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SOCIAL AUDIT REPORT

CARLETONVILLE

SIBANYE STILLWATER

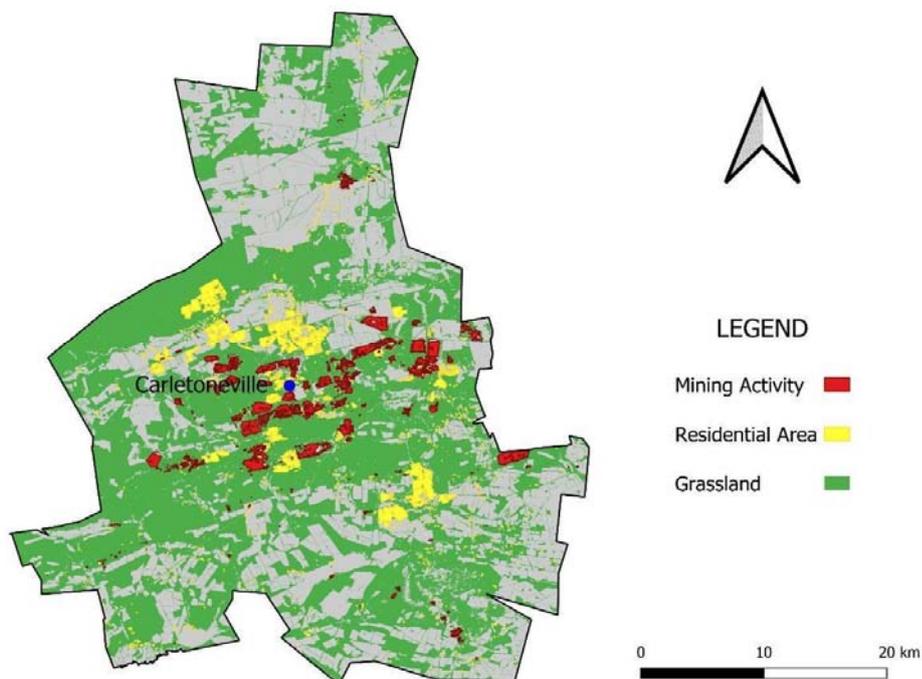
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BACKGROUND

The town of Carletonville is in the Merafong Local Municipal area in the West Rand District of Gauteng¹. The town is situated West of Johannesburg and was originally an unplanned settlement established between 1937 and 1957 as mining operations developed in the region, which is rich in gold deposits. Officially designated as a town in 1959, Carletonville was named after a local mining director, Guy Carleton Jones². The town has grown dependent on gold production for its prosperity, with the nearby Driefontein gold mine operating as a large ultra-deep level mine and processing operation³. The mine produced 250 000oz of gold in 2020, has a workforce of 10 146 employees and contractors, and is owned by Sibanye-Stillwater, previously known as Sibanye Gold before the company underwent internal restructuring in February 2020⁴.



¹ Britannica, “Carletonville, South Africa”, 2014, accessed 29 December 2021, <https://www.britannica.com/place/Carletonville>.

² Ibid.

³ Sibanye-Stillwater, “Driefontein”, 2022, accessed 29 December 2021, <https://www.sibanyestillwater.com/business/southern-africa/gold-operations/driefontein/>.

⁴ Sibanye-Stillwater, “Change of holding & listed activity”, 2022, accessed 29 December 2021, <https://www.sibanyestillwater.com/features/holding-entity-change/>.

Sibanye-Stillwater in Carletonville

Sibanye-Stillwater is a leading mining group specialising in the production of platinum group metals and gold operations in the United States and South Africa. The company is one of the world's largest producers of platinum, palladium and rhodium and is ranked third globally on a gold-equivalent basis⁵.

Carletonville has approximately 23000 residents and 8066 households and is characterised by a population whereby 33.1% have some secondary schooling and 40.3% have attained a Matric pass.⁶ Woman headed households account for 27.6% of households, which are typically sustained through the informal sector and agriculture.⁷ The households that do not have an income at all account for 14.7% of the population. The population is made up of 70.1% black Africans, 0.9% coloured, 1.3% Indian/Asian, 27.4% white, and 0.4% other people. Males make up 50.5% and females make up 49.5% of the population.⁸

WHAT IS A SOCIAL AUDIT?

A social audit is a community-led process whereby the cogency of the promises made by the mining companies affecting communities is put to the test. This process empowers communities to gather and legitimize evidence of their experiences of service delivery, and through this process enables them to claim and realise their constitutional rights to a transparent and accountable mining company. During a social audit, the expenditure and service delivery outcomes promised in the Social and Labour Plan (SLP) of a mine are tested to see whether community experiences of those outcomes reflect the vision of implementation as stated in the SLP.

An SLP contains proposed programmes that should be directed at the host mining-affected communities and labour sending areas, to offset the negative impacts of mining and improve the quality of life for both the mine employees and the mining-affected

⁵ Sibanye-Stillwater, "About Us", 2022, accessed 29 December 2021, <https://www.sibanyestillwater.com/about-us/>

⁶ Statistics South Africa, "Carletonville", *StatSA*, 2011, accessed 19 January 2022, http://www.statssa.gov.za/?page_id=4286&id=11235

⁷ Ibid.

⁸ Ibid.

communities. Members of the community collectively participate in the process of verifying the SLP of a particular mine by comparing the stated outcomes with the lived experiences and realities of people on the ground. Evidence collected during the social audit is then reported to the responsible stakeholders at a public meeting and used as a vehicle for advocacy by the host community.

