

## **MEDIA STATEMENT**

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### **#MININGMATTERS TO COMMUNITIES**

#### ***Mining companies spend billions of rands on socio-economic upliftment and job creation in host communities***

**Johannesburg, 18 June 2024.** South Africa's mining industry spent an estimated R4.9 billion on social investment and development programmes during 2023 to improve the quality of life in mine-host communities. This expenditure was in addition to the R135 billion the mining sector contributed to the fiscus through corporate taxes, PAYE, and royalties, which benefitted the country and its citizens.

The estimate is derived from a research study of 12 of the Minerals Council South Africa's member companies which represent 59% of total mining industry employment. Their annual reports indicated that these companies in platinum group metals (PGMs), gold, coal, diamonds and iron ore had spent a total of R2.9 billion on social investment programmes.

The Minerals Council has inferred, based on the proportion of the industry the companies represent, that the industry total expenditure on social investment programmes would have amounted to approximately R4.9 billion.

The programmes include a broad variety of community development projects contained in, inter alia, Social and Labour Plans (SLPs) that are required in respect of each mining right. SLPs are developed in consultation with the Department of Mineral Resources and Energy (DMRE), communities and their respective leaders, and local municipalities. Some companies also carry out additional corporate social investment (CSI) work beyond their SLP commitments.

“Our members’ community investment projects and programmes are wide-ranging and diverse, with a primary focus on education and health-related interventions and public

physical infrastructure such as roads, water and internet access. These projects and programmes show the commitment of mining companies to make a meaningful difference to the lives of community members,” says Tebello Chabana, Senior Executive: Public Affairs and Transformation at the Minerals Council.

Projects that significantly contribute to the betterment of communities include:

- Construction of education and health infrastructure.
- Support for educators, and primary and high school learners, often with a focus on improving performance and focussing on science, technology, engineering and mathematics.
- Providing bursaries to students for tertiary education.
- Construction and maintenance of community social and economic infrastructure including potable water, sanitation and electricity.
- Support of new businesses and supplier opportunities through Enterprise and Supplier Development Programmes to stimulate job creation.
- Funding of prevention, response and after-care services to survivors of gender-based violence and femicide in mining host communities around the country.

In recent years, mining companies have worked hard to improve the quality of consultations with communities in respect of their needs and priorities to deliver more meaningful investments. This means not only more regular engagement, but also efforts to enhance communities’ engagement capacity and ensuring that feedback mechanisms are in place.

“We have learned that one reason that companies’ plans on investments and projects have not always been appreciated or are not fully aligned with the needs of intended beneficiaries is because of inadequate and inadequately informed consultation. It is in everyone’s interests to improve the quality of consultation,” says Mzila Mthenjane, CEO of the Minerals Council.

Building capabilities, skills and knowledge in municipalities is increasingly part of mining companies’ programmes to support the delivery of positive and sustainable impacts via social investment projects and by working through, amongst others, the National Business Initiative’s Technical Assistance, Mentorship and Development (TAMDEV) programme.

In addition to local economic development projects, the industry has a strong focus on local procurement, reinforced by enterprise and supplier development programmes to help build local companies in mining communities to grow local economies and to create jobs. Mining companies are working with the Department of Cooperative Governance and Traditional Affairs to deliver sustainable, positive change to livelihoods in local communities.

Ten of the surveyed companies reported spending R965 million on enterprise development. The reports showed that seven of the companies were supporting 2,646 enterprises established through their programmes.

Nine companies reporting on this intervention noted the creation of 19,431 jobs.

Due to the limited data that was publicly available in these annual reports, it was not possible to extrapolate an estimated total mining industry contribution to enterprise and supplier development. However, based on what is reported, it is a substantial amount.

Where the quality of local, district and provincial governance and developmental work has not been optimal, community expectations of what mining companies can provide continue to increase, a good indication of the need for the mining industry and local development agents to join hands in tackling the significant socio-economic challenges that are faced by host communities.

“The industry’s commitment to making a meaningful contribution remains resolute and will continue to play a catalytic and developmental role in mining regions and the country. #MiningMatters to all South Africans,” said Mr Mthenjane.

**Click here for more information on why mining matters to communities**

<https://www.mineralscouncil.org.za/component/jdownloads/?task=download.send&id=2269&catid=3&m=0&itemid=118>

**Click here for videos illustrating why mining matters**

[https://www.youtube.com/watch?v=yqlx32xy\\_9g](https://www.youtube.com/watch?v=yqlx32xy_9g) and <https://www.youtube.com/watch?v=imt-varf-3o&t=1s>

Visit <https://www.mineralscouncil.org.za/special-features/1396-miningmatters-to-south-africa-and-its-people> for more information about the mining industry's contribution to the country, to employees and to communities.

**For interviews with the Minerals Council on why #MiningMatters, contact:**

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