

**THE SOUTH AFRICAN GUIDELINE FOR THE  
REPORTING OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE PARAMETERS WITHIN THE SOLID  
MINERALS AND OIL AND GAS INDUSTRIES  
(THE SAMESG GUIDELINE, 2017)**

*Prepared by:*

The South African Environmental, Social and Governance Committee (SAMESG) Committee

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**FOREWORD**

The South African guideline for the reporting of environmental, social and governance (“ESG”) parameters within the mining industry (“SAMESG”) defines the recommendations and guidelines for public reporting of ESG matters in the extractive industries (inclusive of solid minerals as well as oil and gas projects).

The intention of this guideline is to promote the reporting of adequate information by reporting entities on ESG matters. It has been drafted by the working group of the SAMESG, with input from the SAMCODES Standards Committee (“SSC”), under the joint auspices of the Southern African Institute of Mining and Metallurgy (SAIMM) and the Geological Society of South Africa (“GSSA”).

The SAMESG has been written in alignment with the existing SAMREC, SAMVAL and SAMOG Codes, and considers the appropriate detail of ESG studies required when declaring resources and reserves for the solid minerals and oil and gas industries in Southern Africa.

The evolution of the SAMESG follows that of the SAMVAL, SAMREC and SAMOG guidelines. Concurrently, the Committee for Mineral Reserves International Reporting Standards (“CRIRSCO”), initially a Committee of the Council of Mining and Metallurgical Institutions (“CMMI”), has, since 1994, been working to create a set of standard international definitions for reporting mineral and oil and gas resources and reserves. As a result of the CRIRSCO/CMMI initiative, considerable progress has been made towards widespread adoption of globally consistent reporting standards. These are embodied in similar guidelines and standards published and adopted by the relevant professional bodies around the world.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTEXT**

A key driver for organisations to adopt ESG reporting is that more investors are incorporating ESG criteria into their valuations and investment strategies. Many stock exchanges are also introducing different measures to encourage or require ESG reporting. Within the context of the South African reporting environment, the JSE Sustainability Reporting Index (“SRI”) is the recognised exchange body which regulates ESG reporting on the South African Securities Exchange.

Numerous organisations have moved towards greater transparency when disclosing ESG information in recent years, and have contributed greatly through the development of industry – specific technical standards. Many internationally recognised institutions have developed extensive guidance frameworks for the adoption of accepted best practice across industry. The movement towards achieving a better standard of practice arises from the Principles and Intentions of Agenda 21. Included within the internationally acknowledged ESG standards and frameworks are:

- The Global Reporting Initiative (“GRI”), a widely-used sustainability reporting framework that sets out principles and performance indicators for companies to report on ESG performance.
- The Carbon Disclosure Project, a reporting system through which companies disclose greenhouse gas emissions, water management and climate change strategies.
- The United Nations Global Compact, a sustainability initiative for companies to align their strategies and operations in the areas of human rights, labour, environment and anti-corruption.
- The International Finance Corporation Sustainability Framework.
- The Equator Principles.

Technical standards<sup>1</sup> which SAMESG acknowledges and promotes include the International Standard for Organisation (“ISO”), the World Bank Group Equator Principles, the Principles for Responsible Investment, and the International Finance Corporation Sustainability Framework. These principles and

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<sup>1</sup> See SAMESG Appendix 1 for details of these ESG specific framework documents

technical standards include the internationally accepted industry – specific Environmental, Health and Safety Guidelines to which SAMESG refers.

There are also the OECD Guidelines for Multinational Enterprises, which is a set of recommendations to multinational enterprises in all the major areas of business ethics. The ISO 26000 Guidance on Social Responsibility addresses seven core subjects of social responsibility and includes proposals for integrated reporting, which link an organisation’s strategy, governance and financial performance and the social, environmental and economic context within which it operates.

The Code for Responsible Investing in SA (“CRISA”) provides in Principle 3 that “where appropriate, institutional investors should consider a collaborative approach to promote acceptance and implementation of the principles of this Code and other codes and standards applicable to institutional investors”. This correlates with the UN-backed Principles for Responsible Investment (“PRI”) launched in March 2006.

These principles encourage collaborative engagement to better incorporate environmental, social and governance issues in decision making and ownership practices. There are similar recommendations for engagement, stakeholder consulting, working jointly, collective action, etc. in the King Report on Governance for South Africa, 2009; and the International Corporate Governance Network (“ICGN”) - Statement of Principles on Institutional Shareholder Responsibilities.

