



**Creating Shared Value in the Northern Cape**  
Mining and Community Development Breakfast Workshop

Shani Cronjé  
19 October 2017

# Why Shared Value?

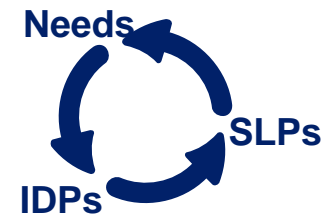
1

Companies are widely perceived to be prospering at the expense of the broader community

US | THEM

2

Policies that aim to balance competitiveness and societal benefits have been introduced



3

Results have increased CSR spend but often not socio-economic growth

Spend



Impact



4

Companies must take the lead in bringing business and society back together:

*'The solution lies in the principle of shared value, which involves creating economic value in a way that **also** creates value for society by addressing its needs and challenges'*

# Corporate Social Responsibility vs Shared Value

## Corporate Social Responsibility

- Value: Doing Good
- Citizenship, philanthropy, sustainability
- Discretionary or in response to external pressure
- “Cost of compliance” mind-set
- Agenda is determined by corporate footprint, CSR budget and regulation
- Impact limited by corporate footprint and CSR budget
- Reactive unilateral action

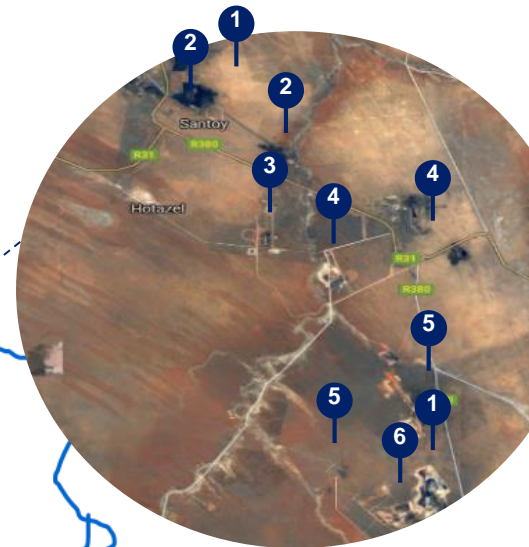
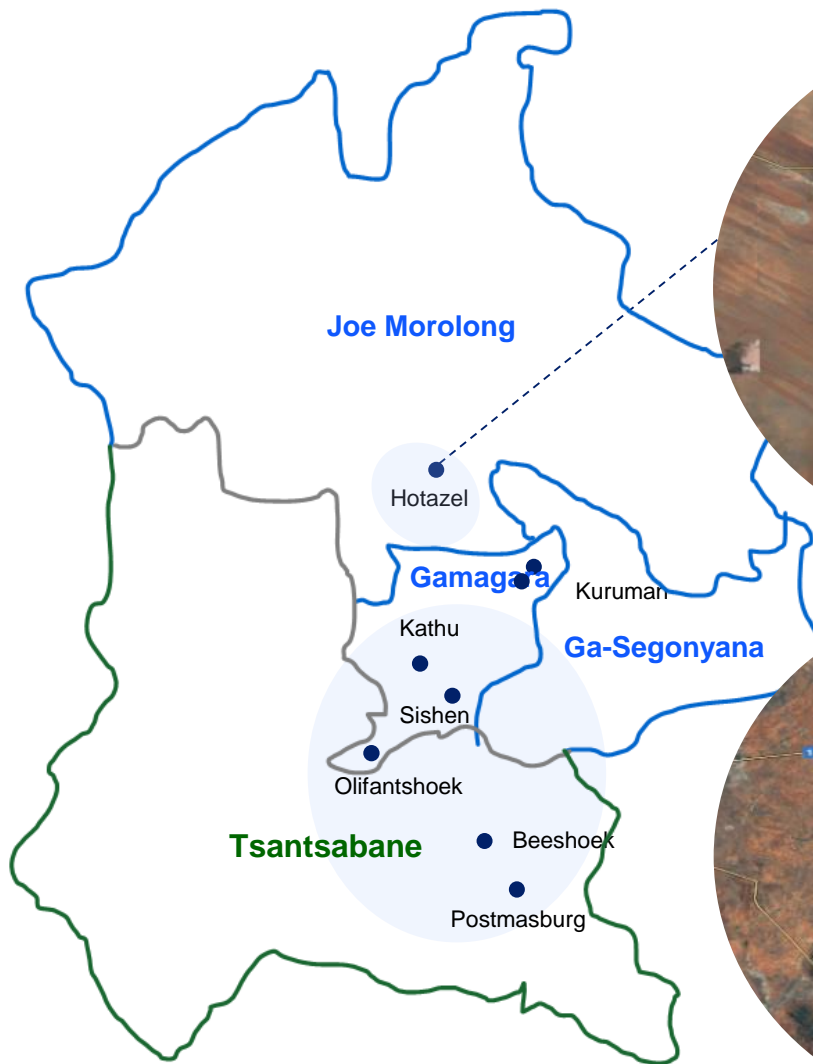
vs.

