

RISK MANAGEMENT

Our approach to risk management

The Minerals Council applies a structured risk and materiality assessment process to identify, evaluate and manage the issues most likely to affect the organisation, its members and the broader mining industry. This process informs strategic planning, governance oversight and programme prioritisation, ensuring that resources are directed towards the most significant risks and opportunities.

Risk identification draws on engagement with members, executive leadership and the Board, supported by sector risk assessments, legislative developments and stakeholder input.

Risks are assessed in terms of likelihood and potential impact on value creation. Management responses focus on the most material risks, with emphasis placed on those uncertainties that most significantly affect sector competitiveness, sustainability and stakeholder confidence.

Materiality underpinning risk prioritisation

The Minerals Council applies a double materiality lens to identify and prioritise those matters that are most significant to the mining industry and to the work of the Minerals Council. Double materiality considers both (i) the impacts of mining and related policy on the economy, society and the environment, and (ii) the financial and strategic implications of external sustainability factors for the industry and the Minerals Council. The outcome of this assessment informs

Material issues (double materiality assessment)

Principal risks

Strategic priorities and responses

Performance and impact

strategic priorities, risk identification and programme focus across the organisation and provides the basis for prioritising principal risks.

How material issues flow through this report

Material issues identified through the double materiality assessment are translated into principal risks, strategic responses and reported performance as follows:

Risk governance and oversight

Risk governance is embedded within the Minerals Council's Board and committee structures. The Audit and Risk Committee oversees the identification, monitoring and evaluation of material risks, with regular reporting to the Board. Risk considerations are integrated into strategic decision-making, resource allocation and programme prioritisation.

Principal risks for the mining industry 2025

The Minerals Council maintains a consolidated risk register aligned to its strategic goals. The principal risks monitored during 2025 are set out on the next page. Addressing these risks effectively will require sustained collaboration between industry, government and society to mitigate their impact.

Risk outlook

Looking ahead, the Minerals Council anticipates continued exposure to regulatory and infrastructure-related risks, alongside intensifying climate transition pressures and elevated stakeholder expectations. Sustained governance discipline, financial prudence and coordinated sector engagement will remain central to managing value uncertainty in the year ahead.



Bathopele Platinum

	Principal risk	Risk description and potential impact	Why it matters to value	Management focus and key response strategies	Strategic goal(s)
Economic	Electricity cost and supply	Grid reliability challenges, Eskom sustainability concerns, limited grid access and escalating electricity costs.	Constrains production, raises operating costs and undermines investment confidence.	Continued engagement with Eskom, the Energy Council and government through NECOM and Business for South Africa to support electricity market reform, expand self-generation, improve grid access and stabilise long-term electricity costs.	Goal 1 Goal 2
	Infrastructure	Unreliable rail and port infrastructure affecting export volumes, efficiency and revenue realisation.	Limits market access, reduces competitiveness and erodes export performance.	Engagement with Transnet through recovery teams and the NLCC; focus on stabilising priority bulk commodity corridors and improving port performance.	Goal 1 Goal 2
	Security, crime and illegal mining	Rising theft, illegal mining and organised crime targeting mining operations and supply chains.	Drives operational disruption, safety risks and direct economic losses.	Collaboration with government, SAPS and business partners through the Joint Initiative on Crime and Corruption to strengthen enforcement, investigations and prosecutions.	Goal 2
Environment	Environmental and climate transition risk	Environmental liabilities, evolving regulation and climate-related transition and physical risks.	Creates compliance exposure, cost pressures and market-access risk.	Support for just energy transition planning; implementation of decarbonisation roadmaps; engagement on environmental regulatory alignment and licensing challenges.	Goal 1 Goal 2 Goal 3
Social	Health and safety	Occupational health and safety risks in high-risk mining environments and challenges in achieving zero harm.	Impacts workforce stability, regulatory compliance and sector reputation.	Implementation of Khumbul'ekhaya 2.0 through the CEO Zero Harm Forum and MOSH Learning Hub to reduce fatalities, exposures and safety incidents.	Goal 3
	Social performance	Mismatch between development outcomes and community expectations leading to unrest.	Threatens operational continuity, trust and social licence to operate.	Support for coordinated member-led social investment; engagement with the South African Local Government Association (SALGA) and local stakeholders to improve infrastructure and service delivery.	Goal 2 Goal 3
	Transformation	Perceptions of slow progress on transformation, inclusion and procurement.	Heightens stakeholder scrutiny and reputational risk.	Promotion of Transformation Beyond Compliance; monitoring progress, sharing best practices and engagement on legislative reform.	Goal 2 Goal 3
	Compensation framework for OLDs	Uncertainty over the design, funding and implementation of a sustainable compensation framework.	Creates legal, financial and reputational exposure for the sector.	Collaborating with the DOH on legislative reform to create a fair and sustainable compensation framework.	Goal 3
Governance	Policy and regulatory environment	Policy uncertainty, permitting delays and regulatory changes affecting investment and growth decisions.	Undermines investment certainty, project timelines and long-term sector competitiveness.	Monitoring legislative developments; structured engagement with departments (DMPR, DFFE) on permitting, licensing, the MRD Bill and regulatory reform.	Goal 1 Goal 2
	Political risk	Social instability, coalition governance risk and weak local government capacity affecting service delivery.	Disrupts operations, undermines investor confidence and delays reform implementation.	Engagement on structural economic reforms; advocacy for stable investment conditions and pragmatic trade and foreign policy positioning.	Goal 1 Goal 2