It is under these circumstances that the SAMESG Committee has prepared a set of guidelines recognising the international standards for best ESG practice and guidelines. These guidelines inform reports prepared by a *reporting entity* which support the determination of significant ESG aspects in the extractive industries which have the potential to influence the Relevant Prospects for Eventual Economic Extraction (“RPEEE”) and the conversion of (Mineral/Oil and Gas) Resources to (Mineral/Oil and Gas) Reserves through the application of Modifying Factors.

## **PART I: GENERAL APPLICATION**

The SAMESG Guideline provides guidance on proposed minimum disclosure of information for public reporting of ESG parameters when reporting on solid minerals as well as oil and gas Reserves and Resources.

The definitions contained in Appendix 1 relate to the interpretation and application of SAMESG.

SAMESG recognises the following:

1. The level of detail required for each reporting item increases throughout the project development phases from pre-conceptual through to operational phase and, ultimately, closure.
2. Project evaluation phases can overlap with the exploration phase, especially when expansion projects take place immediately adjacent to operational mines / oil and gas operations.
3. Whilst a format concomitant with that of the SAMREC and SAMOG codes is adopted to ensure alignment with the resource classifications applied, some ESG data will overlap all areas of a possible project target and not align exclusively to the resource classifications as mapped geographically. In other words, it is possible to complete detailed ESG baseline assessments over an entire project area even if the level of resource classification is quite low;

4. Costing information to address a material ESG may be considered commercially sensitive - for this reason high- level costs (for example, those to manage a subset of the ESG mitigation costs) may be included in the report if appropriate; and
5. Where a project has progressed to the implementation phase and beyond then the reporting requirements default to those for reserves for the entire project area.

A separate document entitled “SAMESG Appendix 1” has been created to provide further detail on the meaning of technical terminology.

## **PART II: COMPETENCIES AND RESPONSIBILITY**

Documentation detailing the material ESG reporting matters should be prepared by, or under the supervision of a Technical Specialist. A Technical Specialist must have an applicable academic qualification and a minimum of five years’ relevant ESG experience. It is, further, recommended that he/she is also registered with an appropriate professional/statutory body or relevant Recognised Professional Organisation (“RPO”).

Complaints made in respect of the Technical Specialist will be dealt with under the SSC’s Complaints Procedures.

## **PART III: APPLICATION OF SAMESG**

1. SAMESG principles have application in specific sections within SAMREC Table 1, SAMREC Table 2, SAMVAL Table 1 and SAMOG Form A, where *SAMESG is intended to serve as an assist to the description of RPEEE and Modifying Factors* (including, but not limited to, permitting, environmental compliance/closure costs, social licence to operate and other ESG risks).
2. SAMESG principles (including the details referred to in Parts V/VI) can also be applied directly in the compilation of:
  - Environmental Management Plans (EMPs), Environmental Management Programs (EMPRs), and Environmental Scoping Studies that are supplied to the Regulator;
  - Social Labour Plans or similar documents submitted to the Regulator;
  - Applications for operational environmental licences;
  - Backup documentation for Public Reports (see above);
  - Sustainability Reports
  - All other ESG-specific documents/reports.

## **PART IV: GENERAL INSTRUCTIONS**

1. To the extent that any Item or any component of an Item specified in this guideline does not apply to a reporting entity and its activities and operations, or is not material, reference must be made to why that Item or component is not applicable or not material (“If not, why not” Principle).

2. This guideline sets out proposed minimum reporting standards. A reporting entity may provide additional information not specified, provided that it is not misleading and not inconsistent with the requirements of SAMREC, SAMVAL or SAMOG, and provided that material information required to be disclosed is not omitted.

## **PART V: GENERAL REPORTING REQUIREMENTS**

1. If ESG matters are being reported within the context of a Public Document dealing with Solid Minerals (including, but not limited to, a CPR), then the reporting requirements of SAMREC and SAMVAL have precedence (Ref. SAMREC/SAMVAL Table 1 and/or SAMREC Appendix A).
2. If ESG matters are being reported within the context of a (SAMOG compliant) Public Report, including but not limited to a CPR, dealing with Oil and Gas projects, then the reporting requirements of SAMOG have preference (Ref. SAMOG Form A).
3. If ESG matters are reported in any other context, then it is recommended that a separate, stand-alone, ESG-specific document be compiled along the lines described below (or the relevant information should simply be incorporated into a pre-existing format).
4. A recommended Table of Contents for stand-alone ESG documents is provided (Section 5) for those seeking guidance.

