

ARM
African Rainbow Minerals



Environmental,
social and
governance
report

2021

African Rainbow Minerals (ARM) is a **leading South African diversified mining and minerals company** with operations in South Africa and Malaysia. ARM mines and beneficiates iron ore, manganese ore, chrome ore, platinum group metals (PGMs), nickel and coal and also has a strategic investment in gold through Harmony Gold Mining Company.



Information available on our website



Information available elsewhere in this report

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All monetary values in this report are in South African rand unless otherwise stated. Rounding may result in computational discrepancies on management and operational review tabulations.

All photographs were taken prior to the onset of Covid-19 and thus may include people without masks.

Our 2021 suite of reports

IAR

2021 integrated annual report

A holistic assessment of ARM's ability to create sustainable value, with relevant extracts from the annual financial statements, the environmental, social and governance (ESG) report and Mineral Resources and Mineral Reserves report.

AFS

2021 annual financial statements

The audited annual financial statements have been prepared according to International Financial Reporting Standards (IFRS).

ESG

2021 ESG report

A detailed performance on our key environmental, social and governance matters. The ESG report includes the full remuneration report and should be read in conjunction with the GRI Index.

CCW

2021 report on climate change and water

A detailed performance on our key climate change and water matters, in line with the TCFD and TPI frameworks.

KING

2021 King IVTM application register

A summary of how ARM implements the principles and practices in King IV to achieve the governance outcomes envisaged.

MRMR

2021 Mineral Resources and Mineral Reserves report

In line with JSE Listings Requirements, ARM prepares Mineral Resources and Mineral Reserves statements for all its mining operations as per SAMREC guidelines and definitions (2016).

AGM

2021 notice to shareholders

- Notice of annual general meeting
- Form of proxy
- Commitment to good governance
- Board of directors
- Report of the audit and risk committee
- Report of the social and ethics committee chairman
- Summarised remuneration report
- Summarised directors' report
- Summarised consolidated financial statements

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About this report

The African Rainbow Minerals Limited (ARM or the company) 2021 environmental, social and governance report (ESG) provides the company's stakeholders with additional information about our ESG practices, and performance for the year to 30 June 2021 (F2021). It should be read with the ARM 2021 integrated annual report (available on our website www.arm.co.za), the company's primary report, focused on financial and operational performance to meet the information needs of shareholders, potential investors and other providers of capital.

Cross references link to the suite of reports, where additional information is provided on relevant issues. Additional ESG information is available in the ARM supplementary report on climate change and water, the UN Global Compact report and GRI content index on our website.

Reporting guidelines

The integrated reporting process responds to the relevant statutory frameworks in the table alongside, as well as all legislation, regulations and codes of practice applicable to the South African mining sector.

In addition, disclosures in this report are focused on our most material matters, guided by the member requirements of the International Council on Mining and Metals (ICMM), GRI Standards (core option) and GRI mining and metals sector disclosures. The legislation, industry initiatives, frameworks and guidelines that shape our reporting and approach to sustainable development are shown in the graphic on pages 10 and 11.



Boundary and basis for inclusion

This report includes environmental and social information from operations where ARM has direct or joint management control, namely those in the ARM Ferrous and ARM Platinum divisions. It excludes operations, joint ventures and investments that we do not manage directly (ARM Coal, the Sakura Ferroalloys smelter and Harmony Gold), as well as projects in exploration, development or feasibility phases.

Combined assurance



The combined assurance model (see page 143) reinforces comprehensive risk-based assurance processes and reporting by drawing from the ARM enterprise risk management (ERM) processes, internal and external audit processes, and assurance from specialists/subject-matter experts. This ensures a coordinated and integrated approach that identifies potential gaps and duplication in assurance.

IBIS ESG Consulting Africa (Pty) Ltd provided independent assurance over select information in the ESG report in accordance with AccountAbility's AA1000ASv3 (2020)



Key frameworks applied

International Integrated Reporting <IR> Framework 2021
www.integratedreporting.org

Companies Act 71 2008, as amended (Companies Act)

JSE Listings Requirements
www.jse.co.za

King IV Report on Corporate Governance for South Africa 2016™
<http://www.iodsa.co.za/page/AboutKingIV>

International Financial Reporting Standards (IFRS)

The Global Reporting Initiative (GRI) Standards

CDP (previously Carbon Disclosure Project)

Task Force on Climate-related Financial Disclosures (TCFD)

United Nations Sustainable Development Goals (SDGs)

World Economic Forum Stakeholder Capitalism Common Reporting Metrics

SAMREC

SAMVAL



(AA1000AS) Type II moderate assurance requirements. The engagement reviewed the reporting process and assessed the report against the AccountAbility principles of inclusivity, materiality, responsiveness and impact. Given travel risks related to the Covid-19 pandemic, and to minimise exposure to the operations, ESG data was remotely assessed this year, covering Modikwa and Beeshoek mines and Cato Ridge Works (CRW).

The process combined content-based and indicator-based assurance. Content-based assurance tests assertions for plausibility (the likelihood of being true) and/or supportability (whether there is evidence to support them) to assess the report's completeness in terms of GRI Standards reporting requirements. Indicator-based assurance reviews selected ESG indicators for accuracy, completeness, consistency and reliability. The independent assurance statement is presented on pages 16 to 19.

Consistency of disclosure

The ESG information disclosed in this report covers ARM's activities for the year to 30 June 2021 on a 100% basis (as if ARM owned 100% of all the operations), with three exceptions:

- Pulmonary tuberculosis (PTB) infection and cure rates, and information sourced from mining charter scorecard reports, covers 2020 to align with legislation regulating these disclosures
- Carbon emissions are disclosed on an attributable basis (in the proportion of ARM's shareholding in the operations) to align with carbon emission reporting requirements
- The total workforce figure used for occupational health and safety statistics is the average of 20 641 employees and contractors eligible for induction and/or medical surveillance, and contributing to safety statistics over the year. The total labour figure reported in the human resources management section and the integrated annual report of 20 928 is the headcount recorded at 30 June 2021
- Certain historical data has been restated to correct the information (pages 49 and 57).



Stakeholder feedback

We welcome feedback on our ESG reporting practices and performance. Contact details and a stakeholder feedback form are included at the back of this report.

Directors' responsibility

The ARM board is ultimately responsible for this ESG report and has mandated the social and ethics committee to oversee the reporting process. The board has reviewed the content of this report and believes that, read together with the 2021 integrated annual report, it provides an accurate and balanced reflection of the group's activities for the year and appropriately addresses the most material issues.

Dr RV Simelane

Chairman of the social and ethics committee

Mike Schmidt

Chief executive officer

8 October 2021

	IAR	ESG	AFS	MRMR
	✓			
	✓	✓	✓	
	✓	✓	✓	✓
	✓	✓		
			✓	
		✓		
		✓		
		✓		
	✓	✓		
		✓		
				✓
				✓

Social and ethics committee chairman's report

Dr Rejoice Simelane

Chairman of the social and ethics committee



*Responsible environmental, social and governance practices are integral to ARM's strategic priorities to operate safely, responsibly and efficiently; and to partner with communities and other stakeholders. Our commitment to ethical and responsible practices is embedded in the company values and governance structures and embodied by our leadership. Demonstrating this commitment allows ARM to deliver competitive outcomes and live up to our motto of **We do it better**.*

Responsibilities

The board delegates responsibility for monitoring the effective management of sustainable development to the social and ethics committee while retaining ultimate responsibility for this area.

The purpose of the committee, which is constituted under regulation 43(5)(c) of the Companies Regulations promulgated under the Companies Act, is to monitor and report on the manner and extent to which ARM protects, enhances and invests in the economy, society and natural environment in which it operates to ensure its business practices are sustainable.

The committee is responsible for monitoring specific activities under relevant legislation, other legal requirements and codes of best practice including:

- Social and economic development
- Responsible corporate citizenship, including promoting equality, preventing unfair discrimination and measures to address any incidents and contributing to the development of communities in which ARM operates
- Sustainable development, including environmental management, occupational health and wellness and safety
- Stakeholder relationships
- Labour and employment.

It draws relevant matters to the attention of the board, and reports to shareholders at annual general meetings.

The committee operates according to its terms of reference, which are regularly updated and assumes responsibility for matters assigned by the board. It is supported by executive management and relevant executive committees and governance structures, including the employment equity and skills development committee. It oversees the management of ESG risks, which are identified by internal and external stakeholders and governance processes, including the enterprise risk management programme.

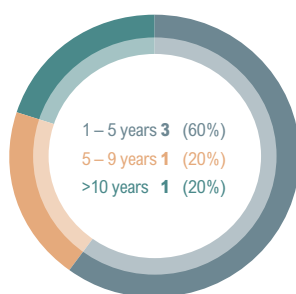
Composition

The committee's terms of reference provide for a minimum of three members, with a majority of independent non-executive directors. Currently, the committee has five non-executive directors, all of whom are independent. Members have extensive experience in mining operations, human capital, sustainable development and stakeholder relations.

Member ¹	Member since
Dr RV Simelane (chairman)	February 2007
JA Chissano	August 2019
AK Maditsi	June 2012
DC Noko	August 2019
JC Steenkamp	April 2018

¹ Dr MMM Bakane-Tuoane resigned from the board and committee in September 2020.

Tenure: Social and ethics committee



Invitees include the chief executive officer, executive director: investor relations and new business development, divisional chief executives, executive: sustainable development, group executive: human resources, group executive: legal, group executive: compliance and stakeholder relations, and chief risk officer.



The committee met four times in F2021. Attendance is shown on page 120.

Engaging and collaborating to promote good ESG practice

We recognise that we do not operate in isolation from the world around us and we endeavour to build on our good relationships with stakeholders and engage them in open dialogue. We recognise our responsibility to manage and mitigate the potential negative impacts of our business activities, which unlock the value in mineral reserves to catalyse growth and development in the societies in which we operate.

ARM welcomes the maturing of the sustainability discourse evident in the increasing focus on environmental and social responsibility by investors and other providers of capital, customers and civil society, among others. We are extremely pleased that ARM's ESG practices are recognised by our continued inclusion in the FTSE/JSE Responsible Investment Top 30 Index and the FTSE4Good Index Series.

Since F2019, ARM's commitment to responsible ESG practices has been embedded in awards made in terms of the 2018 conditional share plan and 2018 cash-settled conditional share plan through a 25% weighting of the performance conditions governing the vesting of these awards. These include safety, transformation and climate change performance conditions (see page 159). Cash bonuses for senior executives also include a safety modifier, with a further downward adjustment in the case of fatalities.



We collaborate across operations and in industry associations to share learnings and implement industry good practice. ARM is a member of the International Council on Mining and Metals (ICMM), shares its commitment to mining with principles and has implemented its sustainability framework. Over the past three years, ARM operations and the corporate office have completed self-assessments against the ICMM's 38 performance expectations (PEs). Validation of these self-assessments was included in the scope of the external assurance over ESG data performed by IBIS ESG Consulting Africa Pty Ltd. Gaps identified are being addressed as part of our preparation to report on the PEs in more detail by September 2022.

Safety, health and wellness

ARM is committed to zero harm and the safety, health and wellbeing of our employees and contractors is a priority. Regrettably, two colleagues died in separate accidents at Modikwa Mine in F2021. We extend our sincere condolences to the families, colleagues and friends of Mr Dennis Hlengani Mdaka and Mr Johannes Mahlalela. Refer to the safety section on pages 75 to 80.



Remedial actions, as agreed with the Department of Mineral Resources and Energy (DMRE), were implemented following these two incidents and initiatives are ongoing at all operations to ensure that safety training continues and safety standards are strictly upheld. These include implementing the critical control management process, which is complete at Beeshoek and Black Rock mines and is at an advanced stage at the other mines.

Our integrated wellness management programme aims to prevent occupational health hazards from affecting the health of employees and contractors, and to actively identify and manage health risks and chronic conditions that could affect their wellness and quality of life. These programmes have an emphasis on managing hearing conservation, pulmonary tuberculosis (PTB), HIV and Aids, occupational lung diseases and chronic conditions.

Social and ethics committee chairman's report continued

Strict measures and protocols remain in place at all operations and ARM corporate office to prevent the spread of Covid-19 and protect employees and contractors. To 30 June 2021, 142 052 Covid-19 health screenings were conducted, resulting in 7 428 tests of which 2 134 were positive cases. Regrettably, 34 colleagues succumbed to Covid-19. We extend our deepest condolences to their colleagues, families and friends. Five ARM mine clinics were approved as Covid-19 vaccination sites to support the government-led rollout. At 26 September 2021, 7 644 employees and 1 968 community members had been vaccinated at these sites.

We are committed to the national agenda in making a significant contribution to addressing PTB and HIV and Aids. Memorandums of understanding between the Department of Health (DoH) and Khumani, Black Rock, Beeshoek, Modikwa and Two Rivers mines strengthen the implementation of provincial strategies related to PTB, HIV and Aids, sexually transmitted infections (STIs) and chronic disease management, and extend primary healthcare services to contractors and communities. Community PTB and HIV and Aids initiatives include awareness and outreach initiatives. The clinics also continue to engage other stakeholders such as the DoH and community NGOs in conducting wellness campaigns in the workplace and the community.

Developing our human capital and driving transformation

The employment equity and skills development committee oversees implementation of the group diversity management policy. Representation of historically disadvantaged persons (HDPs) and women continues to improve at all management levels. Management recruitment, selection, promotion and succession planning support further improvement particularly in areas that do not yet meet the targets set in the mining charter.

The human resources department advances women's interests in the company and oversees gender mainstreaming. A gender audit is planned for F2022 to assess the institutionalisation of gender equality in the company and identify areas for improvement.

We invested R239 million in skills development in F2021, through programmes that emphasise the development of women and HDPs in support of the group's transformation strategy.

These initiatives form part of ARM's broader focus on transformation, which includes ensuring HDP ownership,

human resources development, preferential procurement, enterprise and supplier development, and mine community development. The mining operations submitted reports to the DMRE in March 2021 on their performance for the 12 months to December 2020 as required by the mining charter.

We are conscious of the stress employees are experiencing due to Covid-19. Mental health awareness sessions were held to provide support and encourage employees to use the toll-free helpline in the employee assistance programme. ARM appointed a group of health and wellness professionals to provide on-site psychological support for mental health.

Support for local communities

We have an opportunity to contribute to the resilience and sustainability of local communities, and improve the living conditions and standards of living of the people in our neighbouring communities. ARM works with community forums, municipalities, the DMRE and other local and national stakeholders to address the challenges they face by investing in infrastructure and social projects.

Our community development initiatives have a core focus on infrastructure development, which this year included upgrading essential water infrastructure, installing electrical infrastructure, erecting streetlights and building roads, schools, early childhood development centres and sports facilities: 74% of our R170 million corporate social responsibility investment in F2021 related to infrastructure development through local economic development commitments identified in partnership with local government and community representative structures.

We continued to support communities in areas identified as priorities during Covid-19. This included establishing a testing and screening facility at a local hospital, running a work relief programme, upgrading ablution facilities at schools to improve sanitation as well as providing additional permanent and mobile classrooms to support social distancing. Other projects included upgrading local libraries to provide e-learning facilities for students while schools were closed and a three-year health screening and promotion programme at local schools.

ARM promotes community education and skills development by directly supporting local schools, providing bursaries for promising students and offering adult education and training opportunities. Youth opportunities include learnerships and a graduate development programme.

The operations promote local job creation and economic development through enterprise and supplier development programmes that support growth in local black-owned, black youth-owned and black women-owned companies by providing business development support, mentoring and coaching, and financial support in certain instances.

Responsible stewardship of natural resources

ARM recognises the critical global challenges that climate change presents and the effects that these may have on our business, our stakeholders and the world. We are committed to participating in the global response to reduce carbon emissions and to mitigating the physical impacts caused by climate change. Our CEO led a qualitative climate-scenario analysis during the year through a series of workshops to assess the resilience of our business to climate transition and physical risks, in line with Task force on climate-related financial disclosures (TCFD) recommendations. This informed our long-term greenhouse gas (GHG) emission reduction target, which was approved by the board after year end and announced by the executive chairman at the presentation of our F2021 provisional results. We aim to achieve net zero GHG emissions (scope 1 and 2) mining by 2050 and have set goals and commitments to achieve this long-term target.

ARM's F2021 estimated carbon footprint (scope 1 and 2 attributable emissions) decreased 2% to 1.0 million tonnes of carbon dioxide equivalent (tCO₂e) and electricity consumption decreased 1.3% to 1 543GWh. Our current target is a 4% absolute reduction of scope 1 and 2 emissions by F2023 against a F2018 baseline through emission-reduction initiatives (excluding divestments and Nkomati Mine).

Water quality and availability are recognised in the group's top ten risks. Our water reporting aligns with the ICMM's position statement, which is based on the water accounting framework for the minerals industry of the Minerals Council of Australia. Since implementing the framework three years ago, measurement of water impacts and water reporting have significantly improved. Our understanding of water reuse efficiency, a key indicator in monitoring and managing consumption and losses, continues to develop. Water reuse efficiency increased to 78%.

Total water withdrawal decreased 1% to 20.0 million m³ in F2021. We are setting context-based water targets and while these are being finalised, we extended our previous target to reduce withdrawals of potable water by 15% in F2021 relative to F2011. I am pleased to report

that we achieved a 17% reduction in F2021 and have set a goal for F2022 to maintain this reduction.

As in previous years, we have published a focused 2021 climate change and water report which provides increased transparency and comparability in water and climate change reporting to meet the requirements of a broad range of stakeholders.



Responsible tailings management is a priority for ARM, the mining industry and investors. External review and dam-breach analysis were completed at our tailings storage facilities (TSFs) to ensure a comprehensive understanding of the potential impact on stakeholders, including communities, the environment and infrastructure, and to inform enhanced emergency response planning. Action plans are being implemented in response to the outcomes.

We developed a TSF management policy and standard that align with appropriate good-practice standards nationally and internationally, including the Global Industry Standard on Tailings Management (GISTM). ARM-managed operations have developed TSF implementation plans to comply with the ARM TSF standard/GISTM as well as reporting dashboards on critical compliance elements.

Ethics and compliance

The code of conduct formalises ARM's values and commits us to the highest moral, ethical and legal compliance in dealing with our stakeholders. Directors and employees are required to maintain these standards to ensure the company's business is conducted honestly, fairly, legally, reasonably, in good faith and in the best interests of all stakeholders.

The committee received and considered reports on compliance with the code of conduct, including the online training programme. The company followed up on assessments to counteract risks of fraud, bribery and corruption. ARM has a whistleblowers policy and the committee received reports on results of investigations into calls made to the independent whistleblower facility.

ARM regards legal compliance as the minimum requirement while we implement targeted improvement initiatives, including reducing water consumption and carbon emissions. We engage with regulators to ensure that the required licences and permit applications are approved and in place, and that we continue to comply with the conditions of these authorisations. Amendments to licences and permits is an ongoing process as operations expand and projects evolve, underpinned by internal and external compliance monitoring processes.

Social and ethics committee chairman's report continued

F2021
FOCUS

In the review period, the committee:

- Received reports on and monitored the company's Covid-19 response
- Monitored tailings storage facilities at our managed operations
- Monitored safety improvement and rollout of a critical control management system to enhance risk controls
- Oversaw transformation, gender mainstreaming and talent management initiatives
- Monitored continued implementation of enterprise development programmes, including supplier development initiatives
- Monitored ongoing efforts to reduce carbon emissions, considered and recommended a long-term net zero commitment and further improve our corporate water and climate-change reporting process
- Monitored allegations received via ARM's whistleblower facility, including complaints or concerns on sustainable development matters
- Considered management reports on compliance with legal requirements in terms of the company's legal compliance policy
- Received reports on the Competition Act online compliance training programme and annual compliance certification
- Received reports on the company's performance against the BBBEE codes of good practice
- Received reports on compliance with the National Environmental Management Act, National Water Act and other safety, health and environmental legislation
- Monitored risk areas affecting the sustainability of the business, together with the audit and risk committee, and received a report on the findings of the annual corporate risk workshop
- Monitored compliance with the mining charter and Department of Trade Industry and Competition targets, as well as the company's adoption of standards of good practice, in terms of its membership of the ICMM.



No major environmental incidents were reported at our operations in F2021.

Assurance

In line with its terms of reference, the committee had oversight of ARM's appointment of an independent external sustainability assurance provider for material elements of the 2021 ESG report and related sections of the 2021 integrated annual report, and reported to ARM's audit and risk committee that the appointment was made.

Execution of responsibilities

Based on its activities, we believe the social and ethics committee has executed its duties and responsibilities during the financial year in line with the Companies Regulations and its terms of reference.

FOCUS FOR
F2022

- Oversight of the development of the long-term decarbonisation pathways and GHG emission-reduction targets and finalisation of the context-based water targets
- Monitoring safety improvement programmes and final implementation of the critical control management system
- Oversight of transformation, gender mainstreaming and talent management initiatives
- Monitoring enterprise development programmes, including supplier development initiatives
- Monitoring environmental priorities, including tailings storage facilities, carbon emission reduction initiatives and further improvements to our corporate water and climate-change reporting process
- Monitoring the company's Covid-19 response.

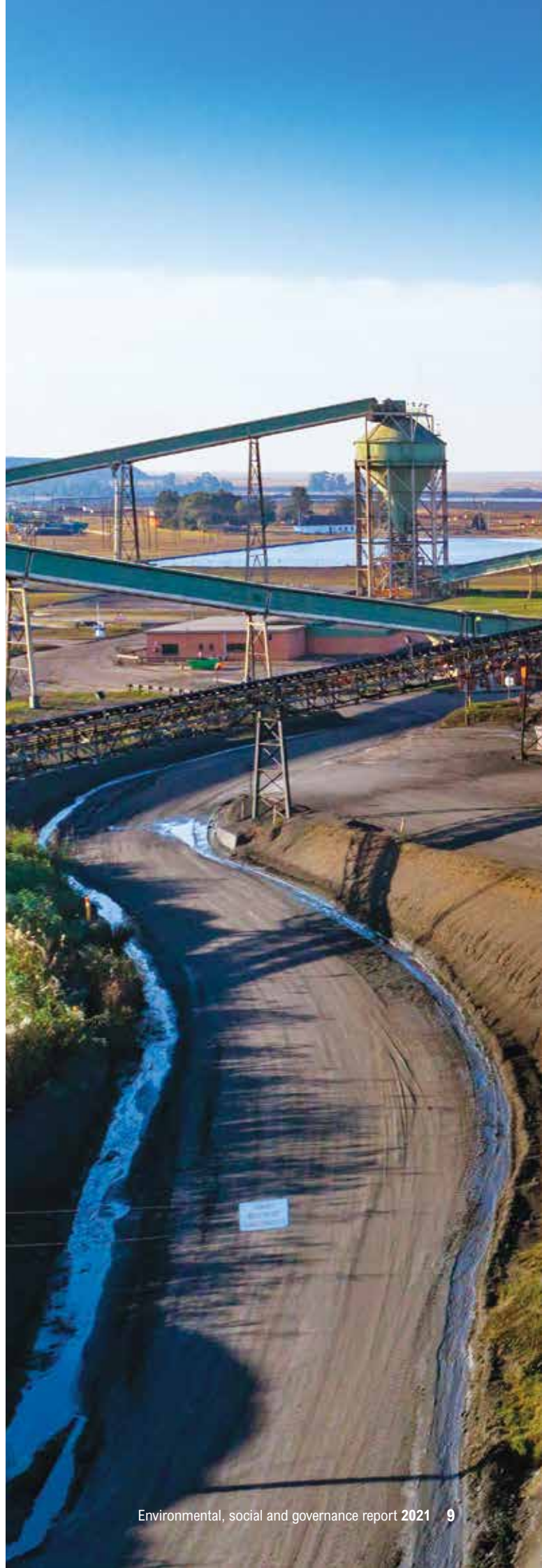
Acknowledgements

I thank my colleagues on the social and ethics committee and board for their support and input during the year. We are grateful to our stakeholders for their support and positive engagements, and remain mindful that ARM's ability to create value depends on the value we create for others.

On behalf of the board, I thank management and employees for their dedication and for demonstrating through their actions our shared commitment to act with integrity, respect the environment and make a positive contribution to society as we work towards achieving our strategic goals.

Dr RV Simelane

Chairman of the social and ethics committee



Context, frameworks and reporting

We consider sustainable value creation in the context of:

Relevant legislation



As highlighted at the start of each section.

Our most material matters



Pages 30 and 31.

Industry initiatives and good practice

The Minerals Council South Africa (MCSA)



MINERALS COUNCIL
SOUTH AFRICA

The International Council on Mining and Metals (ICMM)



**SUSTAINABLE
DEVELOPMENT
FRAMEWORK**

PRINCIPLES

POSITION STATEMENT

PERFORMANCE EXPECTATIONS

**CORPORATE SD REPORTING AND ASSURANCE,
PE VALIDATION AND DISCLOSURE**

Guidelines and frameworks

- The King IV Code™*
- The Extractive Industries Transparency Index (EITI)
- The FTSE/JSE Responsible Investment Index
- The Global Reporting Initiative (GRI) Standards
- The Task Force on Climate Related Financial Disclosures (TCFD)
- The South African National Strategic Plan 2017 – 2022 (NSP)
- South Africa's National Development Plan (NDP)
- The United Nations Global Compact (UNGC)
- The United Nations Sustainable Development Goals (UN SDGs)
- The ICMM Sustainable Development Framework
- The International Integrated Reporting Council (IIRC) Integrated Reporting <IR> Framework
- World Economic Forum's International Business Council's stakeholder capitalism metrics

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**MINING WITH
PRINCIPLES**





Delivering financial returns to shareholders and other providers of capital



Pages 30 to 31 and 60 to 95

UN SDGs



ICMM Mining Principles



Continuously improving operational performance



Pages 30 to 31 and 60 to 95

UN SDGs



ICMM Mining Principles



Ensuring a safe, healthy and appropriately skilled workforce



Pages 75 to 101.

UN SDGs



ICMM Mining Principles



Maintaining our social licence to operate

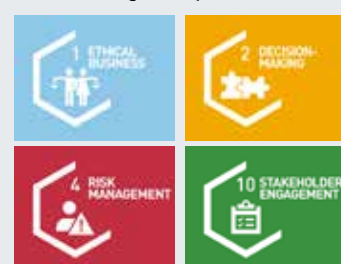


Pages 66 to 74.

UN SDGs



ICMM Mining Principles



Ensuring responsible stewardship of natural resources



Pages 34 to 61.

UN SDGs



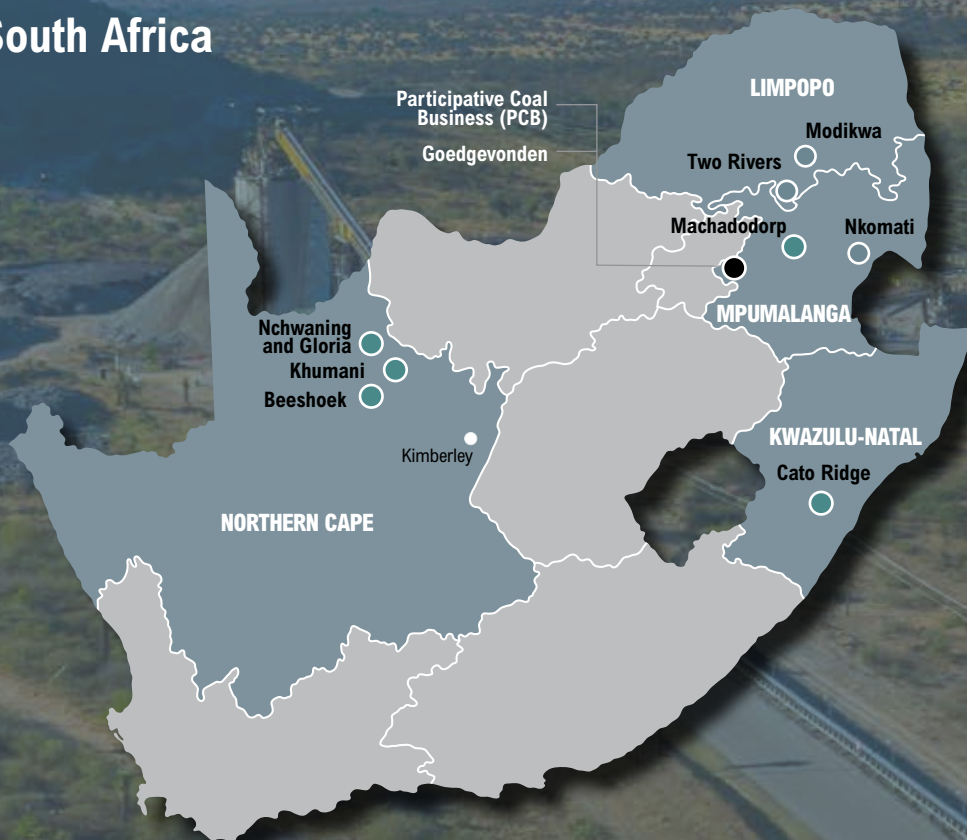
ICM Mining Principles



Where we operate

ARM has operations and mines in South Africa in the Northern Cape, Limpopo, Mpumalanga and KwaZulu-Natal provinces. In Malaysia the Sakura Ferroalloys smelter is in the Sarawak province.


South Africa





Malaysia





- ARM Platinum
- ARM Ferrous
- ARM Coal


KHUMANI		 Iron ore
◆	Open-pit mechanised mine	
●	12.7Mt iron ore	
LoM	25 years	
EMPL	4 265	
LTIFR	0.04	
IAR	See page 74 for the ARM Ferrous operational review	


BEESHOEK		
◆	Open-pit mechanised mine	
●	3.3Mt iron ore	
LoM	14 years	
EMPL	1 222	
LTIFR	0.07	
		Iron ore
IAR	See page 74 for the ARM Ferrous operational review	

NCHWANING AND GLORIA (collectively BLACK ROCK)		
◆	Underground mechanised mine	
●	4.0Mt manganese	
LoM	>30 years	
EMPL	5 814	
LTIFR	0.33	
IAR	See page 74 for the ARM Ferrous operational review	



CATO RIDGE		
◆	Smelter	 Ferromanganese
●	172 000t ferromanganese	
EMPL	890	
LTIFR	0.00	
IAR	See page 74 for the ARM Ferrous operational review	



SAKURA FERROALLOYS		
◆	Smelter	
●	191 000t ferromanganese	
EMPL	Not reported by ARM	
LTIFR	Not reported by ARM	
IAR	See page 74 for the ARM Ferrous operational review	

NKOMATI		
◆	Open-pit mechanised mine	 Nickel (By-products including PGM, chrome, copper and cobalt)
●	8 000t Nickel, 67 100oz PGM and 116 000t Chrome	
LoM	Care and maintenance	
EMPL	165	
LTIFR	0.14	
IAR	See page 60 for the ARM Platinum operational review	

MODIKWA		 6E PGM metals
◆	Underground mine	
●	252 000 6E PGM ounces	
LoM	>30 years*	
EMPL	4 431	
LTIFR	0.80	
IAR	See page 60 for the ARM Platinum operational review	

TWO RIVERS	
◆	Underground mechanised mine
●	300 000 6E PGM ounces
LoM	>30 years*
EMPL	3 728
LTIFR	0.42
	
6E PGM metals	
IAR	See page 60 for the ARM Platinum operational review

GOEDGEVONDEN (GGV)		
◆	Open-pit mechanised mine	
●	5.8Mt saleable thermal coal	
LoM	24 years	
EMPL	Not reported by ARM	
LTIFR	Not reported by ARM	
<div><div>IAR</div><div></div></div>		Thermal coal
See page 90 for the ARM Coal operational review		

PARTICIPATIVE COAL BUSINESS (PCB)		
◆	Open-pit and underground mechanised mine	
●	11.6Mt saleable thermal coal	
LoM	18 years	
EMPL	Not reported by ARM	
LTIFR	Not reported by ARM	
<div><div>IAR</div><div></div></div>		Thermal coal
See page 90 for the ARM Coal operational review		

◆ Mine/operation type ● F2021 production volumes 100% basis LoM Approximate life-of-mine (*including resources that have not yet been converted to reserves)

EMPL Number of employees at 30 June 2021 (full-time employees and contractors) LTIFR F2021 lost-time injury-frequency rate (LTIFR) per 200 000 man-hours

Mt Million tonnes t tonnes PGM platinum group metals

Value contribution

ARM operations produce commodities that are an integral part of our society and contribute to many aspects of modern life. Our commodities also have important roles in emerging solutions that support a lower-carbon future and contribute to the aspirations set out in the United Nations Sustainable Development Goals (SDGs).



Global contribution

The iron ore, manganese ore and alloys and nickel that we produce is used in steel which is essential in infrastructure development, manufacturing of cars, white goods, wind turbines and many other products and equipment used in industries that drive economic growth and job creation. Steel also plays a critical part in water and energy distribution systems, transport infrastructure, alternative energy systems, information technology and various industrial and medical applications.

Our products contribute to a low-carbon future as follows:

- **Saving energy and reducing emissions**
 - Higher quality iron ore and manganese ore use less energy, optimise production and lower emissions in the steel production process
 - Lumpy iron ore lowers transport emissions
 - PGMs are used in autocatalytic converters which reduce harmful greenhouse gas (GHG) emissions in motor vehicles.
- **Enabling the hydrogen economy**
 - Hydrogen fuel cells use platinum to generate energy from hydrogen and oxygen where water is the only emission
 - Platinum is used to create hydrogen fuel cell electric vehicles, which offer a zero-emissions alternative to the internal combustion engine.
- **Storing energy efficiently**
 - Lithium-ion energy storage is helping renewable energy and electro-mobility to grow. Our nickel and manganese are used in these batteries.

Our portfolio includes coal operations that supply the South African electricity grid which is predominantly driven by coal-fired power stations. While we appreciate the sensitivity around thermal coal and its environmental impact, we believe that responsible stewardship of the country's coal assets is vital for the medium term given the current high dependency on coal to provide energy to industry and the population and a just transition to renewable energy is appropriate.

Mining industry contribution to society

The South African mining industry is a significant employer and contributor to the country's gross domestic product (GDP). Metals and minerals also make up a meaningful proportion (24%*) of exports, bringing significant foreign exchange into the country. The industry also contributes to the fiscus through royalties and taxes paid to government.

Mining operations are often located in the poorest and most remote parts of the country. Mining companies support local communities through employment opportunities, skills development and educational assistance.

Community resilience, sustainability and socio-economic development are also strengthened through infrastructure, education and health-related investments as well as support for other social projects.

The preferential procurement and enterprise development programmes we undertake increase economic activity in areas around our operations by supporting entrepreneurship and economic growth among historically disadvantaged persons (HDPs) and in local communities, creating jobs and improving market access for South African goods and services.

The mining industry has also played a key role in the fight against Covid-19, protecting lives and supporting livelihoods.

The industry proactively facilitated the rollout of Covid-19 vaccinations among employees and communities neighbouring its operations. ARM has established vaccination sites at five of its operations.

* Statistics for 2020 calendar year as per the Minerals Council of South Africa.



Sustainability performance for 2021

Performance indicator	F2021	F2020	F2019	F2018	F2017
Economic and related core baseline indicators (segmental basis)					
Sales (Rm)	44 564	27 370	26 641	21 916	21 298
Taxes (Rm)	6 506	2 805	2 135	2 023	858
Headline earnings (Rm)	13 064	5 534	5 226	4 814	3 196
EBITDA (Rm)	24 321	11 009	9 336	8 024	6 372
Environmental administrative penalties/fines (Rm)	–	–	–	–	–
Employee indicators (100% basis) at 30 June 2021					
Total ARM employees and contractors*	20 928	20 998	21 417	21 862	24 106
– Employees (permanent)	12 335	12 678	12 771	12 420	13 218
– Contractors (mainly used in capital projects)	8 593	8 320	8 646	9 442	10 871
– Expatriates	–	–	–	–	17
Employee turnover (excluding contractors) (%)	10.1	6.3	5.7	6.9	1.1
Investment in employee training and development					
– Total expenditure (Rm)	239	225	239	239	180
– % of payroll	6.9	6.8	7.7	8.8	6
Employment equity (% representation of previously disadvantaged groups among permanent employees)					
– Top management	65	61	56	56	42
– Senior management	57	52	51	50	49
– Professionally qualified	69	68	66	64	60
– Technically qualified	80	79	77	75	71
Safety and health					
– Fatality frequency rate	0.010 ^Δ	0.010	0.005	0.004	0
– Lost-time injury frequency rate (LTIFR)*	0.41 ^Δ	0.45	0.42	0.38	0.28
– Total recordable injury frequency rate	0.81 ^Δ	0.92	0.96	0.81	0.90
– Reportable/serious accidents	55	63	76	68	47
– Occupational diseases submitted for compensation	18 ^Δ	19	35	129	31
– New PTB casest	34 ^Δ	46	66	94	62
– Employees and contractors receiving ART	2 575 ^Δ	3 168	4 767	6 379	8 432
Number of lost man-days due to industrial action	110	–	8	5 904	–
Environmental indicators (100% basis)					
Total water withdrawn (m³) (municipal, surface and groundwater)	20 034 604 ^Δ	20 267 668	21 773 440	18 296 551	14 295 993
Water output (m³)	866 552 ^Δ	1 045 647	437 868	N/R	N/R
Energy use					
– Electricity (MWh)	1 542 908 ^Δ	1 563 311	1 658 629	1 656 263	1 784 491
– Diesel (000 litres)	78 852 ^Δ	82 572	96 055	94 234	87 494
Emissions					
Carbon emissions (equivalent tonnes CO ₂) (attributable [^])					
– Scope 1 and 2 [°]	995 788 ^Δ	1 016 305	1 101 500	1 026 626	1 050 399
Direct emissions# (100% basis)					
– NO _x (tonnes)	372	398	434	461	437
– SO _x (tonnes)	263	274	298	312	346
– Particulate matter (tonnes)	290	267	274	202	242
Corporate social responsibility (CSR) (100%)					
Total CSI and LED spend (Rm)	170.4 ^Δ	130.3	175.3	167.0	122.8
– CSI	45.2	44.7	27.4	20.5	22.1
– LED	125.3	85.6	147.9	135.3	92.5
ARM BBEE Trust (Rm) (projects)	10.9	14.5	16.4	11.2	8.2

Non-financial data is stated on a 100% basis, unless otherwise indicated.

* Total number of ARM employees and contractors as at 30 June 2021.

• LTIFR: injury rates are measured per 200 000 man-hours and include both ARM employees and contractor incidents.

† Reported for the 12 months to December in line with the regulatory reporting requirements.

^ Values attributable to shareholding percentages.

Direct emissions as a result of smelting operations at Cato Ridge Works only from F2018 to F2021. No smelting operations were conducted at Machadodorp Works after F2017.

Δ Indicators assured by independent third-party assurance provider.

° Historical emissions (F2017 – F2020) have been restated following disaggregation of emissions data at CRW and Cato Ridge Alloys (CRA) enabling the more accurate calculation of attributable emissions data based on ARM's equity share in each legal entity (50% in CRW; 25% in CRA).

N/R – Not reported.

Independent assurance report

To the management and stakeholders of African Rainbow Minerals Limited

Introduction

As a member of the International Council on Mining & Metals (ICMM), African Rainbow Minerals Limited (ARM) is committed to obtaining assurance over specified assertions related to its Environmental, Social and Governance (ESG) report (the report) in accordance with the ICMM's Sustainable Development (SD) Framework: Assurance Procedure.

IBIS ESG Consulting Africa (Pty) Ltd (IBIS) was commissioned by ARM to conduct an independent third-party assurance engagement in relation to the sustainability information in its ESG report for the financial year that ended 30 June 2021.

IBIS is an independent licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from a multidisciplinary team of health, safety, social, environmental and assurance specialists with extensive experience in sustainability reporting. Petrus is a Lead Certified Sustainability Assurance Practitioner (LCSAP) with more than 25 years' experience in sustainability performance measurement involving both advisory and assurance work.

Assurance standard applied

This assurance engagement was performed in accordance with AccountAbility's AA1000AS v3 (2020) ("AA1000AS") and was conducted to meet the AA1000AS Type II moderate level requirements respectively as indicated below.

Respective responsibilities and IBIS' independence

ARM is responsible for preparing its ESG report and for the collection and presentation of sustainability information within the report. IBIS' responsibility is to the management of ARM alone and in accordance with the terms of reference agreed with ARM.

IBIS applies a strict independence policy and confirms its impartiality to ARM in delivering the assurance engagement. This assurance engagement is the sixth consecutive sustainability assurance engagement conducted for ARM by IBIS.

Assurance objectives

The purpose of the assurance engagement was to provide the management of ARM and its stakeholders with an independent assurance opinion on whether the report meets the following objectives as per the ICMM Sustainable Development Framework: Assurance Procedure.

- **ICMM subject matter 1:** ARM's alignment with the ICMM Sustainable Development Framework, including the enhanced Mining Principles and associated mandatory requirements set out in the ICMM Position Statements. In addition, validation on the Performance Expectations (PEs) was performed at the asset level at Beeshoek Mine, Modikwa Mine and Cato Ridge Works operations as well as at the corporate level where appropriate.
- **ICMM subject matter 2:** ARM's material sustainable development risks and opportunities that form the basis of its review of the business and the views and expectations of its stakeholders. This involves ARM's approach to identify, prioritise and respond to its material SD risks and opportunities, assessed through ARM's application of the AA1000 Accountability Principles (2018).
- **ICMM subject matter 3:** The existence and status of ARM's implementation of systems and approaches used to manage its identified material SD risks and opportunities.
- **ICMM subject matter 4:** ARM's performance during the reporting period reflected by the following selected disclosures relating to ARM's material SD risks and opportunities.

Disclosure	Unit of measurement
Scope 1 and 2 attributable greenhouse gas emissions	tCO2e
Total electricity consumption	MWh
Total diesel consumption	million litres
Total volume of water withdrawal	million m ³
Total volume of water outputs	million m ³
Fatality frequency rate (FFR)	rate
Lost-time injury frequency rate (LTIFR)	rate
Total recordable injury frequency rate (TRIFR)	rate
Total number of new pulmonary tuberculosis (PTB) cases (2020 calendar year)	number
Total number of occupational diseases submitted for compensation	number
Total number of employees and contractors receiving antiretroviral treatment (ART)	number
Total amount of corporate social investment (CSI) and local economic development (LED) spend	million ZAR

- **ICMM subject matter 5:** ARM's application of the GRI Standards in accordance "core" reporting requirements.
- **King IV alignment:** ARM's compliance with the principles contained within the 4th version of the King Report on Governance for South Africa 2016 and the King Code of Governance Principles (collectively, King IV™).

Assessment criteria

The following suitable assessment criteria were used in undertaking the work:

- **ICMM subject matter 1:** ICMM's 10 Sustainable Development Principles, Performance Expectations criteria and Position Statements.
- **ICMM subject matter 2:** AA1000AP (2018) adherence criteria for the Principles of Inclusivity, Materiality, Responsiveness and Impact.
- **ICMM subject matter 3:** ARM's description of systems and approaches used to manage its material SD risks and opportunities and the implementation of these systems and approaches.
- **ICMM subject matter 4:** GRI Standards, the Greenhouse Gas Protocol, the ICMM Water Reporting Framework, Definitions and guidance used by ARM for reporting qualitative and quantitative performance, as well as the completeness, accuracy and validity of disclosures.
- **ICMM subject matter 5:** GRI Standards and their Mining and Metals Sector Supplement (MMSS).
- **King IV alignment:** King Report on Governance for South Africa and the King Code of Governance Principles.

Assurance procedures performed

Our assurance methodology included:

- Telephonic Interviews with relevant functional managers from the ARM corporate office and operations to understand and test the processes in place for adherence to the AA1000AP (2018) stakeholder engagement principles and disclosure of the selected disclosures in the assurance scope.
- Desktop reviews for three select operations: Beeshoek Mine, Modikwa Mine and Cato Ridge Works, which involved testing, on a sample basis, the measurement, collection, aggregation and reporting processes in place.
- Inspection and corroboration of supporting evidence to evaluate the data generation and reporting processes against the assurance criteria.
- Reporting the assurance observations to management as they arose to provide an opportunity for corrective action prior to completion of the assurance process.
- Assessing the presentation of information relevant to the scope of work in the ESG report to ensure consistency with the assurance observations.

Independent assurance report continued

Engagement limitations

The procedures performed in a moderate assurance engagement vary in nature from, and are less in extent, than for a high assurance engagement. As a result, the level of assurance obtained for a moderate assurance engagement is lower than for high assurance as per AA1000AS.

Due to the global Covid-19 pandemic related travel restrictions and risks, all assurance work was desktop based. Evidence to support information reported for the sampled sites was obtained electronically for review and assessment as a basis for our assurance conclusion. Readers of the ESG report are cautioned to understand this inherent limitation.

The scope of work did not extend to any subject matters other than specified in this assurance statement. IBIS experienced no limitations to the agreed extent of work required for the engagement.

Assurance conclusion

IBIS planned and performed the work to obtain all the information and explanations believed necessary to provide a basis for the assurance conclusion for a moderate assurance level in accordance with AA1000AS.

In our opinion, based on the work undertaken for moderate assurance as described, we conclude that the subject matters in the scope of this assurance engagement have been prepared in accordance with the defined criteria and are free from material misstatement.

Key observations and recommendations

Based on the work set out above, and without affecting the assurance conclusion, the key observations and recommendations for improvement are set out below.

In relation to ICMM subject matter 1

Corporate level policies, management standards and procedures observed adequately demonstrate ARM's corporate commitment to the ICMM Mining Principles and the related Position Statements. The PE validation processes also confirmed appropriate alignment with the ICMM Performance Expectations.

In relation to ICMM subject matter 2

Inclusivity: ARM's code of conduct, which contains a stakeholder communication policy, together with the board charter provide for inclusive stakeholder engagement and monitoring. Stakeholder and community engagement were observed to be an agenda item at operational, divisional and board meetings. Responsibilities were found to be appropriately assigned at all levels. Documented evidence assessed at select operations as well as board minutes inspected pointed to a high level of inclusivity in ARM's deliberations, decisions, and actions, which take the legitimate interests and expectations of the company's stakeholders into account.

Materiality: ARM has applied due process in mapping and disclosing its material stakeholder concerns in a transparent and balanced manner. Stakeholder engagement informs ARM's material matters, risks and opportunities and provide input into the business strategy and long-term direction. Material matters for FY2021 were reviewed against board and executive committee deliberations, feedback from formal and informal engagements with stakeholders during the year, a review of media reports and peer analysis. The FY2021 ESG report presents ARM's material matters along with the relevant components and descriptions. The ESG report also sets out material concerns from key stakeholders and what ARM's responses related to them were.

Responsiveness: ARM's responses to stakeholder issues observed across different stakeholder groups, at both corporate and operational levels, indicate a high level of maturity and accountability to issues raised. A sample of responses to stakeholders observed were found to be directly related to the stakeholder concerns and were conducted in a timely, fair and appropriate manner without prejudice to any one stakeholder group.

Impact: ARM reports on a range of material ESG topics based on its ongoing monitoring, measurement, and evaluation of its impacts; both qualitatively and quantitatively. ARM's SD policies and procedures aim to enhance the quality of outcomes from its interventions that will add value to society and contribute to the developmental aspirations set out in the United Nations Sustainable Development Goals (SDGs). The SDGs that align with ARM's business have been adopted and reported on for FY2021, demonstrating ARM's impact

related to each topic. It is recommended that ARM continue to report on the progress against the SDGs as well as monitor and measure the social changes that result from ARM's activities and the long-term impacts on its stakeholders and on ARM's business itself.

In relation to ICMM subject matter 3

The process observed to identify the group's material risks and opportunities is well established. It was found that the material risks and opportunities reported in FY2020 remained relevant for FY2021, although some components and descriptions have changed.

In relation to ICMM subject matter 4

It was observed that appropriate measures are in place to provide reliable source-data related to the selected disclosures assessed. Management's responses to issues raised from the previous assurance cycle resulted in a reduction in the number of issues noted. The general control environment for sustainability information could be further improved with the formalisation of a corporate-level sustainability reporting procedure to ensure the consistent interpretation of definitions across the group, and to provide guidance on key internal controls required. Data inconsistencies identified during the assurance process were subsequently corrected and IBIS is satisfied with the accuracy of the final data in the assurance scope.

In relation to ICMM subject matter 5

A review of the ESG report against the GRI Standards indicated that ARM effectively reports in accordance with the GRI Standards – "core" disclosure requirements as required by the ICMM.

In relation to ARM's alignment with King IV

Evidence observed during engagement with the Group Company Secretary and Governance Officer as well as inspections of board minutes, policy and other related documents, confirmed due application of King IV™ as reported.

A comprehensive management report detailing specific findings and recommendations for continued sustainability reporting improvement has been submitted to ARM management for consideration.



Petrus Gildenhuys

Director, IBIS ESG Consulting Africa (Pty) Ltd



Johannesburg
8 October 2021

Approach

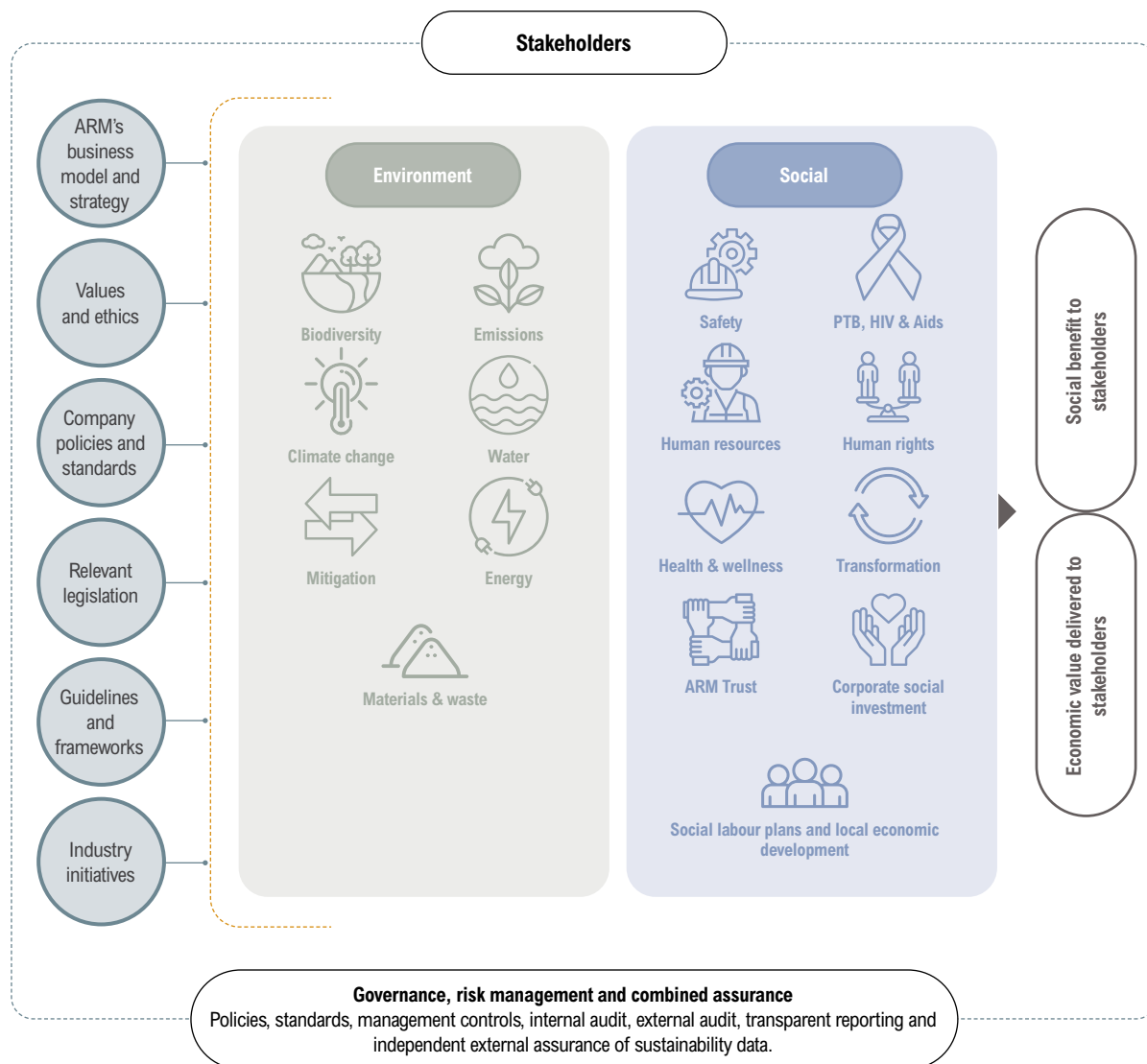
Our participation in industry initiatives, particularly the ICMM and Minerals Council South Africa, provides important insights that shape our approach to sustainable development





Our approach to sustainable value creation

Sustainable development model and our value chain



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

The board is the foundation of the corporate governance system and is accountable and responsible for the performance of the company, which includes sustainable development. It aims to implement ARM's long-term strategy and vision in a sustainable manner and ensures that business is conducted ethically and sustainably.

The ARM social and ethics committee monitors and reports on the manner and extent to which the company protects, enhances and invests in the wellbeing of the economic, social and environmental contexts in which we

operate to ensure that our business practices are sustainable. It is chaired by Dr RV Simelane and comprises five non-executive board members.

The company's ERM process (page 137) includes sustainability risks and is coordinated and monitored by the management risk and compliance committee, a sub-committee of the audit and risk committee. Sustainable development matters and performance are included in the committee's formal agenda.

We regard regulatory compliance as the minimum requirement for sustainable development, rather than the end goal. Developments in relevant current and proposed legislation and regulations are consequently key inputs in our approach to sustainable development.



The governance section provides more information on the structure, roles and responsibilities of board committees and management committees.

Implementation and monitoring

The chief executive officer is responsible for implementing ARM's sustainable development policies and procedures, and delegates this responsibility to the chief executives of each division.

The group's strategic approach to sustainable development as well as the relevant policies and standards are set at corporate level. Operational management implement this approach and adapt it to the specific sustainability matters that are most material to their circumstances.

The executive: sustainable development operates with oversight from the social and ethics committee, and reviews sustainability policies, standards, strategies and targets, and ensures these align with the board's commitment to zero tolerance for harm. This role provides input into the management risk and compliance committee on matters related to sustainable development as a standard agenda item.

The chief risk officer and executive: sustainable development participate in social and ethics committee meetings and are members of the management risk and compliance committee as well as the ARM steering committee. They also attend board meetings to respond to any risk and sustainability-related matters raised by the board.



We assess the effectiveness of our approach to sustainable development by monitoring ESG indicators and benchmarks at operational, divisional, executive and board level, along with information received by engaging with our key stakeholders. The group's combined assurance model (see page 143) provides a sound basis from which to evaluate the appropriateness and reliability of ARM's sustainability processes, controls and information.



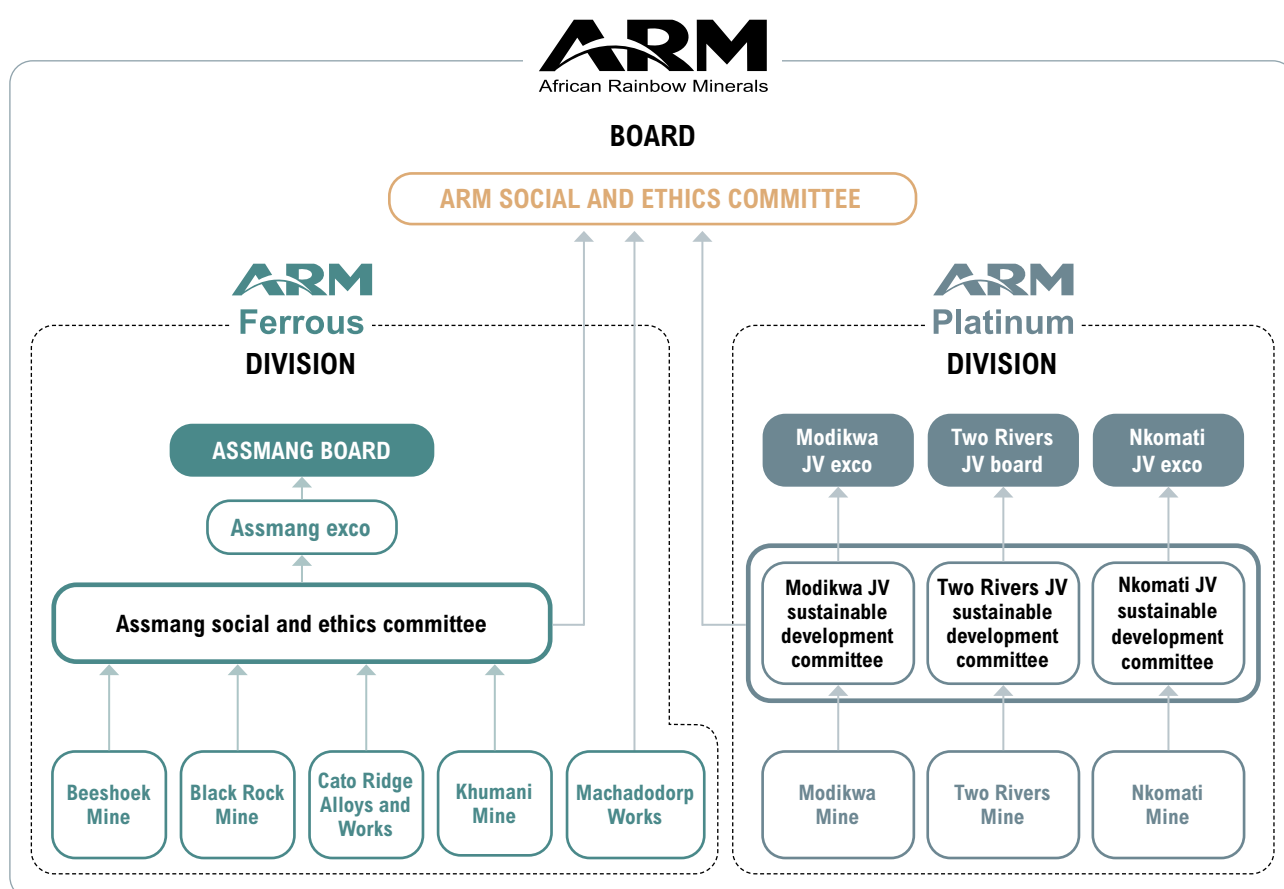
Our approach to sustainable value creation continued

Divisional and operational governance frameworks

The Assmang social and ethics committee oversees the sustainability performance of the ARM Ferrous operations, except for Machadodorp Works, which is not part of Assmang. It is chaired by the ARM executive director: Investor relations and new business development. Quarterly compliance meetings at these operations ensure comprehensive reporting at operational level.

The ARM Platinum operations each have a sustainable development committee chaired by the executive operations: ARM Platinum. These committees report to the exco or board of the respective joint ventures, as appropriate.

The Assmang social and ethics committee and sustainable development committees in the ARM Platinum division report on operational performance and compliance to the ARM social and ethics committee at quarterly meetings.



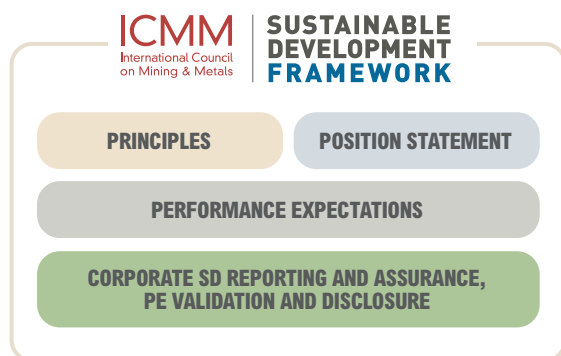
ICMM sustainable development framework

Our participation in industry initiatives, particularly the ICMM and Minerals Council South Africa, provides important insights that shape our approach to sustainable development. Other key inputs include ongoing engagements with our key stakeholders, our governance and risk management frameworks, as well as the combined assurance model.

Other metals and mineral-related industry forums in which ARM or its joint venture partners participate:

- International Manganese Institute (IMnI)
- International Chrome Development Association (ICDA)
- Ferro Alloy Producers' Association (FAPA)
- Association of Mine Managers South Africa (AMMSA).

The ICMM launched enhanced membership requirements in February 2020 that build on the original ten sustainable development principles and position statements. The ICMM mining principles strengthen members' social and environmental requirements and are underpinned by 38 performance expectations. Members are encouraged to self-assess assets against these expectations and, from September 2022, publish a summary of the self-assessments and begin to subject these to third-party validation.



We piloted the performance expectations at two assets to familiarise and educate the operations as part of the F2019 external assurance process. In F2020, self-assessment was conducted under guidance of the external assurance team and external validation performed at Khumani, Two Rivers and Black Rock mines as well as at ARM Corporate. In F2021, self-assessments were carried out at Beeshoek Mine, Modikwa Mine and Cato Ridge Works as well as ARM Corporate. Independent validation of the reasonableness and authenticity of assertions made in these self-assessments was carried out by the third party sustainability assurance provider.

Human rights

Our business policies and management systems incorporate human rights principles to ensure that human rights are appropriately managed and addressed. The fundamental concepts underlying these rights inform the code of conduct and our grievance procedure, protected disclosure and sexual harassment policies.

ARM's approach to promoting and protecting human rights aligns with South Africa's human rights legislation, including the Constitution and the Bill of Rights, which safeguard basic human rights. We are committed to the ten principles of the United Nations Global Compact (UNGC).

The code, employment equity policy and our human resources management policies promote equality and the elimination of unfair discrimination on the basis of race, ethnicity, colour, gender, sexual orientation, nationality, place of origin, citizenship, creed, political persuasion, age, marital or family status or disability. It applies to suppliers and contractors, requiring that they behave ethically and with respect for human rights.

ARM is committed to fair, responsible and competitive remuneration and we do not use forced, compulsory or child labour. All non-management employees are afforded freedom of association.

The operation's community relations strategies uphold and promote human rights and respect cultural considerations and heritage.

Employees who feel that their human rights have been violated can report their grievances to their supervisors or managers, to the human resources department, or anonymously through the whistleblower facility.

Whistleblower facility

Our anonymous whistleblowers' facility is operated by an independent service provider, Whistle Blower (Pty) Ltd. The facility includes multiple options for contact such as a dedicated toll-free number (0800-006-792), electronically through www.whistleblowing.co.za, by facsimile (086-5222-816), through SMS call back system by sending a "please call me" to 0826-777-531, or through the SMS service at 33490. Whistleblowers will inform ARM's chief risk officer of the complaint. Details about the hotline are included in the code and are posted at the company's offices and operations. The facility is available to employees, contractors, suppliers, communities and other stakeholders to report unethical behaviour.

In F2021, 54 reports were received through the whistleblower facility (F2020: 58).²¹ reported incidents are currently under investigation, seven were substantiated, four were partially substantiated, 19 were unsubstantiated and three were referred back to Whistleblowers due to insufficient information.

ESG across the value chain

We recognise our responsibility to consider the broader impacts of our activities upstream (ie supply-chain impacts) and downstream (customer impacts) from the operations. Upstream and downstream activities are considered in our carbon footprint when we assess and mitigate greenhouse gas and water-related risks in our value chain and were included in this year's climate-change scenario analysis.

Assessments of climate-change risks and opportunities are being expanded across the value chain and to meet the increasing expectations of investors through initiatives such as the TCFD and the Transition Pathways Initiative (TPI). An initial assessment of supply-chain risk covered the operations' top five suppliers by spend, with further work planned in this area.

KEY UPSTREAM CONCERNS:

- Respect for human rights and fair labour practices
- Product quality
- Health and safety
- Ethical business practices
- Socio-economic transformation through preferential procurement
- Upstream climate-change risks including carbon emissions and water consumption.

KEY DOWNSTREAM CONCERNS:

- Product quality
- Health and safety during transportation and further processing and beneficiation
- Safe transportation to prevent spillage into the natural environment
- Downstream climate-change risks
- Downstream carbon emissions.

Suppliers

We are committed to moral, ethical and legal standards, and contract with suppliers and contractors that take a responsible approach to business. Our code of conduct and legal compliance policy set appropriate standards for legal compliance, health and safety as well as environmental practices, and applies to suppliers and contractors. Preferential procurement programmes at operations prioritise local businesses and suppliers, with a focus on black-owned and black women-owned businesses.

Customers

Our joint-venture partners sell and market the metals and minerals produced at the operations and ARM is not directly involved in these activities. Our customers are industrial companies that we engage on a contractual basis.

ARM is a member of the ICMM's product stewardship programme committee and, together with our joint-venture partners, we participate in industry forums to monitor developments on the properties of metals and minerals and their life cycle effects on human health and the environment.

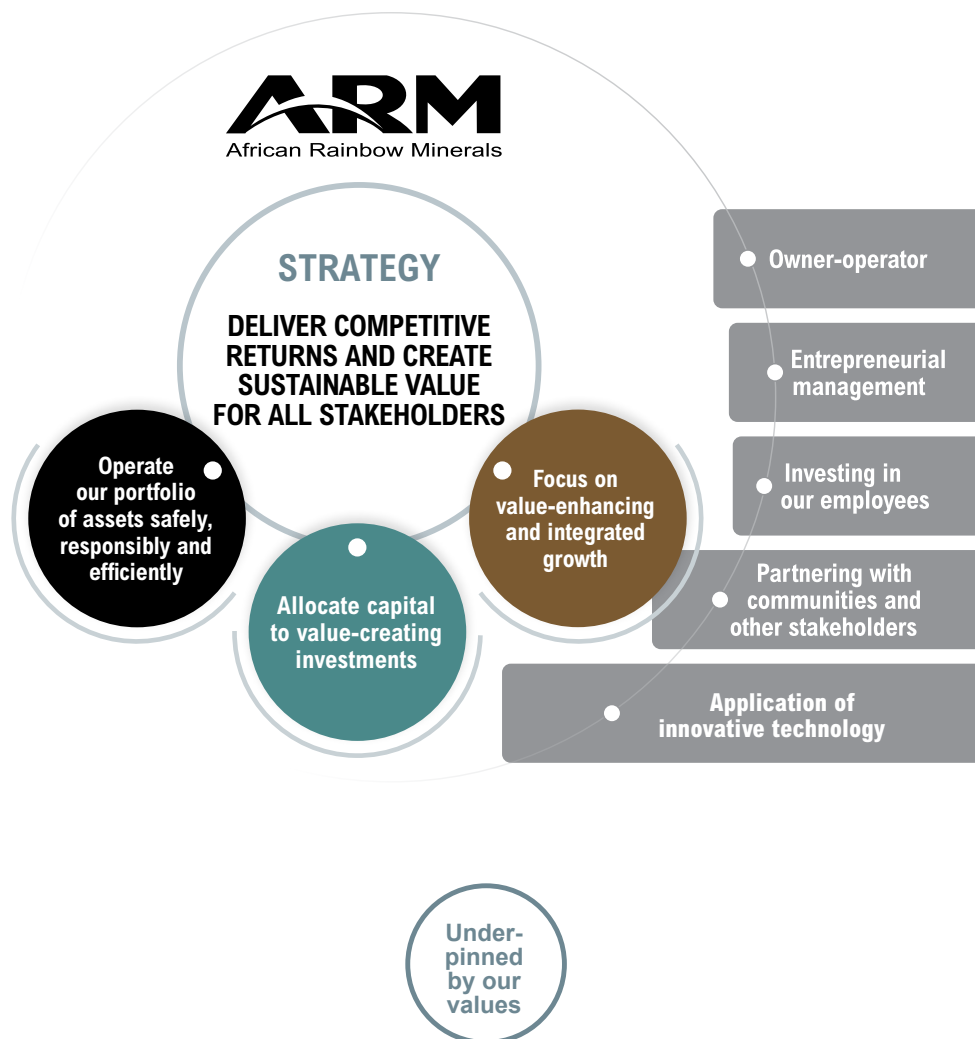
We encourage responsible use, reuse, recycling and disposal of our products. Where required, material safety data sheets provide information on the potential health, safety and environmental impacts of our products and operations. Most operations have ISO 9001-certified quality management systems to support product quality, while customer complaints are addressed comprehensively at operational level.

Ore and Metal Company Limited (Ore and Metal), the marketing company for Assore Ltd (Assore), our joint-venture partner of the Assmang operations, monitors changes in national and international legislation that could influence the mining, beneficiation, sale or transportation of its products and proactively responds as necessary. Ore and Metal also facilitates customer ESG audits of operations as required. Shipping the products of the Assmang operations requires more stringent management and monitoring due to the progressive modification of the International Maritime Organisation's Codes. Registration, Evaluation and Authorisation of Chemicals (REACH) initiatives being developed and implemented in key markets such as China, Japan, South Korea, India and Brazil may also require registration of these products. The data sheets for these products align with the requirements of the globally harmonised system (GHS) of hazard classification and include information from ongoing research sponsored by both the group and industry associations.

Strategy

Deliver competitive returns and sustainable value

While our broad strategy remains in place, short-term issues – such as the pandemic – have shifted the priority of some strategic objectives. Emerging issues – particularly decarbonisation – are being integrated into our short, medium and longer-term view.



Aim for operational excellence | Provide a safe and healthy work environment | Maintain a non-discriminatory workplace | Improve the lives of those living in communities neighbouring our operations | Work responsibly to achieve balance between the economic, social and environmental aspects of our business | Maintain the highest standards of corporate governance

Stakeholder management

Our ability to achieve our strategic goals depends on the value we create for others. Equally, the sustainability of our operations requires that we balance stakeholders' needs, interests and expectations with those of the group.

