

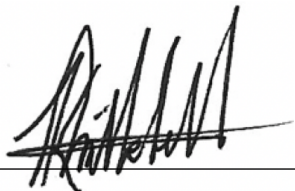
## **BROAD-BASED BEE RATING**

### *Final Report*

*Submitted to*

*African Rainbow Minerals Limited and Consolidated Entities*

<b>Registration Number</b>	1933/004580/06
<b>VAT Number</b>	4010113662
<b>BBBEE Status</b>	Level Six (6) Contributor
<b>BBBEE Recognition Level</b>	60%
<b>Empowering Supplier</b>	Yes
<b>Validity Period</b>	07 October 2021 – 06 October 2022

  
Verification Manager  
Honeycomb BEE Ratings



BVA 046

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## 1. INTRODUCTION

In July 2021, African Rainbow Minerals Limited and Consolidated Entities commissioned Honeycomb to conduct a BBBEE verification of the organization. Honeycomb's mandate was to assess, verify and validate both disclosed and undisclosed BBBEE-related information of African Rainbow Minerals Limited and Consolidated Entities. The BBBEE rating has been based on the Revised Amended Codes of Good Practice on Black Economic Empowerment released by the DTIC in October 2013 and further revised in December 2019.

African Rainbow Minerals Limited and Consolidated Entities is a Broad-Based Entity and is measured on all the Elements of BBBEE – Ownership, Management Control, Skills Development, Enterprise & Supplier Development and Socio-Economic Development.

In conducting the verification, a comprehensive methodology was followed. Honeycomb followed a rigorous verification process that is aligned to best practice verification standards, the Revised Amended Codes of Good Practice and the quality standards of South African National Accreditation System (SANAS). Data and information relating to the elements of the Scorecard was obtained, interviews with senior management, and personnel of African Rainbow Minerals Limited and Consolidated Entities were conducted as well as the verification of supporting documentation provided to Honeycomb.

All the information utilized for the verification was obtained from African Rainbow Minerals Limited and Consolidated Entities and the conclusions reached are based on this information. Based on the information provided and subject to the terms of the verification engagement, Honeycomb is of the opinion that the rating reflected herein is accurate and reflects the true BBBEE status of African Rainbow Minerals Limited and Consolidated Entities.

The on-site verification was conducted on the 06<sup>th</sup>, 07<sup>th</sup> and 08<sup>th</sup> of September 2021 by Zunaid Vallee & Maritza Wolmarans.

## 2. AFRICAN RAINBOW MINERALS LIMITED AND CONSOLIDATED ENTITIES DETAILED SCORECARD

Component Indicator	Notes	Indicator Weightings	Indicator Target	Verified Level	Score
<b>Ownership</b>	<b>3.1</b>				<b>22.26</b>
<b>Voting Rights</b>					
Exercisable Voting Rights in the Entity in the hands of Black People		4.00	25% + 1 Vote	58.03%	4.00
Exercisable Voting rights in the Entity in the hands of Black Women		2.00	10.00%	3.14%	0.63
<b>Economic Interest</b>					
Economic Interest in the Entity to which Black People are entitled		4.00	25.00%	58.03%	4.00
Economic Interest in the Entity to which Black Women are entitled		2.00	10.00%	3.14%	0.63
Economic Interest of any of the following Black Natural People in the Measured Entity: <ul style="list-style-type: none"> <li>Black Designated Groups</li> <li>Black Participants in Employee Share Ownership Programmes</li> <li>Black People in Broad-Based Ownership Schemes</li> <li>Black Participants in Co-operatives</li> </ul>		3.00	3.00%	4.25%	3.00
Black New Entrants		2.00	2.00%	8.69%	2.00
<b>Realisation Points</b>					
Net value		8.00	Formula	Formula	8.00
<b>Management and Control</b>	<b>3.2</b>				<b>13.50</b>
<b>Board Participation</b>					
Exercisable Voting Rights of Black Board Members as a percentage of all Board Members		2.00	50.00%	56.25%	2.00
Exercisable Voting Rights of Black Female Board Members as a percentage of all Board Members		1.00	25.00%	25.00%	1.00
Black Executive Directors as a percentage of all Executive Directors		2.00	50.00%	80.00%	2.00
Black Female Executive Directors as a percentage of all Executive Directors		1.00	25.00%	40.00%	1.00
<b>Other Executive Management</b>					
Black Executive Management as a percentage of all Executive Management		2.00	60.00%	58.33%	1.94
Black Female Executive Management as a percentage of all Executive Management		1.00	30.00%	16.67%	0.56
<b>Senior Management</b>					
Black Employees in Senior Management as a percentage of all Senior Management		2.00	60.00%	39.77%	1.33
Black Female Employees in Senior Management as a percentage of all Senior Management		1.00	30.00%	12.72%	0.42
<b>Middle Management</b>					
Black Employees in Middle Management as a percentage of all Middle Management		2.00	75.00%	53.14%	1.42

