

# #MakingMiningMatter

A PUBLICATION PRODUCED BY THE MINERALS COUNCIL SOUTH AFRICA FOR MEMBERS



**MINERALS COUNCIL**  
SOUTH AFRICA

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# FROM THE CEO



**Roger Baxter**  
CEO - Minerals Council

**It is with regret, but unavoidable, that I must start this quarterly letter with a discussion about the serious deterioration in the mining industry's safety record in 2021, with the last quarter having been particularly marred by a spate of fatalities.**

As at 13 December 2021, the industry has experienced 72 fatalities of colleagues in mine accidents. That represents a 44% regression on the same period in 2020. At this time last year, the industry was showing a 25% regression on 2019, which tells a story that is opposite to our efforts to work towards zero fatalities in the industry.

So, it has been a tragic and difficult year for the mining industry. We all urgently need to work towards reversing this trend, using the resources we have available to us in modern mining methods. These include eliminating fall of ground fatalities through our five-year, R46 million programme, adopting collision-avoidance technology, adopting faster, lighter rock drills, and implementing the latest international leading best practices in mining.

This was the focus of the MineSafe Conference 2021 called by Chief Inspector of Mines David Msiza on 25 November, at which government, organised labour and the

industry re-committed themselves to working towards the elimination of fatalities, injuries, and occupational diseases on South Africa's mines in pursuit of zero harm to ensure that each employee returns from work unharmed every day.

Minerals Council member companies also agreed and committed to eight measures that they would implement immediately to urgently address and halt the unacceptable regression in fatalities at the country's mines in a special Board meeting held on 10 December. Further information on this is available here: <https://www.mineralscouncil.org.za/industry-news/media-releases/2021>

We know that the disruptions caused by COVID-19 have been among the factors that have triggered this regression. Even as we recognise and acknowledge the impacts on mining safety, of the uncertainty, the mental pressure, the fatigue, and changes to working crews and shift patterns caused by the virus, we can absolutely not accept it as an excuse. We need to figure out how to work more safely despite these factors.

A critical way to address these health and safety factors is to make even greater progress towards vaccinating all employees, their families and their communities.

Just as it did in managing the return-to-work in 2020 after the initial lockdown, and in



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## FROM THE CEO continued

making workplaces able to prevent the spread of the virus as far as possible, the mining industry has done remarkably well when it comes to vaccinations.

Since starting the vaccination campaign in February 2021, as at 13 December more than 318,000 of the industry's 450,000 employees and contractors are at least partially vaccinated, with the vast majority of those fully vaccinated. Much of this progress follows the implementation by the Minerals Council of the Vooma vaccination campaign in October.

It appears we will not quite reach the 80% stretch year-end target we had set ourselves at the beginning of the campaign. But with continued application and determination, we should reach and exceed the target early in the new year.

The effectiveness of vaccinations has been shown beyond doubt in South Africa and around the world. This applies to the new Omicron variant that is fast spreading through South Africa and the world. It makes vaccinating even more urgent, along with maintaining all the critical COVID-19 protocols, particularly through the festive season that lies ahead.

Our fiscally challenged country has a new Finance Minister, Enoch Godongwana, who delivered his first budget statement in November – the Medium Term Budget Policy Statement (MTBPS). His first budget statement was a critical point in time, faced as the Minister was with widely supported public demands for desirable but unaffordable public benefits; particularly, at this time, a basic income grant. In this regard and others, he happily stood firm. As we stated at the time,

the MTBPS focused on stabilising the nation's public finances, reducing fiscal deficits and public sector debt. The specific focus on reducing and eliminating wasteful bailouts of state-owned enterprises, and the focus on inclusive growth and competitiveness, and the implementation of critical structural reforms to allow greater private-sector participation and investment in network industries is a welcome and refreshing step.

As has been the case for some time, there has been more bad than good news from the state-owned enterprises. The past quarter has seen more electricity load shedding, emphasising again the poor state of Eskom.

Regrettably, instead of understanding that this is the consequence of a decade of mismanagement and criminally low levels of governance, some have taken it upon themselves to call for the dismissal of the current CEO André de Ruyter. The Minerals Council has taken the view that, instead of another disruptive change of guard, de Ruyter and his team should be permitted to continue with their efforts to stabilise the power supply. We have also taken the view that the bureaucratic obstacles to their doing so, such as undue delays in acquiring spare parts for power stations needing repair, must be addressed.

