SAIMM
THE SOUTHERN AFRICAN INSTITUTE OF MINING AND METALLURGY

SAMESG Committee Meeting Minutes

Date of Meeting	**26 May 2022**	**Time**	11:30
Chaired by:	Teresa Steele-Schober Chair	**Location**	Zoom
Minutes prepared by:	Gugu Charlie		

Present:

Teresa Steele-Schober

Maria Antoniades
Kevin Davies
Carol Dixon
James Lake
Sunday Mabaso
Tania Marshall

Seef Vermaak
Bruce Williamson
Charlene Wrigley

SAIMM Secretariat:

Camielah Jardine

Apologies:

Lynne Soulsby

Topic	**Discussion**
1.Welcome and Introduction of New Members	Ms Steele-Schober welcomed everybody to the meeting and an apology was noted from Lynne Soulsby.
2. Minutes of the previous meeting	The minutes of the meeting held on 24 February 2022 as previously circulated were accepted as a correct record, subject to the following amendments: Mr Davies noted that there was a reference to a comment from Mr James Lake (Page 9), but that Mr Lake's name was not listed under the attendees.
3. Action items from previous meeting	Ms Steele-Schober advised that she had not sent an e-mail to the committee, asking of there were any POPI objections to their e-mail address being made available to other committee members. She requested Ms Jardine to follow up and take action on this. Thereafter, a table would be drawn up with each person's name and e-mail address. **Action**: Camielah Jardine

4. Welcome to new members	No new members were in attendance.
5. Feedback from SSC ESG working group	Ms Steele-Schober advised that meetings were held on a monthly basis and different workstreams had been identified under the main working group. The first work stream was distilling the outcome of the ESG Inquisition held last year. The second work stream had been focussed on canvassing a select group of stakeholders as an initial round of information gathering, to get their views on what an updated SAMESG Guideline or SAMESG integration into the SAMCODES could look like. That work had been done and was put together in a communication document, which was a ten slide PowerPoint presentation that would be published in .pdf format through articles in the upcoming GSSA newsletter and SAIMM journal and on the SAMCODES website. As those were published, Ms Steele-Schober would circulate this to everyone on the Committee. It would also include a link to the report that would be available on the SAMCODES website. **Action**: Teresa Steele-Schober Importantly, linked to that was a Survey Monkey that had been prepared to try and solicit as much feedback from as broad a range of people as possible, to get their views as to whether the Committee was looking at the right things to include in the ESG Guidance. One of the survey questions asked for opinions on whether additional definitions were needed and what format the updated guidance should follow. She requested all members to read the report when it came out next week and to also fill in the survey, as this was very useful for the working group to get as many views as possible. She also requested members to circulated all of this throughout their companies, networks, etc. because the more people submitting opinions, the better it would be for the robustness of the process going forward. **Action**: All members One of the criticisms that was raised in the ESG Inquisition was a perception that there was inadequate consultation when the initial guidelines was prepared. A major effort was made at the time to get as much involvement as possible and the committee had been trying to socialise it as widely as possible since then; but these efforts were obviously not reaching sufficient people. The survey would be really important and would give the team a chance to capture people onto some form of database in order to communicate with them directly going forward. She asked people to participate and share it far and wide.
6. Feedback from CRIRSCO ESG Sub-Committee	The CRIRSCO ESG Sub-Committee held meetings every second month. So far, three NROs had presented on the work that they were doing to integrate ESG into their codes and standards. PERC presented first that they had finished their update last year and it was available on their website. Their approach had been to create a Section 12, which was a whole ESG section and it was integrated at various points throughout the standard.

	JORC gave a presentation and they were still progressing with their update. So far, they had prepared a draft ESG matrix and were also proposing amendments directly into Table 1. CIM had produced ESG guidelines which were available for public comment. The deadline for comments closes within a week and the Excel spreadsheet was available on their website. It was useful to understand, in terms of CIM, what the role was of the guidelines. The regulator had a very specific opinion on what CIM could prepare in their guidelines and what they could not. Although these guidelines were meant to help support legislated mineral reporting, they were prepared by industry and they were quite restricted in what they could explain and how they could explain things. It was useful for her to understand that context when she started commenting on it. They were looking for as many comments as possible. Comments could be sent directly to Ms Steele-Schober and she would circulate these. A survey was done as part of the CRIRSCO ESG Committee and the results of that were being analysed and insight would be given at the next meeting. Included in that survey was a specific question around definitions, which was a hot topic for everyone. So far there had only been seven responses out of a pool of over twenty.
7. GSSA ESG Interest Group	In terms of the GSSA interest group, Ms Soulsby had sent apologies, but Ms Steele-Schober advised that a special AGM would be called the following week, which would allow that division to be formalised. E-mails would be sent by the GSSA within the next few days to those who had shown interest in the division. She encouraged those who received the e-mail to join the first AGM and also distribute the information this to any other interested people in their networks. Ms Steele-Schober invited comments from the floor. She made an appeal for assistance, as she was not getting to finalise the list of resources for the website and asked if there was anyone who could help to get this over the line. Mr Lake asked what sort of help she required and offered to assist, provided it was not highly technical. Ms Steele-Schober responded requests could be submitted via Ms Jardine to get the website updated, but she required someone to take the existing document, go through and check that it was comprehensive without being an encyclopaedia (keeping the audience in mind); include the URLs where applicable and then liaise with Ms Jardine and the website team to get this into a working format and then onto the website. Mr Lake offered to assist. **Action**: James Lake
8. Technical discussion: How would you define ESG for Mineral Reporting – Part II.	A conversation had been started at the previous meeting around definitions of Environmental, Social and Governance, and Governance was the trickiest to define. Ms Wrigley had been thinking of creative ways for the committee to arrive at a definition of Governance that it felt was appropriate in the context of mineral reporting. She used a mentimeter survey to see what everyone's understanding was of the 'G' in ESG. She believed that Governance was quite an investor-centric requirement. She agreed to share her presentation with the committee after the meeting.