## Shared Value

- Value: Economic and societal benefits and impact relative to cost
- Joint company and community value creation across region
- Integral to sustaining a competitive advantage
- Investment mind-set
- Agenda is company specific and collaboratively generated
- Realigns the entire company budget

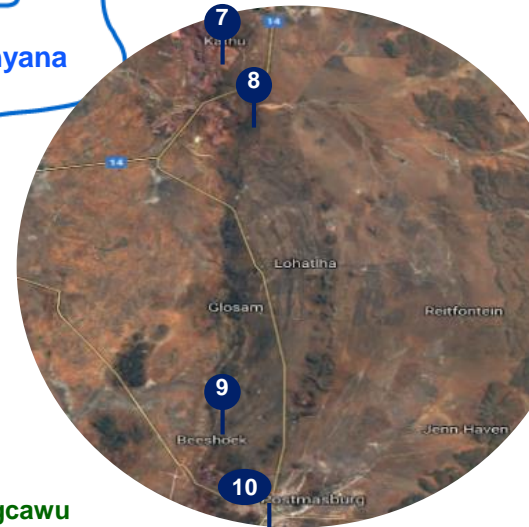
**Northern Cape mining companies are complying with the requirements as set out in the Mining Charter, yet an inherent desire exists to deliver greater impact i.e. shared value**

# Mines in the Northern Cape



## Manganese Mines

- 1 South 32
- 2 Assmang Black Rock
- 3 Kalagadi Manganese Resources
- 4 Kudumane Manganese Resources
- 5 United Kalahari Manganese
- 6 Tshipi é Ntle Manganese Mining



## Iron Ore Mines

- 7 Kumba Iron Ore Sishen
- 8 Assmang Khumani
- 9 Assmang Beeshoek
- 10 Kumba Iron Ore Kolomela

District municipalities: **John Taolo Gaetsewe**

**ZF Mgcawu**

# Investigating the Case for Collaboration

---



**1**

How much are we investing?



**2**

What does the landscape of current initiatives look like?

