

ENGAGING WITH OUR STAKEHOLDERS

Northam ensures that the principles of openness, integrity and accountability are adopted at every level of engagement with identified stakeholders and reports timeous, relevant and meaningful information to all stakeholders. A formal process of stakeholder identification was undertaken to identify those individual/groups with whom the company engages, who have an interest in the company and its operations, and on whom the company has an impact.

In identifying its stakeholders, Northam developed a matrix of those groups/individuals who are directly and indirectly associated with the company. The former includes employees, shareholders suppliers, unions and neighbours. Indirectly affected stakeholders include community members.

Although the board and its sub-committees are kept informed of stakeholder concerns, issues raised by stakeholders of the company's operations are dealt with directly at the operational level.

Governing stakeholder relationships

In F2010, the company commissioned an independent review of its compliance with the revised King Code and Report on Governance for South Africa (King III). Specifically, this review examined current practice, and an analysis of the gaps that exist between current practice and King III.

In relation to the governance of stakeholder relationships, the outcome of the analysis suggested:

- the development of an overarching group stakeholder engagement strategy and policy;
- the development of stakeholder communication guidelines by management to be approved by Northam's board; and
- the development and implementation of a formal dispute resolution process for external stakeholders.

These suggestions have been considered by management and Northam is committed to full implementation of these measures within the next financial year.

Engaging with stakeholders

Extensive and ongoing interaction with stakeholders is undertaken by the various disciplines, for example:

Discipline	Stakeholder	Comment
Investor relations	Shareholders (providers of capital), research analysts, fund managers	Shareholders are encouraged to participate in the annual general meeting of the company and directly raise issues of concern or interest.
Marketing discipline	Refining partner (Heraeus) and customers	Active well-established two-way communication via formal and informal visits, feedback reports from customers, surveys.
Human resources department	Employees, unions and communities	Employees are encouraged to raise issues of concern and interest via the formal and informal structures in place, including through the human resources discipline, line management and union structures.
Procurement department	Suppliers and contractors	One-on-one meetings, open days and stakeholder forums where company policies and procedures are communicated.
All	Local, provincial and national government (DMR, Treasury, DWA, DEAT)	Through formal submission of regulatory and legislative compliance documentation, and feedback.
HR/community relations	Communities, local authorities, NGOs	Open days, visits, community forum meetings.

Community development is prescribed by the commitments made in the company's social and labour plans (SLPs). In line with the requirements of the Mining Charter, Northam ensures that its policies and practices are aligned with those of the local municipalities' integrated development plans (IDPs).

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The company engages with recognised community leaders on a regular basis. Community forums are in place to address community concerns, in particular issues such as local employment, training and development and procurement.

Northam does not actively engage in government lobbying. Executive director, Bernard van Rooyen, is a member of the executive of the Chamber of Mines of South Africa, and represents Northam's interests in the Chamber's representation to and deliberations with government. Specific areas of interaction during the year include the development and amendments to the Mining Charter, energy tariffs and carbon regulation.

Stakeholder group	Key topics and concerns	Engagement process
Shareholders and investors	- Overall financial performance - Issues relating to the overall sustainability of the company in particular: - safety - energy - carbon emissions - equity and transformation - operating performance - project status	- Annual general meetings - Road shows - One-on-one investor meetings - Preliminary and annual results briefings - Investor site visits - Company announcements - Company website - Annual reports - Sustainable development reports - CDP submissions - CDP water submissions
Customers	- Carbon and clean production - Innovation - Health and safety - Production	- CDP submissions - CDP water submissions - Formal presentations - Website - Road shows - Company announcements - Company reports - Site visits
Employees	- Training and development - Remuneration - Health and safety topics - Production related information - Employment practices	- Group policies - Collective bargaining practices - Team briefings - Two-way manager/employee communication - Intranet - Campaigns: - recruitment - HIV/AIDS - education - performance
Suppliers and contractors	- Employment practices - Local procurement practices - Business training and support - Quality control - Preferential procurement practices	- Company practices and policies - Preferential procurement programmes - Open days - Dialogue
Government and regulating authorities	- Licence to operate - Employment - Education and training - Local economic development programmes - Environmental impact and rehabilitation	- Formal processes - Participation in industry associations - Social and labour plans - Dialogue - Company reports - Open days - Site visits
Communities and NGOs	- Local economic development - Employment and local job creation - Local procurement programmes - Corporate social investment practices - Health related issues, in particular HIV/AIDS - Environmental impact and rehabilitation - Skills development programmes	- Community forums - Stakeholder forums - Peer educators - Industry partnerships - Community engagement programmes - Wellness campaigns, in particular HIV/AIDS awareness - Dialogue - Company announcements - Advertising in local newspapers
Media	- Financial results - Corporate activity - Environmental issues - Marketing - Community related topics	- Company announcements - Company website - Online presentations - Company announcements - Media site visits - Company reports - Interviews - Articles in local publications