The other potential positive is the opening of the door to private power generation. The Minerals Council was able to announce last month that member companies have collectively advised that they have planned for (and in some cases have begun construction of) 3,900MW in renewable energy projects. The total amount budgeted for this work is some R60 billion.

This carries two types of promising news. Firstly, it would fill a significant proportion of Eskom's generation capacity shortages. Secondly, it would make a significant contribution to the transition to a less carbon-intensive power supply.

However, there remain certain constraints to the fulfilling of this promise. These include the lack of clarity around the use of Eskom's transmission grid to wheel or send power from these plants to their mines, the sale of excess power into the national grid, and the limited capacity of transmission lines from provinces like the Northern Cape, Western Cape and Eastern Cape to supply inland provinces. We trust these constraints will be addressed as soon as possible.

Finally, the industry was gratified at the judgement of the High Court affirming the so-called "once empowered, always empowered" principle in respect of Black Economic Empowerment (BEE) ownership transactions in terms of the Mining Charter, and government's indication that it would not lodge an appeal.

There has been some talk about the possibility of legislative amendments to address this finding. However, we trust that government will not implement legal provisions that will block the investment and growth of the sector.

In conclusion, I wish all members of our industry, and those who take an interest in our industry a peaceful, safe and healthy festive season, and all the best for 2022.

**Roger Baxter**  
CEO



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# MINING INDUSTRY CONCERNED

## BY RISING FATALITIES AND RECOMMITTS TO HEALTH AND SAFETY



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### URGENT FOCUS ON ACTIONS TO ADDRESS THE LOSS OF LIFE OF MINE EMPLOYEES

**Mining industry stakeholders recommitted themselves to working towards the elimination of fatalities, injuries, and occupational diseases on South Africa's mines in pursuit of zero harm, to ensure that each employee returns from work unharmed every day, at the MineSafe 2021 Conference on 25 November.**

The stakeholders comprise the Department of Mineral Resources and Energy, the Minerals Council South Africa, organised labour, suppliers' organisations, professional associations, the Mine Health and Safety Council and the Mining Qualifications Authority.

The industry is concerned by the 72 fatalities to date compared to 48 in the same period last year. This is the second consecutive

year of regression in fatalities. The industry's stakeholders have thus committed to urgently address the unacceptable situation. In 2020, the total number of fatalities was 60, an increase from the lowest number of 51 in 2019.

To achieve a step change towards transforming health and safety in the mining sector, the stakeholders committed to taking full accountability in addressing the challenges besetting the mining sector. Work is already underway to address the leading sources of fatalities, fall of ground and transport-related accidents. The sector's stakeholders also accepted responsibility to assist in ensuring individual and group commitments to improve health and safety performances.

Speaking at the opening of the conference, Minerals Council President Nolitha Fakude acknowledged that the industry's goal of eliminating fatalities due to mine accidents had slipped, saying that the COVID-19 pandemic had had an impact on safety and on occupational and public health performance outcomes.

"It has taken its toll on both the physical and the mental health of many of us. Mining needs to be carried out by a workforce in good health to be done optimally and safely. But we cannot allow the pandemic to be seen as an excuse for the deteriorating safety outcomes," Fakude said.

The commitments agreed to at the MineSafe 2021 Conference are aimed at complementing and assisting the mining industry to achieve the 2014 Summit 10-year milestones.

The outcomes of the conference included the adoption of safe-mining practices such as the use of safe equipment and the adoption of production technologies such as faster rock drills to shorten the mining cycle.

A priority action was promoting COVID-19 vaccinations in line with the renewed focus on occupational safety.

The outcomes also included the execution of the five-year R46m investment on the implementation of the fall of ground action plan launched at the Minerals Council's National Day of Health and Safety in Mining 2021 held in July.

Stakeholders also intend to conduct a statistical analysis of all fatalities over the last decade using international leading practice methodologies and proposing an action plan to eliminate all other risks effectively through methods such as modern training.