Community testimony, knowledge and experiences are a legitimate and central part of this evidence. A social audit provides a way to build effective and meaningful participation in poor and working-class communities by providing a means for a community to engage with the mining process that affects their lives. They provide an opportunity for poor mining communities to be heard, and space for people who have been excluded, deceived, and cheated out of their benefits to interrogate the cogency of the mine's promises to the community.

Mining companies are significant social players who account for a large portion of the South African economy. This power and financial muscle often allows mining companies the capacity to evade social responsibility using PR consultants and campaigns to produce glossy reports regarding their social commitments to the communities at which they operate. Their Corporate Social Investment (CSI) strategies are often synchronised with the Social Labour Plan (SLP) commitments, which may paint a good picture on paper, however, contradict the realities on the ground. SLPs are binding to companies and communities are empowered by the Mineral and Petroleum Resources Development Act⁹ (MPRDA) to require these commitments from the mining companies. The best methodology to interrogate the claims of mine companies is to conduct community-led social audits and collect evidence to verify the realities on the ground to potentially challenge the glossy PR reports.

The need to conduct a social audit arose from the belief by the community that the mine was not providing them with developmental projects. The aim of the social audit was to discover whether there has been any development done by Sibanye Stillwater between

⁹ *Mineral and Petroleum Resources Development Act 28 of 2002.*

the years of 2012-2016. SLP's are renewed every 5 years and by doing a Social Audit the community is better able to:

1. Assess the extent of compliance with the SLP within the community of Carletonville.
2. Assess whether Sibanye Stillwater's SLP obligations are effective, efficient and provide sustainable goals to the community of Carletonville.
3. Determine if appropriate measures exist that:
 - a. establish, monitor, and communicate the SLP process and procedures with the community,
 - b. ensures reliable information is available for all stakeholders involved including the Carletonville Community,
 - c. establishes and communicates roles and responsibilities for all parties involved.

WHAT IS A SOCIAL AND LABOUR PLAN?

A Social and Labour Plan (SLP) is a document that mining companies are required to submit to the Department of Mineral Resources and Energy (DMRE) as part of their application for mining rights. According to the Mineral and Petroleum Resources Development Act¹⁰ (MPRDA), mineral resources of the country are the common heritage of all who live in the country. Section 2 (d) of the MPRDA further states that its objectives are to 'substantially and meaningfully expand opportunities for historically disadvantaged persons, including women, to enter the mining and petroleum industries and to benefit from the exploration of the nation's mineral and petroleum resources'¹¹. This emphasises the role of mineral resource extraction and operations as a pivotal means towards community development and women empowerment. SLPs, therefore, are there any means by which mineral and petroleum exploration can benefit communities.

¹⁰ *Mineral and Petroleum Resources Development Act 28 of 2002.*

¹¹ *Mineral and Petroleum Resources Development Amendment Act 49 of 2008: Section 2.*

According to section 23 (1) (e) of the MPRDA, (as amended by section 19b of Act 49 of 2008), the Minister must grant a mining right 'if the applicant has provided financially and otherwise for the prescribed social and labour plan. The MPRDA further place duties on mining right holders:

Section 25 (2) (f) - Duty of holder of the mining right to comply with SLP.

Section 25 (2)(h), read with Section 28 (2) (c) - Duty of mining right holder to report annually on compliance with SLP.

Part II of the Mining and Petroleum Resources Development Regulations (Regulations) further provides for the regulations of SLPs. Section 41 (c) states that the objective of the SLP is to 'ensure that holders of mining rights contribute towards development of the areas in which they are in operation'. Further, section 46 (c) regulates the contents of the SLP and requires that they must include a Local Economic Development Programme (LED) comprising; (ii) the key economic activities of the area in which the mine operates and (iii) the infrastructure and poverty eradication projects that the mine would support in line with the Integrated Development Plan (IDP) of a local municipality and major sending areas. This report is limited to the contents of the LED section of the SLP, and the social audit focused on investigating this section.

An SLP is a five-year plan, which needs to be completed and can be renewed by a mine with the DMRE over a five-year period. Once it is approved by the DMRE it becomes a legally binding document, containing commitments made by the company on what it will do for both communities and workers. It also stipulates how and when commitments will be executed, as well as what the budgets are for promised interventions or activities¹². It is therefore, one of the instruments to address South Africa's long history of inequality in the mining sector. In principle, SLPs should be drafted with the consultation of the communities, however, that is not always the case. In terms of Regulation 45, a mining right holder must convene a minimum of three meetings per annum with mining affected communities, as well as interested and affected persons to update these stakeholders

¹² *Mining and Petroleum Resources Development Act 28 of 2002: Mining and Petroleum Resources Development Regulations.*

about the progress made with the implementation of the approved SLP and the outcome of these meetings must form part of the annual reports¹³.

Despite the comprehensive and progressive laws in place, the reality is that although the SLP system has been in force for over twelve years, most communities affected by mining still experience abject poverty and underdevelopment. This is partly because SLPs are often designed without adequate consultation with the communities that stand to benefit from the mining operations on their land. Furthermore, mining companies often neglect to deliver on all the SLP commitments, and the DMRE often does not follow up on these commitments or enforce them, to the detriment of mining-affected communities. The purpose of the SLP, therefore, is to promote employment, advance social and economic welfare, contribute towards transforming the mining industry and ensure that mining companies contribute to the development of the areas where they operate.

WOMAN IN MINING AFFECTED COMMUNITIES

Women who are not formally employed are the backbone of the functioning of mining-affected communities¹⁴. The sustained employment of men and operation of the mine is indirectly dependent on women as they are heavily involved in social reproductive activities. Social reproductive activities refer to activities which enable their male counterparts to attend work in the mines. This includes activities such as house cleaning, cooking, maternal duties, et cetera. Although social reproduction is pivotal to the functioning of mining-affected communities (and, indirectly, the operation of mines), women are often excluded from decision-making processes as they are not formally employed by mining companies and there is a dominant belief that women are subservient to men in South African culture.

