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Mining Indaba 2023

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Check against delivery

Your Excellencies, Honorable Ministers, ladies, and gentlemen - good morning. It is great to be back in Cape Town for Mining Indaba. Less than a year ago we were all gathered here for the first in-person Indaba in some time.

This year is a particularly important year to be gathered in South Africa as, in December, it will mark 10 years since the passing of former President Nelson Mandela.

For many of us, we can still remember where we were and what we were doing, when we heard the tragic news.

With his selfless leadership and his unrelenting pursuit of justice, Mandela lived a life filled with such purpose that it inspired millions across the world to believe in, and act towards, a better version of ourselves and the world around us.

A decade later, as his legacy endures, so too do many of the realities that necessitated his purpose.

The need to create a better, more equitable society that improves the lives of millions, at home and abroad, is perhaps as relevant today as it was when he left us.

Since his passing in 2013, we have witnessed and experienced the pandemic, the cost-of-living crisis in the global north, widening inequality, and the devastating effects of climate change, particularly here in the global south.

These, along with many others, are all examples of the world giving us reasons to stop, reflect and recalibrate our purpose.

This is what I want to speak about today – **purpose** – what it means for us at Rio Tinto, and how we are putting it into practice here in Africa.

As some of you will know, the past few years have been particularly introspective for us at Rio Tinto.

In a sense, the last few years have given us as an organization, and me as a leader in the business, several reasons to reflect and recalibrate.

Last year, I spoke to you about some of these moments of reckoning. Perhaps the most confronting remains the Everyday Respect report, which details the realities that our people face.

Significant work is underway to address the issues the report raised, and I will discuss them in detail later at a panel hosted by the ICMM, here on the main stage.

In light of this introspection, last year, my colleagues and I conducted a review of our purpose.

The aim of this was not simply to develop a new corporate 'tagline'.

Rather, this work, which forced us to look inwards, made us grapple with the key question of whether what we proclaim, reflects who we are today, and who we want to be tomorrow.

Over a period of 12 months and with the involvement of our people, alumni, investors, customers, and civil society, we asked, what should change, what should remain and what should be included to aspire towards?

We landed on a short phrase: "Finding better ways to provide the materials the world needs".

For me, it is the first 3 words that most resonate – “finding better ways”.

They speak to our values of *Care, Courage, and Curiosity*.

They retain the learnings of our 150-year history, whilst looking forward, to a future of continued improvement.

And, at the same time, these three words acknowledge that, while we may not always have all the answers, we will keep searching - and this is really powerful.

Of course, coming up with a new purpose is the easy part. Putting that purpose into practice in a way that makes a tangible difference to the world around us is what matters most.

So how are we doing this here in Africa? How are we “finding better ways”?

Let me start with our **decarbonization** efforts and the partnerships that support them.

Just over a week ago, I returned from Madagascar, where we have our QMM mineral sands operation.

Together with Dominic Barton, our chairperson, I met with some of our government stakeholders in Antananarivo before heading down to Fort Dauphin to see the progress made on our soon-to-be-completed 8MW solar power project.

This project, which marks a step towards reducing our carbon emissions at QMM, will be complemented by a 12MW wind energy plant, which together, will provide 60% of QMM's annual power needs on completion, this year.

Given QMM's role as the primary power producer for the town of Fort Dauphin, beyond the decarbonization benefits to our mine, this project means that nearly 80,000 of our host community members will be the end users of cleaner energy.

These renewable energy projects form part of a broader ‘sustainable mine’ vision at QMM.

This ambitious vision, which sets a path towards carbon neutrality, is well underway with the partnership of our government stakeholders, NGO partners and local communities.

As part of the sustainable mining vision, we are also establishing protected areas, ecological restoration, and afforestation for biodiversity conservation as well as carbon dioxide sequestration.

So, not only are we reducing our carbon footprint throughout the life of mine, we also look forward, so that we can leave behind a sustainable legacy for the benefit of our host communities.