### **1. Date of Statement**

1. Disclose the effective date of the information being provided. The same effective date applies to each category reported.
2. Disclose the preparation date of the information being provided. The preparation date, in respect of written disclosure, means the most recent date to which information relating to the period ending on the effective date was considered in the preparation of the disclosure. The preparation date is a date subsequent to the effective date. This is because it takes time to assemble the report for the reporting period after the finalisation of information required for disclosure as at the effective date.
3. The frequency of reporting for matters arising in this Guideline should reflect the same dates of appraisal as the applicable Public Report (where relevant), include all new listings, and should consider information that, where relevant, is not older than one year from the time of reporting. For the purposes of understanding significant and existing trends, information older than one year must be included.
4. If the reporting entity provides information as at a date more recent than the effective date, in addition to the information required as at the effective date, also disclose the date at which that additional information is provided. The provision of such additional information does not relieve the reporting entity of the obligation to provide information as at the effective date

## 2. Disclosure of ESG Parameters when Reporting Exploration Results

### Item 2.1 General

1. Provide a description of organisational structure, systems, policies, procedures and management plans, and governance procedures in place to manage ESG issues.

### Item 2.2 Key plans, maps and diagrams

1. Provide a map which identifies the locality of sensitive receptors within the project area and at least the zone of influence of the site. All surface water features to be included on maps.
2. Describe the location of any sensitive areas within and around the project area including within the prospecting right area and within the zone of influence of the site.

### Item 2.3 Legal aspects

1. Outline the applicable ESG legal compliance requirements and any mandatory and/or voluntary standards or guidelines to which the project target subscribes.
2. Identify the ESG permits, authorisations and licences that have been issued to the project target as well as those permits, authorisations and licences that have been identified as required but not yet applied for or issued. Motivate whether there is a reasonable basis to believe that all ESG permits, authorisations and licences can be obtained.
3. Provide a description of any recognised claims received during the reporting period.
4. Provide a description of any penalties, fines and damages, which are due and payable by the target in response to an order of court, decision by a mediator or a decision by an arbitrator whether or not subject to an appeal process.
5. Provide a description of any pending administrative enforcement action such as, but not limited to directives or compliance notices instituted against the project target, including a notice received by the project target of an authority's intention to issue a directive or compliance notice, by any authority concerned with the regulation of ESG issues whether or not such pre-compliance notice or compliance notice has been suspended pending corrective action.
6. Provide a description of any known future financial liabilities that arise by virtue of recognised claims, penalties, fines, damages and administrative enforcement action that will become due and payable in future including the due date for payment.

### Item 2.4 Environmental parameters

1. Provide a high-level analysis of the environmental context within which the project is located and give an appropriate analysis of the material aspects and impacts that may need consideration. Include issues that are likely to remain material despite the implementation of proposed mitigation measures.
2. Describe, assess and prioritise the risks associated with any obvious environmental factors that could have a material modification to the planned exploration programme.

**Item 2.5 External social and political parameters**

1. Provide a high-level analysis of the external social and political context within which the project is located.
2. Describe and prioritise current social and political risks, and potential risks that take into account how exploration activities may exacerbate or mitigate existing risks.
3. Report on any social and political issues that may have a material effect on the planned exploration programme. Include issues that are likely to remain material despite the implementation of proposed mitigation measures.

**Item 2.6 Internal social parameters**

1. Describe and assess the risks associated with any obvious internal social factors and/or specific contextual details that could have a material effect on the planned exploration programme.

**Item 2.7 Conformance and compliance audits**

1. Provide a description of legal compliance audits undertaken during the period including a summary of material findings and management plans to address these findings.
2. Provide a description of ESG management system conformance audits undertaken during the reporting period including a summary of material findings and management plans to address these findings.

**Item 2.8 ESG liability**

1. Describe the project target's current closure, social obligations, rehabilitation activities, material remaining liability and compliance costs.
2. Provide a description of mechanisms in place to address unplanned closure

**Item 2.9 Risk analysis process**

1. Provide a description of the existence of a risk assessment process which has been undertaken to identify material ESG issues. Describe programmes in place to continuously update and monitor identified material ESG issues.
2. Describe how the risk assessment process is integrated with the overall risk management framework.