Men in mining-affected communities as such become the primary beneficiaries of mining activities. This is a norm in rural South African communities, as patriarchal structures are a mainstay in South African culture. In mining-affected communities, men are heavily

¹³ Mining and Petroleum Resources Development Regulations: Sec 45.

¹⁴ Asanda Benya, "The invisible hands: women in Marikana", *Review of African Political Economy* 42, no. 146 (2015) at 545-560.

involved in the operation of the mine itself, which provides them with employment and income. As a result, women in mining-affected communities become dependent on their male counterparts due to the lack of employment opportunities available to them. This impedes women's ability to accrue wealth and status in mining-affected communities. In some communities, such as in mining-affected communities in the Limpopo region, women can derive their independence from men through agricultural activities¹⁵. Produce can be farmed and sold, with the surplus earned being used as an income for women. This may be difficult in regions where mining activity has caused a loss of land. Women in these regions may find it difficult to find alternative income and therefore, remain dependant on males who are employed by the mine, and may resort to sex work - major economic activity taken up by women in mining-affected communities. Sex work exacerbates the spread of diseases such as Tuberculosis (TB) and HIV/AIDS which thrive in mining-affected communities. Women in sex work also are largely vulnerable to violence and exploitation by clients, and to social stigma due to the lack of regulation and the discreet nature of sex work.

METHODOLOGY

Data collection included both door-to-door surveying and physical verification. The survey was conducted through a 28-item household questionnaire with closed and open-ended questions. Any adult member of the household was eligible for an interview.

Of the total number of participants (241), 95 were women (39.4%) and 146 were men (60.58%). Community members were trained on SLP interpretation, social audit methodologies, and designing surveys. The questionnaire was designed in collaboration with a social audit team and trained community members. During the training, the community organisers had an opportunity to test the questionnaire and agree on ways to probe questions. The training, which was facilitated by ActionAid South Africa (AASA) and MACUA WAMUA Advice Office (MWAO), was also used to solicit the community views on what future inquiries would focus on. The training was conducted from 15-19 February 2019 and data collection occurred specifically on 17 February 2019. Interviews

¹⁵ Mark Curtis, *Precious Metal: The Impact of Anglo Platinum on poor communities in Limpopo, South Africa* (South Africa: ActionAid, 2008).

were held in the households. After the fieldwork, a de-brief meeting was conducted where all data collectors discussed issues arising from the survey, challenges, and strategies for making future community inquiries more effective.

Data entry for completed surveys was conducted by MWAO for the analysis of the quantitative variables. Theme analysis and quantifying common responses was conducted for the qualitative variables.

The approach for this social audit included the following steps:

1. Holding a mass meeting and establishing a mandate
2. Preparing and organising the participants
3. Training participants
4. Analysing the Social Labour Plan
5. Developing and testing the social audits questionnaire
6. Gathering evidence
7. Capturing community experiences and testimonies
8. Agreeing on the main findings and organising evidence
9. Meeting with the mine
10. Meeting with the municipality
11. Reflecting and follow up

RESULTS AND DISCUSSION

The results of the social audit were analysed in relation to statements made by Sibanye-Stillwater in their 2012-2016 SLP. This includes an analysis of community knowledge and understanding of SLPs, the Adult Basic Education and Training (ABET) programme, the eradication of alien invasive plant species project, and the waste management project.

Adult Basic Education and Training (ABET) Training Programme

Out of a total of 241 respondents interviewed, 210 (87.1%) of the respondents did not know that the mine had committed to sponsor Adult Based Education Training classes for the community while only 31 (12.9%) asserted that they were aware. Their lack of knowledge of this commitment is indicative of the Mine's failure to consult the community

or make them aware, because most people in the community who knew about ABET training classes being sponsored by the mine found out through word of mouth.

In 2015, the company decided to reduce the number of the ABET learners (fulltime) from 110 to 69 in 2016 and 2017. They then reduced 125 to 0 in 2016 and 2017 claiming the lack of interested parties attending the classes. This is a clear indication that the company has not conducted a public participation process because most people asked did not know about the company's commitment to implement such a project and hence the claim that parties were not interested is not a true reflection of what was happening on the ground.

Of the few people that did know about the course being offered and that attended the course, 26 people (49.1%) noted that there was a registration fee involved in taking the ABET classes, whereas 17 people (32.1%) noted that there were no registration fees. It is unclear why participants noted that there was a registration fee as the ABET classes were meant to be sponsored by Sibanye Gold. Another reason for the ABET registration fee could be due to the limitation on classes that occurred in 2015 by Sibanye Stillwater causing those interested in benefiting from this programme to no longer be eligible for the programme. Although most of the respondents (69.8%) noted that certificates were given to participants, the fact that they had to pay for their participation makes this project less than fulfilled by Sibanye-Stillwater. 50.1% did not know what happened after the ABET classes, however there were other responses that were not uniform, the majority (35.8%) stating that nothing happened once the training had ended.

Annual compliance reports are documents compiled by the mining company to let the regulator, the DMRE, know to what extent they are complying with their obligations. The number of people who attended the course and what happened after the fact cannot be ascertained due to the inability to access the annual compliance reports of Sibanye-Stillwater, for the SLP period audited.