We define our stakeholders as individuals or groups with a material interest in or affected by our operations. The board has mandated the social and ethics committee to monitor stakeholder relationships while retaining responsibility for identifying stakeholders and developing appropriate strategies.

ARM's stakeholder communication policy is contained in the code of conduct and includes measurable outcomes for all engagements. Feedback from interactions with stakeholders creates a broader context and provides us with new ideas. These engagements inform our most material matters, risks and opportunities and provide input into our strategy and long-term direction.

Formal and informal engagements occur at the corporate, divisional and operational level as appropriate to the stakeholder and the operations document the content of engagements to ensure learnings are shared effectively. Stakeholder and community engagement are agenda items at operational, divisional and board meetings.

Senior executives responsible for stakeholder engagement include:

- Executive chairman
- Chief executive officer
- Finance director
- Executive director: Investor relations and new business development
- Executive: Compliance and stakeholder relations
- Executive: Sustainable development
- Divisional chief executives
- Executives responsible for stakeholder engagement in each division
- Senior management.

ARM's key stakeholders, primary engagement channels, their material concerns and our initiatives in response are summarised in the table on pages 188 to 192, representing regular ongoing engagements with stakeholders. Significant engagements with stakeholders in F2021 include:

- Participating in business and industry initiatives to enable collective engagement with regulators and stakeholders, promote benchmarking and share good environmental practice. These include the Minerals Council (and its environmental policy committee), Business Unity South Africa (BUSA), the Ferro Alloy Producers' Association and the ICMM
- Ongoing engagements with Transnet to address operational challenges at Transnet Freight Rail and ports
- ARM Ferrous participating in the Northern Cape Shared Value Project, a collaboration across regional mines led by the Minerals Council to provide scale, improve delivery success and increase the impact of community investment programmes. The mines in the Eastern Limb participated in a similar structure to identify solutions to the socio-economic challenges in the area
- Five ARM operations were approved by their regional departments of health (DoHs) as vaccination sites for employees, contractors and members of host communities
- Engagements with water-related stakeholders in the respective catchment management areas as part of our commitment to water stewardship to support sustainable water supply and to find solutions appropriate to all water users' needs. These include the Department of Water and Sanitation; local communities; local, provincial and national authorities; water forums, irrigation boards, catchment management agencies; farmers and other industry users. Assmang¹ is engaging extensively with the Sedibeng Water Board, the Department of Water and Sanitation and the Minerals Council to collaboratively ensure the delayed refurbishing of the Vaal Gamagara water supply system is remediated to sustain supply to Khumani and the surrounding areas. More information on ARM's engagements on water appears in the climate change and water supplementary report.
- Partnerships with the Northern Cape and Limpopo departments of health to strengthen implementation of the provincial strategies for tuberculosis (TB), HIV and Aids, STIs (sexually transmitted infections) and chronic diseases (see page 86 of the ESG report).


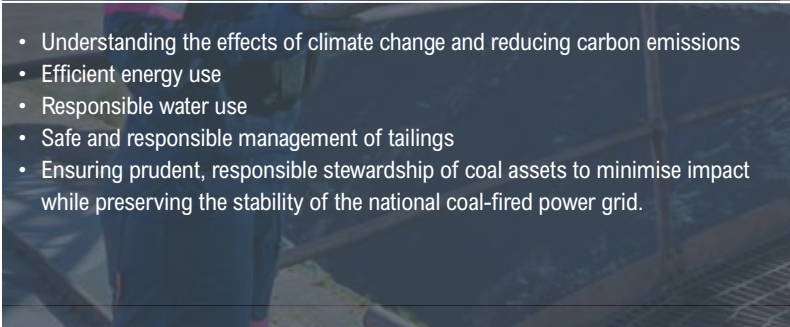


¹ The joint venture between ARM Ltd and Assore Ltd, trading as Assmang (Pty) Ltd.



Material matters

In F2021, material matters were reviewed against board and executive committee deliberations, feedback from formal and informal engagements with stakeholders, a review of media reports and peer analysis. The global pandemic that began in early 2020 continued throughout the current year and was an integral theme in stakeholder engagements. As a result, Covid-19 is not categorised as a separate material matter, but its impact has been recognised across multiple aspects of our business.

Material matters	Current themes
<p>Ensuring a safe, healthy and appropriately skilled workforce</p>  <p>Link to strategy ●</p>	 <ul style="list-style-type: none"> • Managing spread of Covid-19 at the operations • Continuous improvement in safety performance at all operations, understanding the direct link between a safe, healthy workforce and fewer stoppages and higher operational efficiencies • Attracting and retaining key skills.
<p>Delivering financial returns to shareholders and other providers of capital</p>  <p>Link to strategy ● ● ●</p>	 <ul style="list-style-type: none"> • Record commodity prices and profitability • Financial impact of Covid-19 • Above-inflation unit cost increases • Capital allocation.
<p>Continuously improving operational performance</p>  <p>Link to strategy ● ●</p>	 <ul style="list-style-type: none"> • Above-inflation cost escalations mainly due to lower volumes, higher labour costs, pandemic-related absenteeism and higher energy costs • Consistency and security of water supply at the Northern Cape operations • Production and sales volumes impacted by challenges at Transnet • Disruption in global or local supply chains required to sustain production.
<p>Maintaining our social licence to operate</p>  <p>Link to strategy ●</p>	 <ul style="list-style-type: none"> • Increase in community expectations • Community unrest.
<p>Ensuring responsible stewardship of natural resources</p>  <p>Link to strategy ● ●</p>	 <ul style="list-style-type: none"> • Understanding the effects of climate change and reducing carbon emissions • Efficient energy use • Responsible water use • Safe and responsible management of tailings • Ensuring prudent, responsible stewardship of coal assets to minimise impact while preserving the stability of the national coal-fired power grid.

Link to strategy key:

- Operate our portfolio of assets safely, responsibly and efficiently
- Allocate capital to value-creating investments
- Focus on value-enhancing and integrated growth



F2021 responses

- Strict protocols to prevent spread of Covid-19 and vaccination support initiatives were implemented at all operations
 - Deteriorating safety performance at some operations is being addressed through focused safety programmes and skills training
 - Global safety specialist deployed at Modikwa to assist in improving the safety culture
 - Attracting and retaining talent through focused initiatives from tertiary education level.
-
- Record dividend declared
 - Investment into Two Rivers Merensky Project approved
 - Ramp-up production volumes where possible and focus on unit cost performance
 - Further improvements to our financial position which allows us to navigate the uncertain global environment and positions us well for growth.
-
- Containing costs remains a management focus by continuously striving to employ technology and innovation to enhance efficiencies and improve our competitive position
 - Northern Cape operations continued to work with the Sedibeng Water Board to progress refurbishment of the water pipeline. A new capital user charge impacted unit costs
 - The Black Rock and Gloria modernisation projects are progressing well but were delayed due to Covid-19.
 - Extensive engagements with Transnet to support and assist with its challenges.
-
- Each operation contributed to mitigating the impact of Covid-19, while continuing to invest through social and labour plans, local economic development and corporate social investment spanning infrastructure, education, health, skills development and job creation in the communities living near our operations
 - ARM works with community forums, municipalities and government on community investment.
-
- Our aim is to achieve zero greenhouse gas emissions by 2050 and pathways to reach this are being mapped out
 - Further refinement of reporting in terms of the water accounting framework
 - Additional comprehensive reporting for climate change and water management in the supplementary report on climate change and water
 - External review and dam-breach analysis of tailings storage facilities completed
 - Our approach centres on responsible rehabilitation to minimise our impact. This is reflected in initiatives underway at Nkomati Mine, which is on care and maintenance.



Environment

Environmental and related risks, particularly for climate change and water, are identified, assessed and managed in our risk management process and enterprise risk management (ERM) policy. Operational and corporate risk registers are reviewed and updated at quarterly risk workshops and material environmental matters and risks are consolidated at group level.





Environment

Ensuring responsible stewardship of natural resources

ARM's values, governance structures and ethical leadership guide our actions in the context of our natural environment and the country's socio-economic realities. We accept our responsibility to manage and mitigate the potential negative impacts of our business activities and believe the value created by these activities enables us to support growth and development in the societies in which we operate.



Reporting context

ICMM



FTSE/Russell

- Biodiversity
- Climate change
- Pollution and resources
- Water security

Principal legislation

- National Environmental Management Act (NEMA) and Regulations
- National Environmental Management: Air Quality Act
- National Environmental Management: Biodiversity Act
- National Environmental Management: Waste Act
- National Water Act
- Environmental Conservation Act
- National Heritage Resources Act
- National climate change response policy
- National greenhouse gas reporting regulations
- National climate change bill
- Mineral and Petroleum Resources Development Act (MPRDA)

UN SDGs



F2021 highlights

- Commitment to aim for net zero GHG (scope 1 and 2) mining by 2050 along with commitments to achieve this ambition
- Significant steps towards finalising our context-based water targets
- External independent review of all TSFs and dam-breach analyses completed, apart from one low-risk facility
- TSF policy and management standard approved
- Assessed the resilience of our business to climate transition and physical risks under five different scenarios.

F2021 challenges

- Securing reliable water supply from Sedibeng Water in the Northern Cape
- Delays in approving water use licence applications.



How we manage natural resources

ARM takes a precautionary approach to environmental stewardship across business processes. Where possible, we aim to eliminate or reduce and, where unavoidable, to mitigate environmental impact.

Environmental and related risks, particularly for climate change and water, are identified, assessed and managed in our risk management process and enterprise risk management (ERM) policy. Operational and corporate risk registers are reviewed and updated at quarterly risk workshops, and material environmental matters and risks are consolidated at group level. Risks are reported and mitigating strategies discussed and planned at the group-level management risk and compliance committee, social and ethics committee as well as audit and risk committee.

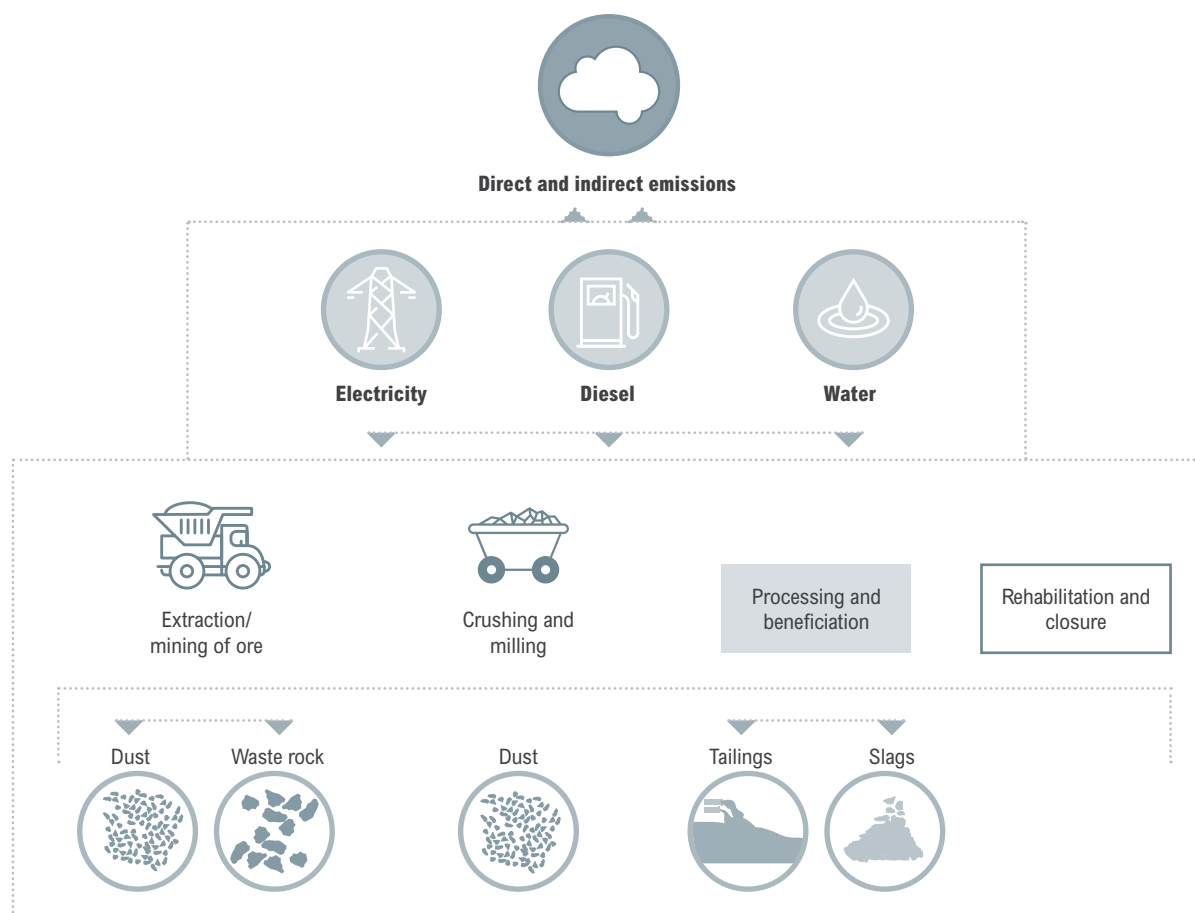
We conduct environmental impact assessments (EIAs), including social impact assessments, when planning new projects or making changes to existing operations. Environmental management programmes (EMPs) are in

place, as required by the National Environmental Management Act (NEMA) and its regulations.

Operational environmental management systems (EMSs) use the plan-do-check-act principle to identify potential environmental impacts and to measure and monitor our performance. These align with ISO 14001, the international standard on environmental management. Black Rock, Beeshoek, Khumani and Two Rivers mines and Cato Ridge Works are certified in terms of this standard. Modikwa Mine, Nkomati Mine and Machadodorp Works were ISO 14001 certified and, while not formally recertified, remain aligned with the standard.

Environmental specialists in operational SHEQ departments facilitate environmental management, but every employee and contractor is responsible for compliance to the standards and policies specific to each operation. Employees and contractors are trained on relevant environmental policies, standards and procedures at induction as well as regular refresher courses and job-specific training. Environmental conditions form part of contracts.

Principle environmental aspects



Environment continued

Our environmental reporting database provides a consolidated view of divisional and group environmental performance, and includes managed and jointly-managed operations. Key environmental indicators are monitored, benchmarked and regularly reviewed at operational and corporate levels. Environmental performance is an important focus at quarterly operational, divisional sustainable development/social and ethics committee meetings and the ARM social and ethics committee meetings.

Environmental performance and compliance is assured, as shown below.



F2021 FOCUS

Raising awareness and further educating the workforce on responsible environmental stewardship, especially climate change and water.

ARM's climate-change scenario analysis comprised workshops led by our CEO. Technical teams explored transition risks and opportunities (more relevant at company level) and physical risks (more relevant at operational and division levels). Executive-level support

and the involvement of key personnel were critical to the project's success.

Additionally, ARM conducts annual workshops with each division and operation as part of the climate-change and water compliance and reporting programme. These sessions are facilitated by an external specialist consultant and include senior management, engineers and environmental managers on-site, as well as the executive: sustainable development and divisional SHEQ managers. The workshops explore evolving climate-change and water risks and opportunities, and explicitly assess upstream (supply-chain) risks that could affect operations directly (eg by stopping production or



increasing costs) and our stakeholders (particularly water availability for communities). They also build awareness, gather data and inform the approach to complying with and responding to these requirements and expectations.

This year, workshops focused on:

- Putting steps in place to decarbonise in line with net zero ambitions (including rolling out ARM's energy and carbon management system and planning to develop short-, medium- and long-term decarbonisation pathways for our net zero ambitions)
- Developing a long-term GHG reduction target
- Improving disclosure of GHG emissions and reduction initiatives
- Improved identification of climate risks and opportunities
- Moving towards setting context-based water targets
- Meeting climate-change GHG requirements and expectations (existing target and share plan, carbon budgets and pollution prevention plans, and responding to the recommendations of the TCFD)
- Engaging with ARM's value chain (reporting attributable emissions for our investments in coal and Harmony Gold, and improving our understanding and reporting of emissions associated with processing our products)
- Integrating climate change and water risks formally into ARM's ERM framework
- Meeting and updating ARM's water target
- Feeding into ARM's annual reporting processes.

Engaging with stakeholders to understand and further improve environmental reporting

F2021
FOCUS

Continued engagement with stakeholders to understand concerns around environmental stewardship.

Pressure is increasing, particularly from investors, to proactively manage climate-change risks and opportunities that are material to shareholder value. After engaging with stakeholders in prior years, we expanded the scope of GHG emission reporting to include ARM Coal (managed by Glencore) and the group's investment in Harmony Gold.

ARM participates in business and industry initiatives that enable collective engagement with regulators and stakeholders, promote benchmarking and sharing good environmental practice. These include the Minerals Council (and its environmental policy committee), Business Unity South Africa (BUSA), Ferro Alloy Producers' Association and the ICMM.

Our joint-venture partnership with Assore in the ARM Ferrous division provides access to important industry initiatives such as the life-cycle assessment and life-cycle inventory studies, waste management initiatives and energy efficiency initiatives of the International Manganese Institute and the International Chrome Development Institute.

Compliance

ARM is formalising its compliance systems to adopt a fully integrated and consistent model across the organisation. Regulatory environmental compliance and performance are tracked continuously across the company. This includes regular internal and external legal compliance and operational audits. Areas identified as non-compliant are rectified promptly. No environmental fines or penalties were received and no compliance notices in terms of section 31L of NEMA were issued at any operation in F2021.



Environment continued

Water

Water is a precious shared resource with high social, cultural, environmental and economic value. We recognise that access to water is a right; integral to wellbeing and livelihoods and the spiritual and cultural practices of communities. It is also essential to the healthy functioning of ecosystems and their services.

The earth's water systems are under significant threat from rising consumption, greater pollution, weak governance and climate change. Shifting weather patterns are altering water supplies and intensifying extreme weather events such as floods and droughts.

Water is essential to all mining and metals operations. It is used for milling, beneficiation, cooling and dust suppression during blasting, on haul roads and at ore-transfer points. Our employees need access to potable water for drinking, and water for sanitation and hygiene. Water is critical for users in our wider catchments, and a critical supply-chain commodity in producing electricity, chemicals and explosives.

ARM is exposed to increased water-related risks that could affect production, increase costs, constrain growth, disrupt supply chains and place our communities under significant strain. Water is consequently a material operational and strategic concern and water stewardship is fundamental to achieving our strategic objectives.

ARM supports the ICMM position statement on water stewardship and has implemented the water accounting framework (WAF) as part of its commitment.

Continual improvement in water reporting

F2021
FOCUS

Further refinement in implementing the water accounting framework.

ARM's water-management and reporting methodology aligns with the commitments of the ICMM in its position statement on water stewardship and practical guide to consistent water reporting. This comprehensive guideline is based on the WAF for the minerals industry of the Minerals Council of Australia, which underpins the water accounting principles referred to in the ICMM position statement. One of the key commitments is for members to report consistently and transparently on water management and accounting.

Since F2019, ARM has reported water performance according to the WAF and ICMM requirements, and published an annual supplementary report on climate change and water. This report uses the recommendations of the TCFD and the ICMM position statements on water





stewardship and climate change, but also considers other stakeholder expectations and requirements, including:

- ICMM's membership requirements and performance expectations
- Transition Pathways Initiative (TPI)
- CDP
- JSE, including the FTSE-Russell supplement ESG Index
- GRI's mining and metals sector disclosures
- World Economic Forum's stakeholder capitalism metrics
- Engagements with NGOs, NPOs and other stakeholders
- Regulatory reporting requirements, and others.

The supplementary report on climate change and water provides additional data on our energy, climate change and water performance, allowing stakeholders to analyse the data according to their needs. It replaces our previous CDP climate change and CDP water responses, as we believe this process is more dynamic and could be used more effectively by a wider group of stakeholders. The F2021 report on climate change and water is available on our website. We are preparing to report F2022 data against the revised ICMM water accounting framework guidelines.

Water challenges and opportunities

Water is a material matter across the group, although for different reasons at different operations. Some operations face significant catchment-level risks due to poor water infrastructure, lack of municipal or national funding and

capacity to deliver new infrastructure and the impacts of climate change on supply to adequately meet the growing need.

- At Beeshoek, Black Rock and Khumani mines in the Northern Cape, water scarcity could affect current operations and growth plans
- Water supply at Modikwa Mine is at risk from community unrest and vandalism affecting infrastructure
- Two Rivers Mine is less exposed to water-supply risks but the area is challenged by limited catchment management and demand for potable water is likely to rise as production associated with the Merensky project increases
- High groundwater levels at Nkomati Mine require dewatering to keep operations safe
- Lower production activities at Machadodorp Works and Nkomati Mine have led to lower reuse and consumption, increasing the potential risk of controlled discharge and associated non-compliance with waste management and water use licences (WULs).

Water availability, consumption and pollution are key risks to the group and included in operational and corporate risk registers. Water-related opportunities are identified through collective action at the catchment level.

Material water risks

Seven of our eight operations under direct or joint control are in water-stressed areas.

Operation	Water management area (WMA)	Catchment stress	Operational water risk rating
Beeshoek Mine	Vaal WMA	Moderate	High
Black Rock Mine			High
Khumani Mine			High
Two Rivers Mine	Olifants WMA	Moderate	High
Modikwa Mine			High
Nkomati Mine	Inkomati-Usuthu WMA	High	High
Machadodorp Works			High
Cato Ridge Works	Pongola-Umzimkulu WMA	Not water stressed	N/A

Environment continued

Water continued

The operations' five-year business plans consider water availability and assess the availability and use of appropriate technology to address water requirements or manage impacts. Key risks to business value and performance include potential non-compliance with WULs (especially where mines have a positive water balance and risk discharge events), inadequate water supply as well as climate- and water-related disruptions that affect our operations and suppliers, and could result in production stoppages.

Key risks at operational level are water availability, uncertainty about the existing policy environment, the state of water infrastructure (including pump stations and pipelines), Eskom power disruptions (impacting water supply) and related socio-economic impacts. Security of water supply in the Northern Cape is a material risk at group level (high residual risk).

The likelihood and impact of these risks are expected to increase as climate change causes more extreme weather events and drought. ARM has taken steps to mitigate these risks by investing in water purification and storage at the operations, and implementing efficiency measures. In the Northern Cape, we have played a leading role in securing long-term bulk-water supplies. In addition to using water efficiently, affected mines are

maximising stockpiling, both on site and at the port to manage any water-supply disruptions.

Material water-related impacts in F2021 included lost production at Khumani and Beeshoek mines when the water supply from Sedibeng was interrupted or limited. Flooding at Khumani, Beeshoek and Black Rock mines also interrupted production. Stockpiles as well as Beeshoek Mine's ability to run additional shifts meant these stoppages did not affect their ability to meet market demands. Supply interruptions at Black Rock Mine required bottled drinking water underground for two weeks.

The ARM risk management function is facilitating a process to identify risks associated with critical suppliers that may affect business continuity at the operations. We have not identified our supply chain as presenting a material water-related risk, based on experience and initial investigations into potential risks in future, other than the need to secure supply.

Material water opportunities

Our focus on improving operational efficiencies includes identifying opportunities to reduce water use. The cost of water is increasing and bulk-water infrastructure in areas





of water scarcity requires a significant investment that could significantly increase costs. At group operations, these relate to:

- The three mines in the Northern Cape via the Sedibeng pipeline
- Modikwa and Two Rivers mines, as part of the Lebalelo Water User Association and the Olifants River Water Resource Development Project (ORWRDP phase 2) investments.

A capital user charge on water of R6/t became effective in F2020 as the Vaal Gamagara water system is upgraded. This contributed to above-inflation increases in on-mine unit production costs at Khumani Mine in F2020. Assmang, as part of the Mine Leadership Forum (MLF), is proposing the establishment of a section 21/special purpose vehicle to act as the MLF's funding vehicle and ensure financial and commercial governance standards are maintained at all times.

Group operations are increasingly looking beyond operational borders to contribute to collective action at catchment level. With growing demand and decreased availability, securing adequate water supply will contribute to community resilience to adapt to a changing climate. This is an opportunity to improve community relations and strengthen our social licence to operate.

Commitment and response

We believe water-related challenges should be owned collectively. These issues are shared and addressing them requires collaboration by governments, civil society, business and local communities. We manage water impacts at our operations and regularly engage with our partners and other stakeholders on water stewardship and holistic risk mitigation at the catchment level.

Water stewardship integrated into our strategy

Our business strategy integrates water considerations by considering related risks and opportunities at company and asset levels, measuring and managing our withdrawals, consumption, outputs and reuse efficiency, and taking action to mitigate risks and realise opportunities. The climate scenario analysis conducted this year (see page 46) considered different water-related futures influenced by climate change and projected physical impacts of climate change on water supply.

Our revised approach to water stewardship is more catchment-based and aims to be more collaborative in delivering on our strategic objectives. The proactive and holistic water management strategy facilitates the group's role in sustainable water resource management. It is built

on identifying and mitigating water-related risks, exploring opportunities and engaging with partners to achieve collective action. More detailed information on ARM's engagements with stakeholders to promote collaborations on water stewardship and community resilience is available in the 2021 climate change and water report on our website.

We focus on water balances, a hierarchy of water use and minimising withdrawal of clean/potable/municipal water. Our goal is to recycle 100% of water (excluding losses due to evaporation, seepage and entrainment) and to have no discharges.

Operational water management

Operations withdraw water from a range of sources defined in their water use licences, including rivers, boreholes and municipal supplies. The main consumptive uses of water include evaporation (71%), water entrained in tailings and interstitial water in product (28%), seepage and outputs to third parties. Almost all (97%) water consumed through evaporation and entrainment is low quality.

Water balances at operations manage and optimise water use, and closed circuits maximise recycling and reuse, while minimising discharge into the natural environment. Under certain conditions, discharges are unavoidable, such as heavy rainfall or successive heavy rainfall events. Dirty and clean water are separated and a hierarchy of water use ensures used or 'worked' or process water is recycled for reuse before clean water is withdrawn from the natural environment.

We emphasise the value of water and efficiencies achieved, align with our strategic focus on operational efficiency. Relevant KPIs are in place at operations where water is material. Where available, operations install solutions to reduce water requirements and consider these as part of new/expansion projects to reduce our water dependency and competition with other water users.

Where appropriate, technologies such as reverse osmosis are used to clean process water. We also continue to investigate natural, sustainable alternatives such as wetland formation, particularly for mine-closure plans and objectives. We monitor surface water and groundwater quality to measure compliance with WUL conditions, assess our impact on the receiving environment and flag the need for mitigation. Biomonitoring of aquatic/riverine environments is performed as appropriate and as stipulated in each operation's WUL conditions.



Environment continued

Water continued

Various measures are in place to reduce consumption, increase storage and mitigate production downtime, including the use of dust-suppression surfactants to reduce evaporation. Specific recent operational initiatives in place include:

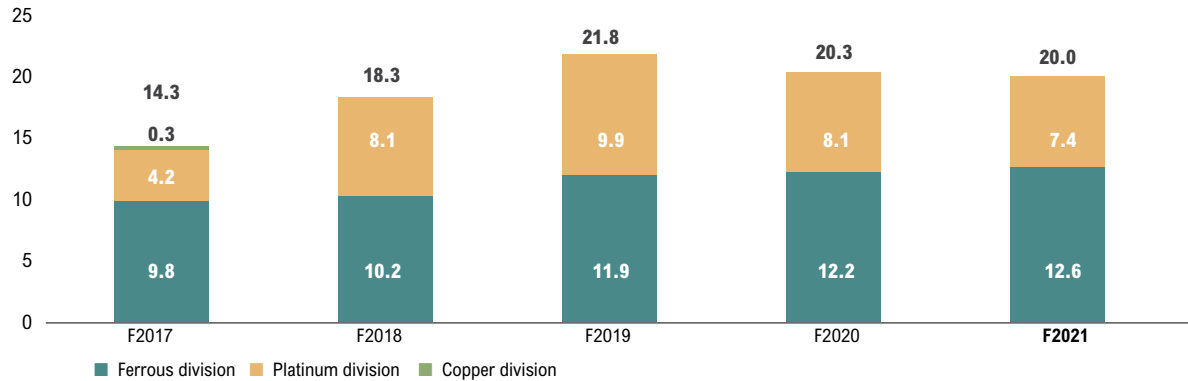
Black Rock Mine		Khumani Mine	
<ul style="list-style-type: none"> • A reverse-osmosis plant and filters, and reusing process water for gland services • Ultra-thickened and lined tailings facilities to reduce water lost through seepage • Water harvesting to recover and reuse sewage water • Additional water metering • A combined sewage treatment plant that, subject to permission, will treat effluent using the reverse-osmosis plant to provide potable water for the village • A system to divert grey water to the village • Integrated process-water recovery, clarification and deposition circuits • A new stormwater management plan to encourage better clean/dirty water separation and reuse captured water in the process. 		<ul style="list-style-type: none"> • Paste technology for tailings disposal that recovers up to 85% of water • Long-term on-site water storage and additional stormwater trenches and dams that reduce safety risks during extreme weather and limit production downtime • Increased paste densities and alternative pumping options • Increasing capacity of return-water lines to reduce evaporation and leakage • A new pipeline and pumping facility to enable more efficient use of stormwater • Partial water harvesting by recovering and reusing sewage water • Optimal water recovery and clarification of process water is at a mature stage. 	
Nkomati Mine		Machadodorp Works	Two Rivers Mine
<ul style="list-style-type: none"> • Desilted existing trenches to minimise exposure of water to the operations • Introduced drifts to control water flows through the operation. 		<ul style="list-style-type: none"> • Machadodorp Works • Water-management project team • Constructed cut-off trenches, doubled the sump size and is investigating a reverse-osmosis plant to mitigate risk of discharge to the environment. 	<ul style="list-style-type: none"> • A new lined tailings storage facility will reduce losses from seepage • New boreholes to monitor seepage • A new pump to minimise water loss along the river from Inyoni Dam, subject to permission.
Modikwa Mine		Beeshoek Mine	
<ul style="list-style-type: none"> • Upgraded trenches and building new ones to manage stormwater • Cleared river crossings, removed silt, and removed vegetation blocking streams flowing through the mine • Removing alien vegetation to improve water availability for other users in the catchment. 		<ul style="list-style-type: none"> • Ultra-thickened tailings facility constructed • Mobile pumps • A new stormwater dam to better separate clean/dirty water during flooding • Software to optimise dust suppression using water trucks. 	

Water metrics

Water withdrawal decreased by 1% to 20.0 million m³ (F2020: 20.3 million m³) due to mining ceasing at Nkomati Mine in the last quarter. Further improvements in implementing the WAF, and greater efforts to reuse water, resulted in water reuse efficiency increasing to 78% (F2020: 72%). This is a key performance indicator in monitoring and managing consumption and losses. Water output decreased to 0.87 million m³ (F2020: 1.05 million m³).



Water withdrawal (100% basis) (m³ million)



Beeshoek Mine accounted for 29% of total group water withdrawal, Khumani Mine 24% and Modikwa Mine 18%. As illustrated above, water withdrawal by the ferrous division rose 4% to 12.6 million m³ but decreased 9% in the platinum division to 7.4 million m³.

The table below shows ARM's water impacts in line with ICMM definitions:

- Outputs: water removed from the operational facility after it has been through a task, treated or stored for use, and includes flows to surface water, groundwater and supply to third parties
- Consumption: evaporation (and transpiration), water incorporated into product and/or waste streams (entrainment) and other operational losses
- Reuse efficiency: volume of untreated water already worked by site used in tasks as a percentage of total volume of all water used in tasks. Reuse efficiency varies across operations and is underreported as some operations do not measure flows of worked water back into tasks
- Water diverted: not intended for primary mining activity use. Some operations supply water to neighbouring communities, farms and other users.

We aim to continually improve our measurement and reporting of water metrics according to the new ICMM framework and committed significant expenditure to installing flow meters.

Metric	Source/destination/type	Volume of water by quality			Volume of water by quality		
		F2021			F2020		
		High (m ³)	Low (m ³)	Total (m ³)	High (m ³)	Low (m ³)	Total (m ³)
Withdrawal	Surface water	4 998 050	3 025 314	8 023 364	4 757 629	2 708 867	7 466 496
	Groundwater	7 725 369	4 285 871	12 011 240	7 088 971	5 712 200	12 801 171
	Total withdrawal	12 723 419	7 311 185	20 034 604	11 846 601	8 421 067	20 267 668
Output	Surface water	16 305	779 974	796 279	22 250	955 777	978 027
	Groundwater	0	33 151	33 151	0	23 427	23 427
	Supply to third party	33 281	3 840	37 121	40 354	3 840	44 194
	Total output	49 586	816 966	866 552	51 870	993 777	1 045 647
Consumption	Evaporation	274 419	5 496 504	5 770 923	201 745	4 876 586	5 078 331
	Entrainment	0	4 273 007	4 273 007	0	3 325 107	3 325 107
	Other	0	108 840	108 840	0	132 098	132 098
	Total consumption	274 419	9 878 351	10 152 770	201 745	8 333 791	8 535 536
Re-use efficiency	Total of all flows to tasks (ML/a)	14 529 040	74 907 494	89 436 534	16 021 124	58 992 638	75 013 763
	Total worked water flows to tasks (ML/a)	n/a	69 359 203	69 359 203	n/a	53 693 478	53 693 478
	Reuse efficiency (%)	n/a	n/a	78%	n/a	n/a	72%
Diversions	Water diverted to neighbouring communities, farms and other users	359 953	293 723	653 676	586 190	714 249	1 300 439

Environment continued

Water continued

Water targets



Setting a context-based water target.

In 2018, we set a target to reduce withdrawals of potable water (surface and municipal sources) by 10% by F2020 against the F2011 base. The target included all existing ARM operations, except Machadodorp Works and excluded divested operations (Dwarsrivier and Lubambe mines). We achieved this target last year, with potable water withdrawals 14% below the F2011 base.

In F2020, we began the process of setting context-based water targets. Due to the time this takes, in the interim we extended and increased the existing target. The extended target was to reduce withdrawals of potable water (surface and municipal sources) by 15% by F2021 relative to F2011 (excluding Machadodorp Works and divested operations). In F2021, we achieved a 17% reduction.

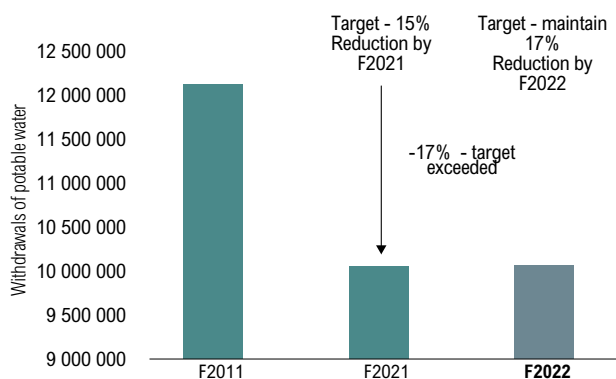
However, while engaging with operations during the annual climate and water workshops, it emerged that a number of targets would be needed to accommodate location- and process-specific contexts that affect water opportunities and challenges relevant for each operation.

In the review period, we went through a process with each operation to set draft context-based targets informed by shared water challenges, operational risks, dependencies and impacts, as well as the desired catchment condition and ARM's contribution. These draft targets aim to contribute to existing efforts to meet desired conditions, determine implementation strategies, and measure progress on meeting targets.

In F2022, the draft context-based targets will be discussed and refined at division and company level before finalisation. Where these relate to collective action and catchment-level commitments, this will be shared with stakeholders.

As this process progresses, we will continue to drive initiatives to reduce potable water consumption. We have set an interim target to maintain our consumption of potable water at 17% below F2011 levels.

Progress towards ARM's potable water target



Setting a new water target that is realistic, but ambitious, has been challenging for a number of reasons, including the choice of an appropriate base year. F2019 was the first year of reporting according to the WAF while F2020 was affected by Covid-19. Further improvements were made in F2021 and, for most operations, represents an appropriate baseline.



Climate change

Climate change is a global challenge that will have a lasting impact on our business, our communities and the world. ARM supports the TCFD's recommendations and we aim to achieve net zero scope 1 and 2 GHG emissions mining by 2050.



The 2021 climate change and water report (www.arm.co.za) provides more information on our response to climate change that aims to meet the increasing expectations of investors communicated through initiative such as the TCFD and the TPI.



Climate change is considered at the annual strategic planning session of the ARM board and executive committee, the strategic growth committee and other mechanisms that inform our strategy.

Climate risks influence our short-term strategy through the need to manage related operating costs (including through reduced energy consumption). Our long-term strategy incorporates expected climate-related changes in regulation that will affect costs (particularly energy costs in geographies where fossil fuels have traditionally been dominant), energy supply and the availability of water.

Climate-change risks and opportunities are evaluated at the company and asset levels and were considered in our first climate-scenario analysis. Company-level risks, such as evolving climate-change mitigation regulations (including carbon tax and carbon budgets), are tracked by the executive: technical services, group electrical engineer, executive: sustainable development, environmental specialist, divisional SHEQ managers, and engineering managers. Climate change-related risks feature in ARM's top risks identified through the ERM process.

A bottom-up assessment of mitigation potential is considered to inform engagement with government and developing the company GHG emissions reduction target. At asset level, a comprehensive risk register, which includes aspects of climate change, is compiled and reviewed quarterly. This process is supplemented by board and management discussions, stakeholder needs and concerns raised, peer reporting, guidelines and frameworks, legislation, media monitoring and industry initiatives. These include the Minerals Council, often jointly with Business Unity South Africa (BUSA), and the National Business Initiative (NBI) climate-change advocacy work.

F2021
FOCUS

Continued improvement in understanding and performance reporting on impacts of climate change.

Environment continued

Climate change continued

Initial qualitative climate-change scenario analysis

During the year, our CEO led a qualitative climate scenario analysis through a series of workshops to assess the resilience of our business to climate transition and physical risks, in line with TCFD recommendations. This provided critical input to improve our understanding of climate-change risks and opportunities, and their effect on our strategy. Technical teams explored transition risks and opportunities (more relevant at company level) and physical risks (more relevant at operational and division levels). We will incorporate climate scenarios into our strategic and operational planning again in F2022.

The process explicitly considered how different potential carbon prices affect the cost of supplying our commodities to global markets, their potential impact on demand for our products, and the possibility of border tariff adjustments to create level playing fields in these markets. We have taken initial steps to establish an internal carbon price for evaluating new projects and acquisitions.

The scenario analysis included a climate-risk assessment of the resilience of our strategy, and examined our physical climate risks such as temperature, precipitation, occurrence of extreme weather events and their impact on mining. The process demonstrated the real financial implications of climate risks for our business through the potential capital investments required to continue operating and the disruptions they might cause to our operations.

A roadmap to fully integrate climate change into our ERM process was finalised in August 2021 to improve data on climate impacts, refine risk-rating scales to accommodate climate-specific impacts, assess climate impact thresholds at operations and determine mitigation measures to negate risks.

A preliminary assessment of supply-chain risk was included in the scenario analysis. This will be used to further evaluate climate and water-related supply-chain risks and appropriate response measures in F2022.

Following the scenario analysis, ARM committed to a long-term target to achieve net zero GHG emissions (scope 1 and 2) from mining by 2050, with milestone goals towards this target. We have also undertaken to incorporate financial metrics into the new energy and carbon management system, update executive incentives to blend short-term targets into our medium- and longer-term climate goals, develop a long-term decarbonisation pathway and explore the impact of our GHG emissions across our value chain. We continue to

disclose our performance according to the TCFD framework and plan to fully implement its recommendations by F2024, subject to clarity on how the mining industry should integrate climate risks and opportunities into mainstream filings.

Material climate-change risks and opportunities

Refer to the 2021 climate change and water report on our website.



- Shifting value pools in commodity markets: global climate action will have severe business impacts for mining companies, affecting global demand for several major commodities
- Increased pressure from key stakeholders to decarbonise and reach net zero GHG emissions by 2050: new disclosure standards and activist investors, regulators and the public are putting pressure on companies to curb their carbon footprints and develop resilience strategies
- Increasing costs associated with decarbonisation and zero-carbon energy
- Physical climate impacts affecting ARM's ability to operate efficiently due to volume, cost or margin impacts linked to operational disruptions and increased capital expenditure. Markets affected by negative impacts on GDP.

Climate change-related disruptions during the year included an extreme weather event at Two Rivers Mine that resulted in R15.9 million lost revenue. Heavy rains around our operations in the Northern Cape led to flooding that disrupted operations, interrupted water supply and affected communities. Loadshedding required greater use of backup generators that support critical functions, such as ventilation fans, which increased diesel consumption and emissions.





Opportunities arising from climate change

Potential opportunities include resource-efficiency incentives in the form of tax incentives and cash grants in the area of energy and climate change which ARM could take advantage of. There is also the potential to access new markets for the commodities that ARM produces, including:

- Lumpy and high-grade iron and manganese ore that reduce energy consumption and GHG emissions in processing. Chinese authorities have stopped local miners from mining low-grade manganese because of air pollution, energy efficiency and climate-change drivers, leading to increased imports of the type of high-grade ore that ARM produces. This contributed to our decision to modernise and expand Black Rock Mine
- Platinum will have a key role in the hydrogen economy. Demand is expected to increase, given climate-related drivers in the transport sector (increasing demand for fuel cell electric vehicles) and in industry (increasing demand for hydrogen as a clean energy source, feedstock for zero-carbon fuels and reductant that can reduce process emissions)
- The energy transition requires substantial quantities of critical minerals such as copper, cobalt, manganese and various rare earth metals. Their supply emerges as a significant growth area, creating opportunities for ARM to include these commodities in our portfolio.

Carbon emissions

Emissions attributable to our operations arise mainly from consuming electricity produced by coal-fired power stations and the combustion of fossil fuels during mining, load and haul, materials handling and processing activities. ARM's estimated annual carbon footprint is based on our calculation of GHG emissions¹, which assesses three sources:

- **SCOPE 1:** Direct GHG emissions from sources owned or controlled by the company. This is mainly in the form of diesel used for load and haul activities, and reductants used at Cato Ridge Works
- **SCOPE 2:** Indirect GHG emissions related to purchased energy. Electricity consumption comprises 80% of ARM's total carbon footprint

- **SCOPE 3:** All indirect emissions not included in scope 2 that occur in the upstream and downstream value chain (see page 51).



Carbon emissions have been calculated and reported based on ARM's equity share (attributable emissions) in operations where we have joint operational control and in accordance with the GHG reporting protocol. This does not apply to reporting GHG emission reductions and performance relative to our GHG reduction target, which are reported on a 100% basis.

How we manage carbon emissions

The operations identify appropriate energy and climate opportunities for long-term achievable emission reduction by investigating energy-efficiency initiatives, alternative energy sources, new technology and diversification into less energy-intensive products. Operations allocate operational and capital budgets for energy-efficiency projects as appropriate and set energy targets.

Emissions data and intensity/efficiency measures, as appropriate to each operation's metrics, are reported quarterly, discussed at the individual operational, divisional and corporate sustainability meetings and assessed according to potential exposure, probability of impact and consequence for the business.

Engineers and production staff are incentivised on measures appropriate to their operation over which they have control. These include energy efficiency per tonne of ore milled, time of energy use and the use of alternative energy sources. Remuneration and incentive packages of production teams at Cato Ridge Works include KPIs linked to emissions-reduction initiatives. Carbon emission performance targets were included in ARM's remuneration policy and in the conditional share plan for ARM executives from F2019. These were revised in F2021 to align with ARM's updated GHG target.

Public policy engagement

ARM is committed to constructively engaging with government on measures to transition to a low-carbon economy. Important issues to consider in South Africa include using carbon tax to support targeted mitigation actions, alignment with other mechanisms such as carbon budgets, and clarity about how these mechanisms will integrate.

¹ Our GHG calculations are based on 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 data-collection process complies with data quality requirements set out in ISO 14044, as well as the GRI Standards, and is verified externally each year.

Environment continued

Climate change continued

ARM has engaged directly with the Department of Forestry, Fisheries and the Environment (DFFE) and has been supportive in disclosing information that has fed into the design of various climate-related policy developments. There is also further engagement in these processes through industry associations.

We participate in business and industry initiatives that enable collective engagement with regulators and stakeholders, and promote benchmarking and sharing of good environmental practice. These include the Minerals Council (and its environmental policy committee), Business Unity South Africa (BUSA), The Ferro Alloy Producers' Association and ICMM. The joint-venture partnership with Assore in our ferrous division provides access to important industry work such as the life-cycle assessment and life-cycle inventory studies, waste management initiatives and energy-efficiency initiatives of the International Manganese Institute and the International Chrome Development Institute.

As a member of the ICMM, we commit to publicly disclosing where our position differs to that of the ICMM on climate change. We continue to engage as an active member of the ICMM in the climate-change working group. We have provided feedback and comments on proposed additions to the climate-change position statement as part of the ICMM's enhanced collective leadership. Our policy and commitments align with the ICMM and we have further committed to updating our long-term target in line with pending updates to the ICMM climate change position statement.

We will undertake a review in F2022 of our industry associations' positions on climate change. This will

consider our direct and indirect lobbying on climate-related topics to align with our new long-term ambition. Key issues to consider include identifying issues of concern and developing appropriate response measures, engaging associations where policy change is required or considering suspending our membership where there is material misalignment.

Refer to 2021 climate change and water report on our website.



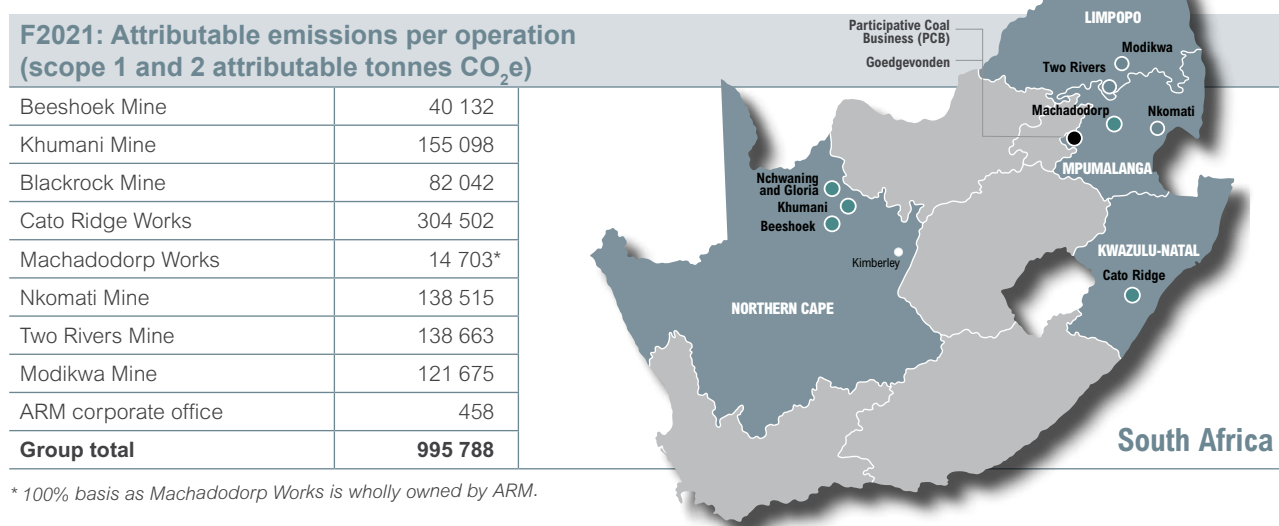
Carbon emission metrics

ARM's F2021 estimated carbon footprint (scope 1 and 2 attributable emissions) decreased by 2% to 1.0 million equivalent tonnes of CO₂ (mtCO₂e) from 1.02mtCO₂e in F2020. This is largely attributable to decreased activity as mining stopped at Nkomati Mine in the last quarter, as well as GHG emission-reduction initiatives. The F2021 carbon footprint represents a 19% decrease compared to the F2014 baseline.

Cato Ridge Works contributed 31% of the group's total scope 1 and 2 emissions, Khumani Mine 16%, and Nkomati and Two Rivers mines 14% each. These emissions are mainly due to energy consumption during mining, and load and haul activities in the open pits.

Scope 1 emissions rose 2%, while scope 2 emissions decreased by 3%. The increase in scope 1 emissions is mainly due to reduced furnace efficiencies at Cato Ridge Works and loadshedding, which increased use of diesel generators. Although some of the year-on-year decrease in scope 2 emissions was due to a 2% decrease in the Eskom grid emission factor used to calculate emissions, electricity consumption in MWh also decreased by 1.3%.

The graphic below shows F2021 scope 1 and 2 attributable emissions for ARM operations.

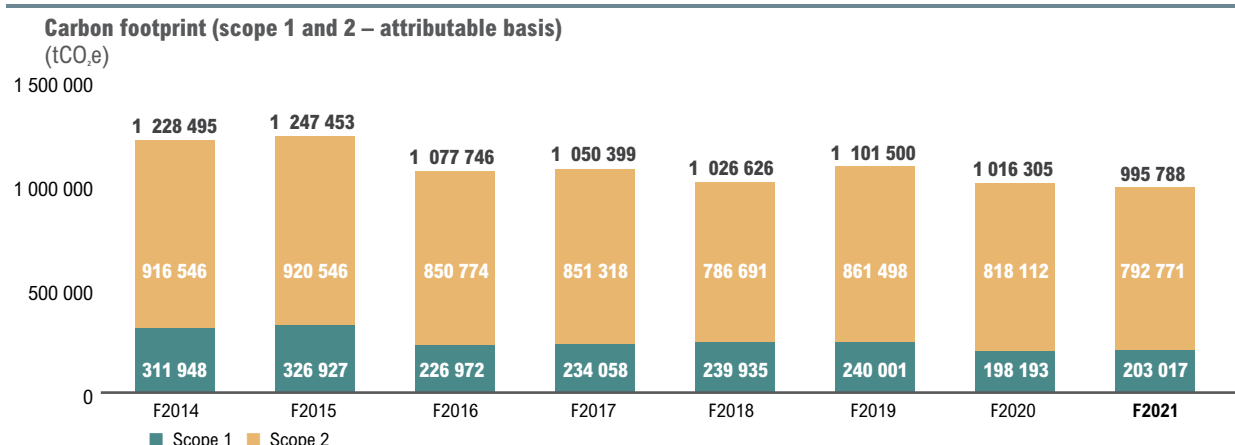




F2021
FOCUS

Continued reduction in carbon emissions.

Scope 1 and 2 emission intensity



Carbon emissions intensity ratios per full-time employee (FTE) and per unit of production or processing normalise emissions for changes in production activity levels. Scope 1 and 2 carbon emissions per tonne of manganese alloy produced increased 9% to 3.6tCO₂e/tonne in F2021 from 3.3tCO₂e/tonne in F2020.

Scope 1 and 2 carbon emissions per tonne of manganese alloy produced, reported since F2017, included production from Sakura in error, as the operation is not included in reported scope 1 and 2 emissions. These numbers have been restated below, along with the previously reported numbers.

Scope 1 and 2 carbon emissions per tonne of manganese alloy produced	F2021	F2020	F2019	F2018	F2017	F2016
As previously reported		1.4	1.5	1.4	1.7	3.3
Corrected	3.6	3.3	3.4	3.1	3.3	3.4



Scope 1 and 2 emissions per tonne of iron ore produced total 0.025tCO₂e/tonne (F2020: 0.024tCO₂e/tonne). Scope 1 and 2 emissions per tonne of manganese ore produced decreased to 0.041tCO₂e/tonne from 0.043tCO₂e/tonne in F2020.

Carbon emissions per tonne of PGM ore milled at our two primary platinum mines, Modikwa and Two Rivers, decreased to 0.104tCO₂e/tonne (F2020: 0.106tCO₂e/tonne).

Scope 1 and 2 emissions per FTE previously included only employees. From this year, we are including contractors to more fully reflect workforce activity. On this basis, emissions per person decreased by 11% to 97.7tCO₂e (F2020: 109.6tCO₂e).

Scope 1 and 2 emissions per man-hour worked decreased to 48.2kgCO₂e (F2020: 53.7kgCO₂e).

Environment continued

Climate change continued

Carbon emission-reduction targets

ARM will be allocated a new carbon budget in terms of the climate change bill and will have to develop a plan to stay within that budget. Last year we set a GHG emission-reduction target of 4% in scope 1 and 2 emissions by F2023 against the F2018 baseline through emission-reduction initiatives (excluding divestments).

The target year was set for F2023 to allow for the subsequent target to align with the second phase of the carbon budget process (which will set an effective target,

for a subset of ARM's activities, from 1 January 2023 to 31 December 2028).

In F2021, ARM achieved a 1.8% absolute reduction in scope 1 and 2 emissions from specific initiatives against a business-as-usual baseline. A number of new initiatives that will deliver additional savings started in F2021 and are planned for the next two years as some involve capital investment and a budgeting process over more than one financial year. This year, emissions savings associated with reduction initiatives were included in the scope of third-party assurance.

New initiatives implemented in F2021	Additional savings per year (tCO ₂ e)
Khumani Mine optimised fleet use with technology that improves vehicle use. It also optimised transport by reducing overload spent and replaced several geysers.	7 166
Beeshoek Mine installed more efficient air conditioners	149
Black Rock Mine installed additional LED strip lights and reduced haul distances	122
Total	7 436

In total, these initiatives created GHG savings of 7 436tCO₂e in F2021 (F2020: 26 164tCO₂e).

We are actively exploring opportunities to invest in renewable energy technologies or to procure clean energy from renewable sources. This includes feasibility studies for solar photovoltaic and energy-storage capacity in the Northern Cape and the potential to wheel renewable energy to Two Rivers Mine.



Setting a long-term carbon target.

As part of the climate-change scenario analysis, we facilitated a process with key ARM internal stakeholders to set a long-term GHG emissions target. The process considered the inclusion of material scope 3 emissions and the scientific requirements to achieve the 1.5°C global temperature goal and associated efforts towards a net zero carbon industry by 2050.

Achieving net zero is not feasible at the ARM individual company level for two primary reasons – current technologies cannot achieve net zero and markets are unwilling to pay a premium for the production of zero

carbon commodities. The costs of decarbonisation would therefore be borne by ARM and would not be economically viable until markets and prices adjust.

Long-term commitments and goals

ARM aims to achieve net zero GHG* mining by 2050.

We commit to the following actions to deliver on our long-term ambition:

- Update this target in line with updates to the ICMM climate change position statement and as clarity develops on the appropriate form and level of ambition expected of a company such as ARM
- Work collectively to facilitate enabling policy environments
- Work collectively to secure financial and technical support, especially for mining and metals operations in developing countries
- Engage with suppliers to ensure the availability of feasible decarbonisation technologies relevant to our specific operations
- Collaborate across our value chains to determine the most appropriate role we can play in contributing to net zero scope 3 emissions
- Engage with our joint-venture partners to get buy-in and ensure alignment with their commitments, provided these are in line with our overall level of ambition.

Refer to 2021 climate change and water report on our website.

* This includes ARM's scope 1 and 2 emissions associated with operations under direct or joint direct operational control.



A number of regulatory and voluntary drivers of decarbonisation and energy management, including pollution-prevention plans and carbon tax, require details about planned measures to mitigate emissions and reports on implementation.

During the year, we implemented a new energy and carbon management system to identify, prioritise, implement and report on measures that save energy and GHG emissions. The system is based on existing processes and on elements of the ISO 50001 energy management system. It will support operations to report energy consumption, carbon emissions, performance against interim targets, and agreed measures to reduce energy consumption and GHG emissions.

In addition, ARM Platinum has started energy and carbon audits to identify areas where energy efficiency can be improved and carbon emissions reduced. Based on the outcomes, operations will recommend energy-saving opportunities and carbon emission-reduction initiatives that will be included in an energy and carbon management plan. This will be linked to our operational energy and carbon targets.

Scope 3 emissions

In line with the TCFD, ARM's systems consider scope 3 activities, upstream and downstream of our operations, to assess and mitigate GHG-related risks in our value chain, and include more targeted climate-change engagement with partners in our value chain. We continue to improve the completeness and accuracy of our scope 3 inventory, focusing on our most material scope 3 categories. These are emissions associated with the use and processing of sold products (notably iron

ore, manganese ore and ferromanganese), transport and distribution (upstream and downstream) and emissions associated with our investments (notably our investments in thermal coal with Glencore and in gold with Harmony Gold).

In F2020, GHG emissions from our direct investment in coal and our investment in ARM Coal operations, where Glencore has operational management control, were reported as part of ARM's scope 3 inventory. In F2021, GHG emissions attributable to our 12.12% investment in Harmony Gold were included under scope 3 for the first time.

We will continue to improve our scope 3 inventory in F2022, and work closely with our partners to mitigate risks.

Refer to 2021 climate change and water report on our website.



Other direct emissions

The smelting process at Cato Ridge Works results in emissions in addition to carbon dioxide, including nitrogen oxides (372 tonnes), sulphur oxides (263 tonnes) and particulates (290 tonnes). These are disclosed in the table on page 15.



Cato Ridge Works has an approved air emission licence, issued in terms of the National Environmental Management: Air Quality Act. An air-cleaning system manages emissions and its availability is continuously monitored and regularly reported to local and provincial authorities as required by their licence conditions.



Environment continued

Energy

The primary energy sources consumed in our value chain are electricity and diesel. Electricity powers ventilation fans, pumps for processing and dewatering, conveyor-belt motors and machines that crush and mill ore. Energy used for heating is one of the biggest cost inputs in the smelting process at Cato Ridge Works.

Energy costs are an input to production costs and future increases have an implication for profitability. The operations also have to budget for carbon tax and the potential for pass-through to consumers by Eskom in the second phase of this tax.

The group risk register recognises the security of electricity supply in South Africa as a significant risk, specifically the reliability and cost of power from Eskom. Supply interruptions affect production efficiencies and, in the absence of emergency generators, could severely impact the safety of workers at underground operations if ventilation fans are not functioning. Inconsistent supply has a negative effect on refractories and furnace life at Cato Ridge Works. Electrical infrastructure failure, loadshedding or load curtailment pose a risk to the sustainability of current operations and the feasibility of future operations.

The decision to mine the Merensky reef at Two Rivers Mine will mean a significant increase in energy consumption. In the short term, the mine will need to run diesel generator sets, (which will increase diesel consumption) until the electrical grid infrastructure can accommodate the increased demand. The mine is currently engaging with Eskom to supply the required capacity by the end of 2022.

In F2021, loadshedding increased use of backup electricity generators to support critical functions, such as ventilation fans, increasing diesel consumption and emissions. We hold quarterly liaison meetings with Eskom representatives to help mitigate electricity supply risk.

Key statistics



Electricity consumption at ARM operations decreased 1.3% to 1 543GWh (reported on a 100% basis) from 1 563GWh in F2020. Electricity consumed by the ferrous division rose 4.9% but decreased 7.3% in the platinum division as Nkomati Mine stopped production. This mine accounted for 16% of total electricity consumption for the year, Modikwa Mine 18%, Two Rivers Mine 15%, Khumani Mine 13% and Cato Ridge Works 27%.





Our strategic focus on cost competitiveness underscores the importance of increasing energy efficiency to reduce carbon emissions and improve operational efficiencies.

The GHG reduction initiatives on page 50 include energy-efficiency projects.

ARM Ferrous' energy-efficiency charter includes targets for energy-efficient practices while energy-reduction plans are in place at operations in the platinum division. ARM Ferrous, trading as Assmang (Pty) Ltd (a joint venture with Assore Limited), is part of the Energy Intensive User Group, a consumer-led organisation working with government and other stakeholders to ensure South Africa has energy industries that provide reliable supply at acceptable quality and competitive prices.

Energy consumption is expected to increase at most operations due to mining at deeper levels and mining lower-quality ore, which increases stripping rates, as well as expansion projects and construction of new plant and equipment.

To make meaningful progress towards our long-term GHG reduction ambition, we are exploring options to

invest in renewable energy-generation technologies or to buy electricity from renewable sources. The transmission network in the Northern Cape cannot support wheeling electricity from renewable sources to our ferrous mines and we are exploring the potential for renewable energy and storage capacity at those mines. A prefeasibility study was completed and an independent engineering firm commissioned to explore potential solutions. Potential financial models will be informed by our range of internal carbon prices.

Fuel consumption

Diesel is mainly used by mobile equipment, including trackless machines and vehicles for mining, loading, hauling and logistics. A small amount is also used in standby electricity generators. Diesel consumption contributed 52% to total scope 1 carbon emissions in F2021 (F2020: 58%).

Total group diesel consumption decreased 4.5% to 78.9 million litres in F2021 (F2020: 82.6 million litres) due to reduced activity at Nkomati Mine. Khumani (47% of total group diesel use), Beeshoek (18%) and Nkomati (12%) are large open-pit mines that use diesel mainly to haul run-of-mine material to the concentrator plants.



Environment continued

Land use management

Mining and associated activities have significant direct and indirect impact on the physical environment, including disturbing land, impact on biodiversity and discharges into waterbodies or air. Mines often operate in remote and environmentally sensitive areas, with increasing scrutiny of their environmental impact.

We consider the impact of our operations on local landscapes at each stage from exploration to construction, operation and eventual decommissioning and closure. We are committed to safeguarding biodiversity in the biomes around operations, minimising the impact of waste on the natural environment and surrounding communities, and rehabilitating disturbed land to a stable and sustainable condition.

Biodiversity

ARM recognises its responsibility to sustain biodiversity around operations. Our approach to biodiversity conservation aligns with ICMM guidelines for mining and biodiversity. We are committed to net positive biodiversity impact, or to compensation for negative impact, as appropriate. Two Rivers Mine, Cato Ridge Works and Machadodorp Works are located close to sensitive areas.

Biodiversity studies at the early stages of new and expansion projects establish baselines and identify potential risks to biodiversity and the landscape. The land-use planning aspects of EIA and/or EMP processes include structured engagements with community forums, local municipalities and other affected stakeholders.

Biodiversity action plans and biodiversity management programmes are in place at all operations. The former are pivotal environmental management instruments that include commitments to conserve protected areas such as wetlands, zones of endemism, archaeological and heritage sites, as well as protected and endangered species identified by the International Union for Conservation of Nature.

Biodiversity training is provided to employees, contractors and communities to raise awareness of sensitive and endangered species around our operations. Impacted areas are monitored continuously and operational biodiversity performance audits are conducted biennially as part of external EMP audits.

ARM partners with government and/or academic institutions to promote biodiversity protection, including relocation of protected species and removal of alien vegetation. If required, we provide access to sites for scientific research.





Operation-specific biodiversity initiatives include:

- **Cato Ridge Works** sponsors the Wildlands Trust to conserve grasslands in the Inanda Dam area through a memorandum of understanding with eThekweni Municipality
- A full-time team at **Nkomati Mine** continuously manages alien invasive plant species inside the mine boundaries as part of a stream flow reduction activity programme
- **Khumani Mine** partnered with the DFFE and the Department of Nature Conservation in the Northern Cape to establish a biodiversity offset area that has been registered as a conservancy.

Key statistics



191 hectares of land were disturbed (F2020: 113 hectares) and 85 hectares were rehabilitated (F2020: 26 hectares) in F2021. At the end of the review period, 226 hectares of disturbed land had been rehabilitated (F2020: 137 hectares) and 7 280 hectares disturbed (F2020: 7 088 hectares).

 See ESG data tables.



Environment continued

Waste management

Material waste streams at the operations include slag, waste rock and tailings. These are by-products of mining, beneficiation and smelting processes. We focus on mining and process efficiencies to minimise these waste streams.

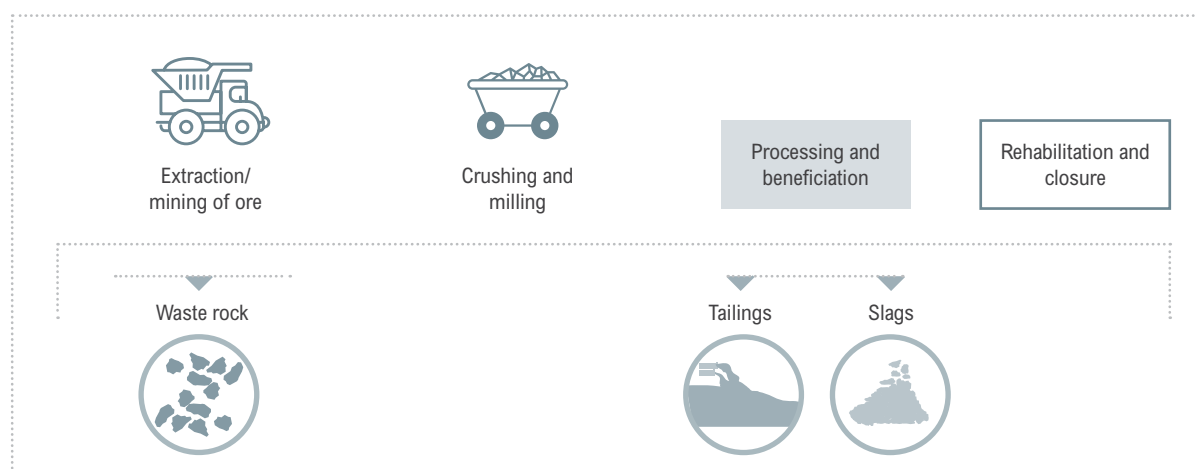
Other waste includes domestic waste from our offices and oil from trackless mobile mining and production machinery. These are strictly managed and, while there are currently no absolute reduction targets, there is a minimisation strategy to recycle all waste. In F2022, all operations will have a target to reduce domestic waste to landfill by a minimum of 5% against F2021.

Our approach to waste management aims to improve operational efficiencies by reducing waste production, effectively sorting waste and promoting recycling wherever possible. Waste that cannot be recycled is safely disposed at appropriate facilities and safe-disposal certificates are obtained.



Waste inventories at operations record the source, volume and type of waste generated by each process, as well as the disposal method. Operations are registered on the South African Waste Information System and report the volume and type of waste generated and disposed monthly.





Waste stream	Source	Disposal sites	F2021	F2020	F2019
Waste rock	Non-ore-bearing rock removed in ore-extraction process	Waste-rock dumps or used to backfill and rehabilitate open-pit workings	59.8Mt	67.2Mt	82.3Mt
Tailings	Finely milled waste material suspended in water produced in processing metals and minerals	Tailings storage facilities	12.9Mt	15.4Mt	17.2Mt
Slag	The main industrial waste product from the smelting process. We recycle slag to recover residual metal and minimise the volume of slag produced	Designated, licensed slag-disposal sites within boundaries of smelters	Disposed – 7 854t Recycled – 131 310t	Disposed – 3 260t Recycled – 131 867t	Disposed – 18 900t Recycled – 136 000t
Domestic waste	Produced by operational, administrative and support functions	Licensed municipal landfill sites	3 120t	2 470t	3 498t
Hazardous waste	Includes: • oil-contaminated material • oil filters from vehicle maintenance • medical waste from the clinics	Registered waste-disposal facilities. Safe-disposal certificates obtained for each waste stream	3 387t of other hazardous waste	1 764t of other hazardous waste	1 555t of other hazardous waste

t – tonnes.

Mt – million tonnes.

Recycled waste

	Scrap metal	Paper	Electronic waste	Wood/timber	Plastic	Cans	Fluorescent tubes (recycled)	Boxes	Building rubble (reused/recycle)	Used oil litres	Tyres
Tonnes											Numbers
F2020	5 224.5	23.3	4.3	355.0	65.6 ²	1.4	0.8	26.6	1 408.6	776 803	1 838
F2021	4 429.2	60.8	6.8	306.7	19.7	5.5	2.0	12.2	384.1	937 662	2 286

² F2020 plastic recycled was incorrectly shown as 139.2 tonnes and has been restated.

Environment continued

Waste management continued

Waste controls

Discharges at operations are reported to the relevant authorities in terms of quality and volumes. Clean-up and rehabilitation processes are initiated immediately, documented and comprehensively reported to the respective internal governance structures as well as authorities. Incidents in F2021 are summarised below.

Operation	Incident
Two Rivers Mine	<p>On 4 September 2020, sewage overflowed into the natural environment due to sewage-handling incapacity, contributing to pump failure and system malfunctioning. The sewage was cleaned up and the incident reported to the Department of Water and Sanitation (DWS).</p> <p>On 4 November 2020, the pollution-control dam overflowed to the natural environment during heavy rainfall. Upstream and downstream samples from the Kleindwars River to check pollution showed no traces of the spillage. The incident was reported to the DWS.</p> <p>Heavy rainfall led to the pollution-control dam overflowing into the natural environment on 15 and 16 February 2021. Water samples taken from the Kleindwars River upstream and downstream from the overflow point after each incident showed no traces of the spillage. Both incidents were reported to the DWS.</p>
Black Rock Mine	<p>On 12 November 2020, a sewage discharge occurred towards the Gamagara rehabilitation area due to tampering with the pump panel that controls effluent pumped to the sewage treatment plant. No clean-up was necessary as only grey water was spilled. Remedial steps were taken to prevent recurrence and the incident was reported to the DWS.</p> <p>On 27 January 2021, prolonged heavy rainfall over seven days led to a discharge of dirty water (run-off) from the manganese stacking floors. An impermeable earth berm will be constructed adjacent to the mine fence/boundary to prevent recurrence. The incident was reported to the DWS.</p>
Nkomati Mine	<p>The positive water balance and heavy rainfall in January 2021 led to overflows of rainwater, stormwater run-off and seepage water from the pit 2 storage facility and Onverwacht return-water dam on 24 January 2021. The water discharged into the Adit stream, a tributary of the Gladdespruit, and surrounds. Immediate measures were taken to stop the spillage and water samples were taken upstream and at various locations downstream of the spillage and submitted for analysis by an external laboratory. Water quality of samples taken at Nkomati Mine's compliance point was within compliance parameters stipulated by the WUL. The incident was reported to the IUCMA as required.</p>

There were no incidents of material hydrocarbon spillage of a scale reportable to the authorities in F2021.