Recognizing the uniqueness of Madagascar's biodiversity, and in line with the aspirations of our purpose, Rio Tinto has been engaging with the Malagasy government and Asity Madagascar, in the development of a program of nature-based-solutions to halt and reverse the annual 1.6% loss of the Tsitongambarika (TGK) rainforest over the next 30 years.

For those of you who do not know, TGK is a lowland forest in the north of Fort Dauphin with such impressive flora and fauna that in 2001, using an internationally agreed set of criteria, the global NGO BirdLife International, designated the forest as an “Important Bird Area”.

This recognition puts it in the company of world wonders such as Snow Hill Island, off the coast of the Antarctic Peninsula, or the Thane Creek flamingo sanctuary in India.

While it is a privilege to have access to such rich beauty and biodiversity, we recognize the fact that we are short-term guests, and with that, comes a responsibility to honor and protect these unique ecosystems and the long-term future of our host nations.

Our work on nature-based solutions is new, but it forms an integral part of our decarbonization journey and, having successfully piloted a small-scale nature-based solution in Madagascar, already, we have seen its potential as a mechanism to put our purpose into practice in a way that benefits both our host communities and the environment.

With the involvement of 2,300 community members, over 640,000 high-carbon capture saplings were planted across 500 hectares of land. Of the spend required to achieve this, over 90% of it went directly to the community members.

So, whilst on one hand, we are securing high-quality carbon credits, on the other hand, we are helping to address community needs, whilst restoring precious forest land.

We are also exploring similar solutions elsewhere in Africa like Guinea, and here in South Africa, where we are establishing partnerships to deliver nature-based solutions along the Kwa-Zulu Natal north coast near Richards Bay Minerals, which is also progressing its decarbonization journey.

In October last year, Richards Bay Minerals announced a partnership with French energy company, Voltalia, to supply the operation with renewable energy from 2024.

Under the agreement, a 148 MW solar power plant ("the Bolobedu Solar PV Project") will be built in Limpopo and the energy produced will be 'wheeled' through the national grid to supply RBM's smelting and processing facilities in KwaZulu-Natal.

South Africa's geographical and ecological diversity means that by placing the project in Limpopo, we can benefit from longer and more intense periods of sunshine than what we experience in KZN, where we are located.

The Bolobedu solar project is an exciting partnership! Last month, construction of the solar plant commenced and over the coming months, this will be ramped up to peak construction period estimated to create almost 700 jobs.

Once the plant becomes operational, it will have a permanent workforce of around 50 people and will cut RBM's greenhouse gas emissions by at least 10%.

Put differently, in terms of emissions reduction, the impact of this solar plant will be the equivalent of removing 50 thousand cars from South Africa's roads!

I would also like to recognize the role that government has played in supporting this ambition, with the recent decision to lift the licensing threshold for solar and wind energy projects.

We are already seeing the positive impacts of this change.

Significant work is being done by my colleagues at RBM who, in addition to solar, are progressing work to source 200MW of wind energy, and developing the partnerships that we require to have RBM fully powered by renewables by 2040.

When speaking about RBM, many people think of it simply as a mine. But, in reality, RBM is a large mining and smelting complex with a hive of beneficiation activity, each with enormous energy demands.

Significantly shifting our energy sources to renewables at RBM will drastically reduce our scope 2 emissions and free up power on the national grid for use in many South African homes.

Recognizing that RBM, this ecosystem of mining, processing, smelting, and several other ancillary activities, requires a diverse range of suppliers and service providers, we are progressing work to ensure that local communities play an even greater role in our supply chain.

Just as the privilege of operating in rich ecologies means that we have a responsibility to protect the world around us, we owe a duty to improve the lives of those who live alongside our operations.

In the last year, we have continued the work to transform our supply chain, through our Supplier Development Program.

With this, we are increasing the participation of previously disadvantaged community businesses and providing them with the support necessary to build viable businesses that outlive our operation.

This work is bearing fruit, and by the end of last year, we saw the number of host community suppliers increase from 107 in 2021, to 122. Put differently, this increase means that now, over 20% of RBM's contestable spend goes towards host community suppliers.

