







We do it better

Sustainability Report 2011

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References

	Website www.arm.co.za		Case studies www.arm.co.za/sd/case-studies/
	Page number/s within report		Page number/s in the 2011 Integrated Annual Report

Stakeholder feedback form is available at the back of this report and on the ARM website: www.arm.co.za



About this report

This **Sustainability Report** is produced in conjunction with **African Rainbow Mineral Limited's (ARM's or the Company's) Integrated Annual Report** for the year ended 30 June 2011, into which abridged information on our sustainability has been integrated. It provides a **broad range of information about our sustainable development policies, practices and performance**. It is aimed primarily at existing and prospective stakeholders, as well as socially responsible investment analysts and investors.

ARM's sustainability reporting is limited to our Platinum and Ferrous Division. It excludes Harmony Gold and Xstrata Coal in which we do not have direct management control and Goedgevonden Mine, the management of which has been outsourced to Xstrata Coal. Also, the report does not cover projects that are in exploration, development or feasibility phase.

Reporting guidelines

This report has been prepared using the Global Reporting Initiative's (GRI) G3 Guidelines, its Mining and Metals sector supplement and the International Council on Mining and Metals (ICMM) Sustainable Development Principles. In addition, we have included a discussion of our performance to date against the revised South African Mining Charter Scorecard (see pages 53 to 54).



Our financial year runs from 1 July to 30 June and this report covers the period 1 July 2010 to 30 June 2011. Our previous sustainability report covered the financial year ending 30 June 2010.

For more information visit our corporate website:
www.arm.co.za



Applying the Global Reporting Index

This report meets application level A+ of the GRI G3 Sustainability Reporting Guidelines, including the Mining and Metals sector supplement. It also meets with the member requirements of the ICMM.

Independent assurance

Independent third party assurance, in the form of an AccountAbility AA1000AS (assurance Type II, moderate), which consists of a combination of content-based assurance and indicator-based assurance, was conducted by SustainabilityServices.co.za. Content-based assurance assesses the report's completeness in terms of Global Reporting Initiative reporting requirements where assertions contained within the report are reviewed for plausibility (ie, the likelihood of the assertions in the report being true) and/or supportability (whether there is evidence to support the truth of assertions made in the report). The indicator-based assurance reviews the accuracy, completeness, consistency and reliability of data reported for selected sustainability indicators (see the Assurance statement on pages 72 to 73). To this end, three operations (Khumani Mine, Two Rivers Mine and Machadorp Works) were visited by SustainabilityServices.co.za for data verification. The assurance engagement reviewed the reporting process and final product (this report) to assess our report relative to AccountAbility's guiding principles of *inclusivity*, *materiality* and *responsiveness*.



Monitoring, measuring and reporting on our sustainability performance

Currently, the data we require for our sustainability reporting is drawn from a number of different management systems, which involves a significant amount of time being spent on consolidating data. There are also challenges regarding ensuring accuracy and comparability of data. We are piloting a system in our Ferrous Division that will allow for the implementation of uniform reporting systems across our operations.

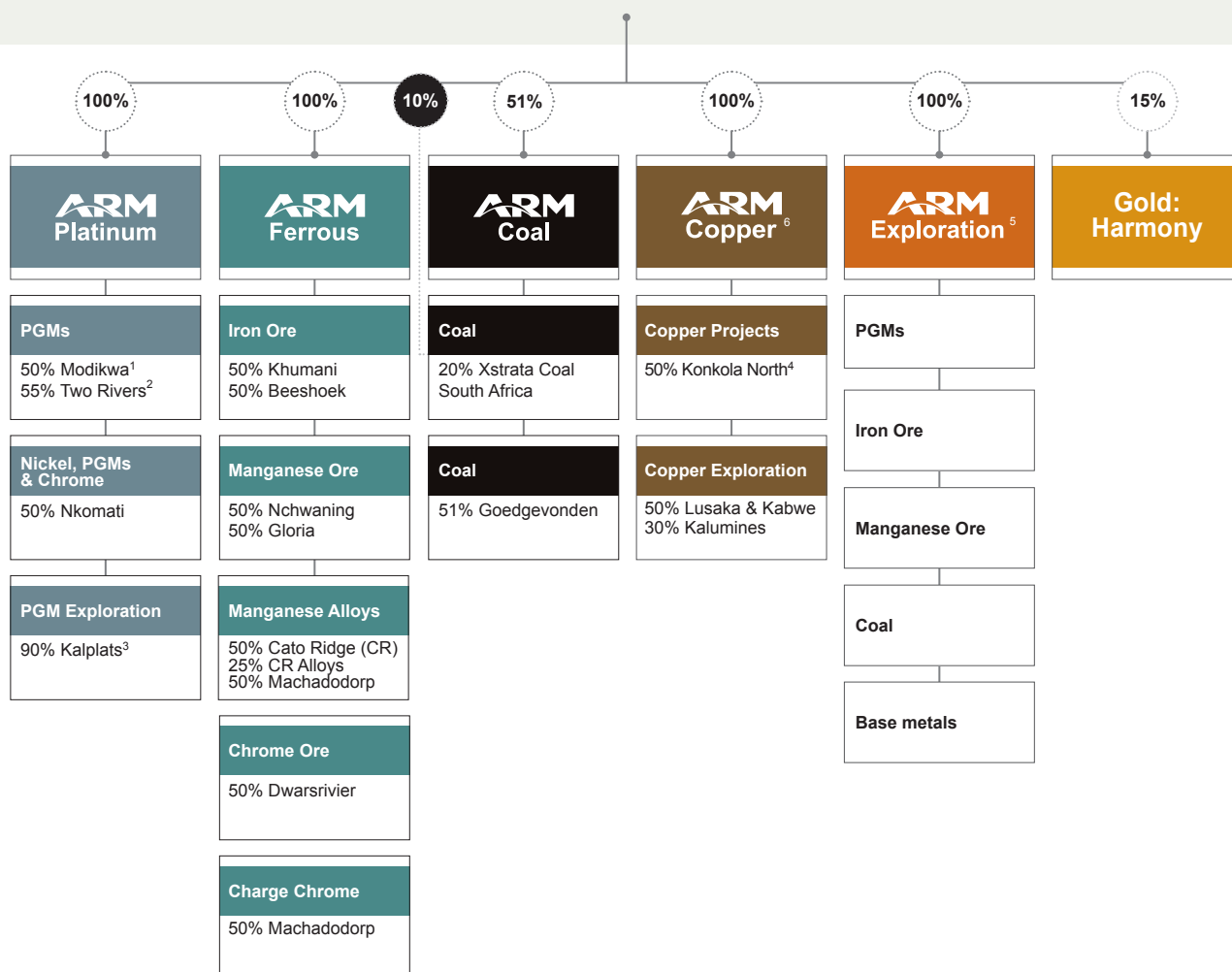
Determining materiality

Determining the materiality/importance of issues is an essential step in sustainability reporting. To identify the issues that are material to our business and our stakeholders and to decide on the structure we should adopt as well as the content that we should include in the report, we reviewed many sources of information. These included:

- the results of our business risk assessment process
- feedback on our sustainability performance and reporting, including industry or company-specific issues raised by employees, contractors, customers, suppliers, business partners, communities, government, non-governmental organisations (NGOs), investors, the media and industry associations (e.g. the ICMM).
- key topics and challenges reported by peer companies or raised by industry associations
- a review of key issues covered in the media
- external initiatives and best practice guidelines including:
 - The Global Reporting Initiative (GRI) G3 Guidelines and its Mining and Metals sector supplement (www.globalreporting.org/)
 - The International Council on Mining and Metals SD Principles (www.icmm.com)
 - The Millennium Development Goals (www.undp.org/mdg/)
 - UN Universal Declaration of Human Rights (www.un.org/en/documents/udhr/index.shtml)
 - ILO Declaration Principles concerning Multinational Enterprises and Social Policy (www.ilo.org/global/about-the-ilo/decent-work-agenda/lang-en/index.htm)
 - The King Code of Governance Principles (the Code) and the King Report on Governance for South Africa (King III) (www.iodsa.co.za)

Who we are and what we do

African Rainbow Minerals is a leading South African diversified mining and minerals company, with world-class long-life, low unit cost assets.



(1) Assets held through ARM Mining Consortium's effective interest of 41.5%, the balance held by local communities.

(2) ARM's shareholding in Two Rivers will reduce to 51% once the transfer of Kalkfontein prospecting rights has been effected.

(3) Platinum Australia earned 12% ownership on completion and approval of the prefeasibility study. The transfer of this ownership is in the process of being effected. Platinum Australia will earn up to 49% on completion of a bankable feasibility study. In the event that the JV acquires Anglo American's 10%, Platinum Australia has the right to acquire 49% of the acquired 10%.

(4) Konkola North was subject to a buy-in right of up to 20% (5% free-carried interest) by state-owned Zambia Consolidated Copper Mines Investment Holdings plc (ZCCM). ZCCM has exercised this right and the transfer of the 20% is in the process of being effected.

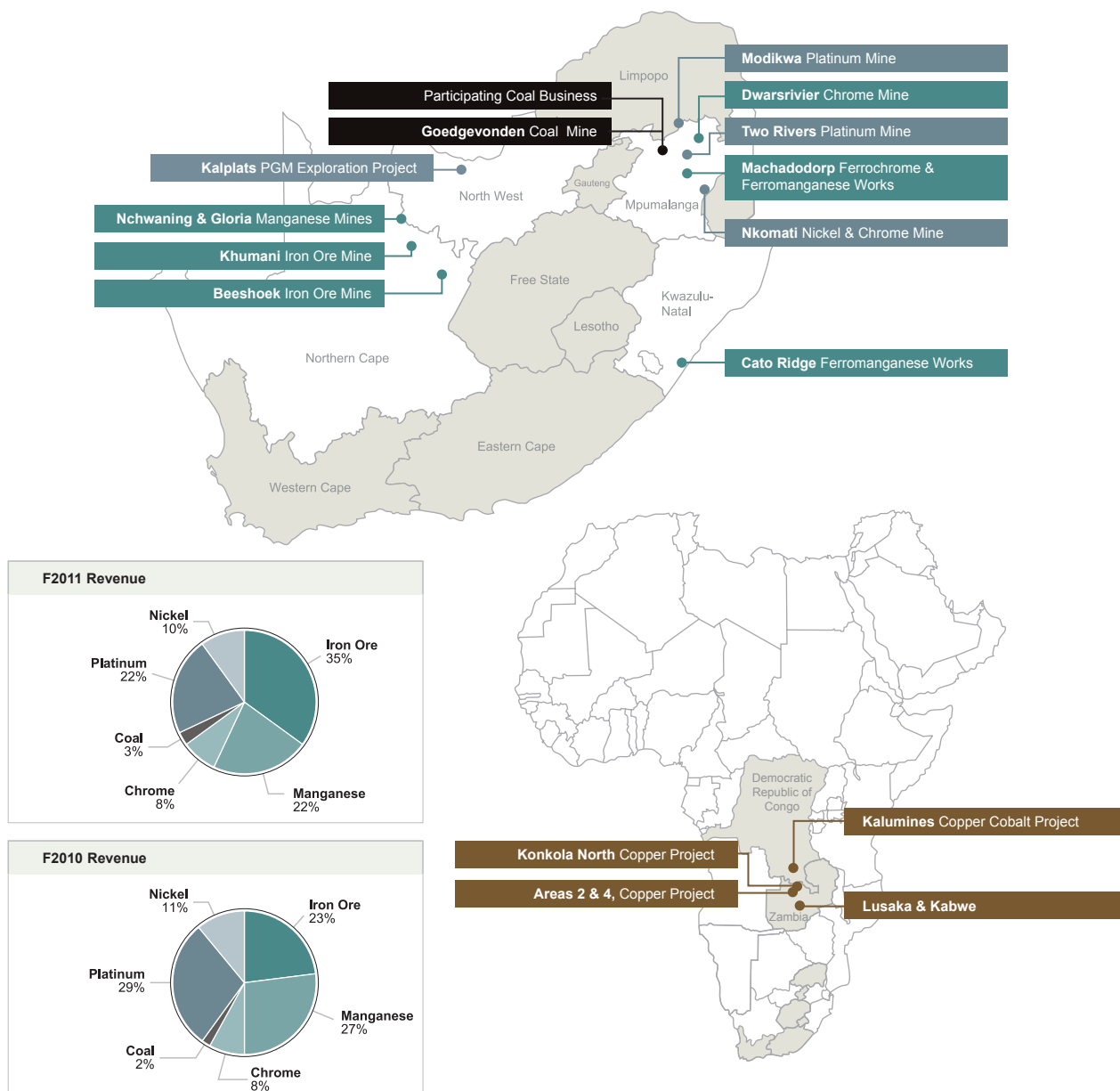
(5) ARM Exploration is involved in identifying and assessing exploration and mineral business opportunities in sub-Saharan Africa.

(6) Mwambashi prospecting licence has been relinquished and certain exploration licences have been incorporated into the Konkola North mining licence.

ARM's business model centres on forging mutually beneficial partnerships with major players in the resource sector.



In 2010 ARM **successfully completed its 2 X 2010 strategy** to double production in its diversified portfolio of assets. This strategy culminated in the **delivery of seven high quality, long-life, low unit cost mines**. ARM **continues to pursue an aggressive growth strategy** with focus on its growth projects in iron ore, coal, nickel and copper. This aggressive growth strategy is combined with the **continuing pursuit of operational efficiencies and growth through quality partnerships and acquisitions**.



The values underpinning the ARM brand

ARM's **"We do it better"** management style evolved out of the values which **guide the manner in which we conduct business and interact with the stakeholders** who are influenced or affected by our activities. These values are also reflected in **the way ARM is structured, the approach our employees have to their work, their fellow employees, our customers and the communities in which we operate.**

In order to meet our commitment to preserving and enhancing shareholder value, ensuring the sustainability of our business and achieving long-term growth, ARM:

- **works responsibly** and seeks to achieve a balance in managing the social, economic and environmental aspects of our business and creating value for our shareholders in a sustainable manner.
- **has a governance structure in place** designed to ensure that the highest standards of corporate governance are maintained and that the Board retains effective responsibility and exercises control over the Company. The ARM Board's actions reflect our commitment to integrity and ethical behaviour.
- **provides an environment** which encourages our employees, contractors and business partners to behave ethically and to demonstrate a commitment to the highest standards of personal and professional integrity. This includes conducting business in a reasonable manner, in good faith and in the interests of ARM and all our stakeholders.
- **is respectful** of all our stakeholders and is committed to open, two-way engagement with all our stakeholders, including our employees, employee representatives, regulators, communities, customers, suppliers, business partners and shareholders.
- **maintains a non-discriminatory workplace** based on fairness and employment equity, fair labour practice and freedom of association, in which employees can contribute to the best of their ability and are empowered to develop rewarding careers. In this way we contribute to the transformation of the South African mining industry and our efforts to give all South Africans a stake in the country's mineral wealth.
- **invests in the health and wellbeing** of our employees and continues to establish ourselves as an employer of choice by aggressively benchmarking our remuneration with our peers and investing in training, re-training and development of our talent pool and establishing a leadership bench.
- **employs a devolved management structure**, which we believe allows our entrepreneurial flair to flourish and to continue to deliver cost benefits and a satisfactory return on assets. At the same time it emphasises accountability at operational and divisional level within a defined governance structure.
- **aims for operational excellence** and continuous quality improvement, which includes employing a leading practice sustainable framework to fulfil our aim of achieving leading environmental and health performance and a safe, injury-free workplace.
- **adds shareholder value** through organic growth, operational excellence and acquisitions by constantly reviewing sectors and commodities for growth opportunities against a strict set of performance criteria, while maintaining our primary focus on our pipeline of expansionary projects which provide our internal engine for growth.
- **improves the living conditions of the communities** in which we operate, invests in projects that directly benefit these communities, creates jobs, equips members of these communities with skills that allow them to seek employment and assists with enterprise development within these communities.

Our most material issues

By their very nature, mining activities impact the natural environment. They also present both potential social benefits and risks for local communities. Yet it is possible for mining to be economically, socially and environmentally sustainable over the long term and we believe our approach to mining is achieving long-term sustainability. In addition, the products we mine provide society with basic materials needed for economic development. Many are recycled and reused. Our use of the resources we mine and the raw materials we require in order to operate is efficient and responsible. Our activities and investments are creating lasting social and economic benefit for both the communities and the countries in which we operate.

ARM is committed to identifying, understanding and mitigating the environmental impacts of our activities. We also identify our impacts on the communities in which we operate and work closely with communities and governments to ensure they enjoy the social benefits our operations can provide and that any risks are mitigated.

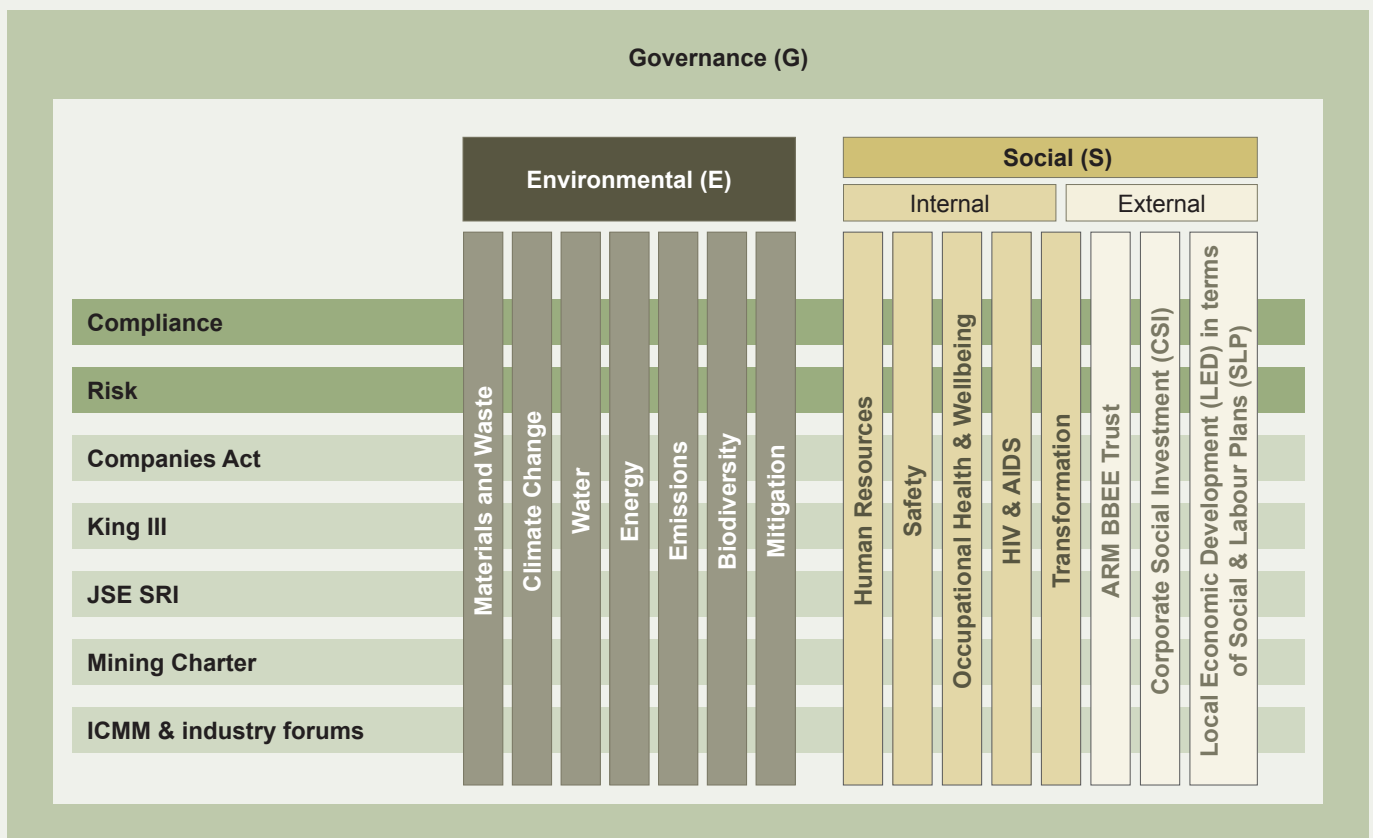
Mining remains a hazardous industry and we will continue to apply resources and energy to prevent injury and occupational diseases from harming our employees.

ARM uses the guidelines and expectations of a number of frameworks and stakeholders to help it improve its sustainable development performance and reporting. For example, sub-sequent to becoming a member of the ICMM, ARM initiated an externally con-

ducted gap analysis in 2010 to assess the alignment of our sustainable development practices with the ICMM's 10 principles. In addition to the recommendations arising from this gap analysis process, this proved to be the beginning of a formalised process of including emerging sustainability risks in our already well developed risk management system. During the past financial year we have further integrated sustainability into our risk management system, on both operational level and corporate levels.

We further determine what is material to the sustainability of our business through a combination of internal performance measurement and the monitoring and evaluation of the very dynamic external environment in which we operate. We do this through ongoing stakeholder engagement, review and assessment of our performance to date, monitoring of media coverage, the reporting of material issues by members of the extractive industry and policy and regulatory trends. Our Sustainability model conforms to both King III and the JSE Socially Responsible Investment (SRI) Index requirements. The JSE SRI Index is based on criteria that identify requirements that companies must meet in order to show that they have integrated triple bottom line (TBL) practices into their activities. The indicators are structured along three broad categories: Environmental, Social and Governance (ESG). In line with our model, our most material issues can be classified as economic, social and environmental in nature while maintaining the highest standards of corporate governance remains a challenge.

ARM's sustainable development model



Our sustainability performance year-on-year

Performance indicator	F2011	F2010	F2009
Economic and related core baseline indicators			
Revenue (Rm)	15 357	11 425	10 712
Sales (Rm)	14 893	11 022	10 094
Duties, levies and taxes paid (Rm)	1 671	1 009	1 727
Headline earnings (Rm)	3 319	1 714	2 317
EBITDA (Rm)	6 434	3 907	4 484
Purchased materials and services (Rm)	6 441	5 624	4 201
Value added	8 461	5 653	6 968
Procurement of capital goods, services and consumables from Broad-based Black Economic Empowerment Suppliers (%)	74.4	52.5	37.3
Number of environmental administrative penalties/fines	None	2	None
Employee issues			
Total number of all ARM employees and contractors	28 704	22 776	16 777
– Employees (permanent)	11 496	10 281	9 643
– Contractors (mainly used in capital projects)	17 208	12 495	7 134
New jobs created (direct employment only)	1 215	802	896
Employee turnover (excluding contractors) %	4.8	5.7	4.5
Investment in employee training and development			
– Total expenditure (Rm)	96	50	57
– % of payroll	6.4	3.6	6
Employment equity (% representation of previously disadvantaged groups among permanent employees)			
– Top management	38	44	44
– Senior management	40	32	32
– Professionally qualified	50	45	47
– Technically qualified	69	67	56
Lost Time Injury Frequency Rate (LTIFR) (200 000 man hours)	0.430	0.770	0.736
Reportable / serious accidents	74	90	82
Number of lost workdays due to industrial action	14 816	2 411	115
Environmental issues			
Total water withdrawn (m ³) (municipal, surface and groundwater)	15 091 358	15 060 418	14 314 155
Energy usage			
– Electricity (000 kW/h)	2 547 836	2 003 918	2 038 751
– Oil (000 litres)	2 909	2 934 ⁺⁺	2 565 ⁺⁺
– Diesel (000 litres)	73 559	55 732	54 625
Emissions			
Carbon footprint equivalent (equivalent tonnage CO ₂)			
Total	To be reported ^{##}	3 073 431	2 576 634 ⁺⁺
– Scope 1	To be reported ^{##}	654 665	559 040
– Scope 2	To be reported ^{##}	1 979 020	1 735 289
– Scope 3	To be reported ^{##}	439 746	282 305
Carbon emission intensity ratios (Scope 1 & 2)			
– Tonnes CO ₂ e/1 000 ZAR	To be reported ^{##}	0.24	0.23
– Tonnes CO ₂ e/Full time employee	To be reported ^{##}	256.2	237.9
Direct emissions (tonnes)			
– CO ₂ emissions – direct (tonnes) Cato Ridge and Machadodorp only	561 060	589 559 ⁺⁺	748 473
– NO _x (tonnes)	1 120	1 169 ⁺⁺	-
– SO _x (tonnes)	816	1 572 ⁺⁺	-
– Particulate matter (tonnes)	460	381 ⁺⁺	-
Domestic waste (tonnes)	16 689	13 928 ⁺⁺	14 051 ⁺⁺
Corporate Social Responsibility			
Total community upliftment and corporate social investment (Rm)	124.45	72.9	60
– CSI (Rm)	18.04	14.5	19.3
– LED (Rm)	100.37	43.8	28
– ARM Broad-based Economic Empowerment Trust (Rm)	6.03	14.6	n/a

Non-financial data based on 100% (versus attributable to equity) unless otherwise stated.

The Employment Equity report was submitted to the Department of Labour on 28 September 2011 and complies with Section 21 of the Act.

LTIFR: Injury rates are measured per 200 000 man hours, in line with general SA practices and include both ARM employees and contractor incidents.

⁺⁺ Environmental indicators: we continue to improve our systems for measuring and monitoring our performance to ensure comprehensive and reliable data. Accordingly, our figures for previous years have in certain cases been restated.

^{##} Carbon footprint data for F2011 is currently being recorded and emissions being calculated in order to submit to the CDP by early 2012. For CDP reporting purposes, ARM submits data for the preceding financial year, ie, the March 2012 CDP submission will contain results for 1 July 2010 to 30 June 2011. As a result, carbon emissions data presented in this report, is for the previous financial year.



Water monitoring at Nkomati Mine

Executive Chairman's report



Khumani Iron Ore Mine stacker reclaimer

Patrice Motsepe, Executive Chairman

The ARM Management team **continues to deliver outstanding results**. We are **confident about the long-term future** of the minerals we mine and are continuing with **our aggressive growth strategy**, despite the current challenges and volatility.

Confident about the future of our business

I am pleased to report that the Company has delivered exceptionally strong headline earnings for the 2011 financial year.

Most of our divisions achieved good increases in production volumes and delivered good cost containment and efficiency gains, albeit in challenging circumstances. We continued to make significant progress with our four major growth projects in iron ore, nickel, copper and coal and also invested in the improvement of our portfolio of quality assets.

Global conditions in commodity markets experienced a notable improvement relative to the previous financial year and ARM was able to optimise and deliver into these improved markets.

Headline earnings increased significantly by 94% to R3.3 billion; driven mainly by improved commodity prices especially for iron ore. Markets have in recent months experienced increased volatility. Despite this we remain confident about the future of our business and the long-term fundamentals of the commodities that comprise the diverse ARM portfolio.

Cash generated from our operations increased by 72% to R5.9 billion. At year-end the Company reported cash and cash equivalents of R3.7 billion and net cash (excluding partner loans) of R2.6 billion, reflecting the strength of ARM's financial position. This means that ARM is exceptionally well-placed given that growth going forward is supported by a robust financial position. The Company was ungeared at year-end. This provides comfort that our continued growth ambitions can be appropriately funded.

The strong cash generation has also allowed ARM to deliver on its commitment to pay dividends whilst simultaneously maintaining the ability to fund future growth. ARM declared a fifth annual consecutive dividend at an increased level of 450 cents per share. This dividend is the highest paid in the Company's history and represents a 125% increase compared to last year.

Improved operational efficiencies through volume growth

While strong commodity prices contributed to these outstanding financial results, ARM's operational performance over the last year has also been laudable. Our world class management team continually strives for operational excellence within our different divisions.

We positioned ARM over the years to own and operate mines for commodities whose demand was increasing globally. ARM significantly increased its production volumes to sell into these increased demands. This in turn also contributed to an improvement in our operational efficiencies and cost savings.

Production increases achieved at the various divisions, on a 100% basis, include:

- 115% increase in Goedgevonden's saleable coal production from 2.7 million tonnes to 5.9 million tonnes;
- 54% increase in manganese ore production from 1.9 million tonnes to 3.0 million tonnes;
- 48% increase in chrome ore production from 587 thousand tonnes to 866 thousand tonnes;



Modikwa Platinum Mine concentrator plant

- 19% increase in chrome alloy production from 200 thousand to 237 thousand tonnes;
- 15% increase in manganese alloy production from 252 thousand to 291 thousand tonnes.
- 4% increase in nickel produced from 9.7 thousand tonnes to 10.1 thousand tonnes.

Aggressive growth continues

ARM has always been respected for its solid operating track record. The company has also over the past few years been recognised for its proven project development capability.

In 2005, we embarked on an ambitious programme to double production volumes in our portfolio of commodities by 2010, including iron ore, manganese ore, nickel, platinum group metals and coal. This resulted in the construction of seven new mines over a relatively short time-frame after having invested approximately R14 billion, on an attributable basis.

We are planning continued investments of an additional R10 billion (on an attributable basis) over the next three years on projects that will deliver towards achieving our growth objectives. These new operations will boost production volumes in iron ore, nickel, coal and copper where we anticipate strong growth in demand, driven mainly by China, India and other developing economies. They are:

- the Khumani Iron Ore Expansion Project, which will increase production from 10 to 16 million tonnes per annum; 2 million tonnes of which is designated for local sales. This project is ahead of schedule and is well within budget;
- the Goedgevonden Coal Mine achieved design capacity on a monthly basis in November 2010;
- the Nkomati Nickel Mine, where the 250 thousand tonnes per month (ktpm) concentrator plant was commissioned on time and within budget in October 2010 and continues its ramp-up.

This Mine has however experienced some grade and recovery challenges as part of the ramp-up which management is addressing; and

- the Konkola North Copper Project in Zambia is progressing within budget and on schedule with 82% of the authorised US\$391 million capital already contracted for. ARM together with its joint venture partner Vale S.A. and the Zambia Consolidated Copper Mines Investment Holdings plc (ZCCM), launched the project on 14 October 2010.

Exploration

We are conscious of the need to ensure that ARM continues to explore and identify new ore bodies and have allocated additional resources to our exploration division. The copper exploration assets that include a 30% shareholding in the Kalumines Copper Project in the DRC and a 50% shareholding in the Lusaka & Kabwe Project have been moved into the ARM Copper Division. This will allow the ARM Exploration Division to focus on identifying and assessing quality exploration opportunities in Sub-Saharan Africa. Various exploration opportunities are currently being assessed. We have also signed an agreement with Rovuma Resources, an exploration company, to jointly explore for manganese ore, nickel, PGMs and base metals in Mozambique.

Cost containment

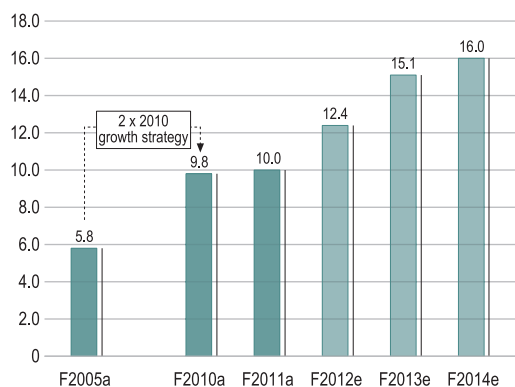
ARM's revenue is affected, inter alia, by fluctuations in commodity prices and exchange rates. In addition, cost escalations for power, reductants and labour continuously receive the attention and focus of management. Management also implements numerous initiatives to contain and reduce unit costs and increase profitability.

Across all business units, we continue to pursue our strategic objective of having all ARM's operations positioned below the 50th percentile of the respective commodities' global unit cost curves by 2012. We are working towards ensuring that our current growth

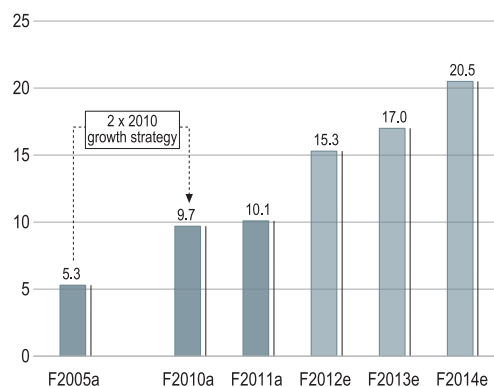
Executive Chairman's report continued

Aggressive growth continues

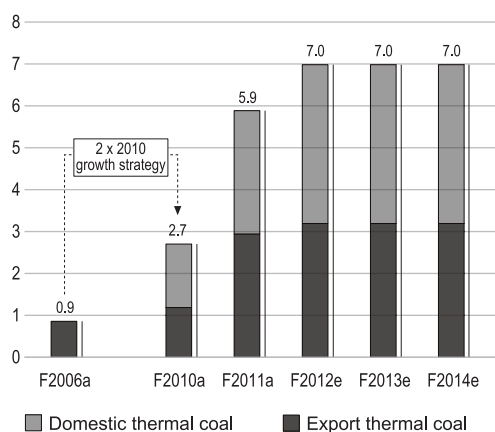
Iron ore sales volumes (on 100% basis)
(Million tonnes)



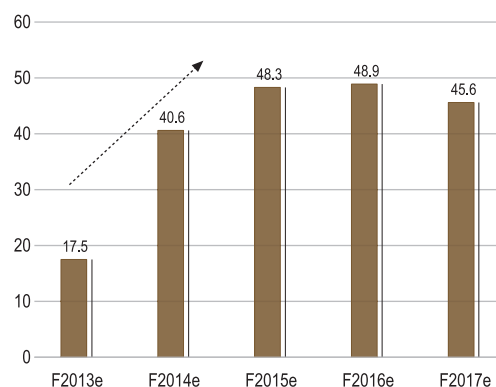
Nickel production volumes (on 100% basis)
(Thousand tonnes)



Goedgevonden thermal coal sales volumes (on 100% basis) (Million tonnes)



Konkola North copper sales volumes (on 100% basis)
(Thousand tonnes)



strategy will deliver another step change in cost competitiveness over the next few years. We have targeted 2014 and 2015 respectively for the Nkomati Nickel Mine and the Konkola North Copper Mine to be positioned in the bottom half of the global cost curve.

