

26 June 2024

Mzila Mthenjane, CEO of Minerals Council South Africa, 134th AGM speech

A warm and good afternoon to Minerals Council President, Nolitha Fakude, the leadership of our members, honoured guests. A special thank you Ms Thuli Madonsela for your insights and guidance on how the mining industry can make a difference in communities and society.

As we stand on the brink of a new year for the Minerals Council, and with abated breadth for new administration, our collective mindset remains focused on transforming the potential of our mining industry into tangible performance and growth to deliver positive and long-lasting change in the lives of many South Africans.

In this regard, I envision ***a mining industry that is a catalyst and a partner for economic development and social progress***. It is from this vision that the purpose of the Minerals Council South Africa is established ***to co-create an enabling environment for the mining industry to thrive***. Our task as an advocacy and lobbying organisation, on behalf of our 73 member companies and organisations, can be measured by the positive impact delivered by our members for the benefit of our stakeholders, including employees, communities and the country - Simply put: **#MiningMatters**.

I don't wish to spend much time recollecting the past year, suffice it to say that it was a year of bold and collaborative action to address the crises facing the industry. Hence, the lights have been shining for longer. Challenges remain in logistics and crime & corruption, however, we will

overcome and failure is not an option. It's on the back of this optimism that I wish to share with you what **a thriving mining industry** looks like: -

- It's on Bloomberg TV that I often hear the expression, "context changes everything" and the prevailing context for mining is such that we are increasingly sensitive to our context, as exemplified by growing **stakeholder accountability and integrating environmental stewardship** for both tactical rehabilitation and long-term nature-based solutions to support livelihoods during and post mining.
- In addition, an industry that provides **safe and healthy working environments** for its employees, is enduring, both operationally and financially. We have made noteworthy progress in ensuring employees return home safely, as Nolitha has highlighted. The role industry leadership amongst business, labour and government, in driving a safe and healthy culture has delivered breakthrough performances, with FOG accidents improving by 50% every 5 to 6 years over the past 20 years. The Minerals Council is driving the adoption of leading practices, CEO-level sharing and learning, and modernisation to improve working conditions on mines and deliver step changes as we strive for Zero Harm.
- A thriving industry is characterised by **investment and growth**. We need the lifeblood of fresh mineral deposits, which will be found by energetic prospectors and vibrant exploration sector. These deposits will lead to investments in new mines and expansion of operating mines. The cadastral system is important to improving investor sentiment, but so is a holistic and investor friendly legislative environment. Mining is the epicentre of our economy and social wellbeing, as illustrated by its multiplier effect. For example, a R1 million increase in output, based on 2022 numbers, results in an economy-wide 2.5 employment opportunities. The decline in recent years in mining output performance because of infrastructure constraints is a tragedy that is manifesting in undesirable employment losses;

- The social multiplier, based on the 2.5 employment opportunities and assuming household dependency of 3 to 4 individuals per employee, means that 7 to 10 people live with dignity and escape the clutches of poverty that prevails in the country. The industry currently employs 480 000 people – with increased investment and growth, what are the possibilities for job creation and poverty reduction? It is critical for the sustainability and unfettered contribution of the mining industry to the economy that exploration is revitalised so that South Africa can enjoy the benefits of its mineral endowment as it plays its part in supplying the metals it is known for and the critical minerals the world will need in the just transition journey to a lower carbon future. The mining industry leads investment in renewable energy projects, with a pipeline of about 90 projects of almost 15.8GW worth R275 billion, accounting for 70% of the pipeline.
- Let me repeat my vision for the mining industry: a catalyst and partner for economic development and social progress. The industry is living this vision by leveraging its resources to **co-invest and collaborate** with social partners and municipalities to uplift communities through investments in education, health and infrastructure in their host communities, as well as small businesses to make a difference beyond mine-gates. The Minerals Council and its members are central to two major water projects to supply industry, communities, and businesses through the Lebalelo Water Users Association in Limpopo and the Vaal Gamagara Water Supply Scheme in Northern Cape. The presence of mining activities has the potential to enhance the viability of funding water infrastructure, which will provide incentives for additional local investment and economic growth.

I could continue the virtues of mining, but I will not, lest I delay you further for the lunch awaiting you. So, to conclude, we are commemorating the 30-year anniversary of our functioning democracy, and as an industry we anticipate engagements with the 7th administration on an economic development agenda that will leverage the **'Magnificent 7'** attributes of

South Africa, to name a few, an already well articulated description of **the mining industry, an energetic and innovative youth population, resilient institutions, a developed financial sector and excellent tertiary and research institutions.**

Looking to the **year ahead, my priority** is to continue the effort of shifting the narrative about the industry from potential to performance and growth, by driving our strategic goal of developing a shared vision for a globally competitive mining industry that is a significant contributor to South Africa's economy and supported by all stakeholders.

On behalf of the Board and employees, I want to thank Roger Baxter for his nine-year service as CEO and the 30 years he has dedicated to the Minerals Council, Henk Langenhoven, who retired as Chief Economist at the end of October 2023, for his service and contribution to the industry and economy.

I am grateful for the unwavering support and guidance Nolitha has provided me since commencement of my role. You have provided steady leadership of the Minerals Council and you leave an indelible mark on our organisation as our first woman president. Equally, I extend my thanks to Peter Steenkamp, our outgoing Vice President, who has shown unstinting support for the work of the Minerals Council.

Thank you to the Board members and Minerals Council member CEOs for your leadership and guidance. I feel empowered with the support that I receive and look forward to the period ahead with confidence and positive anticipation.

Let me end with welcoming Nombasa Tsengwa who assumes the President role at the Minerals Council. A warm welcome to Richard Stewart and Mpumi Zikalala as our new Office Bearers. They join Paul Dunne and Themba Mkhwanazi in this role. I look forward to your collective wise counsel and guidance as we represent and defend our members' interests and continue to ensure that #MiningMatters. **Thank you.**