

**MINUTES OF THE SAMESG WORKING GROUP MEETING**

**HELD ON 14 JULY 2015 AT 13:00**

**IN THE DELVILLE WOOD ROOM, MILITARY MUSEUM**

**Present:** Sarah Dyke (Chairperson)  
Anneli Botha  
Prof Fred Cawood  
Kevin Davies  
Teresa Steele-Schober

**Apologies:** Alan Cochran  
Annelie de Bruyn  
Daniel Limpitlaw  
Hanno Olinger  
Ingrid Watson  
Charles Wells

**In Attendance:** Raymond van der Berg, SAIMM  
Ann Donnelly, Scribe

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**1. Welcome**

The Chairperson welcomed everyone to the meeting.

**2. Confirmation of previous minutes**

The minutes of the meeting held on 07 May 2015 were accepted as a true reflection of the meeting.

**3. Discussion of Draft ESG Guideline**

Ms Dyke advised that the purpose of the meeting was to work through comments that had been received on a page-by-page basis.

**PAGE 1**

Page 1, Foreword, paragraph 6: Mr Gordon Smith had requested that this should be reworded to read: "*The SAMESG has been drafted by the working group of the SAMESG, with input from the SAMREC/SAMVAL/SAMOG (SSC) Committees, under the joint auspices of the Southern African Institute of Mining and Metallurgy (SAIMM) and the Geological Society of South Africa (GSSA).*"

**PAGE 2**

On Page 2, Mr Davies advised that it should read: "**South African Institute for Chartered Accountants**".

Page 2, Environmental, Social and Governance Context, third paragraph: Mr Smith suggested the addition of further wording: *"The JSE considers only publically available data when measuring companies' ESG performance. This has driven companies to develop ESG Communication Strategies that ensure relevant and stakeholder based data are disclosed and that business material risks are directly on the management agenda"*. This comment was not accepted, as this had already been stated.

### **PAGE 3**

Page 3, Part 2, Competencies and Responsibility: The SSC had recommended to change the "Competent Person" to "Technical Specialist" The CP was responsible for sign-off of the document. Ms Botha asked whether this should be defined and believed the last paragraph should remain. She had adopted the SAMREC definition of a Competent Person. It was suggested that when talking about an ESG Technical Specialist, the minimum requirements could be listed in the definition, e.g. Five years' experience in mining, etc. This had been discussed in detail at a previous meeting and could be used here. Ms Dyke suggested that this be circulated for comment within the next two weeks. Prof Cawood recommended wording to the effect of: "A practitioner could stand up and defend it in front of his peers". Another suggestion was use of the grandfather clause. Prof Cawood advised that the grandfather clause would only be open for a period of a year, if registration was available. Prof Cawood also suggested discussing this with SACNASP and Ms Dyke agreed to action. The wording in this document could be similar to that used in other Codes.

**Action: Sarah Dyke**

Page 3, Part 2, Final paragraph: *"The Public Report must disclose the Competent Person's name, qualifications, professional affiliations and relevant experience. The Competent Person's written consent is required for his or her contribution to the report"*. Mr Davies believed that the Competent Person could be challenged and part of his defence could be that he relied on the Technical Specialist. It was up to him to check that the Technical Specialist was qualified. If his defence was reasonable, then the Technical Specialist would be challenged. This was a SAMREC issue but it should give authority for the CP to identify the names of the team who contributed to the report. Mr Davies believed that the paragraph should be removed.

### **PAGE 6**

Page 6, Item 2.3 – Legal Aspects, Clause 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"*. The SSC had requested that this be aligned with the description in SAMREC. Ms Dyke believed that the SAMESG description was more specific and relevant and disagreed with the comment. This was also the case on Pages 8 and 10.

### **PAGE 7**

Page 7, Item 2.8 – ESG Liability: *"Describe the project target's closure, social obligations, rehabilitation activities, material remaining liability and compliance costs"*. It was suggested that this be combined with Item 3.8 to avoid apparent confusion. After some discussion, it was agreed that this comment would be taken on board and that a further clause be added, i.e. *"Provide a description of mechanisms in place to address unplanned closure"*.