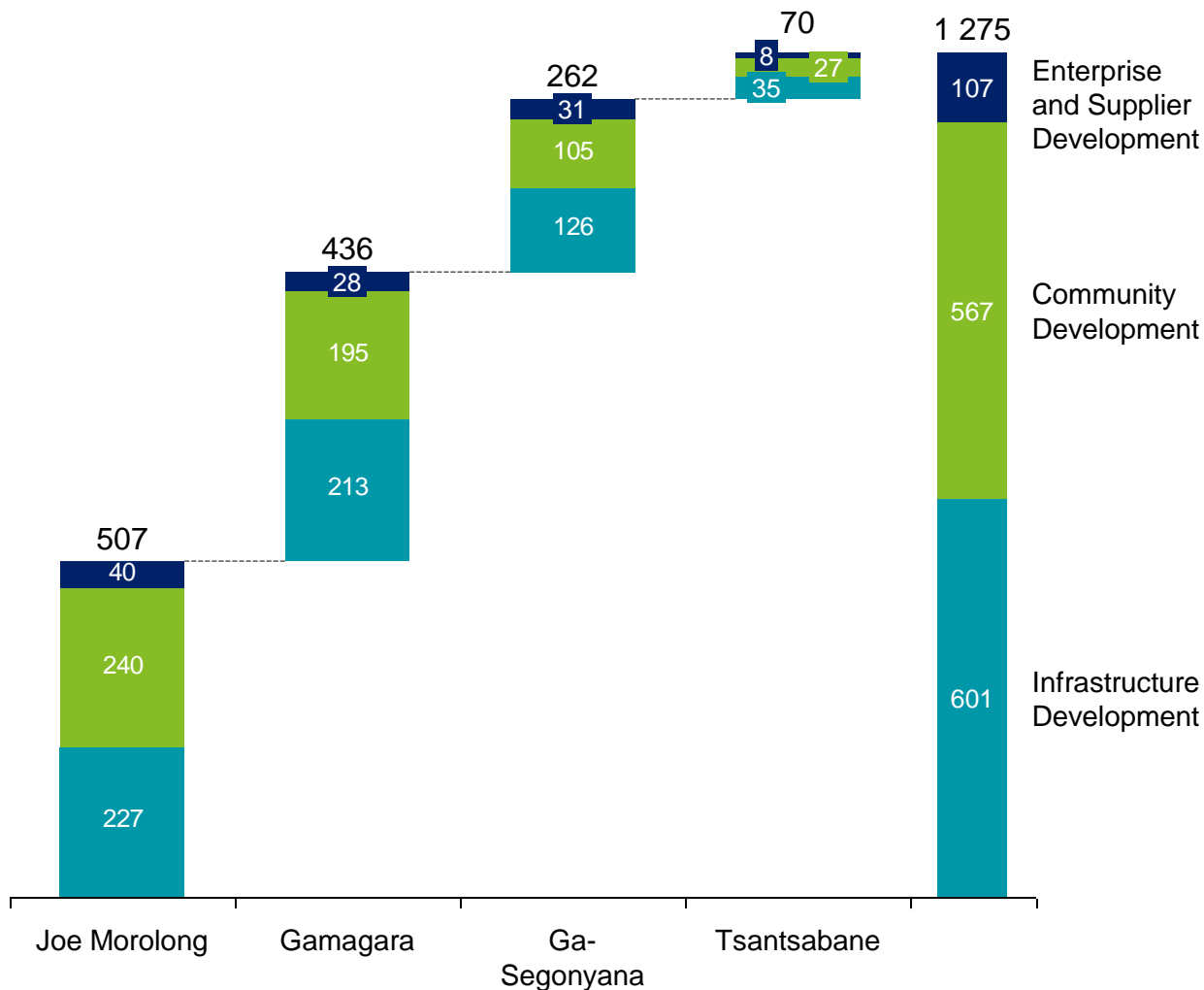


**3**

Should we collaborate?

# Regional Portfolio – Five Year