ARM remains committed to its objective of progressive annual cost reductions and savings. We firmly believe that these initiatives are crucial for our overall industry competitiveness and continued value creation. I am confident that ARM is well on track to meet the cost positioning targets for all our commodities.

Harmony

We have seen a significant increase in the share price of Harmony particularly as a result of the Wafi Golpu drill results and the good work that management has done to make the market aware of the exciting results and the huge value that it will add to Harmony.

We continue to view our investment in Harmony as a strategic investment and remain committed to realising value for our shareholders in this regard.

The CEO's report provides further information on Harmony.

Sustainable Development

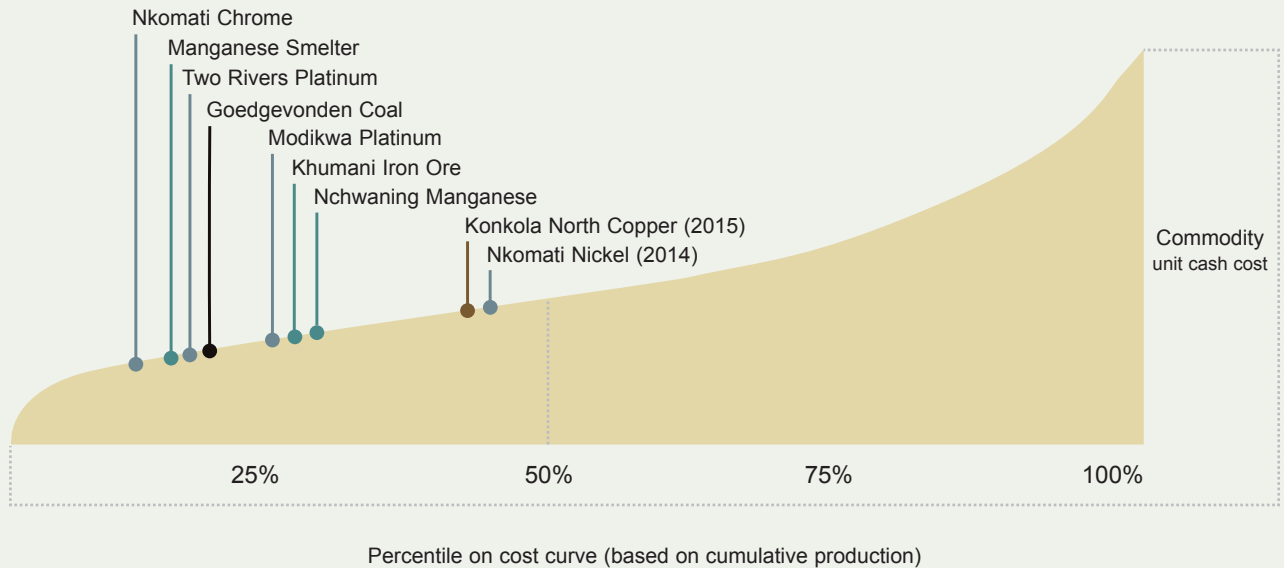
To achieve our objective of responsible investment and broad social benefit, we have included sustainable development considerations into the corporate and operational decision-making processes of our Company.

We are committed to delivering competitive financial performances whilst striving towards world-class standards in environmental management and creating safe working conditions.

Over the years we have sought to implement global best practices as far as sustainable development is concerned. We have made significant progress and it is gratifying to note that ARM's 2010

ARM target for operations on the respective global cost curve by 2012

(ARM estimate, benchmarked at steady-state/normalised production volumes)



Sustainable Report was recently ranked 13th in South Africa (out of 392 companies), which is a tremendous achievement from being 42nd two years ago. Our membership and participation in the ICMM has enhanced and improved our initiatives in this regard.

The improvement of the living conditions of persons living in the communities neighbouring our mines is crucial for our long-term success. In the last five years we have invested approximately R316 million in the development of our communities and over the last year an additional R10.2 million was distributed to the ARM Broad-Based Economic Empowerment Trust (the ARM BBEE Trust) to provide funding for community upliftment projects throughout South Africa.

The ARM BBEE Trust was established in 2005 with the primary objective of contributing to the improvement of the living conditions of poor and marginalised persons. It provides funding to various provincial rural upliftment trusts, established by ARM, to contribute to community development, health, welfare, educational and other anti-poverty initiatives.

The ARM BBEE Trust has distributed approximately R51 million over the past four years to trust beneficiaries. Through the ARM BBEE Trust, these provincial rural upliftment trusts, church groups, women's groups and trade union organisations own a 10% equity interest in ARM.

Further details of our sustainability endeavours and the Company's performance are contained in this annual report. We acknowledge that sustainable development is a key focus area of our business and we have therefore supplemented this report with a detailed Sustainability Report on the ARM website www.arm.co.za

Health and Safety

It is pleasing that the Company has improved its safety performance over the last year. The number of lost-time injuries reduced from 165 last year to 109, while the lost-time injury frequency rate, calculated on 200 000 man hours worked, was 0.43 compared to 0.77 in the previous year.

Our commitment to creating a safe and healthy work environment has led to us achieving the following outstanding results:

- Modikwa Platinum Mine achieved 8 000 000 fatality-free shifts on 21 June 2011 and was awarded the Department of Mineral Resources (DMR) Safety Achievement Flag for Platinum Mines;
- Beeshoek achieved 12 months without a lost-time injury;
- Two Rivers Platinum Mine completed 2 000 000 fatality-free shifts on 11 November 2010;
- Khumani Iron Ore Mine achieved its first 1 000 000 fatality-free shifts in November 2010 and received ARM's in-house safety award, the St Barbara floating trophy; and
- Black Rock Manganese Mine achieved 1 000 000 fatality-free shifts during the fourth quarter.

I am however saddened to report that we had a fatality at one of our operations during the past year. Regrettably on 2 February 2011, Mr Solomon Vusi Sindane, a trainee crane operator was fatally injured at the Machadodorp facility.

I extend my sincerest condolences on behalf of the Company to Mr Sindane's family, friends and colleagues for their loss.

Executive Chairman's report continued

The South African mining industry

Mining in South Africa remains one of the key sectors of the economy and contributes significantly to economic activity, job creation and foreign exchange earnings.

The government's New Growth Path identifies mining as a key economic driver in creating jobs in different value chains across South Africa's industrial landscape. Specifically, the government's plan urges "...accelerating exploitation of mineral reserves by ensuring an effective review of the minerals rights regime, and lowering the cost of critical inputs including logistics and skills to stimulate private investment in the mining sector."

In the same vein, the 2011 – 2014 strategic plan of the Department of Mineral Resources highlights the importance of unlocking this value and enabling the industry to lead the country's New Growth Path, recognising that "the mining industry has the potential to induce prosperous industrial clusters to support its development. These can significantly broaden economic growth, increase benefits and create decent jobs."

The cyclical nature of mining presents a wide range of risks, most recently evident in the economic and financial realities of the global and South African mining sector in 2009 and into 2010. In 2009, total mining income dropped in South Africa precipitously while expenditure rose unabated. As a result, the industry faced a R67 billion deficit which had to be covered by using retained earnings.

Nevertheless, the critical and strategic importance of the South African mining industry cannot be overstated. The sector accounts for roughly 43% of the market capitalisation of the JSE and according to the Chamber of Mines' 2010 statistics of South Africa, contributes:

- approximately 8.6% directly and another 10% indirectly, to the country's GDP.
- over 50% of merchandise exports (including secondary beneficiated mineral exports)
- about one million jobs (some 500 000 directly)
- about 20% of gross investment (12% directly)
- approximately 30% of capital inflows into the economy via the financial account of the balance of payments
- over 94% of the country's electricity-generating capacity
- about 30% of South Africa's liquid fuel supply.
- about 20% of direct corporate tax receipts (worth over R16 billion).

It is against this background that the call for nationalisation of mines within certain quarters of the ruling party (the ANC) deserves comment. The track record of nationalisation is extremely poor, to say the least, and countries that have nationalised mines and other industries have subsequently had to privatise as the adverse and far-reaching negative consequences of nationalisation became evident.

It is in the interest of the South African economy and all its people, particularly the poor, unemployed, women and the youth that the mining industry remains globally competitive and attractive to domestic and international investment.

We are engaged in discussions with the proponents of nationalisation to expose and make them aware of the fundamental beneficial role that the private sector plays in mining and other sectors of the South African economy; in terms of job creation, poverty alleviation, education, health and the overall improvement in the living conditions and standards of living of all our people.

I am of the view that privately owned and managed mines will in future co-exist and compete with state-owned and operated mines. It is important, however, that the playing fields are levelled and that state-owned mines are treated for legislative and regulatory purposes in the same manner as privately owned companies.

I remain confident that, based on my discussions with government and various other stakeholders, there is a commitment to ensure that the South African mining industry remains globally competitive and attractive to domestic and foreign investment. In today's global economy, that is the only route to a prosperous and successful future for all our people.

We welcome the confirmation by President Zuma and other political leaders, including the Minister of Mineral Resources, that nationalisation is not a government policy objective.

Outlook

Despite recent volatility, we continue to see good demand in commodity markets across most of ARM's commodities.

Global markets have experienced increased uncertainty in recent months with volatility being exacerbated by sovereign debt issues particularly in Europe. The United States debt ceiling issue, which was resolved shortly before key deadlines, has brought that economy's recovery into sharp focus. While these issues will continue to dominate sentiment for some time to come, we believe that in the medium term the major economies will re-adjust and growth levels that may well have been reduced should remain in positive territory.

ARM expects most commodity prices to remain robust over the medium term supported by demand from China, India and other emerging economies. Chinese Gross Domestic Product (GDP) growth continues unabated and there is more likely to be a decrease in their annual GDP growth rather than the hard landing that has been a topic of discussion over recent months.

It is also possible that supply constraints from producers will support commodity prices.

The Board

I would like to express, on behalf of the Company, our deep appreciation and gratitude to Andre Wilkens for the outstanding leadership that he has provided to ARM and its predecessor, ARM Gold.

Andre will step down as CEO of ARM in March 2012 but will continue as an Executive Director in my office, where his responsibilities will include the growth and strategic development of the Company.

I have had the privilege and honour of working with Andre for the last 15 years and he is not only an exceptional CEO but he is also a compassionate and caring person who adheres to the highest business ethical standards.

After a comprehensive search process, the board announced on 23 June 2011 that Michael (Mike) Schmidt, a senior executive in the ARM Platinum Division, has been appointed Chief Executive Officer designate from 1 September 2011.

He is working alongside André for a period of six months as part of the hand over process. Mike has been with ARM for the last four years and will, among other things, continue with our aggressive internal growth strategy, as well as reposition ARM for further external growth and global competitiveness.

One of our long-standing directors, Roy McAlpine, retired as an Independent Non-Executive Director with effect from 30 June 2011. On behalf of the board, I wish to express our deep appreciation for the immense contribution and sound guidance that Roy provided during his long and valued tenure as a director of our Company.

With effect from 1 February 2011, we welcomed Tom Boardman onto the board as an Independent Non-executive Director. We have already benefited from his tremendous experience and business insight and we look forward to his valued contribution over the years to come.

I would also specifically like to thank our various joint venture partners: Anglo American Platinum Limited, Assore Limited, Impala Platinum Holdings Limited, Vale S.A., Norilsk Nickel Africa (Pty) Limited, Xstrata Coal South Africa (Pty) Ltd and Zambia Consolidated

Copper Mines Investment Holdings plc, for their cooperation and support over the last year. I look forward to many more years of mutual benefit and growth.

Conclusion

ARM's management and employees have once more delivered successful results in which performance has exceeded budgetary targets.

It is therefore to each and every ARM employee that I wish to express my gratitude. Our successes over recent years have been as a result of the mutual commitment, trust and shared objectives that we have formulated and implemented together.

I would also like to thank my fellow directors for their hard work, sacrifices and sound counsel during the year.

We have numerous other stakeholders whose cooperation and support have been important for our growth and success.

We have successfully built a Company that has a diverse, quality portfolio with long-life operations; a robust balance sheet and is making significant progress towards achieving our objective of positioning our operations below the 50th percentile by 2012.

I continue to be confident and optimistic about the future of our Company and our ability to benefit and create value for all our stakeholders.

Patrice Motsepe

Executive Chairman

17 October 2011



Black Rock Manganese Mine

Chief Executive Officer's statement



Two Rivers Platinum Mine drill rig maintenance



ARM delivered outstanding financial results and continued to build expansion and new projects for future value enhancement during the year under review. Our cost performance remains satisfying as we benefit from progressively moving down the respective industry cost curves while good cash generation has provided the comfort to ensure that new assets are continually introduced and developed.

The people of ARM have made all this possible and we know that our long term strategic objectives can only be reached and sustained in partnership with and through respect for our stakeholders, our workforce, the communities in which we operate and the environment.

We are cognisant of the fact that mining activities, by their very nature, present risk to the environment and social implications for surrounding communities. We are therefore committed to identifying, understanding and mitigating the environmental impacts of our activities. We plan our projects with the communities in mind, we identify potential impacts on communities and through continuous engagement with them, mitigate risks and work to ensure that they enjoy the social benefits that development can bring about.

Our employees and their wellbeing

Our success and ability to grow our business depends on our ability to attract, develop and retain the best talent at every level. I am pleased that our efforts to be an employer of choice have been rewarded with BEST Employers certification, an award only presented to organisations that meet top standards in human resource management.

Ensuring that our employees return home unharmed after each shift remains critically important to us since they are the most important resource ARM has. We continue to invest in improving our health and safety management and identifying, reducing and where possible, eliminating risk. We have achieved a significant reduction in the frequency of injuries sustained at most of our

operations and, as a Group, we have reduced our Lost Time Injury Frequency Rate by 44% from F2010. Modikwa Mine has achieved an unparalleled 8 million fatality-free shifts and we are proud of every individual contributing to this milestone. However, we are saddened by the tragic death of Mr Vusi Sindane, a trainee crane operator at our Machadodorp Works. Loss of life is intolerable and I wish to extend our heartfelt condolences to Mr Sindane's family, friends and colleagues.

The natural environment

The natural resources we use include mineral ore deposits, water and land. The effect of climate change is a global reality and our business strategy and risk management systems recognize that climate change poses risk on both the environmental and economic fronts. We have determined, refined and understood our green house gas emissions over the last two years. With this knowledge, we are formulating our climate change strategy which is focused around our response to the impacts of climate change on the cost and availability of energy and water, the potential impacts of carbon emissions tax and the associated physical risks.

Transforming the mining industry

ARM is committed to the Mining Charter's vision of "facilitating sustainable transformation, growth and development of the mining industry" and we are committed to achieving the Charter's objectives. Our operations have submitted reports for their performance against the revised targets to the DMR for the 2010 calendar year and all, except one, were assessed as achieving "Excellent Performance" status, scoring between 75% and 100%.

Our continued growth enabled us to create 1 215 new jobs during the past year, and for the third consecutive year our employment equity and gender diversity levels exceeded the targets of the Mining Charter.



Khumani Iron Ore stacker reclaimer



André Wilkens, Chief Executive Officer

We are pleased to report that an accredited SANAS verification agency has classified ARM as a Level 3 BBBEE contributor with a total score of 75.18%, a significant improvement from Level 4 at 66.3% in F2010.

Corporate Social Responsibility Investment – creating value for our communities

ARM seeks to contribute to the national agenda of addressing challenges facing South Africa, including poverty alleviation, job creation, education, welfare and healthcare. To this end, we have invested R124.5 million during the year through our Corporate Social Investment (CSI) initiatives, the Local Economic Development (LED) Projects agreed with local government through our Social and Labour Plans (SLP) and projects driven by the ARM BBEE Trust.

Transparent Reporting and Independent Third Party Assurance of our Sustainability Performance

We have, over the last three years, increased our focus on sustainability reporting. We have grown in this area and integrated sustainability successfully into our business processes, which has resulted in a significant improvement in our sustainability reporting. We received an “Excellence” rating from Ernst & Young for our F2010 Sustainable Development Report, which was Independently Assured at the B+ Application Level of the GRI G3. This report has met the GRI G3's requirement for Application Level A+ and also meets the membership requirements of the International Council of Mining and Metals (ICMM), of which we are a proud member.

André Wilkens

Chief Executive Officer
17 October 2011

In July and August 2011, **Peter Delmar, a senior independent freelance journalist, newspaper columnist and author**, was commissioned to visit ARM's CSI, LED and BEE Trust projects for the second year running in Limpopo, Mpumalanga and the Northern Cape. Stills photographs of the projects and their beneficiaries were taken and **case studies were prepared. Video footage was also shot with a view to producing short documentaries.** The case studies and video clips will be placed on our website.

www.arm.co.za/sd/case-studies/



Nkomati: Rose geranium project

www.arm.co.za/sd/case-studies/



Khumani: Investment in bulk electricity supply and household connections at Mapoteng township

www.arm.co.za/sd/case-studies/





Our approach to sustainability

In order to be sustainable, ARM has to continue to create value for shareholders while at the same time understanding, managing and mitigating the impacts of its mining and smelting operations on the environment and societies in which we operate.

Our commitment to improving our sustainable development performance is guided and strengthened by ongoing development in legislation, commercial requirements, external reporting frameworks and stakeholder expectations.

As a JSE listed company, we need to comply with the JSE Listing Requirements, which include compliance with the principles set out in the third report on corporate governance in South Africa, referred to as King III. The Corporate Governance section in this report provides detail on our performance in this regard.

ARM has also participated and met the requirements of the JSE Socially Responsible Investment (SRI) Index for the past three years. This pioneering set of criteria, against which companies are assessed, provides guidance on environmental, economic and social sustainability as well as governance best practice. The Index further offers a platform to recognise listed companies that incorporate sustainability principles into their everyday business practices and is a tool which investors can use to assess companies on a broader base.

ARM participated in the Carbon Disclosure Project 2010: South Africa JSE 100 in response to the CDP's challenge for companies to measure and report on their carbon emissions. This was a learning process which will serve as a foundation for improvement.

ARM became a member of the International Council of Mining and Metals (ICMM) in September 2009 because it shares the ICMM vision of a respected mining and metals industry which is widely recognised as essential for society and a key contributor to sustainable development. The ICMM is a CEO-led organisation representing some of the world's largest mining, minerals and metals companies as well as regional, national and commodity associations.

As a member of the ICMM, ARM also subscribes to the Extractive Industries Transparency Initiative (EITI) – a global standard that promotes revenue transparency and the management of revenues from natural resources. The EITI is a combined initiative of governments, companies, civil society, investors and international organisations which support improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining. The aim of the EITI is to strengthen governance which prevents the exploitation of natural resources by improving transparency and accountability in the extractives sector.

As a member of the ICMM, ARM is required to act in accordance with ICMM position statements and comply with the three elements of the ICMM Sustainable Development Framework, namely (i) implementation of the 10 ICMM Sustainable Development Principles throughout the business, (ii) a commitment to transparent and accountable reporting practices (we continue to report in line with the GRI G3 framework) and (iii) independent third-party verification that we are meeting the ICMM commitments.

Subsequent to becoming a member of the ICMM, we initiated an externally conducted gap analysis in 2010 in order to assess the

alignment of our sustainable development practices with the ICMM's 10 Principles. The key recommendations arising from this process were for ARM to go beyond legal compliance in its management of risk, to include emerging sustainable development risks in its risk management system and to strengthen its reporting framework based on the GRI. These recommendations were successfully implemented during the previous financial year (F2010) and resulted in successful external assurance at a moderate level of our sustainable development report in F2010.

During the financial year under review in this report, we continued to broaden our approach to sustainability reporting and we have further integrated issues material to our sustainability into our risk management system. The transitional sustainable development model which we presented for the first time last year, has proven to suit our reporting requirements well and we continue to use this to integrate sustainability across our business.

Managing sustainability in our business

The Group Manager: Sustainable Development, who reports to the Chief Executive Officer of ARM with oversight from the Social and Ethics Committee (formerly called the Sustainable Development Committee), is responsible for reviewing sustainable development policies, strategies and targets and ensuring that they are aligned with the Board's commitment to zero tolerance of harm throughout our business.

The purpose of the Social and Ethics Committee is to monitor and report on the manner and extent to which ARM protects, enhances and invests in the wellbeing of the economy, society and the natural environment in which ARM operates in order to ensure that its business practices are sustainable. The Committee also reviews and considers the efficacy of ARM's systems to promote local economic development opportunities to enable historically disadvantaged South Africans (HDSAs) to develop economically whilst meeting the requirements of mining rights conversions, the Mining Charter and other requirements detailed in the Minerals and Petroleum Resources Development Act, 2002 and other legislation.

The Social and Ethics Committee has three members, of which two are Independent Non-executive Directors as described in the Corporate Governance section of the Integrated Annual Report.

The ARM Management Risk Committee is a management sub-committee of the Audit Committee tasked with assisting the Audit Committee in discharging its duties relating to risk matters by implementing, co-ordinating and monitoring a risk management plan, policy and processes to ensure that broader strategic and significant business risks are identified and quantified with attendant controls and management assurance. The Leader: Risk Management and Group Manager: Sustainable Development attend the Social and Ethics Committee meetings and are members of the Management Risk Committee and are instrumental in integrating sustainability risks which are identified on operational and corporate level, into ARM's comprehensive risk management process. Both these individuals attend Board meetings to respond to any risk-related matters raised by the Directors.

Corporate Governance

Our approach to assurance

ARM is a public company listed on the JSE Limited (JSE). The Company complies with the JSE Listing Requirements, applicable statutes, regulatory requirements and other authoritative directives regulating its conduct. In addition, ARM abides by the principles set out in the King Report on Corporate Governance for South Africa 2009 (King III), which came into effect for JSE-listed companies after 1 March 2011, save for the exceptions noted in this report and in the Corporate Governance Report in the 2011 Integrated Annual Report. ARM qualified for inclusion in the JSE's Socially Responsible Investment (SRI) Index for the past three years.

King III ensures that South Africa continues to be at the forefront of governance internationally. ARM remains committed to the highest standards of corporate governance. In line with ARM's commitment to the principles of good corporate governance, ARM continues to review and improve its corporate governance structures. A table summarising ARM's application of the King III principles is set out on pages 117 to 120 of the Corporate Governance report in ARM's 2011 Integrated Annual Report.



Comprehensive reports on adherence to King III are incorporated in the Company's 2011 Integrated Annual Report.

ARM is well prepared with regard to the management and control of its various businesses. ARM and its divisions have a number of management and control assurance-providing initiatives and processes in place including:

- Monthly performance reviews of operations through operational committee meetings;
- Quarterly performance reviews of operations through Executive Committee meetings;
- Quarterly ARM Management Risk Committee meetings;
- Quarterly ARM Sustainable Development Management Committee meetings;
- Quarterly operational Sustainable Development Committee meetings;
- Quarterly ARM Social and Ethics Committee (formerly called the Sustainable Development Committee) meetings;
- Regular operational/divisional audit committee meetings;
- Quarterly ARM Audit Committee meetings;
- Regular joint venture board and executive committee meetings; and
- Quarterly ARM Board of Directors (the Board) meetings.

The meetings and regular reviews form an important part of the combined assurance process and they ensure appropriate oversight of management processes and the management and mitigation of associated risks to an acceptable level. The combined assurance model developed by ARM recognises three levels of control: operational management, oversight functions and external assurance providers.

Further to ARM joining the ICMM in 2009 and undertaking an internal assurance gap analysis conducted by independent external consultants, ARM has committed to taking the steps required to meet the proposed external assurance requirements in terms of our sustainability reporting.

ARM's commitment to improving our sustainable development performance and reporting includes referring to the guidelines and expectations of a number of frameworks. This Sustainability Report has again been drafted in accordance with the GRI G3 sustainability reporting guidelines. We have embarked on a phased external assurance process and this year, we appointed SustainabilityServices.co.za to provide Independent Third-Party Assurance of the report. At the time of the publishing of the 2011 Integrated Annual Report, we conservatively evaluated our Sustainability Report to meet the GRI G3's requirements for Application Level B+. However, we have met the GRI G3's requirements for Application Level A+ (please refer to the Independent Assurance Statement later in this report on pages 72 and 73). The assurance process has greatly assisted us in identifying areas for improvement in terms of our reporting and we are committed to continuous improvement in this regard and implementing the recommendations stated in the Independent Assurance Statement.



Our commitment to the highest standards of corporate governance

ARM's efforts to achieve sustainability are supported by its commitment to the highest standards of good corporate governance. This encompasses sound business practices, which is underpinned by appropriate management systems, structures and policies. For additional information, refer to the Corporate Governance report on pages 117 to 134 in ARM's 2011 Integrated Annual Report.



The Board

The Board is the foundation of ARM's corporate governance system and is accountable and responsible for ARM's performance. The Board retains effective control through a clear governance structure and has established committees to assist it, in accordance with the provisions of ARM's Board Charter. All Directors are required to maintain high standards of integrity and ethical behaviour.

ARM has a unitary Board comprising 17 Directors of whom eight are Independent Non-executive Directors. One is a Non-executive Director, who is not independent, and eight are Executive Directors. Seven of the Company's 17 Directors, or 41%, are black. Two Directors, or 12%, are black female Directors.

Independence

The classification of Independent and Non-executive Directors is determined by the Board on the recommendation of the Nomination Committee in accordance with the guidelines set out in King III. In determining the independence of the Independent Non-executive Directors, character and judgement are considered, together with any of their relationships or circumstances which are likely to affect, or could appear to affect, their judgement and with due regard to the criteria for determining independence as set out in King III.

Executive Chairman and Chief Executive Officer

The roles of Executive Chairman and Chief Executive Officer (CEO) are separate and distinct. ARM's Executive Chairman, Mr Patrice Motsepe, contrary to the independence requirements of King III, is an executive representing the Company's largest shareholder, which held 41.17% of the Company's share capital at 30 June 2011. ARM is satisfied that the non-independence

of the Executive Chairman is adequately addressed by the composition of the Board and particularly by the appointment of a Lead Independent Non-executive Director, Dr Manana Bakane-Tuoane, in accordance with and as required by King III.

In addition to the general requirements for the re-election of Directors set out in the Company's Articles of Association, the Executive Chairman is required to be elected by the Board annually. Mr Motsepe was re-elected as Executive Chairman for the period of one year commencing 1 January 2011. The CEO is appointed by the Board.

Succession

In February 2011, the Company announced the commencement of the process to identify a successor for the current CEO. Following an intensive search, the decision to appoint Mike Schmidt, an internal candidate from the ARM Platinum Division, as the CEO Designate with effect from 1 September 2011. He will work with André Wilkens for a period of six months as part of a hand over process and take over as CEO of ARM on 1 March 2012.

André Wilkens will continue as an Executive Director in the office of the Executive Chairman.

Board Charter

The Board Charter, which was approved in May 2009, was amended and approved by the Board in June 2011 to ensure compliance with King III and the Companies Act 71 of 2008, as amended by the Companies Amendment Act 3 of 2011, and the Regulations thereto (the new Companies Act). The Board Charter provides guidelines to Directors in respect of, *inter alia*, the Board's responsibilities, authority, composition, meetings and the need for performance evaluations.

The roles and responsibilities set out in the Board Charter are as follows:

- determining the Company's purpose and values identifying its stakeholders and developing strategies in relation thereto;
- being the focal point for and custodian of good corporate governance by managing the Board's relationship with management, the shareholders of the Company and other stakeholders of ARM;
- providing strategic direction and leadership which is aligned to the Company's value system by reviewing and approving budgets, plans and strategies for ARM and monitoring the implementation of such strategic plans and approving the capital funding for such plans;
- ensuring that ARM's business is conducted ethically and monitoring the ethics performance of ARM;
- approving business plans, budgets and strategies which are aimed at achieving ARM's long-term strategy and vision;
- annually reviewing the Board's work plan;
- monitoring the operational performance of ARM including financial and non-financial aspects relating to such performance;
- ensuring the sustainability of ARM's business;
- reporting in ARM's integrated annual report on the going concern status of ARM and whether ARM will continue to be a going concern in the next financial year;

- determining, implementing and monitoring policies, procedures, practices and systems to ensure the integrity of risk management and internal controls in order to protect ARM's assets and reputation;
- identifying and monitoring key performance indicators of ARM's business and evaluating the integrity of the systems used to determine and monitor such performance;
- monitoring and ensuring compliance with the Company's policies, codes of best business practice, the recommendations of King III and all applicable laws and regulations;
- adopting and annually reviewing the information technology governance framework and receiving independent assurance on such framework;
- considering, through the Audit Committee, specific limits for the levels of risk tolerance;
- defining levels of materiality, thereby reserving certain powers for itself and delegating other matters to management of the Company;
- ensuring that the Company's annual financial statements are prepared and are laid before a duly convened Annual General Meeting of the Company;
- ensuring that a communications policy is established, implemented and reviewed annually and, in addition to its statutory and regulatory reporting requirements, that such policy contains accepted principles of accurate and reliable reporting including being open, transparent, honest, understandable, clear and consistent in ARM's communications with stakeholders;
- considering recommendations made to the Board by the Nomination Committee with regard to the nomination of new Directors and the re-appointment of retiring directors, both as Executive Directors and Non-executive Directors;
- ensuring that the competency and other attributes of the Directors are suitable for their appointment as Directors and the roles which they are intended to perform on the Board and that they are not disqualified in any way from being appointed as Directors;
- ensuring that appointments to the Board are formal and transparent and comply with all prescribed procedures;
- ensuring that a succession plan for the Executive Directors and senior management is implemented;
- selecting and appointing suitable candidates as members of committees of the Board and the chairmen of such committees;
- ensuring that annual performance evaluations are conducted of the Board, the Executive Chairman, the CEO and other individual Directors, and Board committees and their respective chairmen; and
- ensuring that the Board comprises a balance of Executive and Non-executive Directors, with the majority of Non-executive Directors being independent, and ensuring that the Directors are persons who have the relevant knowledge, skills and experience required for governing the Company efficiently.

The Board Charter also provides for a clear division of responsibilities to ensure a balance of power and authority, so that no one Director has unfettered powers of decision-making.

Assessment

The Board is committed to transparency in assessing the performance of the Board, its committees and individual Directors, as well as the governance processes that support Board activities. The effectiveness of the Board and its committees is assessed annually. The most recent assessment was conducted in 2011. Independent external advisors assisted the Nomination Committee and the Executive Chairman with evaluation of the Board, its committees and individual Directors including the Executive Chairman, the CEO and the Company Secretary.

Board committees

The Board has established committees to assist it in fulfilling its responsibilities in accordance with the provisions of the Company's Board Charter. Nonetheless, the Board acknowledges that the granting of authority to its committees does not detract from the Board's responsibility to discharge its duties to the Company's stakeholders.

Committees report to the Board at each Board meeting and make recommendations in accordance with their Terms of Reference, which are reviewed annually to take into account applicable legislation and developments in best practice. These Terms of Reference set out the committees' roles and responsibilities, functions, scope of authority and composition.

In F2011, the Terms of Reference were reviewed by the committees and amendments were approved by the Board to reflect the recommendations under King III and the new Companies Act. The membership of the Board committees consists solely of Non-executive Directors with one exception: contrary to King III and the JSE Listings Requirements, ARM's Executive Chairman is currently a member of the Nomination Committee. King III provides that a chairman of a board should be a member of the nomination committee. Each committee is chaired by an Independent Non-executive Director.

Committees and their functions (roles and responsibilities)

Non-executive Directors' Committee

The committee comprises all of the Non-executive and Independent Non-executive Directors and meets formally on a quarterly basis (without ARM management). Meetings are chaired by the Lead Independent Non-executive Director.

Audit Committee

The Audit Committee assists the Board in discharging its duties to the Company and its stakeholders in relation to the:

- safeguarding of assets;
- operation of adequate systems, internal controls and control processes;
- preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards;
- enhancing of the reliability, integrity, objectivity and fair presentation of the affairs of the Company; and
- overseeing of financial and other risks in conjunction with the Social and Ethics Committee and has oversight of the Company's financial and integrated reporting processes.

The Management Risk Committee reports to the Audit Committee.

The Audit Committee acts as a forum for communication between the Board, management and the external and internal auditors; and performs a review function over all ARM operations.

To assist the Audit Committee, all operational joint ventures have audit committees.

All six Audit Committee members are Independent Non-executive Directors, each of whom has extensive financial experience. The CEO, the Financial Director and senior executives attend meetings by invitation.

Nomination Committee

The Nomination Committee reviews the composition, structure and size of the Board and recommends appointments to the Board and its committees. It is responsible for developing the criteria used to select Directors as well as designing the orientation programmes for newly appointed Directors on their roles and responsibilities.

The Terms of Reference provide for the Nomination Committee to monitor succession planning for the Executive Chairman and the CEO, other Directors and senior management who are not Directors.

Social and Ethics Committee

(previously called the Sustainable Development Committee)

The Social and Ethics Committee meets quarterly.

The Social and Ethics Committee's objectives, which are set out in its Terms of Reference, revised in May 2008, are to achieve and maintain world-class performance standards in safety, health (occupational), the environment, HIV & AIDS and social investment, as well as to enable Historically Disadvantaged South Africans (HDSAs) to enter the mining industry as prescribed by the Minerals and Petroleum Resources Development Act and to ensure compliance with the Scorecard issued by Government. The attainment of these objectives requires the Social and Ethics Committee to advise the Board on policy issues, the efficacy of ARM's management systems for its sustainable development programmes and progress towards set goals and compliance with statutory, regulatory and charter requirements.

The Social and Ethics Committee Terms of Reference provide that the committee must have a minimum of three members, the majority of whom shall be Independent Non-executive Directors. Currently, the committee is comprised of three Non-executive Directors, the majority of whom are independent. The Group Manager: Sustainable Development reports to the CEO.

