

Gold Standard Sustainability: ESG Initiatives That Shine

Mr Praveen Baijnath, Chief Executive, Rand Refinery



Environmental, Social, and Governance (ESG) considerations have evolved beyond the business-as-usual to shape the operational ethos at Rand Refinery, one of the world's leading gold and silver refiners and an operator of one of Africa's largest low-grade gold recovery smelters. The integration of ESG principles has been vital to our success for over a century, shaping our commitment to nurturing people, protecting the planet, and refining globally acceptable products.

Today, Rand Refinery transcends its storied past, standing at the forefront not only to derive value from resources but also to actively drive the dialogue on sustainable and responsible mining practices for the future. Our partners share our deep commitment to ESG, ensuring that our collaborative efforts align with sustainable and ethical practices across the board. They are deeply committed to the UN Sustainable Development Goals, emphasising substantial local spending, employment creation, and renewable energy projects, such as solar and hydroelectric power, with initiatives ranging from the conservation of World Heritage Sites in the DRC to supporting education and healthcare in Mali, and from providing water supply to Tanzanian villages to fostering small enterprises in Ghana.

These activities not only reinforce our commitment to responsible sourcing but also ensure that every Rand Refinery product contributes to the essential social upliftment needed across the continent. Through these concerted ESG efforts, we reinforce our belief that responsible mining can serve as a cornerstone for sustainable development and a brighter, more hopeful future for Africa.

Environment

One of the most significant steps Rand Refinery has taken is its shift towards solar energy. This move is both pragmatic and emblematic, representing a broader shift in the mining and refining industry towards renewable energy. We mitigate our impact on the environment through solar power, reducing Scope 1 and 2 emissions. With mining houses, including our shareholders Gold Fields, Harmony Gold, DRD Gold, and Sibanye Stillwater,



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leading similar efforts, the cumulative impact will be exponential.

According to Bird & Bird, the mining industry accounts for 6.2% of the world's energy consumption, with 32% consumed as electricity. As mineral demand rises and energy consumption per ounce of extracted mineral increases due to declining deposit quality, the mining industry's overall energy usage is growing.

This scenario highlights the critical need for the mining sector to transition towards more sustainable energy sources, a shift that is already happening. These initiatives are vital as they directly reduce Scope 3 emissions, marking significant strides towards environmental sustainability in the industry.

We aim to exclusively use renewable energy sources for our refining operations by 2027, except for the smelter, which will remain grid-operated. Based on the FY2020

baseline, we aim to reduce CO2 emissions by 9-11 kTon. And our plans include growing the solar farm to produce at least 5.4 MW.

Equally important has been our focus on water conservation. Our initiatives to reduce water use and enhance recycling processes demonstrate a commitment to preserving vital resources in an industry that consumes large quantities of water. These efforts are crucial in South Africa, a country that has faced severe water scarcity issues. We aim to reduce our water usage by 30% by 2027, freeing it up for local households. Recycling is a key business practice that shapes our approach, emphasising the importance of every milligram in boosting sustainability. We have set a bold target to reduce waste by 50%, decreasing annual waste from 60 tonnes to 30 tonnes by enhancing the repurposing of recyclable materials.

Social

Our approach to ESG also shares a robust focus on social elements, particularly our corporate wellness programme, which goes beyond the physical, encompassing the financial, mental, social, occupational, intellectual, environmental, and spiritual aspects of our lives. As we navigate the demands of our professional responsibilities, it is crucial to prioritise our well-being and that of our colleagues. Such a holistic approach boosts morale and attracts and retains talent, enhancing productivity and innovation.

Between 2021 and 2023, we invested over R7.8 million in school's educational enhancements as one of our core pillars in sustainable developmental goals. The donations are part of a series of planned contributions focusing on academic support and community development projects.

We are deeply committed to the community in which we operate. The Gold Zone, located on our premises, functions as a dynamic hub for training the youth in jewellery design, manufacturing, and skills development. Known as the Jewellery Village, this area is home to several businesses engaged in jewellery manufacturing, providing employment and fostering the development of local beneficiation capacity.

Our Silver and Gold Mentorship Programmes, established in partnership with the Ekurhuleni Jewellery Project (EJP), NQ Jewellers, and the South African Diamond and Precious Metals Regulator, have seen remarkable successes since inception in 2021. Since 2022, the programmes have celebrated the graduation of 42 Small, Medium, and Micro Enterprises (SMMEs). This year, we have enhanced the SMME curriculum and

introduced personal coaching for sustainable start-up businesses. We remain committed to nurturing a diverse talent pool in a promising but underinvested industry.

Furthermore, we partner with Intsika Beneficiation Projects to bolster our skills development efforts for people with disabilities through a learnership programme in Jewellery Design and Manufacturing. Launched in 2020, the programme continues to make significant inroads in this specialist space. We fully fund the learnership; to date, 109 disabled learners have been trained and have progressed from NQF L2 to NQF L4, enabling the marginalised group to move to the mainstream. Consequently, in our pursuit of Sustainable Development Goal 4, our year-to-date investment has surpassed R40 million for 2024.

Governance

As a refinery, we have a responsibility towards the gold that is deposited and to maintain the integrity of the value chain. The global market derives comfort and confidence in knowing that Rand Refinery has all the processes and due diligence capabilities trusted by mines, central banks, bullion centres, and other end users. No ounce of gold we bring in is worth the reputational risk that can arise from one misjudged source.

Our participation in the London Bullion Market Association's (LBMA) Gold Bar Integrity programme and World Gold Council mine traceability is a significant step. These programmes aim to digitally monitor gold moving through the global supply chain by confirming provenance and providing transparency over the chain of custody.

The LBMA and World Gold Council have also introduced the Gold Industry Sustainability Principles, mandating refiners to show ongoing progress. Rand Refinery is currently set to achieve 80% of the requirements outlined in these established industry principles.

The international success of our RandPure gold bars, especially in a demanding market like India, highlights the competitive advantage of integrating ESG principles into core business strategies. RandPure gold is 100% ethically sourced and has completely traceable origins. Our 100-year history provides invaluable data sets on each mining company and its mined doré fingerprint, further enhancing traceability.

In an era when sustainability is no longer a buzzword but a business imperative, our ESG programme shines as brightly as the gold we refine.