Although mining companies are not legally required to share these annual compliance reports with mining affected communities, the inability to access the information within annual compliance reports is a great disservice to mining affected communities. Annual compliance reports provide a detailed breakdown of the numbers of people that enrolled

in the ABET classes, as well as noting whether the participants were community members or employees. By denying communities the opportunity to scrutinise the progress related to the implementation of projects, mining companies perpetuate a culture of excluding communities from participating in their own development.

Eradication of Alien and Invasive Species Project

232 (96.3%) of the respondents were not aware of the project to eradicate alien species around Driefontein, while 9 (3.7%) admitted to knowing about the project. Furthermore, in terms of being told of the project many (41.2%) of the respondents that knew about the project just saw it happening while minding their own business and the answers regarding the location of where the project was taking place were scattered and uninformative. This is indicative of a lack of consultation, but more importantly this indicates that the community of Carletonville might not have been the beneficiary of such a project because the only respondent who knew details regarding the project asserted that more than 30 trees were removed.

Only 2.1% of the respondents knew someone who had worked on the project from their community, and 52.7% of the respondents did not know any local businesses that benefited from the project, while 1 person admitted to knowing a local business which was selected through a tender process. Although a small majority have never heard of the project, Sibanye-Stillwater claims that 3 SMMEs were nominated by Merafong City Local Municipality and benefitted from the project which was allocated an annual budget of R3 million.

Waste Management Project

232 (96.3%) of the respondents did not know about any waste management programme due to be undertaken by Sibanye Stillwater, whereas 9 (3.7%) of the respondents had asserted that the only beneficiaries were people with close ties to Sibanye Stillwater. The mine claims that the project has employed 19 people from the community and its pilot run indicated a delivery of 300 kgs of recyclables a month. The project was allocated an annual budget of R3 million. When asked, the few that did know about the project, 8

people (3.3%), knew about people employed by the project, while 125 people (51.9%) did not know anyone from the community employed by the project and 108 people (44.8%) of the respondents did not answer the question because they didn't know about the project. Furthermore, when asked about the location of the project, 7 people (2.9%) stated that they knew where the waste management project was situated, but all gave different responses, which more than likely indicates that there is uncertainty amongst community members regarding the location of the project.

CONSULTATION

During the interviews a series of questions arose amongst respondents regarding what an SLP is and why they don't know about the SLP of Sibanye Stillwater. Although most respondents did not know what an SLP was, 20 people (8.3%) of the 241 respondents knew what an SLP is. Of those that knew, 91.3% had never been involved in the consultation process of formulating an SLP. Only 15 people (6.2%) had. However, when asked whether they had ever seen the SLP of the local mine, 19 people (7.9%) said that they had seen the SLP and 216 people (89.6%) had not.

Despite the SLP being a mechanism through which the mine channels its proceeds from mining in order to benefit the community, also containing proposed programmes directed at the host mine-affected community and the labour sending areas and to offset the negative impacts of the mine and improve the quality of life of mine-affected communities, Merafong City Local Municipality residents are not well versed about SLPs, indicating poor stakeholder engagement practices by Sibanye-Stillwater.

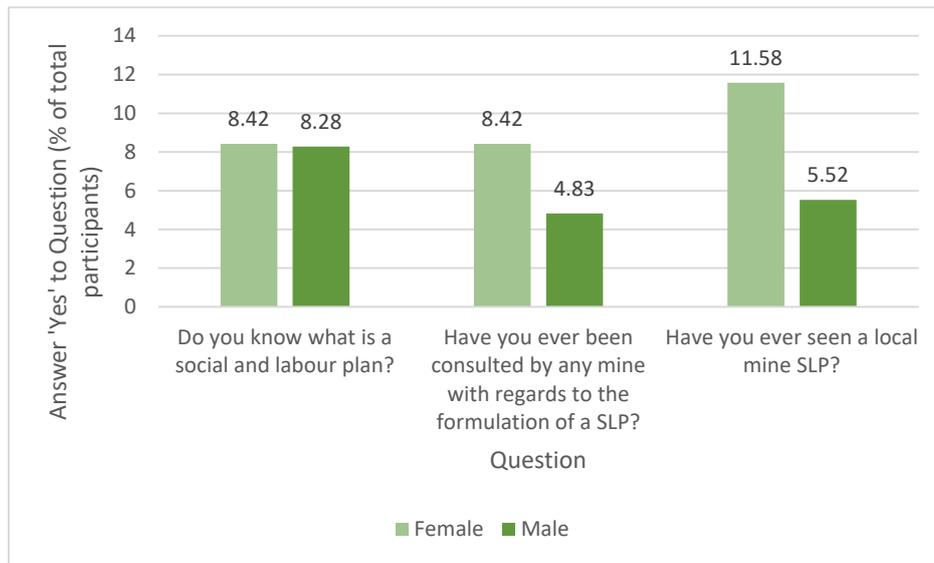


Figure 2 above illustrates a comparison between female and male understandings of SLPs in the Carletonville community. Although more males (146) than females (95) participated in the social audit, both genders demonstrated a similar rate of understanding of what an SLP is (8.42% of female participants and 8.28% of male participants), responses indicate that 8 female and 12 male participants know what an SLP is. However, 8 out of 95 female participants (8.42%) and 7 out of 146 male participants (4.83%) indicated that they have previously been consulted by a local mine. Furthermore, almost twice the percentage of female participants (11.58%) than male participants (5.52%) indicated that they have seen an SLP before.

While the general understanding of SLPs in Carletonville is well below par, it is interesting to note that a higher proportion of female than male participants were involved in the consultation of SLPs in Carletonville. While it may seem that a higher proportion of females participated in SLP consultation processes, or have at least seen an SLP, it must be noted that less females (95) than males (146) participated in the social audit. It is clear from this sample of the community that more females than males have a basic understanding of SLP, albeit an extremely low percentage of the total participant sample size.

