



Stakeholder engagement and communication

Mining has been the backbone of the South African economy for more than 100 years and it will continue to be a catalyst for economic and social development if the environment is conducive to investment and there is community acceptance of our operations. The Chamber continues to build relationships with all its key stakeholders and periodically reviews its engagement strategies to ensure it responds to stakeholder expectations. This includes engaging stakeholders on difficult issues which may include legacy issues and our current and future contributions to the country's economic growth.

The Chamber defines stakeholders as those individuals, groups and entities directly and indirectly affected by our activities, and aims to develop and enhance relationships with these key stakeholders in order to create and sustain an enabling environment in which to do business.

In 2016, the Chamber embarked on an extensive exercise to identify and map its stakeholders, and to identify and prioritise material issues of mutual concern to the industry and stakeholders. This process is important in order to create an enabling, business-friendly policy, legislative and operating environment for a sustainable and successful mining industry.

IDENTIFYING STAKEHOLDERS AND RESPONDING TO EXPECTATIONS

Government

A prosperous mining sector, enabled by business-friendly policy, legislative and operating environment will materially contribute to economic growth and meeting the objectives of the NDP. Government is a key enabler for a successful and sustainable mining industry.



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| 2016 priorities | Performance |
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| <ul style="list-style-type: none"> Contribute to economic growth and meet the objectives of the NDP Enhance contribution to transformation Achieve positive progress in managing legacy issues and implement corrective measures Lobby government for policy certainty and a conducive operating environment | <p>Our priorities for the past year were informed by the expectations of government stakeholders, including a consistent contribution to economic growth and the NDP. In 2016, the industry's contribution to GDP was R306 billion.</p> <p>In the context of a negative economic outlook, along with an unstable political and regulatory environment, the Chamber engaged the Portfolio Committee on Mineral Resources on the key issues and messages needed to promote South Africa's mining industry in major international markets.</p> <p>Our members continued to contribute positively to the country's transformation goals and will continue to do so.</p> <p>The Chamber, through the tripartite partnership incorporating the Compensation Commissioner, the Chamber and the DoH, is an effective stakeholder in resolving legacy occupational health issues and compensation. Work in this regard is continuing.</p> |

Going forward

In the coming year, the Chamber will continue to contribute positively to the growth and development of the South African economy and, importantly, engage and raise concerns with government, given that a well-governed country is key for economic development and growth. There have been special concerns about the over-regulation of the industry. The Chamber and its members remain committed to transformation and are proud of their achievements in respect of the 2004-2014 Mining Charter targets. At the time of this report, negotiations were ongoing with the DMR on new targets for the reviewed Mining Charter.

2016 AREAS OF FOCUS continued

Political parties

Political parties represented in Parliament are key stakeholders for the mining industry. Our commitments during the past year included formal engagement with those parties on our current and future industry performance, on the socio-economic well-being of society and how the industry's future plans are likely to affect society.

| 2016 priorities | Performance |
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| <ul style="list-style-type: none"> Enhance socio-economic well-being of society by creating opportunities Conduct operations in a safe and environmentally-friendly manner | <p>Topical issues discussed with parliamentarians included the transformation performance of the mining industry, infrastructural challenges in mining towns and environmental management.</p> <p>Discussions were also initiated on labour relations, specifically wage negotiation updates and migrant labour policies.</p> <p>On behalf of our members, we engaged on the industry's concerns in relation to the unintended consequences of the NEMA Financial Provisions and the Waste Act.</p> <p>We continued to provide updates on the progress made as part of the tripartite initiative between Government, the Chamber and the Unions on occupational health issues and compensation.</p> |

Going forward

As part of the Chamber's commitment to transformation and societal prosperity, our activities in the new year will include continuous engagements with the respective Parliamentary Portfolio Committees to demonstrate progress on transformation, safety, health and environmental management. We are of the view that our engagements with political parties will improve understanding of the mining industry and help the Chamber better understand the views of parliamentarians.

The Chamber believes it can never communicate too much and will continue to engage to find win-win solutions that will enhance socio-economic growth and successful mining industry operations.

Business and investors

The Chamber participated in a number of local and international conferences, summits and panels in order to promote the industry, and to engage with stakeholders on relevant issues.

| 2016 priorities | Performance |
|---|--|
| <ul style="list-style-type: none"> Advise on socio-political issues and trends | <p>The Chamber represented its members at investor conferences and gave updates on the mining business environment and on socio-political activities. The Chamber was represented at the following mining and investor conferences: Africa Down Under (Australia); Japan Oil, Gas and Metals National Corporation (JOGMEC); JSE SA Tomorrow (New York), the Prospectors & Developers Association of Canada (PDAC) (Toronto), Mines and Money (London); Joburg Indaba, Investing in African Mining (Cape Town) and the London Bullion Market (LBMA). In addition, the Chamber is an active stakeholder in BUSA and NEDLAC where economic issues of mutual interest are discussed.</p> |

Going forward

The Chamber remains committed to its key role in business structures, helping to ensure that the business environment is conducive for the mining industry to thrive and will therefore be able to continue to contribute to the country's economic growth.