Black Female Employees in Middle Management as a percentage of all Middle Management		1.00	38.00%	17.58%	0.46
<b>Junior Management</b>					
Black Employees in Junior Management as a percentage of all Junior Management		1.00	88.00%	55.71%	0.63
Black Female Employees in Junior Management as a percentage of all Junior Management		1.00	44.00%	12.82%	0.29
<b>Employees with Disabilities</b>					
Black Employees with Disabilities as a percentage of all Employees		2.00	2.00%	0.45%	0.45
<b>Skills Development</b>	<b>3.3</b>				<b>7.89</b>
<b>Skills Development Expenditure</b>					
Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for Black People as a percentage of Leivable Amount		6.00	3.50%	1.56%	2.68
Skills Development Expenditure on Bursaries for Black Students at Higher Education Institutions		4.00	2.50%	0.05%	0.08
Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for Black Employees with Disabilities as a percentage of Leivable Amount		4.00	0.30%	0.00%	0.01
<b>Learnerships, Apprenticeships and Internships</b>					
Number of Black People participating in Learnerships Apprenticeships and Internships as a percentage of Total Employees		6.00	5.00%	4.17%	5.01
<b>Bonus Points</b>					
Number of Black People Absorbed by the Measured and Industry Entity at the end of the Learnership, Internship and Apprenticeship programme		5.00	100.00%	2.22%	0.11
<b>Enterprise and Supplier Development</b>	<b>3.4</b>				<b>31.14</b>
<b>Preferential Procurement</b>					
B-BBEE Procurement Spend from All Empowering Suppliers based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend		5.00	80.00%	115.68%	5.00
B-BBEE Procurement Spend from All Empowering Suppliers that are Qualifying Small Enterprises based on the applicable B-BBEE Procurement Recognition levels as a percentage of Total Measured Procurement Spend		3.00	15.00%	35.54%	3.00

B-BBEE Procurement Spend from All Empowering Exempted Micro-Enterprises based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend		4.00	15.00%	16.29%	4.00
B-BBEE Procurement Spend from Empowering Suppliers that are at least 51% Black Owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend		11.00	50.00%	59.32%	11.00
B-BBEE Procurement Spend from Empowering Suppliers that are at least 30% Black Women Owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend		4.00	12.00%	31.35%	4.00
<b>Bonus Points</b>					
Bonus Points: B-BBEE Procurement Spend from Empowering Designated Group Suppliers that are at least 51% Black Owned		2.00	2.00%	10.46%	2.00
<b>Supplier Development</b>					
Annual Value of all Supplier Development contributions made by the Measured Entity as a percentage of the Target		10.00	2.00% of NPAT	0.11%	0.56
<b>Enterprise Development</b>					
Annual Value of Enterprise Development Contributions and Sector Specific Programmes made by the Measured Entity as a percentage of the Target		5.00	1.00% of NPAT	0.12%	0.58
<b>Bonus Points</b>					
Bonus Point for Graduation of one or more Enterprise Development beneficiaries to graduate to the Supplier Development level		1.00	Yes/No	No	0.00
Bonus Point for Creating one or more Jobs directly as a result of Supplier Development and Enterprise Development initiatives by the Measured Entity		1.00	Yes/No	Yes	1.00
<b>Socio Economic Development</b>	3.5				0.86
Annual Value of all Socio-Economic Development Contributions by the Measured Entity as a percentage of the Target		5.00	1.00% of NPAT	0.17%	0.86
<b>Total</b>					75.65