Remuneration Committee

The Remuneration Committee recommends appropriate levels of remuneration for members of the Board, sets remuneration packages for Executive Directors and determines the Company's policy for the remuneration of ARM's employees (with particular reference to senior management).

Investment Committee

In accordance with Board criteria, the Investment Committee considers substantial investments proposed by management, including mining projects, acquisitions and the disposal of assets as well as reviewing the results attained on completion of each project. It is required to meet at least once a year.

Management Committees

Management Risk Committee

The Management Risk Committee, a management sub-committee of the Audit Committee, assists the Audit Committee in discharging its duties relating to risk matters by implementing, co-ordinating and monitoring a risk management programme to ensure that broader strategic and significant business risks are identified and quantified with attendant controls and management assurance.

It is chaired by the CEO and its membership includes the Financial Director, the Chief Executives of the divisions, the Leader: Risk Management, the Group Manager: Sustainable Development and the Chief Information Officer.

With effect from 1 July 2011, the internal auditors are invited to attend one meeting per year.

Steering Committee

The Steering Committee is charged with the implementation of approved corporate strategy and other operational matters. It is chaired by the CEO and its membership includes Executive Directors and senior management. It meets quarterly, or more often as circumstances warrant.

Treasury Committee

The Treasury Committee meets monthly and, if required, more frequently, under the chairmanship of the Financial Director. The committee membership includes the ARM Finance Executive: Operations, the ARM Finance Executive: Corporate and the Company Financial Manager. The committee reviews operational cash flows, currency and interest rate exposures, as well as funding issues within the Company. While not performing an executive or decisive role in the deliberations, Andisa Treasury Solutions (Proprietary) Limited, to whom the treasury function is outsourced, implements decisions taken when required. Advice is also sought from other advisors on an ongoing basis.

Company Secretary

Within the prevailing regulatory and statutory environment the Company Secretary supports the Executive Chairman in ensuring effective functioning of the Board and provides guidance to directors on their responsibilities and duties (and the actions required to discharge these). The Company Secretary also raises matters warranting the attention of the Board; ensures Board decisions and instructions are clearly communicated to the relevant people and is available to provide a central source of guidance and advice within ARM on matters of ethics and good governance.

Ethics

The ARM Code of Conduct addresses and formalises ARM's commitment to maintaining the highest standards of corporate governance and ethics. The Code of Conduct was reviewed and amended to reflect the recommendations of King III and the new Companies Act were approved by the Board in F2011.

All Directors and employees are required to maintain high standards to ensure that the Company's business is conducted honestly, fairly, legally, in a reasonable manner, in good faith and in the best interests of the Company.

Dealings in securities and insider trading policy

ARM enforces closed periods in respect of dealing in the Company's securities. These closed periods also operate during price-sensitive periods when major transactions are being negotiated and a public announcement is imminent. The complete policy governing dealings in the Company's securities and insider training may be found on ARM's corporate website:

www.arm.co.za.



Whistleblowers' facility

An independent service provider operates ARM's whistleblowers' facility, that provides an anonymous means for employees and other stakeholders to report confidentially and anonymously any unethical or risky behaviour.

Formal procedures in place result in each whistleblowing report being investigated; policies and procedures being revised where applicable; and feedback reports being provided to the independent operators of ARM's whistleblowers' facility.

The whistleblowers' facility, which has been promoted to employees for their protection has proven to be an effective vehicle for providing a voice to employees. Initiatives to heighten awareness of the facility are ongoing.

A formal report regarding whistleblowing, is reviewed quarterly at Audit Committee meetings.

Human rights

ARM complies with South Africa's human rights legislation, including the Constitution and the Bill of Rights, which safeguard the basic human rights of employees in South Africa, and subscribes to the United Nations principles to "protect, respect and remedy" when it comes to human rights issues. Human rights issues are integrated into business policies and management systems. We do not necessarily use the term human rights but it is implied and articulated in our Code of Conduct, Grievance Procedure policy, Protected Disclosure policy and our Sexual Harassment policy.

ARM's policies clearly state that we do not tolerate any form of discrimination and that all employees and stakeholders are to be treated with dignity and in a manner that is culturally appropriate, irrespective of gender, background or race.

ARM conducts human rights assessments as per the United Nations Protect, Respect and Remedy Framework. When there has been a violation of an employee's rights ARM has a grievance mechanism in place. The employee can either report to their supervisor or manager, report the matter to the Human Resources Department or report it anonymously to the whistleblowers' line.

Security personnel, including contractors, undergo training and refresher training every second week on how they should conduct themselves in term of citizens' human rights.

We require our operations to maintain community relations strategies that uphold and promote human rights and respect cultural considerations and heritage.

The Company uses a Human Resources Performance Management System and Safety, Health and Quality systems to monitor compliance and performance.

Going concern

The Board is ultimately responsible for ensuring that ARM remains a going concern. It retains full and effective control by monitoring and supervising executive management, being involved in all material decisions affecting ARM and ensuring that adequate systems of financial and operational internal controls are in place and monitored.

Internal control and internal audit

The Board, with the assistance of the Audit Committee, the Management Risk Committee and the internal auditors, outsourced to KPMG Services (Proprietary) Limited, reviews the Company's risk profile annually. In terms of the risk-based internal audit programme approved annually by the Audit Committee, the internal auditors perform a number of reviews to assess the adequacy and effectiveness of systems of internal control and risk management.

The results of these reviews, together with updates on the corrective action taken by management to improve control systems, are reported to the Audit Committee and the Board.

Risk management programme

ARM has effective and well-developed risk management processes which have been in place for a number of years. A firm commitment to comprehensive and effective risk management is an imperative at all levels within ARM. The Company recognises that integrating risk management philosophy and practice into the culture of an organisation is an ongoing challenge which, to be effective, must be a continuous, dynamic and developing process that addresses risks across the spectrum, from risks associated with strategy and its implementation, to operational, legal and reputational risks.

The Board tasks the Audit Committee with oversight for risk management. In view of the importance of this function, the Audit Committee has established a management sub-committee, the Management Risk Committee (MRC), to assist it to manage and report on risk management processes and procedures. The MRC is chaired by the Chief Executive Officer and its members include chief executives of divisions, the Financial Director and members of the ARM Steering Committee.

ARM's integrated approach to risk management includes an Enterprise Risk Management (ERM) process and Balanced Scorecard approach. This integrated approach not only assists in ensuring appropriate corporate governance compliance, but also provides a practical and effective tool for the management of risk within ARM.

The risk management process encompasses four main functions, which are overseen and reported on by the MRC:

- ERM process/risk register: ensures that a robust system of identifying, quantifying, monitoring, managing and reporting risks and opportunities is applied consistently throughout the Company.
- Physical risk management: ensures that physical risk grading, risk improvement and other risk controls are appropriate, and maintains and enhances performance against agreed international risk standards.
- Risk financing and insurance: ensures that ARM's risk financing and insurance programmes are comprehensive and adequately protect the Company against catastrophic risk.
- Monitoring new developments: ensures that the risks arising from new developments in ARM's operating environment are considered on an ongoing basis.

Legal compliance

Internal and external audits are conducted regularly at all operations and any instances of non-compliance with regulatory requirements are reported to management for corrective action.

Internal audits are undertaken annually and external audits of safety, health and environmental (SHE) performance at all of ARM's operations, are biennial. The most recent external SHE audit was conducted in F2011. All findings are being addressed through the risk and non-conformance systems of the different operations. Sixteen corporate standards on risk assessment, legal compliance, water management, waste management, contractor management, biodiversity, waste and emissions management were implemented during F2011.

During F2011, the Company did not receive any administrative penalties nor was it fined nor has it been prosecuted for any anti-competitive practices or non-compliance with any governance or legislative obligations.

A legal and regulatory compliance policy for the Company has been adopted by the Company.

We comply with South African labour law which is among the most forward thinking legislation in the world, and the labour laws of any other countries in which we operate.

Donations to political parties

ARM supports South Africa's democratic processes and makes contributions to political parties. A policy relating to making donations to political parties has been adopted by ARM. In the year under review, donations were made to political parties in accordance with the policy and the budget approved by the Board.



Nkomati Mine: Supporting the Badplaas Community Centre

Stakeholder engagement

Our approach to stakeholder engagement

Engaging with stakeholders, listening to their views and addressing their concerns, is an integral part of doing business for ARM. We have identified a broad range of internal and external stakeholders who have a material interest in or are affected by ARM and have assessed our involvement with them, or our potential impact on them, at a corporate and operational level. Our engagement with stakeholders is as diverse as the various stakeholders are.

We use a broad range of methods to engage with stakeholders and dialogue and feedback are encouraged. Engagement includes; face-to-face formal or informal meetings (including our annual general meeting; media and stock exchange announcements, presentations to investors, potential investors and business partners; conference calls; the ARM website (www.arm.co.za); the intranet site available to our employees; open days and operational site visits; perception studies and reputation audits; whistleblowing facilities and formal grievance mechanisms; multi-stakeholder forums and workshops; dedicated email and telephone facilities; regular customer, business partner and supplier meetings; cultural, social and environmental impact assessments; and formal consultation and audit processes.

Stakeholders are categorised as:

- Those directly affected, both positively and negatively, by the activities of ARM;
- Interested parties who, while not directly affected by the activities of ARM have an interest in them; and
- Authorities at all levels (local, regional and national).

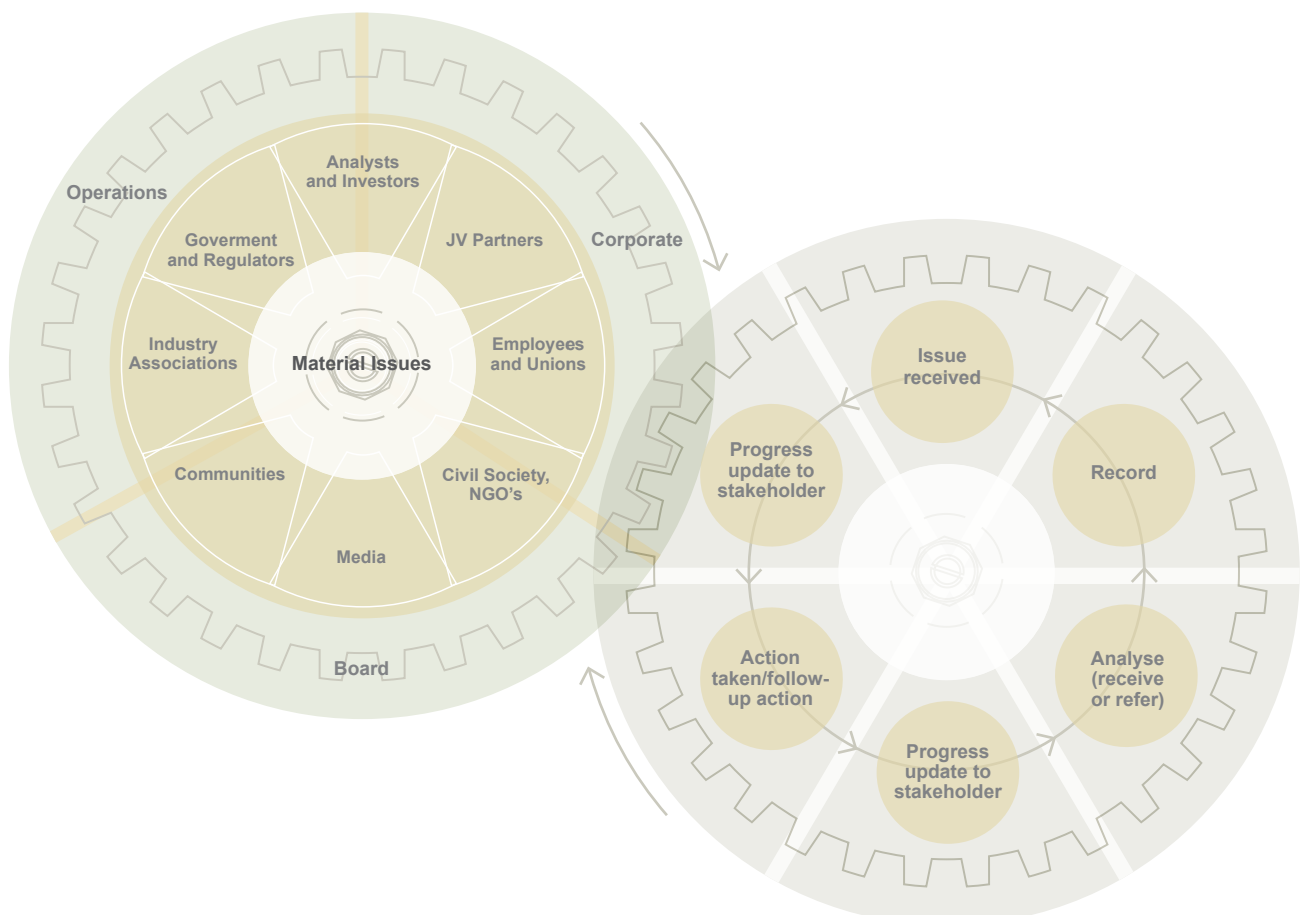
Earning the trust of the communities in which we operate is essential if we are to continue to gain access to vital resources and retain our licence to operate. Building trust is achieved through interactions with stakeholder groups as part of a process aimed at understanding those issues of material interest to our priority stakeholders, and responding to expectations.

Each ARM operation engages with stakeholders in a unique manner appropriate to specific needs and concerns.

Currently, operations keep engagement reports and minutes. ARM recognises that there is scope for improving on our current practice, and that these interactions need to be formalised to ensure that learnings are documented and shared effectively at both operational and corporate level.

An overview of the nature of current stakeholder interactions, the key issues of concern and interest raised by various stakeholder groups, and ARM's response to these, are set out in the table below.

We view stakeholder engagement as an interactive process on various levels of our business with all our stakeholders as presented in our model below:



Engagement with our stakeholders

Principal methods and frequency of engagement	Points of discussion and concerns raised by the stakeholders	How ARM is responding
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Shareholders, institutional shareholders, analysts, investor relations

<p>Regular meetings.</p> <p>ARM maintains a website which provides information regarding the Company's operations, financial performance and other information.</p> <p>Shareholders are encouraged to attend the Annual General Meeting and to use this opportunity to engage with the Board and senior management.</p> <p>The Company has developed a comprehensive investor relations programme to communicate with domestic and international institutional shareholders, fund managers and investment analysts. Engagements include participation by ARM senior executives in one-on-one meetings with institutional investors in South Africa, the United Kingdom and North America, as well as investor roadshows and conferences.</p> <p>ARM does two roadshows annually; one each for its annual and interim results.</p>	<p>Ensuring growth (volumes, earnings); reduction in costs and improvement in cost controls; where appropriate, divestment due to a lack of fit within the Group.</p> <p>Skills attraction, retention and development; transformation/employment equity; dividends and share price.</p> <p>Due to a high percentage shareholding from off-shore, ARM needs to remain globally competitive.</p> <p>Managing HIV & AIDS.</p> <p>Mineral rights conversions and mining licences.</p>	<p>ARM is committed to transparent, comprehensive and objective communications with its stakeholders.</p> <p>ARM, being a series of JVs, where each partner has a different role to play, has discussions formally and informally with its partners and management, raising management awareness of the expectations of analysts and fund managers.</p> <p>Regular meetings, promoting open communication and transparency.</p> <p>Summaries of the results of decisions taken at shareholders' meetings are disclosed on the Company's website following the meetings.</p> <p>ARM's Investor Relations department is responsible for communication with institutional shareholders, the investment community and the media.</p>
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Unions/organised labour

<p>Monthly shop steward meetings; other meetings as required.</p>	<p>Union employment-related issues, including remuneration, training, health and safety, and transformation.</p>	<p>ARM strives to establish a good relationship with the unions, which is essential to the process of being a partner and employer of choice; as well as the conclusion of recognition agreements with one or more unions.</p>
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Communities

<p>All our operations have Social Investment Forums to discuss investments in the communities surrounding operations.</p> <p>In most communities, monthly/quarterly meetings are held to discuss LED/SED/CSI projects.</p> <p>Participation in the Future Forums.</p> <p>Community Open Days (CODs) occur anywhere from six-monthly through to annually.</p> <p>In cases of changes or expansions to our current operations, we consult with communities through stakeholder consultation processes as prescribed by the Regulations of the National Environmental Management Act (NEMA).</p>	<p>Agenda items include the status, challenges and management of social projects, and the needs of the community. Other issues may include planned changes/expansions at our operations, environmental issues and environmental management performance in which communities are taking an increasing interest.</p>	<p>Specialised discussions/meetings are constructed to engage with communities about specific concerns (attendance and minutes are kept).</p> <p>CODs are designed mostly around information sharing and developing relationships with communities.</p>
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Engagement with our stakeholders continued

Principal methods and frequency of engagement	Points of discussion and concerns raised by the stakeholders	How ARM is responding
Government		
<p>Local government is engaged in particular with respect to LEDs as required.</p> <p>National government is engaged on matters of policy making and as required.</p>	<p>Continuous liaison, depending on the purpose of the engagement: varies from social investment to health and safety, environmental management, transformation, etc.</p> <p>Regular progress reports and updates, e.g. on implementation of Social and Labour Plans.</p>	<p>Information is shared about the SED programmes around the operation, as they form part of LED strategies, and must be closely aligned to these strategies.</p> <p>Ensure alignment and use shared experiences – outcomes from community engagement sessions – to guide/inform local government strategies.</p> <p>Reports are submitted by the local operations on SED basis (in some cases monthly, but mostly on a quarterly and annual basis).</p>
Local business		
Depending on the area, regular meetings are held to consider issues that are common within the industry (eg, the Steelpoort Producers' Forum which consists of 15 different companies).	Agenda issues.	Meeting notes are summarised on a meeting-by-meeting basis.
Industry bodies		
As a member of the Chamber of Mines (South Africa), ARM is represented on the Executive Committee, various Policy Committees and Work Groups as well as the Mining Industry Occupational Safety and Health (MOSH) Task Force (established towards meeting the Mine Health and Safety Act (MHSA) milestones for 2013 in terms of safety and health through sharing and implementation of best practice in the mining industry). Engagement is mostly in the form of meetings, which take place monthly or as required.	Agenda issues.	ARM participates as required.
As a member of the ICMM, ARM is represented on the Council, Executive Working Group and Task Forces which meet six-monthly, in addition to regular telephonic meetings and discussions.	Implementation of principles, best practice, agenda items.	ARM participates as required.
Member of the Ferro-Alloys Producers' Association (FAPA) and represented at meetings which take place, on average, quarterly.	Agenda issues, mostly safety, health and environmental related.	ARM participates as required.
Various other industry bodies, including the Association of Mine Managers of South Africa (AMMSA), the Association of Resident Engineers, Business Unity South Africa (BUSA) and Water Users' Associations where participation takes place in meetings and events.	Agenda issues.	ARM participates as required.
Bankers and funders		
Debt funding by term loans and general banking facilities as well as day-to-day banking operations.	No material issues raised.	Ongoing maintenance of banking relationships through meetings and general discussions.

Economic sustainability

Our material economic issues include:

Electricity costs and our ability to use electricity efficiently

As a long-term player in the South African mining industry, we supported the increase in Eskom's tariffs which was intended to facilitate its infrastructure building programme in order to continue growing our business. We are, however, concerned that a new round of price increases may adversely impact not only our business but also the communities in which we operate. ARM, together with other industrial users of electricity, is in discussions with government institutions to ensure future tariff increases strike a balance between allowing Eskom to build new infrastructure and sustaining industries that provide jobs and revenue for government. While we fully support measures that seek to promote the efficient use of energy and have a number of initiatives under way within ARM to ensure the efficient use of energy in our organisation, we are concerned that the proposed carbon tax, if it goes ahead, will add to the already heavy energy cost burden.

The ARM Ferrous Division, responsible for approximately 80% of our total consumption of electricity, is a member of the Energy Intensive Users Association and has developed its own Energy Efficiency Charter, which maps its development and implementation of energy efficient practices.

Logistics

Our logistics concerns are in connection with the railing of our products. ARM exports iron ore through the Sishen-Saldanha Iron Ore Export Channel (SIOEC), a single channel rail and port facility. Our ability to increase exports is limited by its capacity, any industrial action affecting Transnet Freight Rail (Transnet) and its operational performance. We are working closely with Transnet and other industry role players to explore the potential for expanding the SIOEC beyond 60 Mt per annum.

An additional concern relating to the lack of rail capacity in South Africa is the fact that, in many cases, ARM has to transport its products and raw materials by road. This increases our carbon footprint and limits the extent to which we can manage the associated environmental impact.

Market conditions

The commodities we produce are globally traded and, as a result, ARM does not control the prices we receive for our commodities. The prices at which the commodities we produce and benefit from trade, are significantly affected by global economic conditions and global demand for metals and energy. Price and exchange rate fluctuations impact our revenues, cash flows, profitability and asset values. ARM's diversified portfolio allows it to deliver more stable returns due to improved flexibility and the ability to manage the risk associated with commodity price cycles.

Costs

We are on track to achieve our strategic objective of having all our managed operations positioned below the 50th percentile of the unit cost curve for the various commodities we produce. In order to achieve our target ARM is reducing its ferrochrome production and increasing the production of ferromanganese at its Machadodorp Works. However, going forward, increasing energy and labour costs will present further challenges to containing production costs. Our production volumes and the revenue generated by our commodities are included in our Integrated Annual Report.

Adding value to the economy

Our performance in F2011

- Continuation of aggressive growth in ARM's portfolio of commodities
- Cash generated from operations increased by 72% to R5.9 billion
- Headline earnings of R3 310 million, up a significant 94% from F2010
- Headline earnings per share of 1 559 cents
- Sales of R14 893 million increased by 35% (R11 022 million in F2010)
- Five year cumulative annual growth rate in headline earnings since June 2006 was 48%
- R1 856 million paid to employees (R1 491 million in F2010), up 24%
- R1 671 million paid to the State as taxes (R1 009 million in F2010), up 66%
- R6 441 million paid to providers of products (R5 624 million in F2010), up 15%

Conditions in commodity markets experienced a notable improvement relative to the last financial year and ARM was able to maximise and deliver into these improved markets as a result of its growing portfolio. The strong cash generation has allowed ARM to deliver on its commitment to return cash to shareholders whilst simultaneously maintaining the ability to fund future growth.

While ARM's solid operating competence has always been a strong characteristic, the last few years have proven the Company's project development capability. In 2005 ARM embarked on an ambitious programme to double production volumes in the portfolio of commodities by 2010. This has resulted in the successful delivery of various projects over a relatively short time-frame.

Value Added Statement

	F2011 (Rm)	F2010 (Rm)	F2009 (Rm)	F2008 (Rm)	F2007 (Rm)	F2006 (Rm)
Sales	14 893	11 022	10 094	12 590	6 152	4 622
Net cost of products and services	6 441	5 604	4 201	4 318	2 527	2 361
Value added by operations	8 452	5 418	5 893	8 272	3 625	2 261
(Loss)/income from associates	(135)	(51)	147	461	16	–
Exceptional items	(11)	97	514	162	14	139
Income from investments	216	209	414	168	51	24
Wealth created	8 522	5 673	6 968	9 063	3 706	2 424
Applied as follows to:						
Employees as salaries, wages and fringe benefits	1 856	1 491	1 399	1 053	738	709
The state as taxes	1 671	1 009	1 727	2 084	781	377
Royalty tax	162	20				
Providers of capital	836	725	1 034	1 213	561	297
– Equity – dividend	426	371	847	315	–	
– Non-controlling interest	194	162	(198)	460	191	163
– Outside – finance cost	216	192	385	438	370	134
Total value distributed	4 525	3 245	4 160	4 350	2 080	1 383
Re-invested in the Group	3 997	2 428	2 808	4 713	1 626	1 041
Amortisation	1 112	987	787	541	406	440
Reserves retained	2 885	1 441	2 021	4 172	1 220	601
Wealth distributed	8 522	5 673	6 968	9 063	3 706	2 424
Market Capitalisation at FYE (R billion)	40.2	34.3	27.5	59.2	25.9	10.0

During the year under review ARM created significant value for a diverse range of stakeholders in the form of:

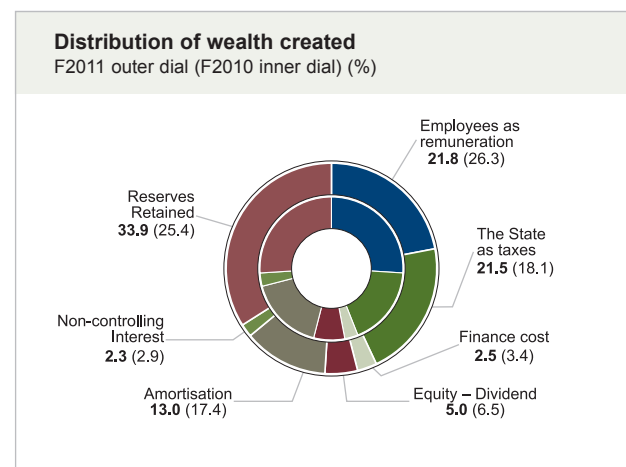
- Employee wages and benefits;
- Dividends paid to shareholders;
- Taxation and royalties paid to government;
- Socio-economic development initiatives in the communities in which we operate;
- Providers of capital; and
- Re-investment to ensure its sustainability over the long term and value creation for stakeholders.

ARM's value added statement shows an overall increase of 50% in wealth created and distributed in F2011, up from R5 673 million in F2010 to R8 522 million. Sales for the year increased by 35% to R14.9 billion (F2010: R11.0 billion).

The average gross profit margin is substantially higher than the previous year largely due to increased US Dollar commodity prices. In particular, the average prices, in US Dollar terms for iron ore (126%), palladium (73%), manganese ore (42%), nickel (18%), and export thermal coal (18%) increased significantly. The results for the year to June 2011 are, however, negatively impacted by the 8% weakening in the average Rand/US Dollar exchange rate to R6.99/USD from the average in F2010 of R7.59/USD.

Distribution of wealth created

The relative portion in the distribution of the wealth created between the respective elements in F2011 and F2010, and their respective changes, are illustrated below. It clearly shows the intention to maintain funds for future growth in terms of the reserves retained over both the two very different financial years:

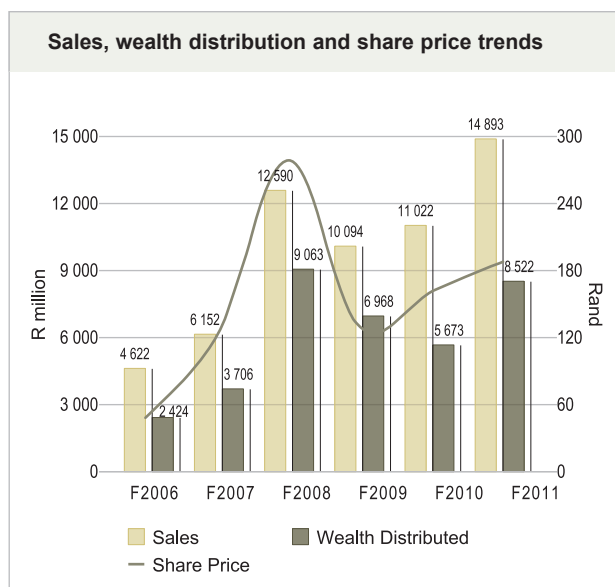


Six year performance trends

F2011 is the first year that follows the completion of the 2 x 2010 growth strategy culminating in F2010. The following three figures illustrate ARM's steady increase in adding value to the South African economy over the six years to the end of F2011.

The effect of the global financial crisis that occurred during F2009 is apparent, as is the recovery in the trends in F2010 and F2011.

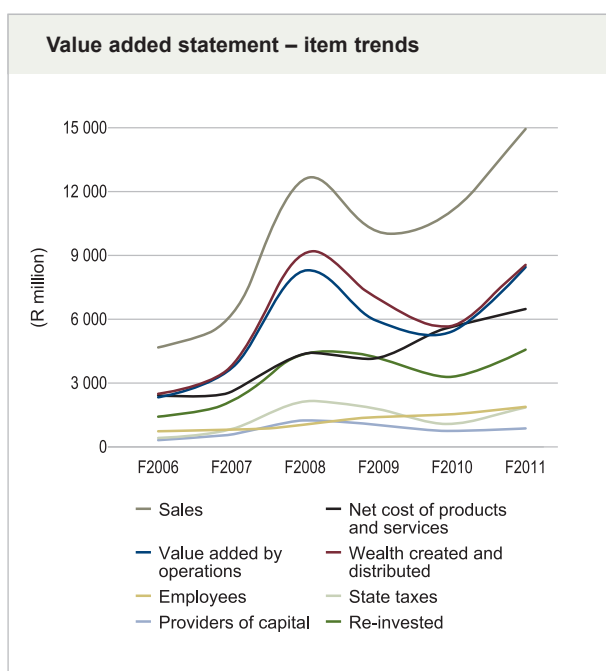
The steady increase in both sales and wealth distributed, over the six year period F2006 to F2011, is clearly evident in the graph below. The trend in the movement in the share price is shown against both sales and the wealth it created, in order to reflect the market's opinion of value over these six financial year-ends to F2011.



The next figure demonstrates ARM's contribution to growing the economy in terms of market capitalisation and employment provided. With a low increase in the issuing of shares (3.3%) and the market capitalisation being a function of the share price, the trend follows a similar pattern to that of the share price in the previous graph, measured against the growth in sales and wealth created. Similarly, the growth trend in the workforce tracks these trends.



The following graph provides an overview of the movement in the elements that comprise the value added statement over the six financial periods F2006 to F2011. Over this period sales have increased by 222%, and cost of products and services have increased by 173%, translating to an increase in value added by operations of 274%. In turn, employee remuneration has increased by 162%, payment to the State in the form of taxes by 343%, payment to providers of capital by 182%, and re-investment in the group by 227%. This is reflected in the wealth created and then distributed increasing by 252%.



Social sustainability

Our material social issues include:

Employee safety and wellness

We are committed to providing our employees with a safe and healthy work environment, which also allows us to run our operations in a sustainable and efficient manner. To ensure that the health risks present in each of our operations are identified, monitored and managed, specialist external service providers are engaged to assist with the implementation and management of the medical surveillance programmes running in all our operations.

Our principal occupational health issue remains noise-induced hearing loss (NIHL) while the most common illnesses diagnosed among our workforce (including chronic and primary health-related diseases) remain upper respiratory tract infections and back/muscular/skeletal ache. We have increased our efforts to reduce workplace noise, in line with the milestones agreed at the Mine Health and Safety Summit in 2003. It is compulsory for any of our workers who are exposed to the internationally accepted noise level limit of 85 decibels (A), or above, to wear appropriate hearing protection. We also regularly monitor and measure the noise emission levels of equipment. The hearing of employees exposed to high levels of noise is tested at least once a year.

HIV & AIDS and other chronic diseases remain a risk to the wellness and productivity of our employees. While the focus of our wellness programmes differs, depending on the requirements of each operation, we have focused during this financial year on facilitating access to chronic medication (including anti-retroviral drugs).

ARM's HIV & AIDS management guideline document, which was compiled with reference to the South African National Standard (SANS 16001:2007), the International Finance Corporation (IFC) HIV & AIDS Guide for the Mining Sector and the GRI Guideline on HIV & AIDS, provides our operations with guidelines and standards for the management of HIV & AIDS. The document, which is regularly reviewed and updated in line with internal and external developments, is used as a reference source for planning and implementing the HIV & AIDS programmes at all our operations. We have also developed a scorecard based on the framework provided by this document which is used to monitor and measure the performance of our operations in terms of our comprehensive HIV & AIDS programme. Our operations continue integrating HIV & AIDS community outreach projects into their programmes for the management of HIV & AIDS. These programmes form part of their community social investment.

Responsibility for safety at operational level lies with line managers and supervisors. Each operation has its own safety policy and strategy, which is aligned to ARM's zero harm commitment, but also addresses the operation's unique requirements.

The majority of our operations have obtained certification in terms of the international occupational health and safety management system, OHSAS 18001.

The SHEQ certification table can be found on page 35



Our safety training is designed to address the key safety risks identified at each operation. Every person working in our operations receives regular health and safety training. We continually monitor and review procedures and conduct safety and health awareness campaigns.

Statistical information

Please note that for occupational health and safety statistics purposes, an average of 21 323 employees and contractors (eligible for medical surveillance and contributing to the safety statistics) is used as the "total workforce". This figure differs from the total labour figure of 28 704 reported by the Human Resources Department, which is the figure recorded as at 30 June 2011.

All occupational health and safety statistics are reported on a 100% basis. Frequency rates are based on 200 000 man-hours; which means it is reflected per 100 employees (each working an average of 2 000 hours per annum).

Relationships with the communities in which we operate; labour and government

Details of our stakeholders, our methods of engagement with them, points of discussion and concerns raised and how ARM has responded to these concerns, can be found on pages 25 to 27 of this report.



Stakeholder engagement is a key strategic focus at ARM. To retain our licence to operate and continue having access to resources we need to earn the trust of the communities in which we operate through our engagement processes. Each ARM operation engages with its stakeholders in a manner appropriate to their specific needs and concerns. To ensure learnings, these interactions are documented and shared at operational and corporate level.

We regularly engage with organised labour and value our good relationship with the trade unions. During F2011 ARM was recognised as one of the top 60 best employers in South Africa.

During F2011 ARM created three permanent positions in its operations per calendar day. Over the past five years we have created an average of 2.5 permanent jobs per calendar day, which has resulted in the creation of 4 553 new jobs.

Our engagement with government takes place at local and national level on a range of topics including social investment, health and safety, environmental management and transformation. The aim of this engagement is to share information and partner with government to achieve delivery on local economic development strategies.

