

MEMBERSHIP COMPACT



MINERALS COUNCIL
SOUTH AFRICA

The Membership Compact (Compact) is a mandatory code of ethical business conduct to which members of the Minerals Council South Africa (Minerals Council) subscribe.

The overriding vision and mission of the Minerals Council is to reposition the South African mining sector as South Africa's pre-eminent industrial sector and to double real investment in mining by 2030. This is an industry strategy that will be owned by all Minerals Council members with the overriding objective of building a trust-based social pact with key stakeholders, creating an overwhelmingly positive investment and operating environment for the sector that makes the global investment community and mining industry recognise that South Africa has emerged into an investment destination of choice for the mining sector. The benefits of achieving this vision are incalculable, and will be a game changer for the country and its ability to achieve the National Development Plan objectives, to which members of the Minerals Council subscribe.

COMPACT OBJECTIVE

The primary objective of the members of the Minerals Council is to ensure that the mining industry is able to realise its latent growth potential and so contribute meaningfully to the national objectives for sustainable development, transformation and the growth of the South African economy. This can best be achieved through:

- Building trustworthy relationships with key stakeholders
- Transforming the mining industry
- Partnering with communities surrounding existing and future mining operations and those in labour-sending areas

COMPACT VALUES

Members are obliged to conduct their business according to the agreed Minerals Council values, which dictate the minimum standards of conduct required of them in order to become a member of, or remain a member of, the Minerals Council.

The five values of the Minerals Council are:



Responsible citizenship



Respect



Trust



Honesty



Accountability

REGULATORY FRAMEWORK

Minerals Council members commit to compliance with all relevant legislation and to making every possible effort to comply with meeting, or bettering, the targets outlined in the Mining Charter.

Minerals Council members also subscribe to the principles and commitments outlined in various agreements, such as the Presidential Framework Agreement for a Sustainable Mining Industry and the Framework for Peace and Stability in the Mining Industry.

GUIDING PRINCIPLES

The guiding principles serve as a framework to enable Minerals Council members to achieve the objectives of the Compact. Minerals Council members undertake to integrate the guiding principles into their management systems to ensure consistent application across all operations.

The following 10 guiding principles demonstrate the commitment of members to manage their operations in a responsible manner. Members commit, in all aspects of their businesses and operations, to:

1. Implement and maintain ethical business practices and sound systems of corporate governance
2. Strive to achieve zero harm in respect of mine health and safety by complying with the Mine Health and Safety Milestones
3. Integrate sustainable development considerations within the corporate decision-making process
4. Respect fundamental human rights and respect cultures, customs and values in dealing with employees and others who are affected by their activities
5. Implement risk management strategies based on valid data and sound science
6. Continuous improvement of their environmental performance
7. Contribute to conservation of biodiversity and integrated approaches to land use planning
8. Facilitate and encourage responsible product design, use, reuse, recycling and disposal of their products
9. Contribute to the social, economic and institutional development of the communities in which they operate and in the labour-sending areas
10. Implement effective and transparent engagement, communication and independently verified reporting arrangements with their stakeholders

MINERALS COUNCIL PROCESSES

Members of the Minerals Council recognise that it operates on the basis of mandates. While it is the case that positions adopted by individual companies must be aligned with their overarching strategic objectives and that these may differ from company to company, the positions adopted by the Minerals Council will apply to all members. In this regard, the members of the Minerals Council agree that they will:

- Uphold the confidentiality of the discussions in the Minerals Council's structures
- At all times engage honestly and in good faith
- Strive to reach agreed positions that will improve the sustainability of the mining industry
- Timeously provide information to the Minerals Council to allow it to develop well-informed positions for members' consideration (the Minerals Council will treat sensitive information on a confidential basis)
- Respect the sanctity of mandated positions and not express contradictory views
- Accept that mandated positions can only be changed after any contrary views have been debated by the Minerals Council and agreed upon
- Undertake to support the Minerals Council's mandated positions in outside structures and in the public domain

COMPACT REVIEW

The Compact is a living document, and will be continuously refined and developed following consultation with members.

BREACH OF COMPACT

In the event that a member is found to have not complied with the Compact, the Minerals Council President will contact the chief executive officer of that company to discuss the reason for non-compliance and to agree on a process whereby the member can comply as soon as possible.

If the member fails to adhere to the process agreed upon and/or fails to take active steps to comply with the Compact within a reasonable time, the Minerals Council shall be entitled, at its sole discretion, to suspend the member for a period of time until the member complies with the Compact obligations.

Should the member continue with such non-compliance, the Minerals Council shall, in its sole discretion, either extend the period of suspension or cancel the membership of such member as provided for in Article 19 of the Minerals Council Constitution. The cancellation of membership of the Minerals Council will be published on the Minerals Council website.



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