AngloAmerican

# Powering Progress

**Creating the space for shared advocacy to support the future of energy in sub-Saharan Africa by overcoming the lack of credible research to effect policy change.**

# Advocating for South Africa's $194 billion opportunity

As the world accelerates its transition to low- and net zero-carbon economies in line with the Paris Agreement, there are significant opportunities for countries like South Africa to leapfrog the global decarbonisation effort. And the opportunity is astounding. So much so that by some estimates South Africa's untapped green economy potential lies in the region of $194 billion by 2050 – which is the most significant indicator we have for the impact of the Just Energy Transition (JET) on communities, jobs and regional economic development.

Hydrogen, for example, will be a significant power source for our future. The Hydrogen Council estimates that if deployed at scale, hydrogen could account for almost one-fifth of total final energy consumed by 2050 in the region. It's a cleaner, more sustainable substitute for fossil fuels, being more renewable, more readily available and more efficient than many other energy sources. It can also be stored in large quantities and for long periods and employed in sectors that are hard to decarbonise like large-haul, heavy-duty transport chemicals, steel, cement, aviation, and shipping.

Critically, South Africa (and the broader region) has enough land, water and platinum group metals to become a key global hydrogen contestant while still addressing local demand. Just 1% of South Africa's land could produce 10 megatonnes of green hydrogen each year, adding billions of dollars to our GDP – and more critically create social impact by creating thousands of job opportunities.

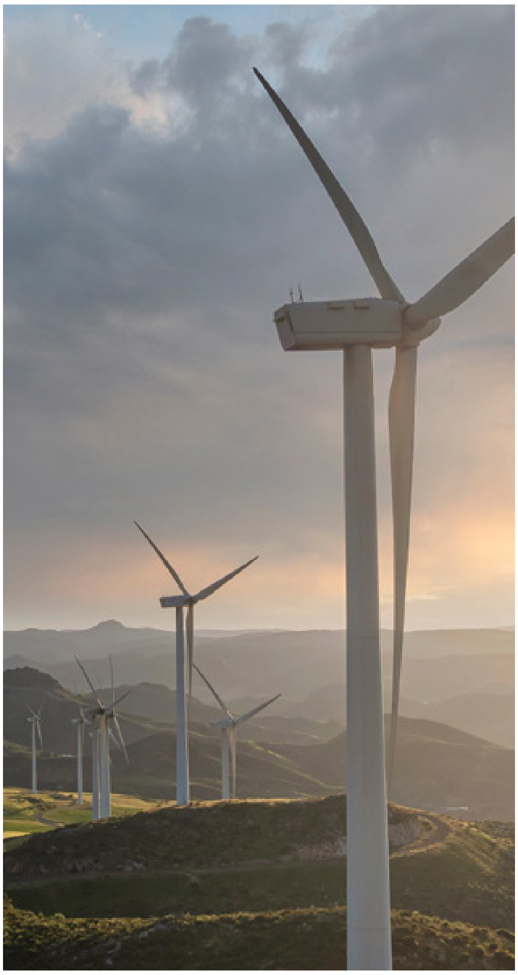
And yet, South Africa's efforts to transform its largely fossil fuel-based economy into a low-carbon one remains weighed down by policy gaps and rigid legislation. Not to mention the scale of uncertainty and volatility in the world right now. The most significant gap being the availability of credible data to support wide-scale adoption of JET policy, while addressing the real needs of stakeholders in mobilising advocacy that supports widespread policy direction and adoption.

In an economy where the most urgent needs are poverty alleviation and the provision of basic services, and amidst a media landscape dominated by what the WEF has called a new global polycrisis – those cascading and connected risks with potentially catastrophic consequences for the world – shifting the country's energy mix can feel less urgent.

But that doesn't mean it's unimportant. It's a critical task to position South Africa for the future of energy and all the untapped potential it offers. And in this, the private sector must lead the way by forming strategic partnerships to take the green economy forward.

