



**Environmental, social and
governance report**

2022



Our 2022 suite of reports

IAR

2022 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

2022 annual financial statements

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

ESG

2022 ESG report

A detailed review of our performance on 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

2022 climate change and water report

A detailed review of our performance on our key climate change and water matters, in line with the Taskforce on Climate-related Financial Disclosures (TCFD).

KING

2022 King IV™* application register

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

MRMR

2022 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

2022 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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Information available on our website www.arm.co.za



Information available elsewhere in our reports



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.

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. It also produces manganese alloys and has a strategic investment in gold through Harmony Gold Mining Company Limited (Harmony Gold).

Contents



Overview

About our ESG report	2
Reporting in terms of the ICMM performance expectations and mining principles	4
Context, frameworks and reporting	6
Our strategy	8
Where we operate	12
Our value contribution	14
Value distributed	15
Sustainability performance for 2022	16
Social and ethics committee chairman's report	18
Chief executive officers' statement	24

Our approach to ESG and value creation

Our approach to sustainable value creation	30
Governance overview	32
Enterprise risk management	34
Stakeholder engagement	42

Environment

Environment overview	52
Climate change and energy	56
Water	64
Waste management	70
Responsible management of tailings storage facilities	72
Atmospheric pollution	76
Land use management and biodiversity	76

Social

Our people	79
Safety	80
Occupational health and wellness	85
Human resources management	94
Our social impact	106

Governance

Corporate governance	114
Risk management	140
IT governance	146
Remuneration report	152
Independent assurance statement	190

Supplementary information

Glossary	194
Contact details	IBC



ARM's reporting against the United Nations Global Compact, sustainability data tables, the United Nations Sustainable Development Goals (SDGs) and GRI index are available on www.arm.co.za

About our ESG report

The African Rainbow Minerals Limited (ARM or the company) 2022 environmental, social and governance (ESG) report is part of our 2022 reporting suite and should be read with the ARM 2022 integrated annual report (IAR) and the 2022 climate change and water report (available on www.arm.co.za). The IAR is our primary report, providing information on the company's financial and operational performance to meet the needs of shareholders, potential investors and other providers of capital.

This ESG report provides additional information for stakeholders about our ESG practices and performance for the financial year 1 July 2021 to 30 June 2022 (F2022). It includes cross references to additional information on relevant issues in other reports, such as the ARM climate change and water report and the GRI content index on our website.

Reporting guidelines

The ESG reporting process is informed by relevant regulatory guidelines, frameworks, industry initiatives and codes of good practice applicable to the South African mining sector. These are detailed on pages 6 and 7.

Disclosures in this report focus on our most material matters, guided by the member requirements of the International Council on Mining and Metals (ICMM), GRI Sustainability Reporting Standards (core option) and GRI mining and metals sector supplement. Our approach to ESG is also informed by industry initiatives and good practice, guidelines and frameworks including:

- The Extractive Industries Transparency Index (EITI)
- The FTSE/JSE Responsible Investment Index

- The South African National Strategic Plan (NSP) 2017-2022
- South Africa's National Development Plan (NDP)
- The United Nations Global Compact
- The ICMM Sustainable Development Framework
- Initiatives under the Minerals Council South Africa (MCSA).

Determining materiality

During F2022, a series of engagements, including independently facilitated workshops, with ARM's senior executives were conducted to identify material matters for ARM's 2022 IAR and ESG report, and to inform the reporting process. The workshop considered ARM's value-creation process, dependencies and impacts, factors that affect value creation and the impact of these aspects on our strategy. The outcomes defined the material matters that shaped the contents of the IAR and disclosures in this report.

Boundary and basis for inclusion

In previous years, we calculated and reported on emissions according to ARM's equity share (attributable emissions) in the operations where we have operational or joint operational

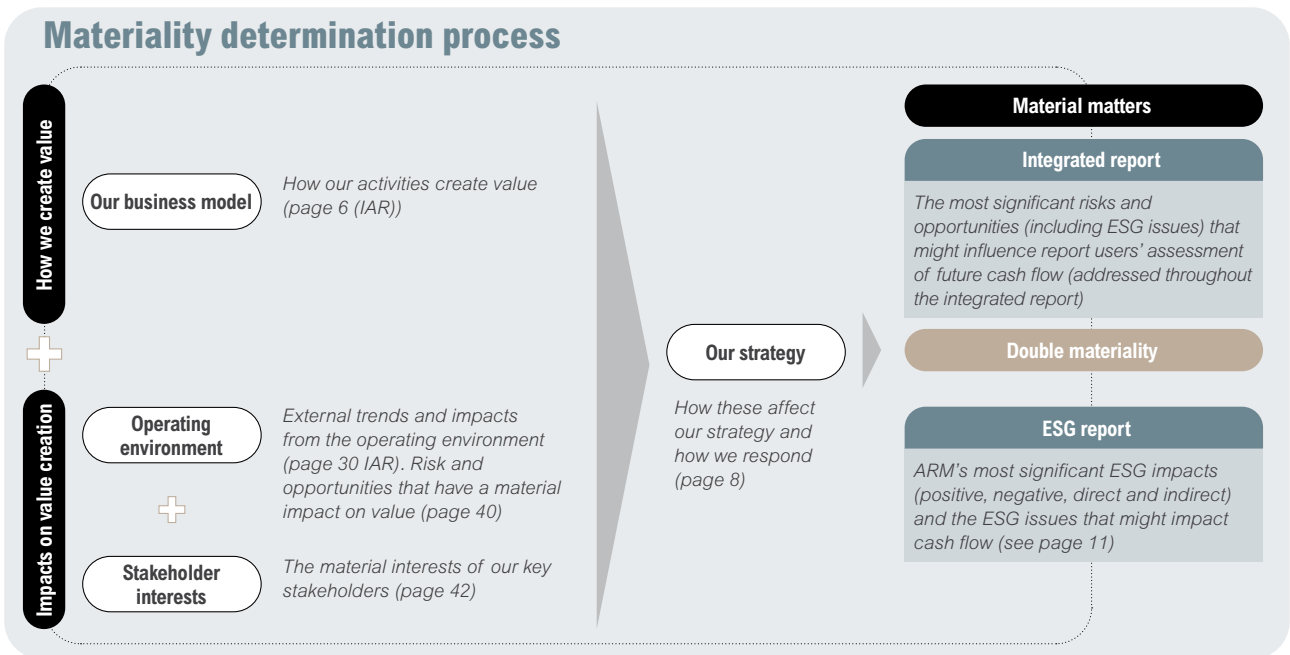
control. This year, after benchmarking both our peers and joint-venture partners, and in line with stakeholder expectations, we have shifted to reporting on an operational control basis. This means our emissions are now reported on a 100% basis for operations where we have direct or joint management control.

Combined assurance

The combined assurance model (page 140) draws from the ARM enterprise risk management (ERM) processes, internal and external audit processes, and assurance from specialists/subject-matter experts. It ensures a coordinated and integrated approach that identifies potential gaps and duplication in assurance, and reinforces comprehensive risk-based assurance processes and reporting.

Independent assurance was provided by IBIS ESG Consulting Africa (Pty) Ltd over certain information in this report in accordance with AccountAbility's AA1000AS v3 (2020) (AA1000AS) type II moderate assurance requirements. IBIS reviewed the reporting process and assessed the report against the AccountAbility principles of inclusivity, materiality, responsiveness and impact.

The process combined content-based and indicator-based assurance. Content-based assurance in line with



the ICMM Assurance and Validation Procedure tests assertions for plausibility (likelihood of being true) and/or supportability (whether there is evidence to support them) to assess the report's completeness in terms of GRI Sustainability Reporting Standards. Indicator-based assurance reviews selected ESG indicators for accuracy, completeness, consistency and reliability. The engagement included site visits to Cato Ridge, Two Rivers Platinum (TRP), Modikwa, Beeshoek and Khumani mines.

The independent assurance statement is presented on pages 190 to 192.

Consistency of disclosure

The ESG data in this report covers ARM's activities for F2022 on a 100% basis (as if ARM owned 100% of all operations), except for:

- Pulmonary tuberculosis (PTB) infection and cure rates, which are reported for calendar 2021 to align with legislation on these disclosures.
- The total workforce figure used for

occupational health and safety statistics is the average of 19 581 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 IAR of 21 610 is the headcount at 30 June 2022.

Certain historical data has been updated to correct information (pages 16, 60 and on www.arm.co.za).

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 reviewed the ESG

report and believes that, read together with the 2022 IAR and 2022 climate change and water 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

7 October 2022

Reporting in terms of the ICMM performance expectations and mining principles

ARM is proud to be a member of the International Council on Mining and Metals (ICMM) and shares its commitment to mining with principles. Since F2010, we have reported in terms of the ICMM's original ten sustainable development principles and position statements. The report of the independent assurance provider on page 190 provides an opinion on this report's alignment with ICMM subject matters 1 to 5:

- **ICMM subject matter 1:** The alignment of ARM's sustainability policies, management standards and procedures to the ICMM principles, any mandatory requirements set out in ICMM position statements and the performance expectations (PEs).
- **ICMM subject matter 2:** ARM's material sustainability risks and opportunities based on its own review of the business and the views and expectations of its stakeholders.
- **ICMM subject matter 3:** ARM's implementation of systems and approaches used to manage its identified material sustainable development risks and opportunities.
- **ICMM subject matter 4:** ARM's reported performance during the reporting period for the identified material sustainability risks and opportunities.
- **ICMM subject matter 5:** ARM's description of the prioritisation process for the selection of assets for PE validation.

In response to increasing societal expectations of the mining and metals industry, the ICMM launched enhanced membership requirements in 2020 that further strengthen members' social and environmental requirements, underpinned by the 38 PEs. These support progress



towards the global targets of the UN SDGs and the Paris agreement on climate change.

The enhanced requirements include robust asset-¹ 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. They require self-assessment of all subject assets

once every three years and third-party validation of prioritised assets within a three-year validation cycle.

By September 2022, members must complete self-assessments for all assets and prioritise assets for validation in the first three-year cycle. We will conduct external validation of the PEs at a site level over a three-year cycle, consistent with our assurance cycle.

ARM's progress in implementing the PEs

F2019 ARM piloted self-assessment of PEs at two assets to familiarise and educate the operations as part of the external assurance process.

F2020 Self-assessments conducted at Khumani, Two Rivers and Black Rock mines, as well as at ARM corporate under guidance of the external assurance team.

F2021 Self-assessments at Beeshoek Mine, Modikwa Mine and Cato Ridge Works as well as ARM corporate. The reasonableness and authenticity of assertions made in these self-assessments was independently validated by the third-party sustainability assurance provider.

F2022 Self-assessments at Cato Ridge Works, Khumani and Two Rivers mines, and ARM Corporate. Independent third-party validation by the ESG report assurance provider.

Validation identified that ARM corporate and the sampled operations are aligned with most of the PEs, and gaps in alignment are being addressed.

¹ The ICMM defines an asset as operations involved in the production or refining of minerals and metals for sale or further processing. It may comprise several sites in different locations under the same management control which support the production and sale.

As a member of the ICMM, ARM subscribes to the Extractive Industries Transparency Initiative (EITI) – a global standard promoting transparency and the management of revenues from natural resources.

The graphic below provides references to where ARM's alignment with the ICMM's mining principles are discussed.

Mining principle	Reference
 <p>1 ETHICAL BUSINESS</p>	<p><i>Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.</i></p> <p>Social and ethics committee chairman's report (page 18) Our approach to sustainable value creation (page 30) Comment from sustainability assurance provider (page 32)</p>
 <p>2 SUSTAINABLE PLANNING</p>	<p><i>Integrate sustainable development in corporate strategy and decision-making processes.</i></p> <p>Executive chairman's report (IAR) (page 22) Social and ethics committee chairman's report (page 18) Our approach to sustainable value creation (page 30)</p>
 <p>3 HUMAN RIGHTS</p>	<p><i>Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.</i></p> <p>Social and ethics committee chairman's report (page 18) Our approach to sustainable value creation (page 30) Comment from sustainability assurance provider (page 32)</p>
 <p>4 RISK MANAGEMENT</p>	<p><i>Implement effective risk-management strategies and systems based on sound science, and which account for stakeholder perceptions of risk.</i></p> <p>Our approach to sustainable value creation (page 30) Enterprise risk management (page 34)</p>
 <p>5 HEALTH AND SAFETY</p>	<p><i>Pursue continual improvement in health and safety performance with the ultimate goal of zero harm.</i></p> <p>Executive chairman's report (IAR) (page 22) Social and ethics committee chairman's report (page 18) Safety (from page 80) Occupational health and wellness (from page 85)</p>
 <p>6 ENVIRONMENTAL PERFORMANCE</p>	<p><i>Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.</i></p> <p>Environment (from page 51) Climate change and water report</p>
 <p>7 CONSERVATION OF BIODIVERSITY</p>	<p><i>Contribute to the conservation of biodiversity and integrated approaches to land-use planning.</i></p> <p>Environment (from page 51) Sustainability data tables (biodiversity management) (available on our website)</p>
 <p>8 RESPONSIBLE PRODUCTION</p>	<p><i>Facilitate and support the knowledge base and systems for responsible design, use, reuse, recycling and disposal of products containing metals and minerals.</i></p> <p>Our value chain (page 111)</p>
 <p>9 SOCIAL PERFORMANCE</p>	<p><i>Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.</i></p> <p>Our value contribution (page 14) Human resources management (from page 94) Community impacts (from page 106) Stakeholder engagement (from page 42)</p>
 <p>10 STAKEHOLDER ENGAGEMENT</p>	<p><i>Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner, effectively report and independently verify progress and performance.</i></p> <p>Stakeholder engagement (page 42)</p>

Context, frameworks and reporting

We consider sustainable value creation in the context of:

Industry initiatives and good practice

The Minerals Council South Africa (MCSA)



MINERALS COUNCIL
SOUTH AFRICA

ICMM
International Council
on Mining & Metals

**SUSTAINABLE
DEVELOPMENT
FRAMEWORK**

Principles

Position statements

Performance expectations

Corporate SD reporting and assurance,
PE validation and disclosure

Guidelines and frameworks

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

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ICMM
International Council
on Mining & Metals

**MINING WITH
PRINCIPLES**



EITI Extractive
Industries
Transparency
Initiative

Relevant legislation

Environment



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)