### 3. Disclosure of ESG Parameters When Reporting Resources

#### Item 3.1 General

1. Provide a description of organisational structure, systems, policies, procedures and management plans, and governance procedures in place to manage ESG issues.

#### Item 3.2 Key plans, maps and diagrams

1. Provide a map which identifies the locality of sensitive receptors within the project area and at least the zone of influence of the site. All surface water features to be included on maps.
2. Identify and describe the location of any sensitive areas within and around the project area including within the prospecting right area and within the zone of influence of the site.

#### Item 3.3 Legal aspects

1. Outline the applicable ESG legal compliance requirements and any mandatory and/or voluntary standards or guidelines to which the project target subscribes.
2. Identify the ESG permits, authorisations and licences that have been issued to the project target as well as those permits, authorisations and licences that have been identified as required but not yet applied for or issued. Motivate whether there is a reasonable basis to believe that all ESG permits, authorisations and licences can be obtained.
3. Provide a description of any recognised claims in excess of ZAR1 million received during the reporting period.
4. Provide a description of any penalties, fines and damages in excess of ZAR1 million, which are due and payable by the target in response to an order of court, decision by a mediator or a decision by an arbitrator whether or not subject to an appeal process.
5. Provide a description of any pending administrative enforcement action such as, but not limited to directives or compliance notices instituted against the project target, including a notice received by the target of an authority's intention to issue a directive or compliance notice, by any authority concerned with the regulation of ESG issues whether or not such pre-compliance notice or compliance notice has been suspended pending corrective action.
6. Provide a description of any known future financial liabilities that arise by virtue of recognised claims, penalties, fines, damages and administrative enforcement action that will become due and payable in future including the due date for payment.

#### Item 3.4 Environmental parameters

1. Provide an appropriate analysis of the environmental context within which the project is located. Give an appropriate analysis of the material aspects and impacts that may need consideration including how existing activities may exacerbate or mitigate existing aspects and impacts.
2. Describe, assess and prioritise the risks associated with any obvious environmental factors that could have a material modification to the planned resources programme. Focus on issues that



are likely to remain significant despite the implementation of proven and economically viable mitigation measures.

**Item 3.5 External social and political parameters**

1. Provide an appropriate analysis of the external social and political context within which the project is located.
2. Describe and prioritise current social and political risks, and potential risks that take into account how activities may exacerbate or mitigate existing risks.
3. Report on any social and political issues that may have a material effect on the planned resource programme. Include issues that are likely to remain material despite the implementation of proposed mitigation measures.

**Item 3.6 Internal social parameters**

1. Describe, assess and prioritise the risks associated with any obvious internal social factors and/or specific contextual details that could have a material effect on the planned resources programme.

**Item 3.7 Conformance and compliance audits**

1. Provide a description of legal compliance audits undertaken during the period including a summary of material findings and management plans to address these findings.
2. Provide a description of ESG management system conformance audits undertaken during the reporting period including a summary of material findings and management plans to address these findings.

**Item 3.8 ESG liability**

1. Describe the closure, social obligations, rehabilitation plan, activities, remaining liability and compliance costs.
2. Provide a description of mechanisms in place to address unplanned closure.

**Item 3.9 Risk analysis process**

1. Provide a description of the existence of a risk assessment process which has been undertaken to identify material ESG issues. Describe programmes in place to continuously update and monitor identified material ESG issues.
2. Describe how the risk assessment process is integrated with the overall risk management framework.

## 4. Disclosure of ESG Parameters when Reporting on Reserves

### Item 4.1 General

1. Provide a description of organisational structure, systems, policies, procedures and management plans, and governance procedures in place to manage ESG issues.

### Item 4.2 Key plans, maps and diagrams

1. Provide a map which identifies the locality of sensitive receptors to be included on maps within the project area and at least the zone of influence of the site. All surface water features to be included on maps.
2. Identify and describe the location of any sensitive areas within and around the project area within prospecting right and within the zone of influence of the site.