	She used quite a broad-based global view on what Governance was and it included a lot of elements. She went through each area of corporate governance. ***Corporate governance***: This was around the governing body of the company; who was making the decisions and how they were going about this in a good governance manner. There was an expectation on the corporate governance of a company. ***Materiality:*** This covered material issues and materiality disclosure. ***Risk and crisis management:*** UNGC, Codes of conduct, bribery and corruption, anti-competitive practices, disclosures and reporting of breaches ***Policy influence:*** Contributors and other spending. ***Supply chain management***: Supplier code of conduct, critical supplier identification, supply chain risk exposure, supplier risk management, ESG integration in supply chain management strategy, supply chain transparency and reporting ***Tax strategy***: Tax strategy and governance, tax reporting, effective tax rate ***Information security/cyber security:*** IT security/cyber security governance, measures, processes and infrastructure Her conclusion was that governance was broad and far reaching and, in her opinion, it was about protecting reputation and assets and the value of the business. Ms Steele-Schober believed that Ms Wrigley had done an amazing job of unpacking the complexity of this. Ms Wrigley then shared some slides on the South African scenario, especially around King IV guidance. The King IV guidance was based around: • Corporate governance, ethical leadership, attitude, mindset and behaviour • Transparency and disclosure • Remuneration, tax, governing bodies, risk, combined assurance, ethics, performance evaluation, technology and information <u>The Mining Charter</u> – which included empowerment equity, inclusive procurement, supplier and enterprise development, research and development. <u>B-BBEEE – Transformation</u> – she suggested that the expectations were going to become greater than what was currently being reported, e.g. apply <u>and</u> explain. Ms Steele-Schober believed that the critical thing, for her, was that if that message raised had to be taken as the potential 'shopping basket' of governance aspects, what did team think would have relevance to either determining realistic prospects for eventual economic extraction and/or what could be applied as a Modifying Factor when declaring reserves. She thought some of the elements were already included.

	Mr Williamson advised that, from an investor's point of view, when things were being modified and quoting risks, investors needed to have this quantified. In doing this, investors could know if this was a cost; if it was revenue-affected and, if so, how much. The risks needed to be quantified as well. Ms Steele-Schober agreed that this made it tricky. Ms Antoniades believed this was so helpful in understanding what other items could be considered as governance. Her opinion on incorporating it into the Minerals space was to keep it as something that was not company-related, because the focus was mainly on a project. The only thing that ESG practitioners could report on was the Government level items and the regulations, laws, etc. She recommended staying in the realm of something that Mineral CPs could reasonably report on. Ms Steele-Schober believed the challenge was that, for an investor wanting to invest in a company that had a number of assets and the investors were not investing enough to be able to control how that company operates, their investment was at the mercy of the practices of that company and that would then bring in the corporate governance aspects as well. Ms Antoniades did not believe it was the CPs role to make that decision and that their role was to review the asset without going to deeply into the company structure. Investors should do their own due diligence into the company, as it was beyond the scope of ESG practitioners. Mr Davies agreed that that was the situation at this time, but things could change over the years. He asked where one would cut Modifying Factors, or whether it would be extended to 'successful extraction after tax'. He believed that 'successful extraction' needed to be carefully defined. Ms Steele-Schober invited further thoughts around Ms Antoniades' view on where the responsibility lay. That was a big issue in the SAMCODES space that needed to be managed. Ms Wrigley believed some of it would have a very direct impact and some of it would have a very indirect impact. Ms Steele-Schober added that investors did not want surprises and if they had confidence in the process by which the answers had been arrived at, then they would have the view that there would be fewer surprises down the line, because the process had been robust. Mr Mabaso asked, for the smaller mines and those who were not listed, the MPRDA did not require this level of reporting, so how would one report on governance on an annual basis regarding processes and compliance. Ms Steele-Schober advised that an integrated annual report which is typically published by a listed company should include all those elements. She agreed that it was a great challenge for smaller/junior companies. Ms Antoniades did not believe companies always provided all the information and it was unfair to put that on the shoulders of a CP to ensure that all the information was there.
9. General	On the SAICCA consultations, Ms Steele-Schober would send an e-mail to all members, with all the dates. SAICCA were holding sessions to elicit comments on the new ISSB drafts that were out for comment.

	Action: Teresa Steele-Schober Mr Davies advised that the ISP Standards comments were closing at the end of July and it was highly likely that the information would be published before the end of the year. They were likely to become voluntary in South Africa in 2023 and it was likely that they would form part of the integrated reporting for listed companies during 2024.
10. Closure	Ms Steele-Schober thanked members for their participation.
11. Next meeting	The next meeting was scheduled to take place on 25 August 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	Camielah Jardine	August 2022		
26/05/22	Send .pdf version of PowerPoint presentation on work done by second work stream of SSC ESG work stream	Teresa Steele-Schober	August 2022		
26/05/22	Read report on results of Survey Monkey and complete survey. Also circulate through networks.	All members	August 2022		
26/05/22	Assist with resources for website document	James Lake	Ongoing		
26/05/22	Send e-mail to all members re dates for SAICCA consultations	Teresa Steele-Schober	May 2022		