Human resources management



Skills Development Act

Employment Equity Act

MPRDA

Basic Conditions of Employment Act

Labour Relations Act

Disaster Management Act

Protection of Personal Information Act (POPIA)

Safety and occupational health



Mine Health and Safety Act (MHSA)

Occupational Health and Safety Act (OHSA)

Mining Charter III

MPRDA

Disaster Management Act

Occupational Diseases in Mines and Works Act

Compensation for Occupational Injuries and Diseases Act

Communities and transformation



MPRDA

Mining Charter III

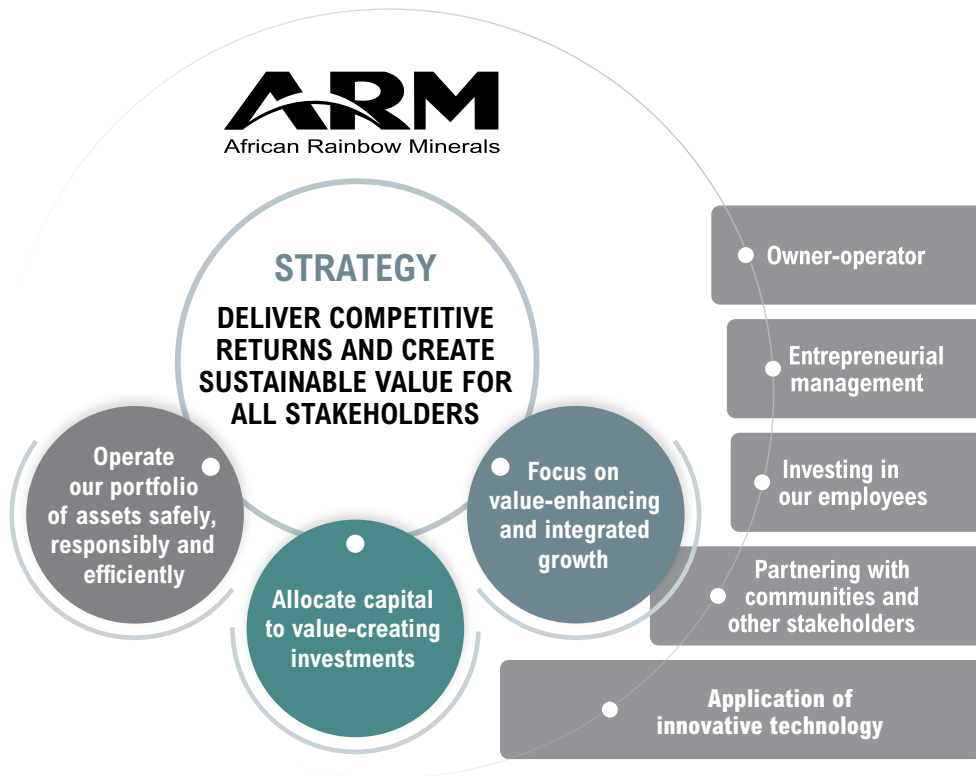
Department of Trade, Industry and Competition revised Codes of Good Practice (dtic CoGP)

Compensation for Occupational Injuries and Diseases Act




Our strategy

Deliver competitive returns and sustainable value




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



Underpinned by principles of:

Principle	RESPONSIBLE	RESILIENT	READY
	 <p>Operate our portfolio of assets safely, responsibly and efficiently</p>	 <p>Allocate capital to value-creating investments</p>	 <p>Focus on value-enhancing and integrated growth</p>
Strategic objectives	<p>Value protection: responsible and efficient management of key assets and people</p> <ul style="list-style-type: none"> Ensuring a safe and healthy working environment Driving operational efficiencies – containing unit cost increases, considering innovation and appropriate fit-for-purpose technology to ensure competitive position on global cost curve Enhancing relationships and engagement with our key stakeholders, driving positive impact with a lasting legacy in our host communities Partnering with our people, and investing in their personal and professional wellbeing, development, and advancement Remaining responsible stewards of our environment. 	<p>Value creating and sustaining: prudent management of financial capital</p> <ul style="list-style-type: none"> Ensuring efficient and effective allocation of financial capital Managing a robust financial position that enables us to be flexible and resilient Maintaining good governance practices to ensure effective management of financial capital Integrating ESG criteria into investment decision making as an underlying foundational base, to ensure positive change. 	<p>Value enhancing and enabling: investing in growth and innovation, supporting a stable, agile and future-fit operating environment</p> <ul style="list-style-type: none"> Driving innovation and seizing value-accretive opportunities for growth Using our influence to encourage broader positive change.
How	<ul style="list-style-type: none"> Continuing to invest in sustaining and optimising our operations Investing in our people, including focusing on attracting, developing and retaining talent, and ensuring diversity, equity, and inclusion Investing in plant and equipment and efficiency-improvement technologies Reducing greenhouse gas emissions as part of our broader commitment in support of a just transition Investing in host communities investment to ensure a lasting legacy Engaging with stakeholders Managing our tailings responsibly Ensuring adequate provision for environmental rehabilitation Maintaining the highest standards of governance. 	<ul style="list-style-type: none"> Paying ordinary dividends to shareholders Investing in value-accretive growth opportunities that meet ARM's hurdle rates Buying our own shares if appropriate, and benchmarking investment opportunities to returns of a share buyback. 	<ul style="list-style-type: none"> Supporting inclusive business opportunities in communities Driving the shift to net zero GHG emissions from mining by 2050 Promoting the uptake of a circular economy Focusing on local procurement and preferential procurement from women/youth-owned businesses Continuing to assess current portfolio for disposal opportunities or points of exit Investing in a transition economy Researching and investing in technology-enabling opportunities.

Our strategy continued

Principle	RESPONSIBLE	RESILIENT	READY
Measurable outcome	 <p>Operate our portfolio of assets safely, responsibly and efficiently</p> <ul style="list-style-type: none"> • Zero fatalities reduction and improvement in lost-time injury frequency rate • Elimination of occupational illnesses • Position on global margin curves • Unit-cost increases at each operation relative to mining inflation • Reduction of GHG emissions • Transformation targets (beyond compliance) • Appropriate and impactful corporate social investment (CSI) and local economic development (LED) spend • Responsible water usage • Investment in employee training, development and their advancement • Reduce/minimise employee turnover • Adequate environmental rehabilitation provisions. 	 <p>Allocate capital to value-creating investments</p> <ul style="list-style-type: none"> • Returns on capital investment including net present value (NPV), internal rate of return (IRR) and payback period • Benchmarking returns from investment opportunities to returns from share buybacks • Dividends • Total shareholder returns • Net cash/(debt) position • Debt funding capacity • Investing in value-accretive growth opportunities that meet ARM's strategic imperatives. 	 <p>Focus on value-enhancing and integrated growth</p> <ul style="list-style-type: none"> • Returns including IRRs, NPV, payback periods • Successful commercialisation of more efficient smelting technology • Optimised energy consumption in smelting process • Local and preferential procurement spend and number of SMMES supported • Impact and sustainability of community investment • Year-on-year reduction in GHG emissions and decarbonisation pathways • Investment in skills training.

ENABLED BY

Owner-operator approach | Entrepreneurial management | Investing in our employees | Partnering with communities and other stakeholders | Application of innovative technology

UNDERPINNED BY OUR VALUES

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

This report focuses on the following material matters arising from our strategic priorities:






ENVIRONMENT

- Climate change
- Energy
- Water
- Atmospheric pollution
- Land use management
- Responsible tailings management.

SOCIAL

- Safety
- Occupational health and wellness
- Human resources management
- Communities.

As a responsible mining company, ARM is contributing positively to the implementation of almost all of the SDGs in many ways, and the detail of this is provided on our website. However, the above material matters are aligned with the following SDGs:

SDG (Goal)	ARM indicators
 3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote wellbeing for all at all ages	1 Pulmonary tuberculosis (TB) 2 HIV prevalence 3 Employees and contractors receiving antiretroviral therapy (ART) 4 Number of fatalities 5 LTIFR 6 Percentage of employees and contractors vaccinated against Covid-19
 4 QUALITY EDUCATION Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	1 Training spend per employee 2 Training days per employee 3 Training spend as a % of payroll 4 Adult education and training (AET) 5 Bursaries given 6 Bursars employed 7 Bursaries to children of employees 8 Studies funded for employees
 5 GENDER EQUALITY Achieve gender equality and empower all women and girls	1 Workforce breakdown at organisational level by race and gender 2 Women representation in the workforce (%) 3 Women representation in management (%) 4 Women representation on the board (%)
 6 CLEAN WATER AND SANITATION Ensure availability and sustainable management of water and sanitation for all	1 Water recycling and reuse 2 Water use efficiency 3 Water stress 4 Water reuse efficiency (%) 5 Water supplied to neighbouring communities, farms and other users (m ³)
 7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all	1 Energy consumption intensity per unit of output per commodity
 8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	1 Value-added, net value-added 2 Fatality frequency rate (FFR); lost-time injury frequency rate (LTIFR); total recordable injury frequency rate (TRIFR) 3 Percentage of workforce belonging to a trade union 4 Number of employees and contractors 5 Procurement of goods and services from host communities (R billion)
 9 INDUSTRY INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	1 Percentage of local procurement 2 Percentage of procurement from women and youth owned businesses
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns	1 Hazardous waste 2 Recycled waste
 13 CLIMATE ACTION Climate action	1 Scope 1 and 2 GHG emissions 2 Reduction in GHG emissions from GHG reduction initiatives
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	1 Number of board meetings and attendance rate 2 Board members by age range 3 Number of committee meetings and attendance rate 4 Total compensation per board member (executive and non-executive directors) 5 Value of corruption-related fines paid or payable due to settlements 6 Average number of hours of training in anti-corruption issues per employee per year (as total hours of training in anti-corruption issues per year divided by total employees)
 17 PARTNERSHIPS FOR THE GOALS Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development	1 Taxes and other payments to the government 2 Community investment

Where we operate

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



¹ The acquisition of Bokoni Mine became effective after the financial year-end on 1 September 2022.

Khumani

Iron ore

◆	Open-pit mechanised mine
●	13.1Mt iron ore
LoM	24 years
EMPL	3 792
LTIFR	0.20
Scope 1 and 2 tCO ₂ e emissions	324 042tCO ₂ e
Water withdrawal	4.7 million m ³
CSI and LED spend	R43.7 million

IAR page 72

Beeshoek

Iron ore

◆	Open-pit mechanised mine
●	3.1Mt iron ore
LoM	13 years
EMPL	1 242
LTIFR	0.06
Scope 1 and 2 tCO ₂ e emissions	78 469tCO ₂ e
Water withdrawal	5.0 million m ³
CSI and LED spend	R13.1 million

IAR page 72

Nchwanging and Gloria (collectively Black Rock)

Manganese ore

◆	Underground mechanised mine
●	4.1Mt manganese ore
LoM	>30 years
EMPL	5 316
LTIFR	0.13
Scope 1 and 2 tCO ₂ e emissions	178 592tCO ₂ e
Water withdrawal	1.7 million m ³
CSI and LED spend	R32.2 million

IAR page 72

Cato Ridge

Ferromanganese

◆	Smelter
●	175 000t ferromanganese
EMPL	663
LTIFR	0.33
Scope 1 and 2 tCO ₂ e emissions	665 135tCO ₂ e
Water withdrawal	0.3 million m ³
CSI and LED spend	R1.8 million

IAR page 72

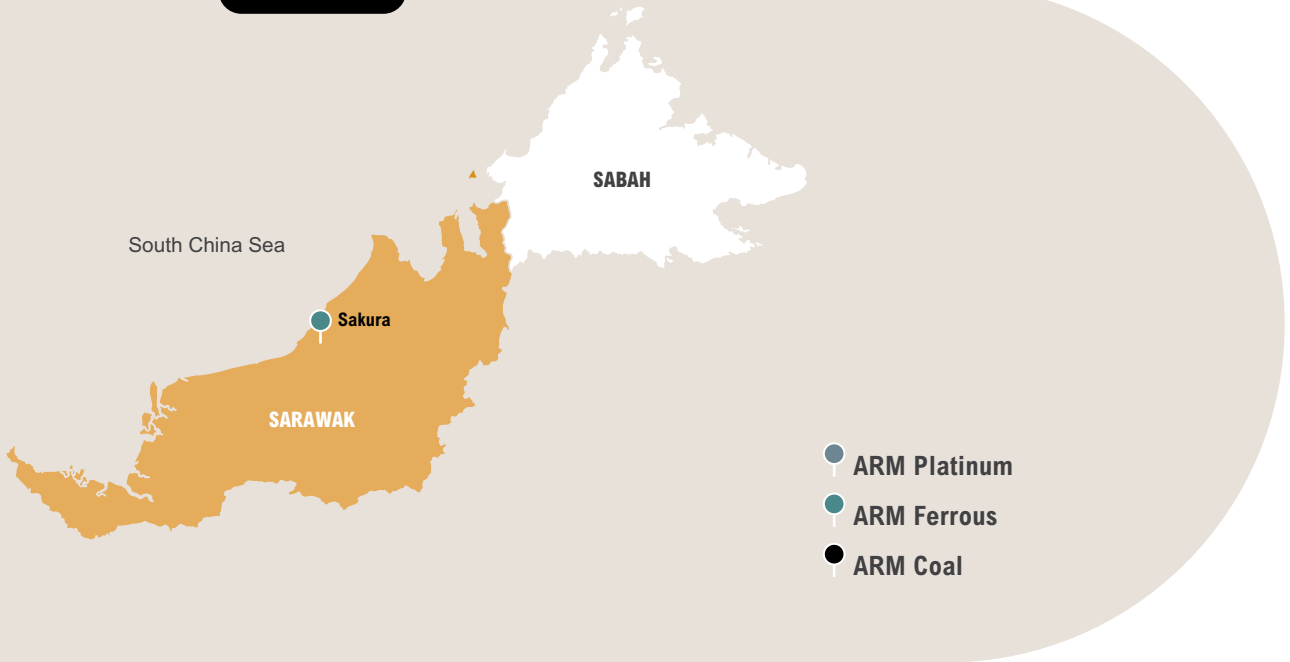
Machadodorp Works

Ferrous


◆	Smelter
●	Currently being utilised to develop energy-efficient smelting
EMPL	240
LTIFR	0.68
Scope 1 and 2 tCO ₂ e emissions	13 827tCO ₂ e
Water withdrawal	0.08 million m ³
CSI and LED spend	R1.1 million

