



1. Please state the title of your Code / Standard + date of release for current version. (note – if possible, please link or attach a copy of your Code / Standard)

The **SAMCODES** suite of Codes includes:

- SAMREC Code – South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition;
- SAMVAL Code – South African Code for the Reporting of Mineral Asset Valuation, 2016 edition;
- SAMOG Code – South African Code for the Reporting of Oil and Gas Resources, 2015 edition

These Codes are supported by a number of Guidelines:

- SAMREC Diamond Guideline – SAMREC Guideline Document for the Reporting of Diamond Exploration Results, Diamond Resources and Diamond Reserves (and other gemstones where relevant), 2019 edition
- SAMESG Guideline – South African Guideline for the Reporting of Environmental, Social and Governance Parameters within the Solid Minerals and Oil and Gas Industries, 2017 edition

All Codes and Guidelines are available at: <https://samcode.co.za/>

2. Have you been actively working to improve guidance on reporting of Environment, Social, Governance (ESG) / Sustainability aspects within your Code / Standard? If so, please provide a brief summary of the work that has been / is being / is planned to be carried out.

The SAMESG Guideline was specifically developed in order to provide a standardised, systematic and orderly framework for public reporting of environmental, social and corporate governance (ESG) parameters in the extractive industries (inclusive of solid minerals and oil and gas projects) which influence the reasonable prospects for eventual economic extraction (RPEEE) and ultimately the determination of Mineral Resources and Mineral Reserves. Currently applicable to extractives companies listed on the Johannesburg Stock Exchange (JSE), SAMESG has been compiled in a manner which allows adoption across industries and geographies.

The intention of the SAMESG is to ensure that all material ESG information is included in Public Reports, risks are identified and mitigation actions detailed in support of improving the accuracy of the financial valuation of assets. This goes beyond the scope of current

sustainability reporting frameworks and initiatives (such as the Global Reporting Initiative amongst others).

The SAMCODES Standards Committee (SSC) first sanctioned the establishment of an ESG Working Group (now the SAMESEG Committee) in 2014. The Guideline was developed as a collaboration between the SSC members and patrons (Southern African Institute of Mining and Metallurgy (SAIMM) and Geological Society of South Africa (GSSA)) and members of the SAMESEG Committee which includes representatives from academia, industry and professionals experienced in the environmental, social and corporate governance disciplines.

The current Guideline was launched along with the 2016 updates of SAMREC and SAMVAL and became part of the SAMCODES suite of documents in January 2017.

In terms of the Johannesburg Stock Exchange Listing Requirements for solid minerals companies, an independent panel of experts is established in order to advise the JSE on the extent of compliance of Competent Person's Reports with Section 12 of the Listing Requirements and the SAMCODES. Known as the "Readers Panel", members receive and review CPRs referred to the Panel by the JSE and may identify specific, material issues that could result in direct / indirect questioning of the judgement of the Competent Person / Competent Valuator. A selection of reports that had passed the Readers Panel review in 2019 / 2020 were given to the SAMESEG Committee to conduct a specific review of compliance with the SAMESEG Guideline. In addition to providing valuable insight into the current status of application of the Guideline, the review highlighted some areas of improvement that are required to make SAMESEG more user-friendly and practical to implement by its intended audience. Work is thus currently in progress to update the SAMESEG Guideline.

3. *What impact are you having / do you hope to have through the update to your Code / Standard (note – if no updates are in place, please feel free to outline where you feel ESG could have an impact within resources and reserves)?*

Recognising that ESG matters have a definitive impact on the economics of projects within the mining, oil and gas industries, the SAMESEG Guideline encourages material ESG information to be disclosed, risks and mitigation actions to be quantified to the extent possible and included within project economic models.

Public reporting of material ESG aspects which can influence RPEEE has been left to the interpretation of the SAMCODES by mining and oil and gas companies listed on the JSE. The material aspects are not always sufficiently considered in the economic models prepared by the relevant companies and therefore their impact on RPEEE remains inadequate or incomplete.

