

## APPENDIX 2: MATERIALITY ASSESSMENT PURPOSE AND METHODOLOGY

Randgold's materiality assessment process (see earlier chapter on 'governance of sustainability') serves three distinct purposes; it helps us prioritise sustainability reporting topics, informs our risk management and strategic planning and helps us engage with stakeholders to understand their concerns and requirements.

We use the Global Reporting Initiative's (GRI) definition of materiality in the context of a sustainability report which is information that, 'Reflects the organisation's significant economic, environmental, and social impacts or substantively influence the assessments and decisions of stakeholders'.

All materiality assessments are conducted in line with guidance set out by the GRI Standards guidelines and helped shape this report to be: In Accordance – Core with the GRI Standards.

### Methodology

Each year we undertake a formal materiality analysis with internal and external stakeholders. The process includes:

- **Identification phase** – Our sustainability team, working with the support of external consultants, drafted a long list of 42 potential sustainability issues that could be deemed material to our business both inside and outside the boundaries of our mines. These issues were selected from those listed in the GRI Standards as well as the metals and mining supplement, based on our own experience and a review of extractives sustainability issues in the media over the last year. Internal stakeholders are asked to score the potential impact to Randgold's business of each of these issues. While external stakeholders were asked to identify the 14 sustainability issues most important to them.
- **Prioritisation phase** – The long list survey was sent to internal and external stakeholders including a representative sample from each of our eight stakeholder groups.
- **Validation phase** – We aggregate and provide contextual analysis of results, which is reviewed by Randgold senior management to ensure it provides balanced coverage of the company's most material issues wherever they occur in the value chain.
- **Identifying our priority issues** – In order to draw a threshold for our reporting, we set boundaries to identify our highest priority and medium priority issues. We define highest priority issues as internal and external stakeholders top three issues and the issues that appear in both internal and external stakeholders' top 14 most important issues. Medium priority issues are defined as those appearing in the top third of either internal or external stakeholder lists.