### Item 4.3 Legal aspects

1. Outline the applicable ESG legal compliance requirements and any mandatory and/or voluntary standards or guidelines to which the project target subscribes.
2. Identify the ESG permits, authorisations and licences that have been issued to the project target as well as those permits, authorisations and licences that have been identified as required but not yet applied for or issued. Motivate whether there is a reasonable basis to believe that all ESG permits, authorisations and licences can be obtained.
3. Provide a description of any recognised claims in excess of ZAR1 million received during the reporting period.
4. Provide a description of any penalties, fines and damages in excess of ZAR1 million, which are due and payable by the target in response to an order of court, decision by a mediator or a decision by an arbitrator whether or not subject to an appeal process..
5. Provide a description of any pending administrative enforcement action such as but not limited to directives or compliance notices instituted against the project target, including a notice received by the target of an authority's intention to issue a directive or compliance notice, by any authority concerned with the regulation of ESG issues whether or not such pre-compliance notice or compliance notice has been suspended pending corrective action.
6. Provide a description of any known future financial liabilities that arise by virtue of recognised claims, penalties, fines, damages and administrative enforcement action that will become due and payable in future.

### Item 4.4 Environmental parameters

1. Provide an appropriate analysis of the environmental context within which the project is located. Give an appropriate analysis of the material aspects and impacts that may need consideration including how existing activities may exacerbate or mitigate existing aspects and impacts.

2. Describe, assess and prioritise the risks associated with any obvious environmental factors that could have a material modification to the planned resources programme. Focus on issues that are likely to remain significant despite the implementation of proven and economically viable mitigation measures.

**Item 4.5 External social and political parameters**

1. Provide an appropriate analysis of the external social and political context within which the project is located.
2. Describe and prioritise current social and political risks, and potential risks that take into account how activities may exacerbate or mitigate existing risks.
3. Report on any social and political issues that may have a material effect on the planned reserve programme. Include issues that are likely to remain material despite the implementation of proposed mitigation measures.

**Item 4.6 Internal social parameters**

1. Describe and assess the risks associated with any obvious internal social factors and/or specific contextual details that could have a material effect on the planned resources programme.

**Item 4.7 Conformance and compliance audits**

1. Provide a description of legal compliance audits undertaken during the period including a summary of material findings and management plans to address these findings.
2. Provide a description of ESG management system conformance audits undertaken during the reporting period including a summary of material findings and management plans to address these findings.

**Item 4.8 ESG liability**

1. Describe the closure, social obligations, rehabilitation plan, activities, remaining liability and compliance costs.
2. Provide a description of mechanisms in place to address unplanned closure.
3. Describe the bonding obligations in place to ensure that these liabilities can be funded on a qualitative and quantitative basis.

**Item 4.9 Risk analysis**

1. Provide a description of the existence of a risk assessment process which has been undertaken to identify material ESG issues. Describe programmes in place to monitor identified material ESG issues.
2. Describe how the risk assessment process is integrated with the overall risk management framework.

## 5. Recommended Table of Contents for stand-alone ESG Reports

### *Title Page*

Include a title page setting out the title of the document, the general location of the project, the name and professional designation of each Technical Specialist, the effective date of the report and the date of signature.

### *Executive Summary*

Briefly summarise the pertinent data/information from the report including the Technical Specialist's conclusions and recommendations.

1. Introduction
  - Terms of reference and scope of work
  - Sources of information (not to be confused with Reference list – see Chapter 10)
  - Units and currency
  - Site inspection or field involvement of Technical Specialists
  - Limited disclaimers and reliance on other experts or third-party information
2. General
  - Organisational structure, systems, policies, procedures and management plans, and governance procedures in place to manage ESG issues.
3. Legal Aspects
4. Environmental Parameters
5. Social and Political Parameters
6. Audits
7. ESG Liability
8. Risk Analysis
9. Summary and Recommendations
  - Summarise the relevant results and interpretations of the information and analysis being reported on. Discuss any significant risks and uncertainties that could reasonably be expected to affect the reliability or confidence in the ESG parameters. Discuss any reasonably foreseeable impacts of these risks and uncertainties to the project's potential economic viability or continued viability.
  - Provide particulars of recommended ESG programs and a breakdown of costs for each phase. If successive ESG phases are recommended, each phase must culminate in a decision point. The recommendations must not apply to more than two ESG phases of work.
10. References

Include a list of all references cited in the document.

### *Signature Page*

The document must have a signature page (at either the beginning or end of the report). The effective date of the report and date of signing must be on the signature page.

## APPENDIX 1

Appendix 1 of the SAMESG Guideline defines all terminology associated with the Guideline and its interpretation.