It is concerning, however, that a low percentage of participants have knowledge on SLPs in Carletonville. This is particularly concerning as a larger number of males participated in the social audit as compared to females. While it is crucial that females in mining-affected communities understand SLPs, educating the general population, including males, about SLPs makes them more robust. A large-scale programme to educate both males and females in Carletonville would therefore be beneficial to the overall well-being of the community.

INTEGRATED REPORT DISCUSSION

Integrated reports are developed by mining companies to provide a holistic assessment of the company's ability to create value. The report includes information from full governance and remuneration reports and supplementary reports. Integrated reports also include non-financial aspects. Non-financial aspects may potentially impact the operation of mines. This may include the perceptions of stakeholders. The report is therefore drafted with the intention of appealing to a wide range of stakeholders, including employees, local communities, non-governmental organisations (NGOs), customers and government.

In their 2013 Integrated report, Sibanye Stillwater (Sibanye Gold at the time) noted that the SLP for their Driefontein operation had not yet been approved by DMR¹⁶. They claim that they undertook an evaluation of their activities and the effects on the community by consulting with the municipality to ensure alignment of the local economic development projects with the Integrated Development Plans (IDPs). The mine claimed that they found that the aligned projects do not have the desired impact for host communities and therefore pursued a different approach to local economic development whereby they would ensure that all role players have had an opportunity to influence decisions on how best to invest in local economic development.

In 2014, Sibanye Stillwater reported that they directly engage with communities in order to identify "priority and meaningful development projects"¹⁷. They further reported about

¹⁶ Sibanye Gold Limited, "Integrated Report 2013", 2022, accessed 29 December 2021, <https://www.sibanyestillwater.com/news-investors/reports/annual/2013/> at 62.

¹⁷ Sibanye Gold Limited, "Integrated Report 2014", 2022, accessed 29 December 2021, <https://www.sibanyestillwater.com/news-investors/reports/annual/2014/> at 73.

the waste management and recycling project that was due to be done in conjunction with AngloGold Ashanti and Harmony, while reiterating that their alignment with the IDP did not best serve local communities in relation to the impact that they had in those communities. Nevertheless Sibanye-Stillwater did not give specifics as to when the project was completed or if it had been completed, which is indicative of the manner in which their reporting is defunct to an extent. The integrated report would have more substance if there was more reporting on specific projects, and detailed progress reports on the site of projects that were implemented as well as detailed expenditure on the projects purported to be done by the mine.

From 2015 to 2020 the strategic approach to involving communities in decisions around the projects they would like implemented in their communities and the discrepancies between the alignment of SLPs with the IDP are noted¹⁸. In addition, Sibanye Stillwater stated in their 2015 annual integrated report that they seek to align the company's Community Engagement and Development (CED) programme with the priorities of local municipalities. The approach they would take to achieve the aforementioned is not clarified. Sibanye further reported that achieving the company's high standard of social equity may prove challenging as implementation of broad scale frameworks are difficult in local contexts¹⁹. This is due to the unique circumstances of small-scale communities based on the Apartheid legacy. In other words, one size does not fit all. Extensive, meaningful, and inclusive stakeholder engagement is required to ensure that SLP targets are met in individual communities.

Stakeholder Engagement and SLPs

A mainstay theme in the operations, according to Sibanye Stillwater's social upliftment scheme, is to focus on their Mining Charter obligations and exceed the expectations of their SLPs²⁰. Sibanye-Stillwater states that the benefits accrued from their mining activity

¹⁸ Sibanye Gold Limited, "Integrated Report 2015", 2022, accessed 29 December 2021, <https://www.sibanyestillwater.com/news-investors/reports/annual/2015/> at 55.

¹⁹ Megan Cole and Jennifer Broadhurst, "Measuring the Sustainable Development Goals (SDGs) in mining host communities: A South African case study," *The Extractive Industries and Society* 8, 1 (2021) at 233-243.

²⁰ Sibanye Gold Limited, "Integrated Report 2013", 2022, accessed 29 December 2021, <https://www.sibanyestillwater.com/news-investors/reports/annual/2013/> at 55.

are to be shared through partnerships and collaboration, and transparent community engagement while ensuring that sustainable development is integrated into decision-making²¹. According to Sibanye-Stillwater their efforts to carry out this plan is illustrated in the establishment of a complaints hotline that can be used by community members to voice their concerns about the company's operations. Furthermore, Sibanye Stillwater asserts that regular forums to assess their Mining Charter obligations (the governance of their SLPs) and other stakeholder engagement processes took place. In 2018, Sibanye Stillwater noted misconceptions about their engagement practices, with specific reference to procurement, environmental issues, care and maintenance, and socio-economic development programmes. The company also noted gaps in their municipality-led Integrated Development Plan process that is meant to determine and prioritise the needs of communities to inform their SLPs. Furthermore, a misunderstanding of SLP funding and related responsibilities was also noted. Sibanye-Stillwater claims to have reviewed these issues and established the need to implement the following solutions²²:

- Educate communities about Sibanye-Stillwater's business and their rights
- Increase internal and external consultation on SLPs and related responsibilities
- Assist communities to organise themselves so that engagement is constructive
- Improve procurement and socio-economic development to close historical gaps
- Support Corporate Social Investment (CSI) and environmental programmes that have been identified by local communities
- Make communication channels open and consistent
- Implement effective conflict resolution/complaints mechanisms

Nevertheless the long standing pattern of attempting to address these issues is evident from the discussion above. Sibanye Stillwater claims to have been constantly reviewing their stakeholder engagement processes since 2012, however it must be noted that they

²¹ Sibanye-Stillwater, "Integrated Annual Report 2018", 2022, accessed 29 December 2021, <https://reports.sibanyestillwater.com/2018/#home> at 122.