Investment

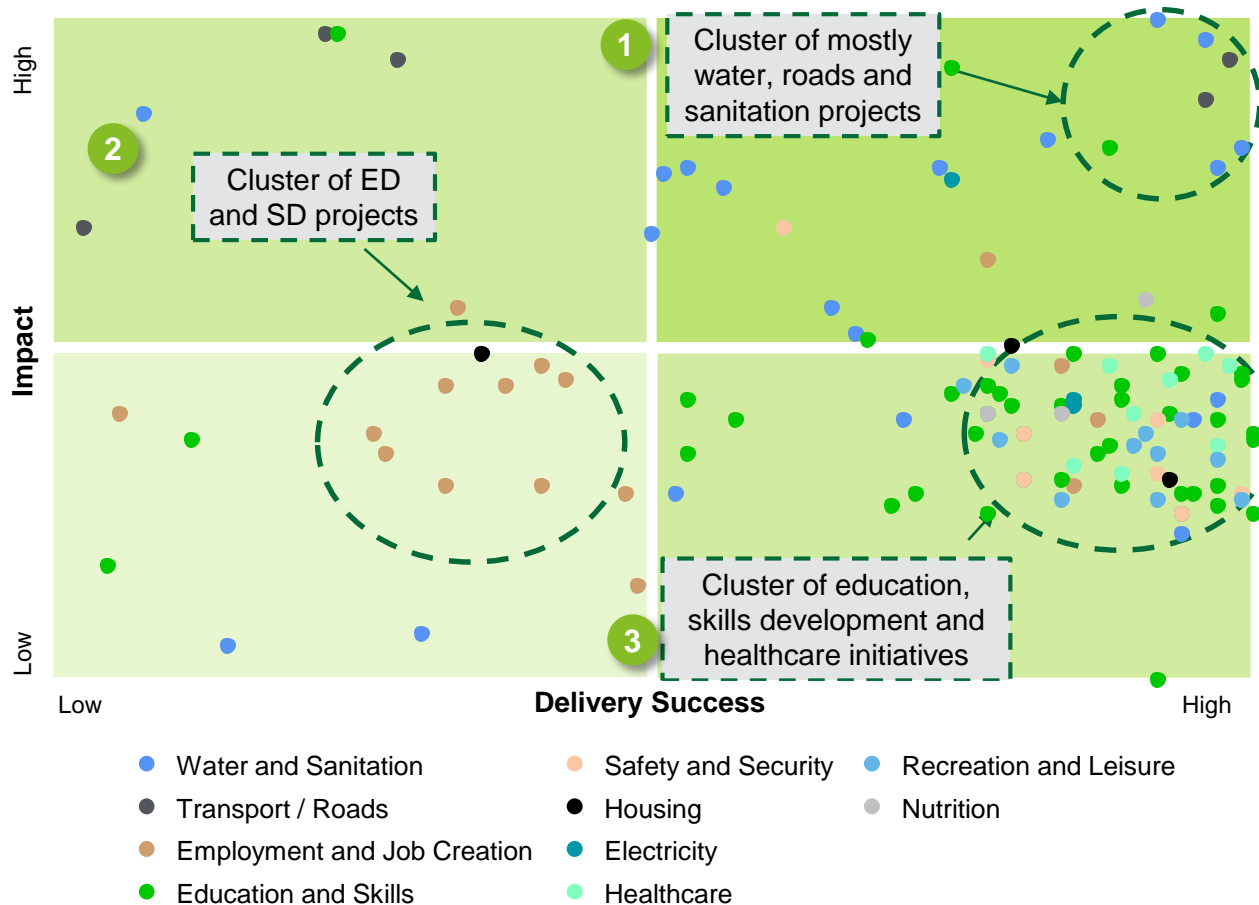
Approximate 5 Year Regional Investment Profile (Rm)



