

MEDIA RELEASE

SA's mining companies are creating value and discovering the future world of work as their digital journeys mature

Johannesburg, 12 April 2023 — PwC South Africa, together with Minerals Council South Africa, is pleased to share its second publication on ***The state of digital transformation in the South African mining industry: Ten insights into 4IR 2023***. The publication encompasses new insights, validates existing ones from our previous [report](#), and articulates mining organisations' commitment to using digitalisation and technology for the ultimate creation of business value in the mining sector.

Please find and download the full 2023 report here: <https://www.pwc.co.za/en/publications/ten-insights-into-4ir.html>

Roger Baxter, Minerals Council CEO, says: “Digital transformation is imperative for mining — a non-negotiable if you like — as it serves as the seamless thread through all the mining value chain processes, and enhances safety and health, security, production, and workforce and leadership capability. The implementation of these processes needs to be executed with care and responsibility.”

The first survey, which was conducted in 2021, focused purely on digital transformation and 4IR readiness. The scope of our latest report was expanded to include environmental, social and governance (ESG) aspects to bring the industry in line with what is expected of companies in the modern world. While survey respondents were predominantly CEOs, and/or nominated senior leaders from mining companies, organised labour representatives and mining engineering graduates also participated. The aim was to search for a broad range of opinions in an effort to understand the implications of digital transformation on South African mining.

The ten insights covered in the report are:

1. **Mining CEOs and their executives are being deliberate**

Compared to 2021, mining CEOs now are focused on innovation rather than a top-down initiative-based approach. In our previous survey, we saw CEOs driving the digital agenda from the top. Since then, there has been greater digital adoption as employees see the value of these solutions. As a result, digital solutions are now embedded in every initiative, which means the benefits of this can be more easily tracked. According to the survey, 100% of respondents are making the transition to digital, including using technology for their ESG programmes.

2. **Technology is being applied where it has the greatest measurable benefit**

Digital tools are providing miners with visibility and transparency of their business by reducing bureaucracy and, ultimately, providing them with the ability to make better decisions.

3. The hunt for value requires cooperation and compromise

Cost leadership, efficiency, and profitability remain the number one concern of mining CEOs, with overall business sustainability and longevity coming in second. The fight for capital allocations is based on measured benefits, which has been a challenge in the past for digital programmes.

4. Digital tools don't just measure, they contribute (the union perspective)

Labour unions are key stakeholders in the mining industry and have a unique perspective on the value of digital and 4IR. Two surveyed unions say digital technology is essential to improve health and safety, and plays a key role in communication, but that its greatest value is in providing workers with the insights they need to be successful.

5. The imperatives for sustainability, and the crown jewels

Data is at the centre of business success and sustainability in this new world, and data will be the most intensely managed part of the mining business over the next ten years as trustworthy information is needed in real-time. This brings with it the need for Artificial Intelligence, machine learning and other big data technologies to make sense of large data sets.

6. We are up to the challenge and have the tools we need to win

South African miners have not been satisfied with the progress in digital and 4IR transformation in the past few years. Mining CEOs agree that we have spurred on the development, use, and understanding of technology in the mining space, but unanimously agree that we could have done better.

7. Mining is about people — and we need to fight globally for talent

Leadership is key, however culture can replace scarce skills. The publication looks at how mining needs to create an environment that attracts young talent in a world that also needs data scientists and digital natives.

8. ESG — critical for business survival or tick-box?

While ESG may be one of the latest buzzwords related to business and sustainability, the response to ESG drivers is not in any way new to the mining sector. However, the way in which mining companies in South Africa need to engage with these drivers is changing. This requires a fundamental rethink in terms of the risks and opportunities presented by these drivers and the underlying systemic changes they demand.

9. ESG — regulations shape ESG requirements (for better or worse)

While legislation drives the responsible business agenda for our mining industry, embedding ESG into your organisation is more than just compliance — it is centred on the ability to create long-term value.

10. ESG drives long-term value

Without a blueprint or clear regulations, miners have chosen their own preferred path and reporting for ESG. While unions say there is less focus on social and governance issues, all parties regard ESG as a path to a sustainable mining future, with digital as the means to accomplish these goals.

Ian Mackay, PwC Smart Mining Senior Manager, says: “Digital transformation and ESG practices are paying off — qualitatively and quantitatively. Digital is successfully competing for capital in mining as it is providing measurable benefits and delivering real change.”

What is also encouraging from the survey is that the ownership of the digitalisation strategy is no longer a business unit — instead, we find digital embedded in every project, and a renewed focus on measurement of real-world results.

Chrisna Evans, PwC Mining Operation Transformation Associate Director, concludes saying: “There is an increase in the number of mining organisations investing in digital journeys, compared to the previous study. Based on where mining entities are on their journey, the next five years will present a potentially transformed mining sector and will eventually result in integrated digital mining operations that embrace the organisation’s value drivers and the benefits of 4IR.”

Ends.

PwC South Africa’s mining experts are available for client discussions and media interviews on the latest digital developments in South Africa’s mining industry.

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