◆ Mine/operation type
 ● F2022 production volumes (100% basis)
 LoM approximate life-of-mine (* including resources not yet converted to reserves)
 EMPL number of employees at 30 June 2022 (full-time employees and contractors)
 LTIFR F2022 lost-time injury-frequency rate (LTIFR) per 200 000 man-hours
 Mt million tonnes t tonnes oz ounces
 PGM platinum group metals
 LED local economic development spend
 CSI corporate social investment spend
Note: Scope 1 and 2 tCO₂e emissions, water withdrawal, CSI and LED spend shown on a 100% basis

MALAYSIA



Nkomati




Nickel (By-products including PGM, chrome, copper and cobalt)

◆	Open-pit mechanised mine
●	Currently on care and maintenance
LoM	Currently on care and maintenance
EMPL	118
LTIFR	0
Scope 1 and 2 tCO ₂ e emissions	8 245tCO ₂ e
Water withdrawal	0.2 million m ³

IAR page 62

Modikwa



6E PGM metals

◆	Underground mine
●	295 000 6E PGM ounces
LoM	>30 years*
EMPL	5 478
LTIFR	0.58
Scope 1 and 2 tCO ₂ e emissions	342 236tCO ₂ e
Water withdrawal	4.2 million m ³
CSI and LED spend	R16.9 million

IAR page 62

Two Rivers Mine



6E PGM metals

◆	Underground mechanised mine
●	302 000 6E PGM ounces
LoM	>30 years*
EMPL	4 495
LTIFR	0.25
Scope 1 and 2 tCO ₂ e emissions	268 550tCO ₂ e
Water withdrawal	1.5 million m ³
CSI and LED spend	R40.1 million

IAR page 62

Sakura Ferroalloys




Ferromanganese

◆	Smelter
●	191 000t ferromanganese
EMPL	Not reported by ARM
LTIFR	Not reported by ARM
Scope 1 and 2 tCO ₂ e emissions	Not reported by ARM
Water withdrawal	Not reported by ARM
CSI and LED spend	Not reported by ARM

IAR page 72

Goedgevonden (GGV)



Thermal coal

◆	Open-pit mechanised mine
●	6.3Mt saleable thermal coal
LoM	24 years
EMPL	Not reported by ARM
LTIFR	Not reported by ARM
Scope 1 and 2 tCO ₂ e emissions	Not reported by ARM
Water withdrawal	Not reported by ARM
CSI and LED spend	Not reported by ARM

IAR page 84

Participative Coal Business (PCB)



Thermal coal

◆	Open-pit and underground mechanised mine
●	10.2Mt saleable thermal coal
LoM	12 years
EMPL	Not reported by ARM
LTIFR	Not reported by ARM
Scope 1 and 2 tCO ₂ e emissions	Not reported by ARM
Water withdrawal	Not reported by ARM
CSI and LED spend	Not reported by ARM

IAR page 84

Our value contribution

ARM Ferrous produces iron ore, manganese ore and alloys that, together with nickel, are used to make steel

Steel is the backbone of the modern economy. It is essential in infrastructure development, multiple products and the equipment used in industries that drive economic growth, job creation and the lower carbon economy, including:

- Motor vehicles
- White goods
- Wind turbines
- Water and energy distribution systems
- Transport infrastructure
- Alternative energy systems
- Information technology
- Various industrial and medical applications.

ARM Platinum produces PGMs, including platinum, palladium, rhodium, ruthenium and iridium, plus smaller quantities of gold, nickel and copper

PGMs are used in a broad range of industrial and consumer applications that touch our lives daily, including:

- Autocatalysts
- Jewellery
- Electronics
- Laboratory equipment
- Dental equipment
- Chemical reagents.

How our products contribute to a low-carbon future

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
- Autocatalytic converters use PGMs to reduce harmful GHG emissions in vehicles.

Green energy solutions and enabling the hydrogen economy

- Steel is an essential component of wind turbines and energy-distribution infrastructure
- Platinum is used in hydrogen fuel cells to generate energy from hydrogen and oxygen where water is the only emission. Hydrogen fuel cell electric vehicles offer a zero-emissions alternative to the internal combustion engine.

Storing energy efficiently

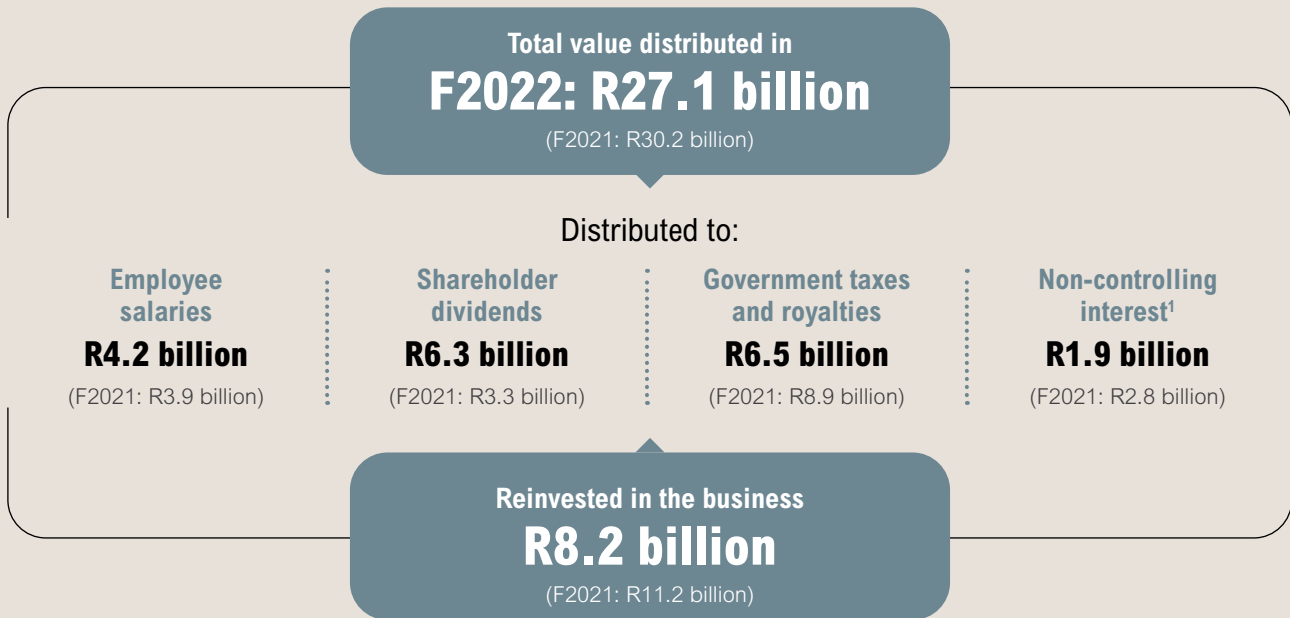
- Lithium-ion energy storage supports the growth of renewable energy and electro-mobility. Our nickel and manganese are used in these batteries.

Responsible stewardship of South Africa's coal assets

Electricity in South African is predominantly derived from coal-fired power stations. ARM's portfolio includes coal operations that supply these power stations. There is considerable sensitivity around thermal coal and its environmental impact. We believe responsible stewardship of the country's coal assets remains vital for the medium term given its current high dependency on coal to provide energy to industry and the population, and a just transition to renewable energy is appropriate.

Value distributed

The value created by our activities is distributed to a range of stakeholders. In F2022, R27.1 billion of financial value on a segmental basis was distributed as illustrated below.



¹ This relates to profit attributable to the non-controlling interests.

Contributions from ARM operations over the last five years (100% basis unless otherwise stated) included:

R25.2 billion paid as taxes and royalties¹

R783 million invested in community development

757 bursaries provided

Paid **R19.6 billion¹** to employees as salaries, wages and benefits

Invested **R1.1 billion** in training initiatives to improve the skills of employees

R33 billion paid in procurement. Preferential procurement at the operations aims to increase procurement of goods and services from HDSA, women- and youth-owned companies

Providing employment for **21 610 employees** and contractors (at 30 June 2022)


Improved **HDP representation** in management from **55%** in F2017 to **68%** in F2022

Provided adult education and training to **456 employees** and **1 125 community members** at ARM facilities, increasing their confidence and employability

¹ On a segmental basis.

Sustainability performance for 2022

Performance indicator as at 30 June	Assured	F2022	F2021
Economic and related core baseline indicators (segmental)			
Sales (Rm)		38 208	44 564
Taxes (Rm)		4 817	6 506
Headline earnings (Rm)		11 338	13 064
EBITDA (Rm)		17 839	24 321
Number of environmental administrative penalties/fines		–	–
Employee indicators (100% basis)			
Total number of ARM employees and contractors ¹		21 610	20 928
– Employees (permanent)		12 707	12 335
– Contractors (mainly used in capital projects)		8 903	8 593
Employee turnover (excluding contractors) (%)		5.2	10.1
Investment in employee training and development			
– Total expenditure (Rm)		198	239
– % of payroll		7.1	6.9
Employment equity (% previously disadvantaged groups per category)			
– Top management		67	65
– Senior management		64	57
– Professionally qualified		73	69
– Technically qualified		82	80
Safety and health			
– Fatality frequency rate (FFR)	✓	0.010	0.010
– Lost-time injury frequency rate (LTIFR) ²	✓	0.31	0.41
– Total recordable injury frequency rate	✓	0.70	0.81
– Reportable/serious accidents		42	55
– Occupational diseases submitted for compensation	✓	13	18
– New TB cases ³	✓	18	34
– Employees and contractors receiving antiretroviral treatment at ARM operations	✓	1 398	2 575
Number of lost man-days due to industrial action		–	110
Environmental indicators – on a 100% basis			
Total water withdrawn (m ³) (municipal, surface and groundwater)	✓	17 393 796	20 034 604
Water output (m ³)	✓	242 836	866 552
Total energy used (GJ) ⁵	✓	7 577 456	8 444 099
Energy usage			
– Electricity (MWh)	✓	1 380 623	1 542 908
– Diesel (000 litres)	✓	71 241	78 852
Emissions			
Carbon emissions (equivalent tonnes CO ₂) (100%) ⁴			
– Scope 1 and 2	✓	1 879 503	2 016 832
Direct emissions			
– NO _x (tonnes)		366	372
– SO _x (tonnes)		257	263
– Particulate matter (tonnes)		276	290
Corporate social responsibility (100%)			
Total CSI and LED spend (Rm)	✓	150.4	170.4
– CSI (Rm)		34.6	45.2
– LED (Rm)		115.8	125.3
ARM B-BBEE Trust (Rm) (Projects)		19.8	10.9
Governance indicators			
King IV – compliance	✓	Y	Y
Board targets			
– Gender (female) (%)		25	25
– Diversity (black) (%)		56	56
– Independent non-executive directors (%)		63	63

 Refer to detailed data tables online.

	F2020	F2019	F2018
	27 370	26 641	21 916
	2 805	2 135	2 023
	5 534	5 226	4 814
	11 009	9 336	8 024
	–	–	–
	20 998	21 417	21 862
	12 678	12 771	12 420
	8 320	8 646	9 442
	6.3	5.7	6.9
	225	239	239
	6.8	7.7	8.8
	61	56	56
	52	51	50
	68	66	64
	79	77	75
	0.010	0.005	0.004
	0.45	0.42	0.38
	0.92	0.96	0.81
	63	76	68
	19	35	129
	46	66	94
	3 168	4 767	6 379
	–	8	5 904
	20 267 668	21 773 440	18 296 551
	1 045 647	437 868	N/R
	8 642 520	9 476 810	9 400 186
	1 563 311	1 658 629	1 656 263
	82 572	96 055	94 234
	2 060 511	2 248 620	2 095 475
	398	434	461
	274	298	312
	267	274	202
	130.3	175.3	167.0
	44.7	27.4	20.5
	85.6	147.9	135.3
	14.5	16.4	11.2
	Y	Y	Y
	25	18	17
	58	47	44
	56	59	61



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

¹ Total number of ARM employees and contractors as at 30 June 2022.

² LTIFR: injury rates are measured per 200 000 man-hours and include both ARM employees and contractor incidents.

³ Reported for the 12 months to December in line with the regulatory reporting requirements.

⁴ In previous years, scope 1 and 2 emissions were disclosed on an attributable basis (according to the Group's shareholding in each operation). From F2022, we are disclosing on a 100% basis (as if ARM held 100% of each operation). Prior-year comparatives have been amended accordingly.

⁵ Total energy used was assured for the first time in F2022.

✓ Assured by independent third-party assurance provider.

Social and ethics committee chairman's report



Dr Rejoice Simelane: Chairman of the social and ethics committee

ARM's strategic priorities to operate safely, responsibly and efficiently, and to partner with communities and other stakeholders, are founded on responsible environmental, social and governance (ESG) practices and our commitment, as ICMM members, to mining with principles.

Responsibilities

Ultimate responsibility for monitoring the effective management of sustainable development lies with the ARM board. The board delegates this responsibility to the social and ethics committee.

The committee is constituted under regulation 43(5)(c) of the Companies Regulations promulgated under the Companies Act. Its purpose 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.

The committee operates according to its terms of reference, which are regularly updated, and assumes responsibility for matters assigned by the board. It draws relevant matters to the attention of the board and reports to shareholders at annual general meetings.

The committee 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 identified by the enterprise risk management (ERM) process. This in turn considers internal and external stakeholders as well as governance processes.

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 independent. Members have extensive experience in mining operations, human resources, sustainable development and stakeholder engagement. Invitees to meetings include the chief executive officer, executive director: investor relations and new business development, divisional chief executives, executive: risk and sustainability, group executive: human resources, group executive: legal and group executive: compliance and stakeholder relations.

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

The committee had four scheduled meetings in F2022. Attendance is shown on page 129.

Engaging and collaborating to promote good ESG practice

Mining and processing unlock the value in mineral reserves, catalysing growth and development. As we conduct our activities, we never lose sight of our responsibility to manage and mitigate any potential negative impacts. We recognise that we operate in a broader context and endeavour to build on our good relationships with stakeholders and engage them in open dialogue.

We share learnings and implement industry good practice across operations and with our peers in industry associations. ARM is a member of the ICMM, shares its commitment to mining with principles and has implemented its sustainable development framework. Since 2019, ARM operations and the corporate office have completed self-assessments against the ICMM’s 38 performance expectations. For the past two years, these self-assessments were validated as part of the external assurance over ESG data performed by IBIS ESG Consulting Africa Pty Ltd.