²² Ibid.

encounter the same issues in 2020 which is indicative of either false reporting or poor implementation of their reported internal systematic changes to stakeholder engagement. In either case, it is deeply concerning and proves to be of great disservice to mining affected communities.

In 2019, Sibanye-Stillwater noted issues raised by communities themselves regarding stakeholder engagement²³. However, this issue may have been ongoing over a period of years before 2019. The results of this audit, which illustrates a low level of consultation by Sibanye-Stillwater, suggests that inadequate stakeholder engagement has been ongoing for many years prior to 2019.

Adequate engagement is imperative for the development of SLPs. In 2017, at the start of the new SLP cycle (i.e., the renewal of Sibanye-Stillwater's SLPs), the need for Free Prior and Informed Consent (FPIC) was highlighted as one of the biggest issues raised by communities²⁴. FPIC refers to clear communication with communities so that they are sufficiently informed in good time and given the opportunity to approve or reject projects. The principle of FPIC is recognised under International Human Rights law and African Customary law and should therefore be incorporated in the development of SLPs²⁵. The lack of consultation with communities, as evident in this audit, suggests that FPIC was not carried out in the development of the SLP. Sibanye-Stillwater asserts that they have developed their own social impact and management plans, which they seek to align with SLPs²⁶. The company purports to align itself with international environmental and social standards such as ISO 14001 and should therefore strive to better incorporate FPIC, a

²³ Sibanye-Stillwater, "Integrated Annual Report 2019", 2022, accessed 29 December 2021, <https://reports.sibanyestillwater.com/2019/> at 193.

²⁴ Sibanye-Stillwater, "Integrated Annual Report 2017", 2022, accessed 29 December 2021, <https://reports.sibanyestillwater.com/2017/#home> at 101.

²⁵ African Lii, "Free, Prior and Informed Consent in the Extractive Industries in Southern Africa", *African Lii*, accessed 30 December 2021, <https://africanlii.org/ebook/free-prior-and-informed-consent-extractive-industries-southern-africa#:~:text=For%20Indigenous%20Peoples'%20the%20right,the%20opportunity%20to%20approve%20or.>

²⁶ Sibanye-Stillwater, "Integrated Annual Report 2019", 2022, accessed 29 December 2021, <https://reports.sibanyestillwater.com/2019/> at 71.

critical internationally renowned principle, in its practice if the company seeks to align with international standards and improve the quality of their SLPs²⁷.

Sibanye-Stillwater, however, has been experiencing numerous issues in relation to the implementation of their SLPs. The company noted a backlog of implementing SLP commitments. The failure of the company to implement SLP commitments on time meant that the implementation of projects committed to in the following SLP cycle could not occur before prior commitments were fulfilled.

The Agricultural Shift

All Sibanye-Stillwater's socio-economic development is reportedly centred around moving away from the dependence on mining activity²⁸. This means that skills development and education will be centred around shifting to alternative industries rather than providing mining related skills. This is advantageous as mines may not always be present in the region to provide employment opportunities. Accordingly, the industry identified to be most suitable for the transition is the agricultural industry²⁹. As seen in Figure 1, Merafong has the spatial capacity to facilitate this transition as there is plenty of open grassland around residential areas that could be used for agricultural activity. However, proper environmental assessments must be done on the land to establish the impact that nearby mining activity may have had on the land (it may impact plant growth and water quality, for instance). Additionally, markets must be identified where agricultural products produced by the proposed agricultural industry development will thrive.

The Environment

As mentioned, Sibanye-Stillwater states their alignment with international environmental and social standards such as ISO 14001. However, an alternative perspective suggests that companies who align with these international frameworks are often capital motivated. Financial incentives are often offered to companies who comply with these types of

²⁷ Sibanye-Stillwater, "Integrated Annual Report 2020", 2022, accessed 29 December 2021, <https://reports.sibanyestillwater.com/2020/#home> at 245.

²⁸ Sibanye Gold Limited, "Integrated Report 2016", 2022, accessed 29 December 2021, <https://reports.sibanyestillwater.com/2016/> at 83.

²⁹ Ibid.

international frameworks³⁰. Nonetheless, it is imperative that stakeholder engagement is carried out when assessing the environment and environmental impacts to comply with the international standards. A dichotomy occurs here, as aligning with international standards requires effective social engagement, yet there is evidence to suggest that invasive vegetation is present in the region which may hinder the planned shifting of economic activity to the agricultural industry. The first and only mention of alien invasive species of plants in any of Sibanye-Stillwater's annual integrated reports was in 2017³¹. They state that ridding the Merafong area of alien invasive plant species will be part of local economic development projects. This suggests that very few community members were aware of any such project. Furthermore, it suggests that they did not complete the project between the years of 2012-2016. These suggestions are indicative of the manner in which communities are excluded from consultations on projects and further do not receive detailed progress reports on the implementation of these projects, which is a major failure on the part of mining companies.

With regards to waste, the company issued a waste position statement in 2020³². In their statement, there was no mention of the waste management project (granted that the project was supposed to run from 2012 to 2016, there was no mention of the project in any other integrated reports either). Nevertheless, in 2020, the company drafted their Biological Diversity Protocol (BPD) (officially launched in 2021). The BPD enables the identification, measurement, management, and reporting of impacts on biodiversity in a standardised comparable and credible unbiased manner. The results of projects developing under the protocol are meant to be in collaboration with stakeholders, providing an opportunity for the continuation of Sibanye-Stillwater's previous waste management project as the company strives to reduce its waste output. According to their reporting, this project only occurred after the 2012 to 2016 SLP cycle.

