SAMESG Committee Meeting Minutes

Date of Meeting	24 November 2022	**Time**	11:30
Chaired by:	Charlene Wrigley Acting Chair	**Location**	Zoom
Minutes prepared by:	Gugu Charlie		

Present:

Charlene Wrigley (Acting Chair)
Maria Antoniades
Anneli Bekker
Kevin Davies
Carol Dixon
Tania Marshall
Tim Rowland
Lynn Soulsby
Seef Vermaak
Bruce Williamson
Faith Chademana

SAIMM Secretariat:

Gugu Charlie

Apologies:

James Lake
Teresa Steele-Schober

Topic	Discussion
1.Welcome and Introduction of New Members	Charlene Wrigley welcomed everyone to the last meeting of the year. It had been an interesting year and she took the members through some slight modifications to the agenda. Lynn Soulsby's time had been moved around and the other changes were not material. Faith Chademana? was welcomed to the team. Faith introduced herself and advised that she had been invited by Sunday Mabaso, one of her colleagues at the DMR. She had 18 years' experience in mining and then went into consulting. She was hoping to learn a lot from the team. Charlene welcomed her to the meeting and looked forward to her contributions.
2. GSSA Division	Lynn Soulsby advised that the ESG Division had been established at GSSA and was currently standing at 60 members. The last meeting for the year was scheduled to take place later in the day. Next year there would be more talks to grow the brand. The proposed date for the ESG Day in July would be provided by Dr Marshall. Charlene thanked Lynn for her contribution.
3. Minutes of the previous meeting	The minutes of the meeting held on 25 August 2022 as previously circulated were accepted as a correct record.

4. Action items from previous meeting	The only matter arising from the previous minutes was the question of whether there were any POPI objections to members having their e-mail addresses being made available to other committee members. Ms Charlie agreed to follow up with Camielah Jardine in this regard. **Action**: Gugu Charlie/Camielah Jardine
5. Amendments to SAMESG Agenda	There were no amendments or additions to the agenda.
6. Feedback from CRIRSCO ESG Sub-Committee	Charlene advised that within the mineral reporting space, a CRIRSCO update process was un progress, and that ESG was an important focus area for the upcoming CRISCO AGM agenda. As part of the technical discussion in the last meeting, Teresa Steele-Schober presentedE, S and G components being debated at CRISCO. ESG Modifying Factors were presented to the CRISCO AGM as part of a morning session held in October. Her feedback for the meeting on this was that the environmental divisions were supporting inclusion of E and S factors, and social definitions were well received. There was further healthy debate around G factors There were two points to be made regarding Governance. The first being around Governance and where it was applicable was not very clear, and it was interpreted for presentation purposes to be project-related governance. So this was not necessarily company- or entity-Governance related matters, but rather very focussed on the target. The project-related Governance matched here. Further discussion around Governance was held but here was some disagreement around certain aspects of this. The Environment and Social components were quite well understood; but the project Governance aspect still required more discussion and debate. Some of the outcomes needed to be debated further. Those two messages came out of the meeting. In terms of the what the committee did look at and discuss when considering the Governance, Social and Environmental indicators, she highlighted some of the salient points. This served to give a sense of the maturity levels around some of these issues and matters. A lot of social-type discussions took place and one of the examples that came up was debated. There was quite a lot around commitments or promises made from various stakeholders in the process around project risk and engagement. Another matter that came out quite strongly was around title and tenure and the understanding of the arrangements around that; and understanding the social and stakeholder context and where this may present risks to the engagement planning process. This leveraged into ASM (small scale mining) as part of the discussion. This was a cross-cutting theme into Social, Environment and Governance.

