Effective Stakeholder Engagement

An Essential Mechanism for Enhancing Company ESG Performance Beyond Compliance

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Building Enduring Relationships in Complex Environments

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I am an experienced economist and policy analyst, specialising in development economics and finance. I am the former Deputy Governor of the South African Reserve and Executive Director of the World Bank Group. I am the former Executive Dean of the University of South Africa ("UNISA") Graduate School of Business Leadership.

I was an independent consultant for the Ministry of Finance and National Treasury and a member of the Investigation Steering Committee of the Municipal Demarcation Board. I was the Deputy Chairperson of the Presidential Economic Advisory Council, during South Africa's Fifth and Sixth Administrations, which gives me a unique insight into government and economic policy.

I have extensive experience in stakeholder engagement, particularly in bridging gaps between the public and private sector, often finding myself facilitating negotiations between government and business. I have a deep interest in the socio-economic development of rural communities, having facilitated resettlement negotiations, advised companies on best practice for the distribution and/or investment of development funds, and contributing to company and government policy on community development.

I have completed courses on leadership and development through Harvard University's John F. Kennedy School on Government, and have extensive experience within the South African government, where I serve as the Chairperson of the Presidential Economic Advisory Council.

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OUTLINE

A. Why stakeholder engagement is critical to ESG

B. How to engage effectively

A. ESG and Stakeholder Engagement

ESG and Stakeholder engagement intersection

- Stakeholder engagement is critical to ensuring mining companies can embed ESG.
- Impact of legislative and voluntary compliance frameworks
- Not a tick box exercise
- Embedding ESG requires interacting with and involving various parties who can affect or are affected by business operations.

A. ESG and Stakeholder Engagement

Why is it important?

- Building a foundation of trust;
- Establishing healthy, constructive relationships;
- Securing social license to operate;
- Mitigating and managing conflict effectively;
- Creating mutual accountability and good governance;
- Improved long-term socio-economic development outcomes.

B. Effective Stakeholder Engagement

An engagement strategy is essential

Set clear goals

Ensure alignment with business objectives

Stakeholder mapping and analysis

Communication plans

Allocate resources

Factor in governance and accountability

B. Effective Stakeholder Engagement

Principles to keep in mind when engaging

- Set an agenda
- Listen actively
- Remain calm and respectful
- Avoid jumping to conclusions and judgments
- Do not reward bad behaviour, manage expectations

B. Effective Stakeholder Engagement

In conclusion

- Effective Stakeholder Engagement is essential for business success and cannot be tick box exercise
- It can build trusts and constructive relationships
- It supports internal and external alignment
- Strategic, properly institutionalized and well resourced
- Monitoring and Evaluation

- Questions?