### 3. BEE INDICATORS OF EMPOWERMENT

#### 3.1. **CODE 100: OWNERSHIP (25 POINTS)**

- Black Exercisable Voting Rights that flow through to African Rainbow Minerals Limited and Consolidated Entities is 58.03%. The percentage of Black Female Exercisable Voting Rights that flow through to African Rainbow Minerals Limited and Consolidated Entities is 3.14%.
- Black entitlement to economic Interest that flows through to African Rainbow Minerals Limited and Consolidated Entities is 58.03%.
- The percentage of entitlement to Economic Interest by Black Women is 3.14%.
- The company has 4.25% of Economic Interest that flows through to Black Designated Groups, Employee Share Ownership Programmes, Broad-Based Ownership Schemes and Co-Operatives.
- African Rainbow Minerals Limited and Consolidated Entities has 8.69% involvement of ownership of the Enterprise of Black New Entrants.
- The 40% subminimum for Net Value was achieved.

#### 3.2. **CODE 200: MANAGEMENT CONTROL & EMPLOYMENT EQUITY (19 POINTS)**

##### A. Board Participation

Name	Race	Gender	Executive/Non-Executive
1. F Abbott	W	M	Non-Executive
2. M Arnold	W	M	Non-Executive
3. T A Boardman	W	M	Non-Executive
4. A D Botha	W	M	Non-Executive
5. J A Chissano	FN	M	Non-Executive
6. W M Gule	A	M	Non-Executive
7. A K Maditsi	A	M	Non-Executive
8. P J Mnisi	A	F	Non-Executive
9. D C Noko	A	M	Non-Executive
10. Dr R V Simelane	A	F	Non-Executive
11. J C Steenkamp	W	M	Non-Executive
12. Patrice Motsepe	A	M	Executive
13. Jongisa Magagula	A	F	Executive
14. Thando Mkatshana	A	M	Executive
15. Tsundzukani Mhlanga	A	F	Executive
16. Mike Schmidt	W	M	Executive

- The total number of Directors is 16.
- African Rainbow Minerals Limited and Consolidated Entities has 9 Black Board Members.
- The company has 4 Black Female Board Members.
- Voting Rights in the hands of Black Board Members is 56.25%.
- Voting Right in the hands of Black Female Board Member is 25.00%

## B. Executive Directors

Name	Race	Gender	Designation
1. Patrice Motsepe	A	M	Executive Chairman
2. Jongisa Magagula	A	F	Executive Director: Investor Relations and New Business Development
3. Thando Mkatshana	A	M	Chief Executive: ARM Platinum & Coal
4. Tsundzukani Mhlana	A	F	Finance Director
5. Mike Schmidt	W	M	Chief Executive Officer

- There are 5 Executive Directors.
- The company has 4 Black Executive Directors.
- The company has 2 Black Woman Executive Directors.
- Representation of Black Executive Directors as a percentage of all Executive Directors is 80.00%.
- Representation of Black Woman Executive Directors as a percentage of all Executive Directors is 40.00%

## C. Executive Management

Name	Race	Gender	Designation
1. Vusi Khumalo	A	M	Executive Operations: ARM Platinum
2. Busi Mashiane	A	F	Group Executive: Human Resources
3. Ashley McLeod	C	M	Executive Operations (Smelters)
4. Lucas Moalusi	A	M	Group Executive: Legal
5. Imrhan Paruk	I	M	Executive: Corporate Development
6. David Selema	A	M	Executive Operations (Mines)
7. Princess Thwala	A	F	Group Executive: Compliance & Stakeholder Relations
8. Johan Jansen	W	M	Executive Operations: ARM Platinum
9. Andre Joubert	W	M	Chief Executive: ARM Ferrous
10. Johannes Meintjes	W	M	Executive Business Development
11. Louis Meyer	W	M	Executive Growth
12. Jacques Van der Bijl	W	M	Executive: Growth

- There are 12 Executive Managers at this level.
- The company has 7 Black Executive Managers at this level.
- There are 2 Black Female Executive Managers.
- Representation of Black Executive Management as a percentage of all Executive Management is 58.33%.
- Representation of Black Woman Executive Managers as a percentage of all Executive Management is 16.67%



### Breakdown of Employees

Occupational Level	AM	CM	IM	AF	CF	IF	W
Senior Management	12	1	2	5	1	2	27
Middle Management	34	3	2	17	1	4	47
Junior Management	315	10	1	75	3	3	225

Total Disabled Black Employees were 12 out of a total of 2696 employees. This is 0.45% of the total employees.