F2022 focus

In the review period, the committee:

- Monitored tailings storage facilities (TSFs) at our managed operations
- Monitored safety improvement and rollout of a critical control management (CCM) programme to enhance risk engagement
- Received reports on and monitored the company’s ongoing Covid-19 response, including vaccinations
- Oversaw transformation, gender mainstreaming and talent management initiatives
- Monitored continued implementation of enterprise development programmes, including supplier development initiatives
- Monitored ongoing initiatives to reduce carbon emissions and further improve our corporate water and climate-change reporting process. This included developing long-term decarbonisation pathways, operational GHG emission-reduction targets and finalising context-based water targets
- Monitored allegations received via ARM’s whistleblower facility, including complaints or concerns on sustainable development matters
- Considered management reports on compliance 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 ARM’s performance against the BBBEE codes of good practice
- Received reports on compliance with the National Environmental Management Act (NEMA), 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 CoGP targets, as well as the company’s adoption of standards of good practice.

Social and ethics committee chairman's report continued

Safety, health and wellness

ARM is committed to zero harm and we prioritise the safety, health and wellbeing of our employees and contractors in striving for this goal. Regrettably, two colleagues were fatally injured in separate accidents at Modikwa and Two Rivers mines in F2022. We extend our heartfelt condolences to the families of Mr Jacob Puleng Leshaba and Ms Phasoana Rheina Malatji, their friends and colleagues.

Both accidents were thoroughly investigated and the learnings and opportunities for improvement were presented to the committee. The operations implemented the remedial actions agreed with the Department of Mineral Resources and Energy (DMRE) following these incidents and initiatives are ongoing at all operations to ensure that safety training continues and safety standards are strictly upheld. These include implementing the CCM process, which is complete at Beeshoek and Black Rock mines, and at an advanced stage at the other mines. Both mines passed significant safety milestones during the year, with Black Rock Mine achieving 10 million fatality-free and Beeshoek Mine achieving 5 million fatality-free shifts, which took 13 and 18 years respectively to achieve.

The group's integrated wellness management programme focuses on preventing occupational health hazards from affecting the health of employees and contractors, and actively identifying and managing health risks and chronic conditions that could affect their wellness and quality of life. These programmes prioritise effective management of

hearing conservation, tuberculosis (TB), HIV and Aids, occupational lung diseases and chronic conditions.

Our programmes support the national agenda to address TB and HIV and Aids. Khumani, Black Rock, Beeshoek, Modikwa and Two Rivers mines have memorandums of understanding (MoUs) with the regional Departments of Health (DoH) to strengthen the implementation of provincial strategies related to TB, HIV and Aids, sexually transmitted infections and chronic disease management. The MoUs also extend primary healthcare services to contractors and communities. The clinics continue to engage other stakeholders such as the DoH and community NGOs in conducting wellness campaigns in the workplace and the community, which include TB and HIV and Aids awareness and outreach.

We continued to proactively prevent the spread of Covid-19 through strict health and safety measures at all operations and ARM corporate office. A total of 7 716 employees were tested in F2022, with 1 891 positive tests. 99% of positive cases recovered compared to the national rate of 96.3%. Sadly, we lost 12 of our colleagues during the year, bringing to 46 the number of colleagues we have lost to Covid-19 since the onset of the pandemic. We extend our condolences to their families, friends and colleagues.

Initiatives to promote vaccination continue and at year end 14 939 employees were fully vaccinated, representing 73% of the workforce, compared to the mining industry figure of 75% and national rate of 51%. 2 683 community members were vaccinated at ARM-managed sites during the year.

Developing our human capital and driving transformation

Implementation of the group diversity management policy is overseen by the employment equity and skills development committee. Transformation is embedded in succession planning, management recruitment, selection and promotion to improve representation of historically disadvantaged persons (HDPs) and women, which continues to increase at all management levels. Skills development is critical for developing internal talent and, in F2022, ARM invested R198 million in these programmes. The majority of candidates on our leadership development programmes are HDPs and a high proportion are women.

Gender mainstreaming continues across the group, with the gender mainstreaming and development framework integrating a gender perspective into all phases of planning cycles, policies, programmes and projects. We have engaged a labour law specialist to conduct a high-level evaluation of group policies for gender sensitivity that will be rolled out to the operations.

These initiatives form part of ARM's broader focus on transformation, which includes 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 2021 as required by the mining charter.

Support for local communities

Infrastructure development comprised 77% of our R150 million corporate social responsibility investment in F2022. These projects are identified in partnership with local government and community representative structures.

We provide support for community education and skills development through direct support for local schools, bursaries, adult education and training opportunities as well as learnerships and a graduate development programme.

Enterprise and supplier development programmes at the operations promote local job creation and economic development for local black women-owned, black youth-owned and black women-owned companies. Programmes include 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. We announced our long-term greenhouse gas (GHG) emission reduction target at the start of F2022, which aims to achieve net zero GHG emissions (scope 1 and 2) mining by 2050. This year we focused on developing operation specific decarbonisation pathways that detail the short and medium term steps that need to be taken to achieve that target.

Globally, water systems are under threat from rising consumption, pollution, weak governance and climate change. ARM is exposed to increased water-related risks that could affect production, increase costs, constrain growth, disrupt our supply chains and place our communities under strain. We have made significant advances in measuring water impacts and water reporting over the last four years and are making progress towards reporting water data according to the revised ICMM water accounting framework guideline. Context-relevant water targets or objectives were set for operations with material water-related risks, aligned with ICMM guidance.

More information is available in the 2022 climate change and water report, which provides increased transparency and comparability in water and climate-change reporting that aim to meet the requirements of a broad range of stakeholders.

The tragic events at Jagersfontein early in September 2022 serve as a timely reminder of the dangers presented by TSF failures.

Responsible management of TSFs is a priority for ARM, the mining industry and investors. In addition to the critical compliance requirements set in the guidelines of the DMRE and the South African National Standard on the management of mine residue (SANS 10286), ARM has implemented a TSF management policy and standard that align with appropriate good-practice standards nationally and internationally, including the programme for alignment to the Global Industry Standard on Tailings Management (GISTM).

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.

During the year, 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. Ongoing engagements with regulators ensure that the required licences and permit applications are approved and in place, so 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.

Environmental incidents and ARM's response are discussed on pages 55 and 68.

Assurance

In line with its terms of reference, the committee had oversight of ARM's appointment of an independent external sustainability assurance provider for the 2022 ESG report and related sections of the 2022 integrated annual report, and reported to ARM's audit and risk committee that the appointment was made.

Social and ethics committee chairman's report continued

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.

Acknowledgements

I thank my colleagues on the social and ethics committee and board for their diligent contribution during the year. On behalf of the board, I thank management and employees for their hard work during the year and for continuing to demonstrate 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.

We remain mindful that ARM's ability to create value depends on the value we create for others and thank all our stakeholders for their support and positive engagements.

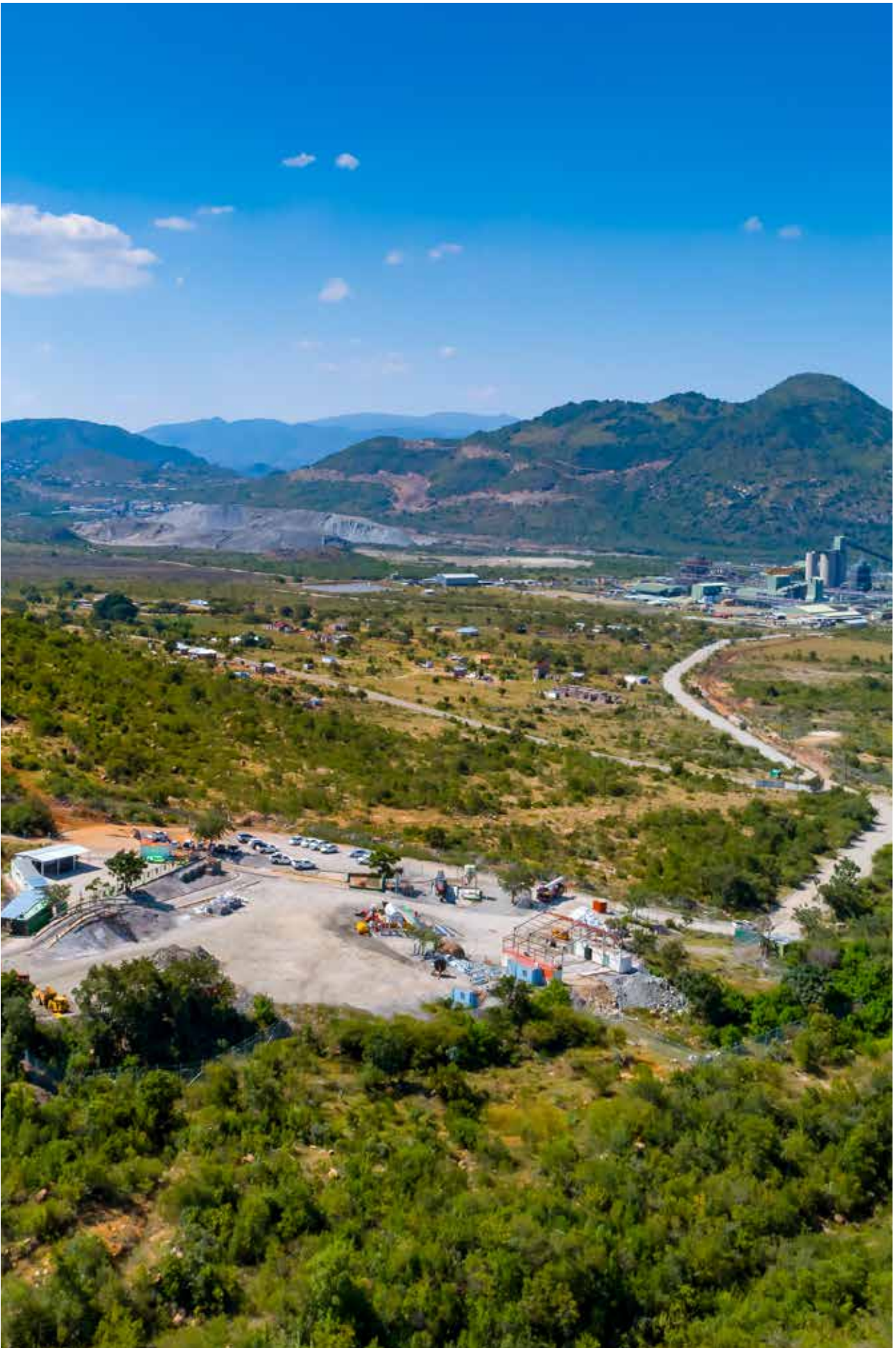
Dr RV Simelane

Chairman of the social and ethics committee

Focus for F2023

- Oversight of refining operation-specific long-term decarbonisation pathways, setting revised GHG reduction targets and measures to achieve those targets
- Monitoring safety improvement programmes and implementation of the critical control management process across all managed operations
- Oversight of transformation, gender mainstreaming and talent management initiatives
- Monitoring enterprise development programmes, including supplier development initiatives
- Monitoring environmental priorities, carbon emission-reduction initiatives and further improvements to our corporate water and climate-change reporting process
- Complete alignment to GISTM for high-risk TSFs.





Chief executive officer's statement



Mike Schmidt: Chief executive officer (CEO)

Living our motto of **We do it better** includes an unwavering commitment to ethical and responsible practices.

ARM's commitment to responsible mining is aligned with global best practice, primarily through our membership of the ICMM and alignment with its principles and performance expectations. Throughout this report, we note the global and local frameworks that guide our actions. While some of these are statutory or compliance-driven, many are voluntary standards – underscoring our determination to integrate the financial and sustainability-related aspects of our business in everything we do for the benefit of all stakeholders.

To transform commitment into action, we have set measurable targets and time frames for key environmental, social and governance elements of our business. Many of these targets are incorporated into the remuneration packages of relevant executives. We believe this is the most effective and sustainable way of aligning management and stakeholder interests.

To illustrate, our commitment to responsible ESG practices is demonstrated by the 25% weighting of relevant indicators in performance criteria for the 2018 conditional share plan and 2018 cash-settled conditional share plan. These criteria include safety, transformation and climate-change performance conditions (see page 164). Cash bonuses for senior executives also include a safety modifier, with a further downward adjustment in the case of fatalities.

We believe the increased focus on environmental and social responsibility is a positive development. It signals that sustainability is maturing as a concept and is today a growing priority for investors and other providers of capital, customers, civil society, and others. We are extremely pleased that ARM's ESG practices continue to be recognised by our inclusion in the FTSE/JSE Responsible Investment Top 30 Index and the FTSE4Good Index Series.

The chairman of the social and ethics committee has commented on our approach and focus areas in the past year. I comment briefly on areas that feed directly into our ability to operate a sustainable business.

Safety

As noted by the chairman, two workers were fatally injured at our operations in F2022, and we deeply regret these fatalities. Our focus on zero harm remains steadfast and has seen the lost-time injury frequency rate (LTIFR) drop from 0.41 in F2021 to 0.31 in the review period. More concretely, we have reduced lost-time injuries per annum from 85 last year to 60 in F2022 (page 82).

We are focused on improving safety performance by monitoring leading indicators (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) as well as lagging indicators. Initiatives including critical control management and continual training of our people and contractors are playing an important role in achieving zero harm.

The safety section from page 80 contains more detail on our safety initiatives and progress.

Our people

ARM directly and indirectly employs over 21 000 people. We compete with other mining companies to attract and retain talented people, particularly those in technical disciplines characterised by a scarcity of skills. In this regard, it is pleasing to note that employee turnover decreased to 5.2% in F2022, the lowest rate since F2017 (F2021: 10.1%) (page 101).

Key to retaining these people is developing the full potential of every individual. In addition to a creative, innovative and entrepreneurial organisational culture, we offer competitive remuneration and benefits. Importantly, we invest in skills development. In F2022, we invested over 7% of total payroll or R198 million in developing individual skills – well above the mining charter target of 5%. Our operations also provide portable skills training to employees as well as community members (page 102).

Our goal is a workforce that represents the demographics of South Africa. Accordingly, transformation targets are embedded in each pillar of our human capital strategy to improve reporting, monitoring and evaluation (page 98). Pleasingly, given the competition for skills in designated groups, our company matches or exceeds mining charter targets for black representation in all defined categories (page 98).