The definitions provided have been sourced from the various internationally recognised institutions referenced in the SAMESG Guideline. For the purposes of this document, these institutions include:

- Agenda 21
- The Global Reporting Initiative (GRI)
- The United Nations Global Compact (UNGC)
- The Carbon Disclosure Project
- The International Organization for Standardization (ISO)
- The World Bank Group Equator Principles (EP)
- The International Finance Corporation (IFC) Sustainability Framework
- The Principles for Responsible Investment (PRI)
- The International Corporate Governance Network (ICGN).

Appendix 1 of the SAMESG Guideline will be amended from time to time to reflect updated opinions and findings arising from the internationally recognised institutions, to recognise and include additional institutions, where relevant, and to provide clarity on terminology where this is deemed necessary for the accurate compilation of Public Reports.

<b>Agenda 21</b>	Agenda 21 refers to the principles of Sustainable Development adopted as action plans at the 1992 Earth Summit held in Rio de Janeiro in 1992.
<b>Carbon Disclosure Project (CDP)</b>	The Carbon Disclosure Project is an organisation based in the United Kingdom that works with shareholders and corporations to disclose the greenhouse gas emissions of major corporations.
<b>Conformance Audits</b>	Conformance audit is an audit process that assesses the fulfilment of a requirement in respect of an Environmental, Social and Governance (ESG) management system in place at the reporting entity.
<b>Compliance Audits</b>	An ESG compliance audit is an investigation of the legal compliance status of a facility and/or the extent of ESG liability. This process is a systematic, documented evaluation of a project target, focusing on current operating and administrative legal procedures, processes and compliance records. The outcome is an evaluation of compliance against legal requirements.
<b>Competent Person</b>	A Competent Person (CP) is person who is registered with South African Council for Natural Scientific Professions (SACNASP), Engineering Council of South Africa (ECSA) or the South African Geomatics Council (SAGC), or is a Member or Fellow of the South African Institute of Mining and Metallurgy (SAIMM), the Geological Society of South Africa (GSSA), the Institute of Mine Surveyors of South Africa (IMSSA) or a Recognised Professional Organisation (RPO).

<p><b>Competent Person's Report (CPR)</b></p>	<p>A CPR is a technical report prepared by a Competent Person (CP). The contents are determined by the nature/status of the project/mine being reported.</p>
<p><b>Environmental, Social and Governance (ESG)</b></p>	<p>The PRI, GRI, EP, International Finance Corporation Performance Standards (IFC PS) and UNGC note that a definitive list of ESG issues does not exist. The PRI continues by stating that any such list would inevitably be incomplete and would soon be out of date. However, for the purposes of this version of the SAMESG Appendix, ESG has been defined in accordance with the PRI broad classification:</p> <ul style="list-style-type: none"> <li>i. Environmental (E): Issues relating to the quality and functioning of the natural environment and natural systems. These include: biodiversity loss; greenhouse gas (GHG) emissions; climate change; renewable energy; energy efficiency; air, water or resource depletion or pollution; waste management; stratospheric ozone depletion; changes in land use; ocean acidification; and changes to the nitrogen and phosphorus cycles.</li> <li>ii. Social (S): Issues relating to the rights, well-being and interests of people and communities. These include: human rights; labour standards in the supply chain; child, slave and bonded labour; workplace health and safety; freedom of association and freedom of expression; human capital management and employee relations; diversity; relations with local communities; activities in conflict zones; health and access to medicine; HIV/AIDS; consumer protection; and controversial weapons.</li> <li>iii. Governance (G): Issues relating to the governance of companies and other investee entities. In the listed equity context, these include: board structure, size, diversity, skills and independence; executive pay; shareholder rights; stakeholder interaction; disclosure of information; business ethics; bribery and corruption; internal controls and risk management; and, in general, issues dealing with the relationship between a company's management, its board, its shareholders and its other stakeholders. This category may also include matters of business strategy, encompassing both the implications of business strategy for environmental and social issues, and how the strategy is to be implemented. In the unlisted asset classes governance issues also include matters of fund governance, such as the powers of Advisory Committees, valuation issues, fee structures, etc.</li> </ul>
<p><b>Equator Principles</b></p>	<p>The Equator Principles is a risk management framework adopted by financial institutions for determining, assessing and managing environmental and social risk in projects and is primarily intended to</p>

