

# LEADERSHIP AND GOVERNANCE



*Opportunity alone does not guarantee progress. We must ensure that South Africa is positioned to maximise the benefits of this evolving global environment.*

## Message from the Minerals Council President

### Maximising South Africa's mining opportunity

The mining industry experienced 2025 as a year of both significant challenges and considerable opportunities.

The global mining landscape is shifting. The strategic importance of minerals has risen sharply as countries prioritise security of supply, energy transition technologies and industrial resilience. In an increasingly multipolar world, access to critical minerals has become central to economic and geopolitical stability. For South Africa, endowed with world-class mineral resources, this presents a generational opportunity.

However, opportunity alone is not a guarantee for success. We must ensure that South Africa is positioned to maximise the benefits of this evolving global environment.

### A year of pressure and response

The past year has been one of intense engagement and, at times, necessary urgency.

The proposed amendments to the Mineral and Petroleum Resources Development Act (MPRDA) were released during the year, raising serious concerns regarding regulatory certainty, security of tenure and the practical implications for investment and exploration. The Minerals Council responded decisively and constructively, submitting detailed representations to government and engaging extensively with policymakers. We remain committed to securing an outcome that strengthens, rather than undermines South Africa's competitiveness as an exploration and mining jurisdiction.

Energy and infrastructure constraints have continued to shape our agenda. While the availability of electricity has improved materially, the compound escalation in electricity tariffs since 2008, exceeding 900%, has placed severe pressure on energy-intensive sectors, particularly ferrochrome and other smelting

operations. The potential loss of industrial capacity carries significant implications for employment, foreign exchange earnings, government revenue and downstream industrialisation.

The Minerals Council has strongly advocated for a sustainable energy pricing framework that preserves industrial competitiveness while ensuring the long-term viability of the power system. Parallel debates around export taxes, tariffs and quotas have underscored the importance of market-based solutions that address root causes rather than symptoms.

Encouragingly, improvements at Transnet have begun to restore some operational efficiency in rail and ports, although much work remains to unlock the full export potential of the industry. Continued reform and accountability in logistics are essential to enable growth.

### Competitiveness and national growth

Mining remains essential to South Africa's economy. The industry directly employs approximately 470,000 people and supports many more through multiplier effects across communities and value chains. It is a significant contributor to fiscal revenue and foreign exchange earnings, underpinning national economic stability.

However, the industry's contribution to GDP has declined over time, not due to diminishing mineral endowment, but as a result of structural constraints, policy uncertainty and infrastructure bottlenecks.

If we are entering what could become a "golden decade" for minerals, South Africa must ensure that it is not merely a passive participant, but a leader. This requires:

- Regulatory clarity and predictable policy frameworks
- Efficient and transparent licensing systems
- Competitive and reliable energy supplies
- Functional logistics networks
- Secure operating environments

We have seen renewed cooperation between business and government to address crime, corruption, energy reform and logistics recovery. These efforts must continue with urgency and focus.

## Health, safety and responsible mining

Despite the operational and economic pressures facing the industry, our commitment to health and safety remains unwavering.

In 2025, the industry recorded a further reduction in fatality numbers, a decline of approximately 2% year-on-year. While every life lost is one too many, these trends demonstrate that the collective efforts of companies, labour and government are yielding progress.

The implementation of the new 10-year Health and Safety Milestones reinforces our commitment to Zero Harm and to continuous improvement in safety systems, leadership and culture.

Beyond physical safety, the industry continues to strengthen its approach to occupational health, TB and silicosis reduction, and broader employee well-being. The expansion of initiatives addressing gender-based violence (GBV), under the guidance of the Women in Mining (WiM) programme, reflects our recognition that safe workplaces extend beyond operational risk to include dignity, inclusion and respect.

## Environmental sustainability and water security

Our long-term licence to operate is directly linked to environmental sustainability. South Africa's mining industry plays a critical role in supplying minerals essential for renewable energy technologies and global decarbonisation.

However, the transition must be managed pragmatically. Energy security, industrial competitiveness and employment stability must remain integral considerations in climate policy development.

An emerging risk that requires particular attention is water security. Interruptions in bulk water supply in several mining regions during the year highlighted vulnerabilities in municipal and regional infrastructure systems. Water is essential to both communities and operations, and strengthening maintenance capacity, governance and investment in water infrastructure must become a national priority.

Mining companies continue to invest in water and environmental stewardship, renewable energy projects and emission reduction initiatives, contributing meaningfully to the country's environmental and climate objectives, and further reduce environmental footprint for mining.

## Transformation and inclusion

Transformation remains both a moral imperative and a business necessity. Female participation in the mining workforce continues to rise, and the strategic review of the WiM programme will further strengthen the foundational measures required to create inclusive, supportive workplaces. The industry is also focused on skills development, youth employment and strengthening pathways for junior and emerging miners.

Recognising the importance of a diverse and representative industry, the Minerals Council expanded the representation of junior mining companies at the Board level during the year. Supporting the next generation of mining entrepreneurs is critical to broadening participation and stimulating exploration and growth.

Through Social and Labour Plans (SLPs) and voluntary community investment initiatives, mining companies continue to invest in education, healthcare, housing and infrastructure in host communities, reinforcing the industry's broader social contribution.

## Priorities for 2026

The year ahead must be one of delivery, translating sustained engagement and advocacy into tangible outcomes that strengthen South Africa's mining competitiveness. Three priorities stand out as critical enablers of competitiveness and long-term growth.

First, securing a balanced and investment-enabling outcome to the MRD Bill process is essential.

Second, we must achieve a sustainable and competitive energy system that supports industrial capacity, including ferroalloy operations, while advancing market reform and energy diversification.

Third, the Minerals Council has initiated a strategic review process, supported by PwC, to define the mining industry's long-term positioning and growth pathway.

This work will guide a more proactive and future-focused agenda for the industry.

Collectively, these priorities aim to ensure that South Africa captures the full value of its mineral wealth in a rapidly evolving global landscape.

Our progress in the past year would not have been possible without the dedication and leadership of many individuals and organisations. On behalf of the Board, I would like to thank Themba Mkhwanazi (Office Bearer and past Chair of the CEO Zero Harm Forum), who resigned at the end of June 2025, for his invaluable contributions, and our CEO, Mzila Mthenjane, who is leading the Minerals Council through several complex industry matters with distinction. I also wish to acknowledge the support and commitment of South Africa's mining companies, industry leaders and employees, who are the heart and soul of this vibrant industry.

## Mining, the bedrock of South Africa

Mining has built the foundation of South Africa's industrial development for more than a century. It continues to provide decent work, generate fiscal revenue, sustain communities and contribute to national development.

If South Africa is to unlock inclusive growth and meaningful job creation, mining must be positioned to thrive. That requires partnership, policy coherence and a shared commitment to competitiveness.

As we look ahead, we are reminded that mining extends beyond the extraction of minerals. Mining is a nation-building catalyst.

Mining must succeed for South Africa to succeed. The opportunity before us is significant. It is now our collective responsibility as industry representatives to ensure that we maximise it.

*Paul Dunne*

**Paul Dunne**  
President