	Some of the discussion extended into the multi-disciplinary experts that were likely to be required in the CRIRSCO reporting process, but perhaps more importantly, into the ESG processes. This linked into the state of exploration, or where a project was, and the kind of expertise that was required, as well as the level of reliance placed on those experts. Further discussion then went into the ESG focus, i.e. at what level of the organisation. This was very much focussed and it was agreed that the focus should remain at asset level, target level, or project level; rather than a bigger picture view. There was also a discussion on ESG inclusion in the project and around project definition, the ESG definitions using corporate definitions and understanding what corporate commitments were; and seeing how those leverage into ESG and project commitments. This included consistency and transparency and the disclosures that came out of the reporting requirements. Charlene welcomed any thoughts around this and invited contributions from others who attended the discussion or via their networks. Seef Vermaak found it useful to attend the discussion and believed that the CRIRSCO definitions should at least be broadly accepted in all the Codes. He believed that one would have to carefully view whether everything was 100% applicable in the local environment. He did know that the words 'material' or 'materiality' did not appear and a decision needed to be made whether this needed to be present in the definitions. Overall, it was very useful and he believed CRIRSCO had come a long way in pinning this down. It was not too clear how CRIRSCO would finalise these definitions. Charlene advised that there was not yet a clear way forward, but her understanding was that there still needed to be debate on how to tackle the Governance issue and how to take that forward. She suspected that at their next meeting at the end of November, they would lead quite firmly on the Environment and Social and then decide the next steps for the Governance. Kevin Davies advised that there would be feedback at the SSC meeting later in the afternoon on a discussion that had been held with the JSE. A sub-committee of the SSC was approached by the JSE particularly on the Governance issue; trying to lead the JSE (who were price sensitive) around Governance being a price sensitive issue where the people were not compliant. The proposal put forward was looking initially at regulatory non-compliance at a project level and the definition of regulatory non-compliance would be something used by a regulator which the entity had been unable to close out within a specified time frame. An example was cited. It gave a Governance issue and it also gave a corporate attitude disclosure, which helped the Governance. It was early days and he did not anticipate any JSE rule changes before 2024, as it would have to go through all the constitutional process. The process would begin during the current week. Maria Antoniades commented that the Governance component was very much regulatory-related. She advised that the ESG Committee had gone through some of the proposed changes to the definitions. She asked whether the Governance part was regulatory. Kevin responded that he was not saying the Governance part was

	regulatory; the question was 'where do you stop?' It would be a process and listed entities would start with regulatory non-compliance as part of the core Governance picture. If the Governance definitions became more granular and accepted; then the JSE could be approached to expand the exposure to this area. The question was where to start that was actually measurable. It was a step process, as the issue of Governance was very broad, not only in the mining industry. Charlene asked whether it was being suggested that this was something very measurable and the consequences were also measurable? This was a starting point. Bruce Williamson responded to Steve's comments, especially around banking. He had held discussions with senior bankers and was sure that there were a lot of untoward transactions going through the banking system that the public never heard about. There were hundreds of cases that were referred to the Reserve Bank, so there was a massive backlog of financial transactions that fell under the heading of 'Governance' that needed to be addressed. Kevin noted that in Bruce's example, the banks had complied. The fact that the regulator chose to do nothing was not a disclosable in the process being discussed. The aim was to look for disclosure. Kevin advised that many of the big companies were multi-nationals and examples had been given to the JSE on how those needed to be funnelled. Charlene advised that Governance was a dynamic space and hopefully something would be heard soon as to what came out of CRIRSCO; because that allowed an opportunity to align across all the Codes and no reinvent the wheel. Anneli Bekker asked whether anyone was looking towards some of the international best practice standards on corporate governance. There were matrices on corporate governance already. Charlene responded that that was part of the ESG that had been put together for the guideline update and did tap into PERC, JORC and CRIRSCO by the mere fact that it had representation on all groups by the same people. A session had been held around what Governance could be and this had been taken to SAMVAL as well. There was opportunity to discuss this further, as it was quite a broad subject. This could be put up further with this group if there was a particular appetite for that.
7. Amendments to SAMESG Guidelines	Charlene believed that the conversations across the different meetings were quite interlinked. The ESG guidelines were being updated to support the mineral resource and reserve reporting and disclosures around that. As part of this, SAMREC had put together a steering committee, chaired by Andy McDonald. This committee had been grappling with many things over the last year; one of which was bringing together multi-disciplinary stakeholders to work together on taking this forward. A lot of information had been utilised from forums such as the ESG Inquisition and surveys to try and get a sense of where the priorities were; where the gaps were; and where there was an opportunity for improvement amongst what was being considered. These had been moulded into a way forward/journey map in order to get the deliverables, i.e. updated ESG guidelines for reporting purposes.