³⁰ Rocio Carrilo-Labela, Fatiha Fort and Manuel Parras-Rosa, "Motives, Barriers, and Expected Benefits of ISO 14001 in the Agri-Food Sector", *Sustainability* 12, 1724 (2020).

³¹ Sibanye-Stillwater, "Integrated Annual Report 2017", 2022, accessed 29 December 2021, <https://reports.sibanyestillwater.com/2017/#home> at 112.

³² Sibanye-Stillwater, "Integrated Annual Report 2020", 2022, accessed 29 December 2021, <https://reports.sibanyestillwater.com/2020/#home> at 267.

Education

According to Sibanye-Stillwater, major investment was made in education infrastructure, including support given to schools, partnerships with Gold Fields Limited, South Deep Education Trust, Westcol and Westonaria Community Trust to construct the Westcol Technical and Vocational Education and Training College with partners to provide skills training relevant to alternative economies in the West Rand District³³. However, there is no mention of the Adult Basic Education and Training (ABET) in any of the company's integrated annual reports. While the development of skills in alternative economies are important, it is also important to upskill existing unemployed and unskilled people in local communities.

CONCLUSION

Sibanye-Stillwater centres its socio-economic development plans based on exceeding the expectations of their SLPs, promoting the development of alternative industries (mainly agriculture), and aligning with international socio-economic and environmental standards such as ISO 14001 and the IFC Performance Standards. However, evidence gathered in this audit suggests that the community of Carletonville is not adequately aware of the initiatives taken by Sibanye-Stillwater to achieve these objectives. Alarming low numbers of participants showed any indication of knowledge about the ABET programme, the operation to remove alien invasive plant species, or the waste management initiative. This is mainly due to poor communication and consultation with the community, as is indicated by the equally alarmingly low numbers of participants who indicated that they knew about and were consulted with in the development of the company's SLP in 2012. Therefore, it is clear that Sibanye-Stillwater has not adequately fulfilled its objectives of exceeding the expectations of their SLP (expectations cannot be exceeded if stakeholders aren't aware of them), promoting development of alternative industries (the community is not aware of the skills training offered by the company), and aligning with international socio-economic and environmental standards (the community is not aware of the socio-economic developments that are meant to be taking place). This

³³ Sibanye-Stillwater, "Integrated Annual Report 2019", 2022, accessed 29 December 2021, <https://reports.sibanyestillwater.com/2019/> at 196.

report further speaks to the fact that the manner in which community engagement, as undertaken by Sibanye Stillwater, does not speak to the aspirations of affected communities and lacks the kind of inclusive mechanisms envisioned by the MPRDA because development projects do not reflect their immediate needs. The lack of specific reporting on development projects, with expenditure attached thereto, further emphasises the exclusion of communities in their own development because communities are not being engaged in a transparent and meaningful manner.

APPENDICES

Appendix A: Overall Results and Observations

ITEM	QUESTION	ANSWER	COMMENT
DEMOGRAPHICS	Gender	M = 146 F = 95	
	Age	10-19 = 4 20-29 = 45 30-39 = 91 40-49 = 57 50-59 = 28 60-69 = 12 70-79 = 4	
ABET TRAINING PROGRAMME	Do you know Sibanye has committed to sponsor 900 community members to attend ABET training level 1-4 between 2012 and 2016?	Yes = 31 No = 210	87.1% of the respondents did not know that the mine had committed to sponsor ABET classes for the community while 12.9% asserted that they were aware.

	If yes, how did you find out?	<p>Community meeting = 2</p> <p>Word of mouth = 17</p> <p>Mine = 6</p> <p>N/A = 6</p>	<p>The majority of people in the community who knew about ABET training classes being sponsored by the mine found out through word of mouth (54.8%), 6.5% found out from a community meeting, 19.4% found out from the mine and the rest (19.4%) did not state how they found out.</p>
	Do you know how much money was committed for this programme?	<p>Yes = 1</p> <p>Don't know = 30</p>	<p>Only 1 person assented to knowing of the budget for the programme, while 96.8% of the respondents did not know.</p>
	Do you know of anyone in the community or in this household who has attended this programme?	<p>Yes = 53</p> <p>No = 181</p> <p>N/A = 7</p>	<p>Out of all the community members asked, 22% knew someone who had attended the ABET classes, whereas 75.1% did not know anyone and 2.9%</p>

			declined to answer.
	Where did they attend?	Badirile high school = 27 Westcol = 2 Sibanye Gold = 5 Hlangaveza primary school = 7 Mbulelo primary school = 4 Randfontein = 3 Don't know = 5	There were various different answers with reference to where they attended the ABET Training, how long the course was and which levels were on offer.