As required by amendments to the National Environmental Management: Waste Act on remediation of contaminated land, contaminated land surveys have been completed for Machadodorp Works and Cato Ridge. The information from these studies is included in closure and rehabilitation costs and related financial provisions.

Rehabilitation and closure



Rehabilitation and closure.

Rehabilitation and closure plans and processes aim to ensure that, at the end of a mine's life, the site is restored to an agreed land end-use or state in line with conditions in its environmental authorisations, such as EMPRs and agreed closure plans. This includes demolishing and removing infrastructure, filling open pits and shafts, rehabilitating mine residue deposits, disposing of waste and environmental remediation.



Plans are in place at ARM operations to ensure that rehabilitation and closure are appropriately planned and budgeted for. Wherever possible, operations undertake rehabilitation activities concurrently with mining activities.

The ICMM's closure maturity framework self-assessment tool was piloted at Beeshoek and Two Rivers mines, and rolled out to the other mines. This tool aligns with the ICMM integrated mine closure good practice guide and aims to assist members to map, motivate and measure the status of assets on their journey to sustainable closure.

The mining operations engage independent specialists to conduct annual reviews of the estimated costs of closure and rehabilitation against the requirements of relevant legislation, EMPR closure commitments and applicable good practice, including ICMM guidance. Annual contributions are made to conservation trusts and/or guarantees provided to fund liabilities for rehabilitation obligations in line with regulatory requirements. These provisions align with the requirements of the new NEMA: Financial Provisions Regulations that will come into effect in June 2022.

Nkomati Mine was placed on care and maintenance from February 2021 in preparation for closure. The mine's environmental responsibilities will be executed in line with its EMP, relevant statutory requirements and good-practice guidance from the ICMM on responsible mine closure. A specialist company was appointed to conduct the financial provision/closure cost assessment for mining activities at Nkomati Mine, based on a comprehensive and integrated closure plan. The assessment estimated an undiscounted rehabilitation cost, at 30 June 2021, to be R1.2 billion (at 100%). A total of R218 million in restricted cash and guarantees has



been provided to fund the rehabilitation obligations. The resulting shortfall is expected to be funded firstly from cash that was generated by Nkomati Mine during the production scale-down and subsequently by the joint-venture partners in proportion to their shareholding.

At the end of June 2021, the total estimated closure cost across the ferrous and platinum divisions on a 100% basis was R2.7 billion (F2020: R2.4 billion). The estimated balance of the trust funds was R513.2 million at June 2021 and guaranteed facilities are in place for a further R1.05 billion, representing total trust funds and guarantees (contributions) of R1.56 billion.

While there are shortfalls in provisions at certain operations, apart from Nkomati Mine, these represent a relatively small value compared to assets at the operations and the annual cash flows they generate.

Rm Operation	Estimated closure cost at 30 June 2021	Contributions			Total provision, including guarantees	Anticipated shortfall, excluding guarantees	Anticipated shortfall, including guarantees
		Trust fund		Guarantees			
		2021 trust fund contribution	Estimated trust fund balance at 30 June 2021				
Beeshoek Mine	182.2	5.4	108.1	51.4	159	(74)	(23)
Khumani Mine	437.7	5.9	115.9	264.4	380	(322)	(57)
Gloria Mine*	50.9	1.4	27.6	76.1	104	(23)	53
Nchwaning Mine*	98.8	1.1	22.5	—	22	(76)	(76)
Black Rock Mine	127.1	2.3	45.2	81.9	127	(82)	—
Two Rivers Mine	265.5	11.7	38.1	180.6	219	(227)	(47)
Nkomati Mine	1 191.8	—	118.7	99.5	218	(1 073)	(974)
Modikwa Mine	365.0	—	37.0	292.1	329	(328)	(36)
Total	2 719	28	513	1 046	1 559	(2 205)	(1 160)

* Part of Black Rock Mine.

Environment continued

Responsible tailings management

Tailings are produced in processing mined ore. During processing and beneficiation, the ore is finely ground and mixed with water and chemicals to separate minerals from waste. The waste remaining after beneficiation is a mix of finely ground waste rock and water known as tailings or slurry, which is disposed in tailings storage facilities (TSFs).

F2021
FOCUS

Responsible tailings management.

There are 11 TSFs at ARM operations, four at Nkomati Mine, three at Black Rock Mine, and one each at Beeshoek, Khumani, Two Rivers and Modikwa mines. The design and construction of TSFs include appropriate physical barriers to prevent polluting groundwater. Surface-water runoff around waste-rock dumps and TSFs is monitored to alert operations to negative impacts. Groundwater modelling predicts the potential impact of tailings disposal on aquifers and allows for mitigation measures. The latest structural stability reports confirm the TSFs at ARM's managed operations as stable.

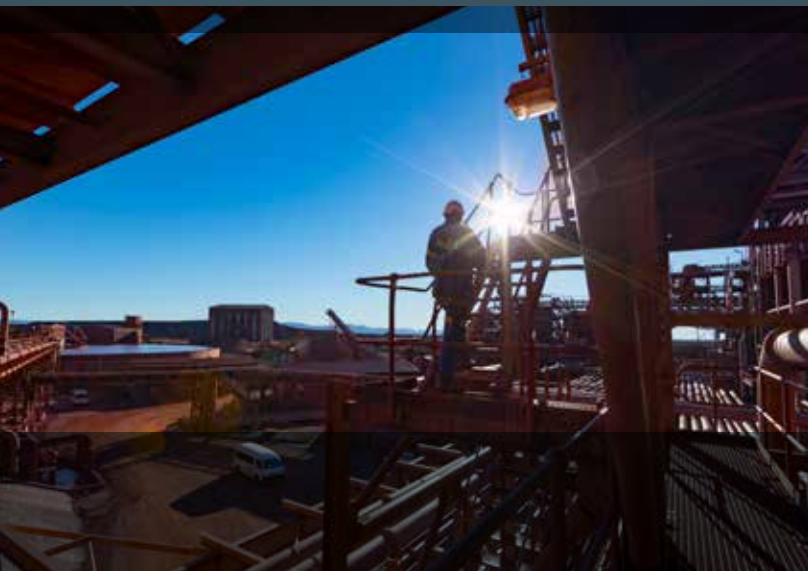
ARM is committed to tailings management and standards that align with national and global good practices for the preservation of health, safety, and the environment in all phases of the mining life-cycle. To achieve this consistently, ARM implements strict internal standards and practices in line with local regulations and internationally recognised good practice.

Our main priority is ensuring the stability of our TSFs. The responsible and safe management of tailings is a strategic issue with major financial and reputational value. As such, it is a corporate and board priority. Reporting on tailings is included in the agenda of the quarterly sustainable development committees of every joint-venture board/exco, as well as the ARM audit and risk committee and social and ethics committee of the board and, ultimately, to the ARM board of directors.

Tailings management and governance measures

Recent international catastrophic failures of TSFs have increased the focus of investors, NGOs and other stakeholders on responsible tailings management. In 2016, the ICMM published a position statement on preventing catastrophic failure of TSFs, with a governance framework. This framework enhances focus on the key elements of management and governance necessary to maintain integrity of TSFs and minimise the risk of catastrophic failures.

ARM, as a member of the ICMM, reviewed its TSFs in accordance with the framework. The findings were





included in the annual review of management controls at ARM-managed TSFs by a multidisciplinary internal team. From 2019, this process was replaced by external reviews.

In 2019, the ICMM convened an independent review of global tailings management practices, with co-convenors UNEP (United Nations Environmental Programme) and Principles for Responsible Investment. The outcome was a Global Industry Standard on Tailings Management (GISTM), launched in August 2020, with the main objective being the safer operation of tailings facilities. ARM has been actively involved in the process and welcomes the GISTM. Our comprehensive TSF disclosure in response to a coalition of investors in April 2019 is available on our website (link: <https://arm.co.za/wp-content/uploads/2020/05/arm-summary-tailings-storage-facilities-disclosure.pdf>)

TSF oversight at ARM corporate level

In 2019, ARM commissioned an independent external reviews of the TSFs, aligned with global best practice, to enhance our related management systems. These reviews included TSF management systems, designs and stability, as well as governance processes at operational and corporate level. Following the reviews, recommendations for improvement are being implemented by each operation to address any findings or deviations identified.

F2021 FOCUS

ARM TSF management standard and GISTM.

The review identified the requirement for a TSF management policy and standard, in addition to governance standards already in place. These were approved by the board in F2021. The two documents align with GISTM, which is an international best practice. ARM-managed operations have developed TSF implementation plans to comply with the ARM TSF standard/GISTM as well as reporting dashboards on critical compliance elements. Progress is reported quarterly at sustainable development/compliance meetings, with implementation of the GISTM scheduled for completion in F2024.

In May 2021, the ICMM published the tailings management good practice guide and the conformance protocols, which will assist members to comply with GISTM.

ARM commissioned independent external dam-breach analysis of all TSFs to ensure a comprehensive understanding of the potential impact on stakeholders – including communities, the environment and infrastructure. The completed studies and reports will inform enhanced emergency-response planning. The TSF at Beeshoek Mine is categorised as low risk and the dam-breach analysis was postponed to 2022.



Environment continued

Responsible tailings management continued

In addition to governance and operational measures described elsewhere in this section, a review of tailings management at each TSF is conducted annually by the risk engineer from the International Mining Industry Underwriters (IMIU) during the annual risk survey. Detailed comments and recommendations relevant to TSFs are included in the IMIU report for each operation. The IMIU recommendations are added to each operational risk profile and progress is tracked quarterly. These recommendations are included in governance reporting to both the ARM audit and risk committee and social and ethics committee, as well as the joint-venture sustainability and audit and risk committees.

TSF management at ARM operations

Legislative requirements are assessed and incorporated into the TSF management system. The operations have submitted and implemented the mandatory code of practice on the operation of mine residue facilities according to the guidelines of the DMRE and the South African National Standard on the management of mine residue and SANS 10286. Internal and external reviews take place as required by these regulations. Operating manuals and procedures have been developed and are aligned with the code of practice.

Overview of the TSF management system

South African operating model

Owner

- Typically the process plant/production manager

Professional engineer (in terms of GISTM): this role has been replaced by engineer of record (EOR). All operations are making this transition

- Geotail (Khumani, Black Rock, Nkomati and Two Rivers new TSF)
- Herman Venter (Two Rivers existing TSF)
- SRK (Modikwa, Beeshoek)

Operator (specialist TSF construction and operating companies)

- Stefanutti Stocks (Khumani, Nkomati)
- Intasol (Two Rivers)
- Fraser Alexander (Modikwa, Black Rock)

Classification of TSFs in terms of the GISTM: all facilities must be reclassified as per GISTM. All operations have started this process

- Based on the South African National Standard on the management of mine residue, SANS 10286
- Hazard classification (reported per TSF) based on potential hazard to the environment, infrastructure of communities of failure
- Due to height and footprint of most TSFs and potential consequence in the event of failure, classified as 'high hazard'
- 'Zone of influence' – an empirical formula that could over/under state risk of inundation in the event of failure. Conduct dam breach analysis

Routine daily, weekly and monthly inspections are performed both by the operator and the operation. The engineer, the operator and mine personnel conduct quarterly inspections, and submit reports to the manager. Records kept by operations include tailings dam designs, construction drawings, continuation reports, annual reports and minutes of mandatory meetings.

Tailings storage facilities

Ensuring the safe and stable operation of TSFs at ARM-managed operations is a priority, both at operational level and at corporate level by the joint-venture partners at each operation.

ARM Platinum

The sustainable development committees of each mine, represented by both joint-venture partners, consider details on the status and compliance of TSFs at quarterly meetings. Each operation reports TSF compliance and status to the joint-venture partners at quarterly steering committee and sustainable development committee meetings. Implementation status of recommendations from the independent external reviews and dam-breach analyses is monitored and reported at quarterly sustainable development committee meetings.



ARM Ferrous

The Assmang exco and social and ethics committee consider TSF compliance and status reports at each quarterly meeting.

All three ARM Ferrous mining operations have commenced with the implementation of the GISTM. An accountable executive has been appointed for the safe and responsible management of TSFs in the ferrous division, and the TSF management policy and standard is being implemented. All facilities are being reclassified in terms of the GISTM criteria. This also entails updating the dam-breach analysis of the facilities against the risk criteria in the GISTM. Once the process is completed, the emergency response plan of each facility will be updated accordingly. Currently, all facilities are operated within the required structural stability parameters for the facility.

FOCUS FOR
F2022

- Finalising draft context-based water targets
- Reporting F2022 water data according to the revised ICMM water accounting framework guideline
- Investigating opportunities to enhance community resilience to water-related impacts through our SED and CSI programmes
- Expanding our assessment of water-related risks and the role of projected climate changes in our supply chain
- Complying with the South African carbon budget first phase extension and phase 2 requirements
- Incorporating financial metrics into our new energy and carbon management system, to inform prioritisation of decarbonisation measures and to feed into developing our long-term decarbonisation pathway
- Continue to collaborate to refine our scope 3 approach and understanding of our role in reducing those emissions. This should be undertaken to the point where we can integrate scope 3 emissions into our strategic processes by including, for example, scope 3 emissions in our future GHG emission-reduction targets
- Developing a long-term decarbonisation pathway, building on initial work undertaken as part of our climate scenario analysis process
- Interrogating our GHG accounting organisational boundary
- Leveraging preliminary results of the climate scenarios analysis to inform a revised assessment of water and climate-related risks in our supply chain
- Undertaking a review of our industry associations' positions on climate change to ensure alignment of our direct and indirect climate-related lobbying with our new long-term ambition
- Rehabilitation and closure
- Responsible tailings management.



Social

ARM's ability to create value depends on the value we create for others and we recognise our responsibility to consider the upstream and downstream impacts of our activities. Safety and health are critical components of operational performance and directly affect productivity, efficiency, financial capital and our relationships with our stakeholders.





Social

Communities

We partner with communities and other stakeholders, investing significantly to promote socio-economic development and improve community resilience and sustainability.

Reporting context

ICMM



FTSE/Russell

- Human rights and community

Principal legislation

- Mineral and Petroleum Resources Development Act (MPRDA)
- Mining charter
- Department of Trade, Industry and Competition revised Codes of Good Practice (dtic CoGP)

UN SDGs



Mining communities around the world increasingly expect to share in the value created by operations in their vicinity, chiefly through employment, local economic development (LED), corporate social investment (CSI), procurement opportunities and other benefits. This trend is evident in South Africa, where poor and marginalised people have become frustrated with unemployment, poverty and inequality – all exacerbated by Covid-19.

ARM works with community forums, municipalities, the DMRE and other local and national stakeholders to find solutions for the challenges facing local communities. We invest significantly in infrastructure and social projects that improve the living conditions and standards of living of people in these communities, promote socio-economic development and improve community resilience and sustainability.

Our community investments can create significant positive impact, strengthening relationships with local communities and benefiting employees who live there. Regular engagements improve our understanding of community needs and expectations, and we include beneficiaries from the project-planning phase to promote community ownership of projects.





How we manage community relationships

Stakeholder and community engagement are agenda items at operational, divisional and board meetings, which include discussions of community concerns or disputes.

We identify community stakeholder groups through stakeholder mapping and their direct contact with operations. These groups are recorded in stakeholders registers. Community stakeholders include traditional leaders, elected or approved representatives and special community interest groups, such as business, youth or women's forums.

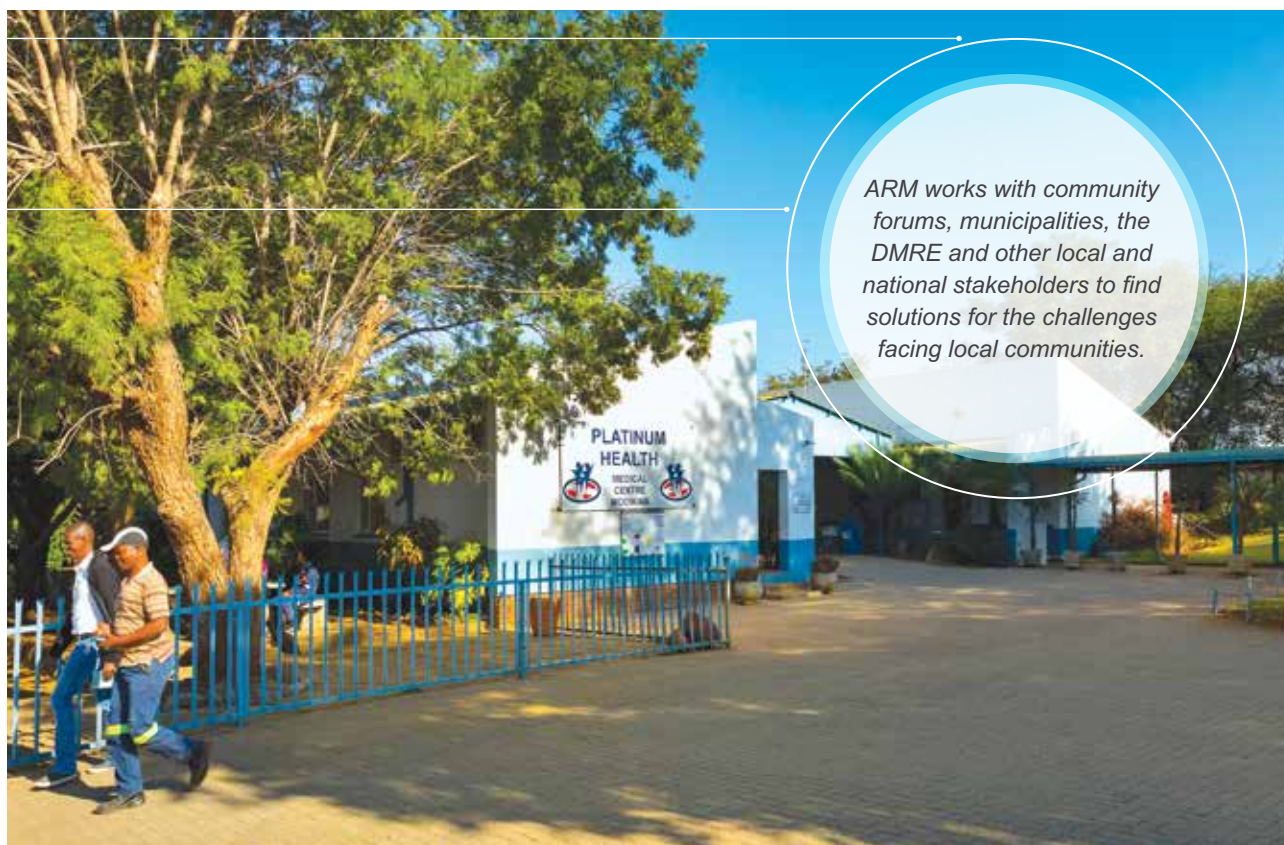
Stakeholder engagement strategies, policies and plans guide community engagements. The executive: Compliance and stakeholder relations, and divisional senior management oversee operational stakeholder engagement. Engagements include formal and informal interactions, with minutes generally taken at formal engagements.

Project implementation and project impact are monitored using metrics relevant to the type of project and stakeholders.

Where possible, operations collaborate with peers and other industry bodies to improve coordination and increase social impact. ARM Ferrous is a member of the Northern Cape shared-value working committee, which works with the Minerals Council to coordinate and deliver sustainable corporate social responsibility projects in the region. During the year, ARM Ferrous joined the Impact Catalyst, which aims to integrate the approach of mining companies in the region to increase the scale, speed and impact of socio-economic development.

The general managers of Modikwa and Two Rivers mines participate in a working group with CEOs of local mining companies and the Minerals Council to identify solutions to socio-economic challenges in the Eastern Limb.

Community grievances can be raised through formal stakeholder structures and are often addressed to municipalities, with the local mayor communicating these to the operations. Stakeholder groups also approach the operations directly or use the externally managed ARM whistleblower facility.



Social continued

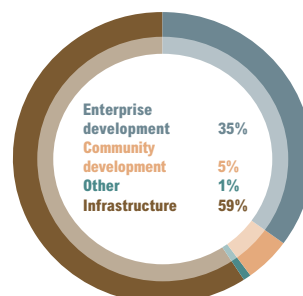
Communities continued

ARM's contribution to communities Local economic development

The mines commit to five-year social and labour plans (SLPs) in terms of the MPRDA. These include LED programmes that enhance community infrastructure. SLP projects align with the needs identified in regional integrated development plans; these are agreed and regularly revised in close consultation with communities, the DMRE, departments of health and education as well as local government.

SLP project progress is reported internally at least quarterly at social and ethics committee and sustainable development committee meetings at corporate, operational and divisional levels. Regular updates are provided to municipalities, communities, the DMRE and other government departments.

F2021 total LED spend R125.3 million

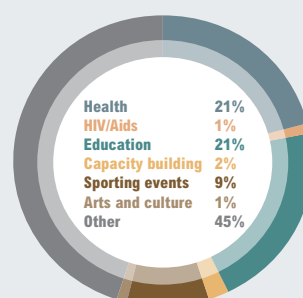


In F2021, ARM invested R125.3 million in LED infrastructure projects (F2020: R85.6 million), which comprises 74% of the group's total LED and CSI spend.

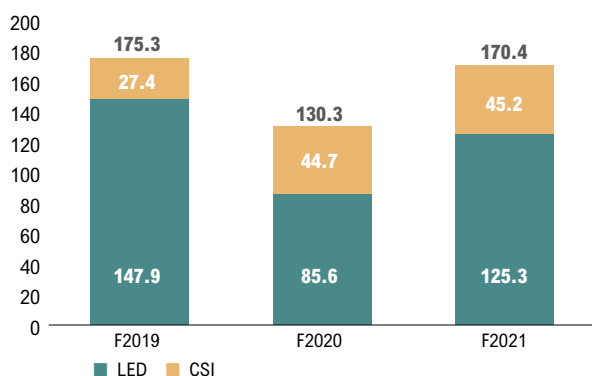
Corporate social investment (CSI) and LED spend

Community needs that fall outside the SLPs are funded through operational CSI budgets. CSI spending increased to R45.2 million (F2020: R44.7 million), with 21% invested in health projects, 20% supporting educational initiatives and 45% allocated to other projects, which include disaster relief following floods in John Taolo Gaetsewe district.

F2021 total CSI spend R45.2 million



LED and CSI spend (Rm)



In F2020, Covid-19 affected delivery on LED projects in the last quarter and shifted priority to pandemic relief, resulting in CSI spend increasing by 63% from F2019. LED spend in F2021 increased by 46% on F2020 and CSI spend was R45.2 million as we continued to support local community needs. Combined LED and CSI spend in F2020 increased by 31% to R170.4 million in F2021 (F2020: R130.3 million).

Below we discuss some of the areas supported by ARM's LED and CSI investments, as well as our broader contributions.



Covid-19 relief

ARM operations provided extensive support to hospitals, municipalities and host communities with the onset of Covid-19 in F2020. This continued in F2021, with our CSI spend again significantly above budget and historical levels to provide support for communities in identified areas.

- Black Rock Mine provided a Covid-19 testing and screening facility at Kuruman Hospital, including water and electricity connections, and implemented a relief programme that provided work for 250 unemployed youths for three months. The mine donated and distributed cloth masks to communities in John Taolo Gaetsewe district municipality
- Black Rock Mine upgraded the ablution facilities at four local primary schools, improving sanitation and safety for 1 381 learners. It also provided four furnished mobile classrooms to three local schools to improve learning conditions and support social distancing
- Beeshoek Mine upgraded three local libraries to provide e-learning facilities and a place for students to study while schools were closed
- Two Rivers Mine built and furnished six new classrooms at two local schools (240 learners) to increase capacity and reduce congestion in classes
- ARM corporate contributed to the Minerals Council's initiative to provide oxygen and related products for the Eastern Cape. These were delivered to hospitals in areas identified for particular support.

Infrastructure development

- Beeshoek Mine installed solar street lighting in the Postmasburg community
- Two Rivers Mine upgraded a gravel road between the Kalkfontein and Buffelshoek communities. The mine is also implementing a project to electrify 700 households in three local communities to improve visibility at night, reduce crime and enhance quality of life
- Modikwa Mine completed a sports facility with artificial turf, grandstands and ablution facilities for the Maandagshoek community, as well as paving a section of the road from Mamphahlane to Hwashi.

Education

- Black Rock Mine built and furnished an early childhood development (ECD) centre for 50 learners
- Two Rivers Mine built an ECD centre for the Belvedere community to provide a good educational foundation for children and serve as a care centre for parents working at the mine.

ARM participates in a number of initiatives that support youth development, increase employability in local communities and develop future industry skills. These include bursaries for qualifying students from local communities in relevant fields of study and a web-based programme to improve performance in maths and science.



ARM operations continued to provide extensive support to hospitals, municipalities and host communities with the onset of Covid-19.

Social continued

Communities continued

Skills development

ARM makes a meaningful contribution to increase the skills pool in host communities, especially among members of historically disadvantaged communities. These initiatives include nationally aligned adult education and training (AET) at the operations' training centres to support the development of basic skills and learnerships to enhance skills across disciplines applicable to mining. The graduate development programme provides work exposure for unemployed youths who have completed degrees or diplomas in scarce skills disciplines (see page 95).

Employment

ARM operations employ more than 20 000 employees and contractors, many of whom are from local communities. Infrastructure and other projects supported by the operations are encouraged to use local labour and facilitate transfer of skills wherever possible.

Healthcare

Khumani, Black Rock, Beeshoek, Modikwa and Two Rivers mines are supporting the government-led Covid-19 vaccination drive and were approved as vaccination sites. As at 26 September 2021, 1 968 community members had been vaccinated at Black Rock and Khumani sites which are vaccinating community members.

The operations work closely with regional departments of health to support government and industry health priorities (see page 82). They also support awareness, testing campaigns and outreach initiatives to address PTB, HIV and Aids among employees and in communities. Direct support for community health includes wellness centres, home-based care groups and work with local Aids councils to ensure community projects address the most pressing needs.

Black Rock Mine is running a three-year school programme in the John Taolo Gaetsewe municipality to provide health screening and promotion at 958 schools. Screening includes oral health, vision, mental health, PTB and chronic illnesses.

Preferential procurement and enterprise and supplier development

ARM's preferential procurement and enterprise and supplier development programmes support the development of local small, medium and micro enterprises (SMMEs). This support aims to promote entrepreneurship, create jobs, increase economic activity in mining communities, empower historically disadvantaged people and improve market access for South African goods and services.

The operations support black-youth-owned, black-owned and black-women-owned businesses, and, where appropriate, ring-fence opportunities for these suppliers.

- Initiatives include a young entrepreneurs' incubation programme and a business skills development programme
- Support includes training, mentoring and coaching, early payment terms to assist with cash flow management, providing equipment and financial support to qualifying SMMEs.

Community water infrastructure

The operations support projects that improve access to water and water resiliency for local communities, particularly in the Northern Cape, where access to water is a challenge.

- Khumani Mine has partnered with the Gamagara local municipality to construct a water-supply line and equip boreholes for 1 265 households in the Mapoteng and Sisheng communities
- Black Rock Mine provided a water truck to the Joe Morolong municipality
- Modikwa Mine is providing water infrastructure, including tanks, boreholes, purification systems, pipelines and taps to provide clean water for households in six local communities.

The ARM Broad-based Economic Empowerment Trust (ARM Trust)

The ARM Trust works with kings, traditional leaders, religious and faith-based organisations, representatives from government, business, trade unions, women, youth, NGOs and other rural and urban communities to uplift living conditions and living standards of poor and marginalised South Africans.



Rural upliftment trusts in every province, except Gauteng and Western Cape, implement welfare, community development and anti-poverty initiatives focused on education. These trusts and individual unit holders are funded by the dividends accruing to their combined equity interest in ARM.

We provide resources to build the ARM Trust's administrative and project management to manage development initiatives. In F2021, R10.9 million was provided to projects facilitated by the trust (F2020: R14.5 million).



Transformation

We are committed to working with government, labour, our host communities and other stakeholders to ensure the South African mining industry advances the interests of all stakeholders.

Reporting context

ICMM



FTSE/ Russell

- Labour standards
- Human rights and community

Principal legislation

- Mineral and Petroleum Resources Development Act (MPRDA)
- Mining charter
- Department of Trade, Industry and Competition revised Codes of Good Practice (dtic CoGP)

UN SDGs



We unequivocally support transformation in the South African mining industry as an effective way to redress historical inequality and facilitate broader social development. Mining licences depend on transformation performance, and compliance with the relevant legislation is a key focus.

How we manage transformation

The social and ethics committee oversees transformation. Progress in terms of the requirements of the mining charter and the dtic CoGP is monitored on an ongoing basis and reported to the social and ethics committee every quarter.

Transformation principles are integrated into business processes, with an emphasis on those areas most directly promoting transformation, such as the human resources, procurement and corporate social responsibility functions.



Social continued

Transformation continued

Mining charter objectives:

- Promote equitable access to the nation's mineral resources to all the people of South Africa
- Substantially and meaningfully expand opportunities for historically disadvantaged persons (HDPs) to enter the mining and minerals industry and to benefit from the mining of the nation's mineral resources
- Utilise and expand the existing skills base to empower HDPs and serve the community
- Promote employment and advance the social and economic welfare of mine communities and major labour-sending areas
- Promote beneficiation of South Africa's mineral commodities
- Promote sustainable development and growth of the mining industry.

Mining charter 2018

The broad-based socio-economic empowerment Charter for the South African Mining Industry (mining charter) aims to achieve the transformation goals of the MPRDA.

The six ARM South African mines submitted reports to the DMRE in March 2021 on their performance for the 12 months to December 2020 in terms of mining charter requirements to implement and report on the seven areas discussed below:

Ownership

All mines exceed the 26% HDP ownership requirement set in the mining charter.



Mineral beneficiation

The Minerals Council South Africa is engaging with the DMRE on behalf of its members to better understand the reporting requirements in light of the mineral beneficiation strategy.

Housing and living conditions

Our housing strategy and policy aims to ensure that every employee has decent accommodation by promoting ownership of affordable housing and address the particular needs of employees at our operations. Our approach aligns with the mining charter, the housing and living conditions standard for the minerals industry and the relevant municipal and spatial planning legislation.

Mine community development

Our socio-economic development initiatives, discussed on pages 68 and 69, aim to make a meaningful contribution to mine community development. Community projects are identified by consulting community leaders, communities and local municipalities, and include skills transfer and capacity-building initiatives. Nkomati Mine is consulting with all local economic development beneficiaries to ensure that legacy projects are completed.

Human resources development

The mines invest in human resources development, including mining and engineering learnerships to employees and local communities, scholarships, bursaries, study assistance grants, opportunities to graduates for vocational training, and adult education and training. Investments in these programmes exceed the mining charter target of 5% of annual salaries. More information on skills development is available on page 94.

Employment equity

Mining licence holders are required to submit five-year employment equity plans to the Department of Employment and Labour for approval. The employment equity and skills development committee guides and monitors transformation in the workforce, skills attraction, development and retention. It reviews recruitment processes, follows up on deviations in employment equity performance and monitors the technical skills required to meet our transformation goals.



Quarterly roadshows facilitated by the group executive: Compliance and stakeholder relations and the group executive: Human resources monitor and evaluate transformation progress at the operations.

Our performance against the mining charter targets and initiatives to nurture and prepare African females for management levels are discussed in detail on pages 96 to 99.



Preferential procurement and enterprise and supplier development

Preferential procurement and enterprise and supplier development promote entrepreneurship and economic growth among HDPs, create jobs, improve market access for South African goods and services, and increase economic activity in the areas around our operations. To progressively improve preferential procurement, our focus remains on supplier and enterprise development initiatives. ARM endeavours to assist new businesses as part of our transformation initiative to incorporate SMMEs into our preferential procurement programmes. We

encourage suppliers and service providers to continuously improve their BBBEE ratings and communicate any changes in their status.

We require valid and current SANAS-accredited BBBEE certificates from suppliers or sworn affidavits for exempt micro-enterprises and qualifying small enterprises to verify BBBEE status. Operations track and flag expiry of suppliers' BBBEE certificates to ensure they remain valid.

Operations continuously engage suppliers to educate them on BBBEE requirements and ARM operations' preferential procurement policies, with a focus on non-compliant companies.

Total group procurement for Black Rock manganese operations, Beeshoek iron ore mine, Khumani iron ore mine, Two Rivers Mine and Modikwa Mine together achieved 37.43 out of 40 points against the year 2 preferential procurement targets set in the mining charter 2018.



Social continued

Transformation continued

The enterprise and supplier development programme supports the preferential procurement programme by assisting black-owned, black-women-owned and youth-owned SMMEs to help sustainable businesses graduate into the mining supply chain. Support includes training, mentoring and coaching, early payment terms to assist with cash flow management, provision of equipment and financial support. Where appropriate, opportunities are ring-fenced for such suppliers.

Performance against the dtic CoGP

We measure ARM's group transformation performance against the dtic CoGP. ARM is a level 6 contributor.

Category	Target	F2021	F2020
Ownership	25	22.26	22.30
Management control	19	13.50	13.35
Skills development	20	7.89	10.16
Enterprise and supplier development	40	31.14	29.00
Socio-economic development	5	0.86	0.60
Overall score		75.65	75.41
Contributor level		6	6





Safety

The core of our zero-harm philosophy is the commitment by management and each individual to safe work. Identifying hazards in the workplace and preventing harm are at the heart of working safely.



Reporting context

ICMM



FTSE/Russell

- Health and Safety

Principal legislation

- Mine Health and Safety Act (MHSA)
- Occupational Health and Safety Act (OHSA)
- Mining charter III
- Mineral and Petroleum Resources Development Act (MPRDA)
- Disaster Management Act

UN SDGs



ARM is committed to maintaining a safe and healthy work environment. Safety is both a value and critical component of operational performance that directly affects productivity, efficiency, financial capital and our relationships with our stakeholders.

Mining, crushing and milling, as well as processing and beneficiating minerals and metals present challenging working conditions. Hazard identification and risk assessment is critical in ensuring appropriate controls for mitigation of harm.

F2021 highlights

- Reduced lost-time, reportable and recordable injuries
- Group LTIFR improved from 0.45 in F2020 to 0.41 in F2021
- Progress in implementing critical control management across mining operations
- Black Rock Mine achieved 9 million fatality-free shifts as at 30 June 2021
- Beeshoek Mine has been fatality-free for over 18 years

F2021 challenges

- Two fatalities at Modikwa Mine during the year

Social continued

Safety continued

Key safety issues

Falls of ground

Trackless mobile machinery

Working at heights

Fatigue



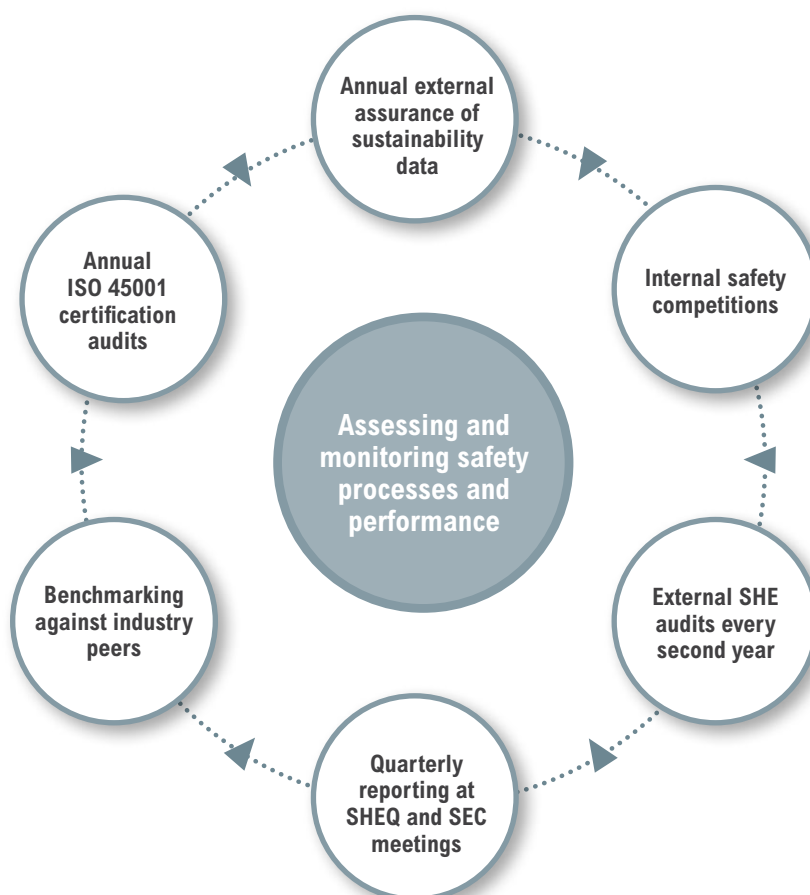
are performed and continuously reviewed at operations to identify and assess their specific safety and health risks. These are conducted daily, before beginning any new task, expansion or change to current operations as well as in planning and executing projects. Risk assessments include input from regulators, specialists, equipment manufacturers, our employees and labour representatives. ARM-managed operations collaborate and share safety learnings across the group, and internal safety competitions raise awareness and create constructive internal benchmarking between operations.

How we manage safety

ARM's holistic approach to employee wellness considers occupational hygiene, health and safety. Group safety policies inform operational safety policies and strategies that are adapted to meet specific safety challenges at each operation.

Identifying hazards in the workplace and preventing harm are at the heart of working safely. Risk assessments

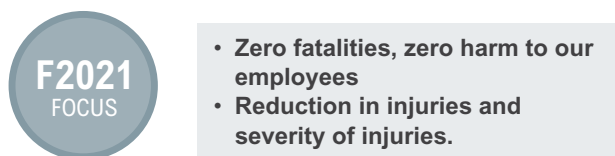
Operational safety and health policies and management systems align with ISO 45001, the international standard on health and safety management systems. Black Rock, Beeshoek, Khumani and Two Rivers mines are certified in terms of ISO 45001, while Modikwa Mine is preparing for certification in terms of the standard. Nkomati Mine is currently on care and maintenance and certification of Machadodorp Works is not currently planned due to the significant reduction in activities at that operation.





Employees and contractors receive safety training at induction, followed by continual on-the-job and competency training to entrench a culture of safe working practices. Standard operating procedures used for on-the-job training are informed by risk assessments and supervisors monitor employees through regular planned task observations. This ensures the correct safety procedures are understood and followed, and creates opportunities to coach and improve safe task execution. Contractors are treated as employees, receive the same training and are included in our safety reporting, as required by legislation and industry standards.

Performance incentives for operational, divisional and corporate staff include a weighting for safety performance that reflects leading and lagging¹ indicators. These indicators are reported and reviewed at quarterly operational and divisional SHEQ and related meetings, corporate SHE meetings and at the quarterly meetings of the ARM social and ethics committee (SEC).



Regrettably, two colleagues were fatally injured in separate accidents at Modikwa Mine in F2021. On 13 September 2020, Mr Dennis Hlengani Mdaka, a rock-drill operator, died when he entered an unventilated

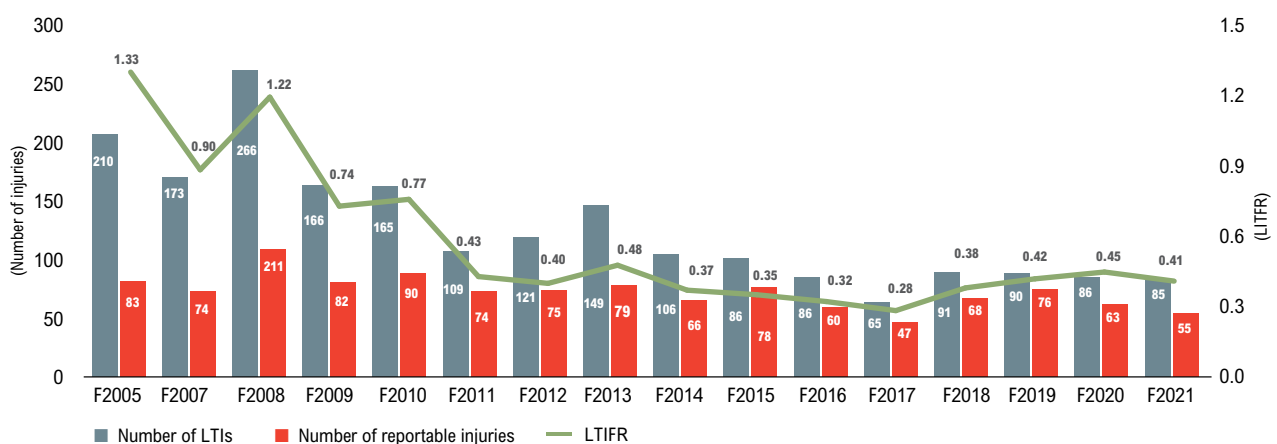
development end at South 2 shaft. On 7 October 2020, Mr Johannes Mahlalela, team leader, sustained an injury to his arm that required surgery. While stable post-surgery, he passed away in hospital on 11 October 2020 after medical complications. We extend our sincere condolences to their families, colleagues and friends.

Following in-depth investigations into both accidents, learnings and opportunities for improvement were presented to members of the ARM social and ethics committee, who contributed to further insights on improving our safety systems. Remedial actions, as agreed with the DMRE, were implemented at Modikwa Mine. Initiatives continue at all operations to ensure safety training is effective and standards are strictly upheld.

Causes of injuries, results of incident investigations and action plans to prevent recurrences are discussed in detail in operational safety meetings, operational management meetings and quarterly joint-venture sustainable development committees. They are also included in reports to the quarterly ARM social and ethics committee meeting.

A strong focus in terms of safety with transport and trackless machinery remains on collision awareness and avoidance systems, also referred to as proximity detection systems. Collision awareness systems (vehicle-to-vehicle as well as vehicle-to-person detection systems) have been installed in trackless machinery at ARM mines and collision avoidance systems are being installed. The operations are working with vehicle manufacturers, the DMRE and Minerals Council to develop more advanced safety solutions for trackless mobile machinery.

Safety performance: Lagging indicators (LTI, LTIFR and reportable injuries)



¹ Leading safety indicators are proactive measures that provide information about the effectiveness of safety procedures that can indicate potential problems. They are continuously observed and include measures such as planned task observations and visible felt leadership. Lagging indicators measure the occurrence and frequency of incidents and injuries that have already happened.

Social continued

Safety continued

ARM operations recorded 85 lost-time² (LTIs) in F2021, 55 reportable injuries and 169 recordable injuries (F2020: 86, 63 and 178 respectively). The ARM group fatality frequency rate (FFR) remained at 0.01, the lost-time injury frequency rate (LTIFR) improved to 0.41 per 200 000 man-hours (F2020: 0.45), while the total recordable injury frequency rate (TRIFR) improved to 0.81 (F2020: 0.92). The LTIFR improved in both the platinum and ferrous divisions. Man-hours lost per LTI, an indication of injury severity, improved to 100 in F2021 (F2020: 143).

Given that Modikwa Mine is the only conventional stope-mining operation in the group, inherent risk is higher and 51 of the group's LTIs occurred at that mine. The Black Rock Mine expansion project has meant a large number of contractors on site, a significant increase in non-routine activities, redeploying employees to new work areas and introducing new tasks. Focused safety initiatives were launched at both mines to improve safety performance.

At Modikwa, a subcommittee with representatives from the joint-venture partners, ARM and Anglo American Platinum, considers and reviews safety performance. External safety specialist consultants conducted surveys, audits and investigations of legal and technical compliance as well as the safety culture at all levels of

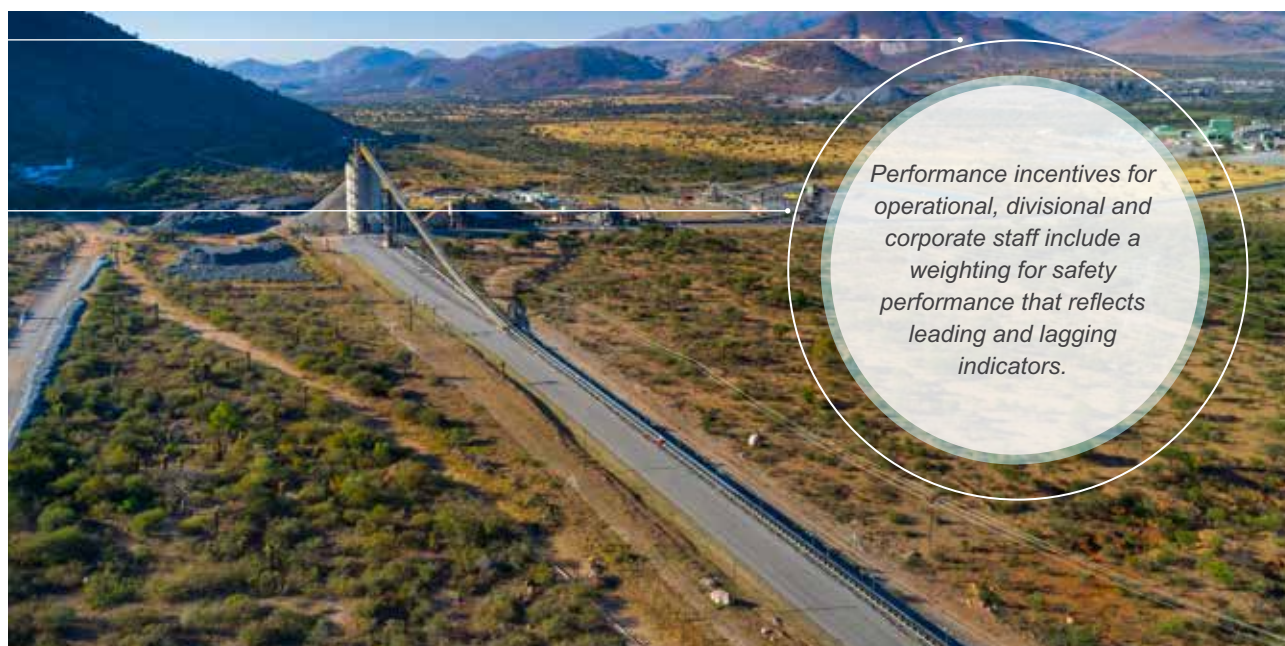
the organisation. The outcome of this process is an integrated safety improvement plan, and a dedicated project manager is driving its implementation.

Safety achievements during the year included:

- Black Rock Mine completed 12 consecutive years fatality-free
- Beeshoek Mine completed 18 consecutive years fatality-free
- Cato Ridge Works completed a full year without a lost-time injury
- Khumani Mine recorded its lowest ever LTIFR of 0.04 per 200 000 man-hours
- Two Rivers Mine recorded 1 million fatality-free shifts.

Operation	Total fatality-free shifts worked*	Last fatality*
Beeshoek Mine	4 817 003	March 2003
Black Rock Mine	9 308 165	April 2009
Khumani Mine	3 934 649	April 2015
Cato Ridge Works	2 719 356	February 2008
Machadodorp Works	1 178 577	February 2011
Modikwa Mine	894 183	October 2020
Two Rivers Mine	1 184 318	September 2019
Nkomati Mine	584 931	October 2019

* As at 30 June 2021.



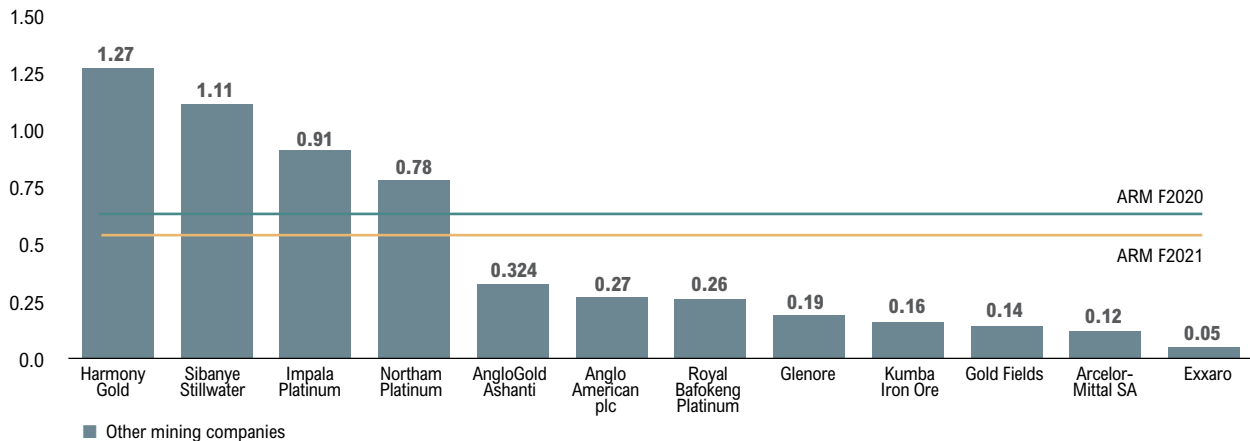
² Safety definitions and additional statistics appear in the ESG data tables at the end of this report.



We benchmark our LTIFR performance against industry peers to provide context for our safety performance, mindful that the safety performance indicators of different mining companies are not necessarily directly comparable due to the risks inherent in different mining and extraction processes, equipment and levels of complexity. The graph below compares ARM's LTIFR relative to the LTIFRs sourced from the latest published annual reports of peer mining companies.

LTIFR Industry Benchmark

(LTIFR per 200 000 man-hours)



Section 54 and 55 notices

In F2021, the DMRE issued 19 section 54 notices at ARM operations (F2020: 28) and 74 shifts (or part-shifts)³ were affected by these stoppages (F2020: 112). 17 of these notices were issued in the ARM Platinum division – 10 at Modikwa Mine and 6 at Two Rivers Mine. Two section 55 notices were issued at both Modikwa and Nkomati mines, not affecting any shifts.

A significant number of shifts were lost after stopping operations for each fatality at Modikwa Mine. This was followed by extensive investigation and engagement with the DMRE to ensure all measures for improvement and preventing recurrence were implemented.

The smelters in the group were not issued with any compliance or prohibition notices under the Occupational Health and Safety Act in F2021 (F2020: 0).

More detailed safety statistics, including section 54 and section 55 notices by operation, appear in the ESG data tables at the end of this report.



Continued learning, internally among operations and from engaging with peers and industry associations.

ARM participates in industry health and safety forums as well as initiatives that create opportunities to share and adopt good practice to improve health and safety performance. These include:

- The Minerals Council established the Mining Industry Occupational Safety and Health (MOSH) initiatives and related learning hub to encourage mining companies to learn and adopt leading practices from areas of excellence across the industry. These initiatives aim to help the mining industry meet the tripartite (government, organised labour and industry) occupational health and safety targets and milestones. ARM's executive: sustainable development and the group occupational health and wellness superintendent participate in the council's MOSH task force and its occupational health and safety policy committee

³ Stoppages may be applied to a particular activity in an area, or a specific area only while production continues in the rest of the operation. As such, quantification and comparison of shifts lost in each case is specific and unique.

Social continued

Safety continued

- The Mine Health and Safety Council's culture transformation framework aims to eliminate discrimination and create a safe, healthy and productive mining industry in South Africa, with risks controlled at source. The framework arose from a tripartite process to foster collaboration between these stakeholders. ARM's culture, systems and programmes align with the goals of the framework
- Membership of ICMM provides access to a network for learning from peers and implementing industry good practice
- ARM monitors and reports internally against the tripartite milestones at quarterly operational sustainable development committee/compliance review meetings. Progress towards targets is reported to the DMRE in annual mining charter reports, and to the Minerals Council.

The critical control management (CCM) process is globally recognised as one that could significantly help to prevent disabling or fatal accidents by identifying critical controls to prevent major unwanted events. This process has been implemented at Beeshoek and Black Rock mines, and is at an advanced stage at our other mining operations after some pandemic-related delays. IT systems are being rolled out or evaluated at Black Rock and Khumani mines to enable daily verification of critical controls.

FOCUS FOR F2022

- **Zero fatalities and zero harm to employees**
- **Reduction in injuries and severity of injuries**
- **Completing implementation of the CCM process, with verification of effective implementation at Khumani, Two Rivers and Modikwa mines**
- **Continued learning, internally among operations and from engagement with peers and industry associations.**

F2021 FOCUS

Completing implementation of the CCM process with verification of its effective implementation.





Occupational health and wellness

A healthy workforce is essential to safe and sustainable mining. ARM's integrated wellness management programme aims to prevent occupational health hazards from affecting employee health and to actively identify and manage health risks and chronic conditions that may affect wellness and quality of life.



Reporting context

ICMM



FTSE/Russell

- Health and Safety

Principal legislation

- Mine Health and Safety Act (MHSA)
- Occupational Health and Safety Act (OHSA)
- Mining charter III
- Occupational Diseases in Mines and Works Act
- Compensation for Occupational Injuries and Diseases Act
- Disaster Management Act

UN SDGs



How we manage occupational health and wellness

F2021 highlights

- Northern Cape Operations certified to SANS 16001: 2020
- Continued reduction in percentage loss of hearing (PLH) shifts
- Reduced PTB infections and increased cure rate

F2021 challenges

- 34 colleagues succumbed to Covid-19
- Fewer employees elected to take HIV tests

Our integrated wellness management programme addresses occupational health and wellness, and includes comprehensive programmes to manage the primary and chronic health challenges that affect our workforce. The programme aligns with the requirements of the Department of Health (DoH), Department of Employment and Labour (DoEL), Department of Mineral Resources and Energy (DMRE) and the Mine Health and Safety Council (MHSC). It also supports government initiatives under the National Strategic Plan (NSP) (2017 – 2022) to reduce and prevent primary health challenges, and includes community awareness and outreach initiatives.

Social continued

Occupational health and wellness continued

Clinics at our operations are run by reputable external occupational healthcare service providers, our partners in providing occupational health and wellness services to employees and contractors. Trained occupational health and wellness coordinators oversee wellness programmes at the operations. The superintendent: occupational health and wellness coordinates implementation of group health and wellness policies and oversight across the group.

Occupational health focus areas

- Noise-induced hearing loss (NIHL)
- Occupational respiratory diseases from exposure to particulate matter, fumes and hazardous substances

Primary health focus areas

- Covid-19
- Pulmonary tuberculosis (PTB)
- HIV and Aids
- Sexually transmitted infections (STIs)

Chronic health focus areas

- Hypertension
- Diabetes
- Epilepsy

The occupational health management programme combines occupational hygiene surveillance that provides important leading indicators on exposure to hazards in the workplace with comprehensive risk-based mandatory medical surveillance programmes that identify and monitor for health risks relevant to each workplace and occupation. These programmes align with SANS 16001 (the South African national standard on disease and wellness management) and all three mines in ARM Ferrous are certified in terms of SANS 16001: 2020. Two Rivers Mine and Cato Ridge Works are certified in terms of ISO 45001 (the international standard on occupational health and safety management) and Nkomati Mine is certified in terms of OHSAS 18001 (the previous international standard on occupational health and safety management). Modikwa Mine is implementing an integrated ISO 14001 and ISO 45001 management system in preparation for certification in terms of these standards. While Modikwa Mine and Machadodorp Works are not currently formally certified in terms of OHSAS 18001, they remain aligned

with the standard. The wellness coordinators at Two Rivers, Khumani, Beeshoek and Black Rock mines have completed training on the implementation of SANS 16001, which includes HIV and Aids. A new wellness coordinator has been appointed at Modikwa Mine and will receive training in SANS 16001 in the year ahead.

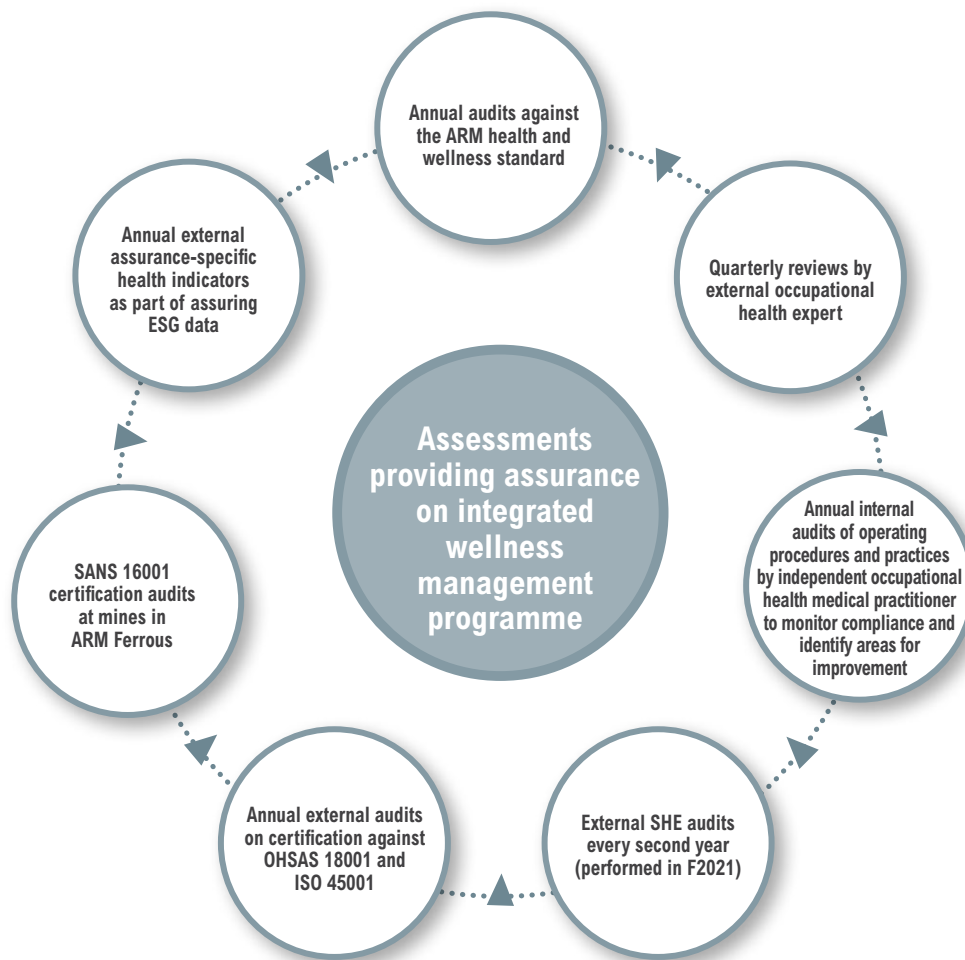
Medical surveillance of employees and contractors is conducted regularly. This includes pre-employment medicals, annual surveillance medicals, medicals when changing job roles and exit medicals. Occupational health and hygiene training is provided at induction, and regular campaigns raise awareness on health and wellness. Wellness officers and peer educators provide ongoing training and awareness.

The occupational healthcare system is linked to operational access-control systems to ensure employees know their health status and only those who are fit to perform work enter potentially hazardous workplaces. Supervisors are notified of due dates for employees' scheduled medical examinations to ensure these are prioritised, certificates of fitness are valid and chronic conditions are well controlled.

Operational wellness committees – with representatives from the company, employees and organised labour – meet regularly to discuss issues on occupational health, hygiene and wellness, and promote a partnership approach to managing wellness.

Occupational hygiene, health and wellness practices and processes align with the ARM health and wellness standard to ensure consistency across operations. The standard incorporates the requirements of relevant legislation, reporting frameworks, industry good practice and SANS 16001.

The operational clinics are audited annually by a certified external auditor against legal requirements and the ARM standard to identify areas for improvement, measure year-on-year progress and benchmark performance between operations. The audits were not performed in F2020 due to the focus on Covid-19-related initiatives and the national lockdown. Average score across the operations was 83.1% in the F2021 audit, below the target of 85% (F2019: 86.5% against the target of 81% at that time). This is due to some of the additional health monitoring programmes and wellness campaigns not being held due to Covid-19 restrictions. All legally prescribed requirements were met.



ARM's approach to occupational health and wellness aligns with and supports:

- | | | | |
|--|--|--|--|
| <ul style="list-style-type: none"> Ten-year goals set by MHSC in 2014, referred to as the occupational health and safety milestones. These include eliminating occupational lung diseases and noise-induced hearing loss, and preventing PTB, HIV and Aids. | <ul style="list-style-type: none"> National health priorities – including PTB, HIV and Aids, and STIs – set out in the National Strategic Plan (NSP) 2017–2022 of the DoH, DMRE guidelines for PTB, HIV and Aids management and requirements of the mining charter. | <ul style="list-style-type: none"> The Masoyise Health Programme, a multi-stakeholder initiative led by the Minerals Council, focused on leading the fight against PTB, HIV and Aids, occupational lung diseases and non-communicable diseases in the industry. ARM participates in the programme and our mining operations submit quarterly Masoyise reports to the council. | <ul style="list-style-type: none"> The DoH strategic plan's 90–90–90 goals for PTB, HIV and Aids counselling and testing, which refer to goal 3 of the NSP. |
|--|--|--|--|

Social continued

Occupational health and wellness continued

Occupational health and wellness

F2021
FOCUS

Progress towards 2024 occupational health and safety milestones, which include eliminating occupational lung diseases and noise-induced hearing loss.

ARM's precautionary approach to occupational health and wellness aims as far as possible to limit at-source workplace exposure to hazards through a combination of:

- Identifying potential hazards, risk assessment
- Control at source
- Personal protective equipment
- Employee education and training on job-related risks and controls
- Awareness campaigns
- Occupational hygiene and personal monitoring
- Formal safe operating procedures to limit exposure.

The medical surveillance programme measures and records individual baseline information for relevant indicators, such as hearing and lung capacity. Indicators are regularly monitored to assess and follow up on any shifts from baselines. Deteriorating indicators are addressed through counselling and training and, where appropriate, the use of personal protective equipment.

Hearing conservation and noise-induced hearing loss (NIHL)¹

Our hearing conservation programme aligns with the MOSH leading practice on noise, an initiative facilitated by the Minerals Council. A buy-quiet policy applies to new equipment while noise from existing equipment is reduced to below the DMRE threshold (107dB(A)). Hearing safety awareness campaigns are conducted in high noise areas. Employees who work in areas where they may be exposed to noise above 85dB(A) receive training in the use of hearing protection devices (HPDs), which include personalised HPDs.

Audiometric tests include specialist early-warning programmes before actual hearing loss occurs. Where a deterioration is identified, the employee receives counselling and coaching, clinic personnel provide training, and the appropriateness and effectiveness of HPDs are reconfirmed. The underlying cause of the deterioration is investigated by monitoring exposure to noise at and outside the workplace and, where possible, the employee is redeployed to work in areas with low noise levels.

Percentage loss-of-hearing (PLH) shifts of 5% or more are reported to the DMRE and investigated as per section 11.5 of the MHSA. Where the hearing loss may be due to exposure to noise, individuals with PLH shifts greater than 10% are referred for specialist examination, which includes diagnostic audiograms conducted by an audiologist and ear, nose and throat specialist to establish the cause. If the audiograms confirm NIHL due to workplace exposure, a claim for compensation is submitted on behalf of the employee².

Scheduled periodical medical surveillance, including audiometric tests, were affected by Covid-19 in F2020. Audiometric tests increased to 34 744 in F2021 (F2020: 31 284).

PLH shifts improved to 1.8% of employees in F2021 (F2020: 2.1%) in the 5–10% category and 0.8% (F2020: 1.1%) in the +10% category due to our ongoing focus on hearing conservation and effective early-warning programmes for hearing loss.

Occupational respiratory diseases

Although cases of occupational respiratory disease have been reported at our operations, baseline indicators from pre-employment medical surveillance indicate that, to date, these cases relate to exposure prior to employment at ARM. Regardless of the origin, the clinics facilitate compensation submissions on behalf of those employees.

Dust particulates

Respiratory complications can arise from long-term exposure to high levels of dust and dust suppression is a core occupational hygiene focus. Airborne dust levels are controlled using water sprays and surfactants, while extractor fans minimise exposure to dust in the workplace

¹ More information on current and historical NIHL at operational level appears in the ESG data tables at the end of this report.

² Claims for NIHL are submitted for compensation to either Rand Mutual Assurance (mine employees) or the Medical Bureau for Occupational Diseases (employees at our two smelters) in terms of the Occupational Diseases in Mines and Works Act.



where relevant. Where dust cannot be eliminated at source, employees are given dust masks.

The silica content in the orebodies of our base metals and platinum mines is routinely monitored. With silica levels consistently below analytical detection limits, there is minimal risk of exposure to silica at our operations.

No new silicosis cases have been diagnosed from exposure at ARM-managed mining operations since 2009 and no new cases were reported in F2021 (F2020: 3).

Asbestos

Asbestos fibres have been detected in the orebody at Nkomati Mine but are not present at the other mines in the group. Extensive dust-suppression and exposure-mitigation measures are in place at Nkomati Mine and a comprehensive surveillance and control programme was

implemented in consultation with leading experts from the Institute of Medicine in Scotland.

No cases of asbestosis were diagnosed at ARM operations in F2021 (F2020: 2).

Manganese

Manganese is mined at Black Rock Mine and processed at Cato Ridge Works. A medical surveillance and biological monitoring protocol developed by leading occupational health specialists is in place at these operations, and for employees who handle the ore at the Saldanha and Gqeberha (Port Elizabeth) port terminals.

Other hazardous substances include chromium and coal, tar, pitch and volatiles at Cato Ridge Works.

18 occupational diseases were identified and submitted for compensation in F2021 (F2020: 19).

Occupational diseases submitted for compensation

	F2021	F2020	F2019	F2018	F2017
Silicosis	0	3	6	53	9
Asbestosis	0	2	3	8	1
NIHL	18	14	26	68	21
Total	18	19	35	129	31

All silicosis and asbestosis cases relate to exposure before starting working at ARM.



Primary healthcare (PHC) services, including treatment and counselling, are provided at wellness centres at each mine, except for Nkomati Mine, where a full-time nurse provides daily healthcare services at the mine clinic.

Social continued

Occupational health and wellness continued

Primary healthcare

Primary healthcare (PHC) services, including treatment and counselling, are provided at wellness centres at each mine, except for Nkomati Mine, where a full-time nurse provides daily healthcare services at the mine clinic.

Memorandums of understanding (MOUs) are in place between the Northern Cape DoH and Beeshoek, Black Rock and Khumani mines, and between the Limpopo DoH and Modikwa and Two Rivers mines. The MOUs strengthen the implementation of provincial PTB, HIV and Aids, STIs and chronic diseases strategies, and extend primary healthcare services to contractors and communities. By building the capacity of local clinic staff and engaging communities and other stakeholders, these partnerships aim to decrease the morbidity and mortality associated with these diseases. The wellness centre at Beeshoek Mine is approved to dispense HIV and Aids, STI and PTB treatment.

Covid-19 management



Screening, testing and preventing further spread of Covid-19.

Strict measures and protocols remain in place at all operations and ARM corporate office to prevent the spread of Covid-19 and protect employees and contractors. These include standard operating procedures and codes of practice aligned to guidelines from the Minerals Council, the DMRE and DoH. Employees undergo daily Covid-19 screening prior to starting work, and testing where required.

Site clinics have implemented the protocols of the National Institute of Communicable Diseases (NICD) of the DoH. For confirmed cases, contact tracing and screening as well as case management in terms of quarantine and isolation, are conducted as per DoH guidelines. Results of screening and testing are reported to the DMRE, DoH and Minerals Council as appropriate. Isolation facilities are provided for affected employees if required.

Face masks are compulsory and social distancing is enforced. Employees and contractors are encouraged to make regular use of hand-wash basins and sanitising

stations, and high-risk areas are frequently disinfected. Awareness campaigns on preventing the spread of Covid-19 are run at operations, corporate offices and in host communities.

A number of initiatives provide support for families and dependents affected by Covid-19, including:

- Information about their nearest testing facility
- Psycho-social support through the employee assistance programme service providers
- Telephonic screening for symptoms
- The location of nearby quarantine and isolation facilities
- Arranging emergency transport where hospitalisation is needed
- Black Rock Mine also arranged to disinfect affected employees' homes.

To 30 June 2021, 142 052 Covid-19 health screenings were conducted, resulting in 7 428 tests of which 2 134 were positive cases.

Regrettably, 34 colleagues have succumbed to Covid-19 since the start of the pandemic. We extend our deepest condolences to their family, friends and colleagues.

Our operations are involved in a collaborative initiative facilitated by the Minerals Council to support the South African government in rolling out Covid-19 vaccines. The ARM operations engaged with trade unions to get their buy-in and provided factual information to employees as per the DoH vaccination booklet.

Khumani, Black Rock, Beeshoek, Modikwa and Two Rivers mines were approved by the DoH as Covid-19 vaccination sites to support the government-led rollout. Employees at Nkomati Mine, Cato Ridge and Machadodorp Works are encouraged to register on the government's electronic vaccination data system and referred to nearby vaccination sites.

Vaccinations started slowly and the operations continue to run awareness campaigns to improve vaccination intakes. By 26 September 2021, 1 968 community members and 7 644 employees had been vaccinated at the five mine sites, representing around 37% of employees and contractors. This excludes employees who may have been vaccinated privately.



