking at the current SAMESG definitions of Environmental, Social and Governance and then discuss what was really meant by ESG. The current definition of Environmental (E) was: *Issues relating to the quality and functioning of the natural environment and natural systems. These include: biodiversity loss; greenhouse gas (GHG) emissions; climate change; renewable energy; energy efficiency; air, water or resource depletion or pollution; waste management; stratospheric ozone depletion; changes in land use; ocean acidification; and changes to the nitrogen and phosphorus cycles."* She asked for comments on the current definition of Environmental. Mr Davies said he would like to end up with something coming out from the regulators and other world bodies that would define what it meant for every organisation, as theoretically, every organisation had consequences. SAMESG would be assisting people to take those general

	definitions of ESG and show how these should be applied in the mining context. Ms Steele-Schober believed there was probably an over-abundance of ESG definitions at the moment and although there was some alignment; what was missing was how these affected mineral reporting. It was clear what SAMESG's mandate was in terms of SAMCODES, but the question was how to distil this into something that was sensible for the purposes of mineral reporting. Ms Antoniades agreed and thought that the group should consider something a little more general and that could be applied more universally. She believed that the last sentence for the Environment definition was very scientific. She believed that should be part of something else, because it was so specific. Ms Steele-Schober added that it had to give a flavour of Environment, with enough information for people to be able to identify the material issues and that was something that all of the reporting codes were trying to figure out, i.e. for all of the Modifying Factors of which ESG was part of, what was material for each context. The materiality issues would shift from one company to another. Ms Wrigley commented that under Definitions, her recommendation was not to regard 'loss of' or 'change in'. That was what was material, but right up front, in the definitions, it should be kept quite neutral. Her viewpoint was not to assume that the impact was necessarily going to be negative. There were opportunities and, whilst they may not be easily recognised in the Environmental sense, something like renewable energy was a huge plus and socially, when one looked at social indicators, there were amazing opportunities there. To Ms Antoniades' point, she believed that nitrogen and phosphorus cycles also felt too specific. In the same vein, she believed 'water' needed to be changed to 'surface water'. She suggested that the list required a refresh. She also suggested including something around noise and vibration, which linked to land and people. Lastly, perhaps a more overt recognition that Social was both internally and externally facing. She added that all the guidance was out there and it was a matter of picking and choosing on (E), (S) and (G). An obvious place to start might be the JSE's new Guidelines on Sustainability Reporting, where a whole lot of matrices had been specified. Mr Davies suggested that as these Definitions were put together, it might assist to give guidance as to what it actually meant; keeping the individuals on side not to get caught up in the hype, but to rather look at all the pros and cons. Dr Marshall regarding the Definitions and much of what went into SAMESG, noted it was important to remember that a lot of the readers were not going to be ESG specialists, so while a certain amount of jargon was required, it was imperative to try and keep this down to a minimum and use more explanatory terms, as opposed to pure jargon. Ms Steele-Schober advised that the approach of the updated guideline was to make it more useful in terms of helping people who maybe did not have the expertise. Mr Greenberg agreed on a couple of the previous points. The other point to flag was on the (S), i.e. the effect to which the socio-economic value

	creation could be picked up. Water was a really complex one, in that it was as much an Environmental impact as a Social one. Regarding Governance, the current definition was very detailed and all-encompassing. Ms Steele-Schober reported that there had been different opinions about whether Governance should just be restricted to the governance of Environmental and Social, or the governance of the organisation as a whole. She asked for viewpoints from the floor. Mr Vermaak believed that to include all of this in a CPR went way beyond what he would expect from a CPR, so he felt the definition should be very broad. If this definition was included, it would probably imply that one would expect some form of compliance to the definition. Ms Steele-Schober added that to figure out what governance issues were material, you needed to start somewhere and get some inspiration as to what Governance could look like. In these definitions, part of what SAMESG needed to be doing was guiding people in terms of what these topics typically covered. There did need to be some guidance of materiality. Ms Botha reported that one of the new developments in the GRI was around economic sustainability and that fell squarely under the Governance ambit, so in response to Mr Vermaak's point on the level of detail that had been included in this definition, maybe it would be more appropriate to think about Governance from an economic sustainability perspective of the business. Mr Davies thought that the CP, as a minimum, needed to test that the validity under which the licence of the mining entity had to operate in was legally obtained, Dr Marshall asked if that was not why there was a legal opinion. Mr Davies responded that was just his personal view. Ms Steele-Schober suggested that some of the answers lay in cross-referencing, because it was not possible to bring everything into a CPR. She believed that PERC was trying to get too much information included directly into the CPR. In terms of the mechanism of how to give effect to these definitions, cross-referencing was important and may help to address some of the concerns. The technical subject matter that needed to be considered was what needed to come out of the definitions. Mr Davies advised that if companies wanted to list on the NYSE and also in some of the European Transparency Guidelines, the initial document had to include all stakeholder or potential stakeholder discussions for two years prior to the listing. There were processes in which those discussions could be accumulated. Ms Steele-Schober added that if one was developing a new mining project and were going through an EIA process, then certainly there were going to be elements of stakeholder consultation and engagement that would be captured by that process and that could again be utilised. For her, the more important part was distilling that with the appropriate information.

	Mr Davies advised that there was a NYSE rule which the listed companies had to adhere to, that for any investor- or stakeholder-type discussions that might have an effect on the share price, but have not yet been put into the public domain; there was required to be public disclosure of that within 24 hours of the announcement. Ms Antoniades completely disagreed with what was said about testing how the licence was obtained and corruption, etc. That was touching on legal matters and although there was a responsibility to discuss certain things and make verifications within the limits of information that was provided; to open a can of worms was putting oneself on the line and there was no way that any normal person would do that, even a CP. If the DMRE was the competent authority, it was not the CPs role to question that. Ms Steele-Schober agreed that it needed to be balanced. She thanked all participations for their input and that there was likely to be more debate around this.
11. General	Fulufhelo advised that, regarding Governance, there was a level that SAMESG needed to get to around disclosure. She mostly agreed with what was said in the beginning around the level of information. Mr Lake did not believe there was a definition of real use, land capabilities, soils or something in that regard in the definition of Environment.
12. Next meeting	The next meeting was scheduled to take place on 26 May 2022.

Matters arising/Action Items

Meeting Date	Action	Responsible	Due	Status	Comments
24/02/22	Ask Ms Letlhaku to send an e-mail to committee, asking if there were any POPI objections to their e-mail being made available to other committee members	Teresa Steele-Schober	May 2022		
25/11/21	Send document on resources for website to all members	Teresa Steele-Schober	May 2022		
24/02/22	Share presentation on work done by Workstream II to all members	Charlene Wrigley	May 2022		