Transformation

We embrace the national agenda of broad-based economic transformation and in partnership with our stakeholders strive to make the mining industry reflective of all South Africans. We seek to comply with the spirit of the Broad-Based Socio-Economic Charter for the Mining Industry (Mining Charter) and currently exceed the Mining Charter targets with regard to employment equity and gender diversity. Areas which are particularly challenging to improve on in the short term, are local procurement and local economic development because the essential elements of skills transformation and capacity building take time. We are committed to being a transformation leader in the industry and our action plans are focused on delivering on the commitments of our Social and Labour Plans. There is still uncertainty over the application of the Mining Charter Scorecard and how the scoring will be applied. ARM has, however, submitted the Scorecards for all mines to the Department of Mineral Resources (DMR) based on the guidelines published in the Gazette. We will continue to consult with the DMR and through the Chamber of Mines forums in order to remain informed as the understanding with regard to the implementation of the Mining Charter Scorecard develops.

Attraction, retention and development of skills to support our aggressive growth plan

ARM aims to be the employer of choice in the mining industry. We believe this will allow us to retain our talent pool and attract new talent. We regularly benchmark our levels of remuneration against our peers.

Two of the major challenges facing our industry are the retention of skills and the development of new skills. ARM is currently well-placed with regard to skills. However, the risk of a skills shortage remains, as a result of the small pool of skills available in the mining industry and our aggressive growth plans.

We have identified the lack of appropriate housing around some of our operations, as a major risk to our ability to attract the right people and have embarked on a major housing project to address this proactively.

Our employee turnover rate at 4.8% for F2011 (vs. 5.7% for F2010) is one of the lowest in our industry, which indicates that we are achieving our goal of being an employer of choice. The fact that we recruit as many employees as possible from communities local to our operations also contributes to our low turnover rate.

We invest in learnerships (mainly in the engineering disciplines), internal and external bursaries and offer study assistance. In addition to contributing a mandatory 1% of our annual payroll to a skills development levy ARM's operations spent, on average, an additional 5.4% of our annual payroll on skills development during F2011.

Our graduate development programme concentrates on meeting our requirements for mining, mechanical and electrical engineers, metallurgists, geologist and surveyors. Over the past three years we have successfully filled most senior vacancies from within ARM.

We identify talented employees and put in place development plans and succession plans. Our development programmes include a shift boss/mine overseer development programme, which prepares talented employees for general management level appointments and a foreman development programme aimed at developing supervisory skills and preparing artisans for management level appointments.



Women in Mining at Khumani Mine

Safety

Our performance in F2011

Highlights

- A significant improvement in the Lost Time Injury Frequency Rate (LTIFR) to 0.43 (per 200 000 man hours) in F2011 compared to 0.77 in F2010
- Modikwa Platinum Mine achieved eight million fatality-free shifts and was awarded the DMR Safety Achievement Flag for Platinum Mines. It was also awarded the John T Ryan Safety Award, in recognition of its notable achievements in safety practices, at the annual MineSAFE Awards held on 19 August 2011
- Khumani Iron Ore Mine achieved its first million fatality-free shifts
- Beeshoek Iron Ore Mine achieved 8 000 fatality-free production shifts in the DMR competition and also recorded 12 months without a lost time injury
- Black Rock Manganese Mine achieved one million fatality-free shifts
- Two Rivers Platinum Mine achieved two million fatality-free shifts

Challenges

- We had one fatality (one in F2010); Fatality Frequency Rate (FFR) at 0.004 (per 200 000 man hours) compared with FFR of 0.005 in F2010
- Section 54 Notices resulted in the loss of 37 shifts/days.

Focus in F2012

- Zero harm to our employees
- Reduce Section 54 and 55 stoppages
- Modikwa ISO 9001, 14001 and OHSAS 18001 recertification
- Two Rivers: ISO 14001 and OHSAS 18001 (preparation for certification).

Our approach to managing safety

We are committed to providing our employees with a safe and healthy work environment, which also allows us to run our operations in a sustainable and efficient manner.

Responsibility for safety at operational level lies with line managers and supervisors. Each operation has its own safety policy and strategy, which is aligned to ARM's zero harm commitment, but also addresses the operation's unique requirements.

The majority of our operations have obtained certification in terms of the international occupational health and safety management system, OHSAS 18001.

Our safety training is designed to address the key safety risks identified at each operation. Every person working in our operations receives regular health and safety training. We continually monitor and review procedures and conduct safety and health awareness campaigns.

Safety performance

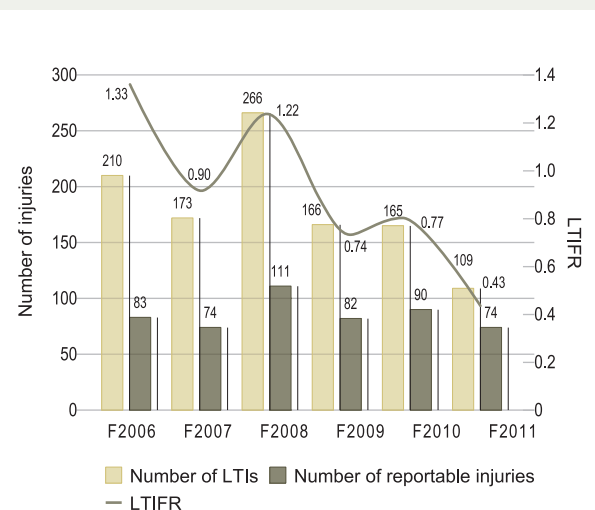
We regret to report that an employee lost his life in a work-related accident at Machadodorp Works during the year. The fatality occurred on 2 February 2011 when Mr Solomon Vusi Sindane, a trainee crane operator, fell from an overhead crane at furnace number 2. Mr Sindane passed away while being transported to Middelburg hospital. The ARM Board and management convey their sincere condolences to Mr Sindane's family, friends and colleagues and mourn this unacceptable loss.

The inquiry convened by the Department of Labour into the explosion that took place at the Cato Ridge Works on 24 February 2008 in which, regrettably, six employees were fatally injured, completed its hearings during the course of the reporting period under review. The finding of the inquiry is awaited. A Trust Fund to provide ex gratia assistance to the affected families was established during the previous reporting period (F2010).

In terms of reducing the number of serious and reportable accidents, ARM accomplished an excellent improvement in safety performance during the financial year. For the financial year 1 July 2010 to 30 June 2011:

- A total of 109 Lost Time Injuries (LTIs) (165 in F2010).
- Of the 109 LTIs, 74 were reportable injuries (90 in F2010).
- The LTIFR was 0.43 vs 0.77 in F2010.

Lost time and reportable injury statistics

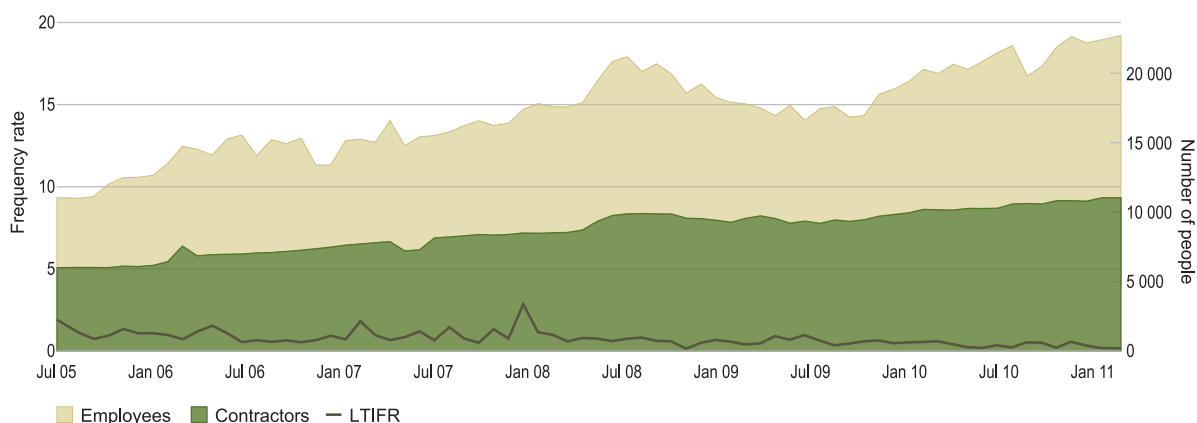


Our historical Lost Time Injury Frequency Rate (LTIFR) and Fatality Frequency Rate (FFR) are presented below. While it is encouraging that our continued efforts at improving our safety performance have resulted in a constant reduction in both LTIFR and FFR, in terms of our commitment to zero harm, loss of life and disabling injuries remain unacceptable and we will continually work to eliminate these completely.

ARM historical FFR and LTIFR

	F2011	F2010	F2009	F2008	F2007	F2006
FFR	0.004	0.005	0.022	0.039	0.006	0.007
LTIFR	0.43	0.77	0.74	1.22	0.90	1.33

Number of people employed vs LTIFR



Benchmarking our safety performance internally

ARM has two internal safety competitions which are used to benchmark performance among our operations. The Santa Barbara floating trophy is awarded to an operation that completes one million (or a multiple thereof) fatality-free shifts. This trophy has been awarded to four operations this year: Modikwa, Two Rivers, Black Rock and Khumani. The fatality-free performance of our operations in the table below, highlights Beeshoek Mine as the operation which has operated for the longest period, since March 2003, without a fatal accident.

Benchmarking our safety performance externally

To assist us in evaluating our safety performance, we benchmark with some of our peers nationally and internationally. The challenge in comparing figures, is that the products, mining and extraction processes, equipment and level of complexity varies from company to company and within companies, from operation to operation. The industry benchmarking data below is therefore not intended to provide a direct comparison, but rather to provide a general high-level indication of how ARM compares with other companies in the mining industry as far as lost time injuries are concerned.

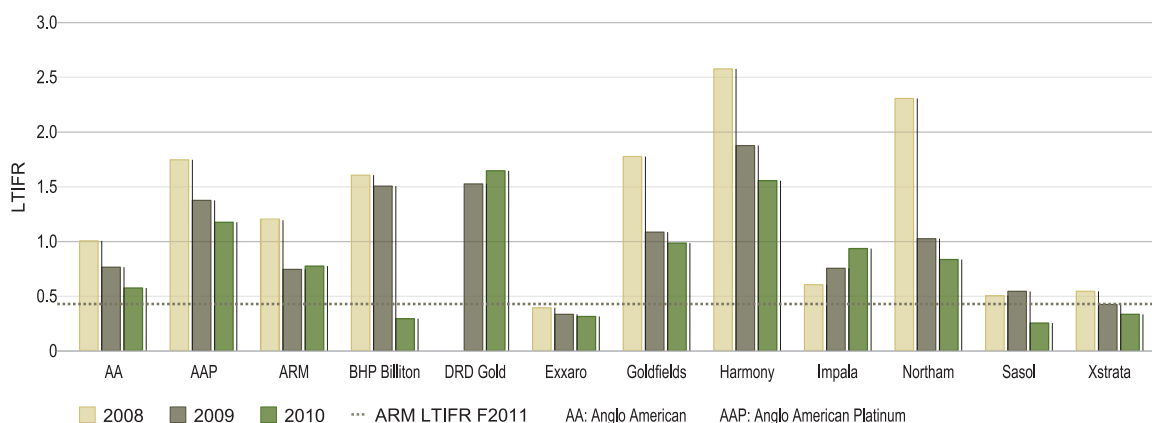
Status of the ARM Santa Barbara competition

(as at 30 June 2011)

Operation	Total fatality-free shifts worked	Date of last fatality
Modikwa Mine	8 031 723	April 06
Two Rivers Mine	2 437 357	July 07
Beeshoek Mine	1 857 443	March 03
Nkomati Mine	1 736 437	September 08
Khumani Mine	1 608 180	February 09
Black Rock Mine	1 121 600	April 09
Cato Ridge Works	964 089	February 08
Dwarsrivier Mine	741 551	January 09
Machadodorp Works	118 940	February 11

The "ARM Excellence in Safety" competition is based on a weighted average of differential LTIFR data over the last three financial years, with immediate disqualification of an operation at which a fatality occurred during the year. Cato Ridge Works was the winner of the Excellence in Safety trophy for the financial year under review, with Nkomati mine the runner-up.

LTIFR industry benchmark



Source: Integrated annual reports

ARM operations' Safety, Health, Environment and Quality (SHEQ) certification and safety performance at a glance

Operations	SHEQ certification	Safety statistics for F2011	Awards/Achievements in F2011
ARM Ferrous			
Beeshoek Mine	ISO 9001, ISO 14001 and OHSAS 18001 certified	LTIFR = 0.17 1 employee LTI	Achieved 9 000 Fatality-Free Production Shifts (FFPS) in the DMR (Northern Cape) safety competition Recorded zero lost time injuries for twelve consecutive months
Black Rock Mine	ISO 9001, ISO 14001 certified. OHSAS 18001 certification planned for F2011	LTIFR = 0.4 7 employee LTIs 2 contractor LTIs	Achieved 1 Million Fatality-Free Shifts
Cato Ridge Works	ISO 9001, ISO 14001 and OHSAS 18001 certified	LTIFR = 0.23 3 employee LTIs	Received the ARM Excellence in Safety Award for best improved LTIFR over a three year period
Dwarsrivier Mine	ISO 9001, ISO 14001 and OHSAS 18001 certified	LTIFR = 1.26 19 employee LTIs 3 contractor LTIs	Significant reduction in LTIFR from 1.96 in F2010 to 1.26 in F2011
Khumani Mine	Integrated certification of ISO 9001, ISO 14001 and OHSAS 18001	LTIFR = 0.2 3 employee LTIs 10 contractor LTIs	Achieved its first million Fatality Free Shifts Northern Cape Mine Managers' Association Award Scheme Dec 2010: <ul style="list-style-type: none"> ○ Khumani Mine – 1 000 FFPS ○ Operations – 1 000 FFPS ○ Mining Production Bruce – 1 000 FFPS ○ Mining Production King – 1 000 FFPS ○ Plant – 1 500 FFPS
Machadodorp Works	ISO 9001, ISO 14001 and OHSAS 18001 certified	LTIFR = 0.68 7 employee LTIs 1 contractor LTI	Regrettably, a fatality occurred during F2011
ARM Platinum			
Modikwa Mine	ISO 9001, 14001 and OHSAS 18001 certificates were put on hold due to financial constraints. Re-certification is expected during F2012	LTIFR = 0.37 21 employee LTIs 4 contractor LTIs	<ul style="list-style-type: none"> ○ Achieved 8 000 000 Fatality-free Shifts ○ Received the DMR Safety Achievement flag for 2010/2011 ○ Received the Association of Mine Managers' South Africa (AMMSA) significant safety improvement trophy ○ Received the John T Ryan Safety Award in recognition of notable achievements in safety practices at the annual MineSAFETY Awards
Nkomati Mine	ISO 9001, ISO 14001 and OHSAS 18001 certified	LTIFR = 0.26 2 employee LTIs 7 contractor LTIs	○ Runner-up in the ARM Excellence in Safety award
Two Rivers Mine	Aim to achieve ISO 14001 and OHSAS 18001 certification by end 2012	LTIFR = 0.62 5 employee LTIs 14 contractor LTIs	<ul style="list-style-type: none"> ○ 2 000 000 Fatality-Free Shifts ○ Four years fatality-free ○ 2 500 000 Fall of Ground (FOG) Fatality-Free Shifts

No Compliance Notices or Prohibition Notices were served at either of the two smelter operations by the Department of Labour during the year under review (F2010: also no Notices received).

The DMR served 14 Section 54 Notices (21 in F2010) on ARM operations in terms of the Mine Health and Safety Act of 1996, which was amended in 1997 (Mine Health and Safety Act) during the year under review. There has been a significant increase in the number of shifts lost, as presented in the table below. We experienced revenue loss from Section 54 production stoppages and this has been most significant at Modikwa. Section 55 Notices were reduced to three in F2011 compared to eight in F2010.

Days lost due to Section 54 and Section 55 Notices issued to our mines for F2010 vs F2011

Mine	Section 54 Notices		Shift/days lost		Section 55 Notices		Shift/days lost	
	F2011	F2010	F2011	F2010	F2011	F2010	F2011	F2010
Beeshoek	–	6	–	–	–	3	–	–
Black Rock	2	7	5	–	–	3	–	–
Dwarsrivier	2	3	5	7	–	–	–	–
Khumani	–	1	–	–	–	–	–	–
Modikwa	8	4	22	9	1	1	–	–
Nkomati	–	–	–	–	1	–	–	–
Two Rivers	2	–	5	–	1	1	–	–
	14	21	37	16	3	8	–	–

Definitions

In line with legislation and industry standards, ARM considers contractors as employees and all statistics include contractor hours worked as well as injuries sustained. Any work-related injury that results in an employee/contractor being unable to perform his/her normal duty or similar work on the calendar day following the day of the injury, is reported as a **Lost Time Injury** (LTI). If a suitably qualified medical professional advises that the injured person is unable to perform his/her normal duties or similar work on the next calendar day after the injury, regardless of the injured person's next rostered shift, a Lost Time injury is deemed to have occurred.

Although **Restricted Work Injuries** (RWIs) are reported separately in some Industry Forums in which ARM participates, all RWIs are included in our measurement of LTIs. (An RWI is defined as a work-related injury which results in the employee/contractor being unable to perform one or more of their routine functions for a full working day, from the day after the injury occurred as certified by advice from a suitably qualified healthcare provider.)

Reportable accident: For the mining operations to which the Mine Health and Safety Act applies; in terms of Chapter 23, reportable accidents refer to any accident that results in:

- the death of an employee;
- an injury, to any employee, likely to be fatal;
- unconsciousness, incapacitation from heatstroke or heat exhaustion, oxygen deficiency, the inhalation of fumes or poisonous gas, or electric shock or electric burn accidents of or by any employee and which is not reportable in terms of paragraph (d);
- an injury which either incapacitates the injured employee for performing that employee's normal or similar occupation for a period totalling 14 days or more, or which causes the injured employee to suffer the loss of a joint, or part of a joint, or sustain a permanent disability;
- an injury, other than injuries referred to in paragraph (d), which incapacitates the injured employee from performing that employee's normal or similar occupation on the next calendar day.

For the smelters to which the Occupational Health and Safety Act 85 of 1993 applies, reportable accidents are defined in section 24 and 25 of the Act, as follows:

Each incident occurring at work or arising out of or in connection with the activities of persons at work, or in connection with the use of plant or machinery, in which, or in consequence of which:

- any person dies, becomes unconscious, suffers the loss of a limb or part of a limb or is otherwise injured or becomes ill to such a degree that he/she is likely either to die or to suffer a permanent physical defect or likely to be unable for a period of at least 14 days either to work or to continue with the activity for which he/she was employed or is usually employed;
- a major incident occurred; or
- the health or safety of any person was endangered and where:
 - a dangerous substance was spilled;
 - the uncontrolled release of any substance under pressure took place;
 - machinery or any part thereof fractured or failed resulting in flying, falling or uncontrolled moving objects; or
 - machinery ran out of control.

Section 54 of the Mine Health and Safety Act

Section 54 of the Mine Health and Safety Act, provides for an Inspector of Mines who has reason to believe that any occurrence, practice or condition at a mine endangers or may endanger the health or safety of any person at the mine, to give any instruction necessary to protect the health or safety of persons at the mine, including an instruction that operations at the mine or a part of the mine be halted.

Section 55 of the Mine Health and Safety Act

Section 55 allows for an Inspector of Mines who has reason to believe that an employer has failed to comply with any provision of the Mine Health and Safety Act to instruct that employer in writing to take any steps that the inspector considers necessary to comply with the provision.

Please note: Reportable injuries are also reflected as Lost Time Injuries where appropriate.



Daily safety talk underground at Modikwa Mine

Occupational health and wellness

Our performance in F2011

Highlights

- External occupational health practitioner appointed to audit and assist operational clinic every quarter
- Reduction in the number of new Pulmonary Tuberculosis (TB) infections reported from 104 in F2010 to 68 in F2011

Challenges

- Managing noise-induced hearing loss (NIHL) – slight increase in referrals to specialists in F2011
- Difficulty in attracting and retaining qualified occupational medical staff to remote locations impacting negatively on effectiveness of our medical surveillance programmes

Focus in F2012

- Meeting DMR milestone for reducing machinery noise levels to less than 110 db by 2013
- Continue to reduce number of new TB infections
- Prevent further deterioration in hearing loss through early identification and investigation

Our approach to managing occupational health and wellness

The safety and wellbeing of our employees remain one of our highest priorities in running our operations in a sustainable and efficient manner. This is achieved through a planned programme of periodic examinations, which includes physical examinations, biological monitoring and medical testing of employees by Occupational Medical Practitioners and Occupational Health Nursing practitioners.

Comprehensive risk-based occupational medical surveillance requires the integration of occupational hygiene surveillance with the occupational health surveillance programme. To achieve this our occupational hygienists work closely with the medical staff.

While the occupational health clinic function at each operation is contracted to specialists in this field, the SHE managers are responsible for the management and integration of the total occupational health function with occupational hygiene and the Human Resources Department, to ensure a holistic and informed approach to recruitment, wellness management and ill health and incapacity management.

Our operations are generally located in rural areas which presents an ongoing challenge to our medical surveillance service providers in relation to attracting and retaining qualified and experienced staff.

Operations perform medical surveillance appropriate to the health hazards to which their employees may be exposed and in compliance with the applicable legislation. We comply with the new DMR requirements regarding reporting of Section 11 incidents and PLH shifts of >5%.

The Group Occupational Health Nurse, who reports to the Group Manager: Sustainable Development, visits each operation at least every quarter to monitor progress in terms of any corrective action required in response to audits and to provide guidance to medical surveillance staff. A number of occupational health corporate standards have been developed and revised to improve reporting and investigation of occupational diseases and performing health risk assessments.

Templates for reporting and statistics are updated regularly to ensure statistics are analysed and trends monitored for continual improvement at all our operations and to comply with the reporting requirements of the DMR and the Department of Labour.

ARM recognises that the management of safety, occupational health (including HIV and occupational diseases) and hygiene is interlinked and therefore incorporates all these elements into “wellness management” within ARM. All permanent employees have access to medical aid as a condition of employment, and SHE staff, Medical staff and Human Resources staff work closely to manage the wellness of our employees in an integrated fashion. The operations have established Wellness Committees to promote engagement between employers, employees and the unions in a partnership approach to managing wellness.

The agenda items of regularly held Wellness Committee meetings include HIV & AIDS, TB and lifestyle diseases. All operations have held Wellness Days during the year to promote awareness of these issues.

Occupational health and hygiene form part of our induction programmes and ongoing training is facilitated by Wellness Officers and Peer Educators, in line with the specific risks identified at each operation.

Effective management of our integrated wellness programmes requires us to understand and monitor a range of behavioural indicators, including levels of absenteeism, chronic disease, emotional wellness and substance abuse and to ensure close communication between clinic staff, line management, and Human Resources and SHE staff. This has been a challenge, especially since we currently rely on decentralised separate information systems to collate information. ARM has piloted a comprehensive and integrated HR management system which will also facilitate closer coordination between the various departments in terms of input, data analysis and case management at the Khumani Mine and will roll out implementation at our other operations during F2012.

Continued expansion, improvement and development projects at our operations require the use of contractor labour at certain phases. Contractors, who are regarded as employees, are included in our medical surveillance programmes. This makes a significant contribution to the number of employees that pass through our clinics for medical surveillance. High volumes of medical surveillance could put pressure on resources and affect case management of those individuals who have been identified with occupational or chronic diseases. It should be noted that 43 735 medicals (entry, annual, transfer and exit) were performed for the 21 323 eligible employees and contractors working on our

operations during the year. This can be attributed to contractor turnover and risk-based medical examinations, which require more frequent surveillance, eg, six-monthly audiometric tests for high risk noise exposure occupations.

Another challenge is legal compliance regarding exit medicals for contractors. Medical services are sometimes not informed by contractor companies that contracts have been completed and as a result contractors do not always attend exit medicals and exit audiograms. In order to address this challenge, we work closely with the contracts departments and security/access control at our operations to improve the management and effectiveness of our risk-based medical surveillance systems.

As part of our combined assurance and governance model, ARM facilitates biennial specialist external audits in the safety, health and environmental fields. As part of this drive, detailed expert occupational health and hygiene audits were conducted at each operation towards the end of F2011. The audit reports are in the process of being verified for factual correctness, but in general it was found that the health risk assessment around rotational shift work and fatigue management should be enhanced.

We are actively involved in initiatives by the Chamber of Mines (MOSH programmes) and the Health and Safety Task Force of the ICMM. Once the audit findings are confirmed, they will be included in the non-conformance management systems of each operation for tracking purposes and they will be addressed as part of their health management systems.

Principal occupational, primary and chronic health issues

The most common chronic diseases diagnosed among our workforce are hypertension and diabetes mellitus, as indicated in the table below.

From a primary health-related perspective, the incidence of upper

Breakdown of new and existing chronic medical diseases:

Medical condition	Newly diagnosed during F2011	Existing condition	Total of employees with condition	Percentage of total workforce affected
Hypertension	1 270	7 509	8 779	41.17%
Diabetes Mellitus Type 1	251	1 012	1 263	5.92%
Diabetes Mellitus Type 2	38	503	541	2.53%
Epilepsy	4	89	93	0.43%

respiratory tract infections (URTI) is high. 9 640 cases of URTI were recorded at our clinics during the year. However, this figure includes repeat visits to the clinic and were mainly associated with the colder months of the year. Another primary health concern is the high incidence of back/muscular/skeletal ache, which resulted in a total of 4 609 cases (again this figure unfortunately includes follow-up and repeat visits to our clinics). Every effort is made to address ergonomic aspects in order not to aggravate prevailing primary health conditions.

The mining methods and degree of mechanisation involved in the various processes and activities in our smelter and mining operations determine the potential occupational hazards at each working place. In order to ensure that the specific health hazards present are monitored, specialist external service providers are engaged to assist with occupational hygiene surveillance and the implementation of comprehensive risk-based medical surveillance programmes.

Noise-induced hearing loss (NIHL) and exposure to dust are our primary occupational health hazards. Exposure to high levels of dust can cause complications for employees exposed to silica. South Africa ranks third in the world in terms of the TB burden according to the World Health Organisation (WHO) and overall TB rates are approximately three times greater in employees exposed to silica. Exposure to silica in our base metals and platinum mines is negligible, but HIV infection greatly increases an employee's susceptibility to TB, so we continue to focus on mitigating exposure to dust.

A focus of our wellness management is to raise awareness among our employees about chronic diseases, including TB, sexually transmitted diseases and other HIV-related opportunistic infections.

Mitigating noise-induced hearing loss



Audiometric surveillance at Khumani Mine

In terms of direct occupational health management, hearing conservation remains a major focus on all our operations. We strive to achieve the 10-year targets agreed by tripartite parties at the Mine Health and Safety Summit held in 2003 for the elimination of noise-induced hearing loss.

As illustrated in the adjacent table, we continue to increase our vigilance in terms of audiometric surveillance and while we have seen an increase in the percentage of cases of employees referred for audiometric diagnostic screening, the number and percentage of cases submitted for compensation have decreased. We continue to focus on active Hearing Conservation Programmes, including increased efforts to reduce workplace noise emissions, in line with the DMR's targets.

Our hearing conservation programmes involve regular monitoring and measuring of the noise emission levels of equipment in the workplace. The frequency of employee hearing surveillance is informed by the relevant workplace exposure, but takes place at least annually for individuals exposed to high levels of noise (>85 dB) and six-monthly for employees exposed to noise above 105 dB. This explains the number of audiometric surveillance tests performed being significantly greater than the total number of our employees. Any deterioration in the hearing of an individual relative to the level of hearing at the time of employment (the baseline), results in the individual receiving counselling and training by clinic personnel, and an investigation of the individual's workplace noise exposure by the occupational hygiene department. As per their requirements from February 2011, shifts in Percentage Loss of Hearing (PLH) of 5% or more are also being reported to the DMR.

Shifts in PLH are reported in three categories:

PLH shift	Number of employees	Percentage of total workforce
PLH shift >2.5 – <5%	856	4.01%
PLH shift >5 – <7.5%	257	1.20%
PLH shift >7.5 – <10%	180	0.84%

ARM is taking a pro-active approach to managing employees to prevent further deterioration in hearing loss by early identification and investigation.

It is understood that some deterioration in hearing also results from age, illness or personal care. Any employee with a shift in PLH >10%, which is indicative of NIHL, is referred to an audiologist and ENT specialist for diagnostic audiograms (recorded as "referrals" in our statistics) and once an employee is confirmed to have suffered NIHL, a compensation claim is submitted to either Rand Mutual Assurance (mining employees) or the Compensation Commissioner (smelter employees). Where possible, employees with noise-induced hearing loss are redeployed to workplaces with low noise levels and they are monitored on an individual basis.

The total number of cases submitted for compensation amounts to 20.6% of those being referred for diagnostic audiograms. A breakdown of these statistics, per operations, is presented in the table below.

Noise-induced hearing loss statistics (includes contractors)

	F2011	F2010
Number of audiometric surveillance tests performed	38 945	37 734
Number of cases referred for audiometric diagnostic testing	160 (0.41% of total)	143 (0.38% of total)
Number of cases submitted for compensation	33 (0.08% of total)	58 (0.15% of total)

	NIHL	
	Referred for further testing	Submitted for compensation
Beeshoek Mine	2	5*
Black Rock Mine	3	0
Cato Ridge Works	107	0
Dwarsrivier Mine	2	2
Khumani Mine	2	0
Machadodorp Works	0	0
Modikwa Mine	14	15
Nkomati Mine	21	7
Two Rivers Mine	9	4
Total	160	33

* This figure includes submission for compensation of 3 NIHL referral cases which were pending from the previous reporting period.

Mitigating dust and associated ailments

Our operations focus on dust mitigation measures in the workplace and suppression of dust underground, in open-pits and on haul roads, as part of efforts to reduce any negative impact on the health of our employees and the surrounding communities in which we operate. The success of our dust mitigation measures is supported by the fact that the only four occupational respiratory diseases which have been submitted for compensation during F2011, were cases caused by exposure prior to these individuals being employed by ARM. The four cases include one silicosis and one asbestosis case submitted by Nkomati and two silicosis cases submitted by Dwarsrivier. These measures, together with our continued focus on preventing and managing TB as part of our integrated wellness and HIV management programmes, have contributed to a reduction in the number of new TB infections being reported, from 104 in F2010 to 68 this year. TB cases are monitored and managed by our clinic staff in collaboration with the Department of Health. Inclusive of the 68 new infections recorded this year, 256 employees remain on treatment programmes.

In the previous reporting period, it was noted that the Department of Labour had completed a report on the alleged cases of

manganism at the Cato Ridge Works, following hearings completed in 2008. The report has not yet been made available to ARM. ARM is committed to fulfilling all its obligations in terms of preventing exposure, as prescribed in the Occupational Health and Safety Act and the Hazardous Chemical Substances Regulations. We have since taken all practicable precautionary steps to limit exposure and put control measures in place to prevent exposure to dust and fumes. Where exposure to fumes has been identified, workers are obliged to wear respiratory protective equipment. Manganese smelting is also taking place at our Assmang Machadodorp Works from September 2010 and we have implemented precautionary protective measures to ensure the health and safety of employees exposed to manganese fumes. An Industrial Hygienist was contracted to do a hygiene risk assessment before the manganese smelting process started. A baseline manganese medical surveillance study was conducted on all employees and contractors and all samples were analysed by an accredited laboratory. Based on the Hygiene Risk Assessment and laboratory results, a manganese medical surveillance and biological monitoring programme, similar to that of Cato Ridge Works (developed by leading occupational health specialists), was implemented.



Employee wearing respiratory protection at Machadodorp Works

HIV & AIDS

Our performance in F2011

Highlights

- Increased the number of employees counselled from 9 079 employees in F2010 to 15 342 employees in F2011
- 1 068 employees who tested at our facilities were testing for the first time
- 390 employees who tested HIV+ were successfully registered on Disease Management Programmes (DMP)
- 242 employees are accessing antiretroviral treatment (ARVs)
- All operations have up-to-date HIV & AIDS policies that comply with the Department of Labour requirements
- All operations have HIV & AIDS Management strategic plans and specific budgets
- All operations have developed TB infection control protocols and post-exposure prophylaxis procedures
- Beeshoek, Khumani and Modikwa have exceeded the internal ARM Sustainable Development Standard (SDS) on three key performance indicators (Good Governance, Workplace Conditions and Depth/Quality/Sustainability of programmes)
- HIV & AIDS coordinators at eight operations successfully completed South African National Standard (SANS) 16001: 2007 HIV & AIDS Management standard implementation courses

Challenges

- The incidence of HIV & AIDS continues to significantly affect our operations and the communities in which our employees reside
- Fear of discrimination and stigma continues to prevent individuals from determining their status and/or disclosing their HIV status once they know it

Focus in F2012

- Daily access to voluntary counselling and testing (VCT) at all operations
- Enhancing support to employees living with HIV & AIDS
- Linking VCT/HCT and prevalence survey results to skills plans
- Establish/expand sustainable HIV & AIDS community outreach projects

Our approach to managing HIV & AIDS

We have made good progress this year in intensifying efforts to manage HIV & AIDS in the workplace. We monitor and measure our performance across a range of indicators and have recorded marked progress against our historical performance in most of these indicators. We are satisfied with the progress we have achieved against most of the targets we set for the year review.

The incidence of HIV & AIDS continues to significantly affect our operations and the communities in which our employees reside. Four of our operations are located in the areas of KwaZulu-Natal and Mpumalanga which have the highest infection rates in South Africa, estimated at 25.8% and 23.1% respectively. Recognising that HIV & AIDS has far-reaching consequences in terms of loss of life, impact on family life, loss of productivity, skills, education and training, we are committed to developing and advancing our policies, strategies and programmes to monitor and manage the impact of HIV & AIDS at our operations. The aim is to both halt the spread of the disease and care for those who are infected and affected.