PTB, HIV and Aids



- **Maintain alignment with NSP 2017–2022 to reduce and prevent PTB, HIV and Aids infections and STIs; offer all employees counselling and voluntary testing (CVT); and link all eligible employees to antiretroviral (ART) treatment programme**
- **Continue passive PTB screening and offering HIV CVT to all employees visiting our clinics**
- **Continue progress towards DoH 90–90–90 goals for PTB, HIV and Aids, with focus on improving performance in HIV and Aids indicators.**

Management of PTB, HIV and Aids and STIs is integrated in our occupational health and wellness programme, which prioritises early identification of these conditions. Awareness and education is provided during induction training and at wellness days, including World Aids Day on 1 December. The mining operations report monthly to the DMRE on screening, diagnosis and treatment, as well as compliance with its guidelines for PTB, and HIV and Aids management.

HIV and Aids

Employees are encouraged to know their HIV status and to take responsibility for managing their wellness. Ongoing awareness and training are provided by trained peer educators, who provide formal feedback on their activities. The ARM group HIV and Aids policy emphasises the right of all employees to confidentiality and non-discrimination on the basis of HIV status.

Employees are offered (but not obliged to take up) HIV CVT at every visit to primary healthcare facilities, including at induction and during regular follow-up visits for chronic disease management. Disease management programme benefits are available to permanent employees through their membership of medical aid schemes, which include HIV and Aids treatment.

Indicative HIV prevalence rates from the operational clinics show that estimated prevalence rates at our operations are below the district and provincial prevalence. The average estimated HIV prevalence for the operations is 8.5% (F2020: 6.2%).

The number of employees counselled increased to 35 840 (F2020: 27 397), broadly in line with F2019 (34 246). The number of employees electing to undergo HIV testing decreased to 14 890 (F2020: 18 464) as awareness and testing drives held last year were not repeated to reduce the risk of Covid-19 infection. The reduction in testing also affected the operations' performance against the DoH's 90–90–90 target for the percentage of employees who know their HIV status (see below).

All operations have implemented the test-and-treat policy of the DoH and all patients receiving ART are enrolled on disease management plans. ART is provided through various medical aid schemes, local wellness centres and through government clinics with MOUs. A number of contractors receiving ART were identified as vulnerable to Covid-19 and stayed off work, switching to their provincial HIV programmes. As a result, employees and contractors receiving ART decreased to 2 575 (F2020: 3 168).

The **Masoyise programme** includes targets to offer HIV testing to 100% of employees annually and link those who test positive to an ART programme.

Targets achieved in F2021

The **DoH's 90–90–90 principle** requires that operations comply with the following elements by 2022:

Not all these targets were achieved in F2021:
69% (F2020: 73%)
90% (F2020: 89%)
85% (F2020: 84%)

- 90% of employees living with HIV must know their status
- 90% of employees who are HIV positive must be on ART
- 90% of employees on ART must achieve viral suppression.

Social continued

Occupational health and wellness continued

Pulmonary tuberculosis (PTB)

Employees and contractors undergo mandatory passive PTB screening tests using the cough questionnaire of the DoH each time they visit the clinics. All new PTB cases are followed up with workplace contact tracing to manage infection control while the community clinic in the area where the employee resides is notified to arrange for contact tracing at their home. New PTB cases are reported to the DMRE and submitted to the Medical Bureau for Occupational Disease for possible compensation.

Local DoH clinics treat employees with PTB and these cases are monitored under the national PTB management protocol. All mines provide isoniazid

preventative therapy (IPT) in line with MOUs with the DoH. IPT is provided for six months, particularly to support patients with HIV or other lung diseases such as pneumoconiosis.

In calendar 2020, 43 301 PTB screening tests were conducted on employees and contractors (calendar 2019: 55 265) and 34 new cases detected (calendar 2019: 46). The decrease in screening tests is due to reduced scheduled medical surveillance in calendar 2020 as a result of Covid-19. The cure rate increased to 94.1% (calendar 2019: 87.0%), above the DoH's 2014/2015 target of 90%. No cases of multi-drug resistant (MDR) PTB were detected at our operations during the year (calendar 2019: 3).

The occupational health and safety milestones target PTB incidence to be below national level.

The Masoyise programme includes targets to reduce TB incidence in the mining sector to below the national TB rate by 2024.

The DoH's 90–90–90 principle for PTB:

- 90% of employees must be screened for PTB
- 90% of those diagnosed with PTB must be on treatment
- 90% of those on PTB treatment must be cured successfully.

PTB incidence is below national rates (615³/100 000) and industry rates (220⁴/100 000) at ARM mines (172/100 000). Although incidence at Two Rivers and Nkomati mines is above the industry rates, it is trending down, with incidence at Two Rivers Mine improving 25% since the introduction of IPT and 45% since calendar 2018.

ARM achieved 100% for the 90–90–90 PTB goals in F2021.



³ Source: WHO Global TB Report 2020, based on 2019 data.

⁴ Source: Masoyise Health Programme 2020 Annual Report.



F2021 FOCUS

Reinforce PTB-related community outreach projects to focus on early detection and treatment for communities around operations.

ARM supports community initiatives that address PTB as well as HIV and Aids, including community wellness centres and home-based care groups. We also facilitate community awareness and testing campaigns. Where possible, our operations engage with local Aids councils to ensure community projects address the most-pressing wellness and health needs.

Chronic conditions

F2021 FOCUS

Continued risk-based monitoring and treatment of chronic conditions, particularly hypertension, supported by lifestyle coaching and awareness programmes.

Employees and contractors diagnosed with chronic conditions, such as hypertension, type 1 and type 2 diabetes, and epilepsy, are recorded in chronic disease registers and monitored by specific occupational risk exposure profiles with specific reference to high-risk occupations. Contractors presenting with chronic diseases are treated in terms of MOUs with the DoH and, where appropriate, referred to public hospitals and clinics.

Despite the ongoing anxiety caused by the pandemic, the prevalence of hypertension in the workforce decreased to 14.5% (F2020: 15.1%) and remains below the national rate. Incidence is highest at Beeshoek and Two Rivers mines. High incidence was recorded among employees working in core functions such as mining and engineering. Hypertension is a key risk factor for stroke and heart disease, and remains a focus area.

Education on lifestyle diseases forms part of the compulsory occupational health surveillance programme, in addition to the wellness awareness aspect of the induction programme. All operations have programmes that promote physical activity and raise awareness on diet and lifestyle to address chronic conditions. Employees can get advice from dieticians at clinics at the

Northern Cape mines and through employee assistance programmes at ARM Platinum operations.

The clinics monitor employees with hypertension and manage compliance with prescribed treatment regimes. Workplace blood-pressure screening and surveillance have increased, body mass index is included in medical surveillance programmes and occupational medical practitioners monitor and report blood-pressure statistics every quarter. Clinics also engage other stakeholders such as the DoH and community NGOs in conducting wellness campaigns in the workplace and the community.

FOCUS FOR F2022

Continued focus on:

- Reaching the 2024 occupational health and safety milestones, which include eliminating occupational lung diseases and NIHL
- Reducing and preventing PTB, HIV and Aids infections and STIs, in line with NSP 2017–2022 and the DoH 90–90–90 goals
- Reinforcing PTB-related community outreach projects to focus on early detection and treatment for communities around our operations
- Risk-based monitoring and treatment of chronic conditions, particularly hypertension, supported by lifestyle coaching and awareness programmes
- Screening, testing and preventing the further spread of Covid-19.



Social continued

Human resources management

Our human capital is the foundation of our ability to create value – the skills and experience of our workforce are critical to drive our strategy and realise operational efficiencies. We are committed to creating and maintaining a safe work environment that is non-discriminatory, based on equality, fair labour practices and freedom of association, in which employees can contribute to the best of their ability and are empowered to develop rewarding careers.



Reporting context

ICMM



FTSE/Russell

- Labour standards

Principal legislation

- Skills Development Act
- Employment Equity Act
- Mineral and Petroleum Resources Development Act (MPRDA)
- Basic Conditions of Employment Act
- Labour Relations Act
- Disaster Management Act
- Protection of Personal Information Act (POPIA)

UN SDGs



ARM's human capital strategy

Our human capital strategy supports value creation by:

- Sourcing, attracting and retaining people with the necessary experience and skills
- Enhancing the knowledge, skills, experience and behaviour of individuals and teams
- Fostering an entrepreneurial and innovative culture
- Promoting diversity and transformation in the workforce
- Providing appropriate development opportunities.

F2021 highlights

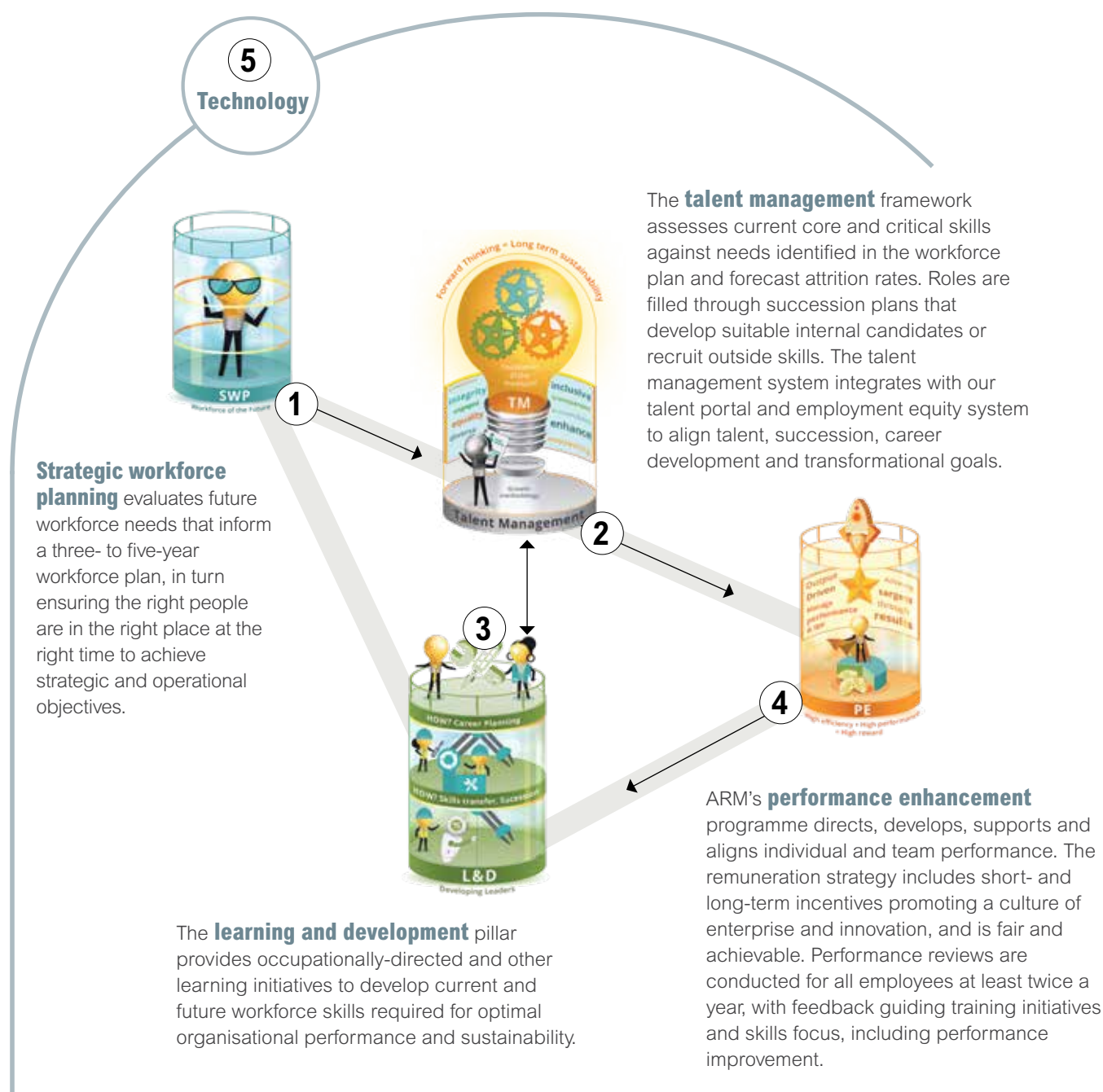
- Certified as a Top Employer for 2021
- Implementing the group gender mainstreaming project 2021/2022
- Successfully implemented a new online performance enhancement platform
- Covid-19 catalysed digital adoption and provided the opportunity for ARM to reshape its operating models
- Conducted online webinars to keep employees engaged during lockdown
- Our training centres retained their SETA accreditation status
- Improved employment equity performance at board and senior executive levels

F2021 challenges

- Loss of life and talent due to Covid-19 and the impact on employees' mental health
- Organisational culture and performance management affected by remote working



ARM's human capital strategy comprises five pillars that underpin all human resources (HR) initiatives. This ensures our HR practices are benchmarked against best practices, foster an entrepreneurial culture and leadership among employees, and position ARM as an employer of choice.



Technology provides an overarching strategic pillar through information systems and data-analytics tools that automate the HR strategic pillars and integrate reporting, data management and process enhancement. An online performance enhancement platform improves compliance, reporting, communication and administering the annual performance cycle. Technology was also a critical enabler of remote working during Covid-19 and assisted with contact tracing.

Human resources management continued

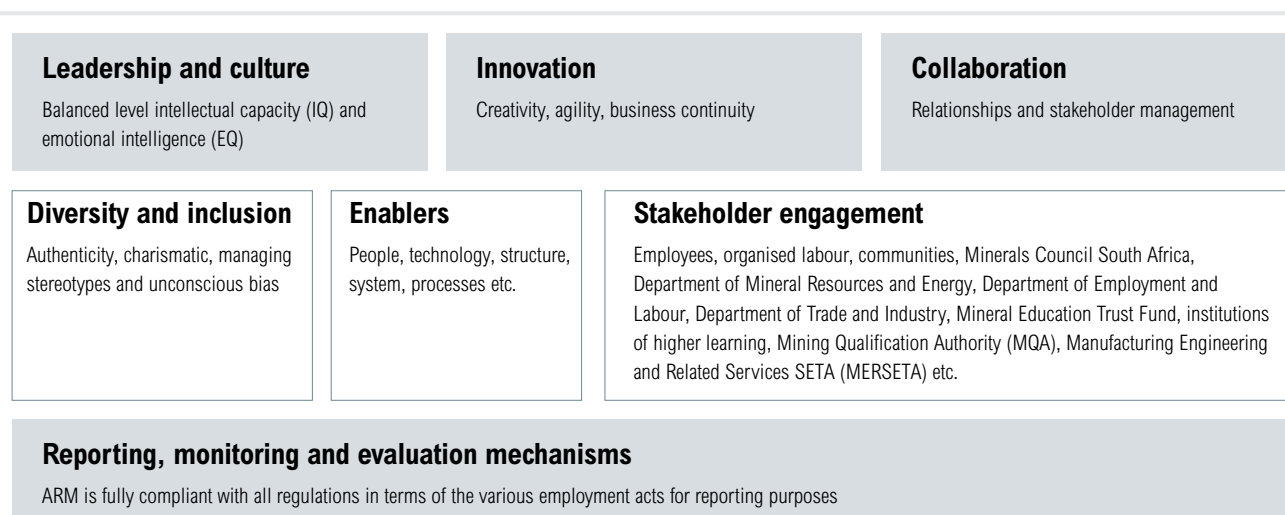
HR compliance matrix

Regulating body	Relevant Act/authority	Report/submission	Frequency	Reporting period	Submission date
Mining Qualifications Authority	Skills Development Act 97 of 1998	Operation accreditation certification	3 years	From date of SETA Certification/ETQA Approval	As per 3-year expiry date
	Skills Development Act 97 of 1998	MQA Workplace Skills Plan	Annually	01 Jan – 31 Dec	30 April
	Skills Development Act 97 of 1999	Annual Training Report	Annually	01 Jan – 31 Dec	30 April
Sector Education and Training Authority	Skills Development Act 97 of 2000	Operational ROI - Grants and Rebates	Annually	1 April – 31 March	30 May
Department of Employment and Labour	Employment Equity Act 55 of 1998	EE Report	Annually	12 months	15 January (Electronic), 1 Oct (Manual)
	Employment Equity Act 55 of 1998	EE Plan	5 years	01 Jan – 31 Dec	15 January (Electronic), 1 Oct (Manual)
	Basic Conditions of Employment Act	Ministerial determination in terms of the BCEA to work continuous operations	Annually	September – September	30 June
Department of Mineral Resources and Energy	Mineral and Petroleum Resources Development Act No 28 of 2002	Mining Charter Report	Annually	01 Jan – 31 Dec	31 March
	Mineral and Petroleum Resources Development Act No 28 of 2002	Employment Equity Plan	5 years	01 Jan – 31 Dec	5 years
	Mineral and Petroleum Resources Development Act No 28 of 2002	Housing and Living Conditions Plans	3 years	01 Jan – 31 Dec	5 years
	Mineral and Petroleum Resources Development Act No 28 of 2002	Social Labour Plan Quarterly Report	Quarterly	5 years	5 years
	Mineral and Petroleum Resources Development Act No 28 of 2002	Social Labour Plan Annual Report	Annually	As per 5 year expiry date	As per 5 year expiry date
	Mineral and Petroleum Resources Development Act No 28 of 2002	Social Labour Plan	Every 5 years	5 years	As per 5 year expiry date
Department of Home Affairs	South African Consulate General	Corporate Work Permit	Every 5 years	1 July – 30 June	01 July
Department of Trade, Industry and Competition	Department of Trade, Industry and Competition	dtlc Scorecard	Annually	1 July – 30 June	01 August
Commission for Gender Equality	Commission for Gender Equality Act of 1996	On request	On request	On request	On request
Information Regulator	Protection of Personal Information Act of 2013	On request	On request	On request	On request




Strategic imperatives 3 – 5 years

In support of our legal requirements, the following drivers are key to facilitate the implementation of HR Legal Compliance.



Managing our human capital

Human capital performance indicators are monitored and reported in various committee structures.

		Executive level	Board level
 Quarterly monitoring of human capital performance indicators	▶ Operational meetings	Executive committee	Social and ethics committee
		Steering committee	
	▶ Divisional meetings	Employment equity and skills development committee	Remuneration committee

HR, employee relations and human resources development forums are held twice a year with relevant personnel at all operations.

HR practices are benchmarked against international best practices by participating and contributing to professional bodies, including the South African Board for People Practices (SABPP) and the Global Top Employer certification programme, which assesses an organisation's HR practices against 400 HR best practices over 20 topics.

By regularly benchmarking remuneration practices against comparable South African mining companies, we ensure these align to national industry standards and legislative requirements, including minimum wages. ARM recognises the importance of addressing the wage gap between remunerating

executives and employees at the lower end of the pay scale, with progress monitored by the remuneration committee.

ARM's human capital policies, procedures and practices align with South African labour laws and SABPP national standards to ensure they meet stipulated legal and ethical requirements, which include conditions of employment, pay and leave regulations, and limit excessive working hours. The group executive: human resources is the senior executive responsible for implementing the five human capital strategic pillars and the executive accountable for related legal compliance.

We are developing an ARM Human Rights Policy to provide guidance and indicate our commitment to respecting the human rights of our employees, contractors, service providers and the communities

Social continued

Human resources management continued

affected by our business activities. The policy will also ensure alignment with South African legislation pertaining to human rights, ARM's code of conduct and the relevant principles of international human rights standards.

ARM respects the privacy of data and personal information and has put measures in place to ensure compliance with the requirements of the Protection of Personal Information Act, 2013 in our business practices and interactions with employees.

There were 20 928 workers across the group as at 30 June 2021, 40% of whom were contractors (F2020: 20 998 and 40% contractors).

Attraction and retention

ARM's compelling employee value proposition positions the company as an employer of choice. This includes a creative, innovative and entrepreneurial organisational culture, competitive remuneration and benefits, study assistance, performance management and career development opportunities.

Key performance indicators and individual development plans are in place across all occupational levels in the group.

In F2021, 99% of job offers made were accepted (F2020: 98%). Employee turnover, which includes resignations, dismissals, retirements, retrenchments and voluntary severance packages, increased to 10.1% (F2020: 6.3%) as a result of Nkomati Mine being placed on care and maintenance and voluntary severance packages offered at Modikwa Mine.

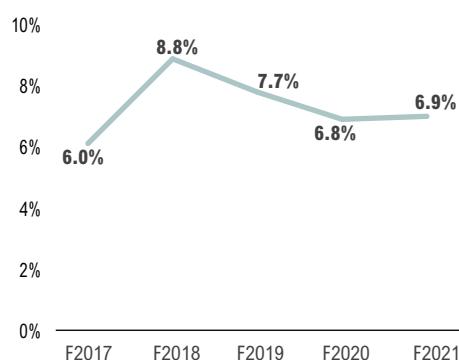


Learning and development

Our learning and development programmes are designed to ensure that our workforce has the necessary skills to meet current and future needs. Training and development to develop core and critical skills for the business in support of the Skills Development Act is planned and budgeted for at operational level. Training is delivered through training centres at each operation that have full SETA accreditation with either the Mining Qualifications Authority (MQA) or MERSETA (the manufacturing, engineering and related services sector education and training authority).

Virtual/online learning gained traction as Covid-19 and the global lockdowns accelerated the pace at which businesses and individuals had to adapt. The total investment in skills development in F2021 increased to R239 million (F2020: R225 million), or 6.9% of payroll (F2020: 6.8%), above the mining charter target of 5.0%. Total training spend was R11 420 per employee (including contractors) compared to R10 822 in F2020, representing 4.1 training days per employee (F2020: 4.5 days).

Training spend as a percentage of payroll
(%)



Leadership development

Our leadership development framework was designed to ensure all employees acquire leadership and managerial skills. These programmes include both internally delivered and externally facilitated programmes that develop and connect young professionals across the group (the Rising Star and GradStar programmes), build leadership and managerial capabilities, create talent pools, accelerate development and improve promotional opportunities for all employees and in particular women.



Candidates on leadership development programmes	F2021	F2020	F2019
Rising Star and GradStar	45	8	19
Junior Development	*	16	16
Women Development	38	22	17
Women in Leadership Development	*	*	41
Future Leaders Development	30	30	32

* These programmes are run when sufficient candidates are available. Candidates are currently being identified for inclusion in the next cohort.

Investing in the skills of the future talent pool

We invest in building the talent pool of relevant skills for our future business requirements in the mining and minerals industry. These initiatives include bursaries for students in industry-relevant fields, opportunities for young unemployed graduates to gain work exposure, learnerships for eligible candidates from outside academic streams as well as adult education and training (AET) for employees and community members.

We also support learners with disability through learnership initiatives hosted at the learning hub for skills development purposes in line with the Department of

Trade, Industry and Competition (dtic) and Youth Employment Services (YES) initiative.

Future skills development opportunities	F2021	F2020	F2019
Bursaries	140	110	115
Graduate development programme	73	64	55
Learnerships	270	239	299
AET – employees	22	137	142
AET – community members	150	117	439

The number of candidates on skills development programmes this year increased, apart from AET delivered to employees. Face to face learning reduced as a result of Covid-19 and we are investigating new learning methods for AET. Functional literacy across the company increased to 98% (F2020: 97%).

ARM bursars are supported through the bursar ambassador programme. This helps them prepare for the world of work, build relationships with fellow bursars, meet and network with the management teams, get to know the business and act as ambassadors for the group. During the year, a one-day online session was held to support the bursary ambassadors by providing leadership guidance and motivation.



The talent management framework assesses current core and critical skills against needs identified in the workforce plan and forecast attrition rates.

Social continued

Human resources management continued

Career development panels are held for the graduate development programme as a tool to ensure retention and continuous engagement with these employees, support career progression and accelerate development. The graduate development programmes include a formal mentoring process for graduates.

ARM has partnerships with a number of institutions of higher learning across the country to support disciplines such as mining engineering, metallurgy, chemical engineering, geology, legal, finance and human resources. ARM has established an ongoing engagement process with heads of department at South Africa's leading universities to design collaboration frameworks and placement plans for top students through mutually beneficial partnerships. Memorandums of understanding are being drawn up to guide this process.

Operations provide portable skills training to employees, retrenched employees and community members in areas such as paving, welding, generic engineering level one, driver's licences and basic life skills. This year, 646 employees and 91 local community members received portable skills training, including 18 people with disabilities.

We also participate in the Minerals Education Trust Fund and the education advisory committee of the Minerals Council South Africa, where representatives from mining companies engage to address employee training and future skills. ARM promotes mining by participating in the DMRE's annual learner focus week that offers career guidance for learners in grades 9–12, as well as the DMRE girl learner bursary programme, through which we supported two young women studying mining engineering, one of whom has already qualified and been absorbed into the graduate development programme..

Diversity and inclusion

We believe that an inclusive and representative workforce greatly enriches our company and our country. We are committed to creating opportunities and employment for all people regardless of race, religion, gender, age, sexual orientation, nationality or disability.

ARM corporate's diversity and inclusion programme facilitates continuous deep-seated and sustainable change on an individual level, as well as enabling a cultural shift towards inclusivity on a team and organisational level. The programme aims to entrench conversations on diversity and inclusion in the organisational culture-change journey. Our code of conduct emphasises our strong stance against unfair discrimination and promotes equality.

The employment equity and skills development committee monitors implementation of the group diversity management policy and reviews recruitment processes, follows up on deviations in employment equity performance and monitors the technical skills required to meet our transformation goals. The ARM social and ethics committee oversees this committee and reports on employment equity and transformation progress to the board.

The group executive: human resources and group executive: compliance and stakeholder relations, with the support of top leadership, oversee and monitor transformation in the workforce. The group executive: human resources is the legally appointed employment equity senior manager for the group in terms of section 24 of the Employment Equity Act.





The group executive: human resources reports employment equity performance and progress to several ARM structures:

- Executive committee
- Steering committee
- Management risk and compliance committee
- Board social and ethics committee
- Board remuneration committee.

Employment equity performance is measured and reported against the requirements of the mining charter, Department of Employment and Labour, Commission for Gender Equality and the Department of Trade, Industry and Competition (dtic) codes of good practice. These scorecards require employment equity performance to be measured against the economically active population (EAP) and against mining charter targets and

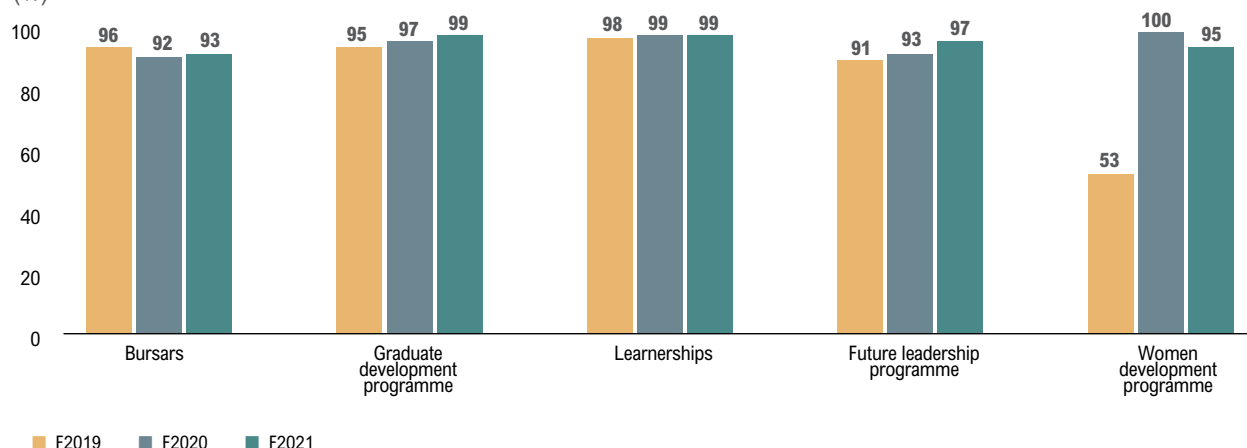
demographics. Recruitment and training and development initiatives consider the EAP and ARM's legislative compliance monitoring tools ensure all transformation plans are aligned.

All ARM operations under the Department of Employment and Labour have submitted their five-year employment equity plans. Scorecard transformation targets, including progress in terms of section 43 of the Employment Equity Act are assessed during quarterly EE forums.

Transformation targets are embedded in each pillar of the human capital strategy to improve reporting, monitoring and evaluation. Our skills development initiatives place significant emphasis on, and play a key role in, driving employment equity in the workplace.

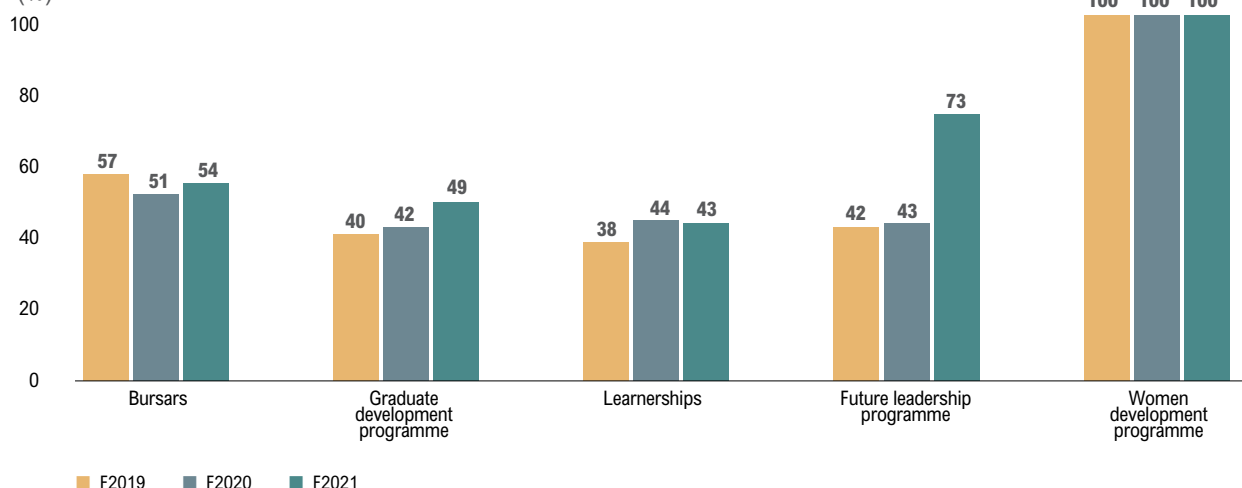
Representation in development programmes – HDP

(%)



Representation in development programmes – women

(%)



Social continued

Human resources management continued

ARM's talent management strategy supports transformation by identifying promising individuals, with management then driving career-path programmes to fast-track development of historically disadvantaged people (HDPs) to senior levels in the company.

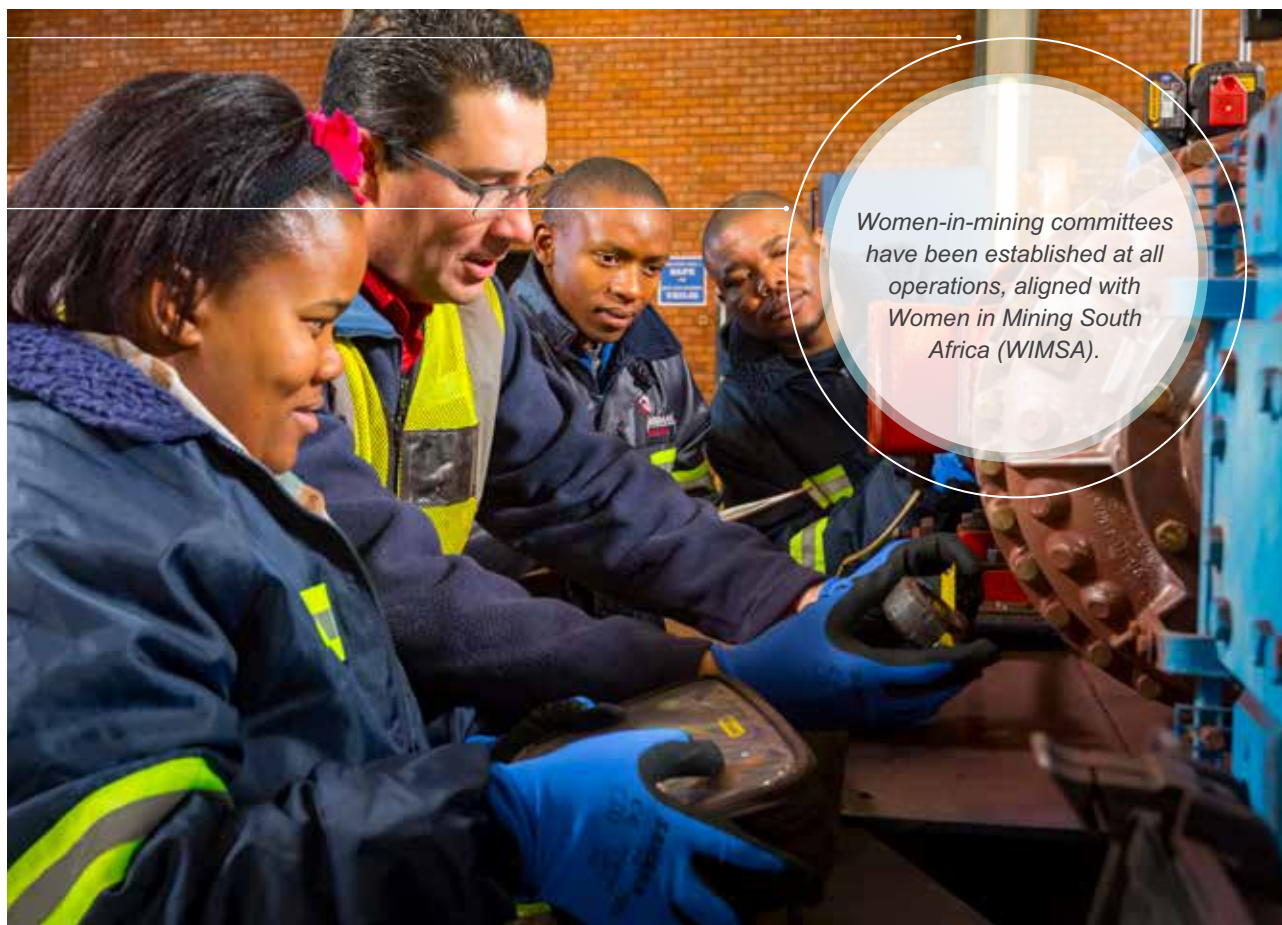
We monitor equal pay for work of equal value regularly, and the salary-benchmarking exercise conducted in F2021 did not indicate any areas requiring adjustment in terms of equality.

Gender mainstreaming

The gender unit is a substructure of the employment equity and skills development committee, established to advance women's interest in the company and oversee gender mainstreaming. The gender mainstreaming policy and plan were developed and approved in consultation with the Commission for Gender Equality, and performance against the plan is reported to the social and ethics committee.

Women-in-mining committees have been established at all operations, aligned with Women in Mining South Africa (WIMSA). An ARM female leader profile has been developed to promote gender diversity in leadership, attract and retain female talent, and inform the leadership development programmes to ensure that graduates from these programmes are adequately prepared for their roles.

The HR department is developing and gender mainstreaming and development framework for an ARM group project. ARM corporate is implementing a gender mainstreaming project to integrate a gender perspective into all phases of planning cycles, policies, programmes and projects. We are monitoring and evaluating gender mainstreaming practices across the company as part of goal setting, and evaluating group policies for gender sensitivity. A gender audit is planned for F2022 to assess the institutionalisation of gender equality in the company and identify areas for improvement.





Initiatives to support and promote women in mining include:

- ARM's women-in-mining forum
- Gender-based access control at operations' change houses
- Engagements on women-in-mining hosted by the Minerals Council
- Personal protective equipment (PPE) designed for women
- Women representatives included in the employment equity and skills development committee
- Awareness campaigns focusing on sexual harassment and on women and child abuse
- ARM's participation in provincial DMRE women-in-mining structures.

Our focus on raising awareness about gender-based violence (GBV) continued and a number of webinars were presented at the corporate office during the year, as well as initiatives during the 16 days of activism against women and children campaign. Awareness initiatives are being rolled out to operations.

People with disabilities

The diversity programme includes a focus on raising awareness about people with disability (PWD) and increasing their representation in the workforce wherever practical. There were 137 PWDs working at ARM in F2021 (F2020: 142), 88 of whom are women (F2020: 52). 118 learnership opportunities were provided to PWDs at ARM's operations in F2021 (F2020: 141). These opportunities include adult education and training, a range of relevant short courses and a certificate in business administration.

Individual operations track and monitor their employment equity performance against the demographics of their provinces. The table below shows the consolidated company performance against the mining charter. ARM group performance improved in all occupational levels and female representation in F2021.

Employment equity performance against mining charter III	ARM F2021	ARM F2020	ARM F2019	Mining charter III target
HDP representation				
Board	56%	56%	44%	50%
Executive management	65%	61%	56%	50%
Senior management	57%	52%	51%	60%
Middle management	69%	68%	66%	60%
Junior management	80%	79%	77%	70%
People with disabilities	1%	1%	1%	1.5%
Core and critical skills	91%	90%	90%	60%
Female representation				
Board	25%	25%	17%	20%
Executive management	24%	22%	19%	20%
Senior management	23%	18%	17%	25%
Middle management	28%	25%	24%	25%
Junior management	19%	18%	17%	30%
Women-in-mining	16%	15%	14%	

Social continued

Human resources management continued

Employee mental health

A Covid-19 survey was conducted in October at the corporate offices to gauge the state of mental health of the workforce resulting from Covid-19.

Awareness sessions were held on mental health in October, designated mental health awareness month by the Department of Health. These sessions encouraged employees to use the toll-free helpline in the employee assistance programme. In addition, a virtual mental health awareness session was facilitated by a counsellor.

HR has partnered with a group of medical practitioners, psychologists and wellness professionals to provide on-site psychological support for Covid-19 mental health matters. This company has developed Covid-19 response initiatives to capacitate and empower employees with knowledge, skills and techniques on how to overcome related challenges.

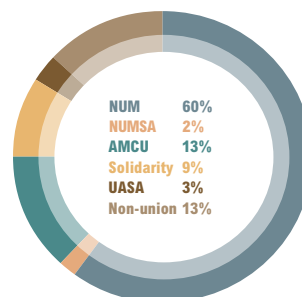
Labour relations

Organised labour is an important stakeholder and ARM respects the rights of employees to engage and bargain collectively on labour-related matters. Union negotiations and employee relations consultative matters are primarily the responsibility of operational HR managers, guided by corporate policies and guidelines. Collective agreements at each operation have formalised negotiations on wages and conditions of employment. Unions are engaged through consultative forums and other structures as required.

Recognition agreements are in place with five unions across our operations and 87% of the workforce is unionised (F2020: 89%). 110 man-days were lost due to strikes in F2021 (F2020: 0).

Nkomati Mine ceased production in February 2021 and the services of 463 employees were terminated. Employees of the mine were provided with counselling, financial planning advice, outplacement services and reskilling as well as skills development.

Trade union representation (%)



Employee housing

ARM's housing strategy aims to ensure that every employee has access to decent accommodation by promoting ownership of affordable housing. This strategy aligns with the requirements of the mining charter, the housing and living conditions standards for the minerals industry as well as municipal and spatial-planning legislation. Draft plans to comply with this standard were submitted in December 2020, followed by engagements with stakeholders, including unions, municipalities and relevant government departments, to finalise them. Modikwa Mine will submit its plan in the first quarter of F2022.

Operational housing policies address the particular housing needs relevant to their employees. The Northern Cape mines in the ferrous division are more remote and employees live mainly in mining villages or nearby towns. The Khumani Housing Development Company facilitates home ownership to qualifying employees so that they can build or buy homes, and offers houses for rent. At the ARM Platinum mines, the majority of employees live in communities around the operations and qualifying employees receive a home-ownership allowance.

The social and labour plans (SLPs) and local economic development (LED) projects implemented by the operations in terms of the mining charter (refer to page 68) include infrastructure development programmes in local communities that improve living conditions and socio-economic development in these communities. These projects also benefit the majority of our employees who live in communities surrounding our operations.





HR focus 5 to 10 years

Focus area	Progress in F2021	Focus for F2022 and beyond
Strategic workforce planning Business planning and budgeting <ul style="list-style-type: none"> Ensure human capital resource planning to support operational business plans within approved budgets Align transformational targets to business requirements. 	<p>All vacancies filled within budget in support of strategy.</p>	<p>Align, monitor and implement strategic workforce planning to our employment equity plan and business strategy. Monitor workforce planning goals in line with the business strategy.</p>
Talent management Integrating young professionals <ul style="list-style-type: none"> Drive talent acquisition strategy Use technology/HR analytics and diagnostics tools to mitigate risks associated with potential talent retention for business continuity Manage dynamics of generational gap, ie skills transfer, among others. 	<p>ARM's learning and development programme focuses on developing young talent in the organisation and investing in the skills of the future. Career discussion panels are in place and include mentorship initiatives to improve the development of practical skills in the workplace.</p>	<p>Continuous career conversations with young talent as part of our employee engagement and retention efforts. Mentor young talent to share knowledge and expose them to experienced individuals to accelerate skills acquisition.</p>
Learning and development Changing world of work <ul style="list-style-type: none"> Evaluate the impact of Industrial Revolution 4.0 on our business Identify skills gaps and reskill the workforce for the future. 	<p>We engage with our workforce continually. A mental health survey was conducted during the year and mental health support provided through the employee assistance programme and a new partnership.</p> <p>Business adopted new ways of working in response to Covid-19, including virtual office/working from home.</p>	<p>Ongoing interactions with employees to gauge and improve engagement and wellbeing, in partnership with mental health specialists. Interventions to prepare workforce for 4th Industrial Revolution.</p> <p>Continue with blended learning as we move towards more virtual learning initiatives. The business will empower employees to transition from contact to virtual sessions.</p>
Performance enhancement Enhance ARM employee value proposition <ul style="list-style-type: none"> Maintain Employer of Choice Certification position Promote talent retention, through skills development, rewards and performance enhancement Improve employees' levels of: <ul style="list-style-type: none"> Engagement Motivation Morale. 	<p>ARM's performance-enhancement online platform improves motivation and engagement, and provides a channel for constructive two-way engagement. The platform is fully utilised at ARM corporate and was piloted at two operations in the Northern Cape.</p>	<p>Ongoing monitoring of the platform. Improve accessibility and navigation to enhance user experience. Introduce 360-degree feedback.</p>
Human capital 4.0 Integration of technology <ul style="list-style-type: none"> Use artificial intelligence to drive the HR strategy Use technology/HR analytics and diagnostic tools to mitigate risks and improve processes Implement an in-house performance enhancement system Use technology/app to enhance staff engagement. 	<p>The web-based ARM benefits portal was launched during the year to provide training and awareness on employee benefits.</p>	<p>Integrate the strategic HR dashboard for employment equity, talent profiles /mapping and succession plans. Provide access to training materials such as online videos and tutorials. Automate recruitment and selection processes such as induction/onboarding and offboarding.</p> <p>Increase digitisation by interacting at a global level and incorporating global best practice through technology.</p>

Corporate governance

“The skills and expertise on our board have been invaluable as we navigated the challenges presented by the pandemic to our operations continuing to be sustainable and profitable.”

Dr Patrice Motsepe, executive chairman





Corporate governance

Our strategy is supported by high standards of corporate governance. These are reviewed regularly to ensure robust reporting, strong relationships with our stakeholders and to align our businesses with global good practice.

Our approach

Adhering to the highest standards of corporate governance is fundamental to the sustainability of our business. Our business practices are conducted in good faith, in the interests of the company and all its stakeholders, with due regard for the principles of good corporate governance.

The unitary board of directors is the foundation of our corporate governance system and accountable for our performance. The board retains effective control of the business through a clear governance structure. It is assisted by established committees, in line with its charter. The board recognises that delegating authority does not reduce the responsibility of directors to discharge their statutory and common-law fiduciary duties.

We continue to review our governance structures to ensure they support effective decision-making, establish a corporate culture aligned with ARM's purpose, foster sustainable growth and align to evolving best practice.

King IV and governance

We support the governance outcomes, principles and practices set out in King IV and apply all relevant principles. We view developments and governance trends as opportunities to continuously improve and entrench our own standards. Practices affecting our divisions and operations are identified, assessed and addressed through action plans as well as regular monitoring and reporting to the appropriate governance structures. Ongoing progress reports are presented, among others, to the ARM audit and risk committee and divisional audit committees.

 King IV application register on website

Governance during Covid-19

The Covid-19 pandemic continues to present global health, social and economic challenges. Throughout the review period, the board monitored risks as well as the different scenarios developed for ARM, given the continuing impact on global markets for our commodities. One of the consequences of governing through this pandemic has been increased compliance obligations in a changing regulatory landscape. The company's robust structures have been flexible enough to respond effectively.

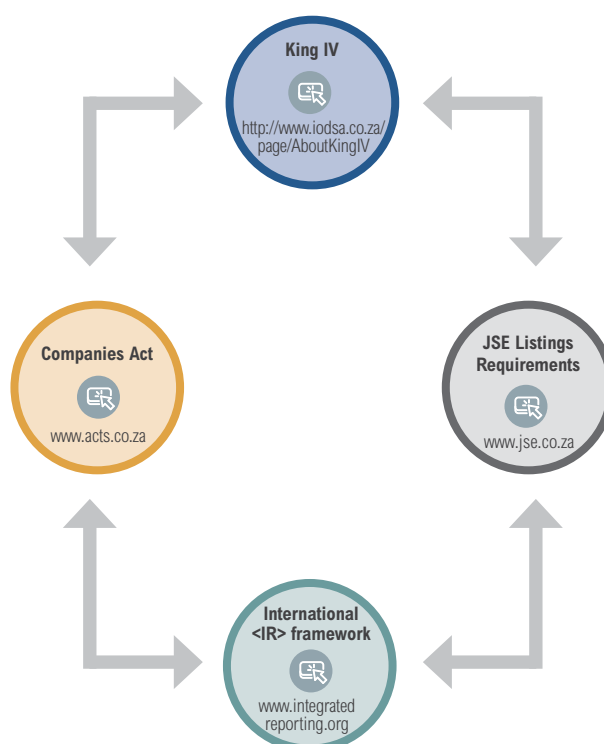
In line with current requirements, we have included comprehensive risk disclosures in our integrated annual report. These cover operational and financial impacts, health and safety issues as well as the impact on our communities, and illustrate the direct link between ARM's ERM process and its strategic objectives.

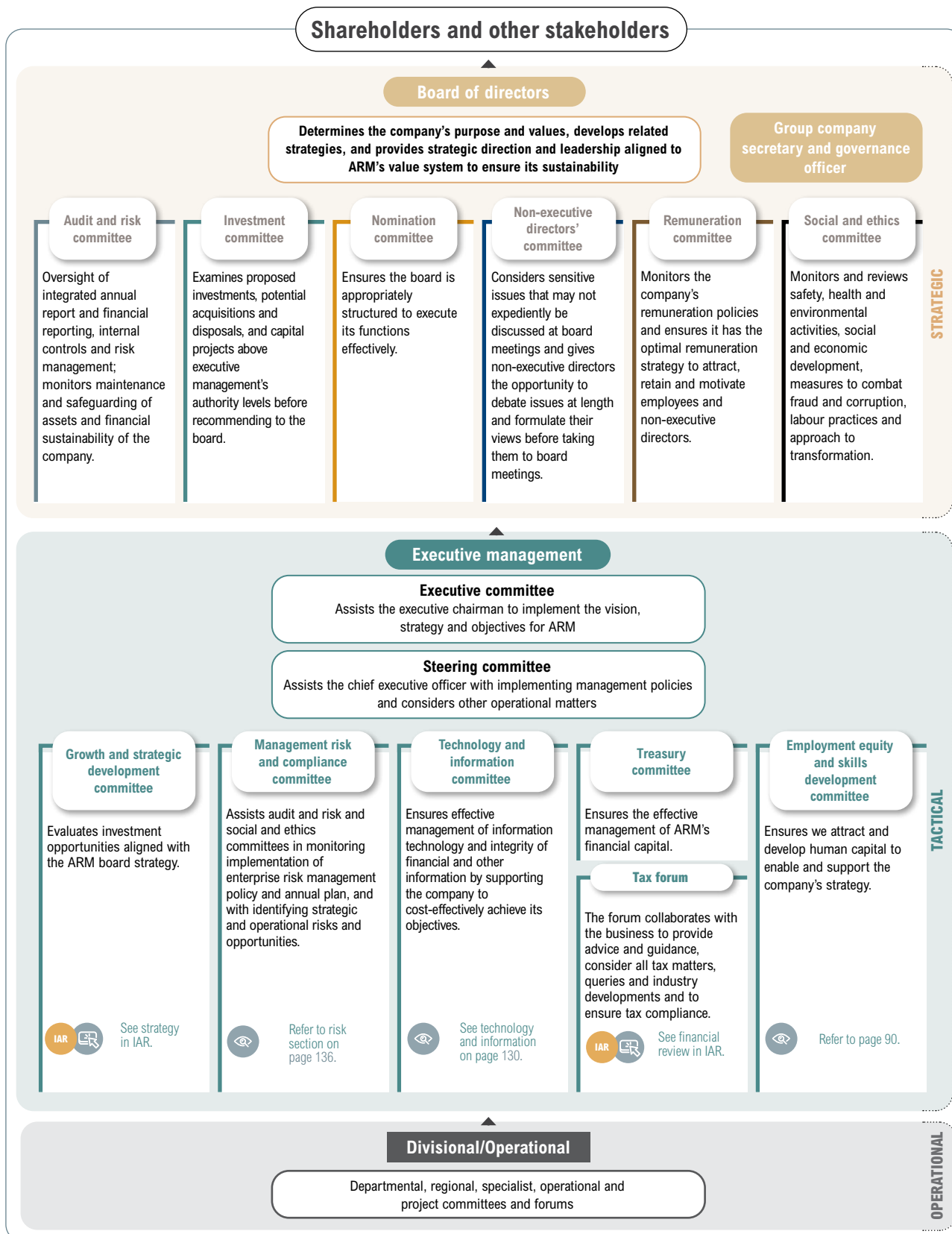
Video- and teleconferencing are now standard business tools, and effective for board and committee meetings. In line with the provision in ARM's memorandum of incorporation, our next annual general meeting will again be held electronically to reach a broad spectrum of stakeholders while reducing the health risk to participants.

Throughout the different lockdown levels, the board has maintained effective oversight and provided leadership as the medium- to longer-term impacts of the pandemic become evident.

Applicable governing frameworks

ARM complies with the JSE Listings Requirements, applicable statutes, regulatory requirements and other directives regulating its conduct.





King IV application register is on our website: www.arm.co.za and the assurance report on page 16.

Corporate governance continued

Board of directors

The board provides strategic direction and leadership, monitors the implementation of business and strategic plans, and approves capital funding for these plans to support a sustainable business. For full résumés, please see page 108 to 113.



Dr Patrice Motsepe (59)

Executive chairman

BA Law and Doctor of Laws Honoris Causa (University of Eswatini), LLB and Doctorate of Commerce Honoris Causa (University of Witwatersrand), Doctorate of Commerce Honoris Causa (Stellenbosch University), Doctor of Management and Commerce Honoris Causa (University of Fort Hare)

In 2003, Dr Motsepe led ARMgold into a merger with Avmin and Harmony Gold. Avmin then changed its name to African Rainbow Minerals (ARM) and he became the founder and executive chairman of ARM.

❖ African Rainbow Capital, African Rainbow Energy and Power, Harmony Gold Mining Company Limited, Sanlam Limited, UBI General Partner (Pty) Ltd, Ubuntu-Botho Investments.



Mike Schmidt (63)

Chief executive officer

Mine manager's certificate, MDP (INSEAD), PrCertEng
Appointed to the board in 2011.



Tsundzukani Mhlanga (39)

Finance director

BCom (acc sciences) (University of Pretoria), BCom (acc)(hons) and CTA (University of KZN), CA(SA), MBA (UCT)
Appointed to the board in 2020.

❖ UBI General Partner Proprietary Limited, African Rainbow Capital Proprietary Limited.



Jongisa Magagula (39)

Executive director: Investor relations and new business development

BBusSci (finance) (hons) (UCT)
Appointed to the board in 2019.

❖ Ubuntu-Botho Investments (Eastern Cape) (Pty) Ltd.



Thando Mkatshana (52)

Executive director and chief executive: ARM Platinum

National higher diploma (coal mining) (Wits Technikon), BSc Eng (mining) (Wits), MDP and MBA (Stellenbosch)
Appointed to the board in 2015.



Alex Maditsi (59)

Lead independent non-executive director

BProc (University of the North), LLB (Wits), HDip company law (Wits), LLM company and labour law (Pennsylvania, USA), LLM international commercial law (Harvard, USA)

Chairman of nomination and non-executive directors' committees, member of audit and risk, investment, remuneration and social and ethics committees.

Appointed to the board in 2004.

❖ African Rainbow Energy and Power Proprietary Limited, Bidvest Group Limited, Murray & Roberts Holdings Limited and Sterling Debt Recoveries Proprietary Limited.



Frank Abbott (66)

Independent non-executive director

BCom (University of Pretoria), CA(SA), MBL (Unisa)

Member of investment and non-executive directors' committees.
Appointed to the board in 2004.

❖ Tshamisio Trust.

Legend

- Executive directors
- Independent non-executive directors
- Non-executive directors

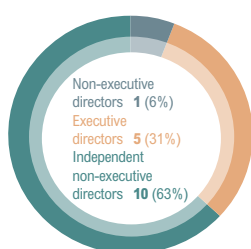
❖ Other key boards

Wits refers to University of Witwatersrand.

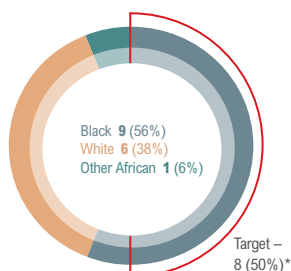
Unisa refers to University of South Africa.

UCT refers to University of Cape Town.

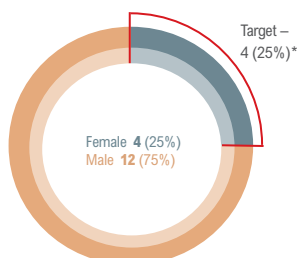
Mix



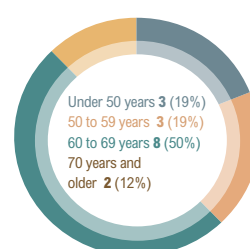
Diversity



Gender



Age**



* Target in terms of the board-approved policy.

** At the date of the 2021 annual general meeting.



Tom Boardman (71)

Independent non-executive director

BCom (Wits), CA(SA)

Chairman of audit and risk committee, member of investment, non-executive directors' and remuneration committees.

Appointed to the board in 2011.

- ❖ *African Rainbow Capital Proprietary Limited, African Rainbow Energy and Power Proprietary Limited, Anzor Limited, Royal Bafokeng Holdings Limited, TymeBank Proprietary Limited, Ubuntu-Botho Investments.*



Anton Botha (68)

Independent non-executive director

BCom (marketing) (University of Pretoria), BProc (Unisa), BCom (hons) (University of Johannesburg), SEP (Stanford)

Chairman of remuneration committee, member of audit and risk, investment and non-executive directors' committees

Appointed to the board in 2009.

- ❖ *Imalivest, Sanlam Limited.*



Joaquim Chissano (81)*

Independent non-executive director

PhD (honoris causa) (Stellenbosch), LLD (honoris causa) (St John's University, USA)

Member of nomination, non-executive directors' and social and ethics committees.

Appointed to the board in 2005.

- ❖ *Harmony Gold Mining Company Limited.*

* Non-South African.



Mangisi Gule (69)

Independent non-executive director

BA (hons) (Wits), PDM (Wits Business School)

Member of non-executive directors' committee.

Appointed to the board in 2004.



Pitsi Mnisi (38)

Independent non-executive director

BCom (acc) (University of KZN), BCom (acc) (hons) (University of KZN), BCom (tax)(hons) (UCT), CA(SA), advanced cert (emerging markets and country risk analysis) (Fordham University), MBA (Heriot-Watt University, UK)

Member of non-executive directors' and audit and risk committees.

Appointed to the board in 2020.

- ❖ *Super Group Limited, Methodist Homes for the Aged NPO.*



David Noko (64)

Independent non-executive director

HDip (mech eng) (Wits Technikon), MDP (Wits), PGDip (company directorships) (Graduate Institute of Management & Technology), MBA (Heriot-Watt University, UK), SEP (London Business School)

Chairman of investment committee; member of non-executive directors' and social and ethics committees.

Appointed to the board in 2017.

- ❖ *University of the Free State (council), Tongaat-Hulett Limited, Aveng (Moolmans).*



Mike Arnold (64)

Non-executive director

BSc (eng) (mining geology) (Wits), BCompt (hons) (Unisa), CA(SA)

Member of investment and non-executive directors' committees.

Appointed to the board in 2009.

- ❖ *Ubuntu-Botho Investments Proprietary Limited, African Rainbow Capital Proprietary Limited, African Rainbow Energy and Power Proprietary Limited.*



Dr Rejoice Simelane (69)

Independent non-executive director

BA (econ and acc) (University of Botswana, Lesotho and Swaziland), MA (econ) (University of New Brunswick, Canada), (University of Connecticut, USA), PhD (econ) (University of Connecticut), LLB (Unisa)

Chairman of social and ethics committee; member of audit and risk, nomination and non-executive directors' committees.

Appointed to the board in 2004.

- ❖ *African Rainbow Capital Proprietary Limited, African Rainbow Energy and Power Proprietary Limited, Sanlam Limited, Ubuntu-Botho Investments.*



Jan Steenkamp (67)

Independent non-executive director

National mining diploma (Wits Technical College), executive development programme (Wits Business School)

Member of investment, non-executive directors' and social and ethics committees.

Appointed to the board in 2017.

- ❖ *African Rainbow Energy and Power Proprietary Limited.*

Résumés

Dr Patrice Motsepe (59)

Executive chairman

LLB and Doctorate of Commerce (Honoris Causa) (University of Witwatersrand), Doctorate of Commerce (Honoris Causa) (Stellenbosch University), Doctor of Management and Commerce (Honoris Causa) (University of Fort Hare) and BA Law and Doctor of Laws (Honoris Causa) (University of Eswatini, formerly the University of Swaziland)

In 1994 Dr Motsepe founded Future Mining which grew rapidly to become a successful contract mining company. He then formed ARMgold in 1997 which listed on the JSE in 2002.

In 2003 Dr Motsepe led ARMgold into a merger with Avmin and Harmony Gold. Following the merger, Avmin changed its name to African Rainbow Minerals (ARM) and he became the founder and executive chairman of ARM.

Dr Patrice Motsepe was a partner in one of the largest law firms in South Africa, Bowmans and was also a visiting attorney in the USA with the law firm McGuireWoods.

In 2002 Dr Motsepe was voted South Africa's Business Leader of the Year by the chief executive officers of the top 100 companies in South Africa. In the same year, he was the winner of the Ernst & Young Best Entrepreneur of the Year Award.

In 2017 Forbes Magazine commemorated its 100th anniversary and honoured Dr Motsepe as one of the "100 Greatest Living Business Minds" in the world alongside many prominent global business leaders. He is the only person living on the African continent to be recognised and honoured as one of the "100 Greatest Living Business Minds" in the world.

Dr Motsepe is the founder and Chairman of Ubuntu-Botho Investments, African Rainbow Capital (ARC), African Rainbow Energy and Power (AREP) and UBI General Partner Proprietary Limited. He is also the deputy chairman of Sanlam and chairman of Harmony Gold.

He is the President of the Confederation of African Football (CAF) and a vice president of Fédération Internationale de Football Association (FIFA). He was previously Chairman of Mamelodi Sundowns Football Club.

Dr Motsepe is a member Board of Trustees of the World Economic Forum (WEF), the Global Network Advisory

Board of the WEF Centre for the Fourth Industrial Revolution and the WEF International Business Council (IBC) which is made up of 100 of the most highly respected and influential chief executives from all industries. He is also a member of the Harvard Global Advisory Council and the International Council on Mining and Metals (ICMM).

His past business responsibilities include being the president of National African Federated Chamber of Commerce and Industry (NAFCOC) from 2002 to 2006, founding president of Business Unity South Africa (BUSA) from January 2004 to May 2008, founding president of Chambers of Commerce and Industry South Africa (CHAMSA), president of the Black Business Council (BBC), and the founding chairman of the BRICS (Brazil, Russia, India, China, South Africa) Business Council in March 2013.

Dr Motsepe is a recipient of numerous business and leadership awards and recognitions including:

- Sunday Times Lifetime Achiever Award, 2017
- Harvard University Veritas Award for Excellence in Global Business and Philanthropy, 2014
- BRICS Business Council, Outstanding Leadership Award, 2014
- The Black Management Forum (BMF) Presidential Award for Business Excellence, 2010
- McGuireWoods Outstanding Alumnus Awards, 2009
- African Business Roundtable, USA, Entrepreneur & Freedom of Trade Award, 2009
- South African Jewish Report, Special Board Members Award for Outstanding Achievement, 2004
- Afrikaanse Handelsinstituut, MS Louw Award for Exceptional Business Achievement, 2003
- World Economic Forum Global Leader of Tomorrow, 1999.

In January 2013 Dr Motsepe and his wife, Dr Precious Moloi-Motsepe joined the Giving Pledge which was started by Warren Buffett and Bill and Melinda Gates. Dr Motsepe committed to give half of the wealth, which is owned by the Motsepe family to the poor and for philanthropic purposes during his lifetime and that of his wife and beyond. In April 2019, Forbes Magazine stated that US\$500 million was donated by the Motsepe family to the poor and for philanthropic purposes.

Dr Motsepe announced on 28 March 2020 that his family, in partnership with companies and organisations that they are associated with, including ARM, pledge R1 billion (US\$57 million) to assist with South Africa and Africa's response to the challenges presented by the Covid-19 pandemic.

Mike Schmidt (63)

Chief executive officer

Mine manager's certificate, MDP (Insead), PrCertEng

Appointed to the board in 2011

Mike Schmidt joined ARM as executive: platinum operations in July 2007 after 13 years with Lonmin Platinum where he was vice-president Limpopo operations when he left the company. Prior to that, he was employed by Hartebeestfontein Gold Mining Company. Mike was appointed chief executive officer designate of ARM and an executive director from 1 September 2011. He has been chief executive officer of ARM since 1 March 2012.

Tsundzukani Mhlanga (39)

Finance director

BCom (acc sciences) (University of Pretoria), BCom (acc)(hons) and CTA (University of KZN), CA(SA), MBA (UCT)

Appointed to the board in 2020

Tsu Mhlanga joined ARM in July 2020 as chief finance officer. She has over 15 years' financial experience and was previously executive director: group finance and administration of Italtile Limited. Prior to that, Tsu was a financial director in the property sector and spent six years in the mining industry as chief financial officer and group manager of finance for a mining joint venture. In addition, she gained experience in the retail and public sectors after completing her articles at Edcon. She is also a director of UBI General Partner Proprietary Limited and African Rainbow Capital Proprietary Limited.

Jongisa Magagula (39)

Executive director: investor relations and new business development

BBusSci (finance) (hons) (UCT)

Appointed to the board in 2019

Jongisa Magagula began her career in the group financial reporting department of fast-moving consumer goods company, Unilever South Africa Home and Personal Care. During her time there, she was seconded to auditing firm Ernst & Young as part of the internal audit team. In 2007, Jongisa joined Absa Capital and was seconded to Barclays Capital in London where she worked in the real estate group services team, originating commercial debt and structuring commercial debt securitisation products. She returned to Absa Capital and joined the mining and metals team responsible for mergers and acquisitions advisory, as well as financing and risk management solutions for mining clients. Jongisa joined ARM in 2009 as head of investor relations and was appointed to her current role in 2019. She is also a director of Ubuntu-Botho Investments (Eastern Cape) Proprietary Limited and a trustee of Ubuntu-Botho Women's Upliftment Trust.

Thando Mkatshana (52)

Executive director and chief executive: ARM Platinum

National higher diploma (coal mining) (Wits Technikon), BSc Eng (mining) (Wits), MDP and MBA (Stellenbosch University)

Appointed to the board in 2015

Thando Mkatshana has over 30 years' experience in the mining industry. His career started with Anglo American Coal in 1988, where he gained extensive production experience at various collieries. He joined Xstrata Coal South Africa Proprietary Limited in 2003, where he was responsible for the development from feasibility to implementation of the Goedgevonden Colliery (a flagship greenfield project and joint venture between ARM Coal Proprietary Limited and what is now Glencore Operations South Africa Proprietary Limited). Thando worked for Kalagadi Manganese Proprietary Limited and ArcelorMittal South Africa Limited before joining ARM in 2011 as executive: coal operations. He was appointed chief executive: ARM Coal in 2012 and assumed additional responsibilities as chief executive: ARM Copper in 2015. In February 2017, Thando was appointed chief executive: ARM Platinum.

Corporate governance continued

Alex Maditsi (59)

Lead independent non-executive director

Chairman of nomination and non-executive directors' committees; member of audit and risk, investment, remuneration and social and ethics committees

BProc (University of the North), LLB (Wits), HDip company law (Wits), LLM company and labour law (Pennsylvania, USA), LLM international commercial law (Harvard, USA)

Appointed to the board in 2004

Alex Maditsi became lead independent non-executive director in 2015. He is managing director of Copper Moon Trading Proprietary Limited. Previously he was employed by Coca-Cola South Africa as a franchise director for South Africa, country manager for Kenya, and senior director: operations planning and legal director for Coca-Cola Southern and East Africa. Prior to that, he was legal director for Global Business Connections in Detroit, Michigan. He also spent time at Lewis, White and Clay, The Ford Motor Company and Schering-Plough in the USA, practising as an attorney. Alex was a Fulbright scholar and member of the Harvard LLM Association. His directorships include African Rainbow Energy and Power Proprietary Limited, Bidvest Group Limited, Murray & Roberts and Sterling Debt Recoveries Proprietary Limited.

Frank Abbott (66)

Independent non-executive director

Member of investment and non-executive directors' committees

BCom (University of Pretoria), CA(SA), MBL (Unisa)

Appointed to the board in 2004

Frank Abbott joined Rand Mines Group in 1981, gaining broad financial management experience at operational level and serving as a director of various listed gold mining companies. He is currently an independent non-executive director of ARM, having served as financial director of the company from 2004 to 2009. Frank was the financial director of Harmony Gold Mining Company Limited ("Harmony") from February 2012 to March 2020. He retired from the Harmony board in September 2020. He is also a trustee of the Tshiamiso Trust, which has been established to carry out the settlement terms in the silicosis and tuberculosis class action.

Tom Boardman (71)

Independent non-executive director

Chairman of audit and risk committee; member of investment, non-executive directors' and remuneration committees

BCom (Wits), CA(SA)

Appointed to the board in 2011

Tom Boardman was chief executive of Nedbank Group Limited from 2003 to 2010. Before that, he was chief executive and executive director of BoE Limited, acquired by Nedbank in 2002. He was the founding shareholder and managing director of retail housewares chain Boardmans. He was also previously managing director of Sam Newman Limited and worked for the Anglo American Corporation. He served his articles at Deloitte. He was a non-executive director of Nedbank Limited from 2010 to 2017, chairing the credit as well as capital and risk committees. He was a director of listed Swedish investment company, Kinnevik, from 2011 to 2018, and chairman for the last two years. He was also a non-executive director and chairman of Millicom International Cellular, one of the major mobile and cable network operators in Central and South America, listed on the NASDAQ and Swedish stock exchanges. He is a non-executive director of Royal Bafokeng Holdings, Ubuntu-Botho Investments, African Rainbow Capital Proprietary Limited, African Rainbow Energy and Power Proprietary Limited and Tyme Bank Proprietary Limited. He is a director of The Peace Parks Foundation and trustee for a number of charitable foundations.

Anton Botha (68)

Independent non-executive director

Chairman of remuneration committee; member of audit and risk, investment and non-executive directors' committees

BCom (marketing) (University of Pretoria), BProc (Unisa), BCom (hons) (University of Johannesburg), SEP (Stanford, USA)

Appointed to the board in 2009

Anton Botha is a co-founder, director and co-owner of Imalivest, a private investment group that manages proprietary capital provided by its owners and the Imalivest Flexible Funds. He is also a non-executive director of Sanlam Limited and certain Sanlam subsidiaries.

Joaquim Chissano (81)

Independent non-executive director

Member of nomination, non-executive directors' and social and ethics committees

PhD honoris causa (Stellenbosch University), LLD honoris causa (St John's University, USA)

Appointed to the board in 2005

Joaquim Chissano is a former president of Mozambique and has served that country in many capacities, initially as a founding member of the Frelimo movement in the struggle for independence. After independence in 1975, he was appointed foreign minister and became president in 1986. He declined to stand for a further term of office in 2004. His presidency began during a devastating civil war and ended as the economy was being reconstructed. He was chairman of the African Union from 2003 to 2004. Joaquim is also a non-executive director of Harmony Gold Mining Company. In 2006, he was awarded the annual Chatham House prize for significant contributions to the improvement of international relations. He also received the inaugural Mo Ibrahim prize for achievement in African leadership in 2007 and has been awarded a number of honorary degrees.

Mangisi Gule (69)

Independent non-executive director

Member of non-executive directors' committee

BA (hons) (Wits), PDM (Wits Business School)

Appointed to the board in 2004

Mangisi Gule was appointed as an executive director in 2004, chief executive of ARM Platinum in 2005 and chief executive of ARM Coal from 2007 to 2012. He served as executive director: corporate affairs until 2013 and has been a non-executive director of the company since 2013. Mangisi has extensive experience in management, training, human resources, communications, corporate affairs and business development. Apart from his academic qualification in business management, he has proven experience in leadership and mentorship. He has been a lecturer, chairman of professional bodies and a member of various executive committees and associations. He has also been an executive director of ARMgold and Harmony.