Stakeholder engagement and communication continued

Non-governmental organisations and opinion makers

| 2016 priorities | Performance |
|---|--|
| <ul style="list-style-type: none"> • Adhere to economic, social and environmental responsibility and reporting • Comply with transformation initiatives (including compliance with Social and Labour Plan (SLP) implementation) | <p>The mining industry continues to have open dialogue with the NGO community on a range of issues. The implementation of SLP commitments, water resources management, mine closures and rehabilitation issues dominated in the past year. The Chamber supports a consultative and collaborative process with stakeholders in the development and the implementation of the SLPs. Already, many of our members now disclose their approved SLPs and annual SLP reports on their websites. The Chamber has however voiced its concerns over delays in the approval of SLPs by the DMR which has led to delays in communicating and implementing SLP projects in certain instances.</p> <p>Broad transformation and environmental management continue to be prominent matters for discussion between the industry and NGOs.</p> <p>The Chamber continues to provide information on environmental improvements and sharing of best practices on environmental management.</p> <p>During the year, the Chamber participated in a number of one-on-one engagements with local and international NGOs including the Centre for Applied Legal Studies and Lawyers for Human Rights.</p> <p>The Chamber also made a voluntary submission to the South African Human Rights Commission hearing on mining and affected communities. This presentation may be viewed at http://www.chamberofmines.org.za/industry-news/publications/presentations/send/7-2015/313-presentation-sahrc-national-hearing</p> |

Going forward

The Chamber realises the importance of continued engagement with NGOs on environmental, social and economic issues, in order to share and showcase its successes, to understand the NGOs' concerns about industry and to promote sustainable development.

Environmental management continues to be a critical consideration for the mining industry and there are a number of environmental best practice initiatives where the industry has performed beyond compliance requirements.

Organised labour

| 2016 priorities | Performance |
|---|--|
| <ul style="list-style-type: none"> • Higher wages • Create and sustain decent jobs • Deliver on SLPs | <p>The labour market was volatile due to low commodity prices and general economic gloom. The expectations of organised labour included negotiations on sustaining jobs. The Chamber is cognisant of the social challenges facing South Africa and Chamber members make the preservation of jobs their first priority. At the time of reporting, the industry had started to see job creation green shoots. The Chamber realises the importance of engaging with labour representatives and continued to meet with labour unions on a quarterly basis. Refer to the Employment Relations section for more information.</p> |

Going forward

Working with our labour partners, we are considering future modernisation strategies that will contribute to job preservation as well as to a safe and sustainable mining industry.

2016 AREAS OF FOCUS continued

Communities

| 2016 priorities | Performance |
|--|---|
| <ul style="list-style-type: none"> • Compensation for injuries and deaths/legacy issues • Progress with implementation of SLPs • Creation of job and business opportunities and community development | <p>Progress is being made to fast-track the implementation of programmes addressing legacy issues. The initiative involving the Departments of Health and of Labour has been instrumental in this regard.</p> <p>Through the Chamber website and a series of media updates, up-to-date information is provided on industry performance with regards to transformation and managing legacy issues.</p> <p>Many Chamber members have fully complied with the provisions of their SLPs and the Chamber encourages communities to be active participants in the formulation of Municipal Integrated Development Plans (IDPs), as this instrument is key when mining companies formulate SLPs.</p> <p>The Chamber has raised its social media platform presence through Facebook and Twitter, in line with its increased emphasis on proactive and reactive communications, and also to broaden its reach.</p> |

Going forward

Community expectations of the mining industry are increasing. The Chamber has identified an increased need to engage with broader society on the benefits of mining in order to create shared value in a manner that will ensure the retention of our members' social licence to operate.

The Chamber recognises that mining is frequently portrayed in a negative light and is taking a two-pronged approach that seeks to influence and support the national curriculum (long-term); and to develop material to improve mining, mines and minerals awareness through provision of CAPS-aligned learning materials in schools across SA. An upcoming Mining for Schools website portal forms part of this plan.

In response to the perceived minimal impact of the industry's extensive social spend through various community development initiatives, the Chamber is establishing a regional presence to foster collaboration beyond Gauteng and into other regions with the Steelpoort, Carletonville, and Emalahleni areas as pilots.

Members

| 2016 priorities | Performance |
|---|--|
| <ul style="list-style-type: none"> • Creating a platform which allows members to raise concerns • Ensuring that the Chamber is fully aligned with its members | <p>The Chamber hosts and meets with the communications executives of its member companies on a quarterly basis. These meetings facilitate open discussions on industry issues.</p> <p>The Chamber also reports on its activities on an annual basis in its integrated annual report and publishes a quarterly newsletter which is distributed to its members to keep all abreast of the latest developments.</p> |

Going forward

As an advocacy organisation, the Chamber recognises that successful advocacy depends on finding a delicate balance that puts South Africa first, and creates an environment in which the mining sector can function optimally. Presenting its members' interests continues to be the Chamber's main priority.