	Within the last quarter, key work flows had been put together in order to achieve this objective. This had been listed on a Gantt chart, with a lot of interdependencies and loops going backwards and forwards around that. The key elements now were what were raised under the key workflows. Charlene touched on some of the key work flows and provided more detail. A guideline was required and SAMREC would also include ESG parameters. This would be similar to what was in the Diamond Guideline section of SAMREC; also with a modification to Table 1. She outlined the key work flows and stressed that this would not be achievable without the expertise, skills and experience of people in the group. She asked the group to influence something that would affect them further down the line and for support as they continued on this journey, as follows: – Subject matter expertise – Participation in review and comments – Review support – Socialisation and engagement She invited the committee's thoughts and contributions on this. Tim Rowland thanked Charlene for the excellent overview and highlighted that on modifications to Table 1, it was important to recognise that they would try and integrate the ESG issues throughout the entire Table 1; as opposed to having a discreet section as an annexure to Table 1. The rationale was quite clear – they wanted to embed ESG into the whole value chain of resource and reserve estimation and reporting and, by integrating it throughout the whole of Table 1, it would hopefully take on that profile as being the 'golden thread' throughout the whole process. Secondly, a refresh to the stakeholder engagement exercise had recently been done and he asked whether people on this call would have access to that. He believed it would be great to circulate it to the people on this call for perspective and context. Charlene responded that the TEAMS channel that had been set up for the working group was perhaps not available to this group. She asked Gugu whether she and Sam Moolla could work with them to share the stakeholder engagement pieces and some of the learnings that had come out of that (two-way communication). **Action**: Gugu Charlie Charlene asked the meeting how they wanted to be engaged with, e.g. via TEAMS, Dropbox, e-mails, monthly meetings, *ad hoc* work groups/calls/discussions. Tania advised that she did not like TEAMS, as she had trouble getting into the and it did not work well on her system. Anneli Bekker agreed. Charlene suggested that engagement be done on an *ad hoc* or workflow type basis.
8. List of Resources in website, i.e. SuMax, INFACT, etc.	James Lake had been asked to present an update on resources for the website. As he was not on the call, it was decided to skip this agenda point for discussion at the next meeting.
9. Technical discussion – ESG Definitions	Charlene asked the meeting what technical matters the Group wished to discuss in 2023. The ESG Guideline update was on the agenda, so that was covered. There were elements of that which would require

	further discussions, e.g. materiality, governance, etc. She asked the meeting what they believed was important for discussion in this group, particularly under the technical space. Comments were invited from the floor. Kevin Davies asked how granular the group would be looking at the ESG process. No-one seemed to be worried about water pollution and the concentration seemed to be around greenhouse gases. There was a fair number of South African companies who would have to produce EU compliant disclosure processes. Charlene responded that the only guidance she could offer at the moment was that the member representation had to be considered and who the committee was serving; recognising that as a small or less mature reporter they would see no value in such a discussion and would probably need assistance if they had to report in that space anyway. She believed it could not be too granular. Kevin reported that SAMREC was adopted by other countries as part of their reporting requirements, so it could not be South Africa centric. This issue would be pursued for further discussion. Climate disclosures were very important and the question was asked whether there was any consideration around that. Several other topics were put forward, e.g. – Nature: Taskforce for nature-related financial disclosures – Global industry standards for tailings management – Human rights in saliency, artisanal and small-scale mining – Diversity, equity and inclusion – Climate matrices, energy risks, etc. Kevin advised that he would like to steer materiality to project level and away from the corporate level. Charlene suggested that when this technical discussion was held, Kevin consider facilitating the discussion. There were many areas where there would be cross-cutting and there might be some interest around this. She welcomed comments from the floor and some discussion followed. Charlene asked members to give this some thought and e-mail in the process if they had any strong feelings on what should or should not be considered next year. Teresa Steele-Schober believed this should be an inclusive discussion.
10. General	Seef advised that in the SAMREC meeting, there had been a suggestion that the next meeting should be an in-person meeting. As all meetings were on the same day, this would have to be co-ordinated between the different committees.
11. Closing	Charlene thanked everyone for their contribution to the meeting and for the work done behind the scenes. Many people would be taking a break and she asked everyone to keep safe at this time.
12. Next meeting	The next meeting was scheduled to take place on 23 February 2023.

Matters arising/Action Items

Meeting Date	Action	Responsible	Due	Status	Comments
25/08/22	Draw up table with members' e-mail addresses and circulate	Gugu Charlie & Camielah Jardine	February 2023		
24/11/22	Work together to share stakeholder engagement pieces/learnings	Gugu Charlie & Sam Moolla	February 2023		