SAMESEG makes clear what information should be considered by reporting entities (and their investors) in contemplating a project's RPEEE throughout its lifecycle. By considering the financial implications of material ESG aspects from the earliest opportunity in the mining lifecycle, these entities are expected to improve their management of ESG risk.

If applied diligently it is anticipated that the quality and quantity of Public Reports considering the impacts of ESG aspects on a project's RPEEE and the determination of Mineral Reserves through application of the Modifying Factors will improve and increase respectively. The benefits of this will be realised by investors who will be able to make more informed investment decisions based on the manner in which mining or oil and gas entities have integrated consideration of ESG parameters into a project's Reserve and Resource statements and ultimately the business as a whole.

The SAMESEG is structured in a manner which encourages and supports ESG disclosure reporting by entities who have not reported, or disclose limited information, on their material ESG aspects and risks. This extends to juniors, mid-tier, and top tier organisations. Finally, and most importantly, it is expected that mining and oil and gas entities who report publicly on ESG parameters will be encouraged to improve their ESG performance in order to attract investment.

In recognition of the SAMESEG's role in promoting sustainability reporting, the SSC and SAMESEG Committee received an Honours Award by the United Nations Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) in 2019. The award recognises initiatives which promote the realisation of the UN Sustainable Development Goals through enhances transparency and encourages the publication of data on an organisation's contribution to achieving the Sustainable Development Goals.

4. *Have you / your National Reporting Organisation / any member professional organisation developed any materials (formal or otherwise) that may be useful to other codes / standards / interested parties? If so, please provide links to them here or provide details on how they can be shared. (please note – if these materials cannot be shared, please feel free to still share knowledge of their existence and a contact person if appropriate).*

The SAMESEG Guideline is available on the SAMCODES website.

Representatives of the SAMESEG Committee regularly deliver presentations on the Guideline, its development and application.

5. *Are you seeking any support / materials / ideas / content from other codes / standards? If so, please outline.*

SAMESEG welcomes the opportunity to liaise with other National Reporting Organisations (NROs) who are working on fully integrating ESG considerations into their Codes / Standards. We recognise that many mining companies are listed in more than one jurisdiction and would benefit from having a reporting framework in respect of ESG that is aligned across jurisdictions. SAMESEG is also eager to share the lessons that have been learned by the SAMCODES through the development and implementation of the SAMESEG Guideline.

6. Any final comments / suggestions re. ESG specifically within resource and reserves codes that you would like to share?

As with any effort to change the manner in which organisations do something which they have been doing for a while, the real challenges associated with how this change is designed and effected only arise once you embark on the journey. There are many aspects of the CRIRSCO Template and affiliated Codes which require specific interpretation in order to ensure that ESG reporting requirements / guidance effectively helps these Codes deliver on their specific mandate. ESG issues and the reporting thereof is an extensive universe of information. The integration of ESG into reporting Codes requires assimilation, distillation and appropriate application in line with Mineral Resource and Mineral Reserve reporting processes and terminologies in order to ensure the this is done effectively and practically.

A challenge in the application of SAMESEG is to identify the correct amount of ESG information that should be in a Mineral Resource/Reserve document. It is a fine balancing act to determine just how much information and in what detail should be required. ESG is just one of the parameters contained in the Modifying Factors, albeit an especially important one.

An additional challenge is sensitising operational employees to the importance of ESG. For hundreds of years, miners and mining companies have generally operated without specific acknowledgement or management of ESG issues. To get such individuals/corporations to completely change their mindset voluntarily and concede the value of ESG cannot take place by decree – it must come through organisations experiencing first-hand the advantages/benefits of improved ESG performance and associated reporting.

SAMESEG continues to learn how best to do this and would be grateful to other NROs working in this arena for the opportunity to discuss and debate these concerns / challenges / opportunities.