- Typical 5 year regional investment value from participating companies, estimated to be R 1.2 billion
- Includes both social labour plan (SLP) and non-SLP spend
- More than 70% of this regional investment value is directed at the Joe Morolong and Gamagara local municipalities
- Infrastructure development makes up the primary investment focus area, followed by community development and enterprise development
- Infrastructure, community and enterprise categories are based on typical SLP structures, community development includes education and skills development, schools and healthcare

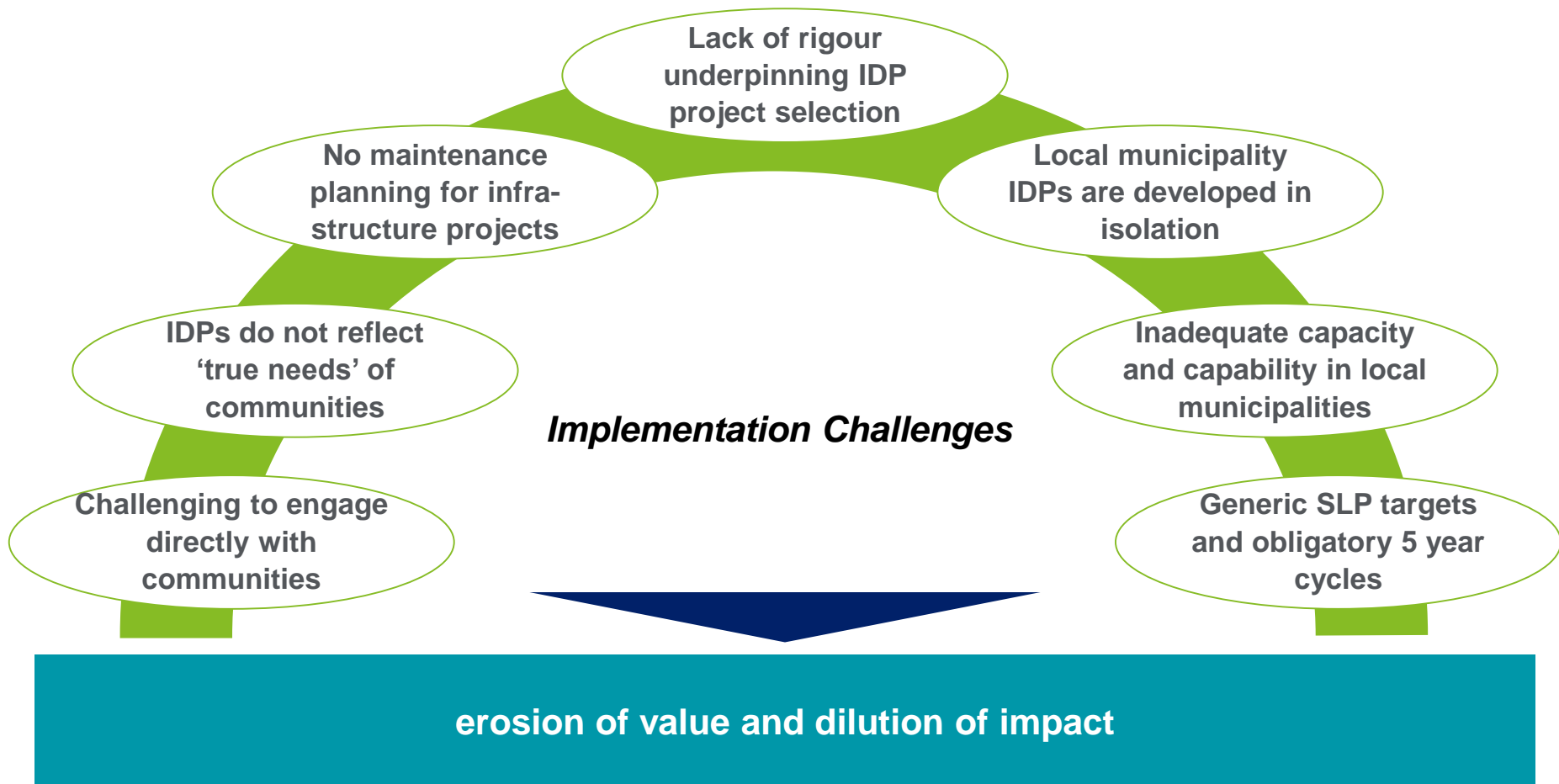
# Regional Portfolio – Delivery Success and Impact

