

# APPENDIX 1: MATERIALITY ASSESSMENT PURPOSE AND METHODOLOGY

Randgold's materiality assessment process (see earlier section in this report on 'governance of sustainability') serves three distinct purposes. It helps us to prioritise sustainability reporting topics, informs our risk management and strategic planning and it 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'.

Our materiality assessment was conducted in line with guidance set out by the GRI G4 guidelines and helped shape this report to be In Accordance – Core with the GRI G4 standard.

## Methodology

For the 2016 report, we undertook a formal materiality analysis with internal and external stakeholders. The process included:

- **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 G4 Metals and mining supplement, based on our own experience and a review of extractives sustainability issues in the media over the last year. Both internal and external stakeholders were asked to score the potential impact to Randgold's business of each of these issues.
- **Prioritisation phase** – The long list survey was sent to internal and external stakeholders including representatives of each of our eight stakeholder groups (with the exception of the media), and we received 138 responses. For investors, we approached our 10 largest shareholders. Internal stakeholders included heads of relevant departments and the members of the executive management team.
- **Validation phase** – A contextual analysis and aggregation of findings was produced and agreed internally by Randgold senior management to ensure it provided 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 being the top three issues of internal and external stakeholders and the issues that appear in both internal and external stakeholders' top 10 most important issues. Medium priority issues are defined as those appearing in the top third of either internal or external stakeholder lists.