Fakude's full address at the opening of the MineSafe Conference 2021 is available here: <https://www.mineralscouncil.org.za/industry-news/publications/presentations>

# MINERALS COUNCIL SOUTH AFRICA MEMBERS ABLE TO PROVIDE ESKOM A CRITICAL BUFFER



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### FURTHER URGENT ACTION REQUIRED FROM GOVERNMENT

**Minerals Council South Africa member companies say they have 3,900MW of renewable energy projects worth an estimated R60 billion. These, if built, would relieve pressure on Eskom and go a long way towards meeting the industry's commitment to achieve net zero carbon emissions by 2050.**

The utility needs to add an additional 4,000MW to 6,000MW of generating capacity to conduct an effective and sustainable reliability maintenance programme that will not disrupt national electricity supply, the Eskom CEO Andre De Ruyter told a Parliamentary Portfolio Committee on 17 November.

Minerals Council CEO Roger Baxter says that the mining industry is involved in various stages of building plants, conducting studies, planning and applications for up to 3,900MW of renewable solar, wind and battery energy projects which could provide Eskom some of the much-needed supplemental capacity.

"There is a pressing need for the mining industry to supplement Eskom electricity supply. But the benefits extend to diversifying supply, reducing exposure to continued high increases in prices, unpredictable supply and to reduce Scope 2 and 3 emissions in line with the sector's commitment to reach a target of net zero carbon emissions by 2050," says Baxter.

Minerals Council member companies have increased the number of renewable energy projects and the result is a 146% jump in electricity generation from the planned 1,600MW the industry spoke about during 2020. The license-free concession for embedded generation of up to 100MW was a major factor in this increase and it is probably the government's biggest structural reform in two decades, says Baxter.

Baxter adds: "Renewable energy projects in the mining sector could go a long way towards easing the pressure on Eskom to the benefit of other industries and the

country as a whole. These projects must be expedited through a smart tape system. Environmental authorisations take too long and should be materially shortened. In addition, policy issues related to wheeling charges and surplus offtake to other users are required".

Electricity prices have increased more than six-fold over a decade and are now the second largest cost component after salaries for deep-level and electricity intensive mines. The renewable projects in total will account for about a third of the mining sector's annual electricity consumption.

The mining industry will not completely replace Eskom supply, needing 24-hour baseload electricity to operate mines safely, productively, and efficiently, something renewable energy sources are unable to provide at the moment. Eskom will remain an important large baseload supplier of electricity to mining for many decades into the future. The sector's 3,900MW is purely supplemental and will not detract from critical baseload 24/7 capacity from Eskom.

**"The mining industry is involved in various stages of planning for up to 3,900MW of renewable energy."**

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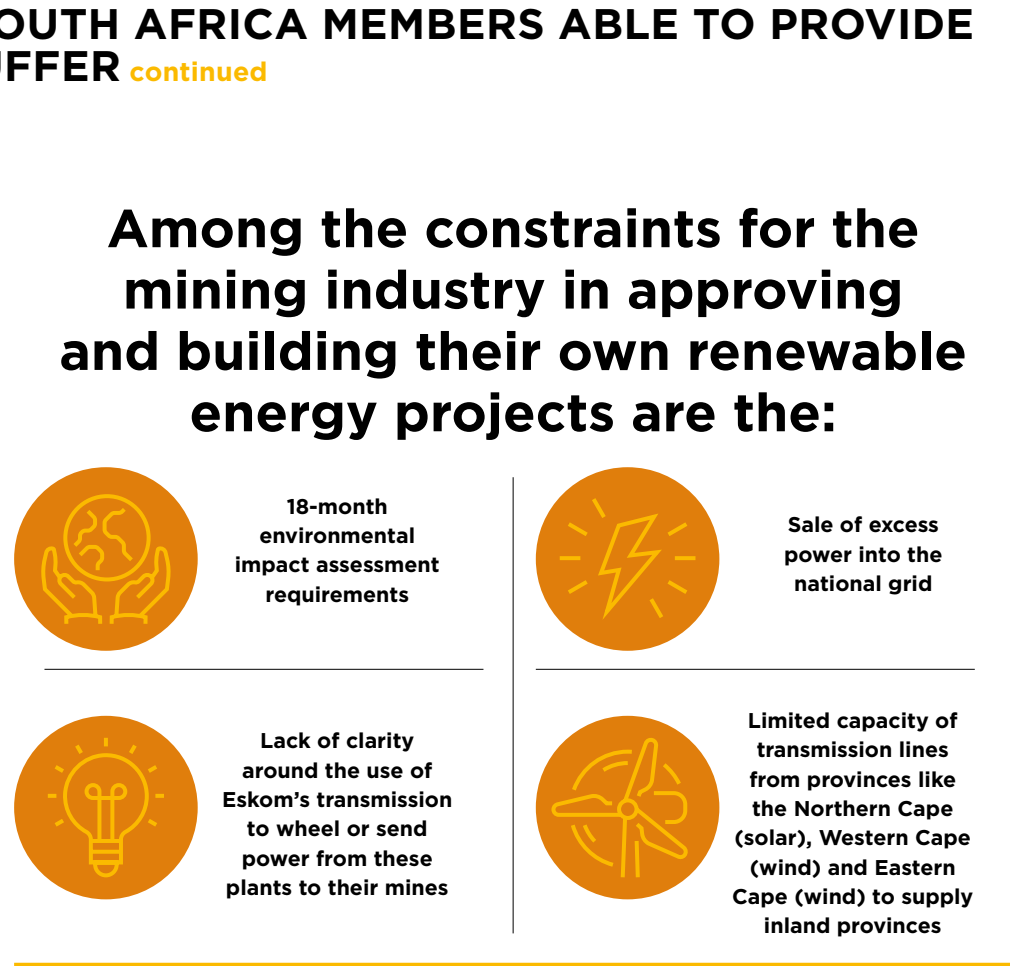
# MINERALS COUNCIL SOUTH AFRICA MEMBERS ABLE TO PROVIDE ESKOM A CRITICAL BUFFER continued

