



MINERALS COUNCIL
SOUTH AFRICA

MINING MATTERS

To employees and their families

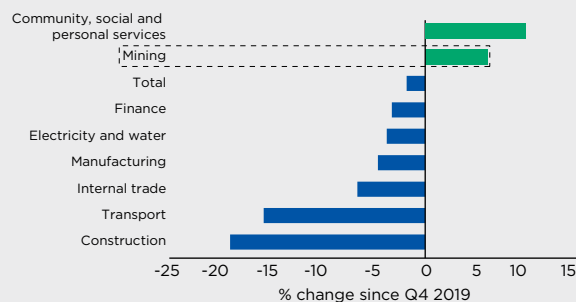
Introduction

South Africa's mining industry added jobs for the second consecutive year in 2023 despite a moribund local economy, lower prices for key commodities and constraints on operational performance.

The industry's improved employment level was accompanied by a substantial increase of wages for more than 470,000 employees. The industry secured the lives and livelihoods of a larger number of mineworkers and their families in tough economic circumstances. Mining companies funded education, training and bursary programmes which continued to improve skills levels in the sector.

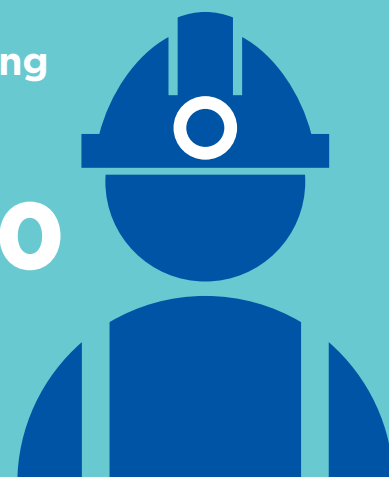
In addition to the community, social and personal service sector, mining is one of the major sectors where formal employment is higher in 2023 than in pre-COVID-19 period of Q4 2019.

Formal non-agricultural employment trends



Source: Stats SA, Minerals Council

In 2023, the mining sector employed more than
477,000 people





“Over the past 15 years, mining sector wage increases have outpaced consumer price index (CPI), reflecting both the wage gains by employees and a narrowing of the gap between lower and higher income employees.”

 Kumba Iron Ore – Sishen

Employment and employee earnings

In 2023, the mining sector employed more than 477,000 people. The mining industry contributed recognisable growth to employment last year, adding more than 7,500 jobs, while wages increased by R12 billion to R186.5 billion, supporting the lives and livelihoods of employees and their families in a difficult economic climate.

It is estimated that almost a million additional jobs are sustained in upstream and downstream industries with an estimated two additional jobs for each mining job.

Mining employees provide extensive support to their families and communities. Using a commonly

accepted measure of dependency in South Africa, we estimate that every mining employee supports between five and 10 dependents. By this measure, mining industry employees sustain between 2.4 million and 4.8 million dependants.

Mining employees are among the best paid South African industrial workers. Basic wages paid by the industry are 17% above those of comparably skilled workers in other industries such as manufacturing, construction, transport and business services.

Over the past 15 years, mining sector wage increases have outpaced CPI, reflecting both the wage gains by employees and a narrowing of the gap between lower and higher income employees.

On average salaries and wages comprise around 50% of operating costs at deep level mines, followed by the cost of electricity at around 20%.

Wages, benefits and working conditions were subject to collective bargaining with representative unions for more than four decades. The National Union of Mineworkers (NUM) was established in 1982, with Cyril Ramaphosa as its general secretary. Within months, the first recognition agreements were signed, and by 1983 the NUM was part of the industry’s collective bargaining processes which, since 1915, had involved only unions representing white workers.

Women in mining

Until the late 1990s, by law, no women were allowed to work in core mining jobs in South Africa. In 2003, shortly before the Mineral and Petroleum Resources Development Act and its associated Mining Charter – negotiated between government, unions and the industry – came into effect, women accounted for only 3% of the workforce.

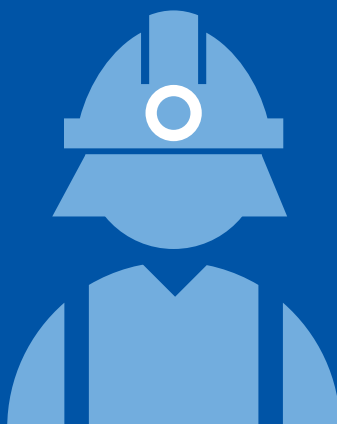
The Minerals Council estimates that the industry employed 90,630 women, comprising 19% of the total full-time workforce in 2023, with women holding about 25% of mining companies' management positions.

The entry of women into to mining workplace, particularly in underground operations, raised new risks for those women as they faced the risk of sexual harassment, discrimination and gender-based violence. The sector reflects the society in which it operates and the communities from which it sources its employees.

Mining companies have zero-tolerance of gender-based violence, with strict disciplinary policies, coupled with training programmes to address and eliminate this scourge. The Minerals Council has a campaign to eliminate sexual harassment and gender-based violence on South Africa's mines and in mining and labour-sending communities, keeping the matter at the forefront of the industry's consciousness.

The Minerals Council estimates that the industry employed

90,630 women



Seriti – Kriel Colliery

Employee share ownership

Tens of thousands of employees are direct partners in mining companies through employee share ownership programmes and profit-sharing schemes. The first mining employee share ownership plan (ESOP) was established in 2006 and more followed. ESOPs were incorporated in the second iteration of the Mining Charter in 2011 as part of the guidelines for the ownership pillar of the charter.

The volatility of mining share prices and dividend payments have more recently shifted some companies and employee representatives instead to favour profit-sharing schemes as the basis for ensuring that employees have stakes in their companies' financial performance.

