

26 June 2024

Nolitha Fakude, President of Minerals Council South Africa, 134th AGM speech

Opening Remarks

Thank you for that kind introduction Mzila, and it is indeed great to be here today.

Our honoured guest speaker, Professor Thuli Madonsela, my fellow office bearers, CEO Mzila Mthenjane and distinguished guests, I warmly welcome you to our 134th AGM.

NgesiZulul kuthiwa, "*okungapheli kuyahlola*," – *and taking some liberty with the translation – loosely means* all things must come to an end.

And so, it is an honour to stand before you today at the end of my three-year tenure as the President of the Minerals Council.

South Africa is on a pathway to change

As I make my own transition during a period of significant changes across South Africa's political landscape and in the year in which we celebrate our 30th anniversary of our democracy, I have a few remarks to make.

The recent elections have ushered in a newly elected government, bringing together various political parties under one administration. The mandate for the newly elected government is clear: seizing this opportunity to reach across all political divides to urgently address our country's most pressing challenges of economic growth and eradicating poverty and inequality for the benefit and stability of our country.

On behalf of myself and the Minerals Council South Africa, our congratulations to President Cyril Ramaphosa on his recent inauguration as Head of State and to the members of Parliament sworn in just two weeks ago.

As the country undergoes a political metamorphosis, it is fitting that today, we also briefly reflect on our industry's transformation journey over the past 30 years and the role mining should play in continuing to shape South Africa's future.

#MiningMatters to South Africa.

For much of our country's history, mining has been at the heart of its economic progress and development. However, this industry is also part of South Africa's complex history of exclusion which is why we are actively addressing mining's legacy issues.

The effects of segregation and apartheid excluded black South Africans from many sectors of our economy, including mining, trapping many in a cycle of little to no opportunities for upward mobility.

Over the past 30 years, our industry has progressively worked to do its part in changing this legacy, as they say, the past we inherit but the future we create.

Three Decades of improved Health and Safety

Over the past 30 years, our industry has fundamentally changed how it engages all stakeholders and conducts its operations. These changes have been for the better, especially among others in health and safety. We have seen improved safety and health performance, and significant and impactful contributions to society from the mining sector.

For example, since 1994, the number of fatalities has decreased by 88%, and injuries have decreased by 75%, reflecting our members' commitment to the safety and health of all employees.

Two of the historically leading causes of fatalities, namely, falls of ground and transport and machinery, have received unwavering and uncompromising from the Minerals Council, the leadership teams of our members, and our key stakeholders, especially the Department of Minerals Resources and Energy (DMRE), Mine Health and Safety Council, and organised labour in our united quest for Zero Harm.

Several interventions contributed to a 95% decline in fatalities caused by falls of ground (FOG) from 239 in 1994 to 15 today - indicating that the Minerals Council's Fall of Ground Action Plan (FOGAP) is delivering the step changes in safety we are all working towards.

The significant decrease of 91% in transport and machinery fatalities, from 87 to 8 in the past three decades, is a direct result of the strong, visible leadership at operations. The CEOs of our member companies have been instrumental in inspiring and driving these safety improvements.

In the past three years, we also introduced an hour of learning each month attended by CEOs and senior management to ensure that lessons on incidents were shared to prevent repeats. I must stress that without the active and engaged leadership role that our CEOs are playing through the CEO Zero Harm Leadership Forum, led by Japie Fullard, in addressing health and safety in our industry, the significant step changes we have seen would not have been possible.

Ladies and gentlemen, we have also made significant progress in reducing the cases of tuberculosis (TB), silicosis, and noise-induced hearing loss.

For example, at the peak of the tuberculosis (TB) epidemic in the early 2000s, incidence rates in the mining industry were almost seven times higher than those of the general population. In 2003, a total of 8,400 cases of TB were diagnosed in the industry, translating to an incidence rate of 1,928 out of every 100,000 employees.