Corporate governance continued

Pitsi Mnisi (38)

Independent non-executive director

Member of audit and risk and non-executive directors' committees

BCom (acc) (University of Natal), BCom (acc)(hons) (University of Natal), BCom (tax)(hons) (UCT), CA(SA), advanced cert (emerging markets and country-risk analysis) (Fordham University, USA), MBA (Heriot-Watt University, UK)

Appointed to the board in 2020

Pitsi Mnisi has over 17 years' financial experience. She is founder and managing director of the corporate finance advisory business, Lynshpin Cedar. Previously, she was finance manager at De Beers Consolidated Mines. Prior to that, she completed her articles at Deloitte in Cape Town after which she was seconded to the Deloitte London office, returning to Cape Town to join the tax division. She was a non-executive director and audit committee member of state-owned African Exploration & Mining Finance Corporation SOC Limited from 2014 until September 2020. She is a non-executive director of Super Group Limited and Methodist Homes for the Aged NPO.

David Noko (64)

Independent non-executive director

Member of investment, non-executive directors' and social and ethics committees

Higher diploma (mech eng) (Wits Technikon), management development programme (Wits), postgraduate diploma (company directorships) (Graduate Institute of Management & Technology), MBA (Heriot-Watt University, UK), senior executive programme (London Business School, UK)

Appointed to the board in 2017

David Noko is an internationally renowned business leader. He worked for South African Breweries, Pepsi Cola International and in senior and executive roles at Air Chefs Proprietary Limited and De Beers Consolidated Mines Limited. He was an executive at AngloGold Ashanti Limited, responsible for the group sustainable development portfolio. His experience and business acumen have seen him serve on the boards of Royal Bafokeng Platinum Limited, Harmony Gold and Astrapak Limited. David is currently deputy chairman of the council of the University of the Free State. He is also non-executive director at Tongaat-Hulett Limited and Aveng Moolmans.

Mike Arnold (64)

Non-executive director

Member of investment and non-executive directors' committees

BSc Eng (mining geology) (Wits), BCompt (hons) (Unisa), CA(SA)

Appointed to the board in 2009

Mike Arnold's career started in the mining industry in 1980 as a geologist for Anglo American Corporation. He qualified as a chartered accountant in 1987. Mike joined ARM in 1999 as the group financial manager of Avgold Limited and, in 2003, he was appointed financial director. He became executive: finance of ARM in 2004, chief financial officer in 2008 and financial director in 2009. He retired in 2017, but remains on the ARM board as a non-executive director. He also serves on the boards of Ubuntu-Botho Investments Proprietary Limited, African Rainbow Capital Proprietary Limited and African Rainbow Energy and Power Proprietary Limited as a non-executive director.

Dr Rejoice Simelane (69)

Independent non-executive director

Chairman of social and ethics committee; member of audit and risk, nomination and non-executive directors' committees

BA (economics and accounting) (University of Botswana, Lesotho and Swaziland), MA (econ) (University of New Brunswick, Canada, and University of Connecticut, USA), PhD (econ) (University of Connecticut), LLB (Unisa)

Appointed to the board in 2004

Rejoice Simelane began her career at the University of Swaziland (now Eswatini) as a lecturer in economics. Between 1998 and 2001, she worked at the Department of Trade and Industry as well as National Treasury. She later served as a special adviser, economics, to the premier of Mpumalanga until 2004, when she was appointed chief executive of Ubuntu-Botho Investments, a position she held until 2016. While she remains an executive director at Ubuntu-Botho Investments, she is also a non-executive director of its wholly owned subsidiary, African Rainbow Capital Proprietary Limited. Other directorships include Sanlam Limited, African Rainbow Energy and Power Proprietary Limited, Mamelodi Sundowns Football Club and the Blue Bulls Company Proprietary Limited. She also serves on the executive committee of the Premier Soccer League. A CIDA scholarship recipient and Fulbright fellow, Rejoice was also a member of the presidential economic advisory panel under former president Thabo Mbeki.

Jan Steenkamp (67)

Independent non-executive director

Member of investment, non-executive directors' and social and ethics committees

National mining diploma (Witwatersrand Technical College), executive development programme (Wits Business School)

Appointed to the board in 2017

Jan Steenkamp started his career with the Anglovaal Group in 1973. Trained as a mining engineer, he has worked at and managed group mining operations in the gold, copper, manganese, iron ore and chrome sectors. He was appointed managing director of Avgold Limited in 2002 and served on the board of Assmang Limited. In 2003, he was appointed to the Avmin board and became chief executive officer in July 2003 after serving as chief operating officer. He later served as chief executive of ARM Ferrous and an executive director on the ARM board from 2005 to 2012. He was appointed chief executive of ARM exploration and strategic services in 2012 until retiring in 2017. Jan is also a non-executive director of African Rainbow Energy and Power Proprietary Limited.

Corporate governance continued

Diversity and inclusion

The board policy on gender and racial diversity and inclusion stipulates at least 50% black board members, of whom 25% would be black women. We have balanced black and white representation on the board and met the 25% target for black female members. The nomination committee regularly considers the board composition to ensure a balance of the required attributes and aspects of diversity. This includes considering the balance of skills, experience, independence, field of knowledge and knowledge of ARM as well as aspects including gender, race, culture, the age of directors, and other factors relevant to the board's effectiveness. We continue our efforts to increase female representation.

In the annual performance evaluation of the board, gender and race diversity were again identified as priority areas and the nomination committee will continue to focus on exceeding these targets.

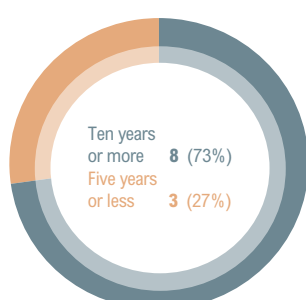
Independence

Our independent non-executive directors are highly experienced and have the skills, background and knowledge to fulfil their responsibilities. All directors have a duty to act with independence of mind in the best interests of the company. The board believes the independent non-executive directors are of the appropriate calibre, diversity and number for their views to carry significant weight in its deliberations and decisions.

The classification of independent non-executive directors is determined by the board on the recommendation of the nomination committee. In determining the independence of these directors, and with due regard to the relevant criteria set out in King IV and the JSE Listings Requirements, character and judgement are considered, along with any relationships or circumstances that may affect their judgement. Any term in office by an independent non-executive director exceeding nine years is rigorously reviewed by the board.

The board concluded that, in each case, the director's independence of character and judgement was not impaired by length of service.

Tenure: non-executive directors



Independence and consultancy

The independence of Mr JA Chissano, who receives consultancy fees, was considered. Given his extensive relationships with leaders of African countries, Mr Chissano assists in facilitating high-level business discussions and introductions. His specific assignments are determined by the executive chairman and chief executive officer, and fees paid for these services are market-related. As such, the board is satisfied that this aspect does not impair his independence.

Mr JC Steenkamp, a former executive, is considered independent as he has not been an executive of the company in the preceding three financial years, he no longer participates in the company's share incentive schemes and his consultancy agreement with the company was terminated in September 2020.

Mr TA Boardman received a once-off consultancy fee in F2021 for his assistance in the resolution of an important matter. The board is satisfied that this did not impair his independence and has again classified him as independent.

Mr M Arnold had a consultancy agreement with the company in F2021. Although he has not been an executive of the company in the preceding three financial years and no longer participates in the company's share incentive schemes, he has declared that he is not independent and, as such, the board has not classified him as an independent non-executive director.

For additional information about consultancy agreements, see remuneration report on pages 165, 166 and 183.



Executive chairman, lead independent non-executive director and chief executive officer

The roles of the executive chairman and chief executive officer are separate and distinct. Dr PT Motsepe is the executive chairman of the company and not independent. He is also a significant shareholder of ARM. The company is satisfied that his non-independence is properly addressed by the composition of the board and particularly by appointing a lead independent non-executive director, Mr AK Maditsi, as required by King IV.

The board charter documents the role and responsibilities of the executive chairman and lead independent non-executive director, who leads, inter alia, in the absence of the executive chairman or when the executive chairman has a conflict of interest.

In addition to general requirements for re-electing directors set out in ARM's memorandum of incorporation and discussed below, the executive chairman and lead independent non-executive director must be elected by the board annually. Dr Motsepe and Mr Maditsi were re-elected to their respective roles for one year from 1 January 2021.

The chief executive officer is appointed by the board. He does not hold any external board appointments, although he represents the company at the Minerals Council South Africa.

For further information, see shareholder analysis in the AFS.



Board charter

The board charter was amended in June 2021, guiding directors on the board's responsibilities, authority, composition, meetings and need for performance evaluations.



Role and responsibilities

- Determining ARM's purpose and values, identifying its stakeholders and developing related strategies
- Being the focal point for, and custodian of, good corporate governance by managing the board's relationship with management, shareholders of ARM and other stakeholders
- Providing strategic direction and leadership aligned to ARM's value system by reviewing and approving budgets, plans and strategies for ARM, monitoring their implementation and approving their capital funding, aimed at sustainably achieving ARM's long-term strategy and vision
- Ensuring ARM's business is conducted ethically and sustainably
- Reviewing the board's work plan annually.
- Reviewing the going-concern status of ARM in the short to medium term
- Determining, implementing and monitoring policies, procedures and systems to monitor performance indicators and ensure the integrity of risk management and internal controls to protect ARM's assets and reputation
- Monitoring and ensuring compliance with the company's policies, codes of best business practice, recommendations of King IV and all applicable laws and regulations
- Adopting the information technology (IT) governance framework
- Considering specific limits for the levels of ARM's risk tolerance
- Defining levels of materiality, reserving certain powers for itself and delegating other matters to ARM management
- Ensuring the company's annual financial statements are prepared and presented before a duly convened annual general meeting
- Ensuring a communications policy is established, implemented and reviewed annually and, in addition to its statutory and regulatory reporting requirements, that the policy contains accepted principles of accurate and reliable reporting, including being transparent, understandable and consistent in communicating with stakeholders
- Considering recommendations made by the nomination committee on new directors and reappointing retiring directors, both as executive and non-executive directors
- Ensuring the competency and other attributes of directors are suitable for their appointment in that capacity and for intended roles 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, transparent and comply with all prescribed procedures
- Ensuring a succession plan for executive directors and senior management is implemented.
- Selecting and appointing suitable candidates as chairmen and members of board committees
- Ensuring annual performance evaluations are conducted for the board, executive chairman, chief executive officer, individual directors as well as board committees and their chairmen
- Ensuring the board comprises an appropriate balance of executive and non-executive directors, with the majority of non-executive directors being independent and ensuring directors have the relevant knowledge, skills and experience to govern the company efficiently.












The charter also provides a clear division of responsibilities to ensure a balance of power and authority so that no one director has unfettered powers of decision-making.

Corporate governance continued

Board experience

With a deep understanding of our values, each director makes a valuable contribution to the responsible governance of the company. The board has members of the appropriate calibre to provide the company with strategic direction. The breadth of specific and complementary skills of directors is illustrated below.

Directors













	 Commercial and business acumen	 Economics	 Engineering	 Executive leadership	 Financial acumen	 Financial expert (including CA(SA))	 Governance and ethics	 Government relations experience	 Human capital best practice	 International experience	 Legal and regulatory compliance	
Executive												
Dr PT Motsepe (executive chairman)	○			○	○		●	○		●	○	
MP Schmidt (chief executive officer)	○		○	●	○		○		○	○	○	
TTA Mhlanga (finance director)	○			○	●	●	○			○	○	
J Magagula	○	○		●	○		○			○		
HL Mkatshana	○		○	○	○		○	○	○	○		
Non-executive												
AK Maditsi (lead independent)	●			○			○	○	○	○	●	
F Abbott (independent)	○			●	●	●	○			○	○	
M Arnold	○		○	●	●	●	○			○	○	
TA Boardman (independent)	○			●	●	●	○		○	○	○	
AD Botha (independent)	○	○		●	○	●	○		●	○	○	
JA Chissano (independent)							○	●	●	●		
WM Gule (independent)				●			○		●			
PJ Mnisi (independent)	○			○	○	●	○		○	○	○	
DC Noko (independent)	○		○	●			○	○	○	○	○	
Dr RV Simelane (independent)		●		○	○		○	○	○	○	●	
JC Steenkamp (independent)	○		○	○	○		○			○		

Key

- Top three areas in which a director has more than 10 years' experience
- Other skills and experience

Collectively, our directors apply a depth of skills and expertise in leading ARM through current macro-challenges.

Directors

	 Mining technical expertise	 Mining strategy	 Health and safety	 Operational experience	 Risk management	 Stakeholder engagement	 Strategic leadership	 Sustainability best practice	 Tax expertise	 Technical insight	 Technology and information	 Transformation best practice
Executive												
Dr PT Motsepe (executive chairman)		○			○	○	●	○				○
MP Schmidt (chief executive officer)	●	●	○	○	○	○	○	○		○	○	○
TTA Mhlana (finance director)		○			○		○		●		○	
J Magagula		●				●	○					
HL Mkatshana	●	●	○	●	○	○	○	○		○		
Non-executive												
AK Maditsi (lead independent)			○	○		○	●					
F Abbott (independent)							○		○			
M Arnold	○	○			○		○		○	○		
TA Boardman (independent)		○			○	○	○	○				○
AD Botha (independent)		○				○	○	○	○		○	○
JA Chissano (independent)							○					
WM Gule (independent)		○	○			●	○					○
PJ Mnisi (independent)		●	○	●			○		○			
DC Noko (independent)		○	●	○	○	○	○	●		○		
Dr RV Simelane (independent)		○	○		○	○	○	○				○
JC Steenkamp (independent)	●	○	○	●	○	○	●	○		○		○

- Top three areas in which a director has more than 10 years' experience
- Other skills and experience

Corporate governance continued

Re-election, election, induction, succession and board performance assessment

Re-election and election

The memorandum of incorporation requires that one-third of elected non-executive directors who have served in office longest since their last election retire by rotation at each annual general meeting. Being eligible, these non-executive directors may seek re-election. Messrs F Abbott, WM Gule, AK Maditsi and DC Noko are required to retire by rotation. They have made themselves available for re-election at the annual general meeting on Thursday, 2 December 2021, or any adjournment.

Directors appointed by the board between annual general meetings hold office only until the next annual general meeting and are eligible for election. They are not included in determining the number of directors who retire by rotation.

Induction and continuing education

Newly appointed directors receive a comprehensive information pack, including the memorandum of incorporation, board charter, terms of reference of board committees, board policies and other relevant documents. In addition, key legislation and regulations, as well as corporate governance, financial and reporting documents, including minutes and administrative documents, are provided. Directors are encouraged to attend courses providing information and training on their duties, responsibilities, powers and potential liabilities.

Regulatory and legislative updates are provided regularly.

Succession

The nomination committee, along with the executive chairman, is responsible for succession planning for non-executive directors and monitors succession planning for executive directors. The company has a succession plan for executive directors and senior management.



For more on succession, see the nomination committee section on page 126.

Board performance assessment

The effectiveness of the board and committees is assessed annually. Independent external advisers assisted the nomination committee in evaluating the board, committees, executive chairman, chief executive officer and group company secretary and governance officer. We believe that external advisers assist in ensuring a rigorous and impartial evaluation process, which improves the board's effectiveness.

We are 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.

In the F2021 assessment process, the board considered its responsibilities in terms of its charter and was satisfied it had fulfilled these.

In addition to finding that the board functioned well, the assessment acknowledged the importance of refining the capital-allocation guiding principles, decisions to improve operational performance and continued focus on the diversity of the board. The findings of the F2021 assessment were considered by the board and a copy provided to the external auditor.

F2021 board performance assessment

The F2021 assessment focused on the effectiveness of the board, and included:

- Composition
- Meetings and content
- Executive chairman, chief executive officer and group company secretary
- Accountability
- Appointment, induction, training and succession planning
- Performance evaluation and remuneration
- Board committees
- Covid-19
- Communication and stakeholder relations
- Dynamics and leadership
- Strategic compliance and group performance
- Risk management, regulatory compliance and internal controls
- Technology and information governance
- Combined assurance
- Integrated financial and non-financial reporting
- Non-financial (sustainability) performance
- Balance of power and authority
- Conduct and ethics.

Performance assessments of all executive directors, including the executive chairman and chief executive officer, are undertaken annually and form the basis of their remuneration as discussed in part II of the remuneration report.

Board meetings

The board meets at least four times a year to consider the business and strategy of ARM. It reviews reports of the chief executive officer, finance director, divisional chief executives and other senior executives, chairmen of committees and independent advisers. In F2021, four board meetings and a budget workshop were held. Robust governance structures at every level navigated the uncertainty due to pandemic-related events. The enterprise risk management programme provided the framework for the company's effective response to both crisis management and business continuity. The in-person two-day offsite strategy meeting was again postponed because of the pandemic, but an online focus session on strategy was held.

Agendas for board meetings are prepared by the group company secretary and governance officer in consultation with the executive chairman, chief executive officer and finance director. Information provided to the board is compiled from external sources, such as independent third-party reports, and internally from minutes and plans as well as reports on safety, health, sustainable development, risk, finance, governance and legal matters likely to affect ARM. The first hour of quarterly board meetings is dedicated to training in areas pertinent to the business. Members of the board and senior executives consider the budget and review the company's three-year financial plan at the board's annual budget workshop.

Group company secretary and governance officer

All directors have access to the services and advice of the group company secretary and governance officer, Ms AN D'Oyley (BCom, LLB, LLM). She is not a director of ARM and maintains an arm's-length relationship with the board.

The company secretary supports the board as a whole, and directors individually, by providing guidance on how to fulfil their related responsibilities in the best interests of ARM. To achieve these objectives, independent advisory services are retained by the company secretary at the request of the board or its committees. She maintains her knowledge of developments in corporate governance best practice and regulation.

The board appointed the group company secretary and governance officer in line with the requirements of the Companies Act. In August 2021, on recommendation of the nomination committee, the board considered details of her competence, qualifications and experience as well as results of the F2021 board assessment. The board remains satisfied with the competency and experience of the group company secretary and governance officer.

Advice and information

There is no restriction on a director's access to company information, records, documents and property. Non-executive directors have access to management and regular interaction is encouraged. All directors are entitled to seek, at the company's expense, independent professional advice on the affairs of the company.

Corporate governance continued

Meeting attendance

F2021 scheduled board and committee meeting attendance

	Board		Committees					
	Board	Budget	Audit		Investment	Nomination	Non-executive directors	Social and ethics
			and risk					Remuneration
Number of meetings ¹	4	1	7	2	3	4	4	3
Dr PT Motsepe (executive chairman)	4/4	1/1	–	–	–	–	–	–
MP Schmidt (chief executive officer)	4/4	1/1	–	–	–	–	–	–
F Abbott	4/4	1/1	–	2/2	–	4/4	–	–
M Arnold	4/4	1/1	–	2/2	–	4/4	–	–
Dr MMM Bakane-Tuoane ²	1/1	–	3/3	–	1/1	1/1	1/1	3/3
TA Boardman	4/4	1/1	7/7	2/2	–	4/4	–	3/3
AD Botha	4/4	1/1	7/7	2/2	–	4/4	–	3/3
JA Chissano ³	4/4	1/1	–	–	3/3	4/4	3/4	–
WM Gule	4/4	1/1	–	–	–	4/4	–	–
AK Maditsi	4/4	1/1	7/7	2/2	3/3	4/4	4/4	3/3
J Magagula	4/4	1/1	–	–	–	–	–	–
TTA Mhlana ⁴	3/3	1/1	–	–	–	–	–	–
HL Mkatshana	4/4	1/1	–	–	–	–	–	–
PJ Mnisi ⁵	3/3	1/1	4/4	–	–	3/3	–	–
AM Mukhuba ⁶	1/1	–	–	–	–	–	–	–
DC Noko	4/4	1/1	–	2/2	–	4/4	4/4	–
Dr RV Simelane	4/4	1/1	7/7	–	3/3	4/4	4/4	–
JC Steenkamp	4/4	1/1	–	2/2	–	4/4	4/4	–

¹ Includes attendance at board meetings by directors and attendance at committee meetings by members.

² Dr MMM Bakane-Tuoane resigned from the board from 29 September 2020.

³ Mr JA Chissano was absent with leave of the committee. He received meeting materials beforehand and contributed as necessary.

⁴ Ms TTA Mhlana was appointed to the board from 1 October 2020.

⁵ Ms PJ Mnisi was appointed to the board from 30 September 2020.

⁶ Ms AM Mukhuba resigned from the board from 30 September 2020.

Strategy

Deliver competitive returns and sustainable value

The board has oversight of plans to achieve ARM's strategic objectives, summarised below. It closely monitors ARM's progress and industry standards of good practice.

While our broad strategy remains in place, short-term issues – such as the pandemic – have shifted the priority of some strategic objectives. Emerging issues – particularly decarbonisation – are being integrated into our short, medium and longer-term view.

	Operate our portfolio of assets safely, responsibly and efficiently	Allocate capital to value-creating investments	Focus on value-enhancing and integrated growth
Strategic objectives	<ul style="list-style-type: none"> Improve operational efficiencies and contain unit cost increases, with board oversight of proposals for using technological advances Improve relationships with our key stakeholders Maintain a safe and healthy working environment Partner with employees for personal wellness and professional development Remain responsible stewards of our environmental resources. 	<ul style="list-style-type: none"> Focus on the efficient allocation of capital, including board-approved Two Rivers Merensky project Maintain a robust financial position. 	<ul style="list-style-type: none"> Aim for value-enhancing integrated growth Board-approved updated IT strategy and improved risk management in technology.
How	<ul style="list-style-type: none"> Continue to invest in sustaining current operations Target below-inflation unit cost increases at all operations Invest in efficiency-improvement technologies Aim for net zero greenhouse gas emissions from mining Ensure highest standards of governance, with board oversight of stakeholder relationships. 	<ul style="list-style-type: none"> Invest in our existing business Pay ordinary dividends to shareholders equal to 40–70% of annual dividends from group companies Invest in growth opportunities that meet ARM's hurdle rates Consider buying our own shares if appropriate and benchmark investment opportunities to returns of a share buyback Maintain a robust and flexible financial position. 	<ul style="list-style-type: none"> Pursue merger and acquisition opportunities that meet hurdle rates Pilot improved smelting technology and prove at commercial scale Continue to assess current portfolio for disposal opportunities or points of exit.
Measured by KPI	<ul style="list-style-type: none"> Position on global margin curves Unit-cost increases at each operation relative to mining inflation Board-approved targets for greenhouse gas emissions now included in long-term incentive schemes. 	<ul style="list-style-type: none"> Dividend per share Net debt-to-equity ratio Internal rate of return for share buyback Predefined hurdle rates as per capital allocation guiding principles. 	<ul style="list-style-type: none"> Internal rate of return Production volumes from pilot to commercial scale of smelting technology Energy consumption in smelting process.

Corporate governance continued



Committees

Our board and committees

The board has established committees to assist in fulfilling the responsibilities set out in its charter, promote independent judgement and ensure a balance of power. The board acknowledges that delegating authority to these committees does not detract from its responsibility to discharge its fiduciary duties to the company.

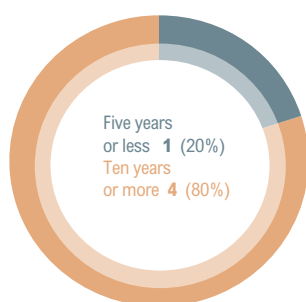
Each committee is chaired by an independent non-executive director, and has its own terms of reference setting out roles and responsibilities, functions, scope of authority and composition. These are reviewed annually by the board. In 2021, the committees proposed amendments to their terms of reference. After due consideration, the board approved appropriate amendments.

The F2021 assessment process concluded that each committee was satisfied it had fulfilled its responsibilities against its terms of reference. The qualifications and experience of each committee member are set out from page 106.

Audit and risk committee

Member	Member since
TA Boardman (chairman)	February 2011
AD Botha	June 2010
AK Maditsi	July 2004
PJ Mnisi	December 2020
Dr RV Simelane	July 2004

Tenure



The audit and risk committee is constituted as a statutory entity of the board in terms of section 94 of the Companies Act and its composition complies with the provisions of that section.

The report of the committee begins on page 4 of the annual financial statements.

Composition

The audit and risk committee comprises five independent non-executive directors, with extensive relevant experience. After many years of service, Dr MMM Bakane-Tuoane resigned from the board in September 2020. Ms PJ Mnisi, CA(SA), was appointed to the committee in December 2020. In line with the guidelines in King IV, the committee chairman is an independent non-executive director, a CA(SA) and a financial expert. The chief executive officer, finance director and other senior executives attend meetings at the committee's request.

A recommendation that the shareholders of the company appoint Mr F Abbott to the committee is included in the notice of annual general meeting.

Meetings

The committee acts as a forum for communication between the board, management and the external and internal auditors. It is required to meet at least six times a year. Seven meetings were held in F2021.

See meeting attendance summary on page 120.

Responsibilities

The primary objective of this committee is to assist the board in discharging its duties to safeguard ARM's assets; operate adequate systems, internal controls and control processes; and prepare accurate financial reports and statements that comply with all applicable legal requirements, corporate governance and accounting standards; as well as enhancing the reliability, integrity, objectivity and fair presentation of the affairs of the company. It also oversees financial and other risks in conjunction with the social and ethics committee. In fulfilling its oversight responsibilities, the committee reviews and discusses the audited financial statements with management and ARM's external and internal auditors.

See the financial review in the IAR.

The committee has oversight of the audit committees of ARM's subsidiaries and joint ventures. It monitors, inter alia, implementation of the code of conduct, tax policy and treasury policy, including major corporate facilities. It also receives reports from the technology and information committee.

See the information and technology section from page 130.

Based on its terms of reference, a comprehensive agenda framework and work plan is prepared to ensure all tasks assigned to the committee are considered at least once a year.

Corporate governance continued

Focus and adding value

In adding value to the company and its governance in the review period, the committee executed its duties and responsibilities. This included considering:

- External auditor accreditation and reappointment
- Approving and monitoring the external auditor's plan and scope of work, and key audit matters
- Reviewing financial statements and the appropriateness of all published results
- Legal and regulatory requirements that may have an impact on the financial statements
- Approving and monitoring the internal auditors plan and scope of work
- Management's action on internal audit findings
- Compliance with the Companies Act, King IV, JSE Listings Requirements and other applicable regulatory requirements and governance frameworks
- Risk management, regulatory requirements and reputational matters
- Technology and information governance including the information and technology strategy
- The effectiveness of ARM's internal controls
- The internal control process for the chief executive officer and finance director to sign the responsibility statement for the F2021 annual financial statements
- The finalisation of the investigation of the ARM Coal receivable, which had not yet been validated at the time of finalising the F2020 annual financial statements
- The International Standard on Review Engagements 2410 review conclusion of the interim financial statements
- The restructuring of the ARM Broad-Based Economic Empowerment Trust loan agreements with ARM and Harmony
- The ongoing impact of the Covid-19 pandemic
- The impairment indicator assessments at Cato Ridge Works, Cato Ridge Alloys, the Participative Coal Business and Sakura.

Focus areas for F2022

In F2022, the audit and risk committee will consider:

- The mandatory audit-firm rotation process
- The effective operation of the group and company's financial systems, processes and controls, and their capacity to respond to industry and environment changes
- Management's implementation of the financial provisioning regulations of the National Environmental Management Act and other pronouncements and standards
- The impact of developments in the audit industry to ensure continued audit independence and objectivity
- The ongoing impact on ARM of the Covid-19 pandemic.

Financial reporting process

The committee oversees the company's financial reporting process on behalf of the board, which is responsible for preparation of the financial statements and maintaining effective internal control over financial reporting.

It meets with the internal and external auditors regularly to discuss the results of their examinations, their evaluation of ARM's internal controls and the overall quality of its financial reporting. The committee also discusses the scope and plans for the respective audits by ARM's internal and external auditors. These auditors are invited to attend committee meetings.

The committee performs its review function over all ARM's operations. To assist the committee with these reviews, all operational joint ventures have audit committees. The chairmen of the audit committees of subsidiaries and joint ventures report to the ARM audit and risk committee, highlighting areas of concern and remedial action by management. In addition, minutes of audit committee meetings as well as internal and external audit reports of all operations are submitted to the ARM audit and risk committee.

Assessment of the finance function

In assessing the appropriateness of financial reporting processes, the committee reviews the finance function and finance director's qualifications and experience. Following the 2021 review, the committee was satisfied with the performance of the new finance director, Ms TTA Mhlana who was appointed to the board from 1 October 2020. With experienced finance executives reporting to her, the committee concluded that the finance function was adequately resourced and the finance director had the necessary experience and expertise to discharge her responsibilities.

External auditor

After due consideration, the audit and risk committee believes the independent registered audit firm, which is responsible for expressing an opinion on the conformity of the audited financial statements with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, is independent of ARM and its management.

On the recommendation of the committee at the annual general meeting, shareholders will be requested to reappoint Ernst & Young Inc. (EY) as external auditor of the company and that Mr PD Grobbelaar be reappointed as the designated individual auditor for F2022. EY and Mr Grobbelaar are registered with the JSE as per the JSE Listings Requirements.

The principles for using external auditors for non-audit services are set out in a formal policy. The finance director is authorised to engage the external auditor for non-audit services not exceeding a fee of R200 000 (excluding value added tax and disbursements). Matters where the fee will exceed R200 000 must be pre-approved by the audit and risk committee. The policy also prescribes permitted non-audit services. In F2021, total group non-audit service fees were less than R1 million.

AFS See note 29 of the annual financial statements.

Internal control and internal audit

The board – assisted by the audit and risk committee, management risk and compliance committee and the outsourced internal auditors – reviews the company's risk profile annually. In terms of the risk-based internal audit programme approved annually by the audit and risk committee, the internal auditors perform a number of reviews to assess the adequacy and effectiveness of the internal control environment.

The results of these reviews, together with updates on corrective action by management to improve the control environment, are reported to the audit and risk committee and board.

The management risk and compliance committee reports to the audit and risk committee and its report begins on page 127.

Risk management

The audit and risk committee is responsible for oversight of the management of risks and opportunities in line with the board's stated risk appetite and tolerance levels and receives and considers reports on risk-related matters including enterprise risk management, whistleblower complaints, risks finance and insurance, tailings storage facilities management, major litigation, compliance, legal developments and combined assurance.

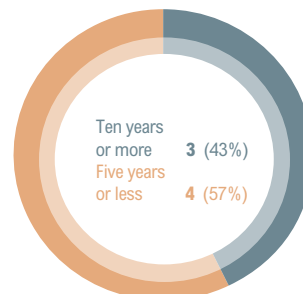
For more on risk management, see page 136.
For more on tailings storage facilities, see page 60.

Investment committee

Composition

The investment committee comprises seven non-executive directors, six of whom are independent. Its expertise was augmented with the appointment of Mr TA Boardman in September 2020. Invitees include the chief executive officer, finance director, executive director: investor relations and new business development, executive: corporate development, group executive: legal, and divisional chief executives. Other senior executives and external advisers attend as required.

Tenure



Member	Member since
DC Noko (chairman)	August 2019
TA Boardman	September 2020
F Abbott	August 2009
M Arnold	October 2018
AD Botha	August 2009
AK Maditsi	February 2007
JC Steenkamp	April 2018

Responsibilities

The committee's purpose is to monitor implementation of the capital-allocation model and consider substantial investments proposed by management, including mining projects (and reviewing results after each project is completed), asset acquisitions and disposals, and to make appropriate recommendations to the board.

Meetings

The committee is required to meet at least once a year. Two scheduled meetings were held in F2021.

See meeting attendance summary on page 120.

Focus and adding value

In adding value to ARM's governance in the review period, the committee focused on:

- Making recommendations to the board to optimise our portfolio of assets, including approval of the Two Rivers Merensky Project
- Monitoring proposals to grow and optimise the efficiencies of the ARM Ferrous division
- Continuing to assess value-enhancing internal and acquisitive growth opportunities.

Focus areas for F2022

In F2022, the committee will continue to monitor proposals to optimise our portfolio.

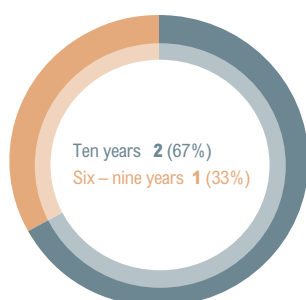
Refer to operational reviews from page 60 of the integrated annual report.

Corporate governance continued

Nomination committee

Member	Member since
AK Maditsi (chairman)	July 2004
JA Chissano	August 2012
Dr RV Simelane	August 2009

Tenure



Composition

The nomination committee comprises three independent non-executive directors. It assists the executive chairman to lead the annual performance evaluation of the chief executive officer and other directors, as well as evaluating the board as a whole and its committees. It assists the lead independent director with the annual performance evaluation of the executive chairman, assisted by the group company secretary and governance officer.

Refer board performance assessment on page 118.

Responsibilities

The committee is responsible for establishing formal and transparent procedures for appointing directors; recommending to the board suitable candidates for appointment as members and chairs of its committees; ensuring compliance with provisions of the memorandum of incorporation on rotation of directors; and making recommendations to the board on the eligibility of retiring directors for re-election.

It is also responsible for evaluating the board and its committees; developing a formal induction programme for new directors; and overseeing access by directors to external continuing professional development programmes.

It reviews the structure, composition and size of the board and makes recommendations to the board on any changes considered necessary to enhance the effectiveness of the board, including recommendations on its general composition and balance between executive and non-executive directors. The committee deals with succession planning for the executive chairman, chief executive officer and other directors.

During the year, the former finance director, Ms AM Mukhuba, resigned effective 30 September 2020 and Ms TTA Mhlanga was appointed as the new finance director effective 1 October 2020. The nomination committee made a recommendation to the board to appoint Ms PJ Mnisi as an independent non-executive director in September 2020.

After considering membership across board committees holistically, it makes recommendations to the board, based on the qualifications, experience and availability of candidates, to ensure each committee has the necessary knowledge, skills and experience to carry out its mandate effectively. In September 2020, the nomination committee recommended that Mr TA Boardman be appointed as an investment committee member.

Meetings

In line with JSE Listings Requirements, the nomination committee is chaired by non-executive director, Mr AK Maditsi. Dr PT Motsepe, executive chairman, attends committee meetings as an invitee. As specified in its terms of reference, the committee must hold at least one meeting per year. In F2021, there were four scheduled meetings.

See meeting attendance summary on page 120.

Focus and adding value

In F2021, the committee made recommendations to the board to:

- Amend the diversion and inclusion policy
- Promote diversity in board membership
- Make appointments to augment the knowledge, skills and experience on committees.

For more on diversity and inclusion, see page 114.

Non-executive directors' committee

Member	Member since ¹
AK Maditsi (chairman)	May 2009
M Arnold	December 2017
F Abbott	May 2009
TA Boardman	February 2011
AD Botha	August 2009
JA Chissano	May 2009
WM Gule	July 2013
PJ Mnisi	September 2020
DC Noko	October 2017
Dr RV Simelane	May 2009
JC Steenkamp	October 2017

¹ The committee was established in May 2009.

See page 114 for additional information about independence.

Composition

The committee comprises all non-executive directors and meets formally each quarter without management. Meetings are chaired by the lead independent non-executive director, Mr AK Maditsi.

Responsibilities

The committee provides a forum for non-executive directors to consider and discuss issues of importance to ARM, including promoting increased investor confidence, stimulating business growth, encouraging effective business leadership, fostering sustainable long-term growth in both the social and economic arenas, as well as cultivating and promoting an ethical corporate culture.

Meetings

Four meetings were held in F2021.



See meeting attendance summary on page 120.

Focus and adding value

In adding value in F2021, the committee considered management's response to emerging developments, such as climate change, and the ongoing pandemic as well as succession. It provided feedback to the board and management to enhance the effectiveness of the strategic process.

Remuneration committee

The remuneration committee ensures ARM's remuneration practices are aligned with its strategic direction and the leadership team is rewarded for performance outcomes.



The remuneration report appears on page 148.

Social and ethics committee

The social and ethics committee monitors and reports on the manner and extent to which ARM protects, enhances and invests in the economy, society the natural environment in which it operates to ensure its business practices are sustainable.



Refer to the report of the social and ethics committee chairman on page 4.

Ad hoc board committees

The board has the right to appoint and authorise special ad hoc committees, with the appropriate board members, to perform specific tasks as required.

Management committees and forums

ARM has various management committees and forums comprising executive directors and senior executives. These are considered essential to its functioning and ensure the appropriate control and provision of information to the board.

Executive committee

This committee is chaired by the executive chairman. Standard agenda items include strategic matters, reports from the chief executive officer, finance director, divisional chief executives and other senior executives.

Management risk and compliance committee

Composition

The committee is chaired by the chief executive officer. Members include the finance director, divisional chief executives, chief risk officer, executive: sustainable development, chief information officer, group executive: legal and other senior executives. The internal auditor is invited to attend the annual corporate risk workshop. The chairman of the committee and chief risk officer attend audit and risk as well as social and ethics committee meetings and report on the activities of this committee. The chief executive officer and chairman of the audit and risk committee report on risk matters to the board. The chief risk officer and the executive: sustainable development are also invited to attend board meetings to respond to any risk-related matters raised by directors.

Responsibilities

This committee assists the audit and risk committee in discharging its duties on risk matters by implementing, coordinating and monitoring the risk management plan, policy and processes to ensure that broader strategic and significant business risks are identified, with attendant controls. Its terms of reference are reviewed annually and were amended in F2021.

Meetings

In F2021, the committee held four meetings, including the annual corporate risk workshop.

For more on the risk management programme, see the risk report from page 136.



Technology and information committee

See the technology and information governance section on page 130.



Steering committee

The steering committee implements management policy and considers other operational matters. It is chaired by the chief executive officer and members include executive directors and senior management. It meets quarterly. All members are invited to attend the board budget workshop.

Covid-19 response committee

This is an ad hoc committee chaired by the chief executive officer and members include executive directors and senior management. Subsequent to the initial Covid-19

Corporate governance continued

lockdown, the committee continues to meet regularly to monitor developments.

Growth and strategic development committee

This committee evaluates growth opportunities and plans the content for the two-day strategy session with the board. Chaired by the chief executive officer, the committee meets regularly and provides feedback to the executive chairman. Its members include the finance director, executive director and chief executive: ARM Platinum, executive director: investor relations and new business development, group executive: legal, executive: corporate development and divisional chief executives. Other senior executives attend meetings by invitation.

 See strategy section in the integrated annual report.

Employment equity and skills development committee

Composition

The committee is chaired by Mr HL Mkatshana, an executive director and chief executive of ARM Platinum. Members include representatives from management, occupational categories as well as designated and non-designated groups, including the chief executive officer, finance director, group executive: human resources, divisional chief executives, executive: ARM Platinum corporate affairs and group executive: compliance and stakeholder relations. The group executive: human resources is the legally appointed and designated senior employment equity manager for the ARM group in terms of section 24(1) of the Employment Equity Act 55 1998. The designated manager reports directly to the employer on all matters involving the development, implementation and monitoring of the employment equity plan. The committee meets quarterly. Its chairman and group executive: human resources attend and report at social and ethics committee and board meetings.

Responsibilities

The committee considers employment equity, transformation, talent management, succession planning and skills development strategies across the company.

 For more on human capital, see page 90.

Treasury committee

Composition

Members include the finance director, senior finance executive: corporate and tax and divisional finance executives as well as the company financial manager. Representatives of Andisa Treasury Solutions, to which the treasury function is outsourced, attend meetings by invitation.

Responsibilities

This committee implements treasury policy and reviews operational cash flows, currency and interest rate exposures, as well as funding issues in the group.

While not performing an executive or decisive role in deliberations, Andisa implements decisions taken when required. Advice is also regularly sought from other advisers.

Tax forum

The forum collaborates with the business to provide advice and guidance, consider all tax matters, queries and industry developments and ensure tax compliance.

The forum meets quarterly under the chairmanship of the senior executive finance: corporate and tax, who provides feedback to the audit and risk committee.

For more on treasury and tax matters, see the financial review in the integrated annual report.



Investor relations and communication with stakeholders

We are committed to transparent, comprehensive and objective communication with our stakeholders. Our stakeholder communication policy is included in the code.

The company maintains a website which provides information on its operations, financial performance and other information.

Shareholders are encouraged to attend annual general meetings and to engage with the board and senior management.

Under the leadership of the executive director: investor relations and new business development, our investor relations department is responsible for communicating with institutional shareholders, the investment community and the media.

We have developed a comprehensive investor relations programme to communicate with domestic and international institutional shareholders, fund managers and investment analysts. Engagements include individual meetings between senior executives and institutional investors locally and internationally, as well as investor roadshows and conferences.

Additional information on stakeholder management from pages 38 to 41 of the integrated annual report and page 28 of this report.



Annual general meetings

Each shareholder is entitled to one vote for each share held. Shareholders are encouraged to vote at annual general meetings.

Board members and the external and internal audit partners attend annual general meetings to respond to shareholders' questions.

The notice of annual general meeting is available on our website www.arm.co.za.



Ethics

Code of conduct

Through our code of conduct, we confirm our commitment to high ethical and legal standards in dealing with all our stakeholders.

All directors and employees are required to maintain these standards so that ARM's business is conducted honestly, fairly, legally, reasonably and with utmost good faith. The code was updated in F2021 to include more detailed provisions for conflicts of interest as well as anti-bribery and anti-corruption. That was followed by an updated online training programme rolled out at the corporate office and our operations.



Conflicts of interest

The code includes provisions prohibiting the acceptance of any gift that may be construed as an attempt to influence an employee, regardless of value of the gift. Accepting gifts within policy parameters must be approved beforehand by a member of the executive. Directors disclose their interests at board and committee meetings.

Disclosure

The code includes a policy on communications that encourages complete, accurate and timely communication with the public. The chief executive officer, finance director, executive director: investor relations and new business development and group company secretary and governance officer oversee compliance with disclosure under the JSE Listings Requirements.

Dignity and respect

Employees are required to treat their colleagues in a way that upholds individual self-worth and that respects cultural, political, religious and other beliefs.

Health and safety

The code reiterates our commitment to health, safety and environmental responsibility, and what this requires from employees and contractors.

Whistleblower facility

Our whistleblower policy provides for an independent facility to enable employees and other stakeholders to report, confidentially and anonymously, any alleged unethical behaviour. Information about the facility is included in the code and contact information is posted in each company office.

Initiatives to heighten awareness of this facility are implemented regularly. Formal procedures result in each whistleblowing report being investigated and policy and procedures revised, where applicable, with feedback reports provided to the operators of the ARM whistleblower facility. No material non-compliance incidents were reported in 2021.

For more information, see page 25.



Comment from sustainability assurance provider:

"As part of the scope of work to provide independent third-party assurance over ARM's sustainability reporting, IBIS ESG Consulting Africa Proprietary Limited conducted an assessment of ARM's ethics policies and procedures, in line with the King IV™ recommendations.

Based on our remote reviews, and electronic interviews, as a result of Covid-19 travel limitations, IBIS recorded that ARM employs a comprehensive set of policies (e.g. the Code of Conduct), procedures, systems and controls to meet reasonable expectations for the monitoring and management of ethical compliance throughout its operations."

IBIS ESG Consulting's assurance report is on page 16.



Legal compliance

ARM is formalising its compliance systems to adopt a fully integrated and consistent model across the organisation. Internal and external legal compliance and operational audits are regularly conducted at all operations, and any instances of non-compliance with regulatory requirements are reported to management for corrective action.

Dealings in securities and insider trading policy

ARM has a policy on dealing in securities and insider trading, and enforces closed periods as per legislation and regulations. During these times, directors, relevant officers and designated people are precluded from dealing in ARM securities. Directors and employees are reminded of their obligations in terms of insider trading and the penalties for contravening laws and regulations.

The policy is available on www.arm.co.za.





Information and technology governance

Information technology and innovation remain the cornerstone of ARM's intellectual capital.

These are key in driving the business-technology partnership, enabling digital transformation and ensuring cybersecurity is proactively managed. The IT function aims to generate business value through innovation and continuously improving data quality, increasing collaboration and delivering seamless technology services cost effectively.

The project to implement enterprise resource planning (ERP) systems was concluded in F2021. With an integrated financial solution, ARM IT has now shifted its focus to modernising the digital backbone in an enterprise-wide migration to the cloud environment,

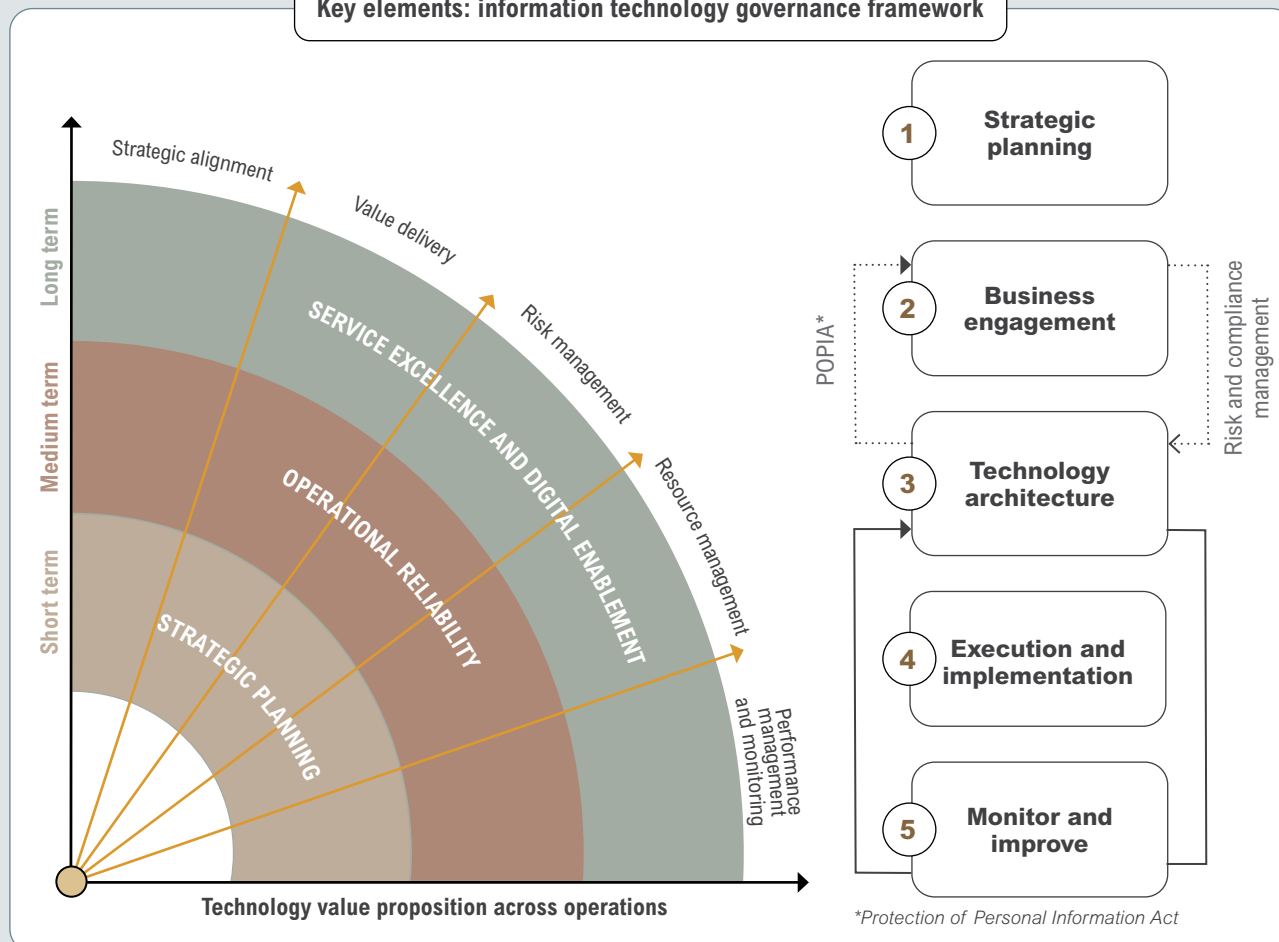
upgrading to a software-defined network, introducing a new cybersecurity stack and launching a digital innovative programme office.

In addition, the IT team continues to run the Covid-19 response plan centred on three elements: prevent, protect and enable.

Accountability

The board affirms its responsibility for the governance of information and technology. The governance model reflects both business and IT requirements, while focusing on strategic alignment, value delivered, risk management (including information security, resilience, legislative as well

Key elements: information technology governance framework



as health and safety compliance), resource management, benefit realisation, tracking benefits of past projects and performance management.

A new chief information officer was appointed to lead group IT in fulfilling its mandate under a redeveloped IT strategy, overseen by the finance director. A chief information security officer was also appointed. In addition to steering committees for the ferrous and platinum divisions, ARM board as well as audit and risk committee meetings, IT managers attend social and ethics committee meetings to report on IT community projects and related matters.

Governance framework

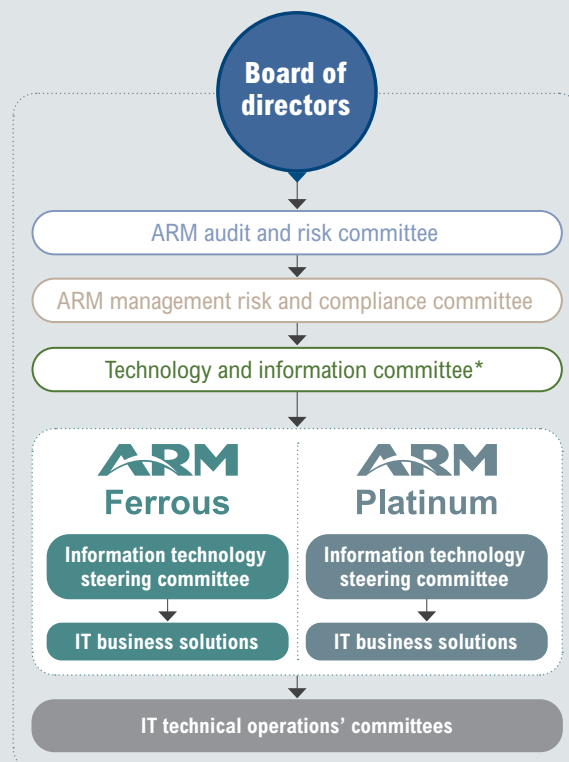
A more agile IT governance framework – aligned with international standards embodied in a combination of the CoBiT (Control Objectives for Information Technology) and ITIL (Information Management Infrastructure Library) frameworks – was adopted. This is reviewed periodically to consider organisational changes, international developments and changing risk profiles. Governance aspects are continually measured and monitored by the chief information officer, with quarterly reports to the appropriate oversight committee.

Technology and information committee Composition

The committee is chaired by the chief executive officer, and members include the finance director, divisional chief executives, chief information officer, chief information security officer and chief risk officer. The committee chairman and chief information officer attend and report at management risk and compliance committee meetings as well as audit and risk committee meetings.

Responsibilities

The committee implements the strategy and governance framework, and develops IT policies and procedures. It meets quarterly, supported by ARM Ferrous and ARM Platinum IT steering committee meetings, which in turn are supported by monthly IT business solutions and fortnightly IT technical operations' committees. The ARM Coal audit committee is responsible for coal division IT matters. The committee ensures that digital spend value is accounted for and delivered – full benefit realised.



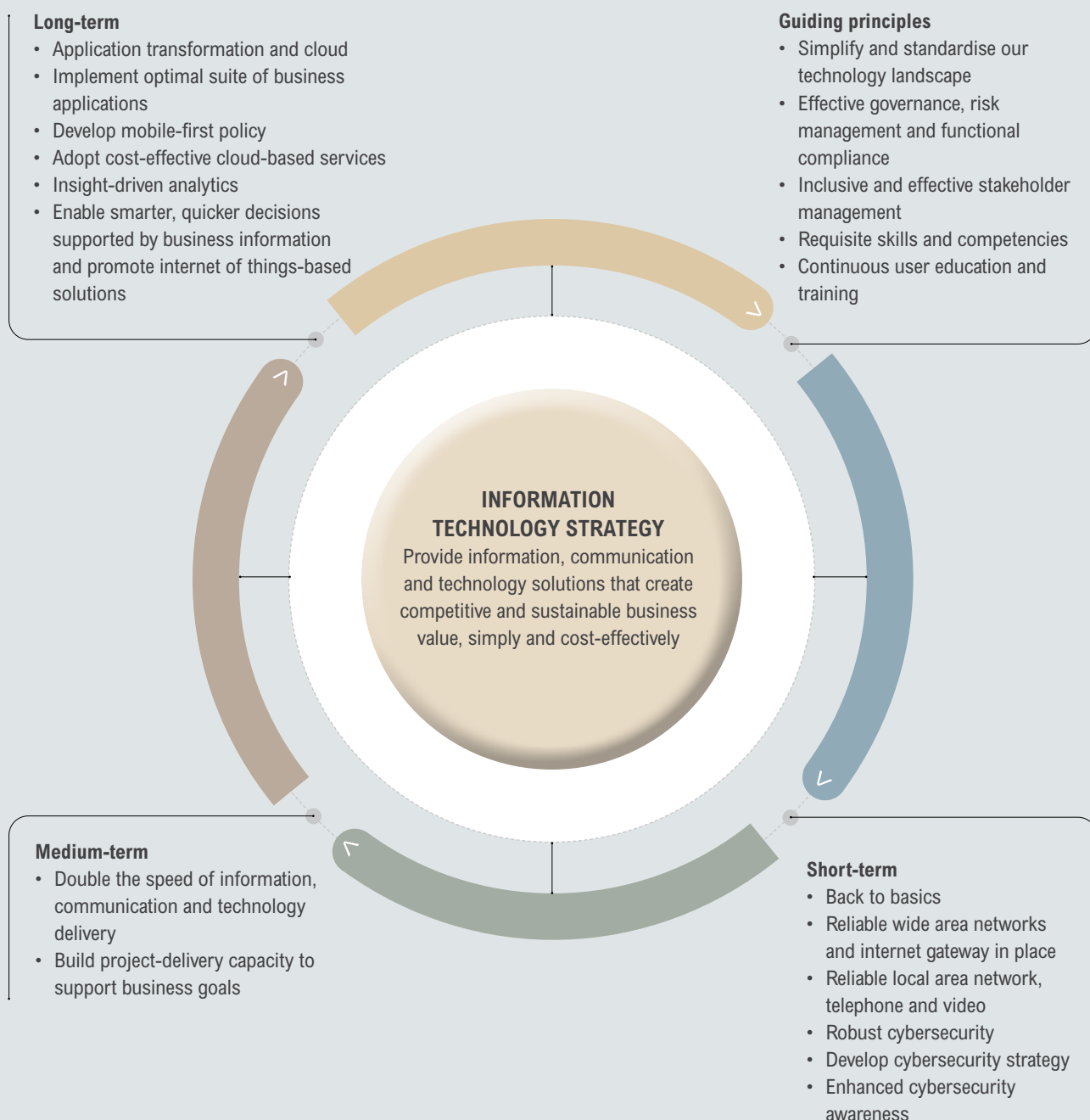
* Functions include responsibility for the ARM Corporate information and technology steering committee.



Information and technology governance continued

Information technology strategy

In F2021 the board, on the recommendation of the audit and risk committee, approved the revised IT strategy.



Technology and information performance scorecard






GOVERNANCE DIMENSION AND F2021 OBJECTIVES	PERFORMANCE AGAINST F2021 OBJECTIVES	F2022 OBJECTIVES
Strategic alignment		
Develop policies to implement IT strategy and objectives	 Achieved Board approved revised IT strategy and policies	Execute short-term projects to deliver digital backbone Establish office and measure benefits from digital operational projects
Risk management		
IT governance		
Incorporate risk review results and audit feedback into existing and new IT services policy. Comply with IT governance framework	 Achieved Introduced a risk-based governance framework aligned to IT priorities, with regular risk reviews	Ensure controls dictated by policy are adequately implemented and maintained
King IV and POPIA requirements reviewed in governance framework and built into new policies	 Ongoing Review of IT policies' final version and subsequent implementation	Full compliance with POPIA requirements
Information security		
Appointment of key staff and services underway for optimal cybersecurity threat management	 Achieved User awareness constantly updated	Comprehensive awareness programme for ARM group being developed
Cybersecurity strategy and cybersecurity programme implementation plan	 Ongoing Draft cybersecurity strategy being discussed with IT managers for input and comments, constant updates	New cybersecurity strategy drafted, implementation of key security elements began in F2021 and will continue into F2022
Security operations centre (SOC) provides security monitoring, cyber-threat detection and support services	 Ongoing SOC services operational. Several security solutions implemented and connected resources to SOC for monitoring	Enhance security support services model into a hybrid managed security services model, including support of cloud, IT and operational technology security

Corporate governance continued



Information and technology governance continued

Technology and information performance scorecard continued

GOVERNANCE DIMENSION AND F2021 OBJECTIVES	PERFORMANCE AGAINST F2021 OBJECTIVES	F2022 OBJECTIVES
Risk management		
Information security		
Migrate IT services and infrastructure to cloud environment	 Ongoing Implementing modern applications project to migrate users to adopt collaboration and productivity tools	Establish secure landing zone in cloud environment, prepare and execute migration of services and infrastructure. Provide cloud-managed support services
Transform way of working by adopting modern applications	 Ongoing	Transform all users to secure ways of working by adopting modern applications and security solutions
Value delivery		
Contractor management system implementation Consolidated financial close and planning system	 Initiated	Automated contractor registration; introduce cloud-based integrated business process solution for financial reporting, close and planning functions
Completed ERP implementation	 Achieved	Use of modernisation functions, analytics and scanning technology
Resource management		
Further training and certification of IT personnel on automation to provide more advanced automation functions	 Ongoing	Focused training on digital worker and cloud operations

Review of F2021

In addition to maintaining service levels under Covid-19 restrictions, the team focused on unlocking value from its progress in enhanced security, integration and automation:

- Finalised the IT strategy and its components at various governance forums
- Continued implementing cybersecurity components through a focused project, monitoring and continuous improvements
- Acquired security performance feedback from advanced services and built additional capacities back into the overall service where required
- Fully supported and maintained ERP system versions now in place
- Launched project for a modernised software-defined network
- Launched cloud services project, including elements of enhanced security, modern workplace and identity management
- Concluded ERP improvement initiatives using modern ERP version now in place
- First iteration of IT structure – approved and implemented
- Completed an enterprise and operations journey to cloud assessment
- Established tenant in Microsoft Azure, ARM's choice for enterprise public cloud.

F2022 FOCUS

The IT team is working on a portfolio of projects to modernise infrastructure and systems, ahead of implementing the approved IT strategy according to agreed initiatives and priorities with business. Project work is progressing on:

- Enhanced IT/operational technology security services
- Cloud migration
- A modern software-defined network architecture
- Consolidated financial close, planning and forecasting for the group
- Enhanced contractor management
- Digital workforce – based on roll-out of Office 365 to all sites
- Document management system
- Analytics.





Risk management

Managing risks and opportunities is an entrenched discipline and recognised business management tool to support sustainable value creation.

Risk management and Covid-19

Since the onset of the pandemic, our risk processes – particularly business continuity management – have enabled the group to take a flexible approach in managing the impact.

Towards the end of F2020, we instituted a collaborative approach that encompassed employee support, economic recovery and occupational health measures. Robust codes of practice and standard operating procedures at all operations have controlled infection rates.

Five ARM mine clinics (ie Black Rock, Beeshoek, Khumani, Modikwa and Two Rivers) were approved as Covid-19 vaccination sites to support the government-led rollout.

Developments in F2021

- **POPIA:** Most of the substantive provisions of the Protection of Personal Information Act 2013 (POPIA) came into effect on 1 July 2020, although organisations were given a 12-month grace period to ensure compliance with its provisions by 30 June 2021. ARM has been engaging with service providers on implementing the provisions of POPIA and the Promotion of Access to Information Act (PAIA) since 2019. In the review period, documents were reviewed for compliance, awareness training conducted across ARM corporate, divisions and operations, and the POPIA implementation plan was rolled out at ARM corporate and operations.
- **JSE Listings Requirements:** This is the first report to include the JSE stipulation in paragraph 3.84(k) that the chief executive officer and finance director need to sign-off on the fact that, “after due, careful and proper consideration”, the internal financial controls in place are effective in managing risks of material financial misreporting. To comply, ARM implemented a risk-based control self-assessment (CSA) process requiring all operations to confirm the adequate and effective implementation of internal financial controls to

manage material information at combined assurance levels 1 and 2 (see page 143). Where gaps were identified, improvement plans are being implemented. In addition, where material entities affecting disclosure in the group are required to report to the JSE and/or other regulatory entities, a process of certification stating that internal financial controls are in place was implemented. Together with results reported at combined assurance levels three to six, the outcomes of the CSAs and certificates from pre-identified entities, enabled the required sign-off. See page 3 of the annual financial statements for the responsibility statement.



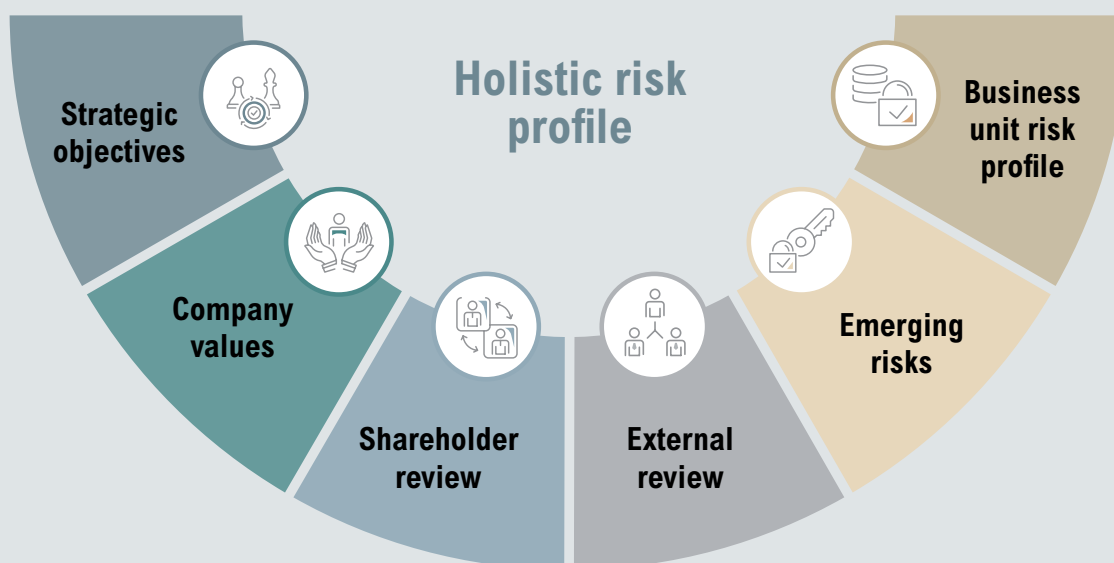
Enterprise risk management (ERM) policy statement

ARM is committed to developing, embedding, implementing and continuously reviewing its ERM processes across the organisation. Our overriding policy is that managing risk and opportunity is the responsibility of management at every level. It is an integral part of the process of managing risks and opportunities within the board's stated risk appetite and tolerance levels to provide reasonable assurance on achieving strategic objectives. To embed this ERM policy, the company will:

- Provide guidance and direction from the corporate office's risk management department on accepted practices and standards for risk management in ARM and its managed operations (including Modikwa)
- Strive to protect and improve the health, safety and wellbeing of everyone affected by ARM managed operations (including Modikwa), as well as all corporate departments and specialist or core functions
- Identify, evaluate and regularly review risks and opportunities that influence the achievement of our strategic objectives
- Develop and execute appropriate actions and controls through formal management processes that support achieving our strategic objectives
- Preserve and enhance assets and earnings potential to safeguard and optimise company assets and shareholders' investment

- Maintain effective internal control in line with the combined assurance model and risk management programmes
- Continually improve risk management practices and combined assurance processes

- Incorporate ERM principles when new acquisitions or capital projects are considered
- Create a fit-for-purpose risk financing programme, based on developed risk profiles and risk appetite and tolerance levels in the business.



By understanding and managing all risks consistently, ARM can provide greater assurance about managing these uncertainties to stakeholders, including employees, customers, shareholders, suppliers and the community in which it operates. ARM commits to remaining a risk-aware and opportunity-seeking organisation and ERM processes will give stakeholders additional certainty of business sustainability, given that we will make risk-informed decisions wherever possible.

ERM process

Our ERM policy statement clearly demonstrates the intent and commitment to practising effective risk management in all aspects of our business and across all operational, investment and project considerations.

The generally accepted definition of risk in ISO 31000³ is: *Risk is the effect of uncertainty on objectives*

- An effect is a deviation from the expected. It can be positive, negative or both, and can address, create or result in opportunities and threats

- Objectives can have different aspects and categories, and can be applied at different levels
- Risk is usually expressed in terms of risk sources, potential events, their consequences and their likelihood.

It follows that the context, identification and management of risk can only be derived from a sufficient understanding of what is to be achieved and by following a standard process of risk assessment to identify and evaluate risks facing ARM.

This process establishes mandatory steps to context setting, risk identification, risk analysis, risk evaluation, risk treatment, communication and consultation, monitoring and review processes throughout ARM.

The timing of our risk management process is aligned with our assurance and corporate governance requirements. Risk management is, however, not an activity that takes place only at stated intervals but continuously through all phases of the business and with every major change in our operations. All risk activities must be timed to facilitate risk input into the ARM strategic planning process, as stipulated in the board ERM policy.

³ ISO 31000 – International Organization for Standardization's international standard risk management – guidelines.

