

Marsh Africa

# Mining Industry Practice

## Value proposition

Our global perspective helps us negotiate with decision makers in international markets and prioritize coverage that will best fit your needs.



# GLOBAL AND LOCAL MARKET POSITION AND TRACK RECORD

Our global perspective helps us negotiate with decision makers in international markets and prioritize coverage that will best fit your needs.

## 100+

Specialized risk and industry experts across Africa

## 300+

Experts across the globe

## 20+

Mining-focused offices

## \$650bn+

Over \$650 billion in assets protected

## \$850m+

Placement in Mining premium

## 50%

Market share globally

## 250+

Operational Mining clients

# Mapping the key risks for mining companies in Africa



## Geopolitical risk

### Impacting operations and exports

Strikes, riots, terrorism, expropriation, trade sanctions pose political risks

**2022** Ranked highest for political risk with a score of 5.5

(on a scale from 0.1 to 10.0)



## Employee health safety risk

### Use of heavy equipment and explosives

Elevates injury risk, and mining work may lead to respiratory illnesses



## Natural disasters and weather-related risk

### Vulnerable to operational and supply chain disruptions

**2023** Global losses from natural catastrophes

**Insured — R2,275.5 Billion**

Global economic cost of all natural perils

**R6,604.5 billion**



## Regulatory and compliance risk

### Increased Government Intervention

### The green economy & high commodity prices

Promoting nationalization, especially in sub-Saharan African nations like South Africa, Zimbabwe, DRC, Mali, and Guinea



## Cybersecurity risk

**2022** Cyber threats in mining are rapidly evolving 36% attack

Industrial control system computers



## Supply chain disruption erratic power supply risk

### High costs & resource supply chain interruptions

Challenges from Covid-19, the Ukraine conflict, energy costs, labor shortages, supply chain disruptions may lead to respiratory illnesses



## Illegal mining risk

**2022** Illegal mining in SA costs R7 billion annually

Disrupt peace, security, governance, and the economy



## Environmental risk

### Pressured to reduce environmental impact and emissions

**2022** A R264 billion revenue loss

Due to carbon commitments and declining local demand

### Insurability

Yes No Partially

“Mining and Heavy Industry is a catalyst for regional development but with that comes new and emerging risks. Organizations need to proactively futureproof their operations to remain on a sustainable growth trajectory.”

— Neil Beaumont, Mining & Heavy Industry Leader

# Seismic shifts shaping the mining industry

Now more than ever mine operators require expertise and focus

## Technological advancements

Leveraging AI, big data, drones, etc. to cut equipment and labor expenses, reduce setup time, limit downtime, and enhance worker safety.

## Rising demand for electric vehicles (EV's)

The shift to EV's has already increased the demand for a wide range of minerals used in manufacturing processes such as manganese, lithium, cobalt, and nickel.

## Holistic environmental, social, and governance (ESG) intergration

With ESG as the buzzword among industries, government and regulatory bodies, mining companies attempting to align their operations accordingly. Some key actions taken include adopting efficient technologies especially for high energy and water consuming activities, focus on community development near mining sites, adopting renewable energy for plant operations, enhancing work place safety among others.

## Slowdown in investment

Eroded investor trust in the many government structures across Africa limits new investments, prioritizing business maintenance over expansion.

## Shift towards renewable energy

Mining companies are actively working on developing renewable power, with additional capacity expected by 2030.

## Shortage of skilled workforce

A shortage of skilled workers has been identified as the second biggest obstacle to growth, after power outages for mining companies and is hindering economic growth. The lack of jobs available in mining can be attributed to several factors including the aging workforce, lack of adequate training programmes, and the high turnover rate.



### Risk transfer solutions

- Third Party Liability
- Property Damage/Business Interruption
- Cyber Insurance
- Credit Insurance
- Political Risk and Violence
- D&O
- Commercial Crime
- Medical Malpractice
- Group Personal Accident
- Travel Insurance
- Kidnap
- Ransom Insurance
- Motor Insurance

### Strategic risk

- Climate & Sustainability Consulting
- Insurable Risk Analysis

### Operational risk

- Business Continuity Planning
- Supply Chain Risk
- Cybersecurity Consulting
- Employee Benefit Benchmarking

### Hazard risk

- Natural Catastrophe Modelling
- Maximum Foreseeable Loss Studies
- Blast Modelling and Terrorism MFL
- Crisis Management

### Financial risk

- Asset Valuations
- Business Interruption
- Risk Tolerance Analysis
- Risk Finance Optimization
- Alternative Risk Solutions

**Mining and heavy industry opportunities, disruptions and Marsh's solutions**

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