The industry's fight against TB has been a long but encouraging one, with year 2003 marking a seminal year for the industry through the establishment of milestones for improving TB. In 2014, the Mine Health and Safety Council set the milestone of achieving a TB incidence rate for the sector below the national average by 2024.

By 2022, the TB incidence rate was 278 employees for 100,000 individuals, well below the national rate of 537 individuals for every 100,000 members of the population.

This is one of our major achievements in improving the health of mineworkers over the past three decades.

We have also made significant inroads in reducing silicosis and noise-induced hearing loss cases, with reductions of 90% and 86%, respectively, between 2003 and 2022.

These statistics show evidence of how the effort of the industry are paying dividends in addressing the health and safety of employees. We are committed to achieving Zero Harm, and we continue to learn, share, and adopt leading practices to avoid repeat incidents. We also encourage the adoption of new technologies to modernise mining and make it safer and more accessible as we transform the industry.

In 2014, the industry, the DMRE and organised labour, through the Mine Health and Safety Council, set new milestones for 2024, continuing our journey towards Zero Harm.

We will assess our achievements and shortfalls against the milestone targets and re-engage our stakeholders at the end of the year as we set our revised and new milestones.

In the interim, we will continue driving step changes in improvements in health and safety performance, using all the tools at our disposal to ensure that every mineworker returns home unharmed.

This ambition can only be realised through the collaboration and commitment of all stakeholders. Partnerships is key to achieving our shared aspiration of Zero Harm.

Furthermore, since 2019, there is no better example of collaboration than in our society's response to the COVID-19 pandemic where the mining sector – working with government and civil society – helped spearhead the rollout of vaccines across South Africa, vaccinating its workforce, their families, and communities.

Women in Mining

One of the key focuses during my tenure at the Minerals Council has been my involvement as Co-Chair of the Women in Mining Leadership Forum. Initially, Neal Froneman and later with

Paul Dunne, we have made substantial progress in transforming the mining industry for the better.

Through concerted programmes to employ women, the industry has an estimated 90,300 women working in the sector, representing 19% of the total full-time workforce compared to 30,000 in 2019.

Before our first democratic elections in 1994, women were prevented by law from working on underground mines. The International Labour Organisation (ILO) had a convention in place since 1935 prohibiting the employment of women in underground mining work. Many signatory countries have over the years changed their stance and in 1996, South Africa opened mining to women.

As we have seen in our annual Women in Mining Heroes recognition events, which we launched in 2020, our female colleagues are making their presence felt and are making a difference across all vertical structures of the mining industry in South Africa.

Focus continues to be on breaking stereotypes, unmasking unconscious bias and support of broader interventions in the sector to fight gender-based violence in partnership with other stakeholders, including the NPA through the establishment of Thuthuzela Care Centres. This is a battle we must win.

Black Economic Empowerment and Inclusive Industry Participation

Management of the industry has also substantially transformed in the past three decades, with 83% of employees being historically disadvantaged South Africans.

Since 1994, transformation has yielded substantial black-owned and managed companies such as African Rainbow Minerals, Exxaro Resources, Seriti Resources, Kalagadi Manganese, Siyanda Resources and Thungela Resources to name a few. We have many small black- and women-owned and led junior companies included in our membership. Of our 38 junior member companies, 12 are wholly black-owned.

Looking Ahead

However, we must also acknowledge the missed opportunities due to a less-than-ideal operating and legislative environment. The slow pace of approvals of mining and exploration rights, erratic and expensive electricity supply, and declining rail and port functionality have prevented the mining industry from reaching its full potential.

The Minerals Council continues to engage with government with other business formations to address these issues through improved operational performance, and structural and regulatory reforms. While small green shoots of progress are starting to show especially in the energy sector, we must not underestimate the damage done in the recent past and the time it will take to undo this damage.