Corporate governance continued



Risk management continued

The risk-rating methodology links strategic factors to impact factors as shown below

Strategic intent factors

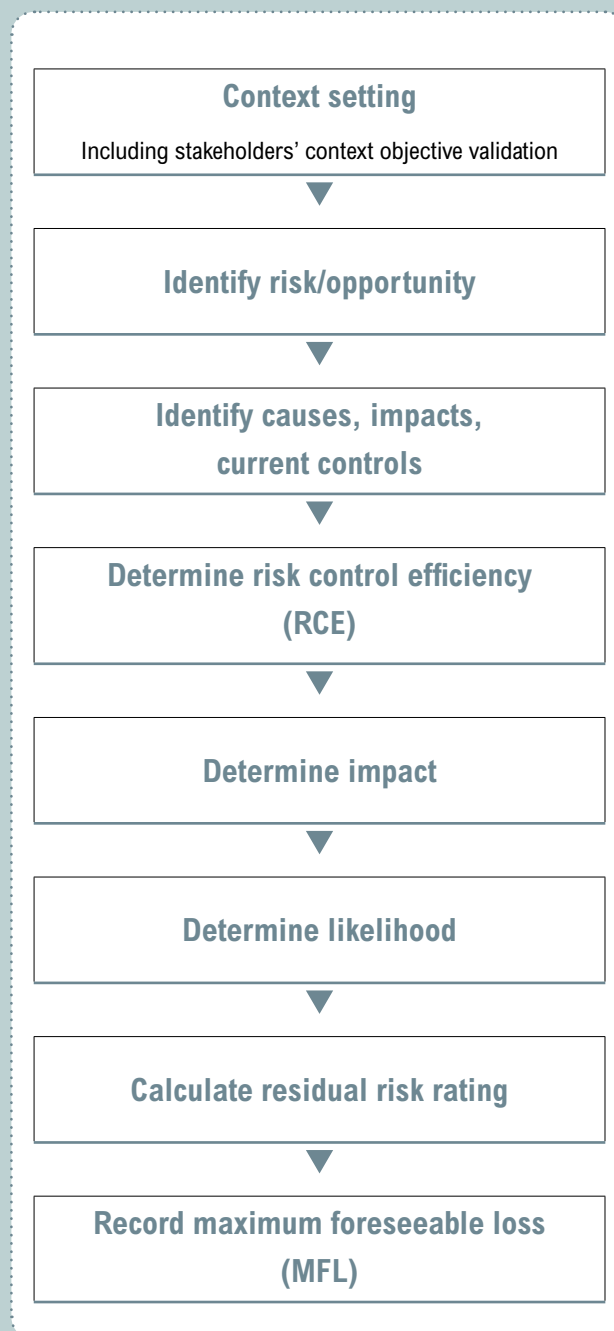
STRATEGIC INTENT FACTORS

Focus on the efficient allocation of capital	1 3 4
Sustaining and improving our financial position	1 3 10
Improving operational efficiencies and containing unit cost increases by using technological advances	10 1 4 5 6
Improving relationships with our key stakeholders	6 7 8
Aim for value-enhancing integrated growth	1 5 7 8 10
Maintaining a safe and healthy working environment	10 2 5
Partnering with and investing in the personal and professional wellbeing of our employees	7 8
Remain responsible stewards of our environmental resources	1 4 5 7 8 9

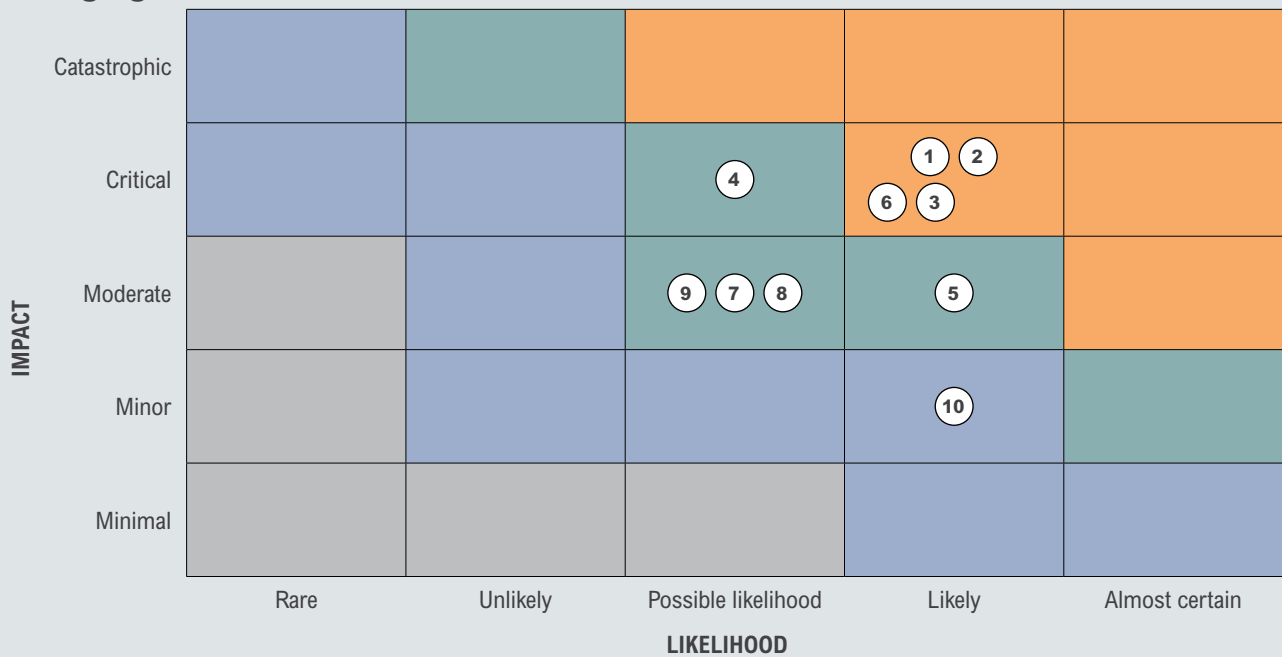
IMPACT FACTORS

1 Financial	6 Employee relations
2 Safety and health	7 Stakeholders (internal and external)
3 Project management	8 Corporate image and reputation
4 Operations	9 Environment
5 Legal and compliance	10 Information technology (IT)

Process to rate each risk/opportunity



Managing our risks



Residual risk dashboard for group risk profile

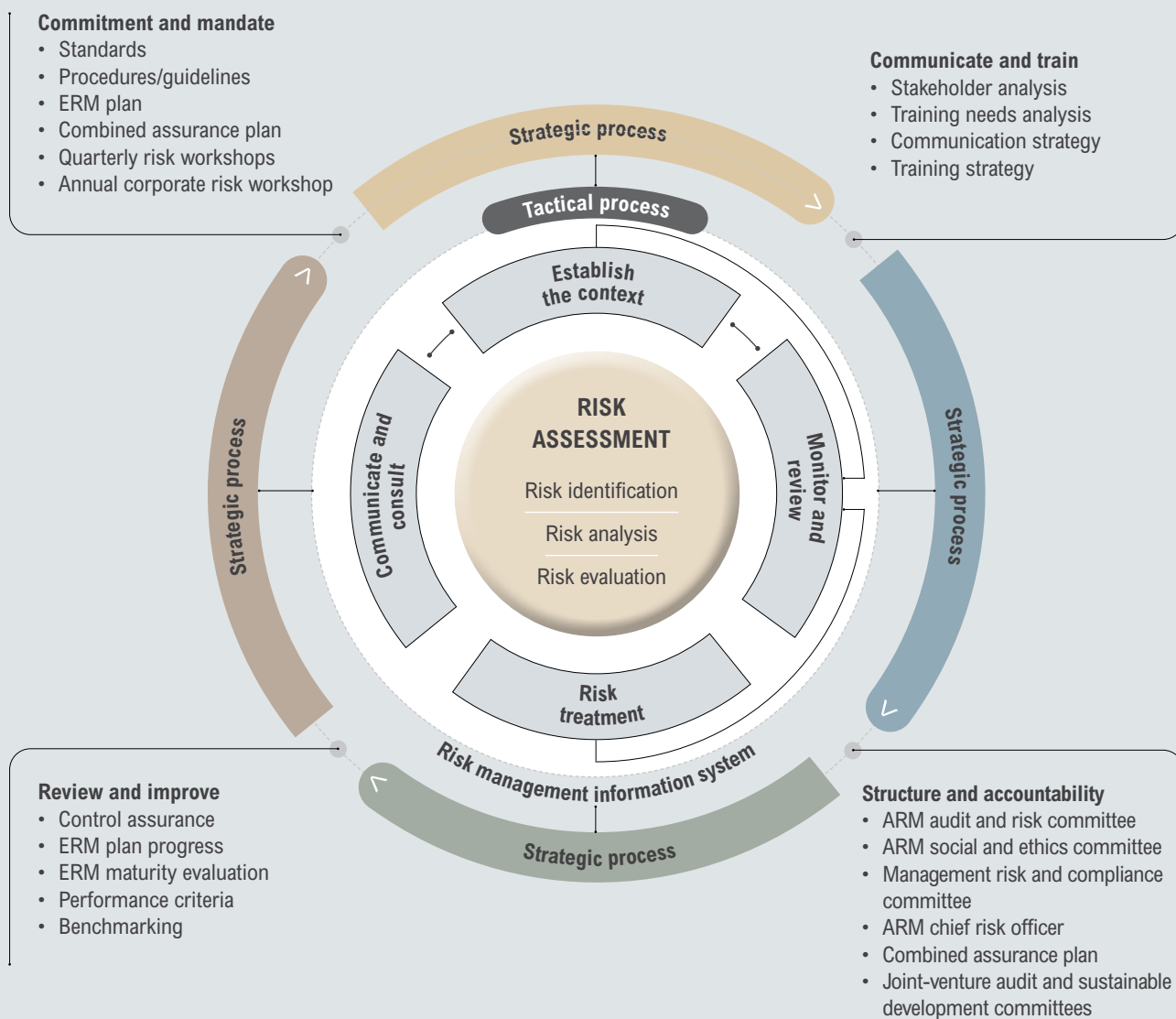
	Risk	Residual impact	Residual likelihood	Residual risk
1	Uncontrolled spread of Covid-19 virus at one or more operations	4 – Critical	3, 5 – Likely	14 – Very high
2	Above-inflation cost escalation exacerbated by Covid-19	3, 5 – Critical	4 – Likely	14 – Very high
3	Unreliable water supply in the Northern Cape	4 – Critical	3, 2 – Likely	14 – Very high
4	Unknown impact of Covid-19 on business	4 – Critical	3 – Possible	12 – High
5	Onerous regulatory universe	3 – Moderate	4 – Likely	12 – High
6	Culture and leadership (including skills)	3, 2 – Critical	3, 2 – Likely	10, 2 – High
7	Business continuity preparedness (particularly related to Transnet and cybersecurity)	3 – Moderate	3 – Possible	9 – High
8	Safety, health and environmental risk	3 – Moderate	3 – Possible	9 – High
9	Increased demands of environmental, social and governance (ESG) responsibilities	3 – Moderate	2, 8 – Possible	9 – High
10	Capital allocation and project delivery	2 – Minor	4 – Likely	8 – Medium

Corporate governance continued

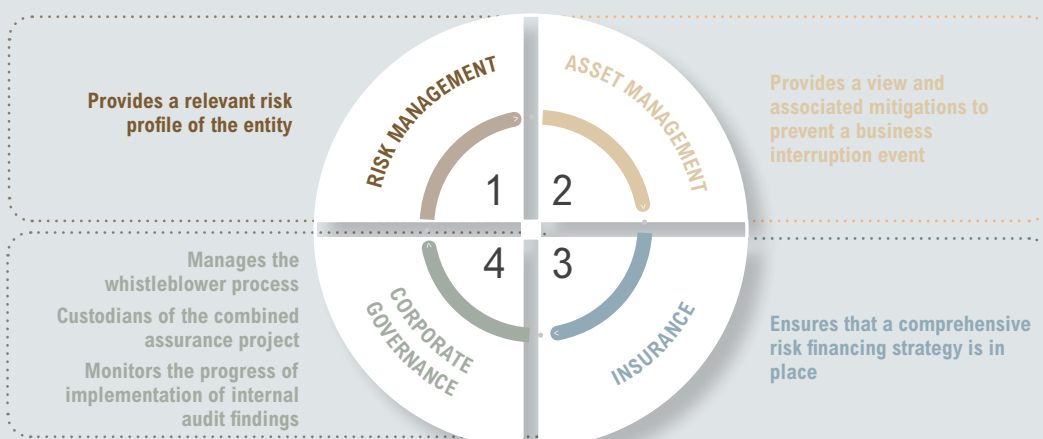


Risk management continued

Mature risk management universe



Our ERM is underpinned by the following philosophies:



Risk assessment

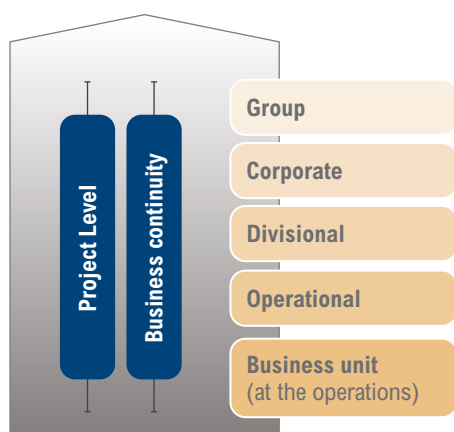
The risk assessment process is aimed at ensuring the identification and recording of relevant risks and opportunities, along with the corresponding mitigating controls.

The risk management process is designed to achieve a balance between minimising the risks associated with a business activity and maximising the potential reward. Effective risk management enables leadership to deal

with uncertainty and its associated threats and opportunities, enhancing ARM's capacity to create value.

These events could have both negative and positive impacts, so that opportunities are considered within a consistent framework.

All ARM-managed operations and divisions conduct quarterly risk reviews, supported by six-monthly corporate risk reviews and an annual group-level risk workshop. Each operation takes full ownership of its risk profile.



Committee	Attendance	Reporting
ARM level		
Board	●	● *
Audit and risk	●	●
Social and ethics	●	●
Management risk and compliance	●	●
Technology and information	●	●
Divisional level		
Social and ethics or sustainable development	●	●
Audit and risk	●	●

* Annually.

Asset management

Benchmarking surveys conducted by International Mining Industry Underwriters (IMIUI) measure each operation against an internationally recognised benchmark of risk preparedness for major business interruptions. These IMIUI surveys are conducted across all operations annually. ARM has also commissioned an independent consultancy to conduct a risk control validation survey twice a year to validate the effectiveness of identified controls.

Risk finance

Over the years, ARM's risk-financing strategy has remained consistent in deciding to what degree our managed operations will accept their risks, or insure these.

This strategy is designed to deliver a cost-effective mechanism that will protect ARM and its managed operations against the financial consequences of risk events that occur. The principles in place to achieve ARM's strategy include:

- Ensuring the availability of detailed and reliable risk and loss information
- Ensuring efficient risk financing at all levels.

Governance and assurance

Risk appetite and tolerance

Taking risks is an integral part of daily business activities. By carefully balancing ARM's strategic and operational objectives against the risks we are prepared to take, we strive to conduct business in a socially responsible and sustainable manner. This approach helps ARM attain its strategic objectives.

Accordingly, we have introduced a risk appetite and tolerance (RA&T) standard for defining and managing group-wide risks. The standard clarifies the types and levels of risk ARM is willing to take on (risk appetite) or prepared to tolerate (risk tolerance) to achieve its objectives.

The RA&T standard is a key component of our risk management strategy. It is an effective tool for sharing information among management on risks facing ARM and for facilitating appropriate risk-taking. In the context of business strategy and planning, risk appetite facilitates discussions about where and how ARM should deploy its capital and other resources under a risk/return

Corporate governance continued



Risk management continued

view, while risk tolerance sets clear boundaries to risk-taking.

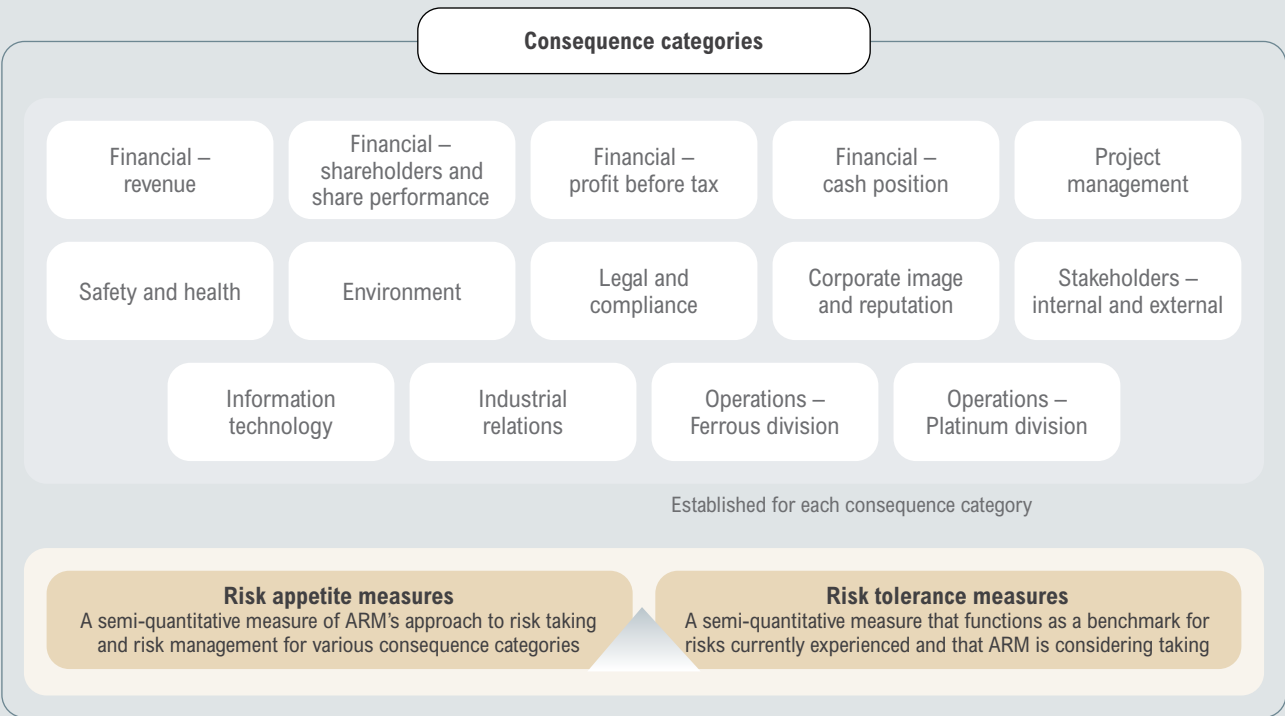
The ARM board assesses and approves the RA&T standard annually and monitors risk exposures, which are also continually reviewed. This standard enables the board to set boundaries for taking risk, in turn enabling management to make risk-informed decisions within the risk appetite of the board.

Setting risk appetite and risk tolerance will assist in improving the board's risk oversight and communicate its risk-taking expectations to management for business

decisions. This in turn will support conscious risk-taking by management and improve resource allocation to realise the best possible rewards commensurate with risk. This would be true for both the potential upside and downside outcome of any risk.

The ARM approach to setting RA&T levels is determined by an understanding of the context within which the risk will be experienced and potential consequences to which the business is exposed. Risks are evaluated against these consequences and relative to risk appetite and risk tolerance levels and how these alter over time.

Composition of risk appetite and tolerance



Combined assurance

Combined assurance is a coordinated approach that ensures all assurance activities provided by management, internal and external assurance providers enable an effective and adequate assurance control environment.

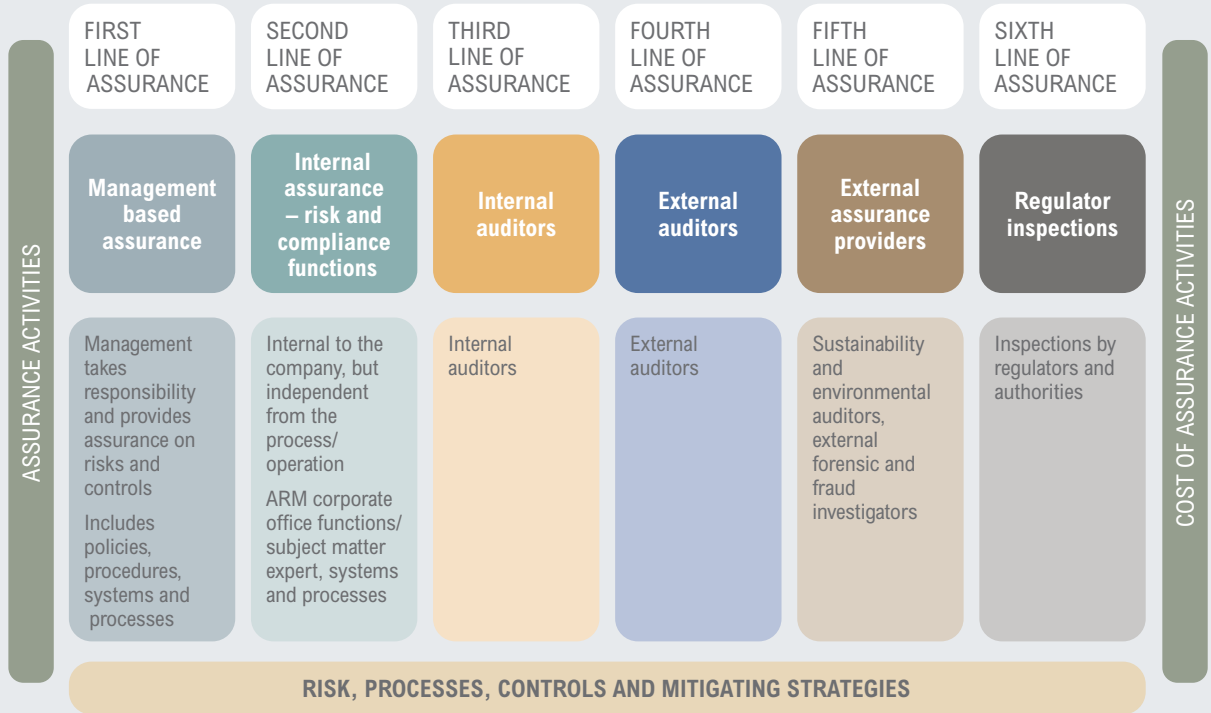
King IV principle 15:

“A combined assurance model incorporates and optimises all assurance activities and functions so that, taken as a whole, these enable an effective control environment, support the integrity of information used for decision-making by management, the governing body and its committees, and support the integrity of the organisation's external reports.”

Oversight by the board of directors through the ARM audit and risk committee

Management based assurance

Adequacy and quality of assurance



The objectives of ARM's combined assurance model are to:

- Provide an effective and practical process to enable appropriate management and optimal assurance of the efficacy of identified controls to mitigate strategic risks to the business
- Provide evidence of the formal process and the adequacy and quality of assurance provided by both internal and external assurance
- Identify areas where there is either an over- or under-assurance
- Provide a coordinated and integrated approach to obviate duplication and gaps in assurance, thus enabling cost-effective assurance activities
- Provide further input into establishing a control environment appropriate to ARM's approved risk appetite and tolerance levels
- Assist in the input and formulation of the annual internal audit plan
- Provide the cost of assurance activities relative to the third, fourth and fifth lines of assurance.

Combined assurance

King IV and combined assurance model explaining combined assurance requirements

Collation of assurance activities

Collation of associated external costs and determining the adequacy and quality of assurance

Combined assurance plans communicated/reported to management risk and compliance committee

Continual updating of combined assurance plans

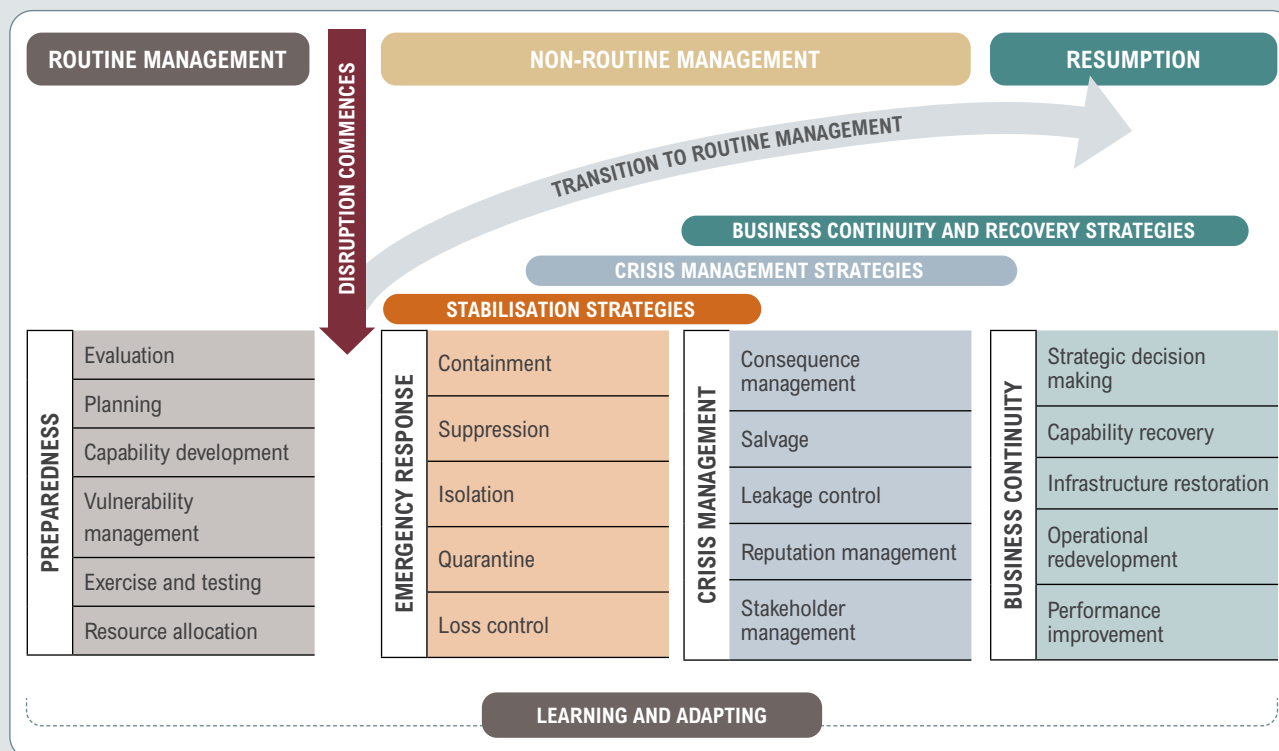
Corporate governance continued



Risk management continued

Business continuity management (BCM)

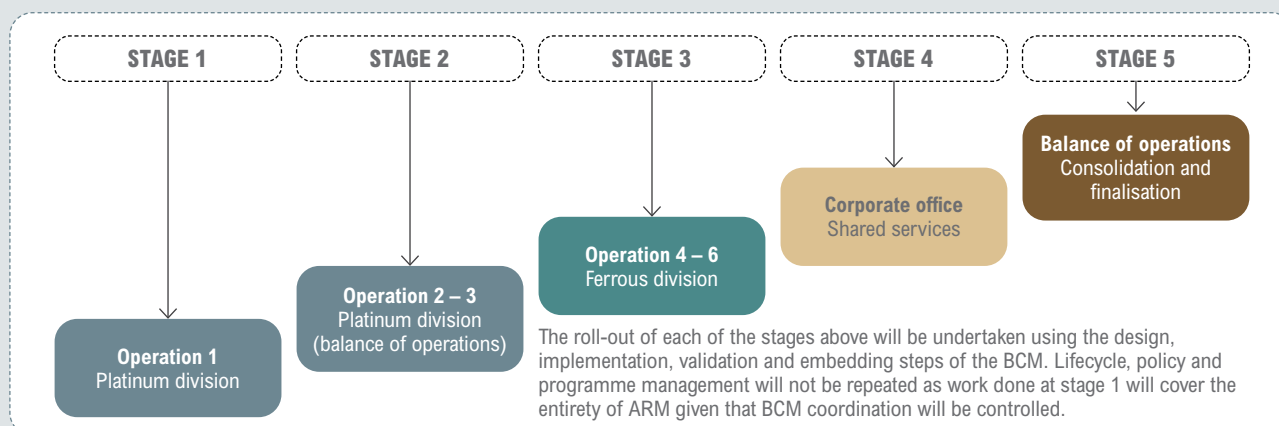
ARM's emergency and crisis management and BCM functions should not be seen as mutually exclusive, but as a continuum (below) and complementary management response to different types of events.

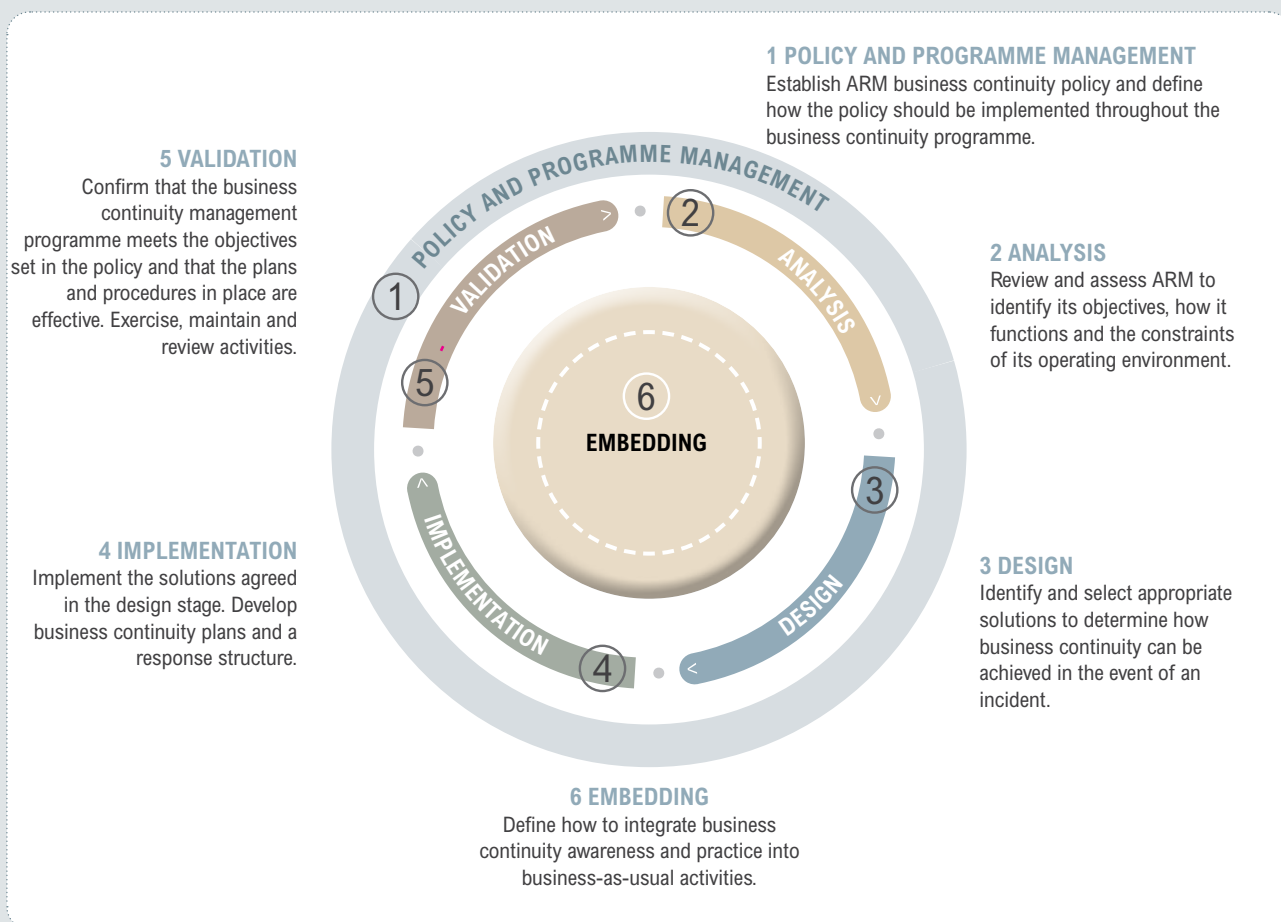


Emergency and crisis management recovery is primarily focused on being able to contain and manage an emergency or crisis to ensure the safety of people and assets, to halt the situation at its source and to manage the range of impacts that pre-determined events could have. In contrast, business continuity is for managing business interruption events and getting the business back on track once the crisis or emergency has been resolved.

BCM methodology

Our BCM methodology is aligned to the UK Business Continuity Institute good practice guidelines (2013) and ISO 22301:2012 (societal security – business continuity management systems – requirements).





BCM policy statement

ARM is committed to its customers, employees and stakeholders to ensure all its operations, functions, business entities and corporate office have practical and robust business continuity plans (BCPs), aligned to its vision, strategy and objectives. This will enable a timely response to any major threat or incident to ensure key stakeholders, reputation and value-creating activities are safeguarded.

ARM's priority in a disruptive event is the immediate and continued safety of customers and employees. Operation/site-specific crisis and emergency management arrangements assist in being prepared and responding to emergency situations.

Our business continuity process identifies and evaluates all risks and business vulnerabilities to ARM, maintains prevention and protection procedures, and mitigates the effects of unforeseen losses by establishing processes for business continuity and recovery that are regularly tested, audited, and updated.

Standard templates, approaches and response capacity requirements will be encouraged throughout the company

to ensure consistency and recognise interdependencies and vulnerabilities.

More specifically, the business continuity process will cover:

- Descriptions of emergency response, crisis management and business recovery protocols, dealing with notification procedures and internal/external interfaces
- Roles, responsibilities and accountabilities of specific internal and external stakeholders after an unplanned event
- Training and exercise requirements
- Biannual rehearsals and auditing of business continuity plans and procedures once these are developed
- Learning from previous experiences of disruptive events using a structured process to minimise (where possible) their likelihood and impacts in future
- To ensure the business continuity process delivers an integrated process, we will continue to test, audit and benchmark ARM's performance against global best practice and require any acquisitions or new capital projects over which we have management control to include BCM in their procedures.

Corporate governance continued



Risk management continued

Managing risk



The ARM board tasks the audit and risk committee with oversight of risk management. In terms of the board charter, the management risk and compliance committee has been established as a sub-committee of the audit and risk committee to assist with managing and reporting on risk management processes and procedures. The audit and risk committee chairman reports to the ARM board.

The chief risk officer reports quarterly to the management risk and compliance committee, audit and risk committee and social and ethics committee, as well as reporting quarterly to divisional and joint-venture operational committees, divisional audit committees, and divisional social and ethics/sustainable development committees, with the exception of the ARM Coal audit committee.

Focus and adding value

As part of its oversight role of the management risk and compliance committee, the audit and risk committee:

- Reviewed the ERM framework setting out ARM's policies and processes on risk assessment and risk management throughout the group
- Ensured the group has applied a combined assurance model for a coordinated approach to all assurance activities
- Considered and reviewed the findings and recommendations of the management risk and compliance committee
- Considered and reviewed the findings and recommendations of the internal audit on cybersecurity and related IT risks
- Coordinated preparations for the chief executive officer and finance director responsibility statement sign-off
- Monitored the company's management of the ongoing Covid-19 pandemic.

Enterprise risk management scorecard

F2021 OBJECTIVES	ACHIEVED/NOT ACHIEVED	F2022 OBJECTIVES
Systemisation of combined assurance model	Achieved	Refine systemisation to JSE 3.84k process
Automated and enhanced reporting against approved risk appetite and tolerance levels	Achieved	Roll out project risk management framework
Roll out of business continuity plan	Not achieved	Refocus business continuity plan to ensure alignment to ICMM GISTM
Follow up on implementing internal audit recommendations	Achieved	Consistent reporting on the status of internal audit findings
Use of technology to link internal audit findings to risk profiles	Not achieved	Roll out linking of internal audit findings to risk profiles



Remuneration report

PART I – background statement

Philosophy

Our strategic objectives can only be delivered with the foresight, dedication and hard work of our employees. The company competes in a small talent pool for a limited set of skills in the global and South African mining industries.

The remuneration committee assists the board by applying a remuneration strategy that ensures a balance in attracting, motivating, rewarding and retaining human capital through competitive remuneration practices, while creating shareholder value. The committee approved a remuneration policy that gives effect to the remuneration strategy, supports business objectives in the wider operating environment and offers a balanced remuneration mix in line with our goals.

Connecting performance and remuneration

Fair and responsible pay

ARM is committed to fair, responsible and transparent pay. Our remuneration levels are aligned with the performance of the economy, and the specific performance of the company and our people. We focus on elements such as the company's values, culture, talent management, workforce planning, and competitive benefits and remuneration to ensure our policies and practices compare well against local and international

practices. ARM takes steps to address the gap between remunerating executives and employees at the lower end of the pay scale, and the committee monitors these developments.

The company monitors the pay gap between the remuneration of our most highly paid employees to the lowest-paid employees as part of our approach to fair and responsible remuneration. As there is currently considerable research and debate on identifying a statutory measure of the pay gap, we will await finalisation of this process so that our reporting is consistent.

Fixed pay

The board approved cost-to-company salary increases in the corporate office from 1 July 2021 based on the current and forecast consumer price index (CPI), as follows:

PATERSON GRADE	ROLE	F2022 increase	F2021 increase
F-band	• Executives (including executive directors)	5.2% CPI*	3% (CPI)
E-band	• Senior management	6.2% (CPI + 1%)	4% (CPI + 1%)
D-band	• Middle management	7.2% (CPI + 2%)	5% (CPI + 2%)
A to C-bands	• General staff		

* CPI of 5.2% as at May 2021 as published by StatsSA.

At the bargaining-unit level for our managed operations wage agreements for A to C-bands provided for 2020 increases of 6% to 7% depending on the band. Modikwa, Machadodorp Works and Two Rivers C-band bargaining units have multi-year agreements which provided for 2021 increases of 6% to 7% depending on the band. Wage agreements for employees at Two Rivers in the A and B-bands and Cato Ridge Works as well as the Northern Cape mines' labour forces expired on 30 June 2021 and negotiations are underway. Percentage increases for these employees will be reported in 2022.

Employee benefits as a percentage of cost-to-company are the same for all employees, subject to certain employee elections.

Fair and responsible

Taking care of our employees

We aim to maximise our employee value proposition. We are committed to offering a market-related, competitive, fair and at least living wage to all employees. We operate various wellness programmes to support our employees' mental health and wellbeing.

Monitoring our fair and responsible pay

We periodically monitor the pay gap, enhance policies supporting gender mainstreaming in the workplace and develop more robust employment equity plans and targets. Percentage increases granted to our more junior employees generally exceed those granted to management and executives.

Pay-for-performance

We focus on pay-for-performance in designing our variable pay structures, particularly at senior levels. Our in-house performance-enhancing system creates an opportunity to contract on performance goals, review performance, track developmental areas, assess performance and reward appropriately. This process also promotes staff engagement, constructive feedback for development and performance improvement.

Training and developing our talent

We invest in the development and skills of our employees to maximise learning potential through study assistance and bursaries as well as career-development opportunities based on our talent management strategy.

Specific measures to mitigate the impact of Covid-19 on employees and other stakeholders are set out more fully in the occupational health and wellness section on page 81.

Short-term incentives

Short-term incentive outcomes are linked to the company's performance, which reflects management's initiatives to contain costs and improve efficiency:

- Group F2021 profit before interest and taxes (PBIT) was 237% above target
- Profit targets were met at all operations (ie ARM Ferrous, ARM Platinum and ARM Coal)
- Overall, ARM Platinum and ARM Ferrous performed well on cost targets
- Costs at ARM Coal were worse than planned
- Notwithstanding the improvement in the lost-time injury frequency rate, regrettably there were two fatalities (at Modikwa) in F2021. The fatality adjusted safety modifier for ARM Platinum was 1.67%
- The safety modifier target of 10% after adjustment for fatalities was achieved at ARM Ferrous and ARM Coal. The overall group safety modifier adjusted for fatalities was 8.75%.
- A personal performance modifier has been applied after a cash bonus was calculated for each senior executive, except for the executive chairman and chief

executive officer. If key performance indicators (KPIs) are met, they may achieve up to an additional 10% of their bonus. If KPIs are not met, up to 30% of their bonus will be forfeited. No personal performance modifiers apply to the short-term incentives payable to the executive chairman and chief executive officer, as their performance is best measured by the performance of the company.

Benchmark

A benchmarking study by the remuneration consultants, Bowmans, showed that the remuneration of senior executives was generally in line with the market. ARM's short-term incentives tend to be below the market median while long-term incentives tend to be above.

Long-term incentives

Outcomes are linked to the company's performance. Performance shares settled in F2021 under The African Rainbow Minerals Limited 2008 share plan (2008 share plan) were based on ARM's ranking against the total shareholder return of its peers. The company has not made any awards under the 2008 share plan since 2018.

Settlements of share options and bonus shares awarded in terms of the previous policy reflect share price movements which are also linked to performance.

Remuneration report continued

2018 conditional share plan

- Shareholders approved the plan, aligned with good practice, to be used for all new long-term incentive awards to senior executives at the 2018 annual general meeting
- Salient features of the 2018 conditional share plan include:
 - Conditional rights to ARM shares, ie conditional shares will be awarded to eligible participants (with no voting or dividend rights until the conditional shares vest and become unrestricted)
 - Performance and employment conditions apply to all awards vesting
 - A limit of 5% of the issued share capital of the company, which is intended to cover awards made over five to ten years under the plan
 - Termination-of-employment (fault and no-fault terminations) provisions are aligned to global good practice
 - Malus (pre-vesting forfeiture) and clawback (post-vesting forfeiture) provisions apply to awards on certain 'trigger events'. In terms of clawback, the pre-tax cash value of the award will be recouped
 - Dividend-equivalent shares will be determined when conditional shares vest
 - Carbon emission targets apply to:
 - Emissions from direct production activities (scope 1 emissions) and
 - Emissions from electricity consumption (scope 2 emissions).

2018 cash-settled conditional share plan

- In December 2018, the board approved a new long-term incentive plan for awards to management other than senior executives
- The provisions of the 2018 cash-settled conditional share plan are similar to those of the 2018 conditional share plan, but awards are settled in cash rather than shares.



Stakeholder engagement

At the 2020 annual general meeting, the non-binding advisory votes on ARM's remuneration policy and implementation report were each supported by 97.76% of shareholders who voted at the meeting.

Although we were well above the 75% voting threshold for both the remuneration policy and implementation report, we take shareholder feedback seriously and strive to continuously engage with our shareholders. Below, we set out the main areas of feedback on remuneration.

Stakeholder engagement on voting

FEEDBACK	ACTIONS TAKEN/RESPONSE TO FEEDBACK
Short-term incentives – safety modifier: The safety modifier applied to the bonus framework is based on the lost-time injury frequency rate for the divisions/operations and bonuses are payable despite recorded fatalities at the operations.	The company is committed to zero harm. Recorded fatalities have been factored into the safety modifier for the year under review. For future bonuses, after the safety modifier has been determined on the basis of the lost-time injury frequency rate performance for the year, the board will further consider any fatalities for the year and, at its discretion, adjust the modifier taking into account the context of such fatalities.
Short-term incentives – targets: Only high-level performance conditions were provided for the short-term incentive, without disclosing specific targets.	Performance targets are not disclosed; this is viewed as commercially sensitive information for various reasons, including that targets are based on budget and the company is required to adhere to confidentiality restrictions in some contractual agreements.
Short-term incentives – budget: Performance targets measured against budget are not considered transparent.	It is acknowledged that measuring against budget is not transparent, however, given the significant effect of commodity prices and changes in geology on profits, using a growth factor on previous profit is not a viable measure. In addition as discussed above, this information is considered commercially sensitive. The committee monitors the short-term incentive scheme to ensure its implementation is aligned with the strategic objectives of the company.
Long-term incentives – total shareholder return: Limited disclosure about the vesting scale, exact targets governing vesting in the total shareholder return analysis and the weight of total shareholder return as a performance condition.	For awards made prior to December 2018, vesting was possible for performance below the median of the peer group, in terms of the graphs on the following pages. For settlements of performance shares in F2021, no vesting occurred below median. In line with global practice, vesting below median has not been permitted since shareholders adopted the 2018 conditional share plan and relative total shareholder return now only constitutes 25% of total performance conditions.

Remuneration report continued

Commitment

We continuously monitor the effectiveness and implementation of the remuneration policy, strategy and practices. Should we receive a vote of 25% or more against either at the 2021 annual general meeting, the board commits to:

- An engagement process in line with JSE Listings Requirements to ascertain reasons for dissenting votes
- Appropriately address legitimate and reasonable objections and concerns.

Changes in remuneration policy

Stakeholder engagement on remuneration matters and proactively maintaining regular, transparent and informative dialogue with our stakeholders is important. The committee therefore considered developments in global best practice as well as feedback from shareholders during the financial year.

Accordingly, on the committee's recommendation, changes to the climate change performance targets in the remuneration policy have been approved. As noted by my colleague, the chairman of the social and ethics committee (page 4), ARM has set a target of net zero greenhouse gas emissions from mining by 2050. As a first step towards this long-term company target, we have set appropriate climate-change performance targets that apply to awards to be made in F2022 in terms of the 2018 conditional share plan and 2018 cash-settled conditional share plan for the three-year performance period from 1 July 2021 to 30 June 2024. However, we fully understand that our 2050 goal will require a more profound change in the way we work and this can only be implemented over a longer period. Accordingly, we are working on more specific targets that will incrementally and collectively enable ARM to achieve its longer-term objective. We will communicate these details in the F2022 remuneration report.

No changes to performance conditions of awards that have been issued, nor any other aspects of the short-term incentives (bonuses) or long-term incentives were made to address the impact of Covid-19.

The remuneration policy achieved its stated objectives in F2021 and will continue to lead to performance outcomes that generate real long-term value for our shareholders.

AD Botha

Chairman of the remuneration committee

About the remuneration report

To align with emerging best remuneration-disclosure practices and the King IV Report on Corporate Governance for South Africa 2016 (King IV™*), the remuneration report is presented in three parts: a background statement from the committee chairman, an overview of the remuneration policy for senior executives and, at a high level, other employees, and an implementation report describing how payments were made in the review period.

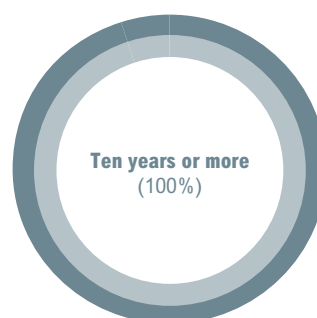
* Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

Remuneration governance framework

Composition

Member	Member since
AD Botha (chairman)	August 2009
TA Boardman	August 2011
AK Maditsi	July 2011

Tenure



The committee comprises only independent non-executive directors. The board is confident that committee members have a strong blend of expertise and experience in the financial, business, mining and human capital fields.

Meetings

Three committee meetings were held in F2021. See meeting attendance summary on page 120.

The chairman of the committee attends annual general meetings to answer questions from shareholders on the remuneration policy and its implementation.

Invitees

The chief executive officer, finance director, executive director: investor relations and new business development, group executive: human resources and group executive: legal attend committee meetings by invitation and assist the committee in its deliberations, except when their own remuneration is discussed. Invitees do not vote at meetings. No directors were involved in approving their own remuneration.

Advisers

In F2021, the committee was advised by remuneration consultants, PricewaterhouseCoopers (PwC), on the implementation and verification of calculations for offers and awards under the long-term incentive schemes. Bowmans advised the committee on remuneration of non-executive directors and senior executives as well as amendments to the short-term incentive scheme, implementation of the long-term incentive scheme and the policy on fees for ad hoc meetings. Bowmans communicated directly with the committee. Korn Ferry provided advice on principles of

performance management and calibrating performance scores. Deloitte provided assurance on some elements of executive remuneration. The committee is satisfied that Bowmans, PwC, Deloitte and Korn Ferry were independent and objective.

Functions

Purpose

The committee assists the board with its responsibility for setting ARM's remuneration policies to ensure these are aligned with its business strategy and create value for ARM over the long term. It also assists the board in promoting a culture that supports enterprise and innovation with appropriate short-term and long-term performance-related rewards that are fair and achievable. The committee considers and recommends remuneration policies for senior executives.

Functions and responsibilities

The remuneration committee performs the functions and responsibilities necessary to fulfil its stated purpose.

Amendments to its terms of reference were approved by the board in 2021. The committee's mandate includes:

- Ensuring that, in developing the company's remuneration policies, the mix of fixed and variable remuneration in cash, shares and other elements of remuneration meets ARM's business needs and promotes its strategic objectives, with an appropriate balance between short-term and long-term incentives
- Ensuring that performance targets in all occupational categories in ARM are set and monitored
- Reviewing the results of independent third-party benchmarking surveys of the remuneration packages of executive directors, other senior executives and the group company secretary and governance officer as well as non-executive directors' fees
- Reviewing and recommending specific remuneration packages for executive directors, senior executives and the group company secretary and governance officer to the board for approval, including base salaries
- Recommending to the board cash performance bonuses to be awarded to executive directors, senior executives and the group company secretary and governance officer, taking cognisance of job descriptions and the performance of ARM against budgetary and strategic objectives as approved by the board
- Regularly reviewing and recommending changes to ARM's long-term (share-based) incentive schemes to ensure the continued contribution of executive directors and other senior executives to shareholder value
- Considering and making recommendations to the board on any proposed cash bonus schemes or long-term (share-based) incentive schemes or amendments to any existing schemes for executive directors, senior executives and group company secretary and governance officer

- Recommending to the board grants or awards to be made to executive directors, other senior executives and the group company secretary and governance officer under ARM's long-term share-based incentive schemes
- Satisfying itself on the accuracy of recorded performance measures that govern the vesting of long-term (share-based) incentives
- Ensuring management develops appropriate employee benefit policies for the company.

Focus and adding value in F2021

The scheduled work plan was followed, with a normal cycle of activities and additional duties that included:

- Monitoring the ongoing impact of the pandemic on executive remuneration
- Amendments to the short-term incentive scheme:
 - To mitigate the risk for F2021 from the pandemic, including a cap on the maximum bonus payable
 - To provide that the board will further consider any fatalities during the year and adjust the modifier taking into account the context of such fatalities
- Recommending to the board annual increases in the base salaries of executive directors and other senior executives
- Recommending to the board short-term incentives (ie bonuses) payable to executive directors and other senior executives
- Recommending the board retainer as well as board and committee meeting attendance fees for non-executive directors, for submission to shareholders
- Overseeing preparation of the remuneration implementation report.

Focus areas for F2022

- Recommending corporate bonus parameters for F2022 to the board
- Reviewing climate change targets
- Recommending to the board annual increases in the base salaries of executive directors and other senior executives
- Recommending to the board short-term incentives (ie bonuses) payable to executive directors and senior executives
- Recommending the board retainer as well as board and committee meeting attendance fees for non-executive directors, for submission to shareholders
- Reviewing the provisions for termination of employment in the 2018 conditional share plan and the 2018 cash-settled conditional share plan
- Overseeing preparation of the remuneration implementation report
- Monitoring the ongoing impact of the pandemic on executive remuneration.

Remuneration report continued

PART II – overview of main provisions of the remuneration policy

Remuneration philosophy and policy: executive remuneration

Principles of executive remuneration

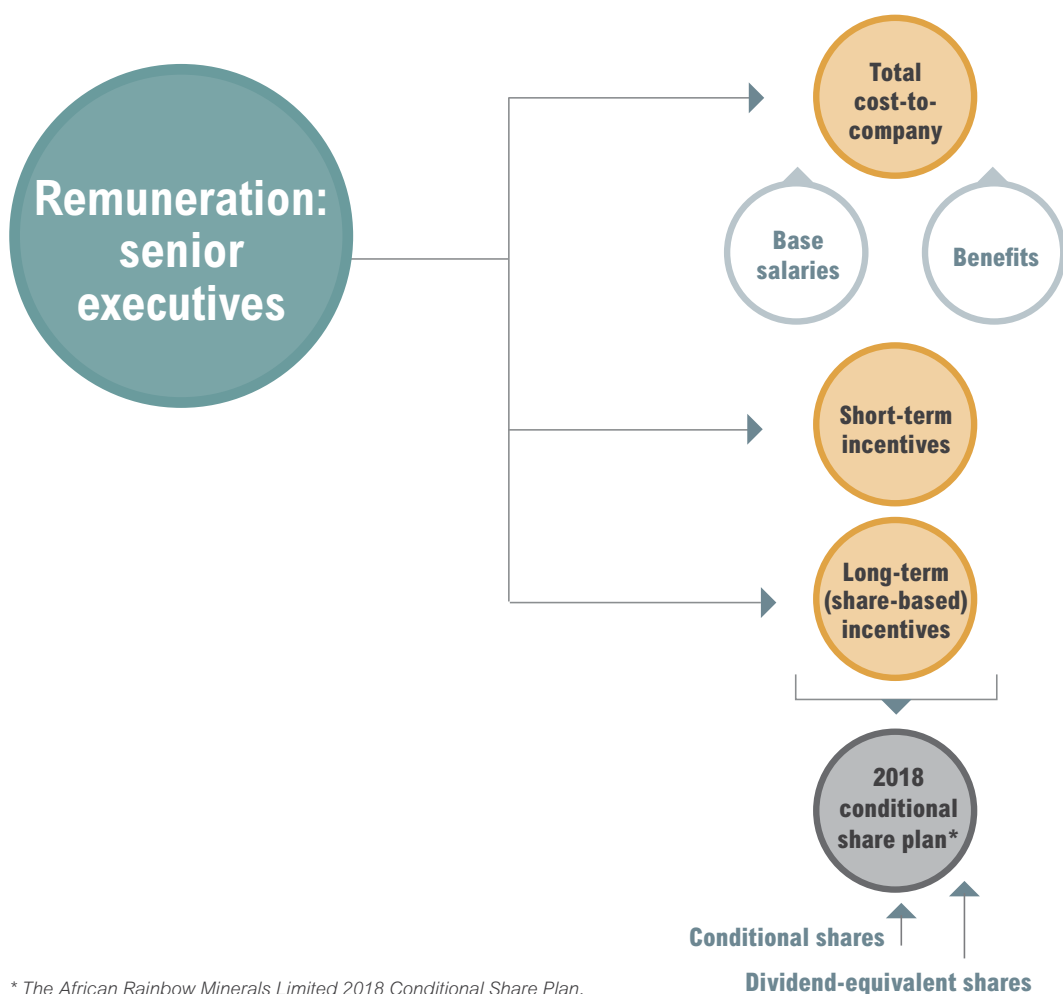
ARM's executive remuneration philosophy aims to attract and retain high-calibre executives and to motivate and reward them for developing and implementing the company's strategy of delivering consistent and sustainable shareholder value. In addition, ARM promotes positive outcomes, an ethical culture and corporate citizenship in decisions on pay.

The remuneration policy conforms to international best practice and is based on the following principles:

- Total cost-to-company of base salary plus benefits
- Competitive, incentive-based rewards compared to other employers in the mining and mineral resources sector, earned by achieving performance targets consistent with shareholder expectations over the short and long term:

- Short-term incentives, ie cash bonuses based on performance measures and targets, and structured to reward effective operational performance
- Long-term (share-based) incentives used to align the long-term interests of management with those of shareholders and responsibly implemented to avoid exposing shareholders to unreasonable or unexpected financial impact.

Elements of total executive remuneration design



Total cost-to-company (CTC)

Policy

Base salary

Benchmarked against market practices of South African mining companies comparable in size, business complexity and international scope

Generally reflects market median levels based on role, individual skills and experience.

Implementation

- Paid monthly in cash
- Reviewed annually, with changes from 1 July, where applicable
- Increases are determined by market conditions, company performance, individual performance and changes in responsibilities, among others
- Salary increases for F2022 of 5.2% for executives approved for F2021 from 1 July 2021 (F2021: 3%)
- Key component of a total CTC package, including benefits. ARM periodically participates in industry-wide surveys. Participation in short-term and long-term incentive schemes is determined on the basis of, and in addition to, the CTC package.

Pension fund

Membership of ARM Pension Fund is compulsory. Senior executives, if already members of a recognised industrial pension/retirement fund such as Sentinel, may remain members of that fund.

- Contributions are made by senior executives from base salary. Total contribution to the fund is either 22.5%, 25% or 27.5% of pensionable salary. This includes risk benefits such as life and disability cover as well as administration costs
- The ARM Pension Fund is:
 - Managed by six trustees – 50% appointed by ARM and 50% elected by members. Appointed and elected members may also appoint or elect alternatives
 - Administered by Alexander Forbes
 - A defined contribution fund.

Medical schemes

Membership of a medical scheme is compulsory.

- Executives may participate in a managed medical aid plan of their choice
- Contributions are made by senior executives from their base salary.

Other benefits and conditions of employment

All other conditions of employment are comparable to companies in the mining and mineral resources sector. No special or extraordinary conditions apply to senior executives.

Short-term incentives

Policy

Short-term incentives (cash bonuses) are determined under a bonus scheme that rewards senior executives for sustained outperformance of cost and profitability targets set annually for the company's business, and safety performance in terms of its strategy.

Instrument

Cash under the outperformance bonus scheme.

Remuneration report continued

Short-term incentives continued

Bonus percentages

After considering a recommendation from ARM's remuneration consultants to mitigate the risk in F2022 amid ongoing uncertainty due to the pandemic and its impact on global economic conditions, the maximum bonus payable in F2022 will be capped as in F2021 to 2 times on-target bonus multiple. The multiple applicable to each performance measure (being annual profit before interest and taxes (PBIT) and unit costs) will be used to determine a bonus multiple of between 0 times and 3 times depending on the F2022 actual performance relative to targets set for F2021. These multiples will each be weighted by 50% and added together to determine the overall bonus multiple. If this overall bonus multiple is more than 2 times, it will be capped at 2 times. For F2022 bonuses, the short-term incentive on-target and maximum percentages of CTC, before applying safety and personal performance modifiers, are shown below:

Position	Paterson grade	F2021 % on-target bonus of CTC	F2021 maximum bonus as % of CTC
Executive chairman	FU	62%	124%
Chief executive officer	FU	50%	100%
Finance director, other executive directors and senior executives	FL	45%	90%
Operational senior executives in ARM Ferrous, ARM Platinum and ARM Coal	FL	45%	90%

Performance measurement

For the executive chairman, chief executive officer, finance director, other executive directors and other senior executives (excluding those from ARM Ferrous, ARM Platinum and ARM Coal), financial performance indicators are calculated as:

- 50% – profit from operations
- 50% – unit cost of sales (a weighted scorecard).

For operational senior executives, financial performance indicators are calculated for each division as:

- 25% – ARM overall profit from operations against target
- 25% – ARM overall unit cost of sales against target (a weighted scorecard)
- 25% – divisional profit from operations against target
- 25% – divisional unit cost of sales against target (a weighted scorecard).

The following divisional unit cost of sales will be measured:

- Manganese
- Iron ore (Beeshoek and Khumani separately)
- Ferromanganese (Machadodorp)
- Ferromanganese (Cato Ridge)
- Nickel
- Platinum (Modikwa)
- Platinum (Two Rivers)
- Coal (Goedgevonden)
- Coal (Participative Coal Business).

The combined percentage (achieved by each senior executive) is applied to their CTC to determine the potential cash bonus.

Safety modifier

A safety modifier is applied after a cash bonus has been calculated for each senior executive. This is based on the lost-time injury frequency rate for each division or operation. If the safety target is met, participants will receive an additional 5% of their cash bonus.

There is a sliding scale for outperformance or underperformance for each division or operation:

- If participants outperform their targets by 10% or more, they will receive an additional 10% of their cash bonus
- If safety targets are not met, between 1% and 10% would be deducted for each percentage point below target, to a maximum 10% deduction.

After the safety modifier has been determined on the basis of the lost-time injury frequency rate performance for the year, the board will further consider any fatalities for the year and, at its discretion, adjust the modifier taking into account the context of such fatalities.

Short-term incentives continued

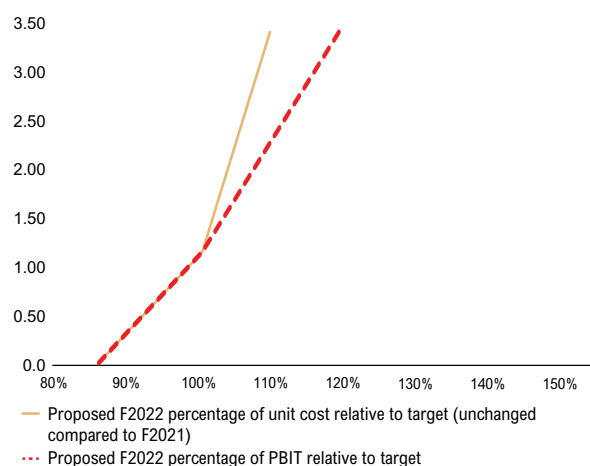
Performance targets

The targets for each metric are in line with the board-approved one-year business plan, and measures are reviewed annually to ensure they are appropriate, given the economic climate and performance expectations for the company. As targets are related to the budget and considered commercially sensitive information, they are not disclosed. F2022 PBIT targets relative to F2021 PBIT targets are set out below. F2022 cost target percentages remain unchanged compared to F2021.

%	F2022 PBIT targets*
ARM group	+98%
ARM Ferrous	+92%
ARM Platinum	+110%
ARM Coal	(7%)

* Based on approved F2022 plan relative to F2021 targets. The F2022 plan will be trued up for opening balances.

F2022 BONUS STRUCTURE



Personal performance modifier

A personal performance modifier is applied after a cash bonus has been calculated and the safety modifier applied for each senior executive, except the executive chairman and chief executive officer. If KPIs are met, up to an additional 10% of their bonus may be achieved. If KPIs are not met, up to 30% of their bonus will be forfeited. No personal performance modifiers are applicable to the short-term incentives payable to the executive chairman and the chief executive officer, because their performance is best measured by the performance of the company.



Remuneration report continued

Long-term incentives

2018 conditional share plan (F2022)

The 2018 conditional share plan is aligned with global practice and has been used for all new long-term incentive awards since the 2018 annual general meeting.

Policy

This plan closely aligns the interests of shareholders and senior executives by recognising their contributions to the group, giving them the opportunity to share in its success, and reward superior performance. This plan is used as a tool to incentivise performance and create shareholder value.

Limits

The overall company and individual limits for the conditional share plan are 10 985 514 shares and 2 197 103 shares, respectively.

Eligibility

Employees in the corporate office on Paterson grade D-F bands are eligible to participate in the 2018 conditional share plan. The primary intent is to make awards to executive and senior management, although awards may be made to other employees with the consent of the remuneration committee.

Instrument

Conditional shares (subject to performance and employment conditions) for annual or interim awards of long-term incentives.

Award and settlement

Conditional share awards may be made on an annual or interim basis to reduce the risk of unanticipated outcomes due to share-price volatility and cyclical factors. Conditional shares will vest after three years, subject to meeting predetermined performance criteria, and settled in equity or cash should it not be practical or possible to settle in ARM shares.

Allocation levels

Executive chairman – 2.0 x total CTC
Chief executive officer – 1.67 x total CTC
Finance director, other executive directors and prescribed officers – 1.33 x total CTC
Senior executives – 1.0 x total CTC

Dividend-equivalent shares

Dividend-equivalent shares, for conditional shares, are awarded at the discretion of the board. They are the number of ARM shares equal in value to dividends a participant would have earned if they owned the vested number of ARM shares from award date to vesting date of the conditional shares with reference to the dividend record dates in that period.



2018 conditional share plan (F2022) continued

Performance conditions and vesting

Performance conditions*	Weight	Threshold	Target	Stretch	Climate-change performance targets Description of targets: absolute reduction in greenhouse gas emissions through initiatives that reduce: <ul style="list-style-type: none">Emissions from direct production activities (ie scope 1 emissions) andEmissions from electricity consumption (ie scope 2 emissions) due to emission-reduction initiatives determined at the end of the performance period from 1 July 2021 to 30 June 2024 (F2022 performance period), relative to the saving for F2021. Threshold: maintain the level of savings in F2021, ie maintain initiatives implemented since F2018 and still actively reducing emissions at the beginning of the F2022 performance period (50% vesting). Target: 2% further absolute reductions in aggregate of scope 1 and 2 emission levels at the end of the F2022 performance period against the level of savings at the beginning of the F2022 performance period (100% vesting). Stretch: equal to or greater than 3% further absolute reduction in aggregate of scope 1 and 2 emission levels at the end of the F2022 performance period against the level of savings at the beginning of the F2022 performance period (200% vesting). Measurement: measurement of the above-mentioned performance targets is based on reductions relative to a business as usual baseline. The approach is based on an industry accepted methodology (ie the GHG Protocol Policy and Action Standard).
Relative total shareholder return (TSR) against a comparator group of 20 mining companies (excluding gold and diamond companies).*	25%	Threshold and target is set at the median of the comparator group (100% vesting)		Upper quartile of the comparator group (200% vesting)	
Average free cash flow return on equity US\$ operating free cash flow/ US\$ equity over the three-year performance period, where operating free cash flow (for the year) is defined as: Net increase/decrease in cash and cash equivalents Plus dividends paid to shareholders and non-controlling interest Plus expansion capital expenditure Plus repayments of debt.	25%	US\$ cost of equity of the company (50% vesting)	US\$ cost of equity of the company +3% (100% vesting)	US\$ cost of equity of the company +6% (200% vesting)	
Consistent and sustainable cost performance as measured against the mining producer price index (PPI). Compound annual growth rate of the company's unit costs over the three-year performance period compared to mining PPI.	25%	Increase equal to mining PPI (50% vesting)	90% of the increase equal to mining PPI (100% vesting)	80% of the increase equal to mining PPI (200% vesting)	
Sustainable business Improved safety performance as measured by the lost-time injury frequency rate (LTIFR)	10%	Improvement of 3% over the period (50% vesting)	Improvement of 4% over the period (100% vesting)	Improvement of 5% over the period (200% vesting)	
Improvement in the B-BBEE score	10%	Maintain current level (50% vesting)	Improvement of 2% (100% vesting)	Improvement of 5% (200% vesting)	
Environmental compliance (see climate-change performance targets alongside)	5%				

* Should an event occur at any point during the performance period which causes the board to consider that a performance condition is no longer appropriate, the board may substitute or vary the performance condition in such a manner that is reasonable in the circumstances and produces a fairer measure of performance that is not materially less or materially more difficult to satisfy.

Remuneration report continued

Long-term incentives continued

2018 conditional share plan (F2022)

Vesting

There will be 0% vesting for the applicable performance measure if performance is below threshold. Linear interpolation will be applied for performance between threshold/target, and target/stretch. Vesting is capped at 200% for performance at and above stretch.

Termination of employment

If a senior executive leaves due to a fault termination, eg resignation or dismissal, all unvested awards will be forfeited. If they leave due to retirement, unvested awards will vest on the basis of the original dates and performance conditions, without pro-rating. If they leave due to other no-fault terminations, eg retrenchment or death, the number of conditional shares vesting will be pro-rated against performance and time served.

Malus and clawback

At the discretion of the board, malus (pre-vesting forfeiture) and clawback (post-vesting forfeiture) provisions will be applied to awards to senior executives on certain 'trigger events', including action or conduct which, in the reasonable opinion of the board, amounts to misbehaviour, fraud or gross misconduct. In terms of clawback, the pre-tax cash value of the award would be recouped.

Long-term incentives (Legacy schemes)

ARM no longer makes allocations under the legacy schemes set out below. Outcomes are detailed in part III.

Performance shares (last allocation in F2019)

Policy

Was designed to align the interests of shareholders and senior executives by rewarding superior performance and encouraging them to build a shareholding in the company. The performance criteria incentivised creating shareholder value.

Instrument

Performance shares under The African Rainbow Minerals Limited 2008 share plan (the 2008 share plan).

Award policy and vesting period

Performance shares under the 2008 share plan were conditional rights to shares typically awarded annually to reduce the risk of unanticipated outcomes from share price volatility and cyclical factors.

Performance criteria

For awards made from May 2015, total shareholder return (TSR) in terms of the JSE Limited Resources 10 Index (RESI 10) and the 20-day volume weighted average price (VWAP) were used to determine the number of performance shares that vest. The RESI 10 was discontinued from December 2015, after which the number of companies in the peer group was increased to 20 (excluding gold and diamond companies). From May 2017, the performance measurement graph was clarified to provide for situations where there were less than 20 mining companies in a peer group. The comparator groups for benchmarking were selected through a rigorous process to ensure the overall competitiveness of ARM's remuneration.

Performance measurement

Vesting is based on a sliding scale of achieving the performance criteria as determined by an independent third party, the company's remuneration consultants.

Long-term incentives (Legacy schemes) continued

Vesting period

Performance shares conditionally awarded to senior executives after 1 November 2011 and before 1 November 2014: shares vest and are settled after a period of four years, subject to achieving predetermined performance criteria.

Performance shares conditionally awarded to senior executives after 1 November 2014: shares vest and are settled after a period of three years, subject to achieving predetermined performance criteria.

Bonus shares (last allocation in F2019)

Design policy

Policy designed to align the interests of shareholders and senior executives by rewarding superior performance and encouraging them to build a shareholding in the company. The bonus performance criteria incentivised creating shareholder value.

Instrument

Bonus shares under the 2008 share plan.

Award policy

Bonus shares are conditional rights to shares that were allocated annually, as determined by a specified ratio of the annual cash incentive accruing to senior executives.

Other than bonus shares granted under the deferred bonus share/co-investment scheme and the waived bonus method (F2015 and F2016), no bonus shares have been granted since 2015.

Vesting period

Bonus shares granted to senior executives after 1 November 2011 and before 1 November 2014: shares vested and were settled after four years. Bonus shares granted to senior executives after 1 November 2014: shares vested and were settled after four years.

Bonus shares granted to senior executives after 1 November 2014: shares vest and are settled after three years.

Deferred bonus/co-investment scheme (last allocation in F2019)

Policy

The purpose of this scheme under the 2008 share plan was to align the interests of shareholders and senior executives by rewarding superior performance, encouraging senior executives to build a shareholding in the company and enhancing the retention potential of senior executives.

A final award of bonus shares and a matching number of performance shares under the 2008 share plan was made in November 2018 prior to adopting the 2018 conditional share plan by shareholders in December 2018.

Instrument

Bonus shares (for deferred bonus) and performance shares (for matching performance shares) under the 2008 share plan.

Operation

Senior executives could invest in additional bonus shares that were matched by the company with the equivalent number of performance shares under the terms and conditions of the 2008 share plan.

Award policy

- Scheme prior to F2017: senior executives could defer 25%, 33% or 50%.
- Scheme from F2017: senior executives could defer 25%, 33%, 50%, 75% or 100%.
- There have been no awards using this method since F2019.

Vesting period

The vesting periods of deferred bonus shares and matching equivalent number of performance shares are three years.

Remuneration report continued

Long-term incentives (Legacy schemes) continued

Waived bonus method (last allocation in F2017)

Policy

This method was designed to align the interests of shareholders and senior executives by rewarding superior performance, encouraging senior executives to build a shareholding in the company, and enhancing the retention characteristics of the bonus reward of senior executives. The final award under this policy was settled in F2020.

Instrument

Bonus shares (for 100% of the value of the waived 2016 bonuses) and performance shares (for matching equivalent number of performance shares) in terms of the 2008 share plan.

Award policy

In advance of the 2016 bonus being quantified or declared, and before any such bonus accrued, the executive chairman elected to waive and receive delivery of 100% of the value of any cash bonus that might accrue to him for the 2016 performance year, pre-tax, in the form of 100% of the value of the waived 2016 bonus in bonus shares and matching equivalent number of performance shares. There have been no awards using this method since 2016.

Vesting period

The vesting periods of waived bonus shares and matching equivalent number of performance shares are three years.

Share options (last allocation in F2014)

Policy

Policy designed to align the interests of shareholders and senior executives by encouraging senior executives to build a shareholding in the company.

Instrument

Share options under The African Rainbow Minerals Share Incentive Scheme (the scheme).

Net settlement

The scheme was amended in December 2010 to allow the company to offer participants the opportunity to net settle share options when they exercise these.

Vesting period

Share options vested in total on the third or fourth anniversary of their allocation. The final allocation in the scheme vested in F2018. Senior executives may elect to defer exercising any share option until the eighth anniversary of its allocation, after which it lapses.

Termination policy

Executive directors and prescribed officers have one month's notice period in their employment contracts. Executive agreements do not include restraint provisions on termination. The termination policy is set out on page 163.