## **PAGE 8**

Page 8, Part 3 – Requirements for the disclosure of ESG parameters when reporting on resources – the comment was made that this was the same as Part 4.

Page 8, Part 3, Item 3.3 – Legal Aspects, Clause 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"*. The SSC had requested that this be aligned with the description in SAMREC. Ms Dyke believed that the SAMESG description was more specific and relevant and disagreed with the comment.

## **PAGE 9**

Page 9, Item 3.4 – Environmental Parameters, Clause 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"*. It was suggested that this be combined with Item 4.4.

Page 9, Item 3.9 – Risk Analysis Process, Clause 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."* It was suggested that this was duplication. It was agreed to leave as is.

## **PAGE 11**

Page 11, Item 4.8 – ESG Liability: It was suggested that this was duplication of previous points. It was agreed to leave as is.

Prof Cawood queried whether a separate section on requirements for asset valuations should be included. Some discussion followed on this. Ms Dyke advised that she would have discussions with Ms Redman to address this issue.

## **4. Discussion of draft SAMESG Appendix 1**

Page i: A suggestion was made to include a definition for "Audit" and Ms Dyke queried whether there was an acceptable definition that could be used. It was pointed out later in the meeting that this was covered under "Conformance Audit".

Mr Davies requested that website links be included to show where documents were available. Ms Dyke queried whether these should be included on the website or in the guideline and would liaise with Ms Moolla in this regard.

**Action: Sarah Dyke**

Under "Conformance Audits", it should read: *"Conformance audit is an audit process that assesses the fulfilment of a requirement in respect of **an** ESG management system in place at the reporting entity"*.

Page (iii) – Materiality: Mr Davies commented that the numbering in this section was incorrect.

Page (iv) – Reasonableness: Mr Davies requested an explanation of the definition of reasonableness and the reference to SAMVAL. It was agreed to remove both paragraphs on "reasonableness".

Page (iv) – Recognised claims: Mr Davies queried the wording of this clause and why there was no adjustment for “realistic”. Some discussion followed and it was agreed to leave the clause as is. Ms Dyke suggested a caveat be included. It was agreed to change the wording to read: *“Recognised claims are active claims that have been lodged”*. This would be checked with Mr James Cross.

**Action: Sarah Dyke**

Ms Dyke queried whether there would be an ESG person appointed to the Readers’ Panel. Prof Cawood responded that this should be taken up at the SSC Meeting and should also be taken up with Annelie de Bruyn, as the Readers’ Panel was a JSE entity.

**Action: Sarah Dyke**

Ms Steele-Schober raised the point of modifying factors and why this had been included under that specific location (SAMREC Code, Page 7, Point 12 – Reporting Terminology). Ms Dyke responded that this was the basis of classification, but that it could be moved or duplicated under exploration and mineral reserves. It was suggested that this could be included under Modifying Factors, e.g. *“When reporting on environmental, social and governance (ESG) modifying factors, reference must be made to the ESG reporting parameters as required by the South African Mineral Environmental, Social and Governance Guidelines (SAMESG)”*.

**Action: Sarah Dyke**

## **5. Timelines / Schedule**

Ms Dyke stated that once the changes had been made, the document would be presented to the SSC to go through the process. There were complexities involved in the wording and she suggested that Messrs Cross or Lomborg be consulted as to what should be included in the Government Gazette. Mr Davies commented that the FSB might request that the SAMESG document go through the process, as the SAMREC Code specifically referred to it. Prof Cawood suggested leaving it to the FSB to decide. He congratulated the team on its progress with the document, which he believed would eventually be in the JSE Act.

## **6. General**

There was no discussion.

## **7. Closing**

The Chairperson thanked everybody for attending and the meeting ended at 15:30

### **SUMMARY OF KEY ACTION ITEMS**

#### **S Dyke**

Update changes to guideline and circulate to working group members  
Take up issue of ESG person on Readers’ Panel at SSC Meeting