Our communities

Each year, we make a substantial investment in infrastructure and social projects in local communities to improve living conditions and standards of living, and to support their resilience and sustainability.

ARM works with community forums, municipalities, the DMRE and other local and national stakeholders to coordinate and address the challenges communities face. Infrastructure projects in the review period included electrical infrastructure, high-mast lighting, roads, early childhood development facilities, hospital wards and essential water infrastructure.

We extend our approach of developing skills to communities around our mines, in line with our entrepreneurial culture. In addition to bursaries and learnerships for talented young people that build the future pool of industry skills (page 95), we are supporting self-reliance by providing opportunities to local business.

Our preferential procurement and enterprise and supplier development programmes help to develop local small, medium and micro enterprises (SMMEs). In this way, we promote entrepreneurship, create jobs, increase economic activity in mining communities, empower historically disadvantaged people and improve market access for South African goods and services. We are transforming our procurement practices to acquire certain goods and services from black-owned SMMEs over a period.

Chief executive officer's statement continued

In F2022, our operations supported almost 200 SMMEs, in turn sustaining 1 800 jobs and creating over 370.

We also share the benefits of our growth with communities through equity participation. As example, communities neighbouring Modikwa Mine own an effective 8.5% shareholding in that operation. In the review period, a R255 million dividend was declared to these communities which will be used to address identified needs. We have adopted the same approach in acquiring Bokoni Platinum Mine, with 15% of the equity held by communities, employees and black industrialists.

Our responsible environmental stewardship

Protecting and preserving our natural resources is integrated into our business strategy, as detailed in our 2022 climate change and water report. However, recent global events have highlighted that climate risks are escalating rapidly, and underscored the urgency of changing the way we work and consume natural resources.

Work over the past two years has given us a thorough understanding of the resilience of our business to climate transition and physical risks (page 58). Given that we operate

mainly in a country where electricity is generated by coal-fired power stations, with a national power grid facing serious constraints, there is a limit to our ability to reduce our carbon footprint through business-as-usual methods.

Our F2022 estimated carbon footprint (scope 1 and 2 emissions on a 100% basis) decreased 6.8% to 1.9 million tonnes of carbon dioxide equivalent (tCO₂e) and electricity consumption decreased 11% to 1 381GWh. We acknowledge that these decreases are largely due to Nkomati Mine moving to care and maintenance in the second half of F2021.

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). Despite increased production and furnace inefficiencies, we achieved a 1.4% reduction against this target in F2022.

In addition, we are making good progress in transitioning to renewable energy. As example, we are installing solar photovoltaic (PV) plants with battery storage at our Black Rock and Khumani mines in the ferrous division. Pending board and regulatory approvals, our platinum division finalised an agreement post year end to construct 100MW of solar PV energy.

Availability and security of water supply is a global challenge. ARM's total water withdrawal decreased 13% to 17.4 million m³ in F2022. Our current water target was to maintain the reduction in withdrawals of potable water at 17% in F2022 relative to F2011 and I am pleased to report that we achieved a 19% reduction on this basis in F2022. Water reuse efficiency, a key indicator in monitoring and managing consumption and losses, improved to 79% in F2022.

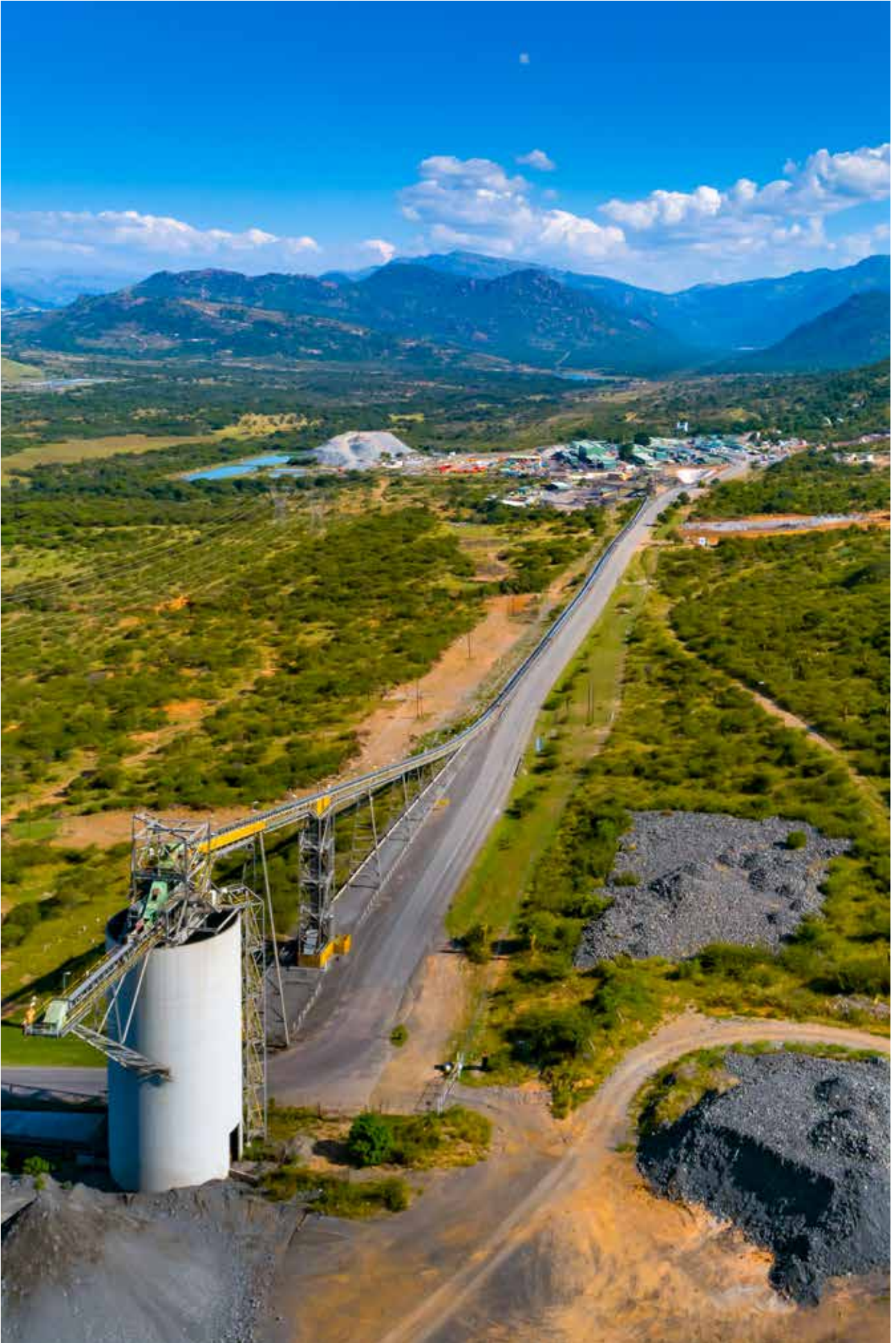
Year ahead

We have made solid progress this year in aligning our environmental frameworks with global best practice. Similarly, our approach to our people and our communities goes well beyond compliance to contributing to the sustainable economic growth of our country. At all times, we are guided by our robust governance structures in operating as an ethical company that treats all its stakeholders equitably.

I trust you will find the detail of all these initiatives in this report and our 2022 climate change and water report informative. We welcome your feedback (see contact details on inside back cover) as we continue to work on an integrated approach to business that benefits all stakeholders.

Mike Schmidt
Chief executive officer

7 October 2022





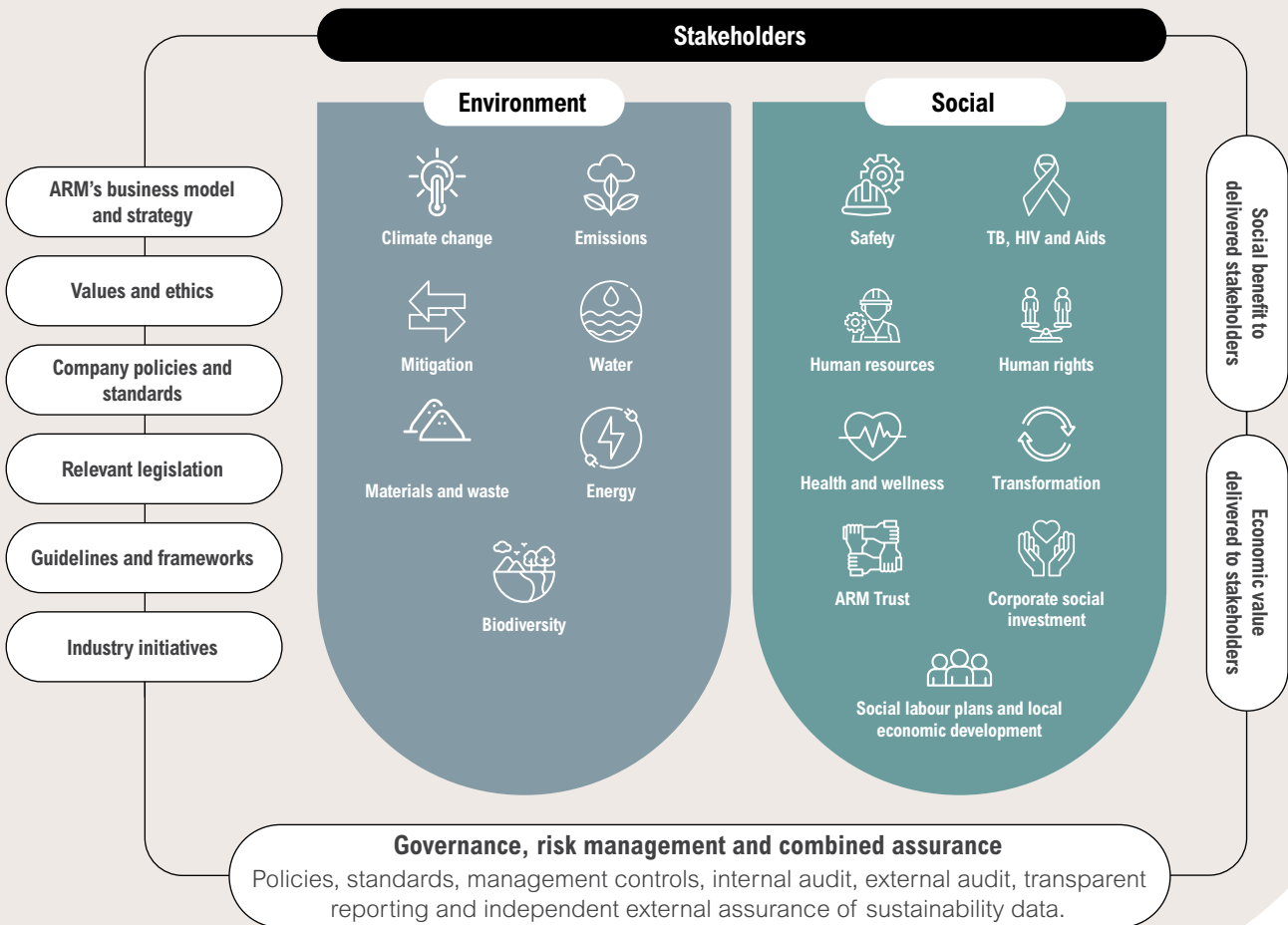
Our approach to ESG and value creation

ARM is committed to responsible and sustainable mining and beneficiation. The group has zero tolerance for harm to employees, contractors, host communities and the environment.



- 30 Our approach to sustainable value creation
- 32 Governance overview
- 34 Enterprise risk management
- 42 Stakeholder engagement

Our approach to sustainable value creation



ARM is committed to responsible and sustainable mining and beneficiation. The group has zero tolerance for harm to employees, contractors, host communities and the environment.

As the foundation of the corporate governance system, the board is accountable for the performance of the company, which includes sustainable development. It ensures that ARM's long-term strategy and vision are implemented in a

sustainable manner and that business is conducted ethically and sustainably.

The ARM social and ethics committee is delegated with the responsibility to monitor and report 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 ERM process includes sustainability risks and sustainable development matters and performance and is included in the formal agenda of the management risk and compliance committee, a subcommittee of the audit and risk committee.

The executive: risk and sustainability, who oversees sustainable development, operates with oversight from the social and ethics committee and reviews sustainability policies, standards, strategies and targets to ensure these align with the board’s commitment to responsible corporate citizenship. She also attends board meetings to respond to any risk and sustainability-related matters raised by the board.

ESG indicators and benchmarks are regularly monitored at operational, divisional, executive and board level to assess the effectiveness of our approach to sustainable development. We also monitor

information from engagements with our key stakeholders in this regard. The combined assurance model (see page 140) provides a sound basis from which to evaluate the appropriateness and reliability of ARM’s sustainability processes, controls and information.