### 3.3. **CODE 400: SKILLS DEVELOPMENT (20 POINTS PLUS 5 BONUS POINTS)**

SKILLS DEVELOPMENT:	40% Subminimum Not Achieved
Skills Development Plan Submitted to:	Mining Qualifications Authority (MQA)
Period Chosen:	July 2020 – June 2021
Leviabale Amount	R 2 198 774 137.36
Number of Employees	2696

Indicator	AM	CM	IM	AF	CF	IF
Skills Development Expenditure on Black People as per the Learning Programme Matrix	R 20 024 739	R 120 845	R 4 015	R 13 992 215	R 185 885.56	R 0
Skills Development Expenditure on Bursaries at Higher Education Institutions	R 330 980	R 0	R 0	R 688 663	R 60 000	R 45 980
Skills Development Expenditure on Black Disabled People	R 24 270.68					
Number Black people on Learnership, Internship and Apprenticeships	51	3	0	87	5	0

3 Unemployed Black people were absorbed by the Entity and industry at the end of their Learnership, Internship and Apprenticeship Programmes

**3.4. CODE 500: ENTERPRISE AND SUPPLIER DEVELOPMENT (42 POINTS PLUS 4 BONUS POINTS)**

<b>ENTERPRISE AND SUPPLIER Preferential Procurement:</b>	<b>40% Subminimum Achieved</b>
Financial Period:	01 July 2020 - 30 June 2021
Total Measured Procurement Spend	R 2 872 212 299.17
BBBEE Procurement Expenditure: All Suppliers	R 3 035 274 009.12
BBBEE Procurement Expenditure: Qualifying Small Enterprises	R 932 617 410.44
BBBEE Procurement Expenditure: Exempt Micro Enterprises	R 427 302 172.06
BBBEE Procurement Expenditure: Suppliers that are > 51% Black Owned	R 1 556 454 050.25
BBBEE Procurement Expenditure: Suppliers that are > 30% Black Women Owned	R 822 518 724.18
Bonus Points: BBBEE procurement spend from 51% black owned designated group suppliers	R 274 465 304.98
<b>Supplier Development</b>	<b>40% Subminimum Not achieved</b>
NPAT Used	R 11 824 971 085.84
Supplier Development Contributions	R 13 349 726.59
<b>Enterprise Development</b>	<b>40% Subminimum Not Achieved</b>
Enterprise Development Contributions	R 13 645 011.02
<b>Bonus Points</b>	
Graduation from Enterprise Development Beneficiary to Supplier Development Beneficiary	No
Job Creation through ED or SD initiatives	Yes

**3.5. CODE 700: SOCIO-ECONOMIC DEVELOPMENT ELEMENT (5 POINTS)**

<b>Socio-Economic Development:</b>	<b>Value</b>
NPAT Used	R 11 824 971 085.84
Socio-Economic Development Contributions	R 20 389 405.97

#### 4. CONCLUSION

- 4.1. African Rainbow Minerals Limited and Consolidated Entities achieved a BEE score of 75.65 Points.
- 4.2. Based on this score, African Rainbow Minerals Limited and Consolidated Entities is a Level Five (5) Contributor to BEE. African Rainbow Minerals Limited and Consolidated Entities did not meet the sub-minimum targets on Skills Development and the Enterprise and Supplier Development priority elements and was, thus, discounted a Level. The final level awarded is that of a Level Six (6) Contributor to BEE.
- 4.3. Accordingly, African Rainbow Minerals Limited and Consolidated Entities received a BEE Recognition Level of 60%.

<b>B-BBEE Status</b>	<b>Qualification</b>	<b>B-BBEE Recognition Level</b>
Level One Contributor	≥100 points on the Generic Scorecard	135%
Level Two Contributor	≥95 but <100 points on the Generic Scorecard	125%
Level Three Contributor	≥90 but <95 points on the Generic Scorecard	110%
Level Four Contributor	≥80 but <90 points on the Generic Scorecard	100%
Level Five Contributor	≥75 but <80 points on the Generic Scorecard	80%
<b>Level Six Contributor</b>	<b>≥70 but &lt;75 points on the Generic Scorecard</b>	<b>60%</b>
Level Seven Contributor	≥55 but <70 points on the Generic Scorecard	50%
Level Eight Contributor	≥40 but <55 points on the Generic Scorecard	10%
Non-Compliant Contributor	<40 points on the Generic Scorecard	0%