### THE IDEA:

## An independent body of knowledge – produced by The Economist



Anglo American, one of the world's leading producers and suppliers of platinum group metals with firm roots in South Africa, wanted to positively and independently support the ability for stakeholders to start having the right conversations about the JET, moving from theory (where much of the focus sat) to actionable policy steps that support implementation and adoption. The key insight being that to deliver on the benefits of a JET economy in sub-Saharan Africa, we need to ensure that we move from theory to effective and enabling policy all the way through to implementation and impact.

It's because of this that we commissioned the region's first qualitative research report on the policy shifts needed for a meaningful sustainable energy transition. This approach would support true advocacy, not just for Anglo American but for the entire JET value chain – especially since original research at this scale had never been conducted before.

Although Anglo American supported the report, the findings would need to be independent to have impact, and it would need to come from a source trusted by the global community: Economist Impact. We strategically decided on the Economist because of the gravity it would bring to the topic. We also decided to limit the Anglo American voice – knowing that advocacy will come from independence, and this was the impact we truly wanted.

THE REPORT:

# Why communications can power real-world progress

ECONOMIST IMPACT

Entitled "Powering Progress", the report was written independently by Economist Impact Unit (EIU) and took the form of a white paper on ways the private sector could invest and build out renewable energy in southern Africa at scale – without leaving any key stakeholders behind. The EI and Anglo American combined "think-tank" rigour, earned and owned media creativity as well as global influence to both reach and catalyse conversations around the energy transition.

The white paper focused on policy shifts and economic frameworks to enable South Africa's energy transition, asking "how can we use the transition to clean and reliable energy as a springboard for unlocking a nation's inclusive economic growth and development potential?"

It emphasised that the jobs, opportunities and business that flow from using clean power is only one side of the equation. The other side is that increased grid capacity and grid stability would also help attract new investment into South Africa — all the while furthering our collective decarbonisation ambitions and needs.

While South Africa specifically has struggled with power cuts and rolling blackouts due to ageing power plants and inadequate infrastructure – the conversation around the JET had not gathered significant enough gravity to shift policy direction. This needed to change. So, while the SA government has acknowledged the urgent need to transition to a more sustainable energy system, the path forward requires significant policy shifts and economic frameworks to enable such an energy shift.

Based on our belief that strategic communication has intervention power at a systemic level, this report presented multiple stakeholders and decision-makers with an analysis of strengths, weaknesses, and opportunities in SA's regulatory approach, along with identifying areas where intervention could enhance the energy transition nationally.

## Target audiences:

- Government officials
- Investment management professionals
- Capital markets and venture capital
- Policymakers
- Decision-makers in construction and infrastructure
- Leaders and influencers in financial institutions
- Professionals in legal fraternities
- International trade and development leaders and influencers
- C-suite in corporate South Africa
- Businesses with ties in mining, energy, oil and gas

"It's not strategic communication. It's strategy full stop."

~ Duncan Wanblad, Anglo American Chief Executive Officer after reading Powering Policy: policy shifts and economic frameworks to enable South Africa's energy transition

Authentic and honest, the report covered the key policy missteps that had led to the nation's energy crisis, an overview of the regulatory landscape governing South Africa's electricity sector, and gaps in governing frameworks. It uncovered unique opportunities and risks associated with transitioning South Africa towards a low-carbon economy.

Research was supplemented by an interview programme with activists, government officials, international experts, industry practitioners and finance leaders to gain a deeper understanding of the challenges on the ground. These experts included:

Saliem Fakir
African Climate Foundation

Crispian Olver
Presidential Climate Commission

William van Wyk
FIMER South Africa

Jarredine Morris
The Carbon Trust

Jacques Morriset
World Bank

Nhlanhla Gumede
National Electricity Regulator of SA

Mark Beare
National Electricity Regulator of SA

**Conversations with the panel of experts covered the following topics, that would be key to future engagement and advocacy long afer the white paper was published:**

1. Core policy components needed for a successful energy transition in South Africa and how the current policy framework measures up against the ideal.
2. Sustainability and growth objectives, and how the right policy interventions could help.
3. Regulatory frameworks needed to support the just energy transition.
4. Policymaking challenges facing South African policymakers as they develop and implement the necessary policies.