	<p>How long was the duration of the course?</p>	<p>1 week = 2 6 months = 4 8 months = 2 1 year = 14 2 years = 8 3 years = 6 4 years = 6 Don't know = 11</p>	
	<p>Which level did they do?</p>	<p>Level 1 = 3 Level 2 = 10 Level 3 = 3 Level 4 = 24 Level 1-2 = 1 Level 1-3 = 1 Level 3-4 = 1 Level 1-4 = 1 Don't know = 9</p>	

	<p>Was there any registration fee required and how much?</p>	<p>Yes = 2 R95 = 1 R100 = 17 R150 = 1 R 200 = 2 R300 = 1 R500 = 1 R700 (R100 per subject) = 1 No = 17 Don't know = 10</p>	<p>26 people (49.1%) noted that there was a registration fee involved in taking the ABET Training classes, whereas 17 people (32.1%) noted that there were no registration fees. 10 people (18.9%) did not know either way.</p>
	<p>Did they get the certificate for the ABET training they undertook?</p>	<p>Yes = 37 No = 6 Don't know = 10</p>	<p>The majority of the respondents (69.8%) noted that certificates were given to participants, while 6 people (11.3%) refused when asked if certificates were given and 18.9 % did not know if the participants received certificates.</p>

	What happened after the completion of the ABET course?	Learnership = 2 Studied further = 3 Still working = 1 Nothing = 19 Paid R300 registration fee = 1 Don't know = 27	50.1% did not know what happened after the ABET classes, however there were other responses that were not uniform, the majority (35.8%) stating that nothing happened once the training had ended.
ERADICATION OF ALIEN INVASIVE TREE SPECIES	Do you know that Sibanye committed to a project for the eradication of alien tree species between January and December 2012 around Driefontein communities?	Yes = 17 No = 223 N/A = 1	92.5% of the respondents were not aware of the project to eradicate alien species around Driefontein, while 7.1% admitted to knowing about the project and 1 person provided no answer.

	<p>If yes, how did you find out?</p>	<p>Mine = 1 Word of mouth = 4 Social media = 1 Saw it happening = 7 N/A = 4</p>	<p>41.2% just saw trees being cut down, 23.5% heard through word of mouth, 5.9% heard from the mine and 5.9% heard via social media. 23.5% of the respondents provided no answers.</p>
	<p>Which area were these trees cut?</p>	<p>Near the station = 7 Abebailey = 1 Blyvoor = 1 Blybank = 1 Carletonville = 2 Extension 2 = 1 Near the hospital = 1 Ward 10 = 1 Don't know = 2</p>	<p>The trees that the respondents saw being cut were all over Carletonville, from different areas.</p>

	Do you know how much was spent for the project?	No = 123 N/A = 118	51% of the respondents did not know the budget set aside for the project, and 49% of the respondents did not answer.
	Do you know anyone from the community who worked on this project?	Yes = 5 No = 123 N/A = 113	2.1% of the respondents knew someone who had worked on the project from their community, while 51% did not, and 46.9% declined to state.
	Do you know of any local businesses that benefited with this project?	Yes = 1 No = 127 N/A = 113	52.7% of the respondents did not know any local businesses that benefited from the project, while 1 person admitted to knowing someone and 46.9% did not answer the question.
	Do you know how these businesses were selected?	Through a tender system = 1	According to the single respondent, the local business was selected through a tender process.

	Do you know how many trees were cut?	More than 30 = 1 No = 127 N/A = 113	52.7% of the respondents did not know how many trees were cut, while 1 person asserted that more than 30 trees were cut down in the course of the project. 46.9% of the respondents declined to answer.
	What happened to the trees after they were cut?	Don't know = 128 N/A = 113	The majority of respondents did not know what happened to the trees after they were cut down during the course of the project.
WASTE MANAGEMENT PROJECT	Do you know about the waste management project that Sibanye Gold committed to the community between 2012 and 2016?	Yes = 9 No = 232	96.3% of the respondents did not know of any such waste management programme due to be undertaken by Sibanye Stillwater, whereas 3.7% of the respondents.

	<p>If yes, how did you know?</p>	<p>Word of mouth = 4 Saw = 2 Work at the mine = 1 N/A = 2</p>	<p>Out of those that did know about the project, 4 people (44.4%) found out through word of mouth, 2 people (22.2%) saw the waste management project in action and 1 person (11.1%) worked at the mine which was how they found out. 2 people (22.2%) did not answer.</p>
	<p>Do you know of anyone who was employed by the project?</p>	<p>Yes = 8 No = 125 N/A = 108</p>	<p>8 people (3.3%) from the community knew of people employed by the project, while 125 people (51.9%) did not know anyone from the community employed by the project and 108 people (44.8%) of the respondents did not answer the question.</p>

	Do you know of anyone who benefitted in any way from the project?	Yes = 6 No = 127 N/A = 108	2.5% of the respondents noted that they knew of people who had benefited from the project, while 52.7% of the respondents knew no one and 44.8% did not respond.
	Do you know how much was spent on the project?	Yes = 2 No = 128 N/A = 111	Only 2 people (0.8%) stated that they knew the budget of the project, while 128 people (53.1%) did not and 111 people (46.1%) didn't answer.
	Do you know where this project was situated?	Yes = 7 No = 125 N/A = 109	7 people (2.9%) stated that they knew where the waste management project was situated, but all gave different responses, while 125 people (51.9%) declined knowing the location and 109 people (45.2%) did not answer.

GENERAL	Do you know what a Social and Labour Plan is?	Yes = 20 No = 214 N/A = 7	Only 20 people (8.3%) of the 241 respondents knew what an SLP is, and 214 people (88.8%) did not know what it is, while 7 people (2.9%) did not answer the question.
	Have you ever been consulted by any mine with regards to the formulation of a SLP?	Yes = 15 No = 220 N/A = 6	220 people (91.3%) had never been consulted by any mine in their community regarding the formulation of an SLP, and only 15 people (6.2%) had, while 6 people (2.5%) declined to state either way.
	Have you ever seen a local mine SLP?	Yes = 19 No = 216 N/A = 6	When asked about the SLP of the local mine, Sibanye Gold, specifically 19 people (7.9%) had seen their SLP and 216 people (89.6%) had not, whereas 6 people (2.5%) refused to answer.