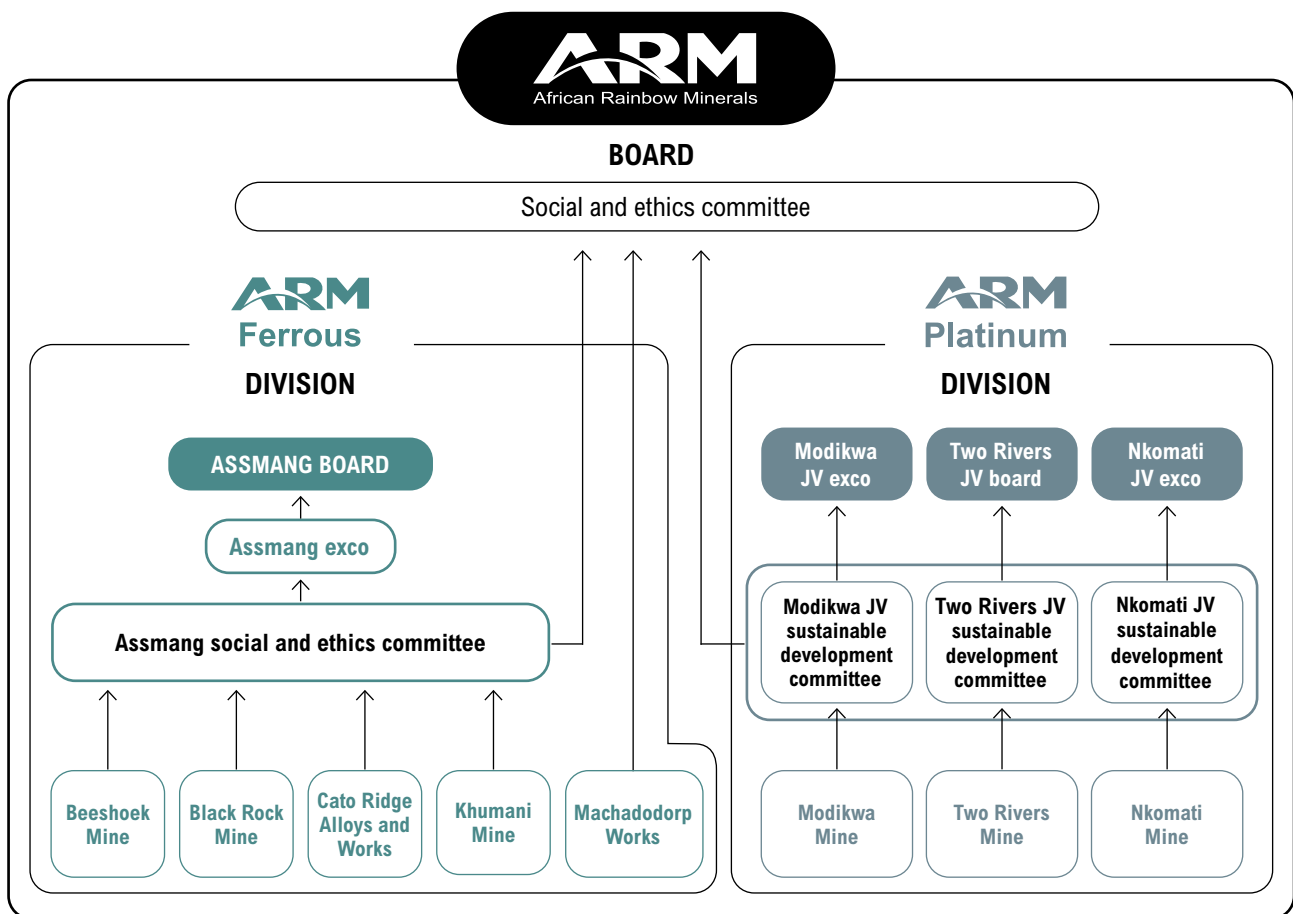
Divisional and operational governance frameworks

In ARM Ferrous, the Assmang social and ethics committee oversees the sustainability performance of the operations, except for Machadodorp Works. The committee 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.

Sustainable development committees for the ARM Platinum operations are chaired by the executive: risk and sustainability and reports to the exco or board of the respective joint ventures, as appropriate.

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



Governance overview

Our approach

We understand that 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.

 The King IV application register is available on www.arm.co.za

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 on-site meetings, remote reviews, and in-person and electronic interviews, IBIS recorded that ARM employs a comprehensive set of policies (eg 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 190.

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 F2022 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.

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

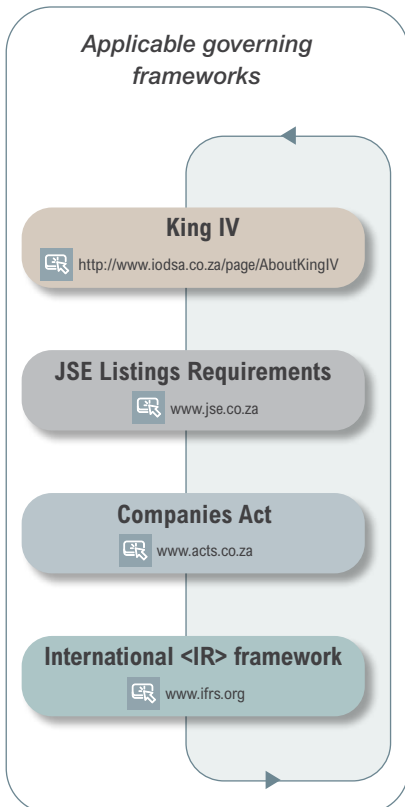
The code includes a policy on communications that encourages complete, accurate and timely communication with the public. The chief executive officer, finance director, executive director: investor relations and new business development and group company secretary and governance officer oversee compliance 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.

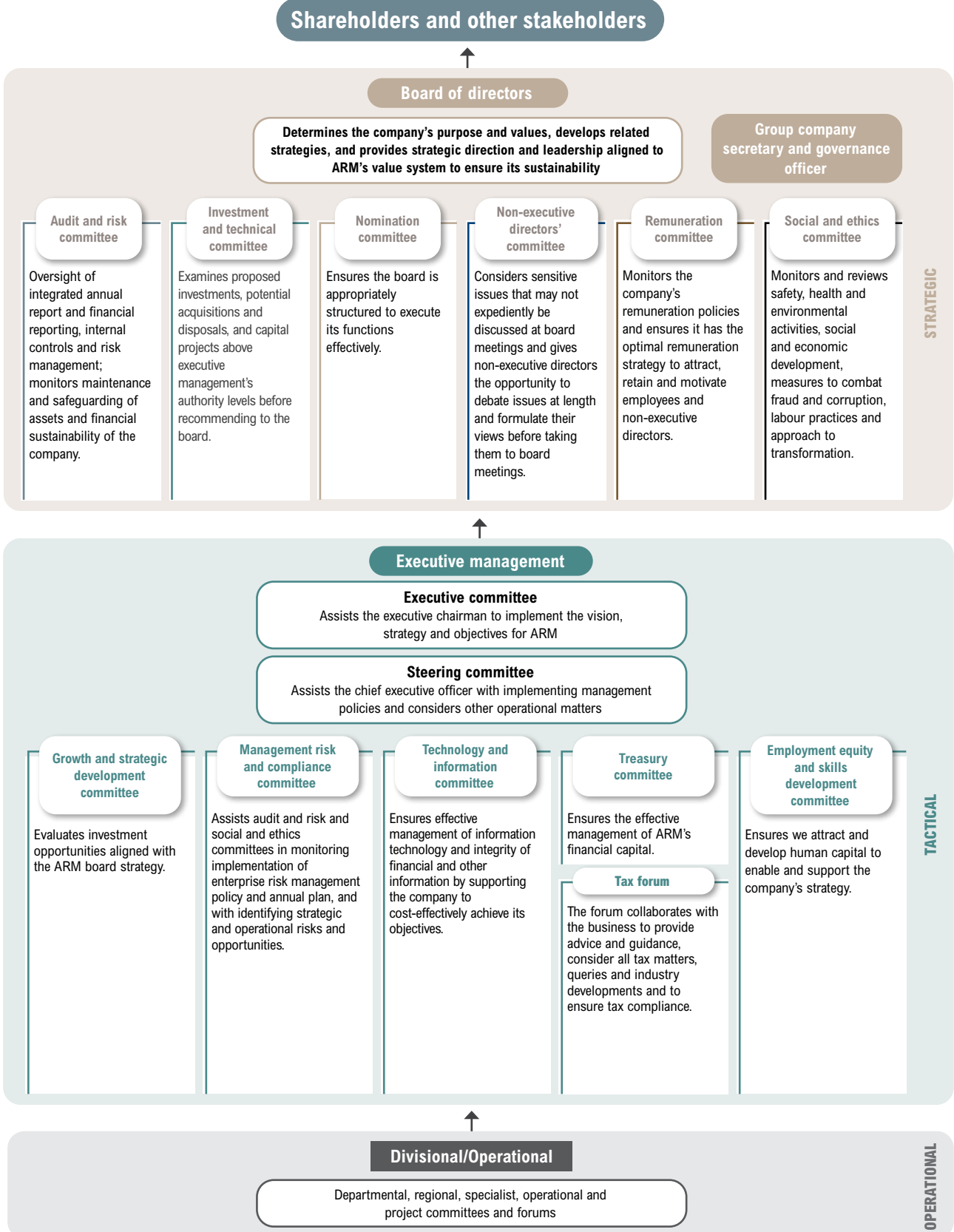
Health, safety and environment

The code reiterates our commitment to health, safety and environmental responsibility, and what this requires from employees and contractors.



Assurance statement page 190.

Governance framework



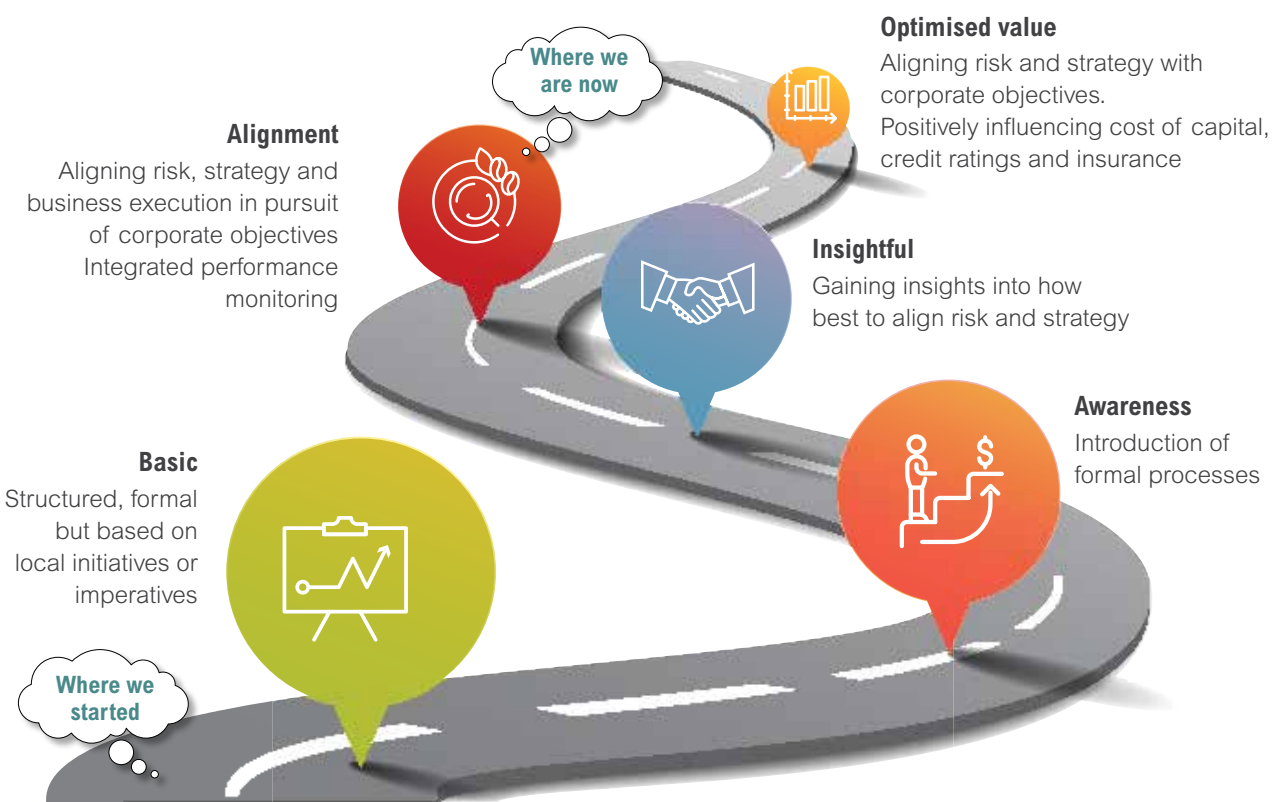
Enterprise risk management

Beyond enterprise risk management (ERM), towards an integrated risk, sustainability, strategy and resilience roadmap

ARM's ERM strategy and journey

ARM instituted a risk management strategy in 2018 that continues to evolve and mature to place the organisation in a position where it can achieve a mature risk-intelligent and optimised value organisation by 2025.

Roadmap to maturing ERM in ARM



On this road to an optimised ERM value proposition, ARM continues to expend time and effort on integrating the various parts of the risk and sustainability department's strategic drive to integrate leadership effectiveness, strategy, risk management, asset management, resilience and assurance. By

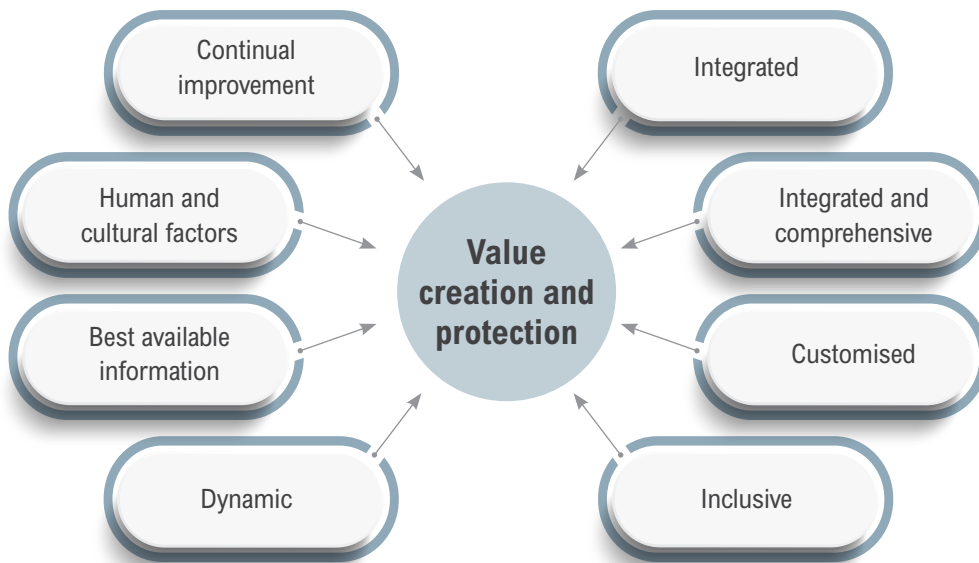
maintaining and sustaining these processes, it continues to strive at being better than peers in achieving greater levels of risk management maturity. Equally, it continues to strive towards an integrated risk management and sustainability strategy to achieve benefits and efficiencies in the way it approaches

and manages ERM and ESG matters that are addressed by its sustainability unit.

The ERM strategic pillars are aimed at integrating various risk management disciplines that will ultimately drive us towards a desired position.