## Initiative Delivery vs Impact Sample Distribution



- Most initiatives in the portfolio are delivered fairly well but could have a greater impact
- Enterprise supplier development projects require attention as delivery and impact is relatively unsuccessful
- Water, sanitation and road projects are perceived to have made the greatest impact and are mostly implemented successfully
- Education and skills development, as well as healthcare projects are generally smaller and well executed, providing an opportunity to increase impact through scaling

# Regional Portfolio – Implementation Challenges





# Case for Collaboration

---



# Collaboration and Regional Aspirations

Participating mines seek to....

Greater socio-economic impact

Improved efficiency in initiative delivery

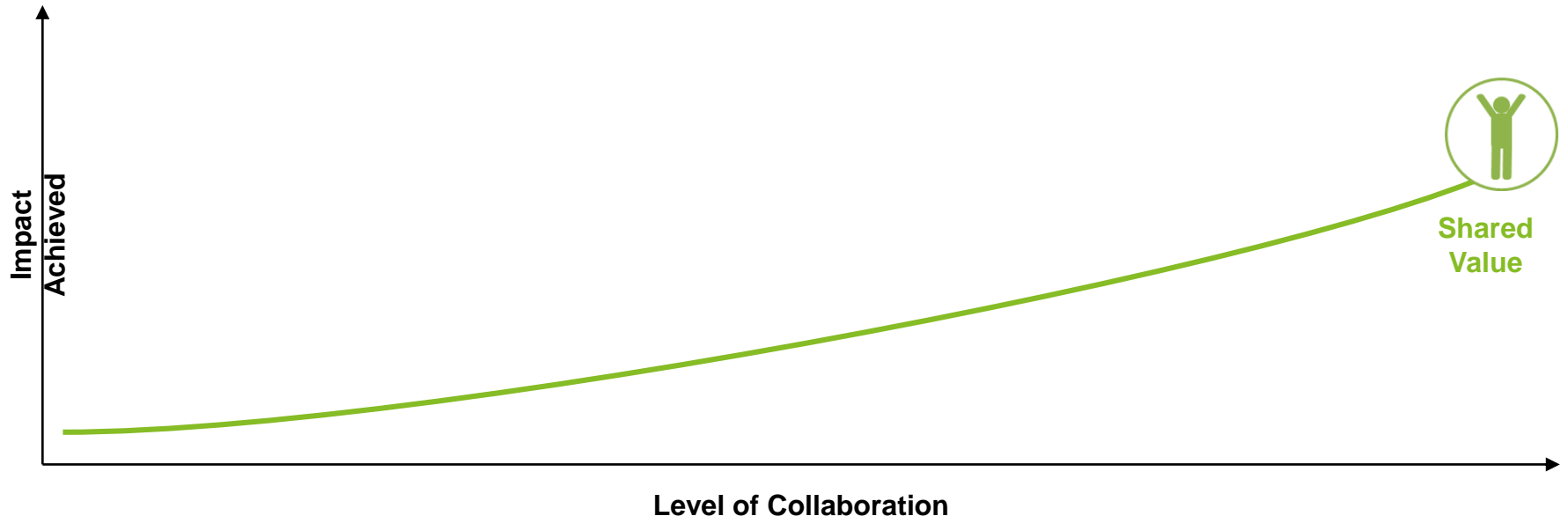
Increased social capital<sup>1</sup>

Increased return on social investment

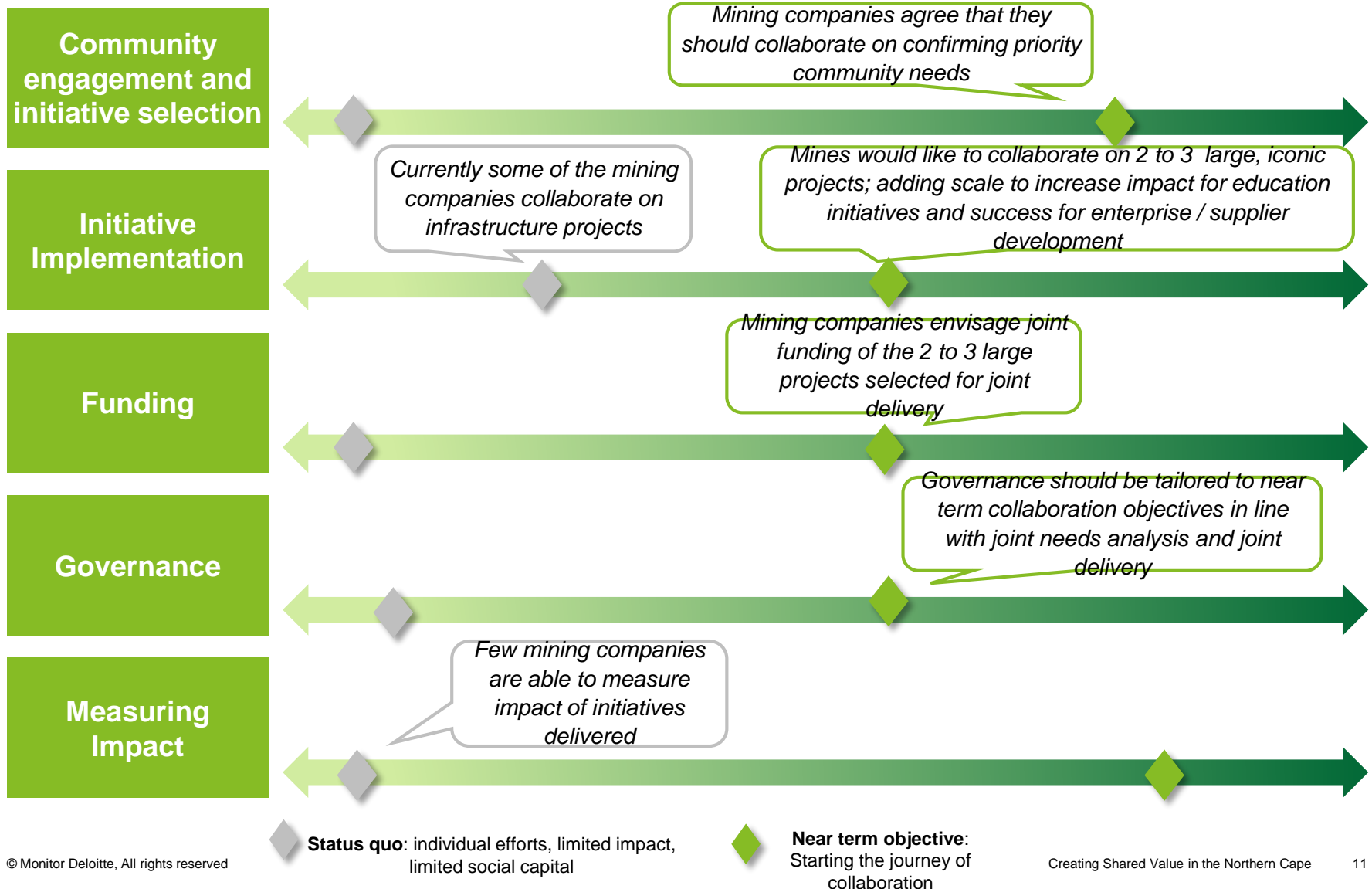
Greater alignment of initiatives to priority needs

