



SA OPERATIONS



**COMBATTING  
ILLEGAL MINING**



FACT SHEET 2020

Illegal mining is becoming an increasing issue for and risk to the sustainability of the mining industry in South Africa.

We have made great strides in the battle against illegal miners (or zama zamas).

The significant social issues facing communities in South Africa, including elevated unemployment levels, which have been exacerbated by job losses in the mining industry due to a downturn in the commodity cycle are primary drivers of the increase in illegal mining activity. Illegal mining activities take place on the surface and underground, and manifest at closed off mines, abandoned mines and, increasingly, in the underground mining areas of operating mines. Illegal mining is organised and sustained by crime syndicates.

Illegal miners, known in South Africa as zama zamas (a colloquial Zulu term meaning 'keep trying' or 'take a chance'), are often heavily armed and, when trespassing on operating mines, have been known to set ambushes and booby traps for employees, security and rival groups of illegal miners.

When arrested, illegal miners are primarily charged with trespassing and often escape prosecution for the criminal offences they commit. The purpose of illegal mining is to steal product (gold-bearing material (GBM) or similar minerals). Unless they are found in possession of product, illegal miners cannot be charged with theft of GBM.

Currently, illegal mining is not defined as an offence in terms of South African legislation. Therefore those apprehended cannot be charged with illegal mining.

Common practices in illegal mining do however contain elements that are prohibited in terms of being a crime or as contained in several other laws, such as:

- Theft and possession of GBM
- Mine Health and Safety Act
- Petroleum Products Amendment Act
- Trespass Act
- Mineral and Petroleum Resources Development Act (MPRDA)

In addition to the cost to the state and to the industry, the cost of illegal mining extends to the communities and the environment.

**“Currently, illegal mining is not defined as an offence in South African legislation”**



**Illegal mining**

In South Africa, mining and related activities are regulated by numerous statutes. Informal mining activities operating outside this legal framework constitutes illegal mining.

The MPRDA provides for state custodianship of mineral resources for the benefit of all South Africans.

The state (through the Department of Mineral Resources and Energy) may grant authorisations governed by the MPRDA, including prospecting and mining rights, mining permits and environmental authorisations.

Legislation also prohibits holding or trading certain metals in an unwrought state without a permit.

**Artisanal and small-scale mining**

According to the International Council on Mining and Metals, artisanal and small-scale mining (ASM) includes a range of operations “from small, informal subsistence activities through to organised, formal, small commercial mining activities”.

ASM is broadly understood to refer to “mining activities that are labour-intensive and capital-, mechanisation- and technology-poor”.

ASM includes formal and informal activities that are legal in other parts of the world.

**SIBANYE-STILLWATER PROTECTION SERVICES**

To maintain a safe operating environment, Sibanye-Stillwater Protection Services provides protection services and specialised investigative services to Sibanye-Stillwater’s South African operations. The unit also conducts internal and external risk assessments to evaluate security measures, adherence to responsible practices and compliance with the controls the Group has in place.

**HUMAN RIGHTS**

At all times, Sibanye-Stillwater Protection Services adheres to the letter of the law, the Constitution and the Group’s human rights policy. Induction training encompasses human rights elements with regards to security. See our security policy and human rights policy at <https://www.sibanyestillwater.com/about-us/governance/>.

Our security approach is currently being reviewed to align with the Voluntary Principles on Security and Human Rights. A gap assessment has been completed and a project plan initiated to close the gaps.

**ILLEGAL MINING’S IMPACT ON OUR BUSINESS**

Although our gold operations are impacted more by illegal mining due to their long history and the extent of mined and unmined areas, illegal mining also occurs at our PGM operations where illegal miners access remote underground working areas, primarily to steal copper cable, through ‘holings’ (holes accessing the underground environment).

Since the Group listed in 2013, great strides have been made to combat illegal mining, resulting in a cumulative total of 3,980 arrests of illegal miners and 1,636 employees disciplined for aiding and abetting illegal miners.