		provide a minimum standard for due diligence to support responsible risk decision - making.
<b>Extractive/s Industry</b>		Any processes that involve the extraction of raw materials from the Earth to be used by consumers. The extractive industry consists of any operations that remove metals, mineral and aggregates from the Earth. Examples of extractive processes include oil and gas extraction, mining, dredging and quarrying.
<b>Global Reporting Initiative (GRI)</b>	<b>Reporting</b>	The Global Reporting Initiative (GRI) is a non-governmental sustainability organisation that promotes the use of sustainability reporting as a way for organisations to become more sustainable and contribute to sustainable development.
<b>International Corporation Sustainability Framework</b>	<b>Finance (IFC)</b>	The IFC's Sustainability Framework articulates the Corporation's strategic commitment to sustainable development, and is an integral part of IFC's approach to risk management. The Sustainability Framework comprises the IFC's Policy and Performance Standards on Environmental and Social Sustainability, and IFC's Access to Information Policy
<b>International Organization for Standardization (ISO)</b>	<b>for</b>	The ISO is an independent, non-governmental membership organisation and the world's largest developer of voluntary international standards.
<b>International Corporate Governance Network (ICGN)</b>	<b>Network</b>	The ICGN is an investor-led organisation of governance professionals that supports the development of policy, connects peers and facilitates cross-border communication, and informs dialogue amongst corporate governance professionals through the publication of policies and principles.
<b>Materiality</b>		<p>Definitions of materiality can centre on valuation-based decisions by shareholders, on broader interests of shareholders, or on the perspectives of a wider set of stakeholders combined with assessments of the company's positive and negative impacts on society.</p> <p>For the purposes of ESG reporting, the following constitutes a material issue:</p> <ol style="list-style-type: none"> <li>i. On the results of a comprehensive impact assessment, the level of impact within the mine's pre-defined Zone of Influence (Zoi) has been rated as a significant impact. These impacts are those that are still significant <i>post</i> mitigation action (should a competent EIA process be undertaken, in which a suitable impact assessment has been performed), or those impacts that cannot be mitigated;</li> <li>ii. Any relocation/resettlement of a community (number of households to be resettled is irrelevant);</li> <li>iii. Any permanent loss of ecosystem functionality (irrespective of area of impact), with specific focus towards sensitive ecosystems in critical biodiversity areas;</li> </ol>

	<p>iv. An issue that contravenes a legal requirement that can or will result in the issuance of directives, penalties, suspension of authorisations and/or prosecution; and</p> <p>Any major finding from a conformance audit.</p>
<b>Natural Gas</b>	Natural gas means a naturally occurring mixture of hydrocarbon gases and non-hydrocarbon gases.
<b>Principles for Responsible Investment</b>	The United Nations-supported Principles for Responsible Investment (PRI) Initiative is an international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision-making and ownership practices
<b>Public Reports</b>	<p>Public Reports are reports prepared for the purpose of informing investors or potential investors and their advisers on Exploration Results, Mineral Resources or Mineral Reserves. They include, but are not limited to, annual and quarterly company reports, press releases, information memoranda, technical papers, website postings and public presentations. These Public Reports may be in printed or electronic media (including social media) and will include JSE circulars, reports as required by the Companies Act, reports for other regulatory authorities or as required by law.</p> <p>Public Reporting refers to any documentation which may find its way into the public domain. It refers not only to reporting or documentation by companies listed on a Securities Exchange, but also includes documents compiled by/for private companies or individuals.</p>
<b>Recognised Claims</b>	Recognised claims are claims that have been lodged against the project target and which are the subject of pending criminal proceedings, civil litigation proceedings, mediation or arbitration proceedings. Recognised claims also include claims that are the subject of settlement negotiations between the target, relevant authorities, persons or entities.
<b>Reporting Entities</b>	Reporting entities are all entities (including economic entities) in respect of which it is reasonable to expect the existence of users dependent on general purpose financial reports for information that will be useful to them for making and evaluating decisions about the allocation of scarce resources.
<b>Reserve (Mineral/Coal/Diamond Oil, Gas)</b>	A Reserve is the economically mineable material derived from a Measured or Indicated Resource or both. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors (mining, metallurgical/processing, economic, marketing, legal, infrastructure,