Training and development

The industry's strong commitment to training and personnel development is one of the factors that has changed the nature of the workplace for employees.

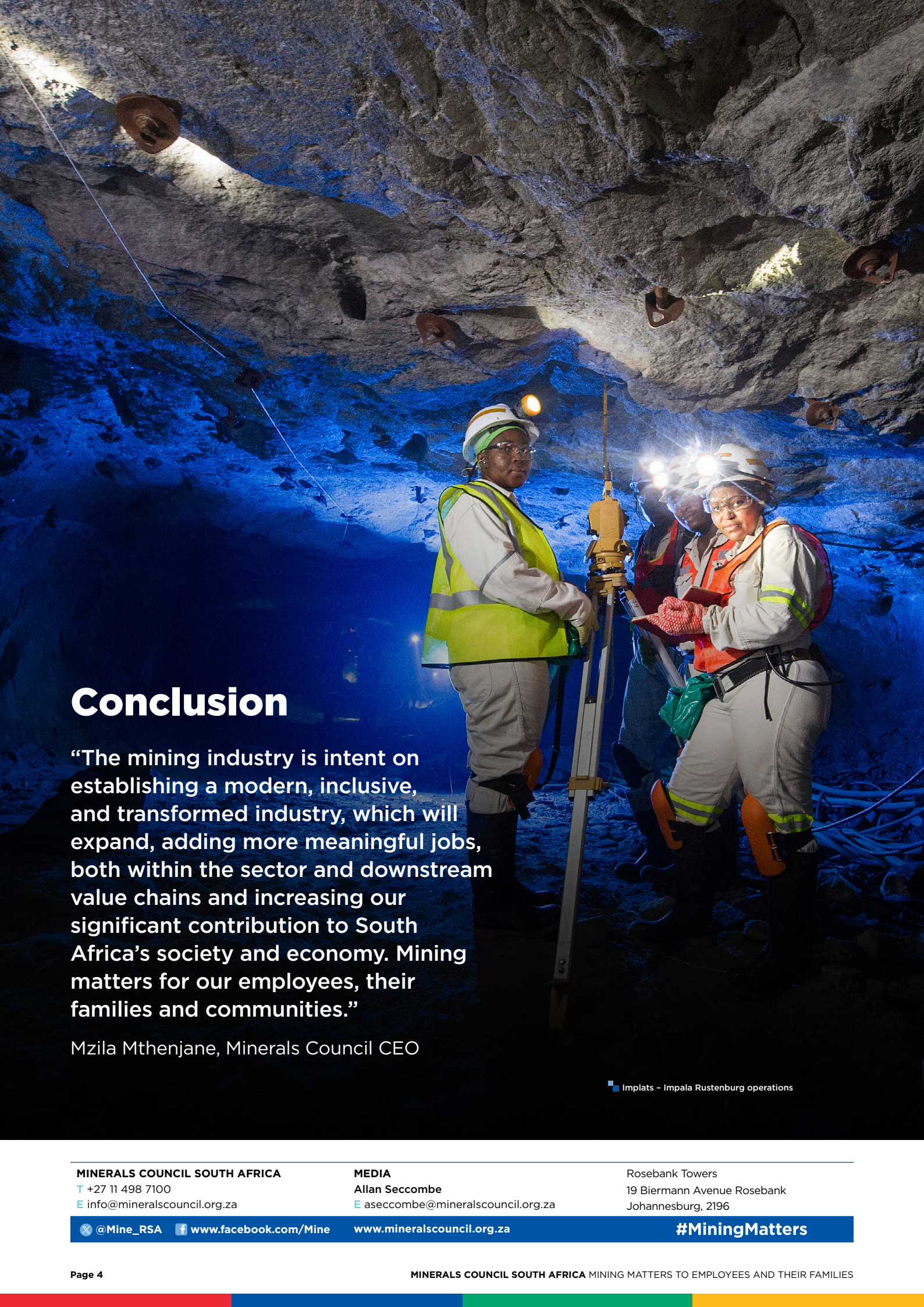
In its earlier days, the industry employed a large number of people who were considered "unskilled labourers". Today, all employees' experience is properly recognised. And another factor that has made it possible consistently to increase real wages in the industry over many years has been through focused employee training and development programmes.

A research report commissioned by the Minerals Council found that 12 of its member companies in gold, platinum group metals, coal, iron ore and diamonds collectively employing 59% of the industry's workforce, spent more than R5.1 billion on training and development in a single financial year with an estimated value of between R23,279 and R41,478 per full-time employee.

The mining industry spends about R7 billion a year on human resource development, which includes mandatory, operational and safety training as well as education and skills development.

In addition to day-to-day training for all employees, it is estimated that last year the industry invested some R120 million to fund 3,200 bursaries. The mining industry is actively developing a large cohort of highly skilled and trained employees to occupy senior positions in the industry. A large proportion of the bursars and learners are women.

“The Minerals Council estimates the industry spends R7 billion a year on training and development of its employees.”



Conclusion

“The mining industry is intent on establishing a modern, inclusive, and transformed industry, which will expand, adding more meaningful jobs, both within the sector and downstream value chains and increasing our significant contribution to South Africa’s society and economy. Mining matters for our employees, their families and communities.”

Mzila Mthenjane, Minerals Council CEO

 Impats – Impala Rustenburg operations

MINERALS COUNCIL SOUTH AFRICA

T +27 11 498 7100

E info@mineralscouncil.org.za

MEDIA

Allan Seccombe

E aseccombe@mineralscouncil.org.za

Rosebank Towers

19 Biermann Avenue Rosebank

Johannesburg, 2196

 @Mine_RSA

 www.facebook.com/Mine

www.mineralscouncil.org.za

#MiningMatters