Termination policy

Form of remuneration	Resignation	Retirement	Dismissal	Retrenchment/transfer	Death
Cost-to-company					
Basic salary	One month's notice pay	Paid until last day of employment	Paid until last day of employment	Paid until last day of employment	Paid until last day of employment
Benefits including medical/pension	Paid until employment ceases	Pension payout under rules of pension fund scheme	Paid until employment ceases	Paid until employment ceases	Paid until last day of employment
Outperformance bonus scheme					
Short-term incentive (cash bonus)	No entitlement to bonus	Entitled to pro-rata bonus, paid at financial year end	No entitlement to bonus	Entitled to pro-rata bonus, paid at financial year end	Entitled to pro-rata bonus, paid at financial year end
2008 share plan					
Performance shares (awards)	Considered a fault termination: all unvested awards cancelled*	Considered a no-fault termination: awards are settled on vesting if performance criteria are met	Considered a fault termination: all unvested awards cancelled*	Considered a no-fault termination: all awards are settled pro rata for the period until vested	Considered a no-fault termination: all awards are settled pro rata for the period until vested
Bonus shares (grants)	Considered a fault termination: all unvested grants will be deemed cancelled*	Considered a no-fault termination: all grants will be deemed to have vested on date of terminating employment, and settled as soon as possible	Considered a fault termination: all unvested grants will be deemed cancelled*	Considered a no-fault termination: all grants will be deemed to have vested on date of terminating employment and settled as soon as possible	Considered a no-fault termination: all grants will be deemed to have vested on date of terminating employment and settled as soon as possible
Share scheme					
Share options	Within 45 days of terminating employment to exercise vested share options	Retirement does not accelerate vesting and share options may not be exercised later than the eighth anniversary of issue date	All share options lapse*	Vested share options may be exercised within one year of terminating employment	Vested share options may be exercised within one year of date of death, and board may grant a further one-year period
2018 conditional share plan					
Conditional shares	Considered a fault termination, subject to the board's discretion: all unvested awards forfeited	As a rule, awards will vest pro rata, according to time served and extent to which performance conditions have been met. Vested awards will be settled as soon as possible. Some exceptions apply: <ul style="list-style-type: none"> Where retirement is elected as the cause of terminating Employment in instances that would be deemed a "fault termination", retirement will be treated as a fault termination and awards will be forfeited. Early retirement by default is considered a fault termination, and all unvested awards forfeited. However, the board retains the discretion to designate an early retirement as a normal retirement, and thus a no-fault termination 	Considered a fault termination: all unvested awards forfeited	Considered a no-fault termination: awards will vest pro rata, according to time served and extent to which performance conditions have been met. Vested awards will be settled as soon as possible	Considered a no-fault termination: awards will vest pro rata, according to time served and extent to which performance conditions have been met. Vested awards will be settled as soon as possible

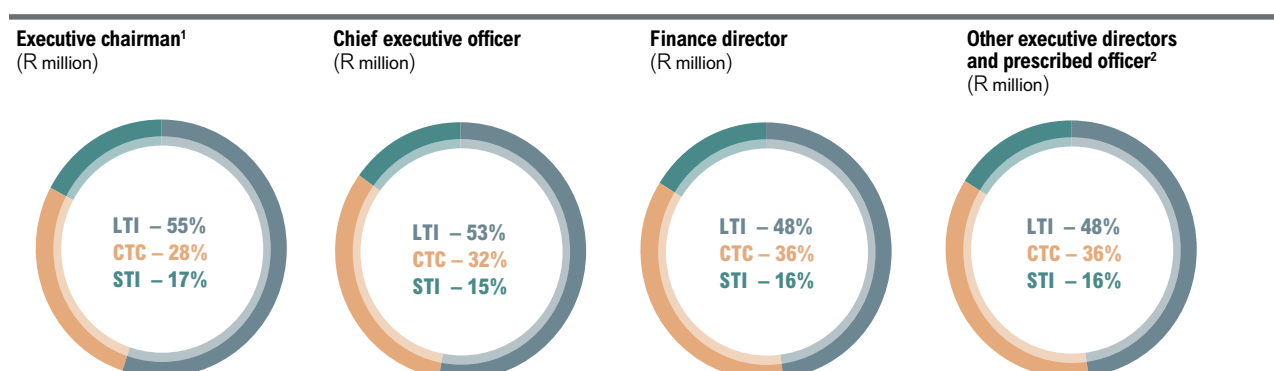
* Unless the board determines otherwise.

Remuneration report continued

Total remuneration design: F2022

The remuneration committee seeks to ensure an appropriate balance between the fixed and performance-related elements of executive remuneration, and between aspects of the package linked to short-term financial performance and those linked to long-term shareholder value creation. It considers each element of the total remuneration package relative to the market as well as the performance of the company and individual executive in determining both quantum and design.

The scenario graphs represent the on-target total remuneration packages of senior executives, where the base salary CTC, bonus (short-term incentives) and long-term incentives are expressed as a percentage of total remuneration. The pay mix for senior executives is reviewed regularly by the committee to ensure it supports the company's remuneration policy and strategic objectives.



CTC = total annual package before incentives (ie cost-to-company).
STI = short-term incentive.

LTI = long-term incentive (excluding any movement in share price).

¹ Total annual package before incentives, excludes non-cash benefits.

² Average remuneration for Messrs HL Mkatshana and A Joubert and Ms J Magagula. For Mr Joubert, the total annual package before incentives excludes non-cash benefits.

Shareholding targets for senior executives

To further align management's interests with those of shareholders and to encourage long-term commitment to the company, senior executives are expected to accumulate a holding of shares in ARM. They have been required to build a minimum shareholding in ARM shares from October 2015, or three years after the first allocation on becoming a senior executive, equivalent to 1 times pensionable salary determined at the date of allocation. This is followed by another period of three years to build a further shareholding of 1 times pensionable salary for a total of 2 times pensionable salary. Senior executives are required to maintain the number of shares while employed by ARM.

Employment agreements

There are employment agreements between the company and executive directors, namely Dr PT Motsepe (executive chairman), Messrs MP Schmidt (chief executive officer), HL Mkatshana (executive director and chief executive: ARM Platinum, also responsible for ARM Coal), and Ms J Magagula (executive director: investor

relations and new business development). Ms AM Mukhuba resigned from the company from 30 September 2020 to assume a finance director role with another company. ARM has an employment agreement with Ms TTA Mhlanga who assumed the role of finance director from 1 October 2020.

The company also has an employment agreement with the prescribed officer, Mr A Joubert (chief executive: ARM Ferrous).

None of these is a fixed-term contract. Executive directors and prescribed officers only receive remuneration in terms of their employment relationship with the company and do not earn directors' fees.

Executive directors and the prescribed officer are subject to the performance criteria that apply to all participants in the 2018 conditional share plan, 2008 share plan and the scheme. There are no other service agreements between the company and its executive directors and prescribed officer.

Remuneration policy: non-executive directors

Non-executive directors' fees

On the advice of the remuneration committee, which engages specialist remuneration consultants to assist with benchmarking non-executive directors' fees against comparable companies, the board considers and makes recommendations to shareholders on fees payable.

A comprehensive benchmarking study was conducted in F2021 (prior benchmarking study in 2018). The remuneration committee agreed to recommend to shareholders that non-executive directors' fees be increased by 5.2% in F2022 (rounded to the nearest R50), excluding value-added tax (VAT), in line with the increase for executives in the Paterson F-band.

Board retainers and board and committee meeting attendance fees are paid quarterly in arrears.

Remuneration for independent non-executive directors does not include any benefit from the short-term or long-term (share-based) incentive schemes.

Annual board retainer fees and per-meeting attendance fees

On the advice of the remuneration committee, the board recommends that shareholders approve paying fees to non-executive directors for services rendered (including attending any committee meeting, at the direction of the board, where they are not a member), and to ensure that these fees attract and retain non-executive directors of the required calibre. The fees below reflect a 5.2% increase on the previous year (rounded to the nearest R50). Annual retainer fees would be paid quarterly or as determined by the board, and would be pro-rated for periods of less than a full year. The per-meeting attendance fee for scheduled meetings would be as set out below.

	Proposed fees from 1 July 2021 (excl VAT) (R)*		Fees from 1 July 2020 (excl VAT) (R)	
	Annual retainer	Per meeting	Annual retainer	Per meeting
Lead independent non-executive director	612 950	23 400	582 650	22 250
Independent non-executive directors	489 050	23 400	464 890	22 250
Non-executive directors	489 050	23 400	464 890	22 250

* Effective 1 July 2021, should fees be approved by shareholders at the 2021 annual general meeting.

Attendance fees are paid for ad-hoc board meetings, budget workshops, strategy meetings, site visits, other meetings on board matters and for company-specific work outside regular scheduled board meetings, as well as for attending committee meetings (as a non-member and at the direction of the board). For an ad hoc meeting of the board or other work devoted to company business outside regular scheduled board meetings, which requires substantially less time to prepare for, attend or

undertake relative to a regular scheduled board meeting, the per-meeting fee will be reduced commensurately. No offsite strategy meetings or site visits were conducted in F2021 due to the pandemic.

The company reimburses reasonable travel, subsistence and accommodation expenses to attend meetings and contributes towards the cost of tablet for digital meeting packs. Other office costs, including telecommunication costs, are deemed to be included in board retainers.

Remuneration report continued

Committee per-meeting attendance fees

On the advice of the remuneration committee, the board recommends that shareholders approve paying fees to non-executive directors for services rendered as committee members and to ensure that committee meeting-attendance fees attract and retain suitable non-executive directors. The proposed fees are set out below.

	Per-meeting attendance fees proposed from 1 July 2021 (excluding VAT) (R)*	Per-meeting attendance fees proposed from 1 July 2020 (excluding VAT) (R)
Audit and risk committee		
Chairman	122 250	116 200
Member	48 900	46 500
Investment committee, nomination committee, remuneration committee and social and ethics committee		
Chairman	60 600	57 600
Member	32 000	30 400

* Effective 1 July 2021, should fees be approved by shareholders at the 2021 annual general meeting.

Attendance fees are also paid for ad hoc committee meetings and for other work devoted to committee business outside regular scheduled committee meetings. For an ad-hoc committee meeting or other work devoted to committee business outside regular scheduled meetings, which requires substantially less time to prepare for, attend or undertake than a scheduled meeting, the per-meeting fee will be reduced commensurately.

Service agreements: non-executive directors

In addition to directors' fees, non-executive directors may receive consultancy fees under agreements concluded at market rates for defined and pre-approved services. For F2022, the company has:

- A renewable consultancy agreement with Mr M Arnold, which was renewed for two years from 11 December 2019.
- A renewable consultancy agreement with Mr JA Chissano, which was renewed for two years from 1 May 2021.

There are no other service agreements between the company and its non-executive directors.

Details of amounts paid in F2021 under consultancy agreements appear in part III.

Non-binding advisory vote

Annually, shareholders are requested to cast a non-binding advisory vote on the remuneration policy set out in part II.

See notice of annual general meeting on the company's website.



PART III – implementation report: F2021

Directors' remuneration: executive directors and prescribed officer

The remuneration of executive directors and the prescribed officer comprises base salaries, benefits, short-term (annual cash) incentives, and long-term (share-based) incentives. Executive directors do not receive directors' fees.

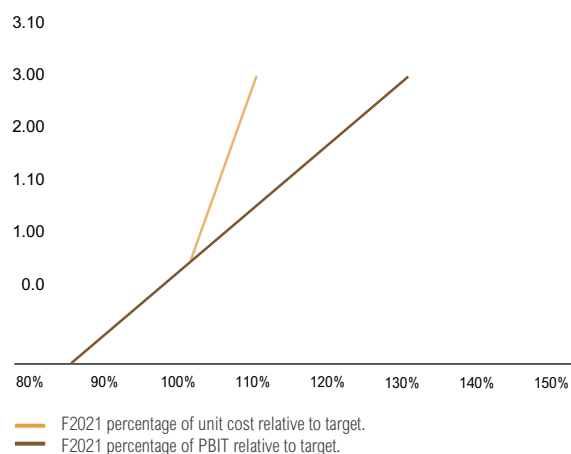
Salary adjustments

The board approved a cost-to-company increase of 3% for senior executives for F2021 (F2020: 6%).

F2021 short-term incentive performance targets

The F2021 targets for profit before interest and taxes (PBIT) and costs are shown alongside.

F2021 BONUS STRUCTURE



Performance against bonus targets for F2021 was as follows:



* Based on profit before interest and taxes.

** Safety modifier adjusted for fatalities.

Remuneration report continued

F2021 actual short-term incentive outcomes

The performance measures and targets based on budget are recommended by the remuneration committee to the board for approval annually. Targets are set by considering current market conditions faced by the company or division. The percentage of basic salary paid as a bonus is based on relative achievement against targets.

F2021 short-term incentive performance scorecard: executive directors

The tables below and overleaf illustrate how senior executives performed against targets for performance measures and the relative weighting of each measure.

Performance measure	Performance level achieved						OTB multiple	Commentary on key performance outcome and link to reward
	Overall weighting	Measure weighting	Below target	Target	Between target and stretch	Stretch and above		
Group performance	100%							
• PBIT from operations		50%				●	3.00	Exceeded stretch (OTB multiple = 3)
• Unit cost of sales (weighted)		50%			●		1.19	Between target and stretch (OTB multiple = 1.19)
Group performance outcome before capping	100%						2.10	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (1.19)
Group performance outcome (capped at 2.00*)	100%						2.00	Capped at 2.00*
Group safety modifier adjusted for fatalities					●		8.75%	Between target and stretch (8.75%)

OTB = on-target bonus.

* In terms of the board-approved remuneration policy for F2021, the performance multiple before the safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.

F2021 short-term incentive performance scorecard: prescribed officer

The prescribed officer, the chief executive: ARM Ferrous, was measured against a combination of group and divisional financial targets.

Performance measure	Performance level achieved						OTB multiple	Commentary on key performance outcome and link to reward
	Overall weighting	Measure weighting	Below target	Target	Between target and stretch	Stretch and above		
Group performance	50%							
• PBIT from operations		50%				●	3.00	Exceeded stretch (OTB multiple = 3)
• Unit cost of sales (weighted)		50%			●		1.19	Between target and stretch (OTB multiple = 1.19)
Group performance outcome before capping	50%						2.10	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (1.19)
Group performance outcome (capped at 2.00*)	50%						2.00	Capped at 2.00*
Divisional performance	50%							
ARM Ferrous • PBIT from division		50%				●	3.00	Exceeded stretch (OTB multiple = 3)
ARM Ferrous • Unit cost of sales (weighted)		50%			●		1.12	Between target and stretch (OTB multiple = 1.12)
Divisional performance outcome before capping	50%						2.06	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (1.12)
Divisional performance (capped at 2.00*)	50%						2.00	Capped at 2.00*
Overall performance from group and division	100%						2.00	50% of group + 50% of division
Divisional safety modifier					●		10%	Maximum target achieved (10%)

OTB = on-target bonus.

* In terms of the board-approved remuneration policy for F2021, the performance multiple before the safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.

The F2021 remuneration outcomes are summarised below. The total F2021 bonus was payable in cash and no portion was deferred.

F2021 short-term incentive performance outcomes: executive directors and prescribed officer

	F2021 % on-target bonus	F2021 % maximum bonus (before safety and personal performance modifiers)	F2021 performance multiple ⁴	F2021 % bonus (before safety and personal performance modifiers)	F2021 safety modifier adjusted for fatalities ⁵	F2021 % bonus (after safety and before personal performance modifiers)	F2021 personal performance modifier	F2021 % bonus (after safety and personal performance modifiers)	F2021 total annual package before incentives (excluding non-cash benefits) (R000) ⁶	F2021 short-term incentives (cash bonus) (R000)
Executive directors										
Dr PT Motsepe ¹	62	124	2.00	124.00	8.75	134.85		134.85	8 553	11 531
MP Schmidt ²	50	100	2.00	100.00	8.75	108.75		108.75	8 931	9 711
J Magagula ³	45	90	2.00	90.00	8.75	97.88	5.50	103.38	3 479	3 594
TTA Mhlana ³	45	90	2.00	90.00	8.75	97.88	2.88	100.76	3 752	3 778
HL Mkatshana	45	90	2.00	90.00	8.75	97.88	5.48	103.36	4 794	4 952
Prescribed officer										
A Joubert	45	90	2.00	90.00	10.00	99.00	5.15	104.15	5 479	5 704

OTB = on-target bonus.

^{1,2} The executive chairman and chief executive officer have overall responsibility for the performance of the company, and their personal performance is thus not determined separately from that of the company.

³ Ms Mhlana was appointed to the board as finance director on 1 October 2020 and the cost-to-company portion of the total annual package is the amount received as an executive director and not for the full financial year.

⁴ In terms of the board-approved remuneration policy for F2021, the performance multiple before the safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.

⁵ As independently assured by Bowmans.

⁶ Per the single-figure remuneration table on page 174.



Remuneration report continued

F2021 long-term incentive awards

Conditional shares under the 2018 conditional share plan

Awards of conditional shares were made to eligible participants in the Paterson grade F-band under the 2018 conditional share plan. Conditional shares are settled after three years, subject to the company achieving prescribed performance criteria. The 20-day volume weighted average price is used to determine the price.

Performance shares under the 2008 share plan

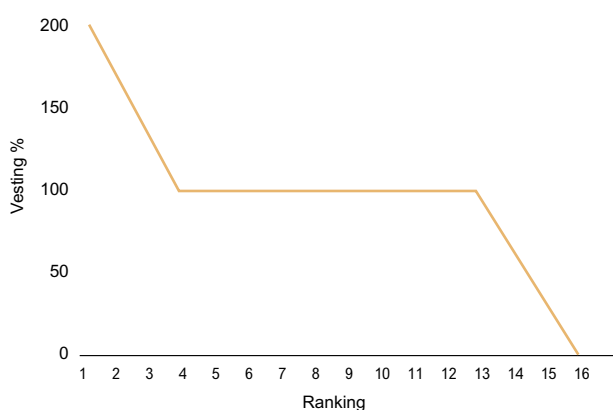
Conditional awards of performance shares were made to eligible participants under the 2008 share plan until November 2018. Performance shares are settled after three years, subject to the company achieving prescribed performance criteria. The 20-day volume weighted average price is used to determine the price.

F2021 long-term incentive performance outcomes

Settlement of F2018 annual performance share awards and waived bonus and deferred bonus/co-investment scheme performance share awards

The 16 November 2017 performance shares awarded to senior executives in the Paterson F-band in terms of (i) the three-year annual allocation and (ii) the waived bonus and deferred bonus/co-investment schemes) vested on 17 November 2020. Based on ARM's TSR ranking of 4th against 16 listed comparator companies (excluding gold and diamond companies) shown below, 100% of the awarded number of performance shares vested and were settled. Refer to termination-of-office payments for additional information.

VESTING SCHEDULE: 16 November 2017 awards (%)



Source: PwC

The comparator group¹ for the 16 November 2017 performance share awards is shown below:

Rank	Company name
1	Impala Platinum Holdings Limited
2	Northam Platinum Limited
3	Anglo American Platinum Limited
4	African Rainbow Minerals Limited
5	Kumba Iron Ore Limited
6	Royal Bafokeng Platinum Limited
7	Anglo American plc
8	BHP Billiton plc
9	Exxaro Resources Limited
10	Tharisa plc
11	South32 Limited
12	Glencore plc
13	Merafe Resources Limited
14	MC Mining Limited
15	Hulamin Limited
16	ArcelorMittal SA Limited

Source: Bowmans.

¹ Companies that delisted in the performance period were excluded from the comparator group.

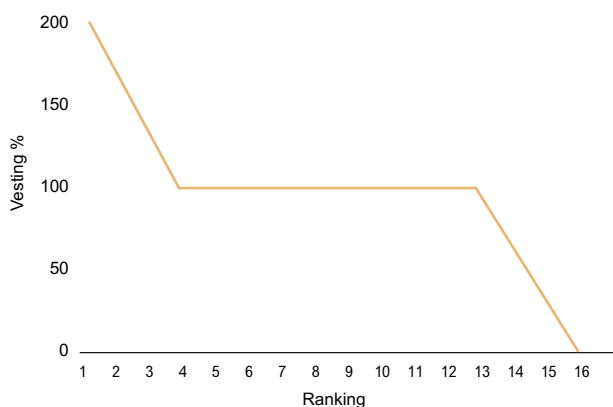
Settlement of F2018 top-up performance share award

The 11 December 2017 top-up performance shares awarded to the former finance director in the Paterson F-band vested on 12 December 2020. Based on ARM's TSR ranking of 4th against 16 listed comparator companies (excluding gold and diamond companies) shown above were eligible to be settled. The same comparator group and vesting schedule were used in the settlement of the 11 December 2017 award as were used in the settlement of the 17 November 2017 awards. Refer to termination-of-office payments for additional information.

Settlement of F2018 interim performance share awards

The 11 June 2018 interim performance share awards vested on 14 June 2021. Based on ARM's TSR ranking of 5th against 16 listed comparator companies (excluding gold and diamond companies) shown below, 100% of the awarded number of performance shares vested and were settled.

VESTING SCHEDULE: 11 June 2018 awards (%)



Source: PwC

The comparator group¹ for the June 2018 performance share awards is shown below:

Rank	Company name
1	Impala Platinum Holdings Limited
2	Northam Platinum Limited
3	Anglo American Platinum Limited
4	Royal Bafokeng Platinum Limited
5	African Rainbow Minerals Limited
6	Kumba Iron Ore Limited
7	Anglo American plc
8	ArcelorMittal SA Limited
9	Exxaro Resources Limited
10	BHP Billiton plc
11	Tharisa plc
12	Glencore plc
13	South32 Limited
14	Wescoal Holdings Limited
15	Hulamin Limited
16	Kore Potash plc

Source: Bowmans

¹ Companies that delisted in the performance period and excluded from the comparator group.

See single-figure remuneration table on pages 174 and 175 for actual value of performance shares settled in F2021 and F2020 and pages 178 and 179 for more on unvested performance shares.

Bonus shares under the 2008 share plan

In terms of the 2008 share plan, eligible participants received grants of full-value ARM shares that matched, according to a specified ratio, a portion of the annual cash incentive accruing to them. Bonus shares are only settled to participants after three years, as the case may be, conditional on continued employment.

The board agreed in 2015 that bonus shares would no longer be granted in the annual allocations. Deferred bonus shares under the 2008 share plan were granted until November 2018 and waived bonus shares under the 2008 share plan were granted until November 2016.

For bonus shares settled in F2021 and F2020 and more on unvested bonus share awards, see page 180.



Share option scheme

Between 2008 and 2013, annual allocations of share options under The African Rainbow Minerals share incentive scheme (the scheme) were made to eligible participants, but at a much-reduced scale after adopting the 2008 share plan. Share options have not been allocated to executive directors and prescribed officers since October 2013. The final share option grants will lapse in October 2021. Participants exercised their share options in F2021 due to the strong share price which was above the strike price.

For share options settled in F2020 and F2021 and more on unexercised share options, see pages 181 and 182.



Settlement of unvested share awards to the former finance director

Ms AM Mukhuba resigned as finance director from 30 September 2020. As she had served almost the full vesting period prior to termination of her employment, delayed her departure for her new employer to complete the ARM 2020 annual financial statements on the request of the company and left in good standing after serving her contractual notice period responsibly, the board resolved to settle: (i) 34/36 of Ms Mukhuba's November 2017 performance shares awards, subject to the performance measurement, as she had served 34/36 of the vesting period; (ii) 33/36 of Ms Mukhuba's December 2017 performance share awards, subject to the performance measurement, as she had served 33/36 of the vesting period; and (iii) 34/36 of Ms Mukhuba's November 2017 bonus share awards as she had served 34/36 of the vesting period.

Remuneration report continued

Settlement of unvested share awards to the finance director on termination of employment

F2021

Former director ¹	Number of shares	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
2018 Conditional share plan											
AM Mukhuba ²	48 849	CSA	07-Dec-18	08-Dec-21	6 292	48 849	–	(48 849)	–	–	–
	43 150	CSA	06-Dec-19	07-Dec-22	6 669	43 150	–	(43 150)	–	–	–
2008 Share plan: performance shares											
AM Mukhuba ³	8 077	DB	16-Nov-17	17-Nov-20	983	8 077	–	(449)	(7 628)	–	1 861
	25 871	PS3	16-Nov-17	17-Nov-20	3 150	25 871	–	(1 437)	(24 434)	–	5 960
	18 644	PSA	11-Dec-17	12-Dec-20	2 228	18 644	–	(1 554)	(17 090)	–	4 118
2008 Share plan: bonus shares											
AM Mukhuba ⁴	8 077	DB	16-Nov-17	17-Nov-20	983	8 077	–	(449)	(7 628)	–	1 861
Total											13 800

CSA: Conditional share award

DB: Deferred bonus/co-investment scheme matching performance share award

PS3: Annual performance share award (three-year)

PSA: Additional award

¹ Ms AM Mukhuba resigned as finance director from 30 September 2020.² All conditional share awards were forfeited.³ The board resolved to settle (i) 34/36 of Ms Mukhuba's November 2017 performance shares awards, subject to the performance measurement, as she had served 34/36 of the vesting period; and (ii) 33/36 of Ms Mukhuba's December 2017 performance shares awards, subject to the performance measurement, as she had served 33/36 of the vesting period (ie almost the full vesting period) prior to termination and left in good standing having served her contractual notice period responsibly.⁴ The board resolved to settle 34/36 of Ms Mukhuba's bonus shares as she had served 34/36 of the vesting period (ie almost the full vesting period) prior to termination and left in good standing having served her contractual notice period responsibly.

Termination-of-office payments

In F2021, no payments were made to executive management as a result of terminating employment.

Malus and clawback

In F2021, there were no actions or conduct by senior executives that triggered either the malus (pre-vesting forfeiture) or clawback (post-vesting forfeiture) provisions applicable to their long-term share-based incentive awards.

Minimum shareholding requirements

At 30 June 2021, the executive directors and prescribed officer below had exceeded targets for the first tranche of their minimum shareholding requirements:

Executive directors and prescribed officer	Shareholding at 30 June 2021 (direct or indirect)	Shareholding at 30 June 2020 (direct or indirect)	Minimum shareholding target (first tranche)	Date to achieve first tranche
Executive directors				
Dr PT Motsepe ¹	90 204 743	89 865 787	62 965	October 2018
MP Schmidt	480 896	435 067	41 094	October 2018
TTA Mhlanga ²	–	–	10 366	December 2023
J Magagula ³	–	–	13 705	December 2023
HL Mkatshana	138 032	107 459	21 207	October 2018
Prescribed officer				
A Joubert	82 108	55 277	24 236	October 2018

¹ Shares held by African Rainbow Minerals & Exploration Investments Pty Ltd and Botho-Botho Commercial Enterprises Pty Ltd.² Ms TTA Mhlanga was appointed to the board as finance director on 1 October 2020 and is required to meet the target for the first tranche in December 2023.³ Ms J Magagula was appointed to the board as an executive director on 18 December 2019 and is required to meet the target for the first tranche in December 2023.

Dr PT Motsepe and Messrs MP Schmidt, HL Mkatshana and A Joubert are to achieve the second tranche (2 times the first tranche) by 30 October 2021 and have already exceeded their targets.



Remuneration report continued

Single-figure remuneration: executive directors and prescribed officer

The schedules of single-figure remuneration for executive directors and prescribed officer for the years ended 30 June 2021 and 30 June 2020 are set out below.

Single-figure remuneration

R000						2021	Short-term incentives	Total annual package after short-term incentives, before long-term incentives	Long-term incentives	Total single figure remuneration
	Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits	Allowances		Total annual package before incentives	Cash bonus ⁸		Performance shares ⁹	
				Non-cash benefit ⁶	Other benefits ⁷					
Executive directors										
Dr PT Motsepe	8 551	—	—	9 587	2	18 140	11 531	29 671	57 974	87 645
MP Schmidt	8 237	555	—	—	139	8 931	9 711	18 642	34 759	53 401
J Magagula ¹	3 036	259	168	—	16	3 479	3 594	7 073	1 619	8 692
TTA Mhlanga ²	3 438	275	30	—	9	3 752	3 778	7 530	—	7 530
HL Mkatshana	4 293	358	—	—	143	4 794	4 952	9 746	12 211	21 957
AM Mukhuba ³	1 142	123	22	—	5	1 292	—	1 292	—	1 292
AJ Wilkens ⁴	—	—	—	—	—	—	—	—	—	—
Total for executive directors	28 697	1 570	220	9 587	314	40 388	33 566	73 954	106 563	180 517
Prescribed officer⁵										
A Joubert	4 693	531	—	—	255	5 479	5 704	11 183	12 124	23 307
Total for prescribed officer	4 693	531	—	—	255	5 479	5 704	11 183	12 124	23 307
Total for executive directors and prescribed officer	33 390	2 101	220	9 587	569	45 867	39 270	85 137	118 687	203 824

Total annual package before incentives = cost-to-company

¹ Ms J Magagula was appointed an executive director from 18 December 2019. The long-term incentives settled in F2021 had been granted to Ms Magagula prior to her appointment as an executive director.

² Ms TTA Mhlanga was appointed finance director from 1 October 2020. The amounts in the schedule for total annual package before incentives and the cash bonus are for the portion of the year when she was finance director.

³ Ms AM Mukhuba resigned as finance director from 30 September 2020. See separate table entitled "settlement of unvested share awards to the finance director on termination of employment", on page 172.

⁴ Mr AJ Wilkens stepped down from the board from 18 December 2019.

⁵ The prescribed officer of the company was determined under section 66(10) of the Companies Act 71 2008, as amended, and further described in section 38 of its regulations. His remuneration is disclosed in terms of the Companies Act, section 30(4)(a).

⁶ Includes protection services.

⁷ Includes travel, UIF and risk benefits.

⁸ No bonuses were deferred in F2021.

⁹ Includes pre-tax settlement value of i) matching performance shares in terms of the deferred bonus/co-investment scheme and ii) annual allocation of performance shares (3-year vesting). The value of these performance shares was included in F2021 as performance was measured at the vesting date which falls in F2021.

Single-figure remuneration continued

R000	2020									
	Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits	Allowances		Total annual package before incentives	Short-term incentives	Total annual package after short-term incentives, before long-term incentives	Long-term incentives	Total single figure remuneration
				Non-cash benefit ⁵	Other benefits ⁶		Cash bonus ⁷		Performance shares ⁸	
Executive directors										
Dr PT Motsepe	8 302	—	—	8 298	2	16 602	10 532	27 134	46 040	73 174
MP Schmidt	7 996	537	—	—	138	8 671	8 869	17 540	30 654	48 194
J Magagula ¹	1 596	126	90	—	7	1 819	1 727	3 546	—	3 546
TTA Mhlanga ²	—	—	—	—	—	—	—	—	—	—
HL Mkatshana	4 184	346	—	—	124	4 654	4 307	8 961	10 579	19 540
AM Mukhuba	4 433	484	83	—	17	5 017	4 855	9 872	5 917	15 789
AJ Wilkens ³	2 690	—	32	75	28	2 825	2 350	5 175	19 749	24 924
Total for executive directors	29 201	1 493	205	8 373	316	39 588	32 640	72 228	112 939	185 167
Prescribed officer⁴										
A Joubert	4 573	514	—	6	232	5 325	5 929	11 254	12 090	23 344
Total for prescribed officer	4 573	514	—	6	232	5 325	5 929	11 254	12 090	23 344
Total for executive directors and prescribed officer	33 774	2 007	205	8 379	548	44 913	38 569	83 482	125 029	208 511

Total annual package before incentives = cost-to-company

¹ Ms J Magagula was appointed an executive director from 18 December 2019. The amounts included in the schedule for total annual package before incentives and the cash bonus are for the portion of the year when Ms Magagula was an executive director. No long-term incentives are shown as these were settled prior to her appointment as an executive director.

² Ms TTA Mhlanga was appointed finance director from 1 October 2020, therefore, no remuneration is included for F2020.

³ Mr AJ Wilkens stepped down from the board from 18 December 2019. Mr Wilkens' salary decreased by 30% on 1 August 2019 and he did not receive an annual increase on 1 July 2019. The amounts included in the schedule for total annual package before incentives and the cash bonus are for the portion of the year when Mr Wilkens was an executive director. The long-term incentives were settled when Mr Wilkens was an executive director.

⁴ The prescribed officer of the company was determined under section 66(10) of the Companies Act 71 2008, as amended, and further described in section 38 of its regulations. His remuneration is disclosed in terms of the Companies Act, section 30(4)(a).

⁵ Includes protection services.

⁶ Includes travel, UIF and risk benefits.

⁷ No bonuses were deferred in F2020.

⁸ Includes pre-tax settlement value of i) matching performance shares in terms of the deferred bonus (waived bonus)/co-investment scheme and ii) annual allocation of performance shares (3-year vesting). The value of these performance shares was included in F2020 as performance was measured at the vesting date which falls in F2020.

Remuneration report continued

Conditional share awards

Awards of conditional shares are made to eligible participants under the 2018 conditional share plan. Awards are settled after three years, subject to the company achieving prescribed performance criteria. For additional information about the performance criteria, see part II.

Unvested conditional shares awarded to directors and the prescribed officer are summarised below.

Unvested conditional share awards

						F2021						
Director/ prescribed officer	Number of shares	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)	
Directors ¹												
Dr PT Motsepe	159 694	CSA	07-Dec-18	08-Dec-21	20 570	159 694	–	–	–	159 694	–	
	107 420	CSA	06-Dec-19	07-Dec-22	16 603	107 420	–	–	–	107 420	–	
	70 909	CSA	07-Dec-20	08-Dec-23	17 102	–	70 909	–	–	70 909	–	
MP Schmidt	126 274	CSA	07-Dec-18	08-Dec-21	16 265	126 274	–	–	–	126 274	–	
	93 663	CSA	06-Dec-19	07-Dec-22	14 477	93 663	–	–	–	93 663	–	
	61 828	CSA	07-Dec-20	08-Dec-23	14 912	–	61 828	–	–	61 828	–	
J Magagula ²	16 445	CSA	11-May-20	12-May-23	2 025	16 445	–	–	–	16 445	–	
	28 219	CSA	07-Dec-20	08-Dec-23	5 738	–	28 219	–	–	28 219	–	
TTA Mhlanga ³	27 573	CSA	07-Dec-20	08-Dec-23	6 650	–	27 573	–	–	27 573	–	
HL Mkatshana	45 313	CSA	07-Dec-18	08-Dec-21	5 836	45 313	–	–	–	45 313	–	
	40 027	CSA	06-Dec-19	07-Dec-22	6 186	40 027	–	–	–	40 027	–	
	26 422	CSA	07-Dec-20	08-Dec-23	6 372	–	26 422	–	–	26 422	–	
Prescribed officer												
A Joubert	51 796	CSA	07-Dec-18	08-Dec-21	6 671	51 796	–	–	–	51 796	–	
	45 754	CSA	06-Dec-19	07-Dec-22	7 072	45 754	–	–	–	45 754	–	
	30 203	CSA	07-Dec-20	08-Dec-23	7 284	–	30 203	–	–	30 203	–	

CSA: Conditional share award.

¹ See the section entitled "Settlement of unvested share awards to the finance director on termination of employment" for the settlements of awards made to Ms AM Mukhuba following her resignation from the company on 30 September 2021.

² Ms J Magagula was appointed an executive director from 18 December 2019.

³ Ms TTA Mhlanga was appointed as finance director from 1 October 2020.

Unvested conditional share awards continued

F2020

Director/ prescribed officer	Number of shares	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
Directors											
Dr PT Motsepe	159 694	CSA	07-Dec-18	08-Dec-21	20 570	159 694	—	—	—	159 694	—
	107 420	CSA	06-Dec-19	07-Dec-22	16 603	—	107 420	—	—	107 420	—
MP Schmidt	126 274	CSA	07-Dec-18	08-Dec-21	16 265	126 274	—	—	—	126 274	—
	93 663	CSA	06-Dec-19	07-Dec-22	14 477	—	93 663	—	—	93 663	—
J Magagula ¹	16 445	CSA	11-May-20	12-May-23	2 025	—	16 445	—	—	16 445	—
HL Mkatshana	45 313	CSA	07-Dec-18	08-Dec-21	5 836	45 313	—	—	—	45 313	—
	40 027	CSA	06-Dec-19	07-Dec-22	6 186	—	40 027	—	—	40 027	—
AM Mukhuba ²	48 849	CSA	07-Dec-18	08-Dec-21	6 292	48 849	—	—	—	48 849	—
	43 150	CSA	06-Dec-19	07-Dec-22	6 669	—	43 150	—	—	43 150	—
AJ Wilkens ³	81 351	CSA	07-Dec-18	08-Dec-21	10 478	81 351	—	—	—	81 351	—
	47 455	CSA	06-Dec-19	07-Dec-22	7 335	—	47 455	—	—	47 455	—
Prescribed officer											
A Joubert	51 796	CSA	07-Dec-18	08-Dec-21	6 671	51 796	—	—	—	51 796	—
	45 754	CSA	06-Dec-19	07-Dec-22	7 072	—	45 754	—	—	45 754	—

CSA: Conditional share award

¹ Ms J Magagula was appointed an executive director from 18 December 2019.

² Ms AM Mukhuba resigned as finance director from 30 September 2020.

³ Mr AJ Wilkens resigned as an executive director from 18 December 2019 and remained a senior executive of the company until his retirement on 28 February 2021.

Cash-settled conditional awards

Cash-settled conditional awards are made to eligible participants in the D and E Paterson grade under the 2018 cash-settled conditional share plan. Awards are settled after three years, subject to the company achieving prescribed performance criteria. For additional information about the performance criteria, see part II.

Unvested cash-settled conditional awards made to directors, prior to appointment as directors, are summarised below.

Unvested cash-settled conditional awards

F2021

Director	Number of awards	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
J Magagula	6 650	CA	07-Dec-18	08-Dec-21	857	6 650	—	—	—	6 650	—
	5 874	CA	06-Dec-19	07-Dec-22	908	5 874	—	—	—	5 874	—

CA: cash-settled conditional award

F2020

Director	Number of awards	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
J Magagula ¹	6 650	CA	07-Dec-18	08-Dec-21	857	6 650	—	—	—	6 650	—
	5 874	CA	06-Dec-19	07-Dec-22	908	—	5 874	—	—	5 874	—

CA: cash-settled conditional award

¹ Ms J Magagula was appointed an executive director from 18 December 2019 and received these awards prior to this appointment.

Remuneration report continued

Performance shares

Conditional awards of performance shares are made to eligible participants under the 2008 share plan. Performance shares are settled after three, subject to the company achieving prescribed performance criteria. For additional information about performance criteria, see part II.

Unvested performance shares awarded to directors and the prescribed officer are summarised below.

Unvested performance share awards

Director ¹ / prescribed officer	Number of shares	Award type	Award date	Vesting date	Value on award date (R000)	F2021					Pre-tax cash value on settlement (R000)
						Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	
Directors											
Dr PT Motsepe	78 307	DB	16-Nov-17	17-Nov-20	9 535	78 307	–	–	(78 307)	–	19 100
	159 378	PS3	16-Nov-17	17-Nov-20	19 406	159 378	–	–	(159 378)	–	38 874
	75 115	DB	06-Nov-18	07-Nov-21	9 608	75 115	–	–	–	75 115	–
MP Schmidt	16 486	DB	16-Nov-17	17-Nov-20	2 007	16 486	–	–	(16 486)	–	4 021
	126 023	PS3	16-Nov-17	17-Nov-20	15 345	126 023	–	–	(126 023)	–	30 738
M Arnold ²	78 349	PS3	16-Nov-17	17-Nov-20	9 540	78 349	–	–	(78 349)	–	19 110
J Magagula	6 637	PS3	16-Nov-17	17-Nov-20	808	6 637	–	–	(6 637)	–	1 619
HL Mkatshana	6 572	DB	16-Nov-17	17-Nov-20	800	6 572	–	–	(6 572)	–	1 603
	43 492	PS3	16-Nov-17	17-Nov-20	5 296	43 492	–	–	(43 492)	–	10 608
JC Steenkamp	–	–	–	–	–	–	–	–	–	–	–
Prescribed officer											
A Joubert	49 705	PS3	16-Nov-17	17-Nov-20	6 052	49 705	–	–	(49 705)	–	12 124

PS3: Annual award (three-year).

DB: Deferred bonus/co-investment scheme matching award.

PSA: Additional award.

¹ See the section entitled "Settlement of unvested share awards to the finance director on termination of employment" for the settlements of awards made to Ms AM Mukhuba following her resignation from the company on 30 September 2021.

² Mr M Arnold retired as finance director from 10 December 2017, and became a non-executive director from 11 December 2017.

Unvested performance share awards continued

F2020

Director/ prescribed officer	Number of shares	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
Directors											
Dr PT Motsepe	47 218	WB	14-Nov-16	15-Nov-19	4 573	47 218	—	—	(47 218)	—	7 272
	244 653	PS3	09-Dec-16	10-Dec-19	25 875	244 653	—	—	(244 653)	—	38 768
	78 307	DB	16-Nov-17	17-Nov-20	9 535	78 307	—	—	—	78 307	—
	159 378	PS3	16-Nov-17	17-Nov-20	19 406	159 378	—	—	—	159 378	—
	75 115	DB	06-Nov-18	07-Nov-21	9 608	75 115	—	—	—	75 115	—
MP Schmidt	193 452	PS3	09-Dec-16	10-Dec-19	20 459	193 452	—	—	(193 452)	—	30 654
	16 486	DB	16-Nov-17	17-Nov-20	2 007	16 486	—	—	—	16 486	—
	126 023	PS3	16-Nov-17	17-Nov-20	15 345	126 023	—	—	—	126 023	—
M Arnold ¹	120 270	PS3	09-Dec-16	10-Dec-19	12 720	120 270	—	—	(120 270)	—	19 058
	78 349	PS3	16-Nov-17	17-Nov-20	9 540	78 349	—	—	—	78 349	—
J Magagula ²	10 188	PS3	09-Dec-16	10-Dec-19	1 078	10 188	—	—	(10 188)	—	1 614
	6 637	PS3	16-Nov-17	17-Nov-20	808	6 637	—	—	—	6 637	—
HL Mkatshana	66 762	PS3	09-Dec-16	10-Dec-19	7 061	66 762	—	—	(66 762)	—	10 579
	6 572	DB	16-Nov-17	17-Nov-20	800	6 572	—	—	—	6 572	—
	43 492	PS3	16-Nov-17	17-Nov-20	5 296	43 492	—	—	—	43 492	—
AM Mukhuba	35 063	PSI	15-May-17	16-May-20	3 000	35 063	—	—	(35 063)	—	5 917
	8 077	DB	16-Nov-17	17-Nov-20	983	8 077	—	—	—	8 077	—
	25 871	PS3	16-Nov-17	17-Nov-20	3 150	25 871	—	—	—	25 871	—
	18 644	PSA	11-Dec-17	12-Dec-20	2 228	18 644	—	—	—	18 644	—
JC Steenkamp ⁴	124 630	PS3	09-Dec-16	10-Dec-19	13 181	124 630	—	—	(124 630)	—	19 749
AJ Wilkens	124 630	PS3	09-Dec-16	10-Dec-19	13 181	124 630	—	—	(124 630)	—	19 749
	81 190	PS3	16-Nov-17	17-Nov-20	9 886	81 190	—	—	—	81 190	—
Prescribed officer											
A Joubert	76 300	PS3	09-Dec-16	10-Dec-19	8 069	76 300	—	—	(76 300)	—	12 090
	49 705	PS3	16-Nov-17	17-Nov-20	6 052	49 705	—	—	—	49 705	—

PS3: Annual award (three-year).

DB: Deferred bonus/co-investment scheme matching award.

WB: Waived bonus method.

PSA: Additional award.

PSI: Interim award.

¹ Mr M Arnold retired as financial director from 10 December 2017, and became a non-executive director from 11 December 2017.

² Ms J Magagula was appointed an executive director from 18 December 2019.

³ Performance shares settled to Ms AM Mukhuba on 18 May 2020 (as 16 May 2020 was a weekend day) vested at 125%, based on the total shareholder return testing conducted by an independent consultant, PwC. Ms Mukhuba resigned as finance director from 30 September 2020.

⁴ Mr JC Steenkamp retired as chief executive: exploration and strategic services from 30 June 2017. He became a non-executive director from 10 October 2017 and an independent non-executive director from September 2020.

Remuneration report continued

Bonus shares

Under the 2008 share plan, eligible participants received grants of bonus shares that matched, according to a specified ratio, a portion of the annual cash bonus incentive accruing to them. Bonus shares are only settled to participants after three or four years, as the case may be, conditional on continued employment. Between 2015 and November 2018, bonus shares were only granted in terms of the deferred bonus/co-investment scheme and waived bonus scheme. See part II for additional information.

Unvested bonus shares granted to directors and the prescribed officer are summarised below.

Unvested bonus share awards

F2021										
Directors ¹	Number of shares	Award type	Grant date	Vesting date	Value on grant date (R000)	Opening balance	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
Dr PT Motsepe	78 307	DB	16-Nov-17	17-Nov-20	9 535	78 307	–	(78 307)	–	19 100
	75 115	DB	06-Nov-18	07-Nov-21	9 608	75 115	–	–	75 115	–
MP Schmidt	16 486	DB	16-Nov-17	17-Nov-20	2 007	16 486	–	(16 486)	–	4 021
HL Mkatshana	6 572	DB	16-Nov-17	17-Nov-20	800	6 572	–	(6 572)	–	1 603

DB: Deferred bonus/co-investment scheme.

¹ See the section entitled "Settlement of unvested share awards to the finance director on termination of employment" for the settlements of awards made to Ms AM Mukhuba following her resignation from the company on 30 September 2021.

F2020										
Directors	Number of shares	Award type	Grant date	Vesting date	Value on grant date (R000)	Opening balance	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
Dr PT Motsepe	47 218	WB	14-Nov-16	15-Nov-19	4 573	47 218	–	(47 218)	–	7 272
	78 307	DB	16-Nov-17	17-Nov-20	9 535	78 307	–	–	78 307	–
	75 115	DB	06-Nov-18	07-Nov-21	9 608	75 115	–	–	75 115	–
MP Schmidt	16 486	DB	16-Nov-17	17-Nov-20	2 007	16 486	–	–	16 486	–
HL Mkatshana	6 572	DB	16-Nov-17	17-Nov-20	800	6 572	–	–	6 572	–
AM Mukhuba	8 077	DB	16-Nov-17	17-Nov-20	983	8 077	–	–	8 077	–

DB: Deferred bonus/co-investment scheme

WB: Waived bonus method

Share options

Between 2008 and 2013, annual allocations of share options under the African Rainbow Minerals Share Incentive Scheme were made to eligible participants, but at a much-reduced scale after adopting the 2008 share plan. Share options have not been allocated to executive directors and prescribed officers since October 2013.

All share options have vested. Options exercised in F2021 were net settled. Unexercised share options held by directors and the prescribed officer are shown below.

Share options

						F2021				
Director/ prescribed officer	Number of options	Grant date	Vesting date	Date options lapse	Strike price (cps)	Opening balance	Lapsed or cancelled during the year	Exercised during the year	Closing balance	Pre-tax cash value on settlement (R000)
Directors										
Dr PT Motsepe	22 964	15-Oct-12	16-Oct-16	15-Oct-20	16 837	22 964	–	(22 964)	–	4 754
	20 223	29-Oct-13	30-Oct-17	29-Oct-21	20 075	20 223	–	–	20 223	–
MP Schmidt	15 963	29-Oct-13	30-Oct-17	29-Oct-21	20 075	15 963	–	(15 963)	–	3 384
M Arnold ¹	–	–	–	–	–	–	–	–	–	–
J Magagula ²	2 548	15-Oct-12	16-Oct-15	15-Oct-20	16 837	2 548	–	(2 548)	–	527
	2 244	29-Oct-13	30-Oct-16	29-Oct-21	20 075	2 244	–	(2 244)	–	640
HL Mkatshana	8 167	15-Oct-12	16-Oct-16	15-Oct-20	16 837	8 167	–	(8 167)	–	1 724
	7 846	29-Oct-13	30-Oct-17	29-Oct-21	20 075	7 846	–	(7 846)	–	1 836
JC Steenkamp ³	–	–	–	–	–	–	–	–	–	–
Prescribed officer										
A Joubert	10 691	15-Oct-12	16-Oct-16	15-Oct-20	16 837	10 691	(8 781)	(1 910)	–	2 192
	9 415	29-Oct-13	30-Oct-17	29-Oct-21	20 075	9 415	(9 220)	(195)	–	1 930

¹ Mr M Arnold retired as financial director from 10 December 2017, and became a non-executive director from 11 December 2017. His share options lapsed and were cancelled in F2020.

² Ms J Magagula was appointed an executive director from 18 December 2019.

³ Mr JC Steenkamp retired as chief executive: exploration and strategic services from 30 June 2017. He became a non-executive director from 10 October 2017 and an independent non-executive director from September 2020. His share options lapsed and were cancelled in F2019.

Remuneration report continued

Share options continued

F2020

Director/ prescribed officer	Number of options	Grant date	Vesting date	Date options lapse	Strike price (cps)	Opening balance	Lapsed or cancelled during the year	Exercised during the year	Closing balance	Pre-tax cash value on settlement (R000)
Directors										
Dr PT Motsepe	19 396	09-Nov-11	10-Nov-15	09-Nov-19	18 267	19 396	(19 396)	—	—	—
	22 964	15-Oct-12	16-Oct-16	15-Oct-20	16 837	22 964	—	—	22 964	—
	20 223	29-Oct-13	30-Oct-17	29-Oct-21	20 075	20 223	—	—	20 223	—
MP Schmidt	15 328	09-Nov-11	10-Nov-15	09-Nov-19	18 267	15 328	(15 328)	—	—	—
	15 963	29-Oct-13	30-Oct-17	29-Oct-21	20 075	15 963	—	—	15 963	—
M Arnold ¹	9 959	09-Nov-11	10-Nov-15	09-Nov-19	18 267	9 959	(9 959)	—	—	—
	11 245	29-Oct-13	30-Oct-17	29-Oct-21	20 075	11 245	(11 245)	—	—	—
J Magagula ²	1 907	09-Nov-11	10-Nov-14	09-Nov-19	18 267	1 907	(1 907)	—	—	—
	2 548	15-Oct-12	16-Oct-15	15-Oct-20	16 837	2 548	—	—	2 548	—
	2 244	29-Oct-13	30-Oct-16	29-Oct-21	20 075	2 244	—	—	2 244	—
HL Mkatshana	6 861	03-Apr-12	04-Apr-16	03-Apr-20	18 219	6 861	(6 861)	—	—	—
	8 167	15-Oct-12	16-Oct-16	15-Oct-20	16 837	8 167	—	—	8 167	—
	7 846	29-Oct-13	30-Oct-17	29-Oct-21	20 075	7 846	—	—	7 846	—
JC Steenkamp ³	—	—	—	—	—	—	—	—	—	—
AJ Wilkens ⁴	19 124	09-Nov-11	10-Nov-15	09-Nov-19	18 267	19 124	(19 124)	—	—	—
	15 378	29-Oct-13	30-Oct-17	29-Oct-21	20 075	15 378	—	—	15 378	—
Prescribed officer										
A Joubert	7 997	09-Nov-11	10-Nov-15	09-Nov-19	18 267	7 997	(7 997)	—	—	—
	10 691	15-Oct-12	16-Oct-16	15-Oct-20	16 837	10 691	—	—	10 691	—
	9 415	29-Oct-13	30-Oct-17	29-Oct-21	20 075	9 415	—	—	9 415	—

¹ Mr M Arnold retired as financial director from 10 December 2017, and became a non-executive director from 11 December 2017.

² Ms J Magagula was appointed an executive director from 18 December 2019.

³ Mr JC Steenkamp retired as chief executive: exploration and strategic services from 30 June 2017. He became a non-executive director from 10 October 2017 and an independent non-executive director from September 2020. His share options lapsed and were cancelled in F2019.

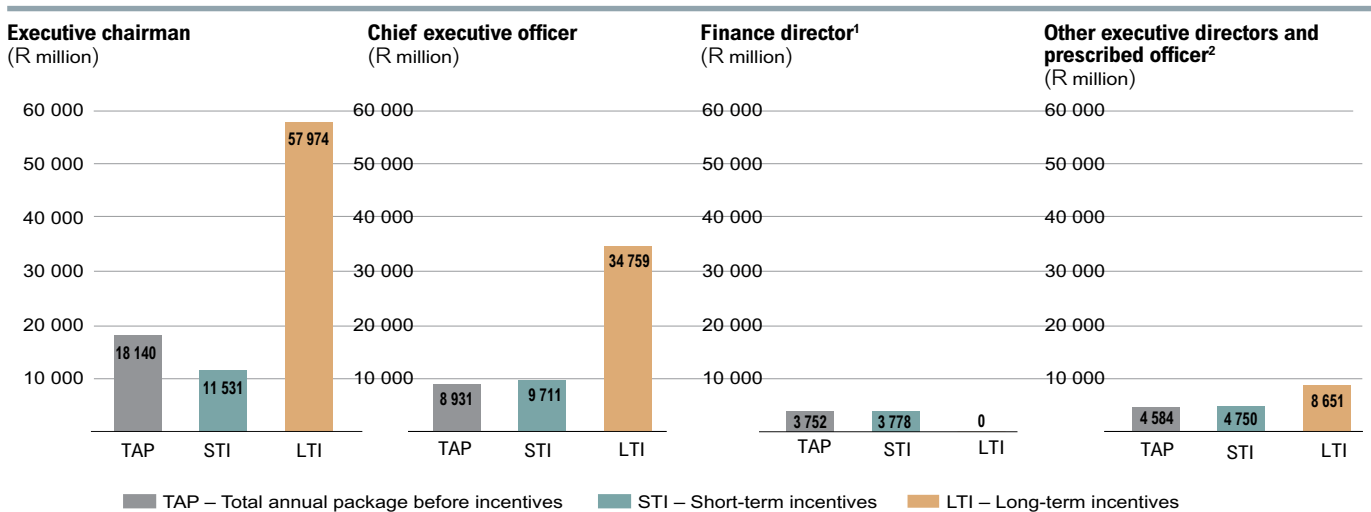
⁴ Mr AJ Wilkens resigned as an executive director from 18 December 2019.



Remuneration outcomes

Remuneration outcomes in 2021 for the executive chairman, chief executive officer, finance director and other executive directors plus the prescribed officer are shown below. Emoluments are detailed in the single-figure remuneration table on page 174.

Total remuneration outcomes: F2021



¹ Ms TTA Mhlana was appointed as finance director from 1 October 2020. No LTI is reflected in the total single-figure remuneration for the finance director because the LTI is only reflected three years after the award date when the performance conditions are measured, and not when the award is granted.

² Average remuneration for Messrs HL Mkatshana and A Joubert and Ms J Magagula.

Directors' remuneration: non-executive directors

Non-executive directors' fees

The remuneration of non-executive directors comprises non-executive directors' fees, including board retainers, board attendance fees and board committee attendance fees. Independent non-executive directors are not eligible for any benefit from the short-term or long-term (share-based) incentive schemes arising from their service as non-executive directors.

Annual board retainer fees

Annual board retainer fees were paid quarterly in arrears and pro-rated for periods of less than a full year.

Per-meeting attendance fees

Board attendance fees were paid quarterly and in arrears for scheduled board meetings, the budget workshop and other meetings on board matters and for company-specific work outside regular scheduled board meetings, as well as for attending committee meetings (as a non-member and at the direction of the board). Committee attendance fees were paid quarterly in arrears for scheduled committee meetings.

For ad hoc meetings of the board or committees or other work devoted to company business outside regular scheduled board and committee meetings, which required substantially less time to prepare for, attend or undertake relative to a regular scheduled board or committee meeting, the per-meeting fee was reduced commensurately.

No board offsite strategy meetings or site visits were conducted in F2021 due to the ongoing pandemic.

Consultancy fees: non-executive directors

In addition to non-executive directors' fees, some non-executive received consultancy fees under agreements concluded at market rates for defined and pre-approved services. In F2021, the company had:

- A renewable consultancy agreement with Mr M Arnold, which was renewed for two years from 11 December 2019
- A consultancy agreement with Mr TA Boardman to November 2020, which was a once-off arrangement to assist the company in resolving an important matter.
- A renewable consultancy agreement with Mr JA Chissano, which was renewed for two years from 1 May 2019, and renewed for a further two years from 1 May 2021.
- A renewable consultancy agreement with Mr JC Steenkamp, which was terminated in September 2020.

Remuneration report continued

The table below sets out emoluments paid to non-executive directors in the years ended 30 June 2021 and 30 June 2020.

Non-executive directors' fees

R000	F2021					F2021				
	Board fees	Committee fees ¹⁰	Consultancy fees excluding VAT ¹¹	VAT	Total including VAT	Board fees	Committee fees ¹⁰	Consultancy fees excluding VAT ¹¹	VAT	Total including VAT
Non-executive directors¹										
AK Maditsi (independent lead)	694	942	–	245	1 881	630	1 272	–	285	2 187
F Abbott	576	175	–	113	864	559	118	–	102	779
M Arnold ²	576	87	397	159	1 219	559	118	428	166	1 271
Dr MMM Bakane-Tuoane ³	139	317	–	68	524	559	692	–	188	1 439
TA Boardman ⁴	576	1 068	3 000	697	5 341	559	921	–	222	1 702
AD Botha	576	642	–	17	1 235	559	602	–	174	1 335
JA Chissano ⁵	576	275	672	128	1 651	538	118	679	98	1 433
WM Gule	576	63	–	–	639	559	22	–	–	581
PJ Mnisi ⁶	438	229	–	76	743	–	–	–	–	–
DC Noko ⁷	576	321	–	–	897	538	233	–	–	771
Dr RV Simelane	576	777	–	203	1 556	559	690	–	187	1 436
JC Steenkamp ⁸	576	263	75	126	1 040	559	236	233	–	1 028
ZB Swanepoel ⁹	–	–	–	–	–	367	286	–	98	751
Total for non-executive directors	6 455	5 159	4 144	1 832	17 590	6 545	5 308	1 340	1 520	14 713

VAT = Value-added tax

1 Payments to reimburse out-of-pocket expenses have been excluded.

2 Mr Arnold, former financial director, became a non-executive director with effect from 11 December 2017. He has a consultancy agreement with the company.

3 Dr Bakane-Tuoane resigned from the board on 29 September 2020.

4 Mr Boardman received a once-off consultancy fee in F2021 for his assistance in the resolution of an important matter.

5 Mr Chissano was appointed to the social and ethics committee with effect from 30 August 2019. He has a consultancy agreement with the company.

6 Ms Mnisi was appointed to the board with effect from 30 September 2020.

7 Mr Noko was appointed to the investment committee and social and ethics committee with effect from 30 August 2019 and appointed chairman of the investment committee with effect from 2 March 2020.

8 Mr Steenkamp's consultancy agreement with the company was terminated in September 2020.

9 Mr Swanepoel resigned from the board on 2 March 2020.

10 Attendance fees are paid for attendance at ad hoc committee meetings and for other work devoted to committee business outside regular scheduled committee meetings. From F2021, where such meetings required substantially less time to prepare for, attend or undertake than a scheduled meeting, the per-meeting fee was reduced commensurately.

11 Additional information appears under service agreements: non-executive directors in part II of the remuneration report.

Non-binding advisory vote

Annually, shareholders are requested to cast a non-binding advisory vote on the remuneration implementation report set out in part III of this report.



See the notice of annual general meeting on www.arm.co.za.



Supplementary information

ARM recognises that we do not operate in isolation from the world around us and we endeavour to build on our good relationships with our stakeholders and engage them in open dialogue. Our participation in industry initiatives provides important insights that shape our approach to sustainable development.





Key stakeholder concerns and ARM responses

Shareholders, potential shareholders, analysts and other investors



How we engage	Issues raised	Response	Reference
<ul style="list-style-type: none"> Annual general meeting Provisional and interim results presentations Stock Exchange News Services (SENS) announcements A comprehensive investor relations programme to communicate with domestic and international shareholders, fund managers and investment analysts. This includes one-on-one meetings with institutional investors in South Africa and internationally through roadshows after interim and provisional results Conferences ARM's website provides updates on the company's operations, financial performance and other information Integrated annual report and accompanying suite of reports. 	<ul style="list-style-type: none"> Growth Above inflation cost increases Capital allocation Dividends Share price performance ESG matters Resilience and sustainability during Covid-19. 	<ul style="list-style-type: none"> Timely, transparent, comprehensive and objective communications Strategic focus on operating assets efficiently and disciplined allocation of capital ARM's investor relations department communicates with institutional shareholders, potential investors, research analyst and the media on an ongoing basis Discussions with JV partners and management to raise awareness of research the concerns and expectations of research analysts and institutional fund managers Regular meetings, promoting open communication and transparency Summaries of decisions taken at shareholders' meetings are disclosed on our website after each meetings. 	<ul style="list-style-type: none"> Financial review (IAR) (pages 44 to 59) Annual financial statements.



Bankers, insurers and funders



How we engage	Issues raised	Response	Reference
<ul style="list-style-type: none"> Ongoing maintenance of relationships through meetings and general discussions with bankers and insurance markets Annual ARM engagement with insurance market visit to international and local markets around insurance renewal . 	<ul style="list-style-type: none"> Liquidity Solvency Funding Insurance management Resilience and sustainability during Covid-19. 	<ul style="list-style-type: none"> Responsible management of ARM's financial position to ensure it continues to meet its financial needs Comprehensive risk financing and transfer programme. 	<ul style="list-style-type: none"> Financial review (IAR) (pages 44 to 59) Risk management (IAR) (pages 34 to 37).



Joint-venture partners



How we engage	Issues raised	Response	Reference
<ul style="list-style-type: none"> • Ongoing management interaction • Monthly executive management and quarterly board meetings. 	<ul style="list-style-type: none"> • Sustainable development • Financial performance • Operational performance • Governance • Operational strategy • Environmental and social performance. 	<ul style="list-style-type: none"> • ARM holds itself to the highest ethical and governance standards in dealings with all stakeholders, including joint-venture partners. 	<ul style="list-style-type: none"> • Financial review (IAR) (pages 44 to 59) • Operational reviews (IAR) (pages 60 to 95) • Our approach to sustainable value creation (pages 20 to 25).



Employees and organised labour



How we engage	Issues raised	Response	Reference
<ul style="list-style-type: none"> • Regular performance reviews and feedback • Annual internal results presentation • Regular internal roadshows • Annual employee surveys • Company intranet and website • Monthly shop steward meetings • Other meetings with unions as required • Wage negotiations • Regular electronic communication during lockdowns. 	<ul style="list-style-type: none"> • Remuneration • Training • Health and safety • Safe working conditions during Covid-19 • Transformation. 	<ul style="list-style-type: none"> • Human resources strategies aim to make ARM an employer of choice, including maintaining good relationships with unions • Commitment to fair treatment and remuneration of employees • Focus on skills development and career-planning programmes to assist employees to develop their full potential • Recognition agreements with unions where required representation levels are reached • Covid-19 protocols in line with guidelines from the Minerals Council, DMRE and DoH. 	<ul style="list-style-type: none"> • Safety, occupational health and wellness and human resources management (pages 75 to 101).



Key stakeholder concerns and ARM responses continued

Communities, civil society and non-governmental organisations



How we engage	Issues raised	Response	Reference
<ul style="list-style-type: none"> • Focused community discussions/ meetings to understand the communities' specific concerns • Social investment forums to discuss investment in host communities • Monthly/quarterly meetings to discuss local economic development (LED) and corporate social investment (CSI) projects • Future forums • The ARM Broad-Based Economic Empowerment Trust • Consultations with interested and affected parties for changes or expansions to current operations in terms of the Regulations of the National Environmental Management Act (NEMA) and other relevant legislation • Community open days. 	<ul style="list-style-type: none"> • Community needs, including socio-economic development, infrastructure development, employment and support during Covid-19 • Status of social projects, operational changes and expansions • Environmental issues affecting communities • Employment of local community members • Service-delivery challenges • Transformation. 	<ul style="list-style-type: none"> • Engaging with communities at specialised discussions/ meetings to understand their specific concerns • Attendance registers and minutes of engagement meetings • Community open days support information sharing and relationship building • The ARM Trust invests in uplifting rural communities across South Africa by partnering with traditional and other community leaders • Changes or expansions to our current operations require engaging with interested and affected parties through stakeholder consultation as prescribed by NEMA and other relevant legislation • Coordinated industry-level and direct community support during Covid-19. 	<ul style="list-style-type: none"> • Communities and transformation (pages 66 to 74).



Government



How we engage	Issues raised	Response	Reference
<ul style="list-style-type: none"> Engagement with local and provincial government on LED projects, licences and compliance with relevant safety and environmental legislation Engagement with national government on matters of policy-making as required dtic annual audit for BEE verification Workplace skills plan submitted to the Mining Qualifications Authority (MQA) annually Representation on industry bodies that engage with government. 	<ul style="list-style-type: none"> Social investment Health and safety Environmental management Transformation Compliance with the dtic codes of good practice and mining charter Regular progress reports and updates Support for government Covid-19 priorities, including the vaccination roll out. 	<ul style="list-style-type: none"> Implementation and monitoring of LED projects Compliance with the relevant safety and environmental legislation Engaging with national government on policy matters as required Regular reports submitted by the operations on SED projects Annual mining charter scorecard reports submitted to the DMRE by each mine Coordinated industry-level and direct support for employees, communities and government during Covid-19. Five ARM operations were approved as vaccination sites. 	<ul style="list-style-type: none"> Environment and social (pages 34 to 101).



Industry associations*



How we engage	Issues raised	Response	Reference
<ul style="list-style-type: none"> Regular scheduled meetings. 	<ul style="list-style-type: none"> Sustainable development Labour issues Financial sustainability Implementation of best practice Industry-specific issues Changes in legislation Coordinated response to Covid-19. 	<ul style="list-style-type: none"> Representation in various executive and other roles in industry associations to engage and give input on industry issues and communicate with industry and government stakeholders Coordinated industry-level and direct support for employees, communities and government during Covid-19. 	<ul style="list-style-type: none"> Environment and social (pages 34 to 101).



* Includes the Minerals Council South Africa, International Council on Mining and Metals, World Economic Forum's International Business Council, Ferro Alloy Producers' Association, Association of Mine Managers of South Africa, Association of Resident Engineers, Business Unity South Africa, Water User Associations and the Energy Intensive Users Group.

Key stakeholder concerns and ARM responses continued

Customers



How we engage	Issues raised	Response	Reference
<ul style="list-style-type: none"> Continual interactions Annual contractual negotiations Regular service-level agreement renewals. 	<ul style="list-style-type: none"> Product quality Timing of product delivery Sustainability issues. 	<ul style="list-style-type: none"> Processes in place to ensure consistent product quality ARM contracts with logistics and freight service providers, including Transnet. 	

Suppliers and local business



How we engage	Issues raised	Response	Reference
<ul style="list-style-type: none"> Continual interactions Annual contractual negotiations Regular service-level agreement renewals Scheduled meetings with local business. 	<ul style="list-style-type: none"> Local economic development Industry issues Fair payment terms Fair treatment Valid BEE certification Ethics Sustainability issues. 	<ul style="list-style-type: none"> Support for local enterprise development through CSR initiatives Payment terms align with industry standards ARM operates ethically and does not tolerate unfair discrimination ARM requires valid BEE certificates to support transformation in its supply chain. 	<ul style="list-style-type: none"> Communities and transformation (pages 66 to 74).

Media



How we engage	Issues raised	Response	Reference
<ul style="list-style-type: none"> One-on-one interviews Press releases SENS announcements Media contact function on our website Publications on the website. 	<ul style="list-style-type: none"> Topical issues. 	<ul style="list-style-type: none"> ARM's investor relations department communicates with the investment community and media and facilitates access to information and management where possible. 	<ul style="list-style-type: none"> ARM's suite of reports and website www.arm.co.za.

ARM's reporting in terms of the UN Global Compact

The United Nations Global Compact (UNGC) provides a principles-based approach to doing business that aims to mobilise companies to align their operations and strategies with universal principles on human rights, labour, the environment and anti-corruption. The Ten Principles of the UNGC are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment

and Development, and the United Nations Convention Against Corruption.

Acting in accordance with these principles aligns business practices to a sustainable and inclusive future, and supports contributions towards achieving the UN Sustainable Development Goals (see page 196 to 200). ARM is committed to the Ten Principles of the UNGC and the social and ethics committee monitors the company's activities in the context of these principles.

United Nations Global Compact Principles

1

Businesses should support and respect the protection of internationally proclaimed human rights.

2

Businesses should make sure that they are not complicit in human rights abuses.

3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

4

Businesses should uphold the elimination of all forms of forced and compulsory labour.

5

Businesses should uphold the effective abolition of child labour.

6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

7

Businesses should support a precautionary approach to environmental challenges.

8

Businesses should undertake initiatives to promote greater environmental responsibility.

9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

10

Businesses should work against corruption in all its forms, including extortion and bribery.

GLOBAL COMPACT

Ethics and human rights

Social and ethics committee chairman's report (pages 4 to 9)
Our approach to sustainable value creation (pages 20 to 25)
Comment from the sustainability assurance provider (page 129)
Material matters (pages 30 and 31)
Executive chairman's report (IAR) (pages 22 to 25)



Fair labour practices

Human resources management (pages 90 to 101)
Human rights (page 25)
Social and ethics committee chairman's report (pages 4 to 9)



Environmental stewardship

Environment (pages 32 to 63)
Biodiversity tables in the supplementary information (pages 217 to 222)
The climate change and water supplementary report available on our website www.arm.co.za



Ethics and human rights

Social and ethics committee chairman's report (pages 4 to 9)
Our approach to sustainable value creation (pages 20 to 25)
Comment from the sustainability assurance provider (page 129)



The ICMM performance expectations and mining principles

In 2018, ICMM developed and released a comprehensive set of Performance Expectations (PEs) for members to manage and track performance across a broad range of sustainability issues, especially at the asset level. They aim to set a minimum requirement for responsible practices in the mining sector for both members and other committed mining and metals companies.