Consistent compliance with regulatory frameworks

... by collaborating to create shared value

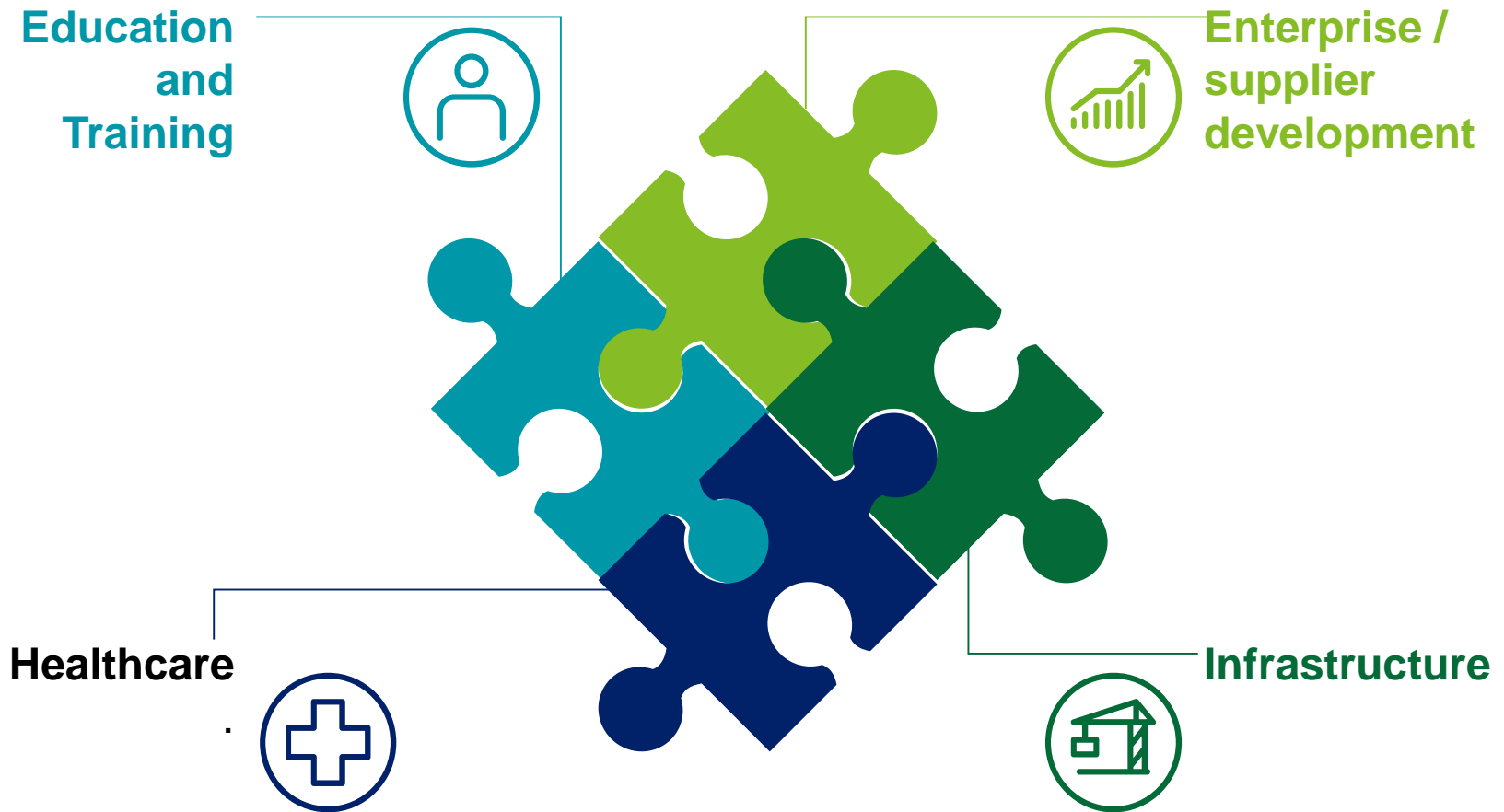


# Functional Collaboration



# Focus Areas for Collaboration

---



# Opportunities Collaboration Bring for Emerging Miners

---