### Foreword by Anglo American

"A clear, stable global policy environment that supports a Just Energy Transition is critical to achieving this change, including in South Africa. The shift to clean energy systems is starting to drive a significant increase in demand for many metals and minerals. This presents an opportunity to take supply to an entirely new level, which itself brings enormous investment and broader economic activity so essential for economic growth and social prosperity; and intrinsically, is tied to securing investment in clean energy itself, in South Africa and across the continent." ~ Nolitha Fakude, Chairperson of Anglo American's

## THE CAMPAIGN:

# We deliberately focused on brave policy discussions in practice

The campaign brought together analysis, insight, and data from the independent report into one focused and integrated communication solution.

Our first focus was tight audience targeting and engagement, given that the pool of influential decision makers was highly specific. Key insights and related actions were geo-targeted to our South African audiences, with every communication element having to pass the test of whether it was adding value to the country's key policy influencers, industry players and policymakers.

Our communication objectives were to:

- **DRIVE** brand awareness, engagement, and consideration of Anglo American among business leaders, government officials, and policymakers aligned with Education, Mining, Energy and Oil.
- **INSPIRE** sustainable investment in South Africa by influencing key decision-makers through credible research and thought leadership.
- **EMPOWER** leaders to prioritise and invest in talent and skills development for a more inclusive and sustainable energy future.

Campaign elements were rooted in opinion editorials, such as:

- Delivering the energy transition requires agility and a shared commitment to act.
  by Themba Mkhwanazi,
  Regional Director – Africa and Australia at Anglo American;
- Renewable energy for now and for the future.
  by Pierre Herben,
  Group Head – Carbon Neutrality at Anglo American.

Again we were deliberate about how we could leverage this critical conversation, by opting for voices that gave us both reach and credibility. We partnered with CNBC Africa to present a deep dive into the analysis for our niche public and private sector audiences. This included the broadcaster hosting a live roundtable on its channel and platforms. We amplified this further through a robust earned media effort that garnered well over R9 million in earned coverage.

THE RESULTS:

# Significantly amplified support for an industry step-change, not just narrow interest

The body of work has undoubtedly served to create a collective agenda for economic impact. The EI report and Anglo American's campaign was not about one company raising its voice but about amplifying connected and collective voices to share what's needed to enable a meaningful policy shift in South African energy and power.

By positioning the research broadly, we helped amplify Anglo American's broad commitment to decarbonisation, helping to fill policy and legislative gaps with qualitative, quantitive and guiding data and insights for every business with a vested interest in accelerating the transition to new energy.