The mining industry is well represented at the National Energy Crisis Committee (NECOM) by many others including myself as Minerals Council President and chair of Anglo American

South Africa, and Sasol former CEO, Fleetwood Grobler. NECOM was set up in July 2022 to implement the Presidential Energy Action Plan through the partnership of government, business and Eskom.

Further, the Minerals Council was at the forefront of establishing the National Logistics Crisis Committee (NLCC) where business is represented by former Exxaro Resources CEO and Minerals Council former President, Mxolisi Mgojo, and Kumba Iron Ore CEO, Mpumi Zikalala.

In addition, addressing crime and corruption is as critical to ensuring the safety and security of all citizens as well as physical infrastructure and assets. In this regard, the Joint Initiative on Crime and Corruption (JICC) is the third crisis committee that the Presidency has established, on which the mining industry is represented by Neal Froneman, Sibanye-Stillwater CEO. And more recently, by our CEO Mzila Mthenjane.

We know that there are other priority areas that urgently require all of our attention and intervention.

Water is rapidly becoming the next crisis point and it is essential that the Government and its partners, the private sector, urgently resolve the growing water constraints before we are in a full-blown crisis, that could result in social instability. Mining companies are already involved in the Northern Cape and Limpopo provinces to ensure that communities, businesses, mines and the agricultural sector have stable supplies of water.

In conclusion, we can look back with a sense of achievement at the journey we have travelled during the past three decades, but we have so much more to do to make the mining industry an inclusive employer of choice from which everyone returns home safely every day.

Our transformation journey is well underway, and the focus to support developing junior and emerging miners is crucial. We remain committed to transforming our sector and making a positive impact in our communities. An improved operating environment and a regulatory environment conducive to long-term investment will position the industry to realise the inherent potential from our world-class deposits of critical minerals.

Thank you

I would like to express my gratitude to the nearly half a million individuals employed in our sector, whose dedication and hard work ensure that the mining industry remains a key driver of growth and development.

I also extend my deepest appreciation for the steadfast dedication and support of many exceptional leaders who have strived to improve South Africa and our industry through their passionate and principled leadership during some of the most trying times for the mining sector.

The guidance provided by our Vice Presidents and collective leadership, with whom we lead the Minerals Council, has been crucial. Moreover, the tireless efforts of the Minerals Council

team, under the capable leadership of former CEO, Roger Baxter, and current CEO, Mzila Mthenjane, have been indispensable.

On behalf of the Minerals Council Board, I thank Roger for the 30 years of his career that he spent at the organisation, helping steer us through the fundamental changes we have experienced in these three decades, repositioning and rebranding the Minerals Council so that we can continue playing a meaningful and significant role in the mining industry on behalf of our members and for the good of the economy. Roger left the Minerals Council well placed to continue our good work for a great industry in one of the world's highest potential mining jurisdictions.

Lastly, I would like to thank Minister Gwede Mantashe for his continued support and high level of engagement he has had with the industry.

On health and safety, I'd like to thank organised labour for the contribution they have made towards the significant reductions we have seen in the past three decades in partnership with the Mine Health and Safety Council.

I wish everyone well, especially the new office bearers and our newly elected president, Ms Nombasa Tsengwa. And congratulations to our new Office Bearers Mpumi Zikalala and Richard Stewart.

It's been a great personal privilege and honour to have been entrusted with the stewardship of this amazing organisation following in the tradition of its past leaders, including Mxolisi Mgojo, Mike Teke, Sipho Nkosi and the last Xolani Mkhwanazi and Mark Cutifani among others.

Thank you for the honour and privilege to serve.

For the last 30 years, doing business in South Africa has been tough, the same as it was in the last 134 years!

Most people's lives have improved over this period, however, unfortunately there is still a larger proportion of our society whose lives have not improved but have rather become tougher. Where do we stand as business leaders on this dilemma.

That keeps me awake at night and motivated each day to try and give my best shot in everything I do and can do.

Thank you.