Stakeholder engagement and communication continued

Media and analysts

| 2016 priorities | Performance |
|--|---|
| <ul style="list-style-type: none"> Promoting the mining industry amongst the investment community Communicating the Chamber's position on various aspects including health and safety, environmental issues, transformation and economic performance and stability, amongst others, to the media and the public at large | <p>The Chamber ensures that accurate and up-to-date information is available and accessible to the investment community, the media and the public at large.</p> <p>A key component of these efforts is ensuring that the Chamber's website contains information which is useful, relevant, up-to-date and easy to access.</p> <p>The media relations function at the Chamber has been outsourced to an external public relations agency as part of the Chamber's drive to engage proactively with the media. During the year a proactive media relations programme was implemented to ensure that the industry's position is communicated accurately and timeously.</p> |
| <p>Going forward</p> <p>The Chamber remains committed to promoting the mining industry amongst the investment community and to convey the industry's position to the media and public at large.</p> | |

THE CHAMBER OF MINES AT WORK

The Chamber and its members have clear views on:

- The sustainability of mining in a shifting economic and legislative environment
- Modernisation based on changing technologies and mechanisation on which the industry's future will increasingly depend
- Job security and skills development in an environment characterised by declining labour-intensiveness and moves towards productivity enhancements
- The financial ability of mines to provide fair wages and benefits
- The industry's provision of acceptable living conditions to employees
- The industry's health and safety initiatives, particularly progress towards the goal of zero harm
- Community welfare, including facilitating the transition of communities to sustainable post-mining futures

The Chamber and its members are in accord over the centrality of the mining industry in creating a socio-economic environment that contributes to government's economic growth, transformation and social development goals. The central message is that all of the industry's stakeholders should be treated equitably if these aims are to be achieved and if new investment is to be attracted to help create and sustain a vibrant mining sector.

THE MINING INDUSTRY ASSOCIATION OF SOUTH AFRICA

As part of our contribution to a wider, regional appreciation of mining's developmental role, the Chamber is a member of the Mining Industry Association of Southern Africa (MIASA) which brings together the chambers of mines of nine southern African countries – Botswana, the Democratic Republic of Congo, Madagascar, Malawi, Namibia, South Africa, Tanzania, Zambia and Zimbabwe. The Chamber of Mines of South Africa acts as the MIASA secretariat and is the primary MIASA contact. Amongst MIASA's aims is building a regional consensus on what constitutes "shared value" particularly in relation to African Mining Vision, which covers the aspirations of the African continent's governments and societies.

CASE STUDY

STAKEHOLDER COMMUNICATIONS

Effective communications with all of the Chamber's stakeholders – member companies, mine employees, unions, government, regulators, investors, the media and others – are and remain a central part of our remit. Our communications initiative takes into account our stakeholders' differing needs for information on the Chamber itself and on the broader mining industry as a whole. And it is founded on the premises of clarity, accessibility and coherency.

The foundation of the Chamber's communications initiative is its website. The site was redesigned and restructured in 2016 to create a portal for easy access to all of the organisation's other communications tools. The website also provides a portal for archived material such as media releases, public presentations and research papers. In addition, fact sheets containing detailed information on topical issues such as safety, health, housing and accommodation, illegal mining, skills development and transformation have been made available on the website to assist the industry in educating and informing all stakeholders about the issues dealt with on a daily basis.

Though the Chamber has its roots firmly planted in South Africa's soil, its vision extends to the rest of our region – the challenges faced by South African mining firms are often similar to those encountered by others elsewhere. In pursuit of this wider viewpoint, the Chamber also manages the official website of MIASA. South African mining does not exist in isolation.

The membership of MIASA links neatly with our message to prospective investors in African mining. This, in its turn, is most effectively delivered at the well-established annual Investing in

African Mining Indaba of which the Chamber is a sponsor. The conference attracts delegates from across the globe to Cape Town – delegates seeking one-stop opportunities to interact with government officials from across our continent, mining firms entering or operating in those jurisdictions and with service or equipment providers.

Chamber officials also take the industry's message to others across the globe. Again we strive for coherency in our presentations at a number of influential international mining investment conferences around the world. The Chamber's presentations complement those of individual South African mining firms at those same conferences.

In South Africa, a principal tool for communicating with our member companies is our quarterly newsletter written to provide insights into developments and changes taking place in the country's mining jurisdiction. Its range is broad, from the economics of mining through legislative changes to relationships with organised labour. Again, the message is coherent, cohesive and available to all of our stakeholders through the website portal. And the quarterly reports coalesce into the Chamber's comprehensive suite of annual reports, of which this is one.

Finally, and no less importantly, communications with the wider public are achieved through pertinent and timely news releases supported by face-to-face meetings with journalists, analysts or visitors.

These communications tools all form part of a coherent and interactive whole, which takes full account of the information needs of our interlocutors.