**Highlights of the campaign:**

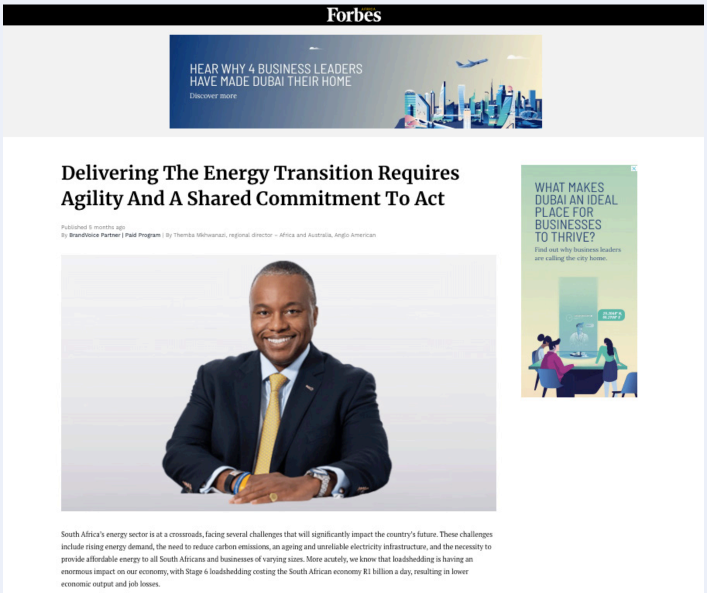
- Category leadership:
  The EI report framed an entire six-part series on South Africa's most popular news channel, **News24** (the most quoted media outlet by other media in South Africa) with industry leaders from the Presidency, Remgro, the Ground Work Collective, and CEO of the Hydrogen Energy Council of SA – representing some of the most critical and influential key opinion leaders in the region.
- Impressions:
  Generating over **1.2 million report impressions** from government officials to legal fraternities, and C-suite executives as we took a conversation that was not on the map, and placed it firmly front and centre on the national agenda.
- Duration of engagement:
  Report visit durations were **240% above the target of 420 000 impressions** and the campaign not only stimulated engagement with key stakeholders of Anglo American but also with media and regulators who would define and implement policy.
- Source of research:
  The report was received as thought leadership content by leading South African publications such as Engineering News and global media houses like CGTN's multi-language new media platforms. **Earned reach of 115 million active users** were gained through CTN Africa interviews alone.
- Targeting decision-makers through social media:
  **34%** of LinkedIn reach and engagement was with chief executives and managing directors,
  **24%** with directors, and just over
  **12%** with founders of organisations. The campaign connected with a cross section of industries, including
  **19%** in business consulting, just under
  **13%** in capital markets and over
  **14.5%** in mining. Decision-makers from the Oil & Gas, ICT, Construction, Financial Services, and Civil Engineering sectors engaged with the campaign.

> "This is highly strategic thought leadership and policy advocacy in action."
>
> ~ Richard J. B. Price Group General Counsel and Company Secretary, Anglo American plc

> " … a really high quality piece of expert thought leadership. … enabled by us to support this critical debate in SA and all the work various Anglo American teams are doing around the changing energy environment. "
>
> ~James Wyatt-Tilby Group Head: Corporate Communication Anglo American plc

# Conclusion

We went from a conversation that struggled to gain national prominence because of a lack of credible data, to one that drove stakeholder action and prominence. We knew that without the right levels of advocacy this critical conversation would not see the light of day (especially when so many other agendas compete for attention). Today we can confidently say we have put this conversation on the national stage, independently, without undue influence of its agenda and in a way that unlocks the debate and actions our country needs to deliver on its promises to implement a meaningful and felt just energy transition. Anglo American went from wanting the conversation to happen, to empowering the world around it to engage.