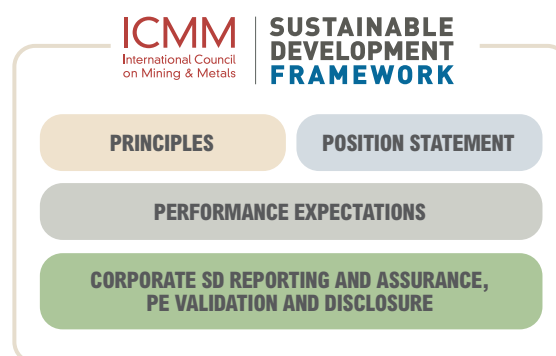
In February 2020, ICMM launched enhanced membership requirements that build on the original ten Sustainable Development Principles and Position Statements in response to increasing societal expectations of the mining and metals industry. The ICMM Mining Principles strengthen members' social and environmental requirements, and are underpinned by the 38 PEs. They include robust asset- and corporate-level validation, credible assurance and transparent disclosure to maximise the industry's benefits to host communities and minimise negative impacts to effectively manage issues of concern to society.

The Principles and PEs support progress towards the global targets of the UN Sustainable Development Goals and the Paris Agreement on climate change.

ICMM requires members to complete a self-assessment of all subject assets once every three years and conduct third-party validation of prioritised assets within a three-year validation cycle.

By September 2022, members must publish a summary of the self-assessments for all assets, agree an internal process for prioritising assets, produce a list of assets to be subject to third-party validation within the next three-year cycle and begin third-party validation of prioritised assets.

ARM piloted self-assessment of the PEs at two assets in F2019 and in F2020, engaged IBIS ESG Consulting Africa (Pty) Ltd (IBIS) to conduct third-party validation on self-assessments of the PEs conducted at Khumani, Two Rivers and Black Rock mines, as well as at ARM corporate as part of the external assurance of sustainability data. In F2021, self-assessments were carried out by Beeshoek, Modikwa and Cato Ridge Works as well as ARM corporate. Independent validation of the reasonableness and authenticity of assertions made in these self-assessments was carried out by the third-party sustainability assurance provider. The validation processes in both years identified that ARM corporate and the sampled operations are aligned with the majority of the PEs, and the gaps in alignment are being addressed.



The graphic below provides references to where ARM's alignment with the Mining Principles are discussed.



ICMM mining principle		Reference
	Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.	<ul style="list-style-type: none"> • Social and ethics committee chairman's report (pages 4 to 9) • Our approach to sustainable value creation (pages 20 to 25) • Comment from the sustainability assurance provider (page 129)
	Integrate sustainable development in corporate strategy and decision-making processes.	<ul style="list-style-type: none"> • Material matters (pages 30 and 31) • Executive chairman's report (IAR) (pages 22 to 25) • Social and ethics committee chairman's report (pages 4 to 9) • Our approach to sustainable value creation (pages 22 to 25)

ICMM mining principle		Reference	
	Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.	<ul style="list-style-type: none"> • Social and ethics committee chairman's report (pages 4 to 9) • Our approach to sustainable value creation (pages 22 to 25) • Comment from the sustainability assurance provider (page 129) 	
	Implement effective risk-management strategies and systems based on sound science, and which account for stakeholder perceptions of risk.	<ul style="list-style-type: none"> • Material matters (pages 30 and 31) • Our approach to sustainable value creation (pages 22 to 25) 	
	Pursue continual improvement in health and safety performance with the ultimate goal of zero harm.	<ul style="list-style-type: none"> • Executive chairman's report (IAR) (pages 22 to 25) • Social and ethics committee chairman's report (pages 4 to 9) • Safety (pages 75 to 80) • Occupational health and wellness (pages 81 to 89) 	 
	Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.	<ul style="list-style-type: none"> • Environment (pages 32 to 63) • Climate change and water supplementary report available on our website www.arm.co.za 	 
	Contribute to the conservation of biodiversity and integrated approaches to land-use planning.	<ul style="list-style-type: none"> • Environment (pages 32 to 63) 	
	Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals.	<ul style="list-style-type: none"> • Our value chain (page 26) 	
	Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.	<ul style="list-style-type: none"> • Value contribution (page 6 of the IAR) • Transformation (pages 71 to 74) • Communities (pages 66 to 70) • Stakeholder engagement (page 28, pages 188 to 192) 	 
	Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner, effectively report and independently verify progress and performance.	<ul style="list-style-type: none"> • Stakeholder engagement (pages 28) • Key stakeholder concerns and ARM's responses (pages 188 to 192) 	

The United Nations Sustainable Development Goals (SDGs)

The 17 Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a call to action to drive a global collaboration to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity.

The underlying targets in each SDG aim to achieve the goals set in the 2030 Agenda for Sustainable Development by ensuring that growth and development address the world's many urgent social and environmental challenges.

SDG	How ARM contributes	For more information
 <p>1 NO POVERTY</p>	<p>We provide direct employment, source goods and services locally where possible, pay taxes and royalties, build capacity in local communities, provide educational support for community schools and promote economic activity through enterprise and supplier development initiatives. Infrastructure projects under local economic development (LED) programmes align with local government priorities and support community resilience by prioritising essential services such as water infrastructure in the water-scarce Northern Cape. Corporate social investment (CSI) programmes provide support for the poor, sick and vulnerable in local communities. This includes coordinated industry-level and direct community support for needs identified during Covid-19, including a short-term work programme for unemployed youth.</p>	<ul style="list-style-type: none"> • Value contribution (page 6 of the IAR) • Human resources management (pages 90 to 101) • Communities (pages 66 to 70) • Transformation (page 71 to 74)
 <p>2 ZERO HUNGER</p>	<p>The impact of mining on water, land and biodiversity resources in traditionally agricultural areas can be a concern for farmers and local communities, with the potential to become a source of social conflict. We take a precautionary approach to environmental stewardship that includes managing our impacts on natural resources, engaging about water at the catchment level, consultative land management, including biodiversity conservation and rehabilitation and closure planning. The focus of our CSI programmes includes projects that support the poor and vulnerable, including infants.</p>	<ul style="list-style-type: none"> • Environment (pages 32 to 63) • Communities (pages 66 to 70)



SDG

3 GOOD HEALTH AND WELL-BEING



How ARM contributes

Employee health, hygiene and safety are critical to our long-term sustainability. Our wellness programme integrates safety, occupational hygiene and health, PTB, HIV and Aids, and chronic disease management. Ongoing protocols are in place to ensure the health and wellbeing of employees and contractors during Covid-19. ARM operations support awareness, testing campaigns and outreach initiatives to address PTB, HIV and Aids among employees and in communities. Beeshoek, Black Rock, Khumani, Modikwa and Two Rivers mines partner with the provincial Department of Health through Memorandums of Understanding (MoUs) to strengthen the implementation of provincial PTB, HIV and Aids, STIs and chronic disease management strategies, and extend primary healthcare services to contractors and communities. These mines were approved as Covid-19 vaccination sites for employees and local communities to support the government vaccination drive. Black Rock Mine partners with the Northern Cape DoH to provide primary healthcare services to the Black Rock community. ARM operations' CSI and LED projects focus on building capacity in local communities and prioritise women, HIV and Aids projects, advancing people living with disabilities, youth and the socially destitute. CSI projects in F2021 included donating and distributing cloth masks, providing a Covid-19 testing and screening facility to a local hospital, and a three-year health screening and promotion project at local schools. Operations also built extra classrooms and provided mobile classrooms to improve social distancing and upgraded ablutions to support sanitation.

For more information

- Occupational health and wellness (pages 81 to 89)
- Communities (pages 66 to 70)
- Safety (pages 75 to 80)



4 QUALITY EDUCATION



ARM works with local government to increase local capacity and through technical, vocational and educational training programmes for the current and future workforce. Learnership programmes and our graduate development programme provide opportunities for unemployed youth. Adult education and training provided at ARM operations to employees and community members helps to improve literacy and numeracy. CSI and LED projects and the ARM BBEE Trust include investments in infrastructure to build/upgrade or furnish schools (see goal 3). Beeshoek Mine upgraded three local libraries to support learners when schools were closed and Black Rock and Two Rivers mines built early childhood development centres in local communities. Investments in education through our CSI programme strengthens relationships with our communities.

- Human resource management (pages 90 to 101)
- Communities (pages 66 to 70)
- Value contribution (page 6 of the IAR)



5 GENDER EQUALITY








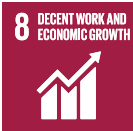


















ARM initiatives to promote gender diversity include Women in Mining committees at operations, a Female Leader Profile, a gender mainstreaming project and Women Development and Women in Leadership Development training programmes. Training programmes include a focus on women development. We actively recognise women's rights to property and resources, include women as stakeholders in consultation processes, and create inclusive access to jobs and economic opportunities. ARM's CSI and LED projects focus on building capacity in local communities and prioritise women.

- Human resources management (pages 90 to 101)
- Communities (pages 66 to 70)



The United Nations Sustainable Development Goals (SDGs) continued

SDG	How ARM contributes	For more information
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Water is a critical resource for our mining and metals operations. It is essential for production, as well as the health and wellbeing of employees and surrounding communities at every stage in a mine's life cycle. We consider water availability and quality in project planning, operational and closure considerations and consult with regulators and communities to ensure this essential resource is responsibly managed and shared. ARM's ongoing focus on improving water reporting promotes water-use efficiency and all operations run closed circuit water systems to the extent possible to maximise recycling and minimise discharge into the environment. We are setting context-based water targets. Investing in improving water access and infrastructure for schools and communities is a focus for our LED and CSI programmes and the ARM Trust. In F2021 this included providing water infrastructure to provide clean water in local communities and donating a water truck.</p>	<ul style="list-style-type: none"> • Environment (pages 32 to 63) • Communities (pages 66 to 70) • Climate change and water report available on our website www.arm.co.za  
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Our operations use significant energy and we reduce carbon emissions by improving energy efficiency. We continue to actively explore opportunities to invest in renewable energy technologies and procure clean energy from renewable sources. The metals ARM produces are used in clean energy solutions.</p>	<ul style="list-style-type: none"> • Environment (pages 32 to 63) • Value contribution (page 6 of the IAR) • Climate change and water report available on our website www.arm.co.za   
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>The metals and alloys our operations produce play a key role in the infrastructure that promotes economic growth. We provide direct and indirect employment, promote entrepreneurship and grow small, medium and micro-enterprises (SMMEs) through enterprise and supplier development programmes, and preference local procurement, which create large economic multipliers. Our skills development initiatives include opportunities for unemployed youth and graduates. Internal benchmarking ensures equal pay for work for equal value. ARM's safety initiatives promote safe and secure work environments and we have controls in place to ensure that labour rights are protected, and that we do not use forced or child labour. A diversity programme is in place that includes a focus on raising awareness regarding people with disability (PWD) and increasing PWD representation wherever practical. To ensure that growth is fully inclusive, government needs to effectively manage revenues from mining and encourage linkages to the broader economy</p>	<ul style="list-style-type: none"> • Value contribution (page 6 of the IAR) • Human resources management (pages 90 to 101) • Communities (pages 66 to 70) • Transformation (pages 71 to 74)  

SDG	How ARM contributes	For more information
	<p>The metals and alloys our operations produce are required for the infrastructure that supports industrialisation. Developing, operating and mining requires a meaningful investment in infrastructure, particularly in remote areas. Our LED projects include significant investments in community infrastructure that supports economic development and human wellbeing. ARM's enterprise and supplier development programmes support entrepreneurs and SMMEs, and helps to include them in the mining value chain. These initiatives prioritise support for historically disadvantaged people and thereby promote inclusive growth. ARM conducts research and development to identify innovative applications in mining technology.</p>	<ul style="list-style-type: none"> • Communities (pages 66 to 70) • Transformation (pages 71 to 74) 
	<p>The code of conduct emphasises our resolute stance against unfair discrimination and we promote equality and the inclusion of previously disadvantaged groups, including women, and people with disabilities. We embrace an inclusive approach to community consultation and participation in decision-making.</p>	<ul style="list-style-type: none"> • Human resources management (pages 90 to 101) • Key stakeholder concerns and ARM's responses (pages 188 to 192) • Communities (pages 66 to 70) • Transformation (pages 71 to 74) 
	<p>ARM's housing strategy aims to ensure that every employee has access to decent accommodation by helping them access affordable housing. Our operations produce metals and alloys that are essential for infrastructure development and constructing cities. Our LED infrastructure projects support community resilience and provide basic services including access to water, sewage services, schools and roads.</p>	<ul style="list-style-type: none"> • Value contribution (page 6 of the IAR) • Communities (pages 66 to 70) • Transformation (pages 71 to 74)  
	<p>Our commitment to sustainable practices and environmental responsibility promote sustainable management and efficient use of natural resources. The waste management programme aims to reduce waste production, promote recycling wherever possible and ensure safe disposal at appropriate facilities. ARM is committed to tailings management and standards that align with national and global good practices to preserve health, safety, and the environment during all phases of the mining life cycle. Water discharges that are below the quality specified in their WULs are reported to the relevant authorities and clean-up and mitigation action undertaken. Air emissions at Cato Ridge Works are managed by cleaning equipment in line with its air emission licence. The information in the integrated annual report and this ESG report demonstrate ARM's integrated approach to sustainability reporting.</p>	<ul style="list-style-type: none"> • Value contribution (page 6 of the IAR) • Environment (pages 32 to 63) • Climate change and water report available on our website www.arm.co.za   
	<p>We report publicly our carbon emissions in this ESG report and in the climate change and water supplementary report. This year we conducted climate change scenario analysis workshops and set a 2050 greenhouse gas emissions reduction target. Carbon emission reduction targets are included in executive incentives. We address climate change by reducing our carbon footprint and by engaging in dialogue with stakeholders to enhance adaptive capacities and integrate climate change measures into policies and strategies.</p>	<ul style="list-style-type: none"> • Environment (pages 32 to 63) • Climate change and water report available on our website www.arm.co.za  

The United Nations Sustainable Development Goals (SDGs) continued

SDG	How ARM contributes	For more information
 <p>14 LIFE BELOW WATER</p>	<p>ARM operations are all inland and do not have a direct impact on marine resources. Our approach to water management aims to maximise recycling and minimise discharge into the environment, including freshwater ecosystems such as rivers and streams. We work closely with our partners to ensure safe and responsible shipping with minimal risk to marine ecology.</p>	<ul style="list-style-type: none"> • SD model and value chain (page 22) • Environment (pages 32 to 63) • Climate change and water report available on our website www.arm.co.za  
 <p>15 LIFE ON LAND</p>	<p>We are committed to sustainable practices and environmental responsibility, and we manage our operations' impact on freshwater ecosystems responsibly. We acknowledge our responsibility to conserve biodiversity around our operations, particularly in the context of the declining estate of global biodiversity. Our approach to biodiversity conservation aligns with the ICMM guidelines for mining and biodiversity. We are committed to net positive biodiversity impact, or to compensation for negative impact, as appropriate.</p>	<ul style="list-style-type: none"> • Environment (pages 32 to 63) 
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>We respect human rights, providing access to information, supporting representative decision-making, working to avoid company-community conflict and carefully manage our security approaches to ensure they decrease rather than increase the likelihood of conflict.</p> <p>ARM has a zero-tolerance approach to unethical and improper conduct, including bribery, corruption and money laundering. We commit to transparency across the scope of our activities that impact society, from transparency of mineral revenues and payments to transparency in commitments made to local communities.</p>	<ul style="list-style-type: none"> • Key stakeholder concerns and ARM's responses (pages 188 to 192) • Social and ethics committee chairman's report (pages 4 to 9) • Our approach to sustainable value creation (pages 22 to 25) • Ethics (page 7) • Human rights (page 25) 
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>We believe in partnering on SDG-related challenges at local, national and global levels and in collaborative approaches to sustainable development with all our stakeholders. We participate in public-private partnerships to promote community health (see goal 3) and collaborate with public and private-sector stakeholders to promote water security and coordinate community development.</p>	<ul style="list-style-type: none"> • Key stakeholder concerns and ARM's responses (pages 188 to 192) • Our approach to sustainable value creation (pages 22 to 25) • Environment (pages 32 to 63) • Climate change and water report available on our website www.arm.co.za • Communities (pages 66 to 70)  

Sustainability data tables

Operation	SHEQ qualification	F2021	LTIFR				Awards/achievements in F2021
			F2020	F2019	F2018	F2017	
FERROUS DIVISION							
Beeshoek Mine	ISO 9001, ISO 14001, ISO 45001, SANS 16001	0.07	0.13	0.06	0,07	0.15	<ul style="list-style-type: none">Completed 20 000 fatality-free production shifts, 18 years fatality free.Completed 4.8 million fatality-free shifts.
Black Rock Mine	ISO 9001, ISO 14001, ISO 45001, SANS 16001	0.33	0.27	0.33	0,20	0.24	<ul style="list-style-type: none">Achieved 9 million fatality-free shifts, 12 years fatality free.
Cato Ridge Works	ISO 9001, ISO 14001, ISO 45001	—	0.36	—	—	0.19	<ul style="list-style-type: none">Completed a full year without a lost-time injury and 2.7 million fatality-free shifts. 13 years fatality free.
Khumani Mine	ISO 9001, ISO 14001, ISO 45001, SANS 16001	0.04	0.13	0.08	0.10	0.10	<ul style="list-style-type: none">Recorded the lowest LTIFR in its history.Completed 3.9 million fatality-free shifts
Machadodorp Works	ISO 9001. Historically ISO 14001 and OHSAS 18001 certified. Has not undergone re-certification audits in F2019, F2020 and F2021. Remains aligned with ISO 14001 and OHSAS 18001	—	1.42	—	—	—	<ul style="list-style-type: none">Completed a full year without a lost-time injury.

Sustainability data tables continued

Operation	SHEQ qualification	LTIFR					Awards/achievements in F2021
		F2021	F2020	F2019	F2018	F2017	
PLATINUM DIVISION							
Modikwa Mine	ISO 9001. Historically ISO 14001 and OHSAS 18001 certified. Did not undergo ISO 14001 or OHSAS 18001 certification audits in F2020 or F2021 Migrating from OHSAS 18001 to ISO 45001	0.80	0.85	0.90	0.72	0.58	• Regrettably, two colleagues were fatally injured in separate accidents at Modikwa Mine in F2021.
Nkomati Mine	Historically ISO 9001, ISO 14001 and OHSAS 18001 certified. Did not undergo ISO 14001 or OHSAS 18001 certification audits in F2020 and F2021	0.14	0.29	0.07	0.30	–	• Achieved an LTIFR of 0.14.
Two Rivers Mine	ISO 9001, ISO 14001 and ISO 45001	0.42	0.41	0.47	0.39	0.31	• Achieved 1 million fatality free shifts.

Section 54 and Section 55 notices

SECTION 54 NOTICES						SHIFTS/DAYS LOST				
	F2021	F2020	F2019	F2018	F2017	F2021	F2020	F2019	F2018	F2017
FERROUS DIVISION										
Beeshoek Mine	–	–	–	1	–	–	–	–	–	–
Khumani Mine	–	2	–	–	1	–	–	–	–	–
Black Rock Mine	2	–	1	1	–	–	–	–	3	–
PLATINUM DIVISION										
Nkomati Mine	1	4	–	5	5	3	10	–	15	13
Two Rivers Mine	6	9	6	13	3	23	31	4	24	12
Modikwa Mine	10	13	12	11	12	95	71	60	47	53
Total	19	28	19	31	21	121	112	64	89	78

SECTION 55 NOTICES						SHIFTS/DAYS LOST				
	F2021	F2020	F2019	F2018	F2017	F2021	F2020	F2019	F2018	F2017
FERROUS DIVISION										
Beeshoek Mine	–	–	–	–	–		–	–	–	–
Khumani Mine	–	–	–	1	–		–	–	–	–
Black Rock Mine	–	1	1	–	–	–	–	–	–	–
PLATINUM DIVISION										
Nkomati Mine	2	–	–	–	1	–	–	–	–	–
Two Rivers Mine	–	–	–	3	–	–	–	–	–	–
Modikwa Mine	2	4	1	4	–	–	–	–	–	–
Total	4	5	2	8	1	–	–	–	–	–

	F2021	F2020	F2019	F2018	F2017
Number of employees per safety stats	11 169	10 887	11 316	12 266	11 531
Number of contractors per safety stats	9 472	7 908	9 319	9 285	8 188
Total	20 641	18 795	20 634	21 551	19 719

Sustainability data tables continued

	EMPLOYEES			CONTRACTORS			TOTAL		
	Fatalities	Lost time injuries	Recordable injuries	Fatalities	Lost time injuries	Recordable injuries	Fatalities	Lost time injuries	Recordable injuries
F2021 safety performance by region									
ARM Corporate	–	–	–	–	–	–	–	–	–
Beeshoek Mine	–	1	1	–	–	–	–	1	1
Blackrock Mine	–	10	11	–	6	6	–	16	17
Cato Ridge Works	–	–	1	–	–	1	–	–	2
Khumani Mine	–	1	4	–	–	3	–	1	7
Machadodorp Works	–	–	–	–	–	–	–	–	1
Modikwa Mine	2	45	83	–	6	22	2	51	105
Nkomati Mine	–	–	4	–	2	4	–	2	8
Two Rivers Mine	–	12	23	–	2	5	–	14	28
ARM total	2	69	127	–	16	41	2	85	169
ARM Corporate	–	–	–	–	–	–	–	–	–
Ferrous division	–	12	17	–	6	10	–	18	28
Platinum division	2	57	110	–	10	31	2	67	141
ARM total	2	69	127	–	16	41	2	85	169
BY REGION									
Gauteng (ARM Corporate)	–	–	–	–	–	–	–	–	–
KwaZulu–Natal (Cato Ridge Works)	–	–	1	–	–	1	–	–	2
Mpumalanga (Modikwa, Two Rivers and Nkomati Mines, and Machadodorp Works)	2	57	110	–	10	31	2	67	142
Northern Cape (Beeshoek, Black Rock and Khumani Mines)	–	12	16	–	6	9	–	18	25
ARM total	2	69	127	–	16	41	2	85	169

EMPLOYEES			CONTRACTORS			TOTAL			AVERAGE TOTAL HOURS WORKED		
Fatality frequency rate	Lost time injury frequency rate	Recordable injury frequency rate	Fatality frequency rate	Lost time injury frequency rate	Recordable injury frequency rate	Fatality frequency rate	Lost time injury frequency rate	Recordable injury frequency rate	Employees	Contractors	Total
–	–	–	–	–	–	–	–	–	192 036	35 364	227 400
–	0.10	0.10	–	–	–	–	0.07	0.07	1 913 261	1 072 894	2 986 155
–	0.40	0.44	–	0.26	0.26	–	0.33	0.35	5 040 977	4 665 363	9 706 340
–	–	0.27	–	–	0.54	–	–	0.36	730 669	373 109	1 103 778
–	0.06	0.25	–	–	0.30	–	0.04	0.27	3 235 598	1 972 210	5 207 808
–	–	–	–	–	–	–	–	0.63	139 626	177 654	317 280
0.045	1.02	1.87	–	0.31	1.12	0.031	0.80	1.64	8 861 190	3 917 330	12 778 520
–	–	0.72	–	0.23	0.46	–	0.14	0.56	1 116 842	1 726 934	2 843 776
–	0.49	0.94	–	0.23	0.57	–	0.42	0.84	4 918 098	1 740 707	6 658 805
0.015	0.53	0.97	–	0.20	0.52	0.010	0.41	0.81	26 148 297	15 681 565	41 829 862
–	–	–	–	–	–	–	–	–	192 036	35 364	227 400
–	0.22	0.31	–	0.15	0.24	–	0.19	0.29	11 060 131	8 261 230	19 321 361
0.027	0.77	1.48	–	0.27	0.84	0.018	0.60	1.27	14 896 130	7 384 971	22 281 101
0.015	0.53	0.97	–	0.20	0.52	0.010	0.41	0.81	26 148 297	15 681 565	41 829 862
–	–	–	–	–	–	–	–	–	192 036	35 364	227 400
–	–	0.27	–	–	0.54	–	–	0.36	730 669	373 109	1 103 778
0.027	0.76	1.46	–	0.26	0.82	0.018	0.59	1.26	15 035 756	7 562 625	22 598 381
–	0.24	0.31	–	0.16	0.23	–	0.20	0.28	10 189 836	7 710 467	17 900 303
0.015	0.53	0.97	–	0.20	0.52	0.010	0.41	0.81	26 148 297	15 681 565	41 829 862

Sustainability data tables continued

	EMPLOYEES			CONTRACTORS			TOTAL		
	Fatalities	Lost time injuries	Recordable injuries	Fatalities	Lost time injuries	Recordable injuries	Fatalities	Lost time injuries	Recordable injuries
F2020 safety performance by region									
ARM Corporate	–	–	–	–	–	–	–	–	–
Beeshoek Mine	–	1	4	–	1	2	–	2	6
Blackrock Mine	–	6	11	–	4	4	–	10	15
Cato Ridge Works	–	2	2	–	–	–	–	2	2
Khumani Mine	–	1	6	–	2	8	–	3	14
Machadodorp Works	–	1	1	–	1	2	–	2	3
Modikwa Mine	–	43	81	–	6	15	–	49	96
Nkomati Mine	–	2	6	1	4	15	1	6	21
Two Rivers Mine	1	11	19	–	1	2	1	12	21
ARM total	1	67	130	1	19	48	2	86	178
ARM Corporate	–	–	–	–	–	–	–	–	–
Ferrous division	–	11	24	–	8	16	–	19	40
Platinum division	1	56	106	1	11	32	2	67	138
ARM total	1	67	130	1	19	48	2	86	178
BY REGION									
Gauteng (ARM Corporate)	–	–	–	–	–	–	–	–	–
KwaZulu-Natal (Cato Ridge Works)	–	2	2	–	–	–	–	2	2
Mpumalanga (Modikwa, Two Rivers and Nkomati Mines, and Machadodorp Works)	1	57	107	1	12	34	2	69	141
Northern Cape (Beeshoek, Black Rock and Khumani Mines)	–	8	21	–	7	14	–	15	35
ARM total	1	67	130	1	19	48	2	86	178

EMPLOYEES			CONTRACTORS			TOTAL			AVERAGE TOTAL HOURS WORKED		
Fatality frequency rate	Lost time injury frequency rate	Recordable injury frequency rate	Fatality frequency rate	Lost time injury frequency rate	Recordable injury frequency rate	Fatality frequency rate	Lost time injury frequency rate	Recordable injury frequency rate	Employees	Contractors	Total
–	–	–	–	–	–	–	–	–	192 036	35 364	227 400
–	0.11	0.43	–	0.15	0.31	–	0.13	0.38	1 840 275	1 300 703	3 140 978
–	0.28	0.51	–	0.25	0.25	–	0.27	0.40	4 306 943	3 235 113	7 542 056
–	0.57	0.57	–	–	–	–	0.36	0.36	696 004	426 623	1 122 627
–	0.06	0.38	–	0.25	1.01	–	0.13	0.59	3 183 723	1 587 483	4 771 206
–	1.82	1.82	–	1.16	2.33	–	1.42	2.13	109 618	172 010	281 628
–	1.00	1.88	–	0.42	1.05	–	0.85	1.67	8 631 440	2 853 050	11 484 490
–	0.28	0.83	0.07	0.30	1.11	0.048	0.29	1.01	1 453 480	2 693 044	4 146 524
0.045	0.50	0.86	–	0.13	0.27	0.034	0.41	0.71	4 400 294	1 504 609	5 904 903
0.008	0.54	1.05	0.01	0.28	0.70	0.010	0.45	–0.92	24 813 813	13 807 999	38 621 812
–	–	–	–	–	–	–	–	–	192 036	35 364	227 400
–	0.22	0.47	–	0.24	0.48	–	0.23	0.47	10 136 563	6 721 932	16 858 495
0.014	0.77	1.46	0.03	0.31	0.91	0.019	0.62	1.28	14 485 214	7 050 703	21 535 917
0.008	0.54	1.05	0.01	0.28	0.70	0.010	0.45	0.92	24 813 813	13 807 999	38 621 812
–	–	–	–	–	–	–	–	–	192 036	35 364	227 400
–	0.57	0.57	–	–	–	–	0.36	0.36	696 004	426 623	1 122 627
0.014	0.75	1.47	0.03	0.33	0.94	0.018	0.63	1.29	14 594 832	7 222 713	21 817 545
–	0.17	0.45	–	0.23	0.46	–	0.19	0.45	9 330 941	6 123 299	15 454 240
0.008	0.54	1.05	0.014	0.28	0.70	0.010	0.45	0.92	24 813 813	13 807 999	38 621 812

Sustainability data tables continued

Safety definitions

ARM safety definitions align with the Mine Health and Safety Act (MHSA), the Occupational Health and Safety Act (OHSA) and the ICMM Health and Safety Performance Indicators, available at <https://icmm.com/en-gb/guidance/health/healthand-safety-performance-indicators>.

Employees

ARM considers contractors as employees from a health and safety point of view and statistics include contractor hours worked, as well as injuries sustained, in line with legislation and industry standards.

Lost time injuries (LTIs)

Any work-related injury that results in a worker being unable to perform their 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 their 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.

Recordable injuries (RIs)

A recordable injury case is a work-related injury of sufficient severity that it requires medical treatment beyond first aid or results in the worker's inability to perform their normal duty or similar work on the calendar day following the day of the injury. Medical treatment beyond first aid refers to treatment regardless of the professional status of the person providing the treatment. At a minimum, it includes wounds that need suturing, fractures, bruising that requires drainage of blood, second and third degree burns and cases where prescription drugs or non-prescription drugs at prescription dosage are prescribed to manage symptoms. Recordable injuries include non-LTI injuries that require medical treatment, LTIs and fatalities.

Reportable accident MHSA

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.

Reportable accident OHSA

For the smelters to which the Occupational Health and Safety Act 85 of 1993 applies, reportable accidents are defined in Sections 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 MHSA

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 MHSA

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.

Occupational health and wellness

	F2021	F2020	F2019	F2018	F2017
Number of employees per safety stats	20 641	18 795	20 634	21 551	19 719

Chronic conditions

Chronic conditions % of workforce	F2021	F2020	F2019	F2018	F2017
Hypertension	14.5%	15.1%	11.5%	8.6%	10.0%
Diabetes type 1	0.2%	0.4%	0.2%	0.2%	0.2%
Diabetes type 2	3.0%	2.9%	2.3%	2.1%	1.8%
Epilepsy	0.05%	0.10%	0.10%	0.10%	0.10%

Audiometric examinations	F2021	F2020	F2019	F2018	F2017
Number of tests performed	34 744	31 284	36 572	33 812	38 723
Number of tests referred	146	150	168	210	137
Percentage of total (referred/performed)	0.42	0.48	0.46	0.62	0.35
Number of tests submitted for compensation	13	14	26	68	21
Percentage of total (comp. submit./performed)	0.04	0.04	0.07	0.20	0.05
Number of cases compensated	8	34	22	65	–
Percentage of total (compensated/referred)	5.48	22.67	13.10	30.95	0.00

Shifts in PLH (percentage loss of hearing)	F2021	F2020	F2019	F2018	F2017
PLH >5% to <10%	1,8%	2,1%	2,7%	2,4%	2,5%
PLH >10%	0,8%	1,1%	1,4%	1,7%	1,3%

Noise-induced hearing loss per operation

Operation	F2021		F2020		F2019		F2018		F2017	
	Referred	Submitted for compensation	Referred	Submitted for compensation	Referred	Submitted for compensation	Referred	Submitted for compensation	Referred	Submitted for compensation
Beeshoek Mine	10	–	14	4	5	1	8	–	14	–
Khumani Mine	11	–	36	2	18	4	1	1	6	1
Black Rock Mine	10	1	7	–	8	1	11	0	9	1
Cato Ridge Works	31	–	32	1	13	–	–	0	1	–
Machadodorp Works	1	1	1	–	–	–	–	1	4	–
Nkomati Mine	1	–	3	–	–	–	1	1	1	1
Two Rivers Mine	28	6	15	1	46	2	27	18	48	7
Modikwa Mine	55	10	42	6	78	18	162	47	54	11
ARM total	147	18	150	14	168	26	210	68	137	21

Sustainability data tables continued

HIV and Aids management	F2021	F2020	F2019	F2018	F2017
CVT sessions	35 840	27 397	34 246	29 498	30 327
Employees tested	14 890	18 464	12 765	11 145	7 324
Enrolled in disease management programmes	2 575	3 168	3 764	3 379	2 440
Employees on ART	2 575	3 168	4 767	6 379	8 432

PTB management (calendar 2020)	C2021	C2020	C2019	C2018	C2017
Passive screening tests	43 301	55 265	50 358	47 087	47 155
New PTB cases	34	46	66	94	62
Cured	32	40	58	52	78
Cure rate	94.1%	87.0%	87.9%	55.3%	125.8%
MDR/XDR cases	–	3	5	9	4

Environment

Carbon footprint (tCO₂e): Scope 1 and 2 on an attributable basis

	F2021	F2020	F2019	2018	2017
Beeshoek Mine	40 132	37 078	42 352	40 187	36 189
Khumani Mine	155 098	157 469	160 409	144 921	144 442
Black Rock Mine	82 042	77 088	77 265	70 228	68 167
Cato Ridge Works	304 502	286 799	337 490	325 819	352 623
Machadodorp Works	14 703	13 236	6 514	5 876	6 618
Nkomati Mine	138 515	195 609	224 904	203 050	197 968
Two Rivers Mine	138 663	129 246	131 271	120 109	124 948
Modikwa Mine	121 675	119 683	121 683	115 876	112 072
Lubambe Mine*			–	–	4 227
Corporate office	458	444	726	182	164
ARM total	995 788	1 016 652	1 102 614	1 026 249	1 047 418
Ferrous division	596 477	571 670	624 030	587 032	608 040
Platinum division	398 853	444 538	477 858	439 035	434 988
Copper division*	–	–	–	–	4 227
Corporate office	458	444	726	182	164
ARM total	995 778	1 016 652	1 102 614	1 026 249	1 047 418

* Lubambe Mine was sold in December 2017.

Electricity (MW/h) – 100% basis

	F2021	F2020	F2019	2018	2017
Beeshoek Mine	38 964	32 561	38 275	38 762	34 937
Khumani Mine	194 225	198 217	195 599	189 462	206 023
Black Rock Mine	136 251	127 957	126 944	125 792	121 656
Cato Ridge Works	422 917	397 537	453 658	463 924	500 701
Machadodorp Works	13 200	11 680	11 430	11 432	12 097
Nkomati Mine	240 273	323 851	354 285	342 372	329 210
Two Rivers Mine	225 900	209 232	211 514	209 593	215 371
Modikwa Mine	270 740	261 857	266 238	274 746	260 016
Lubambe Mine*	–	–	–	–	104 316
Corporate office	438	419	685	187	164
ARM total	1 542 908	1 563 311	1 658 628	1 656 271	1 784 491
Ferrous division	805 557	767 952	825 906	829 371	875 415
Platinum division	736 913	794 940	832 037	826 710	804 597
Copper division*	–	–	–	–	104 316
Corporate office	438	419	685	187	164
ARM total	1 542 908	1 563 311	1 658 628	1 656 268	1 784 491

* Lubambe Mine was sold in December 2017.

Diesel consumption (000 litres) – 100% basis

	F2021	F2020	F2019	2018	2017
Beeshoek Mine	13 872	14 122	15 497	14 993	13 457
Khumani Mine	37 209	36 310	38 763	37 410	30 556
Black Rock Mine	7 565	6 117	6 203	5 937	4 919
Cato Ridge Works	265	294	329	594	454
Machadodorp Works	356	311	327	229	450
Nkomati Mine	9 815	17 261	26 327	26 295	25 212
Two Rivers Mine	5 921	4 504	4 816	4 382	4 283
Modikwa Mine	3 849	3 653	3 792	4 394	4 534
Lubambe Mine	–	–	–	–	3 628
Corporate office	–	–	–	–	1
ARM total	78 852	82 572	96 055	94 234	87 494
Ferrous division	59 267	57 155	61 118	59 163	49 837
Platinum division	19 585	25 417	34 936	35 071	34 029
Copper division	–	–	–	–	3 628
Corporate office	–	–	–	–	1
ARM total	78 852	82 572	96 055	94 234	87 494

* Lubambe Mine was sold in December 2017.

Sustainability data tables continued

Water withdrawn (m³) – 100% basis

	F2021	F2020	F2019	2018	2017
Beeshoek Mine	5 771 498	5 014 997	5 355 264	4 110 562	4 552 211
Khumani Mine	4 815 349	4 506 487	4 485 190	4 433 545	3 999 709
Black Rock Mine	1 719 535	2 298 319	1 701 745	1 400 366	1 008 977
Cato Ridge Works	252 768	265 829	293 499	239 013	222 329
Machadodorp Works	74 691	67 492	53 847	20 119	28 675
Nkomati Mine	2 005 588	2 470 088	4 309 259	3 623 162	1 248 453
Two Rivers Mine	1 720 733	1 664 433	1 893 053	2 944 391	1 655 673
Modikwa Mine	3 674 442	3 980 023	3 681 583	1 525 394	1 256 660
Lubambe Mine				–	323 306
ARM total	20 034 604	20 267 668	21 773 440	18 296 551	14 295 993
Ferrous division	12 633 841	12 153 124	11 889 545	10 203 604	9 811 901
Platinum division	7 400 763	8 114 544	9 883 895	8 092 947	4 160 786
Copper division	–	–	–	–	323 306
ARM total	20 034 604	20 267 668	21 773 440	18 296 551	14 295 993

* Lubambe Mine was sold in December 2017.

Workforce breakdown

as at 30 June 2021

Breakdown by gender and contract type

Breakdown by operation	Permanent employees			Temporary employees			Full-time employees (Perm + Temp)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Beeshoek Mine (Northern Cape)	560	133	693	55	22	77	615	155	770
Khumani Mine (Northern Cape)	1 425	385	1 810	53	55	108	1 478	440	1 918
Black Rock Mine (Northern Cape)	2 019	522	2 541	93	38	131	2 112	560	2 672
Cato Ridge Works (KwaZulu Natal)	275	77	352	1	–	1	276	77	353
Machadodorp Works (Mpumalanga)	50	12	62	13	4	17	63	16	79
Modikwa Mine (Mpumalanga)	3 229	561	3 790	20	14	34	3 249	575	3 824
Two Rivers Mine (Mpumalanga)	1 723	599	2 322	36	28	64	1 759	627	2 386
Nkomati Mine (Mpumalanga)	5	–	5	72	24	96	77	24	101
ARM Head Office (Gauteng)	143	72	215	4	13	17	147	85	232
Total employees	9 429	2 361	11 790	347	198	545	9 776	2 559	12 335

Breakdown by operation	Contractors			Total workforce		
	Male	Female	Total	Male	Female	Total
Beeshoek Mine (Northern Cape)	376	76	452	991	231	1 222
Khumani Mine (Northern Cape)	2 061	286	2 347	3 539	726	4 265
Black Rock Mine (Northern Cape)	2 820	322	3 142	4 932	882	5 814
Cato Ridge Works (KwaZulu Natal)	474	63	537	750	140	890
Machadodorp Works (Mpumalanga)	77	11	88	140	27	167
Modikwa Mine (Mpumalanga)	540	67	607	3 789	642	4 431
Two Rivers Mine (Mpumalanga)	1 186	156	1 342	2 945	783	3 728
Nkomati Mine (Mpumalanga)	40	24	64	117	48	165
ARM Head Office (Gauteng)	5	9	14	152	94	246
Total employees	7 579	1 014	8 593	17 355	3 573	20 928

Breakdown by region	Permanent employees			Temporary employees			Full-time employees (Perm + Temp)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Northern Cape	4 004	1 040	5 044	201	115	316	4 205	1 155	5 360
KwaZulu-Natal	275	77	352	1	—	1	276	77	353
Mpumalanga	5 007	1 172	6 179	141	70	211	5 148	1 242	6 390
Gauteng	143	72	215	4	13	17	147	85	232
Total employees	9 429	2 361	11 790	347	198	545	9 776	2 559	12 335

Breakdown by region	Contractors			Total workforce		
	Male	Female	Total	Male	Female	Total
Northern Cape	5 257	684	5 941	9 462	1 839	11 301
KwaZulu-Natal	474	63	537	750	140	890
Mpumalanga	1 843	258	2 101	6 991	1 500	8 491
Gauteng	5	9	14	152	94	246
Total employees	7 579	1 014	8 593	17 355	3 573	20 928

Breakdown by age group	Male	Female	Total
< 30 years old	639	398	1 037
30 - 50 years old	7 453	1 997	9 450
> 50 years old	1 684	164	1 848
Total full-time employees	9 776	2 559	12 335

Sustainability data tables continued

Workforce breakdown as at 30 June 2021

New hires (full-time employees)

Breakdown by age group	Number of new hires			Rate of new hires		
	Male	Female	Total	Male	Female	Total
< 30 years old	216	199	415	33.8%	50.0%	40.0%
30 – 50 years old	431	249	680	5.8%	12.5%	7.2%
> 50 years old	40	17	57	2.4%	10.4%	3.1%
Total new hires	687	465	1 152	7.0%	18.2%	9.3%

Breakdown by region	Male	Female	Total	Male	Female	Total
Northern Cape	353	259	612	8.4%	22.4%	11.4%
KwaZulu-Natal	8	1	9	2.9%	1.3%	2.5%
Mpumalanga	305	191	496	5.9%	15.4%	7.8%
Gauteng	21	14	35	14.3%	16.5%	15.1%
Total new hires	687	465	1 152	7.0%	18.2%	9.3%

Employee turnover (full-time employees)

Breakdown by age group	Turnover numbers			Turnover Rate		
	Male	Female	Total	Male	Female	Total
< 30 years old	85	58	143	13.3%	14.6%	13.8%
30 – 50 years old	397	102	499	5.3%	5.1%	5.3%
> 50 years old	513	91	604	30.5%	55.5%	32.7%
Total employee turnover	995	251	1 246	10.2%	9.8%	10.1%

Breakdown by region	Male	Female	Total	Male	Female	Total
Northern Cape	235	111	346	5.6%	9.6%	6.5%
KwaZulu-Natal	4	–	4	1.4%	0.0%	1.1%
Mpumalanga	751	135	886	14.6%	10.9%	13.9%
Gauteng	5	5	10	3.4%	5.9%	4.3%
Total employee turnover	995	251	1 246	10.2%	9.8%	10.1%

Absenteeism (full-time employees)

Absenteeism	Absentee shifts			Absentee rate (per hours scheduled)		
	Male	Female	Total	Male	Female	Total
Absenteeism	161 856	27 333	189 189	8.9%	5.6%	8.2%

Breakdown by region	Total	Total
Northern Cape	98 637	9.8%
KwaZulu-Natal	2 598	4.2%
Mpumalanga	87 431	7.3%
Gauteng	523	1.3%
Total absenteeism	189 189	8.2%

Training hours by category and gender (full-time employees)	Total training hours			Average training hours		
	Male	Female	Total	Male	Female	Total
Executive Management	40	—	40	3.1	—	2.4
Senior Management	7 082	3 564	10 646	95.7	148.5	108.6
Professionally qualified and experienced specialists and mid-management	10 584	8 740	19 324	36.8	77.3	48.2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	93 091	25 494	118 585	37.3	42.7	38.4
Semi-skilled and discretionary decision-making personnel	117 628	40 539	158 167	21.0	39.8	23.9
Unskilled and defined decision-making personnel	60 973	44 392	105 365	47.5	56.5	50.9
ARM total	289 398	122 729	412 127	29.7	48.3	33.5

Workforce by race and gender

Organisational level	Males					Total male
	African	Coloured	Indian	White	Foreign	
Executive Management	5	1	1	6	—	13
Senior Management	23	4	6	38	3	74
Professionally qualified and experienced specialists and mid-management	125	30	7	122	4	288
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1 517	331	29	600	16	2 493
Semi-skilled and discretionary decision-making personnel	5 041	288	3	79	195	5 606
Unskilled and defined-decision making personnel	1 166	58	2	12	46	1 284
Total permanent male employees	7 877	712	48	857	264	9 758
Temporary employees	15	—	—	3	—	18
Total male employees	7 892	712	48	860	264	9 776

Organisational level	Females					Total female
	African	Coloured	Indian	White	Foreign	
Executive Management	4	—	—	—	—	4
Senior Management	9	4	3	7	1	24
Professionally qualified and experienced specialists and mid-management	67	18	6	22	—	113
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	431	61	7	97	1	597
Semi-skilled and discretionary decision-making personnel	858	78	2	79	1	1 018
Unskilled and defined decision-making personnel	763	22	—	1	—	786
Total permanent female employees	2 132	183	18	206	3	2 542
Temporary employees	16	—	—	—	1	17
Total female employees	2 148	183	18	206	4	2 559

Sustainability data tables continued

Organisational level	<30 years	30 – 50 years	>50 years	Total
Executive Management	–	5	12	17
Senior Management	–	57	41	98
Professionally qualified and experienced specialists and mid-management	5	295	101	401
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	240	2 405	445	3 090
Semi-skilled and discretionary decision-making personnel	455	5 682	487	6 624
Unskilled and defined decision-making personnel	348	1 439	283	2 070
Total permanent full-time employees	1 048	9 883	1 369	12 300
Temporary employees	15	10	10	35
Total full-time employees	1 063	9 893	1 379	12 335

Biodiversity

Operation	Is the operation in close proximity to area of high biodiversity or protected area?	Bio-diversity study completed	Details of Red Data or protected species	Status of Biodiversity Action Plan (BAP)	Strategies for addressing impact
ARM PLATINUM DIVISION					
Nkomati Mine					
<p>No disturbance of additional land during F2020.</p> <p>A total of 602 hectares have been disturbed to date.</p> <p>No communities were resettled in F2020.</p>	<p>No. The mine is located among commercial forestry operations.</p>	<p>Yes</p>	<p>No Red Data species</p>	<p>In terms of the BAP, priority actions completed and in progress, include:</p> <ul style="list-style-type: none"> • A continuous programme for the removal of alien invasive plants. • Rehabilitation of disturbed land, which falls within the mining rehabilitation plan (waste rock dumps and tailings storage facilities). 	<p>Integration into local municipal policy and plans, as well as relevant spatial development plans.</p> <p>Integration into existing group policy and management systems, including the biodiversity and land management plan, closure plan and environmental management plan.</p> <p>Identification and liaison with stakeholders and neighbouring properties especially with respect to weed/invasive and erosion control action plans.</p> <p>Post-closure land use.</p> <p>Available budget and manpower for implementation, management and maintenance.</p> <p>In terms of water management, a geo-hydrological model and update of the surface water management plan and water balance are in place and are being updated regularly.</p>

Sustainability data tables continued

Operation	Is the operation in close proximity to area of high biodiversity or protected area?	Bio-diversity study completed	Details of Red Data or protected species	Status of Biodiversity Action Plan (BAP)	Strategies for addressing impact
ARM PLATINUM DIVISION continued					
Two Rivers Platinum Mine					
<p>78 hectares of additional land was disturbed during F2020, while 15 hectares of the tailings storage facility (TSF) was rehabilitated and vegetated.</p> <p>A total of 25.5 hectares have been rehabilitated to date. The current estimate of land disturbed and not yet rehabilitated is approximately 328 hectares.</p> <p>No communities were resettled in F2020</p>	<p>Yes. The mine is located within the Sekhukhune Land Centre for Plant Endemism, which is an area of high biodiversity.</p>	<p>Yes</p>	<p>Priority Red Data plants: <i>Gladiolus</i> sp.nov, <i>Resnova</i> sp.aff.megaphylla, <i>Zantedeschia pentlandi</i> while protected fauna are cicada (<i>Pycna Sylvia</i>), <i>Dromica honesta</i>.</p> <p>Other conservations: Important invertebrates confirmed during field work are scorpion species such as <i>Hadogenes ploytrichobothrius</i> (flat rock scorpion), <i>Opisthophthalmus gladifrons</i>, <i>Parabuthus transvaalicus</i>, <i>Uroplectes triangulifer</i> and <i>Pseudolychas</i>. A newly described protected mite species called <i>Zambedaniasp. (hetrostigmae)</i> associated with a certain spider species (inhabiting under round shaped stones that are fairly deeply buried up to 1/3 or 1/2 of their depth) called <i>Harpactrella flavipilosa</i>. Ant species confirmed and potentially undescribed, collected during the invertebrate survey, include undescribed <i>Tetramonium</i>, undescribed <i>Camponotus</i>, undescribed <i>Anilmyrma</i>, possibly undescribed <i>Meranoplus</i>, and possibly undescribed <i>Aenictus</i>. The property is dominated by thick-leaved plants, most of which occur in the Sekhukhune Land Centre for Plant Endemism.</p> <p>A new species, <i>Boloponera</i> ant species, a genus previously known only from a single specimen from the Central African Republic, was discovered just outside the new TSF site (De Grooteboom).</p> <p>Woodland dominant within the property are:</p> <ul style="list-style-type: none"> • <i>Lydenburgia-Euclea</i> Open Woodland – within which the protected <i>Lydenburgia</i> assinoides plant specimens are dominant; • <i>Sclerrocarya</i> – <i>Bolusanthus</i> Open Woodland within which <i>Sclerrocarya birrea subsop</i>, caffra (Marula tree) is dominant; • <i>Combretum erythphyllum</i> Riverine Woodland within which <i>Combretum</i> specimens are dominant; and • <i>Phragmites</i> – Imperata Marsh wherein <i>Phragmites</i> species are dominant. 	<p>The Two Rivers Mine BAP has been expanded to cover an additional 650 hectares of the farm De Grooteboom, which is the approved site for the new TSF.</p> <p>Plans are in place to consider expanding the BAP further to include the farms Kalkfontein, Buffelshoek and portions of Tweefontein – upon the incorporation of the Kalkfontein RE Block mining right into the Two Rivers Mine mining right and/or execution thereof.</p>	<p>The BAP is still a pivotal environmental management instrument for the mine and will remain as such. The benefits of having this as an environmental management instrument will increase upon inclusion of the three outstanding farms – Kalkfontein, Buffelshoek and portions of Tweefontein.</p>

Operation	Is the operation in close proximity to area of high biodiversity or protected area?	Bio-diversity study completed	Details of Red Data or protected species	Status of Biodiversity Action Plan (BAP)	Strategies for addressing impact
ARM PLATINUM DIVISION continued					
Modikwa Mine					
<p>No disturbance of additional land during F2020.</p> <p>A total of 602 hectares have been disturbed to date.</p> <p>No communities were resettled in F2020.</p>	<p>Yes. The mine is located within the Sekhukhune land region with recorded number species of endemism</p> <p>The mine is developing a biodiversity net positive impact (NPI) plan.</p>	Yes	<p>An assessment of protected trees was conducted as part of an environmental impact assessment related to a community road and the following specific tree species were identified and marked for protection along the road.</p> <ul style="list-style-type: none"> • <i>Slerocarya birrea</i>. Caffra (Marula); • <i>Combretum imberbe</i> (Leadwood) • <i>Catha edulis</i> (Bushman's tea); • <i>Lydenburgia cassinoides</i> = <i>Catha transvaalensis</i> (Sekhukhune Bushman's tea); • <i>Searsia batophylla</i> (Red berry); and • <i>Searsia sekhukhuniensis</i> (Sekhukhune-karee). <p>The following were done recently as part of achieving the NPI:</p> <ul style="list-style-type: none"> • Biodiversity value assessment • Ecosystem services review • A synergies analysis • Baseline prework report <p>The following activities are planned:</p> <ul style="list-style-type: none"> • Identification of significant biodiversity features • Identification priority ecosystem 	<p>The BAP and alien invasive species eradication surveys, which were conducted during F2017, are being updated.</p> <p>Implementation of the BAP continued.</p>	<p>Scope of work was done and sent out to service providers for eradication of alien plants. Adjudication completed and awaiting purchase order to recommence with the eradication programme.</p>

Operation	Is the operation in close proximity to area of high biodiversity or protected area?	Bio-diversity study completed	Details of Red Data or protected species	Status of Biodiversity Action Plan (BAP)	Strategies for addressing impact
ARM FERROUS DIVISION					
Cato Ridge Works					
<p>No additional land was disturbed during F2021</p> <p>A total of 108 hectares have been disturbed and not yet rehabilitated.</p> <p>Approval for the water treatment plant/candy filter plant decommissioning and closure was received on 02 August 2021.</p> <p>Rehabilitation of the area will commence in F2022.</p> <p>No communities were resettled in F2021.</p>	<p>Yes. Protected Ngonigoni grasslands, to the south and south-east of the operations.</p>	Yes	<p>Protected Ngonigoni grasslands.</p> <p>The biodiversity study indicated that none of the Red Data species which could potentially occur in the region, actually occur on site.</p>	<p>Completed.</p> <p>A biodiversity impact study confirmed that no significant impact to the Ngonigoni grasslands 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 e-Thekwini Municipality whereby Cato Ridge Works will financially sponsor the Wildlands Trust to conserve grasslands in the Inanda Dam area.</p>	<p>Implementation of the BAP continues.</p>

Sustainability data tables continued

Operation	Is the operation in close proximity to area of high biodiversity or protected area?	Bio-diversity study completed	Details of Red Data or protected species	Status of Biodiversity Action Plan (BAP)	Strategies for addressing impact
ARM FERROUS DIVISION continued					
Machadodorp Works					
<p>No additional land was disturbed during F2021.</p> <p>Total disturbed land is 122 hectares.</p> <p>Approximately 4 hectares have been rehabilitated.</p> <p>Rehabilitation of contaminated land has commenced.</p> <p>No communities were resettled in F2021.</p>	<p>Yes. The smelter is within the proposed Lydenburg Centre of Endemism.</p>	Yes	None	<p>The BAP was completed in F2019.</p> <p>Invader species are monitored and controlled as required.</p>	<p>Implementation of the BAP continues.</p>
Black Rock Mine					
<p>0.05 hectares was disturbed during F2021.</p> <p>A total of 805.1 hectares have been disturbed to date.</p> <p>A total area of 12.46 hectares has been rehabilitated to date.</p> <p>No communities/ fauna were resettled in F2021.</p>	No	Yes	<p><i>Acacia erioloba</i> (Camel thorn), <i>Acacia haerematoxylon</i> (Grey camel thorn) <i>Boscia albitrunca</i> (Shepherd tree), <i>Ammocaris coranica</i> (Karoo lily) and <i>Harpagophytum procumbens</i> (Devils claw). The only threatened mammal species found are bats.</p>	<p>Biodiversity assessment done and currently implementing the recommendations of the action plan.</p>	<p>Implementation of the BAP is in progress (including annual management of alien and invasive vegetation). Monitoring is done on a continual basis. Protection of indigenous plants by ensuring that disturbance authorisations are obtained before disturbing trees or flora.</p> <p>BRMO plant trees as a condition of the tree disturbance licence and additional trees are planted by project leaders to offset for the trees disturbed.</p> <p>A consultant has been appointed to assist with the establishment of an offset area to compensate for the green fields disturbed during the expansion projects.</p>

Operation	Is the operation in close proximity to area of high biodiversity or protected area?	Bio-diversity study completed	Details of Red Data or protected species	Status of Biodiversity Action Plan (BAP)	Strategies for addressing impact
ARM FERROUS DIVISION continued					
Beeshoek Mine					
<p>No land was disturbed during F2021.</p> <p>A total of 1 092 hectares have been disturbed to date.</p> <p>9.36 hectares were rehabilitated during F2021 and a total of 62.59 hectares have been rehabilitated to date.</p> <p>No communities were resettled in F2021.</p>	No	<ul style="list-style-type: none"> • BAP being updated. • Bio-monitoring protocol completed and being implemented. • Species monitoring and data collection plan developed. 	<ul style="list-style-type: none"> • Cape Gecko • Common Rough Gecko • <i>Acacia erioloba</i>, <i>Boscia albitrunca</i> • <i>Aloe hereoensis</i> 	<p>Awareness program developed and being implemented as an ongoing project.</p> <p>Biodiversity goals and objectives developed and are being implemented.</p> <p>Regulatory requirements and biodiversity framework identified through specialist studies. Our adjacent communities are made aware through public participation or engagement meetings.</p> <p>Dry and wet biomonitoring is ongoing as part of the Beeshoek biomonitoring protocol.</p>	<p>The following focus areas continued in F2020:</p> <ul style="list-style-type: none"> • Environmental impact monitoring; • Biodiversity subject matter included in annual and visitor induction programme; • Awareness posters; • Integrating biodiversity into rehabilitation and land-use planning; • Stakeholder engagement and cooperation; and • Improving land management practices (such as grazing or fire management).

Operation	Is the operation in close proximity to area of high biodiversity or protected area?	Bio-diversity study completed	Details of Red Data or protected species	Status of Biodiversity Action Plan (BAP)	Strategies for addressing impact
ARM FERROUS DIVISION continued					
Khumani Mine					
<p>79.89 hectares were disturbed in F2021, bringing the total land disturbed to 3 662.3 hectares.</p> <p>A total of 67.4 hectares have been rehabilitated to date.</p> <p>No communities were resettled in F2021.</p>	No	Yes	<p>Specialist studies conducted over the years identified the following protected flora and fauna species, which are either nationally or provincially protected or both, which are expected to occur within the surface rights of Khumani Mine:</p> <p>FLORA</p> <ul style="list-style-type: none"> • <i>Vachelia erioloba</i> (Camel thorn) • <i>Vachelia haematoxylon</i> (Grey camel thorn) • <i>Boscia albitrunca</i> (Shepherd tree) • <i>Olea aurospora subsp Africana</i> (Wild olive) • <i>Gymnosporia buxifolia</i> (Spike-thorn) • <i>Pergularia daemia</i> (Trellis Vine) • <i>Aloe hereroensis</i> (Sandaalwyn) • <i>Aloe grandidentata</i> (Bontaalwyn) • <i>Aloe claviflora</i> (Kraalaalwyn) • <i>Huermiopsis decipiens</i> (Aasblom) • <i>Orbeopsis lutea</i> (Geelaasblom) • <i>Stapelia olivacea</i> (Swartaasblom) • <i>Hoodia gordonii</i> (Ghaap) • <i>Harpagophytum procumbens</i> (Devil's claw) • <i>Boophone disticha</i> (Sore eye flower) • <i>Ammocharis coranica</i> (Berglelie) • <i>Nerine laticoma</i> (Vlei Lily) • <i>Crinum bulbispermum</i> (Orange river lily) 	Completed – actions implementation in progress.	<p>Impacts managed in terms of commitments of the EMP.</p> <p>Khumani Mine has established a biodiversity offset area in collaboration with the Department of Environmental Affairs and the Department of Nature Conservation in the Northern Cape. The area will be registered as a conservancy.</p>

Sustainability data tables continued

Operation	Is the operation in close proximity to area of high biodiversity or protected area?	Bio-diversity study completed	Details of Red Data or protected species	Status of Biodiversity Action Plan (BAP)	Strategies for addressing impact
ARM FERROUS DIVISION continued					
Khumani Mine continued					
			<p>FLORA continued</p> <ul style="list-style-type: none"> • <i>Babiana hypogaea</i> (Bobbejaanuitjie) • <i>Gladiolus permeabilis</i> subsp. <i>Edulis</i> (Patrysuintjie) • <i>Kalanchoe</i> spp. • <i>Mestoklema arboriforme</i> (Donkievygie) • <i>Oxalis depressa</i> • <i>Adenia repanda</i> • <i>Fockea angustifolia</i> (Kombu) • <i>Lithops aucampiae</i> spp. <i>Aucampiae</i> (Stone plant) <p>FLORA</p> <ul style="list-style-type: none"> • <i>Tragelaphus strepsiceros</i> (Kudu) • <i>Rhaphicerus campestris</i> (Steenbok) • <i>Sylvicapra grimmia</i> (Duiker) • <i>Manis temminckii</i> (Pangolin) • <i>Orycteropus afer</i> (Aardvark) • <i>Atelerix frontalis</i> (South African hedgehog) • <i>Hystrix africaeaustralis</i> (Cape porcupine) • <i>Suricata suricatta</i> (Meerkat) • <i>Xerus inauris</i> (Cape ground squirrel) • <i>Lepus capensis</i> (Cape hare) • <i>Civettictis civetta</i> (African civet) • <i>Felis nigripes</i> (Small spotted cat) • <i>Otocyon megalotis</i> (Bat-eared fox) • <i>Proteles cristatus</i> (Aardwolf) • <i>Lycaon pictus</i> (African wild dog) • <i>Parahyaena brunnea</i> (Brown hyaena) • <i>Panthera pardus</i> (Leopard) • <i>Apis mellifera scutellata</i> (African honey bee) • <i>Chamaeleonidae</i> (Chamaeleons) • <i>Pyxicephalus edulis</i> (African bullfrog) • <i>Pyxicephalus adspersus</i> (Giant bullfrog) • <i>Hadogenes</i> spp (Rock scorpions) • <i>Opistacanthus</i> spp (Creeping scorpions) • <i>Opisthophthalmus</i> spp (Burrowing scorpions) • <i>Ceratogyrus</i> spp (Horned baboon spiders, all species) • <i>Harpactira</i> spp (Common baboon spiders, all species) • <i>Pterinochilus</i> spp (Goldenbrown baboon spiders, all species) • <i>Python sebae</i> (African rock python) • <i>Coracias garrulous</i> (European roller) • <i>Neotis ludwigii</i> (Ludwig's bustard) • <i>Elanus caeruleus</i> (Black-shouldered kite) • <i>Falco chicquera</i> (Red-necked falcon) • <i>Falco vespertinus</i> (Red-footed falcon) • <i>Aquila verreauxii</i> (Black eagle) • <i>Polemaetus bellicosus</i> (Martial eagle) • <i>Gyps africanus</i> (White-backed vulture) • <i>Aegypius tracheliotus</i> (Lapped-faced vulture) 		

Glossary

AA1000APS	Accountability Principles Standard 2008
ABC	Anti-Fraud Bribery and Corruption
AET	Adult Education and Training
AFS	Annual Financial Statements
AGM	Annual General Meeting
Aids	Acquired Immune Deficiency Syndrome
AMCU	Association of Mineworkers and Construction Union
AMMSA	The Association of Mine Managers South Africa
AR	Absentee Rate
ARM	African Rainbow Minerals Limited
ART	Anti-Retroviral Treatment
ASM	Artisanal and Small-scale Mining
BAP	Biodiversity Action Plan
BCEA	Basic Conditions of Employment Act
BCM	Business Continuity Management
BEE	Black Economic Empowerment
B-BBEE	Broad-Based Black Economic Empowerment
BUSA	Business Unity South Africa
CCM	Critical Control Management
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CGR	Corporate Governance Report
CoGP	Codes of Good Practice
COP	Code of Practice
CPI	Consumer price index
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
CTC	Cost-to-company
CTF	Culture Transformation Framework
CTPV	Coat Tar Pitch Volatiles
Cu	Copper
CVT	Counselling and Voluntary Testing
dB	Decibels
DFFE	Department of Forestry, Fisheries and the Environment
DMP	Disease management plan
DMRE	Department of Mineral Resources and Energy
DOH	Department of Health
DOEL	Department of Employment and Labour
dti	Department of Trade and Industry

Glossary continued

EAP	Economically Active Population
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECA	Export Credit Agency
EE	Employment Equity
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transport Initiative
EMEs	Exempt Micro Enterprises
EMP	Environmental Management Plan
EMPR	Environmental Management Programme Report
EMS	Environmental Management System
EQ	Emotional Intelligence
ESG	Environmental, Social and Governance
ERM	Enterprise Risk Management
ETQA	Education and Training Quality Assurance
EVG&D	Economic Value Generated & Distributed
EVP	Employee Value Proposition
FAPA	The Ferro Alloy Producers' Association
F2021	Financial year from 1 July 2020 to 30 June 2021, and so on
Fe	Iron
FFR	Fatality Frequency Rate
FTE	Full-Time Employees
GDP	Gross Domestic Product
GGV	Goedgevonden
GJ	Gigajoules
GJ/FTE	Gigajoules of energy per full-time employee
GHG	Greenhouse Gas
GHS	Globally Harmonised System
GISTM	Global Industry Standard on Tailings Management
GRI	Global Reporting Initiative
GTR	Global Tailings Review
GWP	Global Warming Potential
HAP	Hazardous Air Pollutants
HDSAs	Historically Disadvantaged South Africans
HDP	Historically Disadvantaged Persons
HIV	Human Immunodeficiency Virus
HLC	Housing and Living Conditions
HR	Human Resources
IAR	Integrated Annual Report
ICDA	International Chrome Development Association
ICMM	International Council on Mining and Metals

IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IMI	International Mining Industry Underwriters
IMnI	International Manganese Institute
IOM	Institute of Medicine
IPT	Isoniazid Preventative Therapy
IQ	Intellectual capacity
ISO	International Organisation for Standardisation
IR	Injury Rate
IT	Information Technology
IUCMA	Inkomati Usuthu Catchment Management Agency
IUCN	International Union for Conservation of Nature
JSE	Johannesburg Stock Exchange Ltd
JV	Joint Venture
King IV	King Report on Governance for South Africa 2016 and the King Code of Governance Principles
KPI	Key Performance Indicator
LCSAP	Lead Certified Sustainability Assurance Practitioner
LDR	Lost Day Rate
LED	Local Economic Development
LOM	Life of Mine
LTI	Lost-time Injury
LTI	Long-term incentives
LTIFR	Lost-time Injury Frequency Rate
MBOD	Medical Bureau for Occupational Diseases
MCA	Minerals Council of Australia
MCSA	Minerals Council South Africa
MDR PTB	Multi-Drug Resistant Pulmonary Tuberculosis
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MHSA	Mine Health and Safety Act
MHSC	Mine Health and Safety Council
MLF	Mines Leadership Forum
MMSD	(GRI) Mining and Metals Sector Disclosures
MMSS	(GRI) Mining and Metals Sector Supplement
Mn	Manganese
MOSH	Mining Industry Occupational Safety and Health
MOU	Memorandum of Understanding
MPRDA	Mineral and Petroleum Resources Development Act
MQA	Mining Qualifications Authority
NBI	National Business Initiative

Glossary continued

NDP	National Development Plan
NEMA	National Environmental Management Act
NGO	Non-Governmental Organisation
NCID	National Institute of Communicable Disease
NIHL	Noise-Induced Hearing Loss
NOx	Nitrogen Oxides
NPO	Non-profit Organisation
NSP	National Strategic Plan (for South Africa)
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
NWA	National Water Act
ODR	Occupational Disease Rate
ODS	Ozone-Depleting Substances
OHSA	Occupational Health and Safety Act
OHSAS 18001	Occupational Health and Safety Assessment Series
ORWRDP	Olifants River Water Resources Development Project
OTB	On target bonus
PBIT	Profit before interest and taxes
PCB	Participating Coal Business
PCR	Polymerase Chain Reaction
PE	Performance Expectations
PGMs	Platinum Group Metals
PHC	Primary Health Care
PLH	Percentage Loss of Hearing
PM	Particulate Matter
POP	Persistent Organic Pollutants
PPE	Personal Protective Equipment
PRI	Principles for Responsible Investment
PTB	Pulmonary Tuberculosis
PV	Photovoltaic
RA&T	Risk appetite and tolerance
PWD	People with Disabilities
QSEs	Qualifying Small Enterprises
RIFR	Reportable Injury Frequency Rate
RO	Reverse Osmosis
ROI	Return on Investment
RUT	Rural Upliftment Trust
SABPP	South African Board for People Practices
SAMREC	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves

SANAS	South African National Accreditation System
SANS	South African National Standard
SAWIS	South African Waste Information Centre
SD	Sustainable Development
SDGs	Sustainable Development Goals
SED	Socio-Economic Development
SENS	Stock Exchange News Service
SETA	Sector Education and Training Authority
SHE	Safety, Health and Environment
SHEQ	Safety, Health, Environment and Quality
SLP	Social and Labour Plan
SMME	Small, Medium and Micro Enterprise
SOx	Sulphur Oxides
SOP	Standard Operating Procedures
SR	Sustainability Report
STI	Sexually Transmitted Infections
STI	Short-term incentives
TB	Tuberculosis
TCFD	Task Force on Climate-related Financial Disclosures
TPI	Transition Pathways Initiative
TRI	Total Recordable Injuries
TRIFR	Total Recordable Injury Frequency Rate
TSF	Tailing Storage Facility
UASA	United Association of South Africa
UIF	Unemployment Insurance Fund
UN	United Nations
UNEP	United Nations Environment Programme
UNGC	United Nations Global Compact
UN SDGs	United Nations Sustainable Development Goals
URTI	Upper Respiratory Tract Infections
VAT	Value-added tax
VGGWSS	Vaal Gamagara Water Supply Scheme
VOC	Volatile Organic Compounds
VWAP	Volume weighted average price
WAF	Water Accounting Framework
WASH	Water, Sanitation and Hygiene
WHO	World Health Organisation
WMA	Water management Area
WUL	Water Use Licence
XDR PTB	Extensively Drug Resistant Pulmonary Tuberculosis

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AK Maditsi*
J Magagula
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Forward-looking statements

Certain statements in this document constitute forward-looking statements that are neither reported financial results nor other historical information. They include statements that predict or indicate future earnings, savings, synergies, events, trends, plans or objectives. Such forward-looking statements may or may not take into account and may or may not be affected by known and unknown risks, uncertainties and other important factors that could cause actual results, performance or achievements of the company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, particularly environmental, health and safety and tax regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; electricity supply disruptions, constraints and cost increases; supply chain shortages and increases in the price of production inputs; the unavailability of mining and processing equipment or transportation infrastructure; the impact of the Covid-19 pandemic; and the impact of tuberculosis. The forward-looking statements apply only as of the date of publication of these pages. The company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of these pages or to reflect any unanticipated events.

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