The ARM Group HIV & AIDS Coordinator advises and co-ordinates management of sustainable HIV & AIDS programmes, in accordance with national and international best practices. Key corporate functions include the following:

- Providing HIV & AIDS management support in line with the ARM HIV & AIDS management guidelines
- Assisting in the formulation of policies and strategic plans
- Liaising with significant stakeholders, both internally and externally
- Organising and evaluating HIV & AIDS-related training for our operations
- Co-ordinating operational HIV & AIDS management reporting
- Assisting operations in HIV & AIDS-specific budget formulations
- Establishing networks with other external structures such as government departments, local municipalities and non-governmental organisations (NGOs)
- Conducting HIV & AIDS management audits at all operations.

ARM is a member of the South African Business Coalition on HIV & AIDS (SABCOHA) and the Group Manager: Sustainable Development serves on the SABCOHA Board of Governors.

Management guideline

ARM has developed an HIV & AIDS management guideline document, based on the GRI Guideline on HIV & AIDS, with the objective of providing its operations with a framework that sets out guidelines and standards for the management of HIV & AIDS.

The ARM HIV & AIDS management guideline document describes each performance indicator, detailing the outputs and explaining the relevance and implications of each indicator in relation to overall HIV & AIDS management. Operations refer to the guideline document for the planning and implementation of their respective programmes. The document is regularly reviewed and updated, in line with internal and external developments.

The framework has been developed into a scorecard which we use to monitor and measure performance in all facets of our comprehensive HIV & AIDS programme. Three internationally recognised HIV & AIDS Management Guidelines were used as reference sources in the compilation of the ARM guideline document, namely the South African National Standard (SANS 16001:2007), the International Finance Corporation HIV & AIDS Guide for the Mining Sector (IFC) and the GRI Guideline on HIV & AIDS. The scorecard has 16 GRI performance indicators which are categorised into the following four areas:

- Good Governance (GG): includes elements on policy formulation, strategic planning, effective risk management and stakeholder involvement;
- Measurement, Monitoring and Evaluation (MME): elements included are prevalence and incidence of HIV & AIDS, and actual and estimated costs and losses;
- Workplace Conditions and HIV & AIDS Management (WCM): includes elements on interventions eg, awareness campaigns and specific budgets; and
- Depth/Quality/Sustainability of HIV & AIDS management (DQS): includes elements such as VCT/HCT support, education, condom distribution and wellness provision.

An internal minimum standard, developed by ARM and called the "Sustainable Development Standard", is applied in each of the 16 GRI performance indicators to determine a comparative benchmark, which operations are expected to achieve. As each ARM operation manages HIV & AIDS differently, this index establishes a measure of commonality. Applying the Sustainable Development Standard provides each operation with a clear gap analysis and facilitates the development of an action plan. The

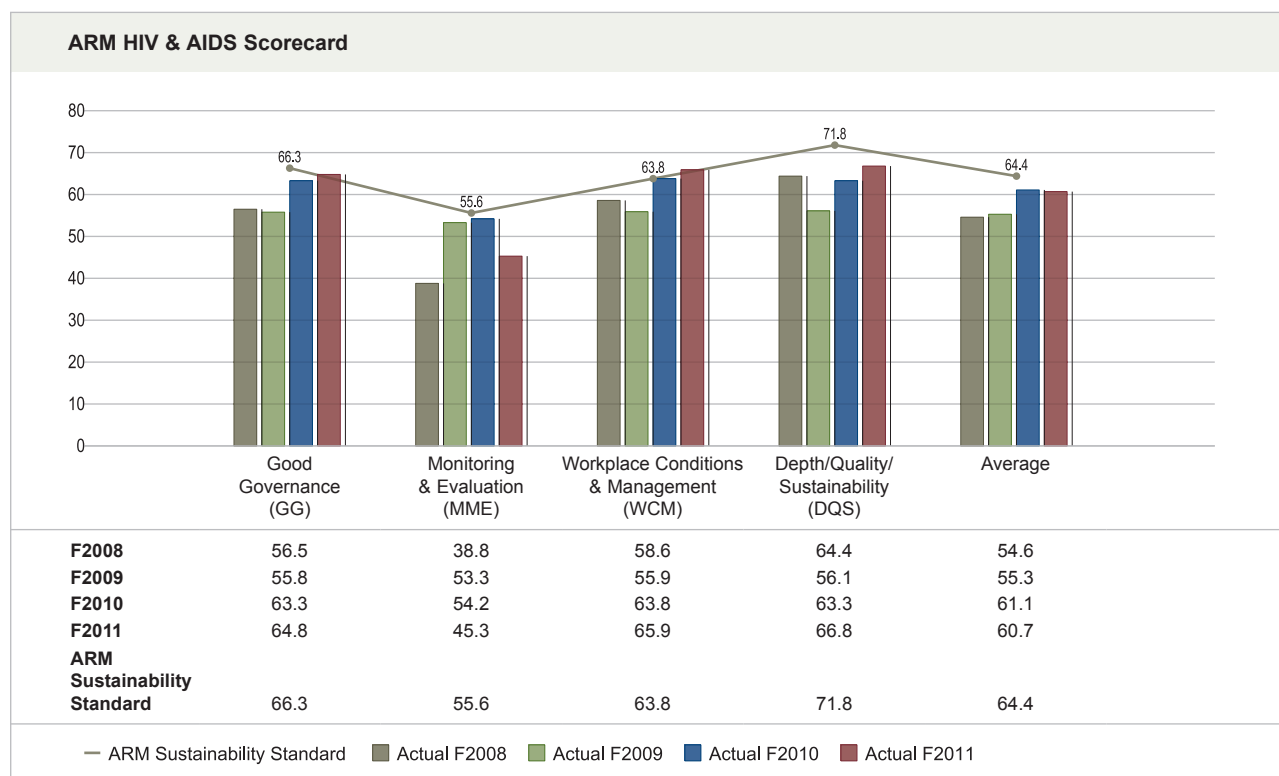
graph on the next page indicates progress against the scorecard, which is discussed in our performance review.

Informing and assisting our employees

ARM has developed a customised and standard HIV & AIDS employee induction programme, which focuses on promoting prevention of infection through provision of information and education about HIV & AIDS to employees and contractors, information on important HIV & AIDS services available onsite and within communities, VCT and peer education.

All permanent employees belong to medical aid schemes which provide treatment benefits. Some operations offer wellness centres and provision of ARVs. VCT services at Khumani and Beeshoek also include the community, families and dependants of employees.

ARM has re-focused its corporate Wellness Committee which will deal with all wellness issues (including HIV & AIDS) at the corporate office. Ten employees volunteered to participate in this Committee and eight employees successfully completed an intensive wellness course. The Committee distributed Vitamin C supplements to employees during the winter months to prevent colds and flu and reduce absenteeism. It also met with the representative of three medical aid schemes (Discovery Health, Compicare Wellness and Makoti) to gain useful information for employees regarding the services available for wellness in general. The Committee is in the process of reviewing the HIV & AIDS policy. Two Committee members provide regular health education to employees.



HIV & AIDS community outreach projects

ARM believes in comprehensive HIV & AIDS management for both the workplace and community and accordingly expanded its HIV & AIDS management programme to the communities where our operations are situated.

Our interventions will be based on the primary aims of the National Strategic Plan for South Africa 2007 – 2011 (NSP 2007 – 2011):

- To reduce the rate of new HIV infections within communities adjacent to our operations
- To reduce the impact of HIV & AIDS on individuals, families, communities and society by expanding access to appropriate treatment, care and support to HIV-positive individuals and their families.

ARM is part of the multi-sectoral groups and stakeholders that are drafting a new NSP for HIV & AIDS, STI & TB, 2012 – 2016.

ARM will manage these programmes by integrating our HIV & AIDS community outreach projects with our current Corporate Social Investment projects in communities where our operations are situated. Our main focus areas will be on providing support to community home-based care groups, orphans and vulnerable children, and school health projects for the youth (through programmes in conjunction with the Department of Education).

The performance of our community HIV/AIDS programmes

The following community outreach projects have been initiated during F2011:

- Khumani Mine funded the training of home-based care givers at Gamagara local Municipality through the Northern Cape NGO coalition
- Khumani Mine also donated wheelchairs to the Samaritans home-based care in Askam
- Black Rock Mine is constructing a new community home-based care centre for the Thusano home-based care
- Black Rock supports Omogolo Women in Action to provide nutrition to the community members that attend a local wellness centre
- Modikwa Mine supports the Maandagshoek community home-based care.

Our operations have also supported orphans and vulnerable children. Khumani Mine in the Northern Cape supports Lerato day care centre with nutrition to feed 520 vulnerable children and is also supporting orphans and vulnerable children at the Deben community. Beeshoek Mine, also in the Northern Cape is supporting the Age of Hope Centre for orphans and vulnerable children. In Mpumalanga our Machadodorp Works supports the Shalom Day Care Centre for orphans and vulnerable children.

HIV & AIDS prevalence

An overview of the HIV prevalence rates at our operations is presented below.

Operation		Prevalence (%)	Source of prevalence data	Provincial prevalence (%)	District prevalence (%)
Beeshoek:	Permanent employees	1.85	UGM Wellness (Prevalence survey)	Northern Cape 9	JT Gaetsewe 18.7
	Contractors	8.9			
Black Rock		*	*	Northern Cape 9	JT Gaetsewe 18.7
Cato Ridge		20.2	Masikwane Trading (Prevalence survey)	KwaZulu-Natal 25.8	Nkangala 31.8
Dwarsrivier		11.7	Careways (Prevalence survey)	Limpopo 13	Sekhukhune 21.8
Khumani:	Permanent employees	3.36	UGM Wellness (Prevalence survey)	Northern Cape 9	JT Gaetsewe 18.7
	Contractors	8.7			
Machadodorp		10.8	Careways (Prevalence survey)	Mpumalanga 23.1	Nkangala 31.8
Modikwa		15	Platinum Health (VCT)	Limpopo 13.7	Sekhukhune 21.8
Nkomati		35	Mbabazi Consulting (Prevalence survey)	Mpumalanga 23.1	Gert Sibande 40.5
Two Rivers		8	Life Occupational Health (VCT)	Limpopo 13.7	Sekhukhune 21.8

* Prevalence testing planned for F2012.



Employees

Our performance in F2011

Highlights

- ARM certification as Best Employer by the Corporate Research Foundation (CRF) Institute
- Continued progress in terms of employment equity, including gender diversity
- Employment equity in management has increased to 48% (42% in F2010)
- Female employees make up 14% of our workforce (13% in 2010) which exceeds the Mining Charter target of 10%

Challenges

- Skills attraction and retention
- Housing around our remote operations
- Training and development

Focus for F2012

- Further roll-out of the integrated human resource management system
- Centralised learning hub with various academies
- A housing project



Our approach to managing our human capital

ARM wishes to be an employer of choice and was therefore delighted to achieve BEST Employers™ certification¹, which is only awarded to organisations that meet top standards in Human Resources (HR). Through objective, fact based research, the CRF determines whether an organisation meets the requirements and qualifies for the exclusive BEST Employers™ certification. In the research, all critical areas of the HR Management of the participating organisation are assessed. Key drivers, practices and policies for criteria such as remuneration and benefits, training and development, career opportunities, working conditions and company culture are thoroughly reviewed.

Our success as a business depends on our ability to attract, develop and retain the best talent at every level in our organisation. In addition to providing clear and attractive career paths and safe and healthy workplaces, we have a strong value set, as expressed in our Code of Conduct, based on mutual respect, fairness and integrity.

We are an equal opportunities employer and value the benefits to our business of a richly diverse workforce.

Key focus areas of ARM's human capital strategy are skills development, employment equity and stakeholder relations, with specific focus on relations with the trade unions, our employees

and the communities in which we operate and from which we draw the majority of our employees.

The underlying aims of the strategy are to establish the Company as an employer of choice and, in line with the vision of the Mining Charter, facilitate the sustainable transformation, growth and development of the mining industry. To achieve this we provide competitive remuneration and career development opportunities.

Senior responsibility for training and development resides with our Executive: Human Resources. Training and development objectives and targets are in place internally. We endeavour to meet and exceed requirements in terms of compliance with legislation, governance and ethical issues, the social and labour plan (SLP), the Mining Charter, the JSE, King III and the ICMM.

Regular benchmarking with Human Resource best practice is conducted and line management is regularly updated with the latest developments.

ARM is in the process of developing a comprehensive, integrated human resource management information system, which will include integrated employee information, a scorecard/reporting framework and a talent management tool. The system is to be in operation as a pilot project at Khumani Iron Ore Mine by the end of the calendar year 2011. The system includes a comprehensive policy regarding management, measurement and reporting on human resource development. Each job has a role profile indicating the requisite skills, competencies and qualifications and the system can provide an organogram of career paths at an operation. It is anticipated that subsequent implementation of the system across ARM will take four months per operation. The system allows for standardisation and the capacity to track career management centrally.

We continue to foster an entrepreneurial culture and a leadership style that reflects ARM's culture and values, with the assistance of executive coaching and mentorship.

Practices and policies

In keeping with our commitment to our South African Constitution, we uphold fundamental human rights and respect cultures, customs and values in our dealings with employees and others affected by our activities. ARM is committed to fair labour practices and freedom of association. Our policies are aimed at eliminating unfair discrimination and promoting equality in line with the South African Constitution, the Labour Relations Act and the Employment Equity Act, and taking cognisance of the Universal Declaration on Human Rights and Fundamental Human Rights Conventions of the International Labour Organisation (ILO). ARM does not make use of child labour or forced labour. Comprehensive disciplinary and grievance procedures meet all requirements in terms of fairness as set out in the applicable legislation.

ARM offers an equal rate of pay to male and female employees of equal qualification, experience and performance.

¹ Corporate Research Foundation (CRF), with headquarters in the Netherlands, which issues the Best Employers certification, was founded as a joint initiative of academics, business journalists, trade associations, researchers and international publishers with the objective of offering independent Human Resource (HR) assessment and acknowledgement for companies.

All our Human Resource procedures are negotiated with, and approved by, organised labour. ARM has introduced a Code of Conduct this year, which replaces its Code of Ethics. The Code of Conduct reflects the Company's obligations under King III and the new Companies Act. Our employees will be given training in the new Code of Conduct.

An independent service provider operates ARM's whistleblowing facility, an ethics hotline that serves as an anonymous vehicle for providing a voice to employees and is promoted to employees for their protection. The whistleblowing process is reviewed at each Audit Committee meeting, and each incident reported to the hotline is investigated. Out of a total of 10 cases reported to whistleblowers this year, five were fraud-related, one was related to victimisation, one to bribery, one to unfair labour practice, one to employment irregularities and one to theft. All the cases were investigated. Four were found to be unfounded. In the other six cases the allegations resulted in one person being re-assigned to another area and four cases where disciplinary action was taken; in one of which the person resigned before disciplinary action could be taken; in the other cases two people were dismissed and a final written warning was given.

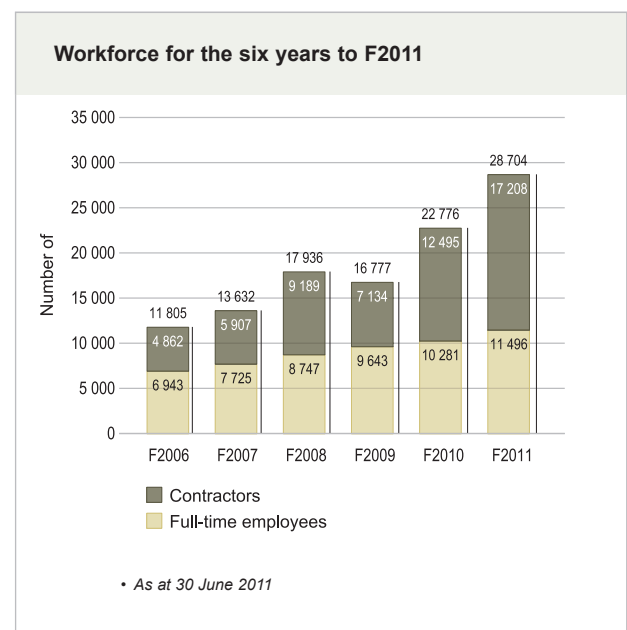
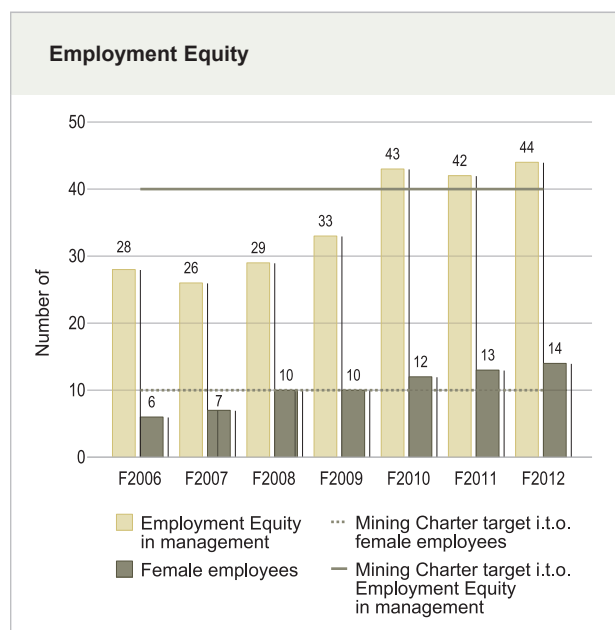
Creating employment

In terms of new permanent jobs, 1 215 were created (3.32 jobs per day) during F2011, compared with 802 in F2010, equating to 2.2 jobs per day. Creating opportunities for permanent employment is a function of the progression and maturing of our projects through different phases: from construction (which is more contractor-intensive) to the commissioning, ramp-up and operational phases which entail the recruitment of new permanent employees. In terms of ARM's expansion plans going forward, we anticipate a continued escalation in our workforce numbers.

Management Employment Equity: The percentage representation of Historically Disadvantaged South Africans (HDSAs) among our permanent employees.

	F2011 %	F2010 %	F2009 %
Board presentation			
Black Directors	47	44	53
Women	13	13	13
Senior Management			
Top Management who are HDSA	37.5	44	44
Top Management who are women	6	–	–
Senior Management who are HDSA	40	32	32
Senior Management who are women	13	15	13
Steering Committee members who are HDSA	44	40	45
Steering Committee members who are Women	22	20	20
Skilled employees, middle and junior Management			
Professionally qualified employees who are HDSA	50.5	45	47
Professionally qualified employees who are Women	12.5	18	18
Technically qualified employees who are HDSA	69	67	56
Technically qualified employees who are Women	14	13	10
All employees			
Total employees who are HDSA	86	84	85
Total employees who are Women	14	13	12

We are pleased to report that there were no retrenchments in the year under review.

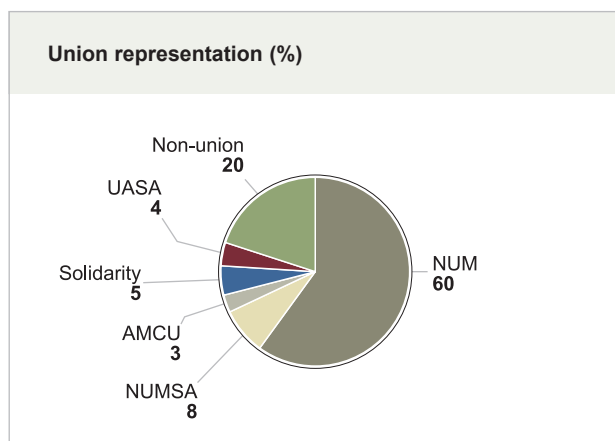


Employee turnover

Employee turnover (all turnover in permanent labour, including resignations, dismissals, voluntary departure and retirement) was only recorded centrally from 2008. Our employee turnover of 4.8% in F2011 (5.7% in F2010) remains one of the lowest in the industry, which averages between 6% and 10%. We believe that the factors that contribute to this low rate of employee turnover are our recruitment of local people and that we are being successful in achieving our goal of being an employer of choice.

Encouraging positive labour relations

A total of 78% (F2010: 79%) of ARM's workforce is unionised and ARM has concluded recognition agreements with five major unions: NUM (National Union of Mineworkers), NUMSA (National Union of Metal Workers of South Africa) (smelter industry), Solidarity, UASA (United Association of South Africa) and AMCU (Association of Mineworkers and Construction Union). Wages and conditions of employment are negotiated at operational level.



Senior responsibility for union negotiations or employee relations/workforce consultation resides with Human Resource Managers. Disciplinary and grievance policies/procedures are in place and communicated to all employees, through induction and collective bargaining processes.

A total of 14 816 shifts were lost due to industrial action during F2011 (2 411 for F2010). The significant increase in shifts lost in the year under review is due to a three-week protected strike and a defensive lock-out by AMCU at Two Rivers Mine regarding wages and other conditions of employment.

The minimum notice period regarding operational changes is specified in collective agreements, and varies between one month and three months, on average.

Attracting, developing and retaining talent

ARM's growth and future success depends on our ability to attract, retain and develop highly skilled individuals. Our operations require a wide range of skills, from scientists and engineers, to financial specialists, managers, artisans and skilled operators.

The tremendous rate of growth of ARM's operations creates employment opportunities, which in turn presents a significant challenge with respect to the skills pool (internal and external).

In South Africa in particular, there is a large demand for skills in a resource pool that is far too limited. This is a material issue for ARM, particularly when developing new mines, where there is a need to develop mine-required skills within the community and reduce the risks associated with migrant labour.

As the Company grows, the need for the right technical and managerial skills to ensure effective delivery of projects becomes increasingly acute. In anticipation of our growth requirements, current and future initiatives aimed at mitigating the strain on available internal and external skills pool include:

- Renewed talent management through talent identification, development plans and succession plans
- Graduate development programme
- Shiftboss/Mine Overseer development programme similar to historical and current learner official development programmes, with a strategy of developing talented individuals up to the general management level
- Foreman development programme, which involves developing supervisory skills and developing artisans to management levels.

Each operation plans its training and development for the year for business plan purposes and submits the budget required for the financial year. At the end of March each year, each operation submits a Workplace Skills Development Plan (WSP), which includes details of the planned training and development for the year and a report back on the training and development undertaken against the WSP submitted for the previous year to the Mining Qualifications Authority (MQA) and the Mining and Minerals Sector Education and Training Authority (SETA). Because each operation is separately registered with the South African Revenue Service (SARS) they have to submit reports. Centrally, ARM only reports to the MQA on spend, learnerships, Adult Basic Education and Training (ABET) and bursaries.

Additional information regarding our efforts to develop skills within the organisation is provided in our review of our performance against the Mining Charter scorecard, in the Transformation section of this report.

The benefits that we provide our full-time employees, over and above the legally mandated employment benefits, include retirement benefits in the form of provident funds, medical scheme benefits and assistance with housing loans. These additional benefits are not offered to temporary or part-time employees.

Training and development

ARM invested R92 million which was 6.4% of the payroll in 2011 (2010: R50 million – 3.6% of payroll) in training and skills development. Our investment is higher than the industry average, which is between 2% and 3%. The target proposed in the Mining Charter for 2014 is 5% of payroll by 2014, which ARM has already exceeded. The majority of our permanent employees (over 90%) underwent a training and development review this year (F2010: 9 254 or 90%).

The average hours of training per employee in F2011 was 24 hours, which amounts to 2.8 shifts per employee.

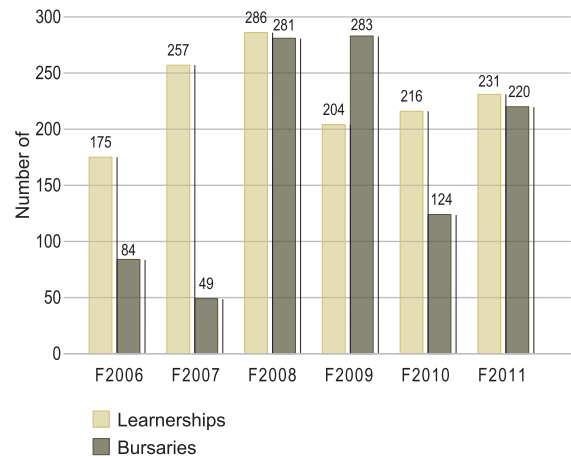
Beeshoek, Khumani, Black Rock, Modikwa, Nkomati, Dwarsrivier and Two Rivers all have training centres accredited in terms of ISO 9001. Dwarsrivier and Two Rivers received ISO 9001 accreditation for their training centres during the year under review.

Learnerships and bursaries

The number of learnerships increased to 231 this year (F2010: 204). The main focus of our learnership programme is the development of engineering disciplines (apprentices). Currently, all apprentices that complete their courses are engaged at our operations. We have registered a few learnerships in other disciplines and plan to expand in these areas.

We provided 220 bursaries this year, (96 more than in F2010). Our bursary scheme is an important means of promoting skills development within ARM. In F2011, each operation identified its key technical skills requirements and they have used the bursary scheme to encourage candidates to apply for bursaries that they have identified could meet their future technical skills requirements.

Learnerships and bursaries

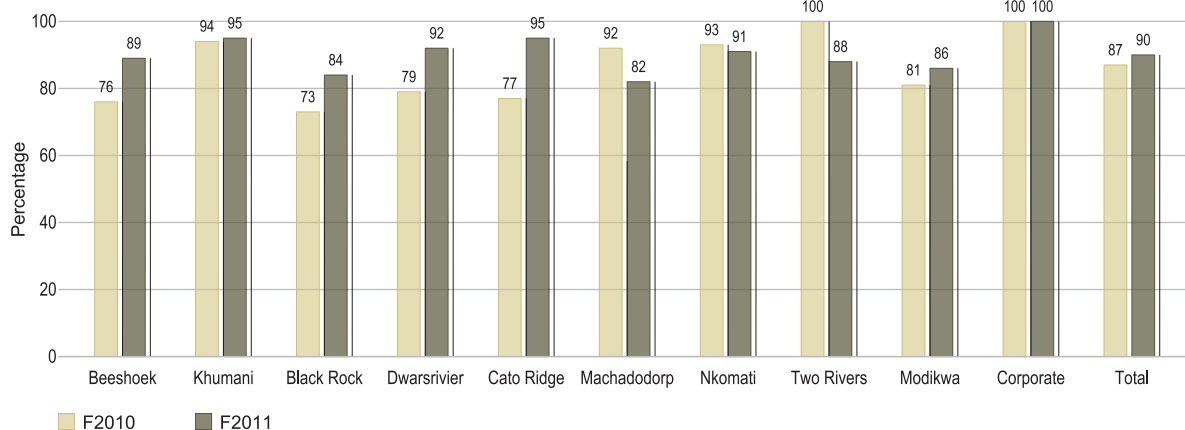


Literacy

Literacy across ARM decreased to 78% from 87% in F2010. This decrease was the result of new employees who have been given the opportunity to participate in our ABET Programme forward. The highest literacy levels were recorded at Two Rivers Platinum Mine (100%) while the lowest levels were recorded at Black Rock Mine (73%).

Access to nationally aligned ABET is available at most of our operations, in some cases the training is outsourced. More than 80% of operations have rolled out the delivery of ABET training using e-learning, which ARM believes will be an essential part of learning in the future.

Literacy



Members of the communities in which we operate also attend ABET workshops provided by ARM. There has been a steady increase in the attendance of internal and external learners at ABET training. This year, ABET attendance included 869 students (including 152 community members), which is an increase on last year's 343 students (152 community members). The increase has been attributed to a serious literacy drive at the Cato Ridge Works.

ARM's literacy target remains 100% and we will continue to strive to achieve this within ARM and in our surrounding communities.

Transformation

Preferential procurement

Our performance in F2011

Highlights

- All ARM's business units which had differentiated their procurement into capital, services and consumables exceeded the Mining Charter targets in these categories for F2011
- Independently verified as a Level 3 BEE Contributor with score of 75.18% (from Level 4 with a score of 66.36% in F2010)

Challenges

- Meeting 2014 Mining Charter BEE targets for Capital, Services and Consumables preferential procurement

Focus in F2012

- Continue to increase BEE procurement by target of 2.5% per annum
- Source and attract new BEE and BBBEE compliant suppliers
- Review and revise preferential procurement policy and procedures in line with the revised Mining Charter

ARM is committed to assisting previously disadvantaged South Africans to become a part of the industry supply chain through identifying, developing, facilitating and making available business opportunities to both BEE and BBBEE compliant suppliers at all of its operations.

ARM's BEE/BBBEE procurement achievements should be viewed in the context of transformation, which includes Corporate Social Investment (CSI), Local Economic Development (LED) – which forms part of our Social and Labour Plans (SLPs), Small to Medium Enterprise (SME) initiatives, and our significant contribution to the ARM BBEE Trust.

ARM and its operations strive to ensure that suppliers comply with both the Mining Charter scorecard requirements and the Department of Trade and Industry's (dti's) reporting requirements (dti scorecard). ARM and its operations may, in certain instances, be regarded as being both producer and supplier. As a result, ARM is compelled to report on both the Department of Minerals and Resources (BEE) and the dti (BBBEE) formats. ARM's preferential procurement policy and procedure documents are being reviewed and revised in line with the revised Mining Charter issued in September 2010. In terms of the Mining Charter, suppliers with HDSA shareholdings of >25%, which were previously recognised under the Charter, no longer qualify as BEE procurement. These have been identified and are now excluded from our HDSA/BEE procurement data.

Our BEE targets for the next two financial years are provisionally set to increase at 2.5% over the targets for preceding years.

The Mining Charter requires that BEE statistics are categorised under Capital, Services and Consumables. The ongoing development of our procurement databases will align all our systems with this requirement in the future.

Our preferential procurement objectives

ARM's principal preferential procurement objectives include:

- To source and attract BEE and BBBEE compliant suppliers to provide goods and services to ARM and its operations
- To set preferential procurement targets for all operations and measure the value of services, consumables and capital purchased from BEE and BBBEE compliant suppliers
- To preferentially procure capital goods, services and consumables from BEE and BBBEE compliant suppliers, provided that they are competitive in terms of predetermined adjudication criteria
- Where feasible, to encourage existing principal suppliers to form meaningful partnerships with BEE, BBBEE and SME vendors
- Where feasible, to divide contracts into smaller components, thereby enabling emerging BEE and BBBEE compliant suppliers to qualify. Some contracts may be exclusively reserved for BEE, BBBEE and SME suppliers
- To arrange favourable terms of payment for BEE, BBBEE compliant and SME suppliers, and ensure that all procurement processes are transparent and auditable

Procurement data is generally excluded for those operations in the Company which are managed by other entities. Modikwa's procurement data is separately managed by Anglo Platinum, and ARM Coal/GGV's procurement data is managed by Xstrata Coal. Procurement data for the ARM/Vale partnership is also excluded as this data needs to meet current Zambian legislative requirements.

Our preferential procurement performance

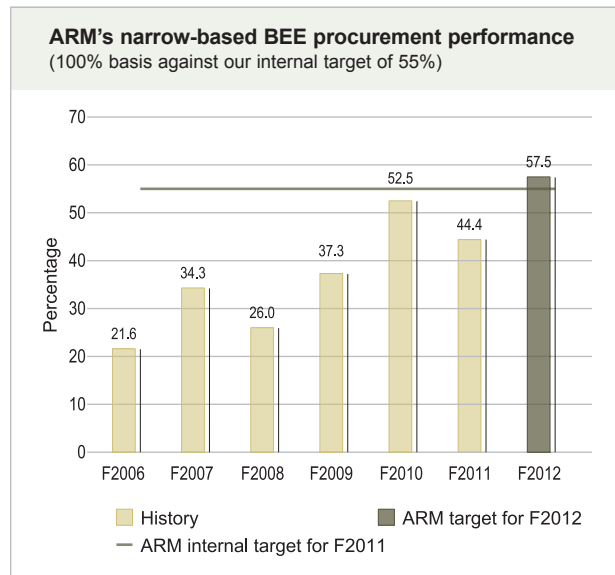
	F2010 Actual %	F2011 Actual %	F2011 Target %	F2014 Target %
BEE	52.5	44.4	57.5 (own)	60
2010 Mining Charter				
BEE Capital	N/A	49.0	10 (DMR)	40
BEE Services	N/A	50.6	40 (DMR)	70
BEE Consumables	N/A	32.1	15 (DMR)	50
Social Funding from Multinational capital expenditure	N/A	0	0.5 (DMR)	0.5
BBBEE	59.3	74.4	50 (dti)	70 (dti)
dti score card	11.91/20	17.35/20	18/20	18.5/20

N/A: Not applicable

ARM's BEE procurement performance (Mining Charter)

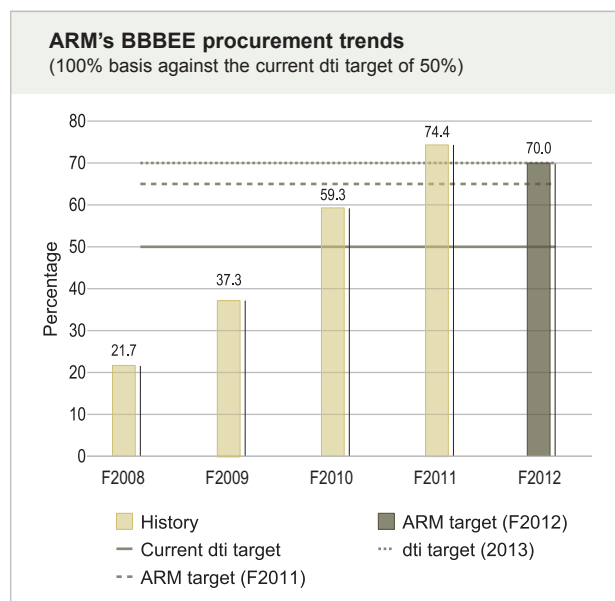
The graph below shows the positive trend in ARM's BEE procurement performance from 2006 through to F2011. The exclusion of black influenced suppliers (<25% HDSA ownership) in the current financial year has resulted in a decline in our BEE performance of approximately 13.5%.

