



# CREATING SUSTAINABLE VALUE IN CONTEXT

## HOW WE GOVERN AND MANAGE SUSTAINABLE VALUE CREATION

The Board is the foundation of ARM's corporate governance system and is accountable and responsible for the performance of the Company. The Board aims to implement ARM's long-term strategy and vision in a sustainable manner and ensure that business is conducted ethically and sustainably.

ARM supports the governance outcomes, principles and practices in the King IV Code on Corporate Governance as set out in the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™) and its outcomes of ethical culture, good performance, effective control and legitimacy.

We take a responsible, sustainable approach to mining and beneficiation that aligns with our values, which explicitly include the broader concept of sustainability as well as our commitment to zero tolerance for harm to employees, host communities and the environment.

The ARM Social and Ethics Committee comprises five non-executive Board members and is chaired by Dr R V Simelane. It monitors and reports on the manner and extent to which ARM protects, enhances and invests in the well-being of the economic, social and environmental contexts in which we operate to ensure that our business practices are sustainable. Sustainable development matters and performance are included in the formal agenda of the Management Risk and Compliance Committee.

The Chief Executive Officer is responsible for implementing ARM's sustainable development policies and procedures. This responsibility is delegated to the Chief Executives of each division and the Executive: Sustainable Development, who is responsible for reviewing sustainable development-related policies, strategies and targets and ensuring that these are aligned with the Board's commitment to zero harm.

Our strategic approach to sustainable development and the relevant policies and standards are set at corporate level. The operations adapt their approach to the specific sustainability matters that are most material to their circumstances.

We assess the effectiveness of our approach to sustainable development by regularly monitoring relevant indicators and benchmarks at operational, divisional, executive and Board level, as well as the information received from engagements with our key stakeholders. These assessments are supported by the Group's combined assurance model, which is based on six lines of assurance and provides a sound basis from which to evaluate the appropriateness and reliability of ARM's sustainability processes, controls and information.