For me, these are more than just figures.

Behind these sit jobs, incomes, and mobility, for individuals and also households.

These figures represent real people and companies like Dan Vision, a Dube-based rail maintenance company that has been able to create 25 new jobs, since participating in RBM's Supplier Development Program.

Or CM Fire and Emergency, which is based out of Mbonambi, and employs 50 people to provide emergency services to RBM.

These figures represent some of the efforts of our team in "finding better ways" to contribute and make a tangible difference.

This work continues, and while we progressively increase host community participation within our own supply chain, we are also proactively engaging with end users, to identify even more opportunities.

Our Supplier Development Program is just one pillar of how we are putting our purpose into practice.

Another way we are doing this is through our third Social and Labor Plan (SLP3), which we announced in 2020 – and it's the largest of its kind that we have announced.

The SLP3, which covers the years 2020 – 2024, commits nearly R250 million for investment in community development projects across the communities of Sokhulu, Dube, Mkhwanazi and Mbonambi.

At a high level, this figure will be broken down into a few broad categories. These include infrastructure investment, income-generating investment and skills development.

Infrastructure investment, which will be the largest amount committed, just over R200 million, includes roads, for the safe movement of people and produce; schools, for the education of tomorrow's leaders and; hospitals, for the care of all community members today.

Income-generating projects are those projects that provide employment and income to community households. Such projects under our SLPs 1 and 2, have helped establish successful businesses that continue to thrive today.

These include a bakery in Mkhwanazi that employs 10 people, a toilet paper factory in Mbonambi that employs 8 people, a community sewing project, also in Mbonambi, which employs 6 women, and a fish farm in Dube that has created 17 jobs.

Again, it is important to recognize that these successes are all examples of where partnerships - with government, traditional councils, and local NGOs - have been pivotal in finding better ways.

For SLP3, we will continue strengthening our partnerships for the benefit of all our host community members.

And lastly, on skills development – we have committed R70 million for the 2020 – 2024 period. Of this figure, about R17 million has been earmarked for unemployed youth bursaries.

We recognize the challenge of youth unemployment; and through this, we hope to provide the training and skills opportunities required for the young in Mbonambi, Dube, Sokhulu and Mkhwanazi to change the course of their lives for the better.

With SLP3 and our Supplier Development Program, we hope that RBM will continue to make a tangible difference to some of our most important stakeholders.

As I said earlier, to me, “finding better ways” is a commitment to continuous improvement, and with our surrounding communities, this means both *what* we contribute, as well as *how* we contribute.

I want to acknowledge upfront that achieving both, anywhere in the world, isn't always easy, but it is important.

And if we are truly to put our purpose into practice, our commitment to “finding better ways” cannot waiver, regardless of the challenges we face.

Since the last time I was here, there have been many headlines written about the future of mining in South Africa. While some of them have been positive, most of them have not.

For the most part, the focus has been on the challenges faced by miners here and what it means for them in the coming years.

Of course, at RBM, we have experienced these often-quoted challenges and, in some instances, continue to do so. I am sure I don't need to tell anybody here.

What I will say is that, in answering what it means for us, my response is simple: We are committed to being a part of the solution.

And, together with our partners in government, industry, civil society and our host communities, we are committed to “finding better ways” to positively shape the sector's future.

As I've said, “finding better ways” is also an acknowledgment that we may not always have the answer, but we will always search to find one.

And, whilst we have faced challenges at RBM, we are reassured by the fact that we are putting our purpose into practice.

For me, purpose is resolve. It is determination and it is relentless.

It is what defines us and what guides us.

It is what determines our role in society today and shapes our commitments for tomorrow.

For us at Rio Tinto, purpose is a 10-word phrase that, if put into practice, can transform the world around us and the lives of the people in it.

Ladies and gentlemen, before I go, I would like to leave you with a quote by Nelson Mandela who, in just one sentence, I think, eloquently captured the spirit of this message.

He said: *“a fundamental concern for others in our individual and community lives would go a long way in making the world the better place we so passionately dream of.”*

Thank you.