Forbes
HEAR WHY 4 BUSINESS LEADERS HAVE MADE DUBAI THEIR HOME
Discover more
Delivering The Energy Transition Requires Agility And A Shared Commitment To Act
WHAT MAKES DUBAI AN IDEAL PLACE FOR BUSINESSES TO THRIVE?
South Africa's energy sector is at a crossroads, facing several challenges that will significantly impact the country's future. These challenges include rising energy demand, the need to reduce carbon emissions, an ageing and unreliable electricity infrastructure, and the necessity to provide affordable energy to all South Africans and businesses of varying sizes. More acutely, we know that loadshedding is having an enormous impact on our economy, with Stage 6 loadshedding costing the South African economy R1 billion a day, resulting in lower economic output and job losses.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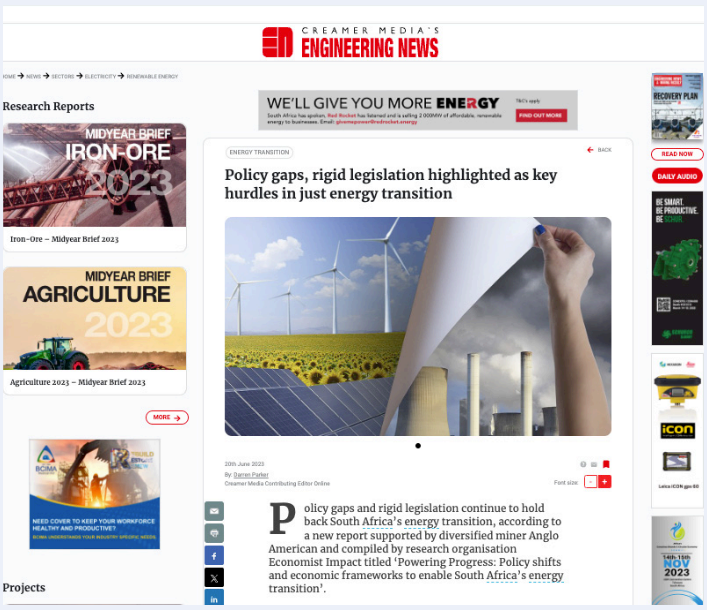
A report into South Africa's power crisis says policy gaps and rigid legislation, among other factors, continue to stymie the country's energy transition.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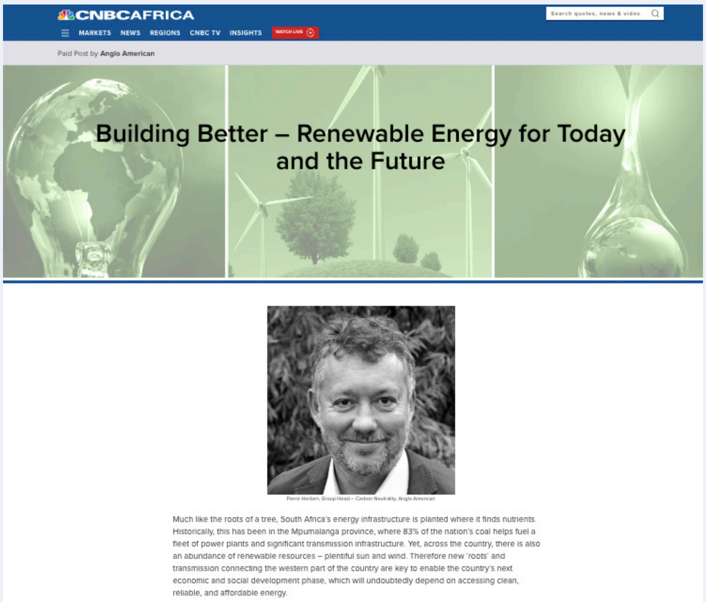
ENERGY TRANSITION
Policy gaps, rigid legislation highlighted as key hurdles in just energy transition
Policy gaps and rigid legislation continue to hold back South Africa's energy transition, according to a new report supported by diversified miner Anglo American and compiled by research organisation Economist Impact titled 'Powering Progress: Policy shifts and economic frameworks to enable South Africa's energy transition'.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Building Better – Renewable Energy for Today and the Future
Much like the roots of a tree, South Africa's energy infrastructure is planted where it finds nutrients. Historically, this has been in the Mpumalanga province, where 83% of the nation's coal helps fuel a fleet of power plants and significant transmission infrastructure. Yet, across the country, there is also an abundance of renewable resources – plentiful sun and wind. Therefore new 'roots' and transmission connecting the western part of the country are key to enable the country's next economic and social development phase, which will undoubtedly depend on accessing clean, reliable, and affordable energy.


CNBC Africa
@cnbcafrica
Join @FifiPeters and our panel of experts unpacking policy shifts and economic frameworks to enable South Africa's #energytransition. #PoweringProgress on #DStv410 or cnbcafrica.com/live/. Brought to you by @AngloAmericanZA.
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CNBC Africa
@cnbcafrica
"We need to make organised labour in this area directly invested in the future of the green economy." - Philip Cornell, Principal @economistimpact #PoweringProgress
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CNBC Africa
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"As we think about how we repurpose some of those mines, restoring and rehabilitating these mines are going to require labour and create employment, that can absorb some of the workers." - Philip Cornell, Principal @economistimpact #PoweringProgress
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CNBC Africa
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"Directly supporting transitioning coal workers will require sometimes a direct support an income assistance but certainly reskilling and that's directly linked with what we're doing with the facilities themselves." - Philip Cornell, Principal @economistimpact #PoweringProgress
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