All our business units, which had differentiated their procurement into capital, services and consumables exceeded the Mining Charter targets in these categories for 2010.

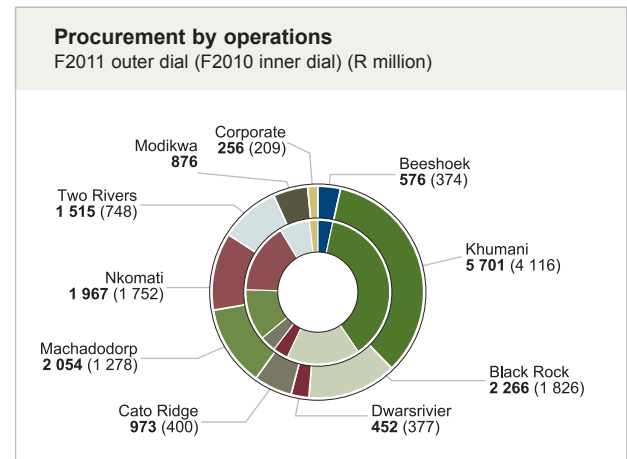


ARM's BBBEE procurement performance (dti codes)

The figure below shows ARM's broad-based (BBBEE) performance since F2008 and the future targets that need to be achieved. It should be noted that the decline in BBBEE statistics from F2010 to F2011 can be attributed to the expiry of suppliers' BBBEE certificates. This should improve since SANAS approved auditors and registered bookkeepers will be allowed to perform BBBEE accreditation in future.



The figure below presents a breakdown of the total expenditure of R16.6 billion by operations during F2011. Expenditure increased from R11 billion in F2011.



Modikwa procurement not included in F2010.

Improving our transformation scores

BEE Verification Agency cc, a SANAS accredited verification agency, performed the audit of all ARM's operations during the last quarter of F2011 for the second consecutive year, in accordance with the SANAS R47 requirements, during which they measured our progress with transformation in terms of the dti's generic Codes of Good Practice on Black Economic Empowerment. The results of this audit will inform a review and revision of ARM's BEE strategy, in order to optimise our approach to driving transformation leadership in our Company.

We are pleased to report that the latest independent audit established our total BBBEE score to be 75.18% which classifies the Company as a Level 3 BBBEE contributor. Please refer to our BBBEE certificate on page 52. We are encouraged by our progress from a Level 4 contributor with a score of 66.36% in F2010. We have identified our objectives for achieving further improvements in F2012.

The Transformation Committee and line management are responsible for implementation of our improvement plans, which will be measured by means of a detailed scorecard.



BEE VERIFICATION AGENCY CC

8 Park Street, Durbanville, 75501 P O Box 46, Parow 7499

Tel: 021 975 3689 | Fax: 021 979 4096 | Call Centre: 0860 722 222

E-mail: info@bee-verification.com | Website: www.beever.co.za

BEEVER NATIONWIDE

Black Economic Empowerment Consolidated Verification Certificate

A12-01

Measured Entity

Registered Name:	African Rainbow Minerals Limited (Including operations attached)
Reg. Number:	1933/004580/06
Trade Name:	ARM
Location:	ARM House, 29 Impala Road, Chislehurst, Sandton
VAT Number:	4010113662

BEE Status

Certificate Number:	BET 3198
Verification Date:	07 September 2011
Expiry Date:	06 September 2012
Applicable Scorecard:	Generic DTI
Applicable BEE Codes:	Codes 100 to 700
BBBEE Status:	Level 3
Procurement Recognition Level:	110%
Black Ownership:	76.23%
Black Female Ownership:	2.29%
Value Added Company:	Yes

BEE Score per Element

Ownership	18.92/20
Management Control	6.40/10
Employment Equity	7.41/15
Skills Development	6.28/15
Preferential Procurement	17.35/20
Enterprise Development	14.85/15
Socio-Economic Development	3.97/5
Total	75.18/100

BEE Verification Agency CC has assessed the BEE credentials of the above verified entity and certifies hereby that the BEE status, as certified above, is a true and impartial reflection of the BEE status of the enterprise.

BEE Compliance Manager: _____
BEE Verification Agency CC

www.beever.co.za



BVA-014

The Amended Broad-Based Socio-Economic Empowerment (BBSEE) Charter for the South African Mining Industry (The Mining Charter)

In 2010, the DMR concluded a comprehensive assessment to establish what progress the industry had made towards transforming in terms of the objectives of the Mining Charter in the mining industry. The assessment identified a number of shortcomings in the manner in which the industry had implemented the various elements of the Mining Charter, i.e. ownership, procurement, employment equity, beneficiation, human resource development, mine community development, housing and living conditions, all of which have not embraced the spirit of the Mining Charter. To overcome these inadequacies, amendments were made to the Mining Charter of 2002 to streamline and expedite the attainment of its objectives. Additionally, the amendment of the Mining Charter introduced an element of sustainable growth in the mining industry, which seeks to ensure the transformation and growth of the mining industry.

In September of 2010 the DMR gazetted the amendment of the previous charter. The Mining Charter requires every mining company to report the extent of its compliance annually during March of each year, as provided for by Section 28(2) of the Mineral & Petroleum Resources Development Act (MPRDA). Reporting is done for the period commencing on 1 January and ending on 31 December of each year prior to the report deadline of March every year. All our operations submitted reports to the DMR based on the 2010 calendar year.

ARM and the Mining Charter

We are committed to the vision of ***“facilitating sustainable transformation, growth and development of the mining industry”*** and are committed to achieving the ***objectives of the Mining Charter*** as set out below:

- To promote equitable access to the nation's mineral resources to all the people of South Africa;
- To substantially and meaningfully expand opportunities for HDSA's to enter the mining and minerals industry and to benefit from the exploration of the nation's mineral resources;
- To utilise and expand the existing skills base for the empowerment of HDSA's and to serve the community;
- To promote employment and advance the social and economic welfare of the mine communities and major labour sending areas;
- To promote beneficiation of South Africa's mineral commodities; and
- Promote sustainable development and growth of the mining industry.

Charter Scorecard Elements

ARM utilised the services of Transcend Corporate Advisors, a leading transformation consulting firm, to conduct an internal evaluation of performance against the BBSEE scorecard for 2010.

Reporting: All operations successfully submitted reports to the DMR based on the 2010 calendar year in 2011.

Ownership: The Mining Charter's target for HDSA ownership is 26% by 2014. ARM has already successfully achieved meaningful

economic participation that exceeds the 2014 target, with clearly identifiable beneficiaries, full shareholder voting rights and full participation in cash flow from investments (dividends) for all structures in ARM.

Housing and Living Conditions: The Charter requires that mining companies must implement measures to improve the standard of housing and living conditions for mine workers by converting or upgrading hostels into family units by 2014, and or attaining the occupancy rate of one person per room by 2014, or facilitating home ownership options for all mine employees in consultation with organised labour by 2014. The 2010 reporting target for housing and living conditions was to establish a baseline on which to assess performance in the subsequent years that follow. ARM has decided to facilitate home ownership.

A Housing Development Plan and a Housing Policy has been established which guides all housing processes. ARM envisions assisting all interested employees to obtain home ownership in a sustainable settlement nearby the respective operation. A comprehensive “Integrated planning of housing and ancillary land uses” project in terms of the Planning Professions Act (2002) was commissioned by ARM to better identify the current state and for future planning purposes.

Procurement and Enterprise Development: The Mining Charter requires that mining companies procure from BEE Entities. The term “BEE Entity” is defined as an entity of which a minimum of 25% plus 1 vote of share capital is directly owned by HDSAs as measured by the flow through principle. Various phased targets over the period have been set for purchases of Capital goods, Services, and Consumables. The 2010 year targets are 5%, 30%, and 10% respectively. Furthermore, the Mining Charter requires that Multi-National Suppliers of capital goods contribute 0.5% of their annual income generated from local mining companies towards a social fund to be used for the development of local communities.

ARM has achieved, and even exceeded in some instances, the 2010 target for Capital goods, and Consumable purchases across the Group, with only three operations falling short of the Services target. Continued efforts are underway to encourage our supplier partners to transform.

There was no money collected from Multi-National suppliers of capital goods during the 2010 year as the Charter was only gazetted in September 2010 and negotiations are still currently underway with suppliers. Further clarity is also required from the DMR on how we should deal with Social Fund monies.

Employment Equity: The Mining Charter requires that mining companies achieve a minimum of 40% HDSA demographic representation at executive level, senior, middle and junior management as well as core and critical skills by 2014. The targets are phased over the period and the 2010 targets are as follows: executive 20%, senior management 20%, middle management 30%, and junior management 15%.

ARM has achieved a high level of workplace diversity with equitable HDSA representation at all occupational levels, exceeding even some of the 2014 targets already as at December 2010. This is reflected in an average score of 13.55 out of 16 across ARM for this section of the BBSEE scorecard.

Human Resource Development: The Mining Charter requires that mining companies invest a percentage of annual payroll in essential skills development activities reflective of the demographics, including support for South African-based research and development initiatives. The targets are phased over the period. The target for 2010 was 3%. ARM is committed to investing the required percentage of payroll on training. 2010 initiatives included numerous learnerships, artisan, and apprenticeship programmes, as well as ABET training and other inhouse and external training initiatives. While there are two individual operations which fall marginally short of achieving the 2010 target, the Group as a whole has exceeded the overall 3% of payroll benchmark at 6.4% of payroll spent on training.

Mine Community Development: The Mining Charter requires that mining companies must invest in ethnographic community consultative and collaborative processes prior to the implementation of community development projects. Mining companies must conduct an assessment to determine the developmental needs in collaboration with mining communities and identify, approve and support/implement projects in line with the Industrial Development Programme (IDP) for the relevant municipalities in the areas of operation.

During 2010 ARM has invested in numerous enterprise development, community development and infra-structural development projects in and around the various operations in line with approved Social and Labour Plan (SLP) commitments as per the MPRDA regulation on SLPs. While significant progress has been made, there have been impediments to achieving some of the commitments in certain areas due to mitigating circumstances outside of ARM's control. These include dependencies on municipal involvement where projects cannot proceed until such time as municipal aspects have been resolved. However, it should be noted that, in addition to SLP commitments, a number of initiatives were undertaken during 2010. This includes a number of Corporate Social Investment initiatives that do not form part of the Mining Charter measurements. We have also strengthened our Stakeholder Engagement function.

Sustainable Development and Growth: The Mining Charter requires that mining companies implement elements of sustainable development commitments included in the "Stakeholders declaration on strategy for the sustainable growth and meaningful transformation of the SA mining industry of 30 June 2010".

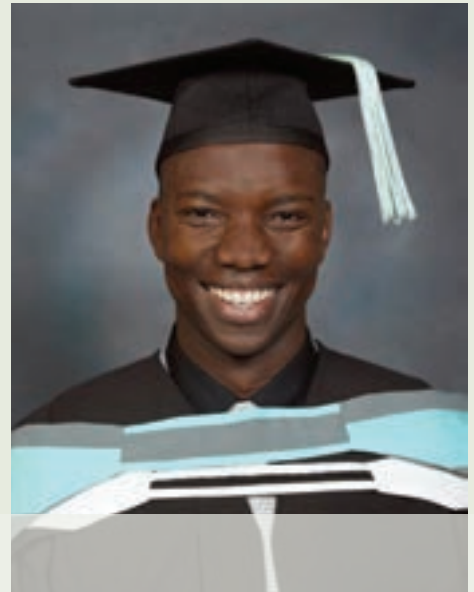
Mining companies are also required to improve the industry's health and safety performance by implementing the tripartite action plan on health and safety.

Furthermore, mining companies are also required to undertake to enhance the capacity and skills in relevant South African research and development facilities in order to ensure quality, quick turnaround, cost effectiveness and integrity of such facilities. To this end, mining companies are required to utilise South African-based facilities for the analysis of samples across the mining value chain.

ARM is proud of the fact that 100% South African-based facilities are used across the Company for environmental, product quality, or biological testing. ARM is also committed to world-class environmental management and health and safety standards. This is reflected in the high overall average of 26.66 points achieved out of 29 points for the sustainable development and growth section of the BBSEE scorecard.

The Mining Charter ascribes an overall evaluation of performance against the BBSEE scorecard in the form of a colour coded level of compliance. The evaluation of performance ranges from 0 – 25% (gross non-compliance), 25% – 50% (non-compliance), 50% – 75% (marginal to acceptable performance), to 75% – 100% (excellent performance).

We are proud to report that all (bar one) of operations within the Group have been assessed as being at an overall compliance level of "Excellent Performance". The operation that did not achieve the excellent performance status was fractionally short of the target threshold and achieved one level below excellent.



ARM's graduate programme: **From technical trainee to furnace manager**

ARM's Graduate Development programme is part of the company's talent management process. It is a two-year programme focused on developing, grooming and refining talented individuals for future technical and managerial responsibility.

Thabo Nzima joined the ARM Graduate programme in 2006. He was deployed to Assmang Chrome Machadodorp Works for training, where he completed his technical training and management development training, under Deon Boshoff's mentorship. Thabo excelled in numerous projects that he undertook, but his flagship project was the Manganese Conversion Project where he proved his good leadership and project management skills and affected significant savings. At the tender age of 28 he was appointed Furnace Manager, managing a team of 120 people.

ARM supports its transformation efforts through attracting and developing suitable graduates who are passionate about the minerals and mining sector. Through our graduate programme we employ new graduates for two to three years of on-the-job training (technical and middle management), which provides them with strong technical, technological and business knowledge which they can apply in management level positions. The number of participants enrolled is limited to ensure quality training.

Since the programme's inception in 2006, we have employed 31 graduates in total: 11 black females, two white males, one Indian male and 13 black males.

To date, 20 out of 32 (64.5%) graduates are occupying senior positions within ARM. Eight of the 31 (25.8%) are still in the training programme, while only three have resigned.

Corporate social responsibility

Our performance in F2011

Highlights

- Total Corporate Social Responsibility Investment (through CSI, LED and the ARM BBEE Trust) of R124.45 million (2010: R72.9 million).
- LED spend totalled R100.37 million (2010: R43.8 million)
- A total of 1 041 jobs were created (731 temporary and 310 permanent) through the LED projects for F2011 (2010: 658 jobs: 407 temporary and 251 permanent).
- CSI spend of R18.05 million and the ARM BBEE Trust spend of R6.03 million (2010: CSI spend R14.5 million and ARM BBEE Trust spend R14.6 million)

Challenges

- Job creation
- Poverty alleviation

Focus in F2012

- Meeting our SLP/LED commitments
- Poverty alleviation, job creation, education, welfare and healthcare
- Enterprise development

Corporate Social Responsibility (CSR) investment per segment

	F2011 (R million)
CSI	
Health	2.20
HIV & AIDS	1.06
Education	6.97
Capacity Building	1.41
Sporting Events	0.81
Arts & Culture	0.52
Other	5.08
Total CSI	18.05
LED	
Infrastructure	76.05
Community	14.27
Enterprise	6.27
Other	3.78
Total LED	100.37
BBEE Trust	
Total BBEE Trust	6.03
Total CSR investment	124.45

Our management approach to Corporate Social Responsibility (CSR)

Our performance

Our total upliftment and social investment spend in F2011, on a 100% basis, was R124.45 million (F2011: R72.9 million): CSI spend was R18.05 million; LED spend was R100.37 million and the ARM BBEE Trust spent R6.03 million.

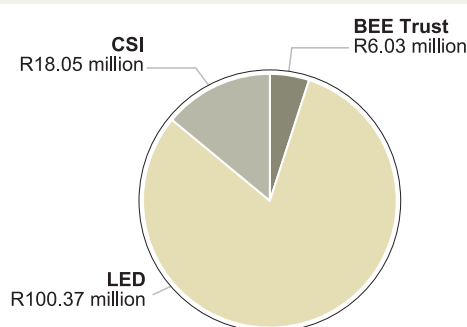
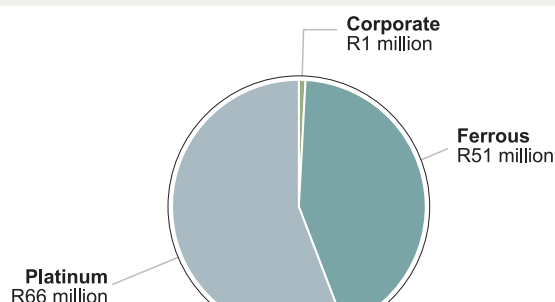
A summary of CSI and LED projects is presented on pages 58 to 59.



ARM seeks to make a significant contribution towards the national agenda of addressing the challenges facing South Africa, including poverty alleviation, job creation, education, welfare and healthcare. Our Corporate Social Investment (CSI) and Local Economic Development (LED) programmes are focused on actively contributing to the upliftment of the communities surrounding ARM's mines and operations, and those communities from which ARM sources labour.

ARM's CSR strategy functions at three levels: at corporate level through the ARM BBEE Trust and Chairman's Fund; at an operational level through operations-based participation in and funding of projects; and through the commitments to LED that are undertaken as part of ARM's Social and Labour Plans (SLPs).

A detailed summary of ARM's CSI and LED projects can be found on www.arm.co.za/sd/case-studies/

Corporate social responsibility
(R million)Divisional spending (CSI and LED)
(R million)

ARM's CSI strategy is based on the following priority areas:

- Education, training and skills development;
- Healthcare promotion, with an emphasis on HIV & AIDS programmes;
- Job creation with a focus on youth and women;
- Infrastructure development;
- Cultural events to unite communities;
- Capacity-building programmes aimed at enabling communities to participate actively in socio-economic processes and projects; and
- Sporting events.

Partnering to promote community upliftment

At each operation, specialist CSI personnel are employed to identify projects, ensure these align with local municipality IDPs and our corporate vision, and manage ARM's contribution towards these projects. CSI personnel are guided and supported by a CSI manager based at the corporate office who reports to the CEO. As part of the process to ensure that projects are meaningful and sustainable, communities and beneficiaries of ARM's programmes and projects are consulted in the project selection process, implementation and evaluation.

The roles and responsibilities of stakeholders and beneficiaries of projects and programmes are clearly defined in advance, with specific emphasis placed on financial controls and compliance with corporate governance protocols. Our projects are aimed at building capacity in communities, prioritising women, advancement of the disabled, youth and the socially destitute.

We ensure accountability and effectiveness by maintaining direct, regular contact with project beneficiaries and ongoing monitoring and evaluation of adherence to stated objectives. In our monitoring and evaluation of socio-economic development (SED) we recognise that there is scope to formalise our approach, in order to determine the return on corporate social investment. Going forward, we aim to conduct a social impact assessment in order to better gauge the extent to which investments are having an impact.

ARM endeavours to ensure that the Premiers of the various provinces in which we invest through our LED, CSI and the ARM BBEE Trust projects, are kept abreast of developments on projects in their provinces through regular meetings with their offices.

The ARM BBEE Trust

The ARM Broad-Based Economic Empowerment (BBEE) Trust was established in 2005 with the primary objective of facilitating Socio-Economic Development (SED). The Trust provides funding to provincial Rural Upliftment Trusts established by ARM to carry out welfare, community development and anti-poverty initiatives. The main focus of the trusts is on education-focused projects. These trusts and individual unit holders own a 10% equity interest in ARM and they and their projects are funded through the dividends that ARM declares to shareholders.

ARM's BBEE Trust investment into rural upliftment projects in the various provinces, included:

In the Eastern Cape

- The Mqanduli Day Care Centre,
- Construction of 14 classrooms, and
- The Manguzela agricultural project.

In KwaZulu-Natal

- The Mbalenhle Day Care Centre,
- Construction of 10 classrooms and renovation of two,
- The Mobophe crop production project,
- 21 computers for schools, and
- Water provision: a borehole and a dam.

In Limpopo

- The Mampuru Thulare Primary School in Mohlalets, and
- The Moshoeu pre-school,
- Constructing five classrooms and renovating another,
- Supplying 41 computers to schools, and
- Water provision: drilling of 12 boreholes.

In Mpumalanga

- The Vonani pre-school,
- Construction of two classrooms and renovation of three,
- The Ipopeng agricultural project, and
- Water provision: drilling of nine boreholes.

In North West Province

- Construction of seven ablution blocks
- Renovation of 12 classrooms
- Provision of two laptops to schools

In the Free State

- Provision of 92 computers to schools
- Sponsoring five university students

Dividends paid by the ARM BBEE Trust

	F2011 R	F2010 R	F2009 R	F2008 R
Total dividends paid by ARM BBEE Trusts	Not available*	5 354 549	14 703 292	4 588 082
Total money spent on development projects	6 030 862	14 617 935	—	—

* Dividends will be disclosed during November 2011.

Summary of LED projects

Name of project and need addressed	Beneficiaries	Number of jobs created	Outcome/status at at 30 June 2011
LED projects			
Modikwa Mine			
Road D4170/D4167: Construction of 12 km tar road	Mooihoek and Maandagshoek communities	28 – Temporary	Project completed and handed over (14 August 2011)
Nkomati Mine			
Training of 30 SMMEs: on paving, plastering, bricklaying and painting	Communities in the Emakhazeni Local Municipality and Albert Luthuli Municipality	30 – Temporary 2 – Permanent	Completed
Albert Luthuli Municipality: Rose Geranium Distillation Plant completed and commissioned, 600 000 plants planted for harvesting in February 2011. Fencing of distillation plant completed and land preparation on outstanding hectares ongoing	Badplaas community	20 – Temporary	70% complete, delayed by bad weather conditions
Two Rivers Mine			
Rooddraai Power Substation: Building of substation and related infrastructure	Whole community	N/A	Project completed
Ablution project: Construction of ablution blocks and upgrade of existing ablution facilities. Supply of three septic tanks; construction of ablution facilities and upgrade of existing ablution facilities to flush system	600 children	N/A	Completed
Khumani Mine			
Olifantshoek bulk water supply: Building of reservoir to address water problem in Olifantshoek. Fixing of the burst in the main pipe that supplies the reservoir.	Olifantshoek residents	20 – Temporary 12 – Permanent	In progress
Electrification of Mapoteng (Sesheng) informal settlement: Household electricity connection to 347 houses	Mapoteng informal settlement residents	18 – Temporary 9 – Permanent	Municipality responsible for implementation, over 100 stands completed and progressing well
Black Rock Mine			
Northern Moshaweng bulk water supply: Majemancho Water Reticulation: Setting of the village total water reticulation network, including stand-pipes	Majemancho village	30 – Temporary	Infrastructure development in seven villages, 8 km water reticulation network and stand pipes laid
Beeshoek Mine			
Bus and taxi terminus with SMME stalls: Building and construction of a bus and taxi terminus	Tsantsabane community	14 – Temporary 39 – Permanent	Completed
Boichoko bulk water supply pipeline: Installation of a bulk water supply pipeline from town to Boichoko township	Tsantsabane community	18 – Temporary 7 – Permanent	Completed
Machadodorp Works			
Machadodorp infrastructure development: To improve the infrastructure and roads in Machadodorp	Entokozweni community	18 – Temporary	In progress
Dwarsrivier Mine			
Olive tree project: Planting of olive trees and a processing plant in the near future	Kalkfontein community	15 – Temporary	Planted 1000 trees, maintenance of irrigation system continuing

Summary of CSI projects

Name of project and need addressed	Beneficiaries	Number of jobs created	Outcome/status at at 30 June 2011
CSI projects			
Khumani Mine			
Infrastructure support: Upgrading of Andriesvale Community Hall for a Soup Kitchen. Construction of a veranda for the Lerato Day Care Centre. Upgrading of the Dingleton Clinic.	Andriesvale, Olifantshoek and Dingleton communities	28 – Temporary	Completed
Black Rock Mine			
Black Rock Primary School: Donation of salary subsidy to school	Learners from Santoy village and local communities	8 – Permanent	Completed
Portable skills training: Waitress and room attendant training and placement for experiential learning	13 unemployed youths from the John Taolo District Area	13 – Temporary	Completed
Beeshoek Mine			
HIV/AIDS Programme: Support to Municipal and Community HIV & AIDS initiatives	Tsantsabane community	N/A	Ongoing
Supporting schools with infrastructure: Financial support for renovations to administration block and toilets; roof maintenance at Postmasburg High School	Postmasburg High School learners	N/A	Completed
Machadodorp Works			
Local schools: To improve the learning environment and equipments focusing on Maths and Science and general educational needs in support of quality education	Dumézizweni, Machado Primary, Sikhulile Secondary School and Machado Laer Skool, Department of Education	N/A	Completed
Chazon Tekna School: Financial support to increase learners' intake and their level of education	Community children	N/A	Ongoing
Dwarsrivier Mine			
Community ABET: Provision of ABET to local community members	Local community	N/A	Ongoing
Cato Ridge Works			
Upgrade of ablution facilities: Renovating and building of ablution facilities	Ntukusweni Primary	N/A	Completed
Nkomati Mine			
Eye care campaign	Machado community	N/A	Project was successful, completed
Renovation of ABET Maths & Science Centre in Tjakastad	Tjakastad community	7 – Temporary	60% complete and progressing well
Two Rivers Mine			
School donations: Upgrade of ablution facilities and donation of desks and chairs	Lydenburg Hoërskool and Lydenburg Laerskool	N/A	Completed

Environmental sustainability

Our material environmental issues:

Climate change: carbon emissions, water and energy

The most material environmental issues facing ARM are climate change and resource management, with water and energy being our particular areas of concern. The availability of water determines our ability to continue operating and expanding our mining and smelting operations in a sustainable manner; while the possibility of major storm events pose a physical risk of flooding and damage to our assets.

Our sustainable business strategy and risk management systems recognise that climate change is both an environmental and economic issue. We acknowledge that it has the potential to have a significant effect on our business at several levels, such as increased operating costs due to proposed carbon emissions tax, increasing energy costs, flooding and drought and increasing societal concerns around the Company's environmental performance.

The following four climate change business drivers are considered relevant:

- Regulatory risks and opportunities from tightening legislation – which require the setting of Greenhouse Gas (GHG) emissions targets, adapting to energy efficiency standards and

understanding the consequences of the proposed carbon tax. ARM's main contributors of direct GHG emissions are our two smelters, Cato Ridge Works and Machadodorp Works. Other potential emissions from ARM's smelters include sulphur dioxides, nitrous oxides and total particulate matter emissions. These emissions result from the smelting of ore, reductant processes in the arc furnaces and pelletising plants.

- Physical risks from extreme weather events – which may cause asset damage, project delays and resource risks.
- Competitive risks – leading to a possible decline in demand for more carbon intensive products. In addition, the financial impact of carbon emissions taxes, or the cost and availability of energy, as well as the availability of water for current or expanding operations, present risks to the business, the industry and in the international context, inter-country industry competition.
- Reputational risks – from perceived or real inadequate environmental and climate change performance.

Additional material environmental issues are managing and minimising our waste streams as well as land management, which includes biodiversity conservation, rehabilitation and closure planning. Keeping up with new and changing legislation and ensuring that our operations are legally compliant, remain a continuous focus of our governance processes.

Our performance in F2011

Highlights

- Improved data collection systems allowed us to better understand and report our material environmental risks
- Second submission to Carbon Disclosure Project (CDP)

Challenges

- Climate change:
 - emissions reduction and potential financial impact of carbon tax
 - associated impact on water resources: risk of water scarcity impeding our growth plans and the physical risk of major storm events and flooding

Focus in F2012

- Efficient management of resources including water and energy
- Strategic review of climate change risks, initiatives and approach. Formulation of a strategy and policy aligned with national legislation and the ICMM's climate change policy developments
- Setting performance objectives and emission targets as well as integrating our climate change strategy throughout the business
- Further improving our environmental data collection, monitoring and reporting systems.

	F2011	F2010	F2009
CO ₂ equivalent (tonnes) (tCO ₂ e)	**	3 072 714	2 576 634
Tonnes CO ₂ e/1 000 ZAR	**	0.24	0.23
Tonnes CO ₂ e/Full time employee	**	256.2	237.9
Electricity (000 kWh)	2 547 836	2 003 918	2 038 751
Water (m ³)	15 091 358	15 076 660	14 413 155
Diesel (000 litres)	73 558	55 732	54 625
Oil (000 litres)	2 909	2 934	2 565
Domestic waste (tonnes)	16 689	13 928	14 051

** In the process of being determined for submission to CDP by March 2012.

Our approach to environmental management

The ultimate responsibility for Sustainable Development, including the crucial matters of environmental management and climate change, rests with the Board. The Social and Ethics Committee of ARM (previously called the Sustainable Development Committee) is tasked by the ARM Board with achieving and maintaining world-class performance standards in safety, occupational health, the environment, HIV & AIDS and social investment. The Committee is also tasked with facilitating the entry of Historically Disadvantaged South Africans (HDSAs) to the mining industry, as prescribed by the Minerals and Petroleum Resources Development Act, and ensuring compliance with the Scorecard issued by Government.

The Group Manager: Sustainable Development, who is tasked with the formulation of policies, reports to the CEO; while Divisional SHEQ (Safety, Health, Environment and Quality) Managers have been appointed in both the Ferrous and Platinum Divisions to assist with implementation of policy in the divisions.

While each operation has an individual environmental policy and strategy, they are aligned with the ARM Sustainability policy and our commitment to responsible environmental stewardship. All operations are ISO 14001 certified, except Two Rivers Platinum Mine and Modikwa Platinum Mine (both are focusing on obtaining certification by end of 2012) and as such, undergo annual external environmental management system and legal compliance audits. These environmental management systems include identification of the impacts of activities, mitigation plans and performance monitoring. Quantified targets and objectives for environmental parameters are set operationally in accordance with the individual operations' licences and permits, e.g. Water Use Licences, Environmental Management Programme Reports (EMPR), emission and waste licences, as well as conditions contained in the Records of Decision (ROD) of Environmental Impact Assessments (EIAs), which are performed for all activities listed under the applicable Regulations of the National Environmental Management Act (NEMA). Operations compile monthly, quarterly and annual reports, as appropriate to ARM's corporate requirements and the requirements of the various Environmental Authorities. In terms of the requirements of the new Mining Charter Scorecard, ARM's operations reported our performance for the 2010 calendar year. This Scorecard contains environmental parameters which were also assessed and reported to the DMR by each of the mines.

Adequate financial provision for rehabilitation and closure is essential to sustainable environmental policy and annual contributions are made to our Environmental Trust Funds, based on independent specialist closure cost calculations.

Environmental performance is reported on quarterly, in specified detail, at operational executive SHEQ meetings chaired by Divisional Executives and attended by corporate Divisional SHEQ Managers.

Internal and external audits and assurance are performed as described in the governance section of this report in alignment with the ARM combined assurance model. ARM also facilitates biennial external SHE audits of all its operations to identify potential liability to the Company, its directors and management.

As a result of the previous external audits (undertaken in F2009), 15 SHE standards were compiled and implemented across the Group. The most recent liability audits were completed during the year under review. The reports on these audits are in the process of being finalised and as is confirmation of the factual correctness of the findings, after which the audit reports (both operational and corporate reports) will be distributed. Thereafter, appropriate action plans and non-conformances will be included in individual operations' non-conformance management systems and tracked and reported on quarterly.

In line with the terms of their Integrated Water Use Licences (IWUL), our operations extract water from rivers, boreholes and from municipal sources. Our operations engage with the Department of Water Affairs, local communities, local authorities, irrigation boards, catchment management agencies and other industry users to ensure the sustainability of water resources for all stakeholders. The availability of water is a key consideration when we plan the expansion or construction of an operation. Some of our operations have had to address legacy issues of groundwater contamination and rehabilitate historically contaminated land that impacted on surface groundwater.

Stakeholder and Interested and Affected Party consultation and dialogue takes place at operations, as required, in terms of:

- i. Interested and affected parties and community forums at all operations (examples include the Gladdespruit Forum at Nkomati Mine, the Cato Ridge Monitoring Committee and the Machadodorp Community Forum);
- ii. Public/open days at the operations (for instance at Khumani Mine);
- iii. Formal public consultation processes, in accordance with the Regulations of the National Environmental Management Act (NEMA) when any activity listed in the Regulations is undertaken that requires an Environmental Impact Assessment (EIA) to be performed.

Climate change

As a member of the ICMM, ARM has agreed to comply with the *Principles for climate change policy design* recently published by the ICMM. This means taking responsibility for developing GHG emission reduction strategies and implementing economic reduction opportunities, ensuring efficient use of natural resources, supporting research and development of low GHG emission technologies that are industry appropriate and finally, measuring progress and reporting results. We have, over the past two financial years, focused resources and attention on getting a clear understanding of our operations' carbon dioxide emissions, expressed as the equivalent tonnes of carbon dioxide (tCO₂e).

ARM recognises that data collection, recording and reporting systems need to be continuously improved in order to ensure the reliable and comprehensive management of information and reporting. Over the past two years, we have established our carbon footprint baseline and our confidence in the quality of data has steadily improved as our investment in data collection and related awareness and training efforts are starting to pay off. Our next step

is to obtain a clearer perspective on our performance aspects with respect to carbon emissions, which will lead to the setting of emission reduction targets, based on the more efficient utilisation of energy.

In order to continue beyond reporting of our carbon footprint, ARM engaged Environmental Resource Management (ERM) to facilitate divisional carbon strategy workshops, which will focus on understanding and prioritising climate change-related risk for the different operations, creating a shared vision of our strategic objectives in terms of climate change and the identification of possible emission reduction and energy efficiency projects. Following on these workshops, customised training programmes will be implemented at our operations, to focus on awareness, capacity building, reporting and improving our performance. The smelters at Cato Ridge and Machadodorp are the most energy intensive of our operations and hence initial focus will be placed there.