	environmental, social and governmental factor). Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.
<b>Resource (Mineral/Coal/Diamond Oil, Gas)</b>	A Resource is a concentration or occurrence of material of economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.
<b>SAMESG Guideline</b>	The guideline for the reporting of Environmental, Social and Governance parameters within the Mining and Oil and Gas industries.
<b>SAMOG Code</b>	The South African Code for the Reporting of Oil and Gas Resources.
<b>SAMREC Code</b>	The South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves.
<b>SAMVAL Code</b>	The South African Code for the Reporting of Mineral Asset Valuation.
<b>Social</b>	The environment developed by humans as contrasted with the natural environment; society as a whole, especially in its relation to the individual.
<b>Sustainable Development</b>	The Brundtland Commission's report defines sustainable development as "development which meets the needs of current generations without compromising the ability of future generations to meet their own needs". The concept supports strong economic and social development, in particular for people with a low standard of living. At the same time, it underlines the importance of protecting the natural resource base and the environment. Economic and social wellbeing cannot be improved through measures that destroy the environment. Intergenerational solidarity is also crucial: all development has to consider its impact on the opportunities for future generations.
<b>Sustainable Development Indicators</b>	The most recent United Nations Corporate Sustainable Development (CSD) indicators contain a core set of 50 indicators. These core indicators are part of a larger set of 96 indicators of sustainable development. The introduction of a core set helps to keep the indicator set manageable, whereas the larger set allows the inclusion of additional indicators that enable countries to do a more comprehensive and differentiated assessment of sustainable development. Core indicators fulfil three criteria. Firstly, they cover issues that are relevant for sustainable development in most countries. Secondly, they provide critical information not available from other core indicators. Thirdly, they can be calculated by most countries with data that is either readily available or could be made available within reasonable time and costs. Conversely, indicators that are not part of the core are either relevant only for a smaller

	<p>set of countries, provide complementary information to core indicators, or are not easily available for most countries.</p> <p>Sustainable Development Indicator Themes recognised by the United Nations as the most updated CSD Themes are:</p> <p>Poverty • Governance • Health • Education • Demographics • Natural hazards • Atmosphere • Land • Oceans, seas and coasts • Fresh water • Biodiversity • Economic development • Global economic partnership • Consumption and production patterns.</p>
<p><b>Technical Specialist</b></p>	<p>A Technical Specialist must have an applicable academic qualification and a minimum of five years' relevant ESG experience. It is, further, recommended that he/she is also registered with an appropriate professional/statutory body or relevant Recognised Professional Organisation ("RPO"). The Technical Specialist must comply with the provisions of the relevant promulgated Acts.</p> <p>Persons being called upon to sign as a Technical Specialist must, within the context of this definition, be clearly satisfied in their own minds that they are able to face their peers and demonstrate competence.</p>
<p><b>Transparency</b></p>	<p>The reader of a Public Report must be provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled.</p>
<p><b>United Nations Global Compact (UNGC)</b></p>	<p>The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.</p>
<p><b>Zone of Influence</b></p>	<p>The area within which the project target has or can have material impacts or can influence impacts due to its activities, products or services. Typically, the Zone of Influence is unique to each project, is larger than the actual project footprint, and encompasses:</p> <ol style="list-style-type: none"> <li>i. The area of direct disturbance. This would include the 'footprints' of areas immediately adjacent to the primary and service infrastructure, such as power lines, pipelines, roads, railway lines, conveyors, borrow pits, disposal areas, construction camps, etc.</li> <li>ii. The area directly affected by the project's material adverse impacts, such as groundwater cones of depression, groundwater pollution plumes, etc.</li> <li>iii. The area affected by secondary, induced or cumulative impacts. (Secondary impacts arise from other impacts that are directly due to the development, e.g. loss of fisheries due to water contamination. Induced impacts are due to unplanned/unintended/secondary activities that are 'catalysed' by the project, e.g. illegal logging along access routes. Cumulative impacts are a result of numerous individual activities, which might</li> </ol>

not be material on their own but which can interact or combine to cause material impacts).

- iv. The development's primary labour-sending and money-spending area(s), i.e. the towns and communities that are likely to experience economic benefits from the project.
- v. Surrounding areas that could potentially benefit from the project, such as sites of high biodiversity, protected areas, etc.

Associated facilities should also be considered when determining the zone of influence. These are facilities that are funded separately by the company or third parties (e.g. government), but whose viability and existence depend (almost) exclusively on the project and whose goods or services are essential for the successful operation of the project