The government's carbon tax will add billions of Rands of additional expense for mining companies. A 2019 study of 18 large mining companies indicated that they would have to pay more than R5 billion a year in phase 2 of the tax.

Renewable energy projects will reduce exposure to carbon tax, make mineral production greener, and provide a new but limited source of cheaper electricity, helping stabilise South Africa's strained electricity supply, which is characterised by frequent and unpredictable power interruptions because of Eskom's aging, unreliable fleet of power plants, and the inability to bring the new Medupi and Kusile plants to sustainable performances.

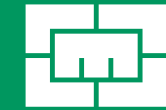
"The Minerals Council reiterates its support for Eskom CEO Andre De Ruyter and the leadership team who are all doing the right things to fix and maintain Eskom's assets. Their departure at this critical stage will only exacerbate the problems within Eskom and for the country at a time we can least afford any further setbacks in efforts to restore and stabilise electricity supply," says Baxter.

Baxter concludes that the measures that could be employed to speed up the mining sector's investments in renewable energy projects include the provision of



emergency tax incentives (such as a s37E income tax write off equivalent), shortening environmental authorisation and Eskom related grid-tie connection processes, providing a clearer framework of wheeling on the national grid, and ensuring a shortened smart tape process.

**"The Minerals Council reiterates its support for Eskom CEO Andre De Ruyter and the leadership team who are all doing the right things to fix and maintain Eskom's assets."**



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# 16 DAYS OF ACTIVISM AGAINST GENDER-BASED VIOLENCE 2021

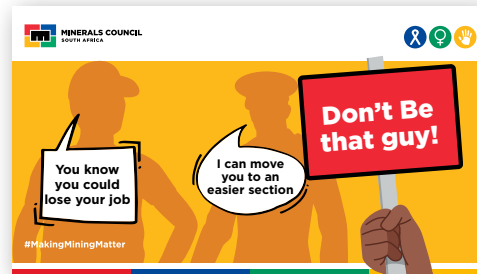
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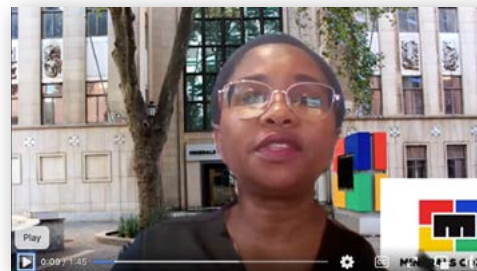
From 25 November (International Day for the Elimination of Violence against Women) to 10 December (Human Rights Day) every year, the world observes 16 Days of Activism Against Gender-Based Violence (GBV). The global theme for 2021 was “From Awareness to Accountability”, with the supplementary theme of “Orange the world: End violence against women now!”.