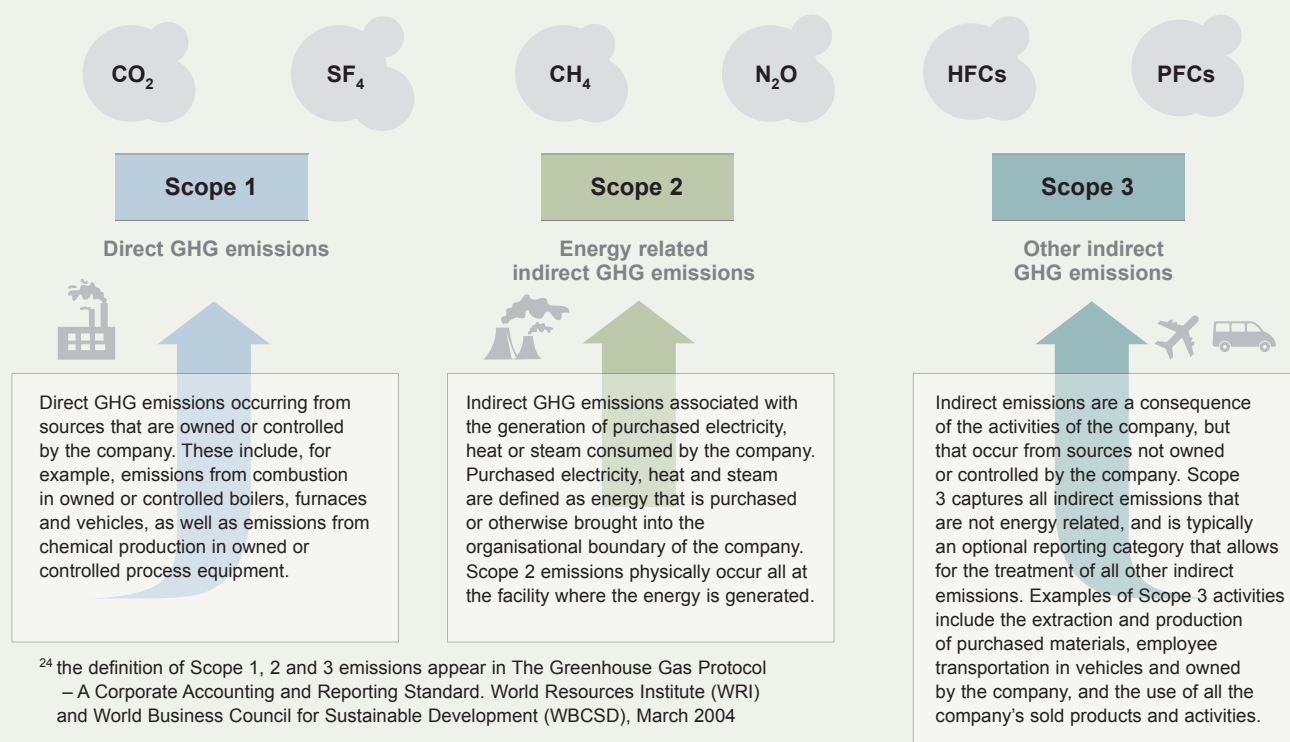
Measuring our Carbon Footprint

Note: Our carbon footprint data for F2011 is currently being recorded. For CDP reporting, ARM submits data for the preceding financial year, ie, the March 2012 CDP submission will contain results for F2011 (1 July 2010 to 30 June 2011). As a result, carbon footprint and emissions data presented in this report, is for the previous financial year (F2010). Similarly, in the F2010 Sustainability report, carbon emissions data for F2009 was presented. We are improving our data collection process in this regard in order to present F2011 and F2012 data in the next Sustainability Report.

During early 2011, ARM completed and submitted its second corporate carbon footprint analysis of its operations for the financial year ending June 2010 to the Carbon Disclosure Project (CDP). This involved accounting for, and reporting on, the GHG emissions of all those activities for which our Ferrous and Platinum Divisions are responsible. The carbon footprint analysis documents the global warming potential attributable to the release of greenhouse gases (GHG) generated by business activities of ARM. The ultimate goal of the analysis is for ARM to understand its emissions profile and to identify opportunities for mitigating emissions, thereby living up to our reputation as a sustainable and environmentally conscious Company to our customers, current and potential future shareholders, employees, suppliers and other stakeholders.

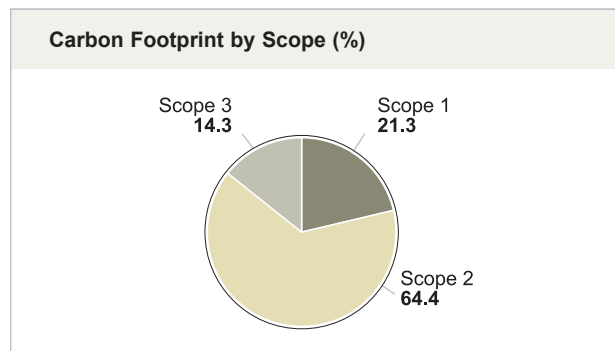
The carbon footprint analysis was undertaken in accordance with the Greenhouse Gas Protocol – Corporate Standard (GHG Protocol), published by the World Resources Institute and World Business Council for Sustainable Development in March 2004. The GHG Protocol distinguishes between various GHG accounting approaches in terms of organisational as well as operational aspects based on principles derived from financial accounting. To ensure the highest level of accuracy and reliability, the data collection process complies with the most recent standards defined for environmental analyses in general. Accordingly, the data collection process complies with the data quality requirements set out in ISO 14044 as well as the GRI G3 guidelines set by the Global Reporting Initiative (GRI).

GHG Reporting Protocol – Defining emissions Scopes 1, 2 & 3²⁴

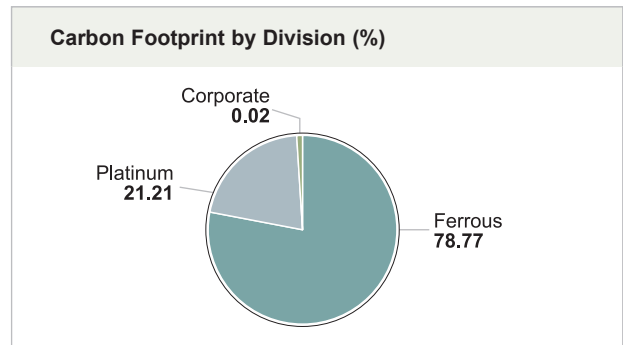
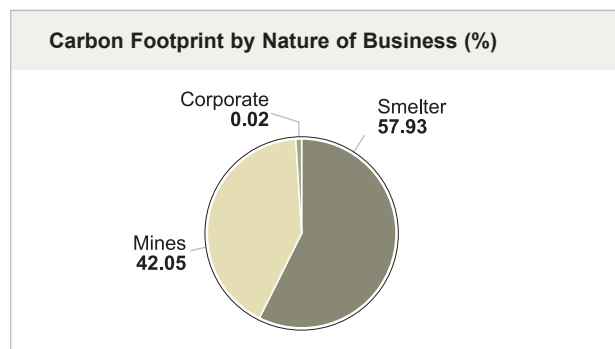


The diagram overleaf, taken from the Carbon Disclosure Project 2010, illustrates the different types of GHG emissions that make up a Company's total carbon footprint. As per the diagram, these emissions can be categorised as Scope 1 (direct GHG emissions), Scope 2 (energy related indirect GHG emissions) and Scope 3 (other indirect GHG emissions such as business travel, commuting transport and road and rail hauling of raw materials and products).

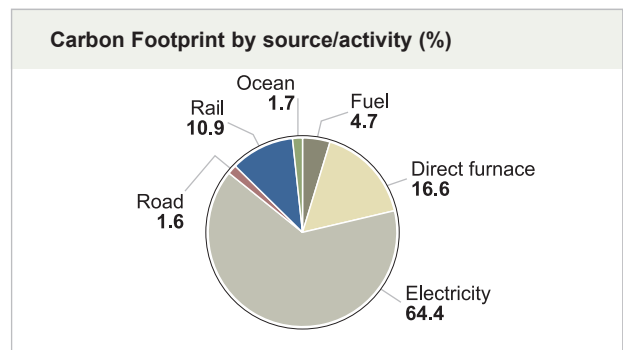
In total, ARM emitted 3 073 431 tonnes of CO₂e for the reporting period. Scope 1 (direct emissions) amounted to 654 665 tCO₂e (21.3% of total), Scope 2 (indirect emissions) represented 1 979 020 tCO₂e (64.4% of total) and Scope 3 (including business travel, commuting transport and logistics) contributed a relatively small component (439 746 tCO₂e or 14.3%) of the total carbon footprint.



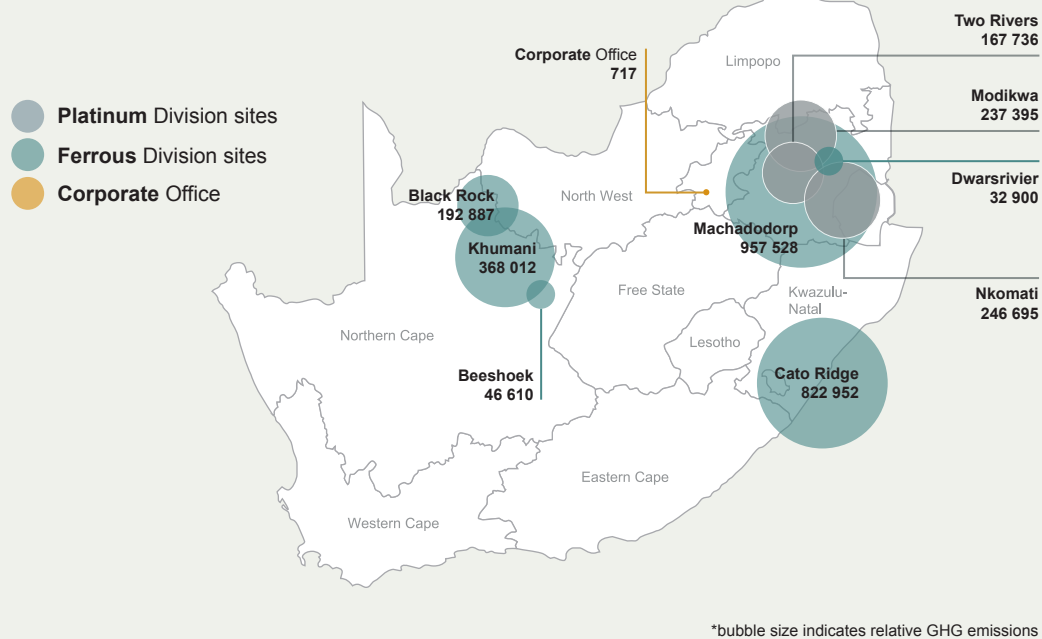
The results are in line with increased activity at most operations, especially in the Ferrous Division. Increased emissions from fuel use (diesel) and the use of coal-based reductants such as coal, char and coke used at the smelters, contributed significantly to increasing Scope 1 emissions from F2009. Increased electricity consumption, primarily at the mining operations, increased Scope 2 emissions (compared to F2009). Refinement of the results of the previous reporting period contributed to marginal adjustments.



As could be expected, the Ferrous Division (78.8%) is the largest divisional contributor with the energy intensive smelting operations. Eskom (64.4%) contributes to almost two-thirds of source emissions.



In order to place the Corporate Carbon Footprint into a site specific and geographical context, the following graphic provides a regional overview where the bubble size indicates the relative emissions and the actual emissions in equivalent tonnes of CO₂ (tCO₂e) are presented for each operation.



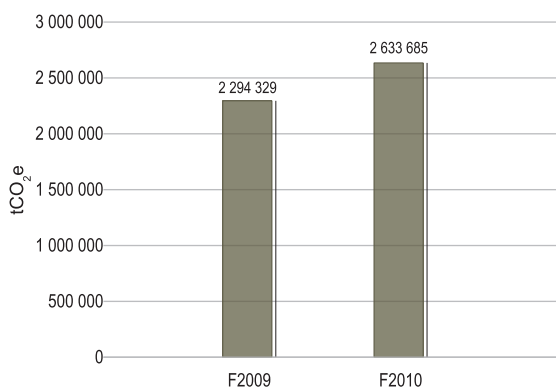
Participation in the Carbon Disclosure Project (CDP)

As a JSE-listed Company, ARM participates in the Carbon Disclosure Project (CDP), which, on behalf of institutional investors, challenges companies to measure and report on their carbon emissions. The CDP focuses on Scope 1 and 2 emissions which also determine emissions intensity disclosures. The following figures provide comparisons for F2009 and F2010 of different perspectives of our past two CDP submissions.

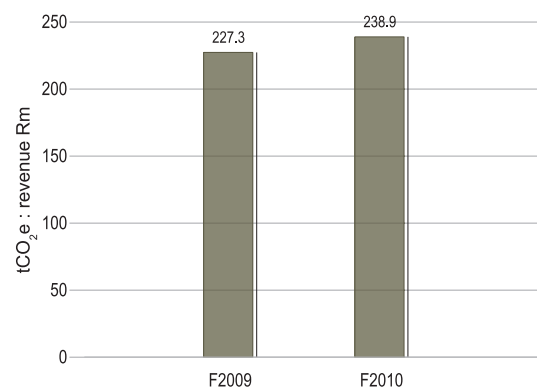
This figure depicts the total tonnes of Scope 1 and Scope 2 CO₂e, where the F2010 emission of 2 633 685 reflects a 14.8% year on year increase from F2009. As explained earlier, CDP figures lag by one year in this report. Increases from F2009 to F2010 are generally expected because F2009 presents a reduced production scenario during the global financial crisis.

The figure below indicates the tonnes of CO₂e emitted for every R1 million of revenue generated, where F2010 shows that each million Rand of revenue reflects 238.9 t CO₂e.

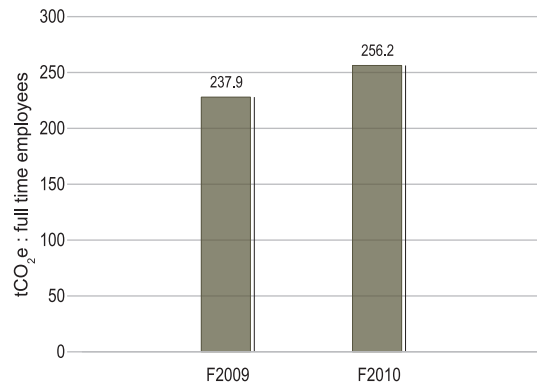
Carbon Footprint (Scope 1 & 2)



Carbon Intensity per million Rand of revenue

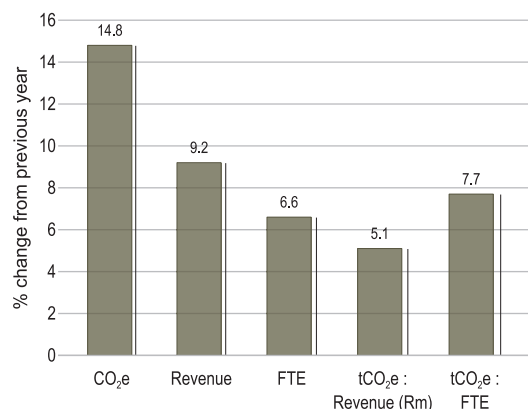


Carbon Intensity per number of full time employees



256.2 tonnes of CO₂e were emitted per full time employee (FTE) in F2010.

Year-on-year change in carbon intensity statistics



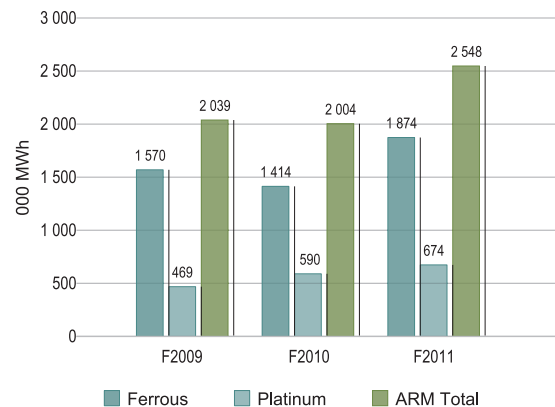
The figure illustrates the year-on-year percentage change: 9.2% increase in revenue and a 6.6% increase in FTE, have contributed to a 14.8 % increase in t CO₂e. This has caused the two intensity ratios to increase accordingly; the tonnes CO₂e: Revenue by 5.1% and tonnes CO₂e: FTE by 7.7%.

Energy

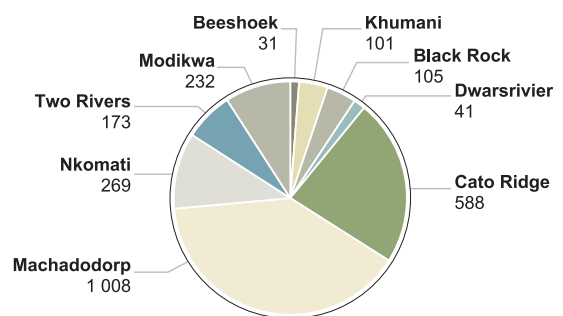
The increasing cost of energy, as well as the availability of energy for the maintenance and expansion of our operations, are major sustainability issues for ARM. In addition, a guaranteed continuous supply of electricity is required to operate mines safely in terms of the supply and distribution of fresh air through ventilation air pumps and the ability to access and exit underground operations.

As described earlier, energy consumption (reported as Scope 2 emissions which are indirect emissions as a result of the generation of electricity from fossil fuels) accounts for the most significant contribution to the ARM GHG inventory. The two smelters, part of the ARM Ferrous Division, account for approximately 80% of the energy consumption and the seven mining operations for the remaining 20%. ARM Ferrous, trading as Assmang Limited (a Joint Venture with Assore Limited) has joined the Energy Intensive Users Association and has developed an Energy Efficiency Charter which set targets for energy efficient practices in the previous financial year. A Group Electrical Engineer was also appointed in F2010 to manage and guide energy efficiency practices.

Electricity consumption by Division and ARM Group



Electricity consumption by operations for F2011 (000 MWh)



In 2009, Assmang launched an Energy efficiency programme with an objective to reduce our peak consumption by 10% by year 2012/2013. To achieve this, energy audits were conducted, and a number of projects were identified, including:

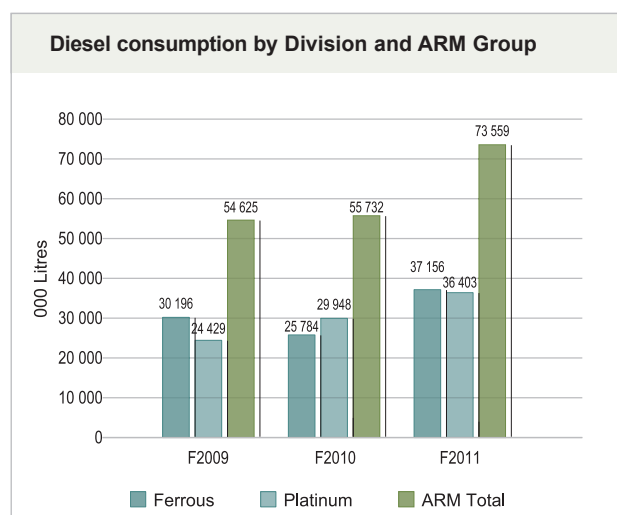
- Installation of variable speed drives on water coolers at Cato Ridge;
- Replacing incandescent globes with compact fluorescent light (CFL) globes at all operations;
- Replacing underground pneumatic drills with Hilti electric drills at Dwarsrivier – project being implemented;
- Energy efficient ventilation fans at underground operations – investigations underway;
- Replacing low voltage motors with Energy efficient motors – policy implemented at all operations;
- Installing heat pumps at all the change houses – project submitted to Eskom for DSM funding, awaiting finalisation;
- Power factor correction and harmonics reduction – implemented at all operations;
- Solar water heating in change houses and company houses;
- Awareness training has been completed at Cato Ridge and Machado to teach employees on how to conserve electricity;
- Co-generation projects at both smelters have been investigated

By implementing these projects, as well as converting Machadodorp Works to ferromanganese production, it is planned to achieve an energy saving of approximately 15% by the end of 2013. It should be noted that while planned expansion projects may increase our absolute energy consumption, we will continue to improve, measure and report on our energy efficiency per unit of production or revenue, as appropriate.

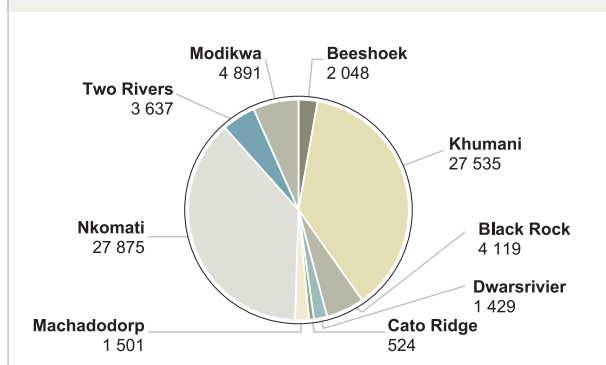
Fuel consumption

Diesel used for loading, hauling and logistics at our operations, contributes to our Scope 3 emissions. Nkomati Mine and Khumani mine are both expanding, large open pit mines where transporting of run-of-mine material requires hauling over several kilometres. Efficiency of diesel use, is another area which will be covered under our climate change strategic process.

The use of petrol is limited to a few company cars and is considered negligible.



Diesel consumption by operations for F2011
(000 litres)



Water management

Water availability, consumption and pollution are key risks for ARM. The availability of water determines our ability to continue and expand our mining and smelting operations sustainably, while climate change impacts on water, such as major storm events pose physical risk of flooding and damage to assets.

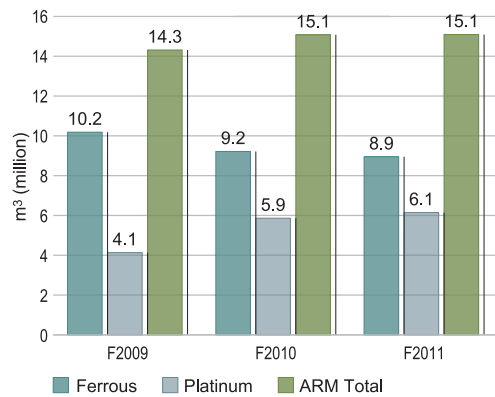
We aim to use water as efficiently as possible by recycling and avoiding any negative impacts on water quality in the environments in which we operate. In line with the terms of their Integrated Water Use Licences (IWUL), our operations extract water from rivers, boreholes and from municipal sources. Our operations engage with the Department of Water and Environmental Affairs (DWA), local communities, local authorities, irrigation boards, catchment management agencies and other industry users to ensure the sustainability of water resources for all stakeholders. The availability of water is a key consideration when we plan the expansion or construction of an operation.

Water balances are used to manage and optimise water use at our operations. Water monitoring, which includes aquifer level monitoring, groundwater and surface water sampling and biomonitoring of riverine environments, is used to understand our impact on the receiving environment, to check our compliance to licence conditions and as a warning indicator for immediate action in the event that pollution occurs. In order to minimise discharge into the environment as far as possible, our operations run closed circuit water systems.

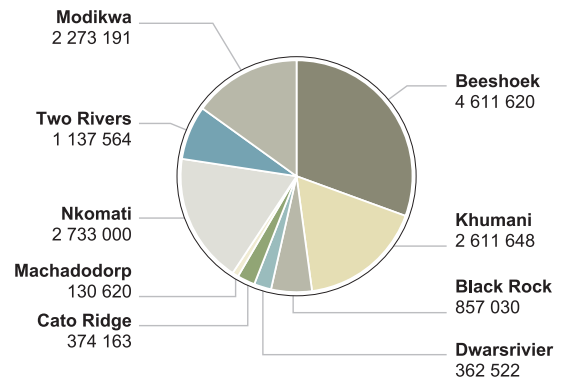
During the previous financial year, we reported that Cato Ridge Works was in the process of addressing legacy issues related to groundwater contamination and historically contaminated land, which impacted on groundwater. The “environmental road map” which was submitted to the (then) Department of Environment and Tourism following an audit by the Green Scorpions, has, to a large extent, been implemented. During the year under review, the Deputy Minister of Environment, Ms Rejoice Mabudafhasi accompanied by several officials from the Compliance Monitoring Division of the Department of Water and Environmental Affairs (DWA), visited Cato Ridge Works to celebrate the significant progress which had been made.

The intention in the next reporting cycle is to participate in the CDP water disclosure project. Being a water-intensive business ARM realises that much of the impact of climate change will be felt through changing patterns of water availability.

Water consumption by Division and ARM Group



Water consumption by operations for F2011 (m³)



Land use management: Rehabilitation and biodiversity management

Where possible, operations rehabilitate concurrently with ongoing operations. Each operation has a Conservation Trust, which meets quarterly. One of the main functions of the Trustees is to ensure that an adequate annual contribution is made to each Trust for rehabilitation and closure purposes. Each operation is responsible for facilitating annual comprehensive closure and rehabilitation assessments. Independent specialists are appointed to assess the status and to perform cost estimations of rehabilitation and closure requirements in line with individual EMPR closure commitments and the requirements of the applicable

legislation. These reports are submitted to the Trustees and the DMR and pending all parties' approval, provisions are made in the various Trust Funds.

Careful planning, management and investment of resources can ensure that mine areas are rehabilitated and restored to an ecological status very similar to the conditions that existed before mining activities began. We also manage waste rock and closed mines to prevent acid rock drainage occurring.

We consider the impact of our operations on local landscapes across the life cycle of a site, from initial exploration to decommissioning and closure.

Rehabilitation provisions for the ARM operations

Operation	Estimated closure cost as at 30 June 2011	Contributions			Total provision incl. guarantees	Anticipated shortfall excl. guarantees	Anticipated shortfall incl. guarantees
		Trust Fund F2011 contribution	Estimated Trust Fund balance as at 30 Jun 2011	Guarantees			
Beeshoek	89 440 827	8 918 673	60 442 662	38 389 295	98 831 957	(28 998 165)	(9 391 130)
Khumani	235 763 981	8 679 453	19 778 804	95 833 146	115 611 950	(215 985 177)	120 152 031
Gloria	12 498 324	575 872	4 612 072	—	4 612 072	(7 886 252)	7 886 252
Nchwaning	29 237 458	1 279 590	7 131 063	13 129 575	20 260 638	(22 106 395)	8 976 820
Black Rock	46 506 433	2 062 661	14 407 018	33 405 800	47 812 818	(32 099 415)	(1 306 385)
Dwarsrivier	38 759 143	1 701 513	9 735 142	33 673 253	43 408 395	(29 408 395)	(4 649 252)
Two Rivers	29 121 000	1 421 956	5 420 783	27 376 211	32 796 994	23 700 217	(3 675 994)
Nkomati	59 392 587	—	49 352 265	3 940 000	53 292 265	10 040 322	6 100 322
Modikwa	88 621 630	2 664 580	12 353 211	98 064 610	110 417 821	76 268 419	(21 796 191)

** (Please note that separate provisions shown for Gloria, Nchwaning and Black Rock shafts collectively constitute Black Rock Mine).

Biodiversity management

Biodiversity management is essential at mining operations as a mitigating measure to address climate change. Our operations are in various stages of drafting and implementing Biodiversity Action Plans and biodiversity monitoring programmes.

The baseline biodiversity and landscape function studies we conduct help us to address runoff prevention, soil quality and landscape maintenance issues such as soil erosion. These are undertaken during the feasibility or exploration phase of a project. We also conduct

Overview of biodiversity

Operation	Is the operation in close proximity to area of high biodiversity or protected area?	Biodiversity study completed	Details of red data or protected species
ARM Platinum			
Modikwa Mine 714 hectares were disturbed and are not yet rehabilitated. No communities were resettled in F2011.	No.	Yes.	<p>Protected: Aloe cryptopoda Aloe fosteri Balanites maughamii Elaeodendron transvaalensis Sclerocarya birrea subsp. Africana.</p> <p>Declining: Elaeodendron transvaalensis.</p> <p>Endemic: Aloe fosteri, Euclea sekhukhuniensis, Rhoicissus sekhukhuniensis, Rhoicissus spes.nov, Rhus batophylla, Rhus sekhukhuniensis.</p> <p>Lower Risk – Near threatened: Jamesbrittenia macrantha.</p> <p>Rare: Rhus sekhukhuniensis.</p> <p>Vulnerable: Pavetta zeyheri, Rhus batophylla.</p> <p>Fauna species: Manis temminckii, Rhinolophus blasii, Gyps coprotheres, Polemaetus bellicosus, Python natalensis.</p>
Two Rivers Mine 180 hectares were disturbed and are not yet rehabilitated. No communities were resettled in F2011.	Yes, high biodiversity. The mine is located within the Sekhukhuneland Centre for Plant Endemism.	Yes.	<p>Priority red data plants: Gladiolus sp.nov., Resnova sp. aff. megaphylla, Zantedeschia pentlandii while protected fauna are cicada (Pycna Sylvia), Dromica honesta.</p> <p>Other conservation: important invertebrates confirmed during field work are scorpion species such as Hadogenes polytrichobothrius (flat rock scorpion), Opisthophthalmus glabrifrons, Parabuthus transvaalicus, Uroplectes triangulifer and Pseudolychas. A newly described protected mite species called Zambodania sp.n. (Heterostigmae) associated with a certain spider species (inhabiting under round shaped stones that are fairly deeply buried up to $\frac{1}{3}$ or $\frac{1}{2}$ of their depth) called Harpactirella flavipilosa.</p> <p>Ants species confirmed and potentially undescribed collected during the invertebrate survey include undescribed Tetramonium, undescribed Camponotus, undescribed Anillomyrma, possibly undescribed Meranoplus, possibly undescribed Aenictus.</p> <p>The property is dominated by thick leafed plants, most of which is only occurring in the Sekhukhuneland Centre for Plant Endemism (area of ecological importance within which Two Rivers is located). Woodlands dominant within the property are:</p> <ul style="list-style-type: none"> – Lydenburgia-Euclea Open Woodland – within which the protected Lydenburgia cassinoides plant specimens are dominant; – Sclerocarya – Bolusanthus Open Woodland within which Sclerocarya birrea subsp.caffra (Marula tree) is dominant; – Combretum erythrophyllum Riverine Woodland within which Combretum specimens are dominant; and – Phragmites – Imperata Marsh wherein Phragmites species are dominant.

environmental risk assessments for new operations and for major changes to existing operations. These assessments, having established the existing conditions of biodiversity and landscape functions (e.g. soil erosion control and watershed management) identify the potential impacts of the proposed activities that could be a risk to biodiversity and landscape functions. They also identify the standards that need to be applied or used as benchmarks, and opportunities for improvements. The table below provides a summary of biodiversity activities at our various operations.

Status of Biodiversity Action Plan (BAP)	Strategies for addressing impact
<p>Completed.</p> <p>Database and annual species survey to be implemented to track the ecological change of the ecosystems.</p> <p>Both mammal and avifaunal taxa were found to have two species with a probability of occurrence (POC) of > 60% One species of reptile was considered to have a POC of > 60%</p> <p>Site specific detail assessment should be conducted since current data on the Biodiversity Plan/Report is based on National level and Regional/Provincial historical reports.</p>	<p>i. A follow-up evaluation should be done during summer to assure that all the species with conservation status are identified;</p> <p>ii. If expansion and development in the TSF area, shaft area and opencast area is unavoidable, species with conservation status (protected, endangered and rare) should be conserved as far as possible by means of:</p> <ul style="list-style-type: none"> – Avoidance of unnecessary disturbance of natural vegetation during construction and operational phases. – Transplanting specimens into similar localities in nature; or – Transplanting specimens into a nursery until it can be relocated; or – Transplant specimens into the gardens surrounding offices where it can be properly maintained. – It should be noted that permits for certain activities are required according to national as well as regional ordinances and laws as far as indigenous flora is concerned. – Wherever possible, any soil that can serve as a growth medium for plants must be stripped and stockpiled for future rehabilitation purposes. – Construct the TSF, rock dumps, overburden dumps etc. in such a way that slopes with a maximum of but preferably less than 18° are constructed. – Water control structures should be constructed to minimise erosion and to create a favourable habitat for the establishment of vegetation during rehabilitation. – Biodiversity Implementation Plan and survey to be budgeted and prioritised for next financial year.
<p>A detailed BAP is in the process of being implemented.</p>	<p>The Mine licensed area is divided into biodiversity units or blocks (ie, mountain slopes and plateaus, riparian, plains, current mining area, proposed mining area) wherein, there are areas earmarked for intensive land use development, moderate and no-go areas (for conservation purposes).</p> <p>An environmental control site bearing similar ecological features to the proposed open cast site is identified and being monitored at the north part of the property adjacent to the proposed north open cast area.</p>

Overview of biodiversity (continued)

Operation	Is the operation in close proximity to area of high biodiversity or protected area?	Biodiversity study completed	Details of red data or protected species
ARM Platinum (continued)			
Nkomati Mine 10 982 hectares were disturbed and not yet rehabilitated. No communities were resettled in F2011.	No. The mine is located among commercial forestry operations.	Draft report received, finalisation in progress.	No red data species.
ARM Ferrous			
Beeshoek Mine 850 hectares disturbed and not yet rehabilitated. No communities were resettled in F2011.	No.	Study completed on 80 % of the mine area, the rest of the study in progress.	Seven endemic and near-endemic plant species identified. Various aloes, boscia trees and camel thorn trees.
Khumani Mine 700 hectares disturbed and not yet rehabilitated. No communities were resettled in F2011.	No.	Yes.	None identified.
Black Rock Mine 1 450 hectares disturbed and not yet rehabilitated. No communities were resettled in F2011.	No.	Yes.	None identified.
Dwarsrivier Mine 143 hectares disturbed and not yet rehabilitated. No communities were resettled in F2011.	Yes. The mine is located within the Sekhukhuneland Centre for Plant Endemism.	Yes.	Sekhukhune Bushman's Tea, Blue Shield Fruit, Marula and Shepherd.
Machadodorp Works 20 hectares disturbed and not yet rehabilitated. No communities were resettled in F2011.	Yes. The smelter is within the proposed Lydenburg Centre of Endemism.	Yes.	None.
Cato Ridge Works 56 hectares disturbed and not yet rehabilitated. No communities were resettled in F2011.	Yes. The new access road will disturb approximately 20 hectares of the protected Ngonigoni grasslands, which is south and southeast of the operation.	Yes.	Protected Ngonigoni grassland.