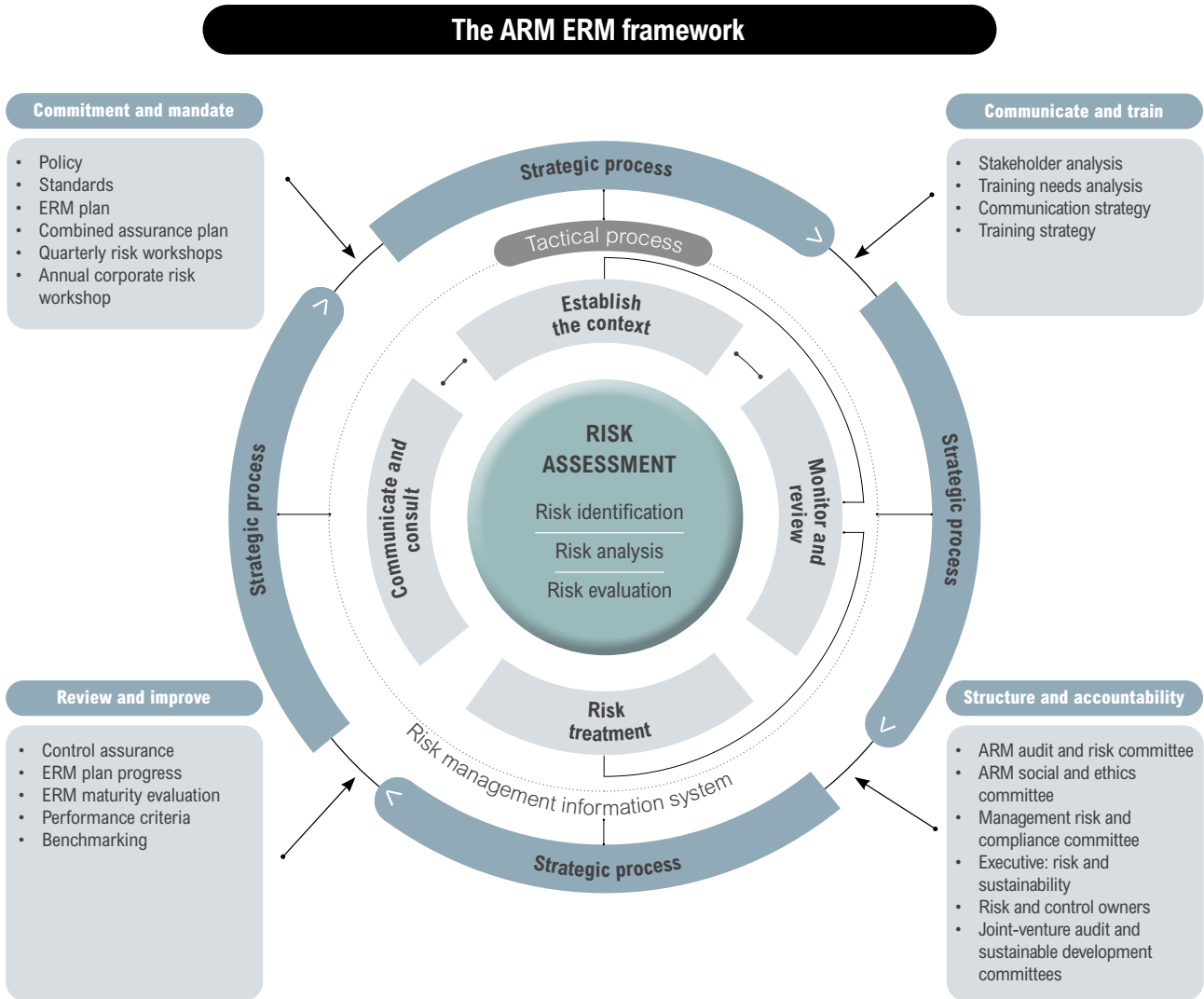


Risk management principles



Enterprise risk management continued

Our risk management framework is premised on the principles of ISO 31000:2018 and contains all of the elements on the previous page. Our risk assessment process itself is based on the flow depicted in the diagram below.



Risk-based asset management activities

Each ARM-managed operation is subjected to an independent risk engineering survey annually by the Industrial Mining Industry Underwriters (IMIU). The results or recommendations of such surveys are, however, incorporated in our governance, risk and compliance (GRC) platform (CURA) that allows operational management, executive management, risk management and board committees to manage and

track progress against all recommended improvement measures.

Additionally, ARM subjects itself to biannual risk control validation surveys (RCVS) by Willis Towers Watson, South Africa's risk engineering unit. The process, which starts with our standard operational risk profiles, focuses on all property risks and then on a physical survey of each property with the focus on:

- Asset management at the safety, health, environment (SHE), fire, engineering and mining levels

- Complemented by flow and pressure tests on fire protection systems, and
- Thermal imaging of electrical and mechanical equipment.

Similar to the recommendations that emanate from the concluded IMIU surveys, all improvement recommendations are captured in CURA, for implementation, monitoring and reporting purposes.

Policies and frameworks

ARM has a number of policies and frameworks that govern how we manage risk, resilience, assurance, asset management and other aspects of our integrated risk and sustainability strategy. Details of all our policies are available on request.

The notable ERM policies and frameworks we currently have include:

- Enterprise risk management policy
- Business continuity management policy
- Capital allocation policy
- Project risk management framework
- Whistleblower policy
- Risk management framework
- ERM standard
 - In turn supported by a range of standards and guidelines that give details as to the who, when, how and what of various processes.
- Risk appetite and tolerance standard.

The ERM process

Some notable improvements in our risk management processes over the last 12 months include:

- Integration of climate-change risk analysis into day-to-day ERM processes and systems
- JSE paragraph 3.84(k) listing amendment on control validation: although this required that we focus solely on internal financial reporting controls, we took it a step further to include all material financial controls
- Risk control validation surveys reached an increased level of maturity and benefit

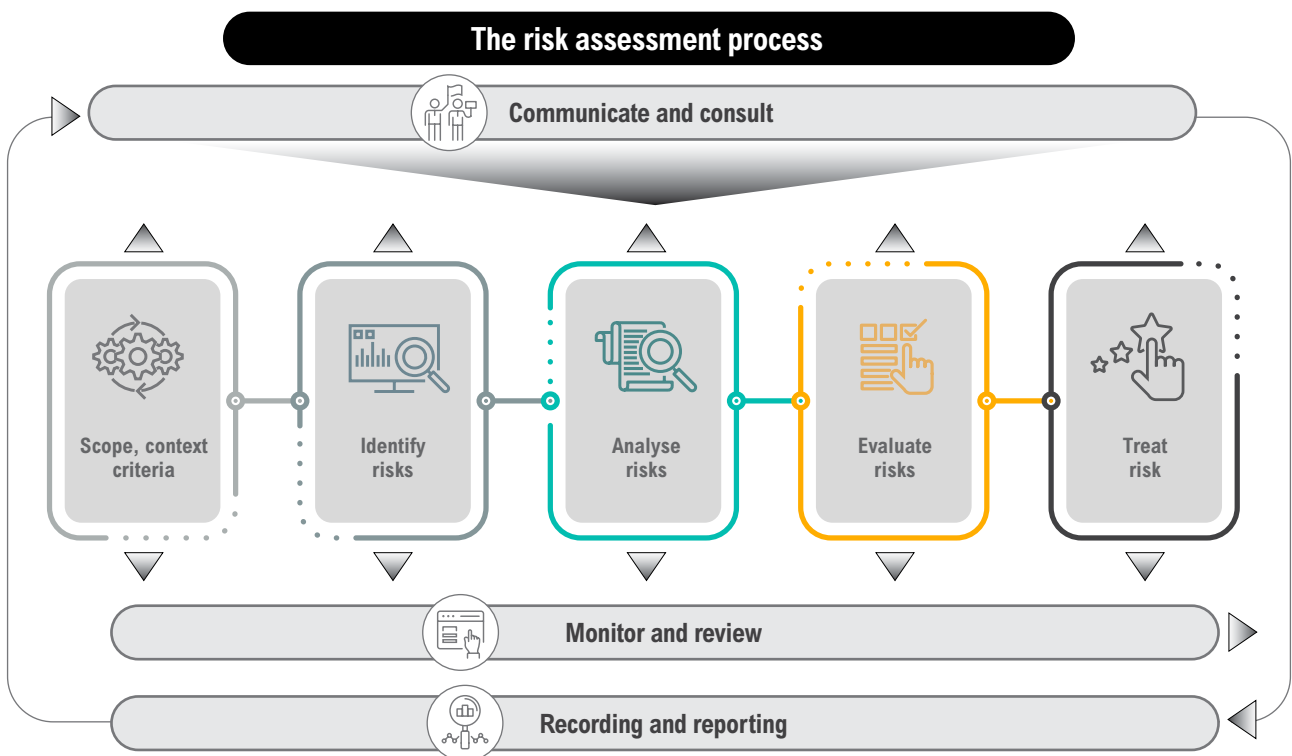
- System integration of internal audit findings
- Global Industry Standards for Tailings Management (GISTM) under the auspices of ICMM process establishment and development
- Development of the project risk management framework and application to two capital-intensive growth projects.

ARM's ERM policy statement clearly demonstrates the intent and commitment to practising effective risk management in all aspects of the business. This implicitly includes all operational, investment and project considerations.

In view of this, the generally accepted definition of risk in ISO 31000:2018 is as follows:

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.



Enterprise risk management continued

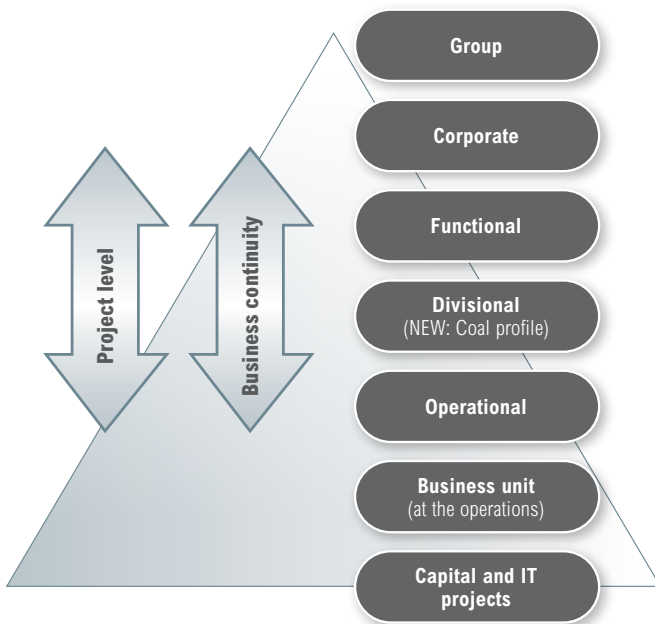
Our risk assessment hierarchy

Our risk assessment process establishes mandatory steps to context setting, risk identification, risk analysis, risk evaluation, risk treatment, communication and

consultation, as well as monitoring and reviewing.

The timing of ERM process in ARM is aligned with the organisation's 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 the business and operations. All risk activities must be timed to facilitate risk input into the ARM strategic planning process as committed to in our ERM policy.



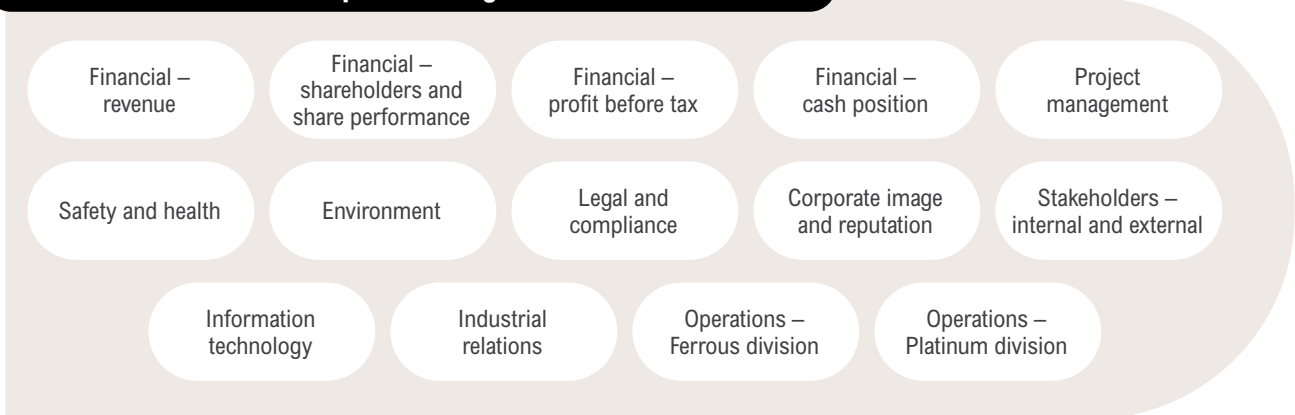
We in turn report on the results of our various risk assessment activities to the following governance structures.

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

Composition of risk appetite and tolerance

Consequence categories



Established for each consequence category

Risk appetite measures

A semi-quantitative measure of ARM's approach to risk taking and risk management for various consequence categories

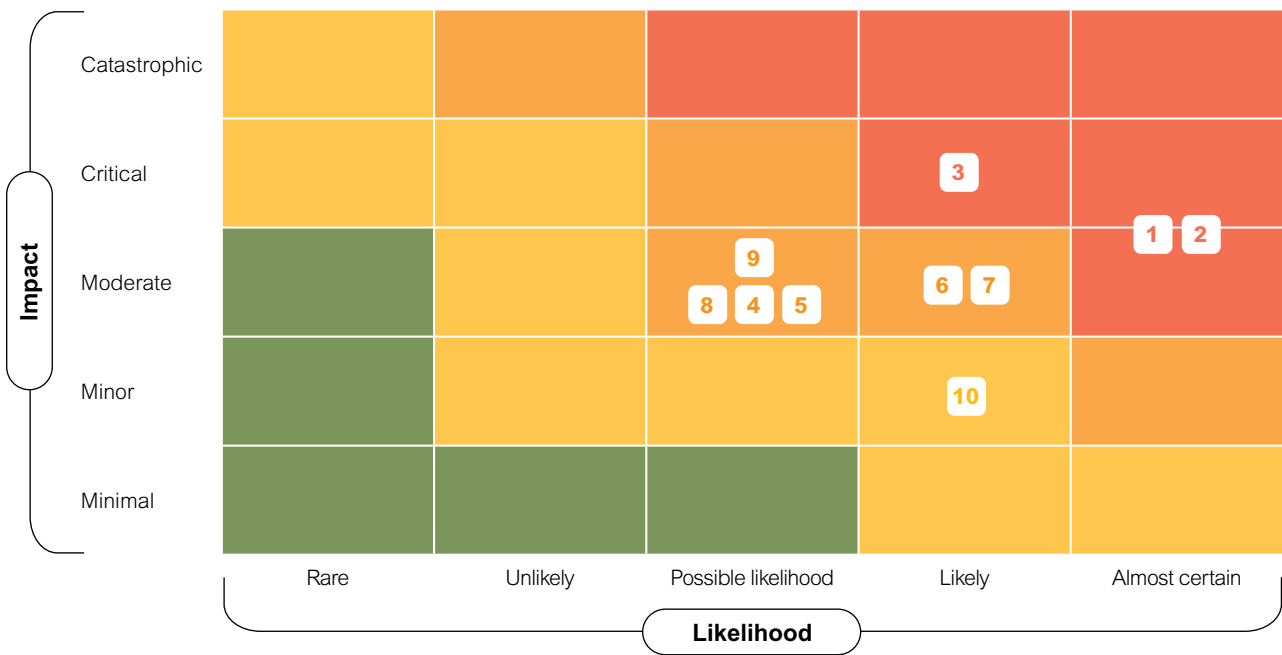
Risk tolerance measures

A semi-quantitative measure that functions as a benchmark for risks currently experienced and that ARM is considering taking

ARM has a disciplined and maturing enterprise risk management system. Guided by our risk-management framework, in turn premised on the principles of ISO 31000:2018, we are moving beyond enterprise risk management towards an integrated risk, sustainability, strategy and resilience roadmap.