For the Mineral’s Council’s 16 Days of Activism campaign, we focused on “From Awareness to Accountability”, and aimed to make the theme ‘real’ through our social media campaign, under the hashtag #Don’tBeThatGuy. The aim is to focus the campaign on perpetrators, as opposed to communicating to South African women who are survivors of GBV.



The intention was to address the men in our industry and in our communities, of whom some are likely to be perpetrators of GBV in its different forms, as well as those who may not perpetrate but do not speak out when they see GBV or censure their friends for abusive comments and inappropriate behaviour towards women.

The social media campaign looked to not only put the concept of accountability into action, by emphasising the call #Don’tBeThatGuy, but also to identify behaviours which may be the early forms of GBV but are often brushed off as inconsequential.



 [Click to view the video](#)



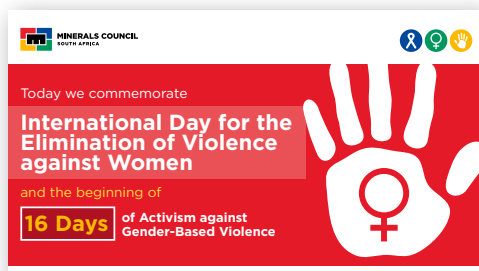
 [Click to view the video](#)

Two videos, of Nolitha Fakude and Thuthula Balfour, in their Minerals Council Women in Mining capacities, also talked to men in their messaging, including the need for men to step up and play a key role in dealing with GBV.

Finally, with a focus on a wider audience, an opinion piece by Nolitha Fakude in Business Day talked to the work that is being done by the Minerals Council Women in Mining team that focuses specifically on dealing with the threat of GBV in the workplace. This includes the recent industry-wide survey looking at the impact of GBV in the workplace, if and how employers protect and support women, and employees’ awareness of measure already in place.

#### Useful links:

<https://www.businesslive.co.za/bd/opinion/2021-12-08-nolitha-fakude-mining-sector-has-an-obligation-to-fight-gender-based-violence/>



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# MINING COMPANIES ACHIEVE 70% PARTIAL/FULL VACCINATION OF EMPLOYEES AND CONTRACTORS

**In an effort to speed up the uptake of vaccinations in the industry, the Minerals Council launched its Vooma vaccination campaign on 18 October 2021, aligned with government's Vooma vaccination drive.**

In an effort to speed up the uptake of vaccinations in the industry, the Minerals Council launched its Vooma vaccination campaign on 18 October 2021, aligned with government's Vooma vaccination drive.

At the outset, the goal was set to attempt to have 80% of the workforce fully vaccinated by mid-December. We knew that would be a difficult target to achieve, but our efforts are unabated.

As at 10 December, 315,198 employees and contractors were fully or partially vaccinated – reaching a milestone of 70%. Of those