Status of Biodiversity Action Plan (BAP)	Strategies for addressing impact
The plan is being developed subsequent to finalisation of the biodiversity study report.	Integration into local municipal policy and plans as well as relevant Spatial Development Plans; integration into existing group policy and management systems, including the Biodiversity and Land Management Plan, Closure Plan and Environmental Management Plan; identification and liaison with stakeholders and neighbouring properties especially with respect to weed/invaser and erosion control action plans and; post closure land use; available budget and manpower for implementation, management and maintenance.
A specified number of identified species will be relocated according to permit specifications in areas that will be disturbed.	Continuous monitoring of impacted areas. Resettlement of plants as specified in the permit in off-set area as agreed with DWA.
In progress.	Impact managed in terms of commitments of the EMP. Plants removed before mining.
A game farm of 1 700 hectares was established in 1991, with the main objectives being recreation for employees and education for community and children.	Currently finalizing an off-set area agreement.
Completed.	The BAP will be implemented through the establishment of a game conservation park within the property.
Completed.	Implementation of the BAP is in progress. Currently aligning with contaminated land assessment as per the requirements of the Waste Act and closure and rehabilitation plan. Areas of focus included alien and invader species control and land management.
A biodiversity impact study confirmed that no significant impact to the Ngonigoni grassland would be caused due to historic and current disturbance by activities such as cattle grazing. A memorandum of agreement was signed between Cato Ridge Works, the Wildlands Trust and the eThekweni Municipality whereby Cato Ridge Works will sponsor the Wildlands Trust financially to conserve grasslands in the Inanda dam area.	Implementation of the BAP is in progress. Currently aligning with contaminated land assessment as per the requirements of the Waste Act and closure and rehabilitation plan.

Independent Assurance Statement

To the Board and stakeholders of
African Rainbow Minerals Limited

SustainabilityServices.co.za (SS) was commissioned by African Rainbow Minerals (hereafter, 'ARM') to provide independent third party assurance (ITPA) over the sustainability information within this Sustainability Report (hereafter, 'the Report', covering the 12 month period ending 30 June 2011). The assurance team comprised primarily of Michael H. Rea, our principal Sustainability Assurance Practitioner, with 12 years' experience in over 40 assurance engagements in various countries.

AccountAbility AA1000S (revised, 2008)

To the best of our ability, this assurance engagement has been managed in accordance with AccountAbility's AA1000AS (2008) assurance standard, where the format of the engagement was structured to meet the AA1000AS Type II (Moderate) requirements.

Independence

SS was not responsible for the preparation of any part of this Report and has not undertaken any commissions for ARM in the reporting period concerning reporting or data collection. SS did, however, conduct an assurance engagement for ARM's 2010 Report, including the identification of reporting gaps that ultimately have been incorporated into ARM's 2011 reporting processes. However, this work has not compromised our ability to afford ITPA over this year's Report. SS's responsibility in performing its assurance activities is to the management of ARM alone and in accordance with the terms of reference agreed with them.

Assurance objectives

The objectives of the assurance process were to provide stakeholders of ARM with an independent 'moderate level assurance' opinion on whether the report meets the following objectives:

- Adherence to AccountAbility's AA1000AS (2008) principles of *Inclusivity, Materiality and Responsiveness*;
- Alignment with the Global Reporting Initiative (GRI) G3 guidelines, with the objective of establishing whether or not the Report has met the A+ level of reporting requirements;
- Adequate reporting relative to the recommendations of the King Code of Corporate Governance (King III); and
- Adequate reporting relative to the International Council on Metals and Mining Sustainable Development Framework (the ICMM SD Framework).

In meeting the Type II assurance objectives, SS undertook a review of selected sustainability performance indicators at three of ARM's operational sites.

Scope of work performed

AA1000AS (2008) Compliance

The process used in arriving at this assurance statement is based on AccountAbility's AA1000AS (2008) guidance, as well as other best practices in assurance. Our approach to assurance included the following:

- A review of sustainability measurement and reporting procedures at ARM's head offices;
- A review of data collection, collation and reporting procedures at three selected operational sites, with specific reference to the following selected sustainability performance indicators:
 1. Total Recordable Injury Frequency Rate (TRIFR), including the number of Restricted Work and Medical Treatment Cases, as well as the calculation of Hours Worked
 2. Lost Time Injury Frequency Rate (LTIFR), including the number of LTIs and the calculation of Hours Worked
 3. Fatal Injury Frequency Rate (FIFR), including the number of fatalities and the calculation of hours worked
 4. Number of employees undergoing voluntary counselling and testing (VCT); number of employees on anti-retroviral treatment (ART); and, number of ART default cases
 5. The percentage of 'Women in' and 'Women at Mining'
 6. Electricity consumption
 7. Petrol consumption
 8. Diesel consumption
 9. Coal consumption
 10. LPG/LNG consumption
 11. Total volume of water consumed – from all sources
 12. Total volume of water discharged from sites
 13. Presence and management of monitoring and evaluation programmes for Socio-economic Development (SED)
 14. SED – Alignment with community local economic development (LED) plans
 15. Progress towards Social and Labour Plan (SLP) commitments
- A review of drafts of the Report for any significant errors and/or anomalies; and,
- A series of interviews with the individual responsible for collating and writing various parts of the Report in order to ensure selected claims were reported and substantiated.

It should be noted that due to the scope and nature of this AA1000AS (Type II, Moderate) assurance engagement, site visits were undertaken at *Machadodorp Works, Khumani Mine* and the *Two Rivers Platinum Mine*, to test the authenticity of data at the primary source of collection and collation, and this report has been assessed at the point of data aggregation for accuracy of reporting. Please note that ARM has embarked on a policy of rotating site visits to ensure that sustainability monitoring, management and reporting systems are tested at representative sites throughout the group in progressive years.

GRI compliance

In determining the GRI G3 'Application Level' of the Report, we performed the following exercises:

- A review of the process used to define the content of the Report by looking at materiality of issues included in the Report, stakeholder engagement response to stakeholder issues identified, determination of sustainability context and coverage of material issues;

- A review of the approach of management to addressing topics discussed in the Report; and
- A confirmation that the requisite number of performance indicators had been covered in the Report.

King III and ICMM Compliance

In determining the ARM's compliance to the recommendations of King III, as well as the SD Framework requirements of the ICMM, we performed the following exercises:

- Review of relevant policies and procedures at ARM's head offices; and,
- A series of interviews with the individual responsible for adherence to King III and/or the expectations of the ICMM SD Framework.

Findings

In general, the company's sustainability reporting processes are adequate, and it was noted that:

AA1000AS (Type II)

- ARM obtains quantitative data with respect to most sustainability indicators from its operational sites through a variety of relevant reporting procedures.
- The data reported by ARM undergoes various internal and external/independent assurance reviews of key sustainability indicators.
- Certain site-reported data was found to be inaccurate and/or unreliable on a few occasions, although none of the identified errors were deemed significant enough to warrant a statement of qualification, and all errors were adequately addressed prior to the conclusion of this engagement.
- SED initiatives occur in a significant manner, and in accordance with Social and Labour Plan (SLP) commitments and are aligned with the relevant Integrated Development Plans (IDPs) of the communities in which ARM operates. However, SED projects do not always appear to be selected in a strategic manner – with the maximum developmental return on investment considered – and adequate systems to monitor and evaluate SED projects for socioeconomic impact do not always appear to exist.
- Within the parameters of a 'Moderate Level Type II assurance assessment', the Report – without exception – appears to reflect an accurate accounting of ARM's performance, including the review of data supplied by the reviewed sites and contained within this Report.

GRI G3

- Based on our review of the Report, including the comprehensive GRI Content Index, as well as the processes employed to collect and collate information reported herein, it is our assertion that this Report meets the GRI G3's requirements for Application Level A. However, the reporting of performance against some indicators continues to require either data quality improvements, or further detail in disclosure. Indicator-specific performance is identified in ARM's GRI Indicator Table on pages 74 to 83.



King III and ICMM Compliance

- Based on our interviews with key management personnel, as well as our desktop review of the relevant policies and procedures employed to ensure compliance, it is our assertion that ARM reasonably meets compliance expectations of both King III and the ICMM SD Framework.

Recommendations

AA1000AS (Type II)

- ARM should continue to improve its reporting according to the principles of Inclusivity, Materiality, and Responsiveness, as guided by AA 1000AS (2008) assurance, including the application of adequate controls to ensure data accuracy, consistency, completeness and reliability, in future Reports.
- ARM should ensure that improvement continues to occur with respect to stakeholder engagement procedures, including whether or not ARM's reporting procedures (inclusive of, but not limited to, this Report), and all future Reports, adequately reflect the feedback expectations of key stakeholders.
- ARM should ensure that its operations continue to improve policies, procedures, systems and controls for the identification, selection and supporting of socioeconomic development (SED) initiatives at all of its sites, including adequate systems to monitor and evaluate SED projects for socioeconomic impact.
- ARM should continue to employ a sustainability reporting cycle that accommodates for AA1000AS (Type II) assurance over interim data (i.e., quarters 1 through 3), and should continue to seek independent third party assurance engagements that include site visit investigations of data accuracy, consistency, completeness and reliability.

Conclusions

Based on the information reviewed, SustainabilityServices.co.za is confident that this report provides a comprehensive and balanced account of the environmental, safety and social performance of ARM during the period under review. The data presented is based on a systematic process and we are satisfied that the reported performance data accurately represents the current environmental, safety and social performance of ARM, while meeting the AA1000AS (2008) principles of inclusivity, materiality and responsiveness. Although the quality or quantity of data of some GRI G3 indicators can be improved, this Report appears to meet the GRI G3's requirements for Application Level A (A+ with this assurance engagement). Moreover, our review indicates that ARM has reasonably met the reporting requirements of both King III and the ICMM SD Framework.

SustainabilityServices.co.za

Johannesburg
31 October 2011

GRI content index

The Global Reporting Initiative (GRI) G3 Guidelines provide a recommended framework for reporting sustainability initiatives to stakeholders. The following table has been developed to comply with the “in accordance” expectations of the GRI reporting guidelines and aligns with the Mining and Metals sector supplement. It provides a summary of ARM's reporting against each of the G3 reporting criteria, and where applicable, provides page references to sections in this Sustainability Report or our Integrated Annual Report (AR) where relevant information on our sustainability performance is discussed.

Indicators are divided into core indicators and additional indicators in the GRI Guidelines. Core indicators are defined to be of interest to most stakeholders and are assumed to be material unless deemed otherwise on the basis of the GRI Reporting Principles. Additional indicators are those indicators identified in the GRI Guidelines that represent emerging practice or address topics that may be material to some organisations but not generally for a majority.

Additional indicators are indicated by an “(A)” in the table and the rest of the indicators are core indicators. Indicators that start with “MM” are the specific 11 GRI Mining and Metals sector supplement core indicators.

1. Strategy and analysis		Pages	
1.1	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and its strategy.	10 – 11	The Executive Chairman's report.
1.2	Description of key impacts, risks, and opportunities.	5; 9 – 13; 14 – 15; 26 – 27 (AR)	Our most material issues; the Executive Chairman's report; the Chief Executive Officer's statement; throughout the report; Principal risks, challenges and opportunities (AR).
2. Organisational profile		Pages	
2.1	Name of the organisation.	Front cover	Front Cover.
2.2	Primary brands, products, and/or services.	2 – 3; 44 – 85 (AR)	Who we are and what we do; Operational reviews in the AR.
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	2 – 3	Who we are and what we do.
2.4	Location of organisation's headquarters.		Johannesburg, South Africa.
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	3	Who we are and what we do.
2.6	Nature of ownership and legal form.	2; 18; 19 – 23	Who we are and what we do; Our approach to sustainability; Corporate Governance.
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	2 – 3	Who we are and what we do.
2.8	Scale of the reporting organisation.	3, 6	Who we are and what we do; Our sustainability performance year-on-year.
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	9	The Executive Chairman's report.
2.10	Awards received in the reporting period.	10 – 11	Best Employer Certification: Chief Executive Officer's statement.
3. Report parameters		Pages	
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	1	About this report.
3.2	Date of most recent previous report (if any).	1	About this report.
3.3	Reporting cycle (annual, biennial, etc.)	1	About this report.
3.4	Contact point for questions regarding the report or its contents.	1; Stakeholder feedback form; Back cover	About this report; Stakeholder feedback form; Back Cover.
3.5	Process for defining report content.	1; 5; 18; 25 – 27	About this report; Our most material issues; Our approach to sustainability; Stakeholder content.
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	1; 2 – 3	About this report; Who we are and what we do.

3.7	Limitations on the scope or boundary of the report.	1; 2 – 3; GRI content index	About this report; Who we are and what we do; Relevant sections of this table.
3.8	Basis for reporting on joint ventures.		All ARM's operations are Joint Ventures (JVs). We report only on those JVs over which we have management control. All sustainability data is reported on a 100 % basis.
3.9	Data measurement techniques and the bases of calculations.	1; 6; 19; 31; 36; 62 – 63	About this report; Our sustainability performance year-on-year; Corporate governance; Social sustainability; Environmental sustainability.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	6	Our sustainability performance year-on- year; We continue to improve our systems for measuring and monitoring our performance to ensure comprehensive and reliable data. Specific figures that have been restated from the previous report, are electricity consumption and some emissions figures as indicated by ** in the table on p. 6 The restatements reflect more accurate data, and do not cause material changes to interpretation of our environmental performance as stated in F2010.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		None.
3.12	Table identifying the location of the Standard Disclosures in the report.		GRI content index.
3.13	Policy and current practice with regard to seeking external assurance for the report.	1; 18; 19	About this report; Our approach to sustainability; Corporate governance.
4.	Governance, commitments and engagements	Pages	
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	18; 19 – 23; 117 – 134 (AR)	Our approach to sustainability; Corporate Governance; Corporate Governance report in AR.
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	19 – 20; 117 – 134 (AR)	Corporate Governance; Corporate Governance report in AR.
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	19; 117 – 134 (AR)	Corporate Governance; Corporate Governance report in AR.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	25 – 27	Corporate Governance; Stakeholder engagement.
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	117 – 134 (AR); 136 – 142 (AR)	Corporate Governance Report (AR); Remuneration Report (AR). The risk portion (incentive bonus) of senior and executive management is measured on company performance in terms of profit and cost. Individual performances are measured in terms of specific key performance indicators (including social, safety and environmental indicators).
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	131 (AR); 134 (AR)	Corporate Governance – Ethics; Corporate Governance Report in AR: Ethics – Conflicts of interest ; Dealings in securities and insider trading policy.
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	21; 117 – 134 (AR)	Corporate Governance; Corporate Governance Report (AR).

4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	4; 22	The values underpinning the ARM brand; Corporate Governance.
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	18; 19 – 23; 117 – 134 (AR)	Our approach to sustainability; Corporate Governance; Throughout this report in the context of the issue being reviewed (i.e. economic, social or environmental performance); Corporate Governance Report (AR).
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	21	Corporate Governance.
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	18; 19 – 23	Our approach to sustainability; Corporate Governance.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	5; 18; 19 – 23	Our most material issues; Our approach to sustainability; Corporate Governance.
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	5; 18; 42	Our most material issues; Our approach to sustainability; Social sustainability – HIV & AIDS.
4.14	List of stakeholder groups engaged by the organisation.	25 – 27	Stakeholder engagement.
4.15	Basis for identification and selection of stakeholders with whom to engage.	25	Stakeholder engagement.
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	25 – 27	Stakeholder engagement.
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	25 – 27	Stakeholder engagement.

Management approach and performance indicators

Economic

Including policies, management systems, management approach and performance relating to the following indicators

Economic performance

DMA EC	Disclosure on Management Approach.	28 – 29; 31 – 33; 50 – 54; 14 – 23 (AR)	Economic sustainability; Social sustainability – Transformation; Financial Director's Report (AR).
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	28 – 29	Economic sustainability.
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	60 – 62	Environmental sustainability.
EC3	Coverage of the organisation's defined benefit plan obligations.	179 (AR); 202 (AR); 220 – 221 (AR)	Financial Statements in the AR; including Notes 16, 39 and 40.
EC4	Significant financial assistance received from government.		No financial assistance was received from government during F2011.

Market presence			
EC5 (A)	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.		We do not provide a comprehensive range of entry-level wage compared to local minimum wages, but are committed to providing competitive and fair wages and believe that we do so at all our operations. ARM's wage agreements are between the 50th and 75th percentile.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	6, 50 – 54	Our sustainability performance year-on-year; Social sustainability – Transformation.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	46 – 49	Social sustainability – Employees; The majority of our workforce is recruited from within the communities surrounding the respective operations. Our policies ensure that we employ locally, including hiring for senior management positions where possible.
Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	6; 56 – 59	Our sustainability performance year-on-year; Social sustainability.
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	28 – 29; 56 – 59	Economic sustainability; Social sustainability – Transformation : Corporate social responsibility.
Environmental Including policies, management systems, management approach and performance relating to the following indicators			
DMA EN	Disclosure on Management Approach EN.	60 – 61	Environmental sustainability.
Material use			
EN1	Materials used by weight or volume.	6; 60	Our sustainability performance year-on-year; Environmental sustainability
EN2	Percentage of materials used that are recycled input materials.		Water is recycled in closed circuits at all operations. Initiatives for recycling of consumables such as oil and paper are undertaken but we do not deem it material to account for the percentage of recycled input materials.
Energy use			
EN3	Direct energy consumption by primary energy source.	66	Environmental sustainability.
EN4	Indirect energy consumption by primary source.	6; 65 – 66	Our sustainability performance year-on-year; Environmental sustainability.
EN5 (A)	Energy saved due to conservation and efficiency improvements.	65 – 66	Environmental sustainability.
EN6 (A)	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	65 – 66	Environmental sustainability.
EN7 (A)	Initiatives to reduce indirect energy consumption and reductions achieved.	65 – 66	Environmental sustainability.
Total water use			
EN8	Total water withdrawal by source.	6; 66	Our sustainability performance year-on-year; Environmental sustainability.

EN9 (A)	Water sources significantly affected by withdrawal of water.		No water sources are currently significantly affected by withdrawal of water. Regular groundwater and surface water monitoring, which includes assessment of groundwater levels, take place at the operations. A potential future impact on underground water reserves has been identified at Beeshoek and Khumani, should expansions continue. This will be monitored and reported on in the next financial year.
EN10 (A)	Percentage and total volume of water recycled and reused.	66	Environmental sustainability – Water management.
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	68 – 71	Environmental sustainability – Biodiversity management.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	68 – 71	Environmental sustainability – Biodiversity management.
MM1	Total amount of land owned (leased, and managed for production activities or extractive use) disturbed or rehabilitated.	68 – 71	Environmental sustainability – Biodiversity management.
EN13 (A)	Habitats protected or restored.	68 – 71	Environmental sustainability – Biodiversity management.
EN14 (A)	Strategies, current actions, and future plans for managing impacts on biodiversity.	68 – 71	Environmental sustainability – Biodiversity management.
MM2	The number/percentage of sites identified as requiring biodiversity management plans, and the number/percentage of sites with plans in place.	68 – 71	Environmental sustainability – Biodiversity management.
EN15 (A)	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	68 – 71	Environmental sustainability – Biodiversity management.
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	6; 60 – 65	Our sustainability performance year-on-year; Environmental sustainability.
EN17	Other relevant indirect greenhouse gas emissions by weight.	6; 60 – 65	Our sustainability performance year-on-year; Environmental sustainability.
EN18 (A)	Initiatives to reduce greenhouse gas emissions and reductions achieved.	60 – 65	Environmental sustainability.
EN19	Emissions of ozone-depleting substances by weight.		We do not have ozone depleting substances at our operations, no POPs and no volatile organics.
EN20	NO _x , SO _x , and other significant air emissions by type and weight.	6	Our sustainability performance year-on-year.
EN21	Total water discharge by quality and destination.	66	Environmental sustainability – Water management.
EN22	Total weight of waste by type and disposal method.	6	Our sustainability performance year-on-year.
EN23	Total number and volume of significant spills.		No incidents of significant spills occurred during the year.
MM3	Total amounts of overburden, rock, tailings and sludges presenting potential hazards.		ARM does not collect data centrally on this parameter. This is managed as part of the risk register of each operation and currently this is not presenting material hazards.
EN24 (A)	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.		ARM does not transport, import or export any waste categorized as hazardous under the terms of the Basel Convention.

EN25 (A)	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	66	Environmental sustainability – Water management.
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	23; 60 – 61	Corporate Governance; Environmental sustainability; Initiatives include ensuring compliance to legislation and to conditions of licences, permits and EMPRs.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.		This indicator is not deemed material for ARM.
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	19 – 23	Corporate governance: No fines were received in the period under review.
Transport			
EN29 (A)	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	65	Environmental sustainability.
Overall			
EN30 (A)	Total environmental protection expenditures and investments by type.		It is difficult to report on these expenditures individually as they form part of operational expenditure at each operation.
Social Including policies, management systems, management approach and performance relating to the following indicators			
Labour practices and decent work			
DMA LA	Disclosure on Management Approach LA.	31 – 33; 46 – 49	Social sustainability.
LA1	Total workforce by employment type, employment contract, and region.	6; 47	Our sustainability performance year-on-year; Social sustainability – Employees.
LA2	Total number and rate of employee turnover by age group, gender, and region.	6; 48	Our sustainability performance year-on-year; Social sustainability – Material issues; Social sustainability – Employees ; Employee turnover levels are at a Group level. A more detailed breakdown per operation can be requested from our operations individually.
LA3 (A)	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	38 – 44; 46 – 49	Social sustainability – Occupational health and wellness, HIV & AIDS; Social sustainability – Employees.
LA4	Percentage of employees covered by collective bargaining agreements.	48	Social sustainability – Employees.
LA5	Minimum notice periods regarding significant operational changes, including whether it is specified in collective agreements.	48	Social sustainability – Employees.
MM4	Number of strikes and lockouts exceeding one week's duration, by country.	44	Social sustainability – Employees; A strike which continued for three consecutive weeks, occurred at Dwarsrivier Mine.
LA6 (A)	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	25 – 27; 38– 39; 42 – 44	Stakeholder engagement; Social sustainability – Occupational health and wellness, HIV & AIDS; ARM's operational management consults regularly with trade unions on a range of issues including wages, conditions of employment, health and safety, training and development, community care and HIV & Aids. Representation is recorded in minutes of these meetings and records kept at the operations. Percentage representation is not centrally recorded.

LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	6; 11; 33 – 41	Our sustainability performance year-on-year; the Executive Chairman's Report; Social sustainability.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	38 – 44	Social sustainability – Occupational health and wellness; HIV & AIDS.
LA9 (A)	Health and safety topics covered in formal agreements with trade unions.	25 – 27; 33 – 44	Stakeholder engagement; Social sustainability; Health and safety is the major focus of health and safety agreements which are concluded at every operation and is an agreement between employees (including organized labour) and the employer.
LA10	Average hours of training per year per employee by employee category.	6; 48 – 49	Our sustainability performance year-on-year; Social sustainability – Employees; Our operations do not typically measure the effectiveness and investment of learning, retraining and development activities by monitoring the number of training hours per employee, but rather monitor training learning and development through measures such as training spend as a percentage of total payroll. Our training is linked to the MQA for national recognition of learning, which prescribes the minimum hours required per specific training intervention. We therefore do keep a record of training in hours/days at each operation and on the MQA database. This information is available on request.
LA11 (A)	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	46 – 49; 53 – 54	Social Sustainability – Employees; Social Sustainability – Transformation.
LA12 (A)	Percentage of employees receiving regular performance and career development reviews.		All our full-time employees receive (various levels of) regular performance and career development reviews as part of the ARM remuneration and incentive system.
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	6; 47; 53 – 54	Our sustainability performance year-on-year; Social sustainability – Employees; Social sustainability – Transformation.
LA14	Ratio of basic salary of men to women by employee category.	46	Social sustainability – Employees; There is no differentiation made between salary rates specifically on the basis of gender.
Human rights			
DMA HR	Disclosure on Management Approach HR.	22 – 23; 46 – 49	Corporate Governance; Social sustainability – Employees.
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.		The human rights and social impacts of all our investment projects are considered during the pre-feasibility stage of these projects, as part of our risk assessment process. We do not currently report quantitatively on this issue.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	22; 50 – 54	Corporate Governance; Social sustainability – Transformation: Preferential procurement and Mining Charter; Suppliers are informed about our ethics hotline and all violations that are reported via this whistleblowing facility are recorded and resolved.

HR3 (A)	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	46; 48	Social sustainability – Employees; Existing employees have been trained in the Code of Ethics, which has now been revised and published as the Code of Conduct. This is available to employees on the intranet. All new employees receive training in the Code of Conduct. Online training is being developed regarding the Code of Conduct.
HR4	Total number of incidents of discrimination and actions taken.	22; 46 – 47	Corporate Governance; Social sustainability – Employees; No material non-compliance incidents relating to discrimination were reported during the year under review. Of a total of 10 cases reported to whistleblowers this year, no allegations of discrimination were included.
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	22; 46 – 47	Corporate Governance; Social sustainability – Employees; ARM does not believe that the right to exercise freedom of association and collective bargaining is at risk at any of its operations, nor has it received any whistleblowers reports in this regard.
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	46 – 47	Social sustainability – Employees; We do not make use of child labour and conduct risk assessments/screening in terms of human rights practices in respect of prospective transactions, contracting parties and business partners and have not detected such significant risk.
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	46 – 47	Social sustainability – Employees; ARM's operations do not pose such risk. Our policies are compatible with international human rights standards and with the South African Constitution. Through the implementation of our supplier engagement plan we review the practices of suppliers and contractors and have not detected such significant risk.
HR8 (A)	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	22 – 23	Corporate Governance; ARM does not regard this as material and does not currently report quantitatively on this issue
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities.		Dwarsrivier, Two Rivers, Nkomati and Modikwa.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	22 – 23	Corporate Governance; There have been no recorded incidents of human rights violations of indigenous people. ARM believes that its operations do not pose such risk, but should any such violations occur, there are mechanisms in place for their detection, reporting and resolution.
Society			
DMA SO	Disclosure on Management Approach SO	25 – 27; 56 – 59	Stakeholder engagement; Social sustainability – Corporate social responsibility.
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	56 – 59	Social sustainability – Corporate social responsibility.

MM6	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples.		No disputes have been raised relating to land use or customary rights specifically. The community around Modikwa marched to the corporate office and handed over a memorandum containing grievances regarding community matters related to the mine, e.g. job creation, procurement, etc. Most of the issues have been resolved while a few outstanding issues are being addressed.
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples, and the outcomes.		No grievances regarding land use.
MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks.		No ASM at or adjacent to ARM's operations.
MM9	List sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	68 – 71	Environmental sustainability – Biodiversity management; No resettlements took place during F2011.
MM10	Number and percentage of operations with closure plans.	67	Environmental sustainability – Land Management; All operations have closure plans in accordance with EMPRs (in the case of the mines) and EIA and Water Use Licenses (in the case of the smelters). All operations have estimated closure costs and made provision towards closure and rehabilitation Trust Funds.
SO2	Percentage and total number of business units analysed for risks related to corruption.		Analysing for risk of corruption is inherent to the risk management process which is applied to all our operations and on corporate level. Process level risk assessment in relation to Human Resources include potential corruption risks, risk assessments relating to external supply and services include corruption risk and the internal and external auditors cover corruption risk.
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.		Existing employees have been trained in the Code of Ethics, which has now been revised and published as the Code of Conduct. This is available to employees on the intranet. All new employees receive training in the Code of Conduct. Online training is being developed regarding the Code of Conduct.
SO4	Actions taken in response to incidents of corruption.	22; 47	Corporate Governance; Social sustainability – Employees; No allegations of corruption were reported to our whistleblowing facility.
SO5	Public policy positions and participation in public policy development and lobbying.		ARM engages with government on various levels as appropriate, e.g. we engage regularly with the DMR directly and through the Chamber of Mines on matters of policy development. As a member of the ICMM, we seek to participate in influencing policy frameworks and as a signatory to the National Energy Efficiency Campaign, we co-operate with government to address national energy challenges.
SO6 (A)	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	26	Corporate Governance.
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	23	Corporate Governance.
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	23	Corporate Governance; No fines or administrative penalties received during F2011.

Product responsibility			
DMA PR	Disclosure on Management Approach PR.		As a member of the ICMM, ARM is committed to facilitating and encouraging responsible product design, use, recycling and disposal of our products. Our risk management systems oversee our product-related activities. In the Ferrous Division, our products are marketed and sold by our JV partner Assore Ltd and in the Platinum Division, the majority of our product is concentrate which is toll-treated.
MM12	Programmes and progress relating to materials stewardship.		ARM participates in the ICMM and Chamber of mines committees and working groups dealing with materials stewardship.
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.		We do not believe that there are material health and safety issues associated with marketing and use of our product. We regularly review the Material Safety Data Sheets appropriate to our Ferrous Divisions products, which are sold as products while our Platinum Division products are mostly concentrates which are toll-treated as per toll-treating agreements.
PR2 (A)	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	23	Corporate Governance; No incidents of non-compliance during F2011.
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.		ARM does not consider this parameter to be material as it does not sell to the general consumer market, but rather to select industrial customers with whom it engages contractually regarding quality specifications.
PR4 (A)	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	23	Corporate Governance; No incidents of non-compliance.
PR5 (A)	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		Quality management systems (ISO 9001) are implemented at the majority of our operations and customer complaints are recorded and addressed in line with the ISO 9001 Standard. Records of these are kept by each operation and discussed with the Marketing Department at quarterly review meetings.
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		ARM does not consider this parameter to be material as it does not sell to the general consumer market, but rather to select industrial customers with whom it engages contractually.
PR7 (A)	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	23	Corporate Governance; No incidents of non-compliance.
PR8 (A)	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		No incidents of non-compliance
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	23	Corporate Governance; No incidents of non-compliance

Glossary

Acronyms

AA1000APS	Accountability Principles Standard 2008
ABET	Adult Basic Education and Training
AIDS	Acquired Immune Deficiency Syndrome
AMCU	Association of Mineworkers and Construction Union
AMMSA	Association of Mine Managers of South Africa
ARM	African Rainbow Minerals Limited
ARV	Antiretroviral
ATR	Annual Training Report
BA	Biodiversity Assessment
BAP	Biodiversity Action Plan
BEE	Black Economic Empowerment
BBBEE	Broad-based Black Economic Empowerment
BBSEE	Broad-based Socio-Economic Empowerment
BUSA	Business Unity South Africa
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
COD	Community Open Day
CPA	Communal Property Association
CRF	Corporate Research Foundation
CSI	Corporate Social Investment
DMP	Disease Management Programme
DMR	Department of Mineral Resources
DQS	Depth/Quality/Sustainability (of HIV & AIDS Management)
DWA	Department of Water and Environmental Affairs
dti	Department of Trade and Industry
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECD	Early Childhood Development
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transport Initiative
EMPR	Environmental Management Programme Report
ESG	Environment, Society, Governance
ETDP	Education, Training and Development Practice
ERM	Enterprise Risk Management
FAPA	Ferro-Alloys Producers' Association
FFPS	Fatality-Free Production Shifts
FFR	Fatality Frequency Rate
FTE	Full Time Employees
FYE	Financial Year End
GG	Good Governance
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HDSAs	Historically Disadvantaged South Africans
HCT	National HIV and Counselling Campaign
HIV	Human Immunodeficiency Virus
HR	Human Resources
ICMM	International Council on Mining & Metals
IDP	Industrial Development Programme
IFC	International Finance Corporation
ILO	International Labour Organisation
JSE	JSE Limited
JV	Joint Venture

KAPB	Knowledge, Attitude Practice and Behaviour
KING III	King Report on Governance for South Africa – 2009
KPI	Key Performance Indicator
LED	Local Economic Development
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
MHSA	Mine Health & Safety Act
MME	Measurement, Monitoring and Evaluation
MOSH	Mining Industry Occupational Safety and Health
MQA	Mining Qualifications Authority
MRC	Management Risk Committee
NEMA	National Environmental Management Act
NGO	Non-Governmental Organisation
NIHL	Noise-Induced Hearing Loss
NSP	National Strategic Plan (for South Africa)
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
PLH	Percentage Loss of Hearing
POC	Probability of Occurrence
OHS	Occupational Health and Safety
OHSA	Occupational Health and Safety Act
RWI	Restricted Work Injury
SABCOHA	South African Business Coalition on HIV & AIDS
SANAC	South African National AIDS Council
SANS	South African National Standard
SARS	South African Revenue Service
SD	Sustainable Development
SED	Socio-Economic Development
SETA	Sector Education and Training Authority
SHE	Safety, Health and Environment
SIOEC	Sishen-Saldanha Iron Ore Export Channel
SLP	Social and Labour Plan
SME	Small and Medium Enterprise
SMME	Small, Medium and Micro Enterprise
SRI	Socially Responsible Investment
STI	Sexually Transmitted Infections
TB	Pulmonary Tuberculosis
TBL	Triple Bottom Line
TOR	Terms of Reference
TRP	Two Rivers Platinum
UASA	United Association of South Africa
URTI	Upper Respiratory Tract Infections
VCT	Voluntary Counselling and Testing
VIRAX	HIV Therapeutic Vaccine Project
WCM	Workplace Conditions and HIV & AIDS Management
WHO	World Health Organisation
WSP	Workplace Skills Plan
WUL	Water Use Licence
ZCCM	Zambia Consolidated Copper Mines Investment Holdings plc



Black Rock: Providing classrooms for rural schools

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