



MINERALS COUNCIL
SOUTH AFRICA

MINING MATTERS

to communities

Introduction

Mining companies have long recognised their responsibilities to the communities surrounding their operations. They contribute in various ways to enhancing the quality of life of their residents.

This responsibility was captured in the very first iteration of the Mining Charter in 2004 and has been sustained in subsequent iterations. Social and labour plans (SLPs) that deal with the implementation of charter commitments and which apply to every mining right, detail, among other things, commitments to local economic development. These undertakings are developed in consultation with the Department of Mineral Resources and Energy (DMRE) and provincial and local

governments as well as with community leaders. Most companies also carry out additional corporate social investment (CSI) work beyond their SLP commitments.

The 2011 advent of the UN Guiding Principles on Business and Human Rights (UNGPs) have brought additional positive perspectives. The UNGPs advocate that companies, in their relationships with stakeholders, should respect their human rights. That means, in short, to “do no harm”, and to provide remediation when people’s rights are breached. The Minerals Council’s Human Rights Framework www.mineralscouncil.org.za/downloads/send/22-special-features/721-human-rights-framework, to which members are encouraged to adhere, incorporates the fundamentals of the UNGPs.

SLP and other CSI work

Our members’ developmental work in communities is broad and extensive. It includes:

- Construction of educational and health infrastructure.
- Support to teachers and learners of local high schools and primary schools, often with a focus on improving mathematics and science performance.
- Improving access to healthcare services, especially in mining and rural communities.
- Construction and maintenance of community social and economic infrastructure, including community centres, roads, water pipelines and community centres.
- Material assistance to individuals and groups in need.
- The Minerals Council and its members are involved and support Thuthuzela Care Centres to provide refuge and medical, legal and physical support to victims of gender-based violence in mining host communities and around the country.



R4.9 billion

spent on social investment programmes in mining communities in 2023

Impala Bafokeng - Housing project

Social spending by the industry

Mining companies spent an estimated R4.9 billion on social investment programmes in mining communities in 2023 to improve community members' quality of life.

We calculated this estimate from a research study of 12 of our larger members in early 2024. Their annual reports indicate that in a single year they spent R2.9 billion in total. We have inferred, based on the proportion of the industry they represent, that the industry total would have amounted to approximately R4.9 billion.

This amount incorporates the community development projects contained in the SLPs and the industry's additional social investments.

The consultation imperative

In more recent years, mining companies have worked hard to make the quality of consultation with communities and local governments over their needs and priorities more meaningful.

This means not only more engagement but also efforts to enhance communities' engagement capacity. Many issues are highly technical. We have learned that one reason that companies' CSI efforts have not always been appreciated is because of inadequate and inadequately informed consultation. It is in our own interests to improve the quality of consultation.

This applies not only to consultations over developmental projects, but also setting up grievance mechanisms for community members, and due diligence exercises aimed at ensuring respect for human rights and remedial work where rights may have been breached.

Local procurement and enterprise development

The industry has a strong focus on local procurement, reinforced by enterprise development, to help build local economies and to enhance access to the social license to operate.

Public reporting on these issues is not extensive, although companies are required to report on it in detail to the DMRE as part of their annual reports on adherence to their SLP commitments. Our research report aggregated the enterprise development spending of 10 of the companies as R965 million. Seven of the companies reported on the number of enterprises supported (2,646). Nine of them reported on the creation of 19,431 jobs in these enterprises.

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