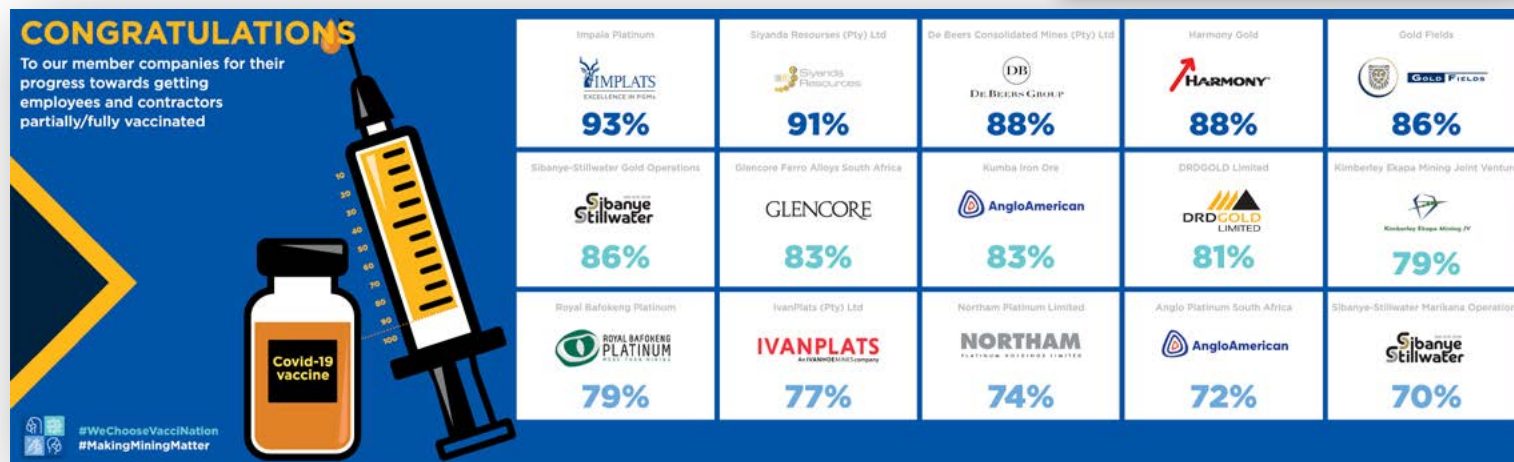
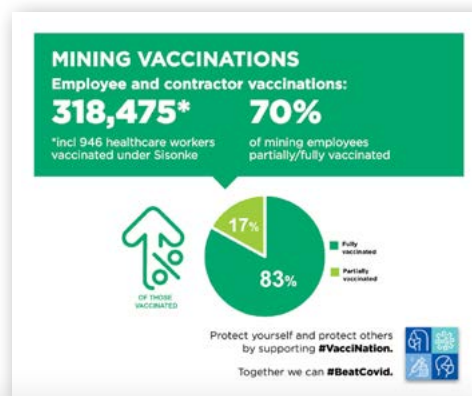
vaccinated, 82% were fully vaccinated and 18% partially vaccinated, reflecting the industry's efforts to get people coming back for their second dose.

The industry's workplace vaccination programme is one of the most successful in the country with 75 vaccination sites across the country.

Every effort has been made to persuade employees to get vaccinated, by making it as easy and convenient as possible, by offering incentives, and providing extensive educational material. The industry's four unions have been integrally involved in the industry's success.

While there is much debate in the country over vaccine mandates, whether applied by government or by private businesses, the Minerals Council has developed guidelines for member companies to ensure safe and healthy workplaces for all staff, and to ensure that

companies comply with their legal obligations under the Mine Health and Safety Act to provide safe and healthy workplaces to all employees. Underpinning these guidelines is the need to ensure that decisions taken by our members are consistent with the South African constitutional and legislative framework.



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# MEDIA RELEASES

To find out more about the Minerals Council's recent activities, take a look at the media releases listed below:

<b>13 December</b>	Minerals Council South Africa's member companies agree on urgent measures to halt the second consecutive year of regression in fatalities
<b>06 December</b>	Minesafe 2021 joint stakeholders statement
<b>24 November</b>	Minerals Council South Africa applauds the mining industry's 300,000 vaccination milestone in its COVID-19 battle
<b>23 November</b>	Minerals Council South Africa remains committed to transformation and engagement with all stakeholders
<b>23 November</b>	Minerals Council South Africa members can provide Eskom a critical buffer but need further urgent action from government
<b>11 November</b>	Minerals Council South Africa welcomes MTBPS and the focus on structural reforms to unlock investment and growth
<b>10 November</b>	Minerals Council South Africa supports the Eskom leadership team, and calls on the government to urgently intervene in the power crisis
<b>04 November</b>	Junior miners are uniquely positioned to take advantage of the shift towards 4IR, digital transformation and modernisation in mining
<b>03 November</b>	Minerals Council South Africa thanks Mark Cutifani for his enduring legacy in South African mining and congratulates Duncan Wanblad as new Anglo American PLC CEO designate
<b>29 October</b>	Minerals Council South Africa deeply concerned about mine safety regression, supports multi-stakeholder MineSafe summit
<b>26 October</b>	Minerals Council lauds organised labour's inclusion in mining modernisation
<b>14 October</b>	Minerals Council South Africa publishes Facts and Figures 2020 book
<b>13 October</b>	Minerals Council plans VOOMA vaccination campaign 18 - 22 October 2021
<b>06 October</b>	Minerals Council South Africa supports the Paris Agreement ambition of net zero greenhouse gas emissions by 2050, and a people-centred and pragmatic just energy transition
<b>04 October</b>	Minerals Council supports training innovation in mining



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