The number of underground incidents of illegal mining and associated arrests at our operations had been on the decline since 2018, mainly due to the success of our ZeroZama@Sibanye-Stillwater campaign, which was launched in 2017 to combat illegal mining. However, starting in November 2018, the Sibanye-Stillwater Protection Services team was deployed to incidents related to industrial action

**SOCIAL IMPACTS OF ILLEGAL MINING**

- Destroys social fabric of mining communities – presence of illegal miners is associated with an increase in prostitution, teenage/learner pregnancies and substance abuse
- Increase in incidents of bullying and human rights abuses, as community members, employees and contractors are coerced into becoming complicit in illegal activities. There is a particular risk to employees who live in local communities who are threatened and intimidated into assisting or partaking in illegal mining activities. Employees who work in the underground environment are at risk of injury due to the fact that illegal miners do not adhere to nor follow the principals of safe mining as required by the Mine Health and Safety Act, tamper with underground equipment and set booby traps in the vicinity of underground working areas
- Illegal miners (and syndicate leaders) are seen as benefactors in communities where they operate. Proceeds from their crimes are often “invested” in the local economy, and syndicates may often contribute to “financing” community upliftment programmes and projects, promoting a culture of disregard for the law as community members become dependent on these illicit proceeds

- Increase in criminal activities including theft of copper cables, explosives, diesel from mines and other local industries
- Risky illegal mining activities are life-threatening to the illegal miners themselves as well as to the security personnel when they encounter the illegal miners
- Focus on short-term gains rather than sustainable economic activity

**ENVIRONMENTAL IMPACTS OF ILLEGAL MINING**

- Sabotaged water pipelines lead to contamination of the environment
- Illegal water use and wastage
- Increased risk and incidence of sinkholes
- Mercury contamination owing to its use in the illegal processing of stolen GBM
- Excavation and re-opening of sealed and rehabilitated shafts with associated hazards

**“During routine searches in 2020, the Protection Services team found that 183 (2019: 185) employees and contractors had assisted illegal miners.”**



during the five-month strike at the SA gold operations which concluded in April 2019. During the strike, the detection and prevention of illegal mining was undertaken by external contract security who were less familiar with infrastructure and procedures, and this had a temporary impact on the campaign's effectiveness. Since the end of the strike, an increased presence of Protection Services team members, tightened access control and teams deployed underground have been responsible for the upward trend in the number of arrests of underground illegal miners, who had once again begun to increase their activities at our operations. The number of underground incidents rose from 185 in 2019 to 226 in 2020, while the number of arrests rose from 483 in 2019 to 549 in 2020.

Surface illegal mining remains a concern and continues to manifest when groups of surface illegal miners invade the Mining Right with the purpose of stealing material from the surface. Invasions primarily take place at night, targeting old processing and related areas where material is available on surface. These groups are armed and frequently retaliate violently to interventions by Protection Services, which results in the injury of Protection Services employees and damage to equipment.

During routine searches in 2020, the Protection Services team found that 183 employees and contractors had assisted illegal miners. Assistance included feeding and equipping illegal miners underground for substantial financial reward. This is consistent with the 185 employees arrested in 2019. Certain underground food restrictions are in place from time to time to counteract employee assistance to illegal miners.

**FOR MORE INFORMATION, CONTACT:**

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**Illegal mining incidents and arrests (underground)**

Year	Number of incidents reported to which Sibanye-Stillwater responded	Number of illegal miners arrested	Number of employees (including contractors) charged with aiding and abetting illegal miners
2013	143	321	89
2014	129	257	62
2015	144	282	45
2016	*253	485	479
2017	515	1,405	449
2018	92	141	144
2019	185	483	185
2020	226	549	183
<b>Total</b>	<b>1,824</b>	<b>3,980</b>	<b>1,636</b>

\* This number differs from that previously reported as it was updated following detailed case feedback received

**CONTROL MEASURES**

Control measures include biometric access control systems, smart turnstiles, remotely-operated padlocks, intelligent lamp room controls, sterile interlocked material conveyance facilities, closed-circuit television systems with thermal capability, unmanned aerial vehicles, intensified stop-and-search procedures, highly-trained search-and-rescue teams, reward systems, as well as saturation patrols and armed guarding, among others. Comprehensive screening is also conducted at pre-employment level to better manage high-risk employee engagement and placement.

An anonymous reporting platform, managed externally and independently by Deloitte (see table below), is also available to Sibanye-Stillwater to facilitate anonymous tip-offs and whistleblowing. Many of the calls provide valuable leads, which are investigated.

**Anonymous calls at the SA and US PGM operations**

Area	2020	2019
Fraud	106	78
Breach of company policy <sup>#</sup>	*108	53
Procurement fraud	6	33
Corruption	14	13
Illegal mining	21	14
Theft of mine property	14	19
Time and attendance fraud	1	7
Industrial action	0	20
Theft of gold-bearing material	6	3
Arson	1	1
Trespassing	0	3
Human resource related issues	*8	3
Copper theft	2	1
Other	20	2
<b>Total</b>	<b>307</b>	<b>250</b>

\* Includes US PGM operations – four calls for breach of company policy and one for Human resource issues

<sup>#</sup> The increase in the reporting of breaches in Group policy is most likely attributable to our extensive communication campaign