Residual risk dashboard

Our top 10 residual risk profile as at end May 2022



Enterprise risk management continued

Risk	Our response
<p>1 Suboptimal performance by Transnet</p> <p>Transnet Freight Rail (TFR) continues to provide suboptimal performance as characterised by train cancellations and a short supply of wagons for the iron ore and manganese operations. In addition, infrastructure challenges at the port terminal negatively impact the amount of iron ore that is railed.</p>	<ul style="list-style-type: none"> • Weekly engagement with Transnet by a dedicated executive • Revised annual production in line with Transnet's performance • Road-haul contingency for manganese
<p>2 Unreliable water supply in the Northern Cape</p> <p>Unreliable water supply from Sedibeng Water in the Northern Cape affects the achievement of operational objectives, and has a negative socio-economic impact on surrounding communities.</p>	<ul style="list-style-type: none"> • Ongoing engagements with Sedibeng Water board to ensure reliable water supply • Mine leadership forum provides technical, financial, governance oversight and drives collaborative engagements through the MCSA • On-site water storage facilities • Recovery and recycling of stormwater and process water
<p>3 Increased unit costs</p> <p>ARM operations have recorded significant increases in the cost of production due to geopolitical and other factors that have impacted supply chains, availability and cost of transportation, exchange rates, and more. The increase in cost of diesel, explosives, shipping, steel have been most significant. These costs also impact the feasibility of capital projects.</p>	<ul style="list-style-type: none"> • Five-year business plans allows for forward planning over the short and medium term • Mid-year business plan review to assess the impact of the new economic outlook and output of scenario analysis • Developing business initiatives to reduce costs and optimise the process
<p>4 Business continuity preparedness (including cyber)</p> <p>Over the past two years, there has been a significant increase in cyber attacks globally. It is imperative that ARM has the operational resilience to monitor, detect, prevent and recover from any type of disruptive event in a timely and coordinated manner.</p>	<ul style="list-style-type: none"> • Segmentation of information technology and operational technology systems • Business continuity management policy in place • Cybersecurity strategy in place • Emergency response plans in place
<p>5 Agile culture that enables response to change</p> <p>The nature of our business warrants agility to adapt to changes in the internal and external environments to ensure the strategic objectives of the business are achieved in line with the business values. This risk relates to ARM's ability to identify, react and adapt to changes.</p>	<ul style="list-style-type: none"> • Member of the ICMM • Continued engagements with industry via various forums, etc to detect and respond to changes • Financial provision for closure in place • Project risk management framework in place
<p>6 Deteriorating national socio-economic conditions in areas where we operate</p> <p>Communities surrounding ARM operations have been impacted by rising unemployment, increased cost of living and the after-effects of the pandemic. This has led to an increase in demands on operations.</p>	<ul style="list-style-type: none"> • Supplier development and enterprise development programmes in place • Participation in local economic initiatives • Committed to and quarterly monitoring of mining charter and dtic targets • Social and labour plans in place, with progress monitored quarterly • Section 21 company representation at Modikwa

Risk

7 Management/misalignment of community expectations

Incidents of community unrest that interrupt operations do occur. In several instances, (the issues raised are not within the control of ARM) or its managed operations, but rather within the control of municipality, surrounding mines, etc. At times, due to the adverse socio-economic environment, community expectations are unrealistic.

8 Security and increased cost of electricity supply

Eskom remains constrained in meeting the country's electricity demand. This, combined with the unreliability of its infrastructure, warrants the implementation of loadshedding and load curtailment, adversely impacting production and the associated cost to operate back-up diesel generators. The increase in the cost of electricity also has adverse impacts on the profitability and sustainability of some operations.

9 Increased environmental, social and governance (ESG) responsibilities

There is increasing pressure on ARM to conduct and report on mining activities that support responsible environmental custodianship, impactful social contributions and governance reporting in line with international standards and practices.

10 Safety, health and environment

Safety, health and environmental risks are inherent to our operations. ARM strives to ensure that these aspects are managed in a way that minimises and eliminates any adverse impacts.

Our response

- Formal community engagement forums in place to ensure active and constructive engagement with communities
- Stakeholder engagement teams liaise with the community through formal structures to establish common ground

- ARM representation at Ferro Alloys Producers Association
- Back-up generators keep safety systems operational
- Participation in load-curtailment/reduction schemes
- Ongoing engagement with Eskom

- Committed to being net zero GHG emissions from mining by 2050
- ARM suite of annual reports provides comprehensive disclosure
- ESG principles are inherent in company business processes, systems and decisions
- Alignment to Global Industry Standard on Tailings Management (GISTM) underway
- Robust governance structures in place
- Financial provision for closure in place

- Zero tolerance for safety incidents at all operations
- Visible felt leadership (VFL) where mine management identify gaps and improvements in management systems and behaviour while demonstrating their commitment to safety, health and environment
- International Standards Organisation (ISO) accreditation for relevant disciplines
- Employee wellness programmes in place
- Employees are made aware of the section 23 notice (MHSA) that recognises their right to refuse to work in an unsafe environment
- Risk assessments (baseline, issue-based, etc) in place
- Environmental management plans in place

Stakeholder engagement

We recognise our interdependence with stakeholders, and that our ability to create value depends on the value we create for others. We are committed to mutually beneficial relationships with all our stakeholders to ensure we build a resilient and sustainable business. We remain mindful of the need to effectively balance stakeholders' needs, interests and expectations with those of the group.

Stakeholders are defined as individuals or groups with a material interest in or affected by our operations. The social and ethics committee has been tasked by the board to monitor stakeholder relationships. The board retains responsibility for identifying stakeholders and developing appropriate strategies.

ARM's code of conduct contains our stakeholder communication policy, which includes measurable outcomes for all engagements. Our interactions with stakeholders enrich our understanding, create a broader

context and generate new ideas. They inform our most material matters, risks and opportunities and provide input into our strategy and long-term direction.

We interact with stakeholders through formal and informal engagements at the corporate, divisional and operational level as appropriate to the stakeholder. 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: risk and sustainability
- Divisional chief executives
- Executives responsible for stakeholder engagement in each division
- Senior management.

Shareholders, potential shareholders, analysts and other investors

How we engage

ARM's comprehensive investor relations programme, annual general meeting, provisional and interim results presentations and at conferences. Other communication channels include Stock Exchange News Services (SENS) announcements, media releases, our website and the integrated annual report and accompanying suite of reports.

Stakeholder interests

- **Financial performance** including growth, above-inflation cost increases, capital allocation, dividends and share price performance
- **ESG matters** including climate change

Related risks

- 1** Suboptimal performance by Transnet
- 3** Increased unit costs
- 8** Security and increased cost of electricity supply

How ARM responds

We have a strategic focus on operating assets efficiently and disciplined capital allocation. We communicate with the market in a timely, transparent, comprehensive and objective manner. ARM's investor relations department communicates with institutional shareholders, potential investors, research analysts and the media continually, promoting open communication and transparency. Joint-venture partners and management are kept informed of the concerns and expectations of research analysts and institutional fund managers. Summaries of decisions at shareholders' meetings are disclosed on our website after every meeting. Details of our engagements with shareholders regarding remuneration are available in the remuneration report on page 154.

IAR **AFS** Refer to the financial review in the IAR (page 44) and the annual financial statements.

Bankers, insurers and funders

How we engage

Ongoing meetings and general discussions as well as annual visits to international and local markets around insurance renewal.

Stakeholder interests

- **Financial position** including liquidity, solvency and funding
- **Risk finance and insurance management**

Related risks

- 1 Suboptimal performance by Transnet
- 3 Increased unit costs
- 4 Business continuity preparedness (including cyber)
- 8 Security and increased cost of electricity supply

How ARM responds

ARM manages its financial position responsibly to ensure it continues to meet its financial needs. A comprehensive risk financing and transfer programme is in place.



Refer to the financial review in the IAR (pages 44 to 61) and risk management section (pages 140 to 145).

Joint-venture partners

How we engage

Continuous management interaction, monthly executive management and quarterly board meetings.

Stakeholder interests

- **Financial and operational performance**
- **Governance**
- **Operational strategy**
- **Sustainable development**, including environmental and social performance

Related risks

- 1 Suboptimal performance by Transnet
- 2 Unreliable water supply in the Northern Cape
- 3 Increased unit costs
- 6 Deteriorating national socio-economic conditions in areas where we operate
- 7 Management/misalignment of community expectations
- 8 Security and increased cost of electricity supply

How ARM responds

ARM holds itself to the highest ethical and governance standards in dealings with all stakeholders, including joint-venture partners.



Refer to the financial review (page 44) and operational reviews (pages 62 to 90) in the IAR.

Stakeholder engagement continued

Employees and organised labour

How we engage

Regular performance reviews and feedback, employee surveys, annual internal results presentation, regular internal roadshows and information on the company intranet and website. Monthly shop-steward meetings, wage negotiations and other meetings with unions as required.

Stakeholder interests


- **Remuneration**
- **Employee welfare** and development, including training and health and safety
- **Transformation**

Related risks

- 5** Agile culture that enables response to change
- 6** Deteriorating national socio-economic conditions in areas where we operate
- 10** Safety, health and environment

How ARM responds

Our human resources strategies aim to make ARM an employer of choice. These include maintaining good relationships with unions and our commitment to fair treatment and remuneration of employees. The skills development and career-planning programmes help employees develop their full potential.

 Refer to safety, occupational health and wellness, and human resources management sections (pages 79 to 104).



Communities, civil society and non-governmental organisations

How we engage

Community open days and focused community discussions/meetings to understand specific concerns. Social investment forums to discuss investment in host communities and future forum meetings. Monthly/quarterly meetings to discuss progress on LED and CSI projects. The ARM Broad-Based Black Economic Empowerment (BBBEE) Trust. Consultations with interested and affected parties for changes or expansions to current operations in terms of regulations in the NEMA and other relevant legislation.

Stakeholder interests

- **Community needs**, including socio-economic development, infrastructure development and employment
- **Progress** of social projects, operational changes and expansions
- **Environmental** issues affecting communities
- **Employment** of local community members
- **Service-delivery challenges**
- **Transformation**

Related risks

- 6 Deteriorating national socio-economic conditions in areas where we operate
- 7 Management/misalignment of community expectations

How ARM responds

We engage with communities at specialised discussions/meetings to understand their specific concerns and host community open days to share information and build relationships. Attendance registers and minutes of engagement meetings are kept. We engage with interested and affected parties through stakeholder consultation when making changes or expanding our current operations as prescribed by NEMA and other relevant legislation.

The ARM Trust invests in uplifting rural communities across South Africa by partnering with traditional and other community leaders.

ARM operations conduct community outreach campaigns, including awareness and screening to address health challenges including TB, HIV and Aids, and Covid-19.

The operations participate in collaborative initiatives with industry bodies and peers to provide scale, improve delivery success, increase the impact of community investment programmes and find solutions to socio-economic challenges in local communities.



Refer to our social impacts from page 106 and occupational health and wellness from page 85.

Stakeholder engagement continued

Government

How we engage

We engage local and provincial government on LED projects, licences and compliance with relevant safety and environmental legislation. We engage with national government on matters of policymaking as required. The dtic conducts annual audits for BEE verification. We submit workplace skills plans to the Mining Qualifications Authority (MQA) annually. ARM is also represented on various industry bodies that engage with government.

Stakeholder interests

- **Social investment**
- **Health and safety**
- **Environmental management**
- **Transformation**, specifically compliance with dtic codes of good practice and mining charter
- **Progress** reports and updates
- **Support for government priorities**, including Covid-19 vaccination roll-out

Related risks

- 1 Suboptimal performance by Transnet
- 2 Unreliable water supply in the Northern Cape
- 6 Deteriorating national socio-economic conditions in areas where we operate
- 7 Management/misalignment of community expectations
- 8 Security and increased cost of electricity supply
- 9 Increased environmental, social and governance responsibilities
- 10 Safety, health and environment

How ARM responds

The operations implement LED projects in line with commitments under social and labour plans and submit regular reports on progress on socio-economic development projects. Where required, we engage with national government on policy matters and issues such as operational challenges at Transnet.

Our approach to sustainable development aims to ensure compliance with relevant safety and environmental legislation. The mines submit annual mining charter scorecard reports to the DMRE. ARM participates in coordinated industry-level initiatives and provides direct support for employees, communities and government to address relevant needs, such as Covid-19 relief, employment creation and enterprise and supplier development.

ARM partners with regional departments of health to strengthen implementation of provincial strategies for TB, HIV and Aids, sexually transmitted infections (STIs) and chronic diseases (see page 89). Five ARM operations were approved as vaccination sites for employees, contractors and members of host communities.

ARM engages with water-related stakeholders as part of our commitment to water stewardship including the department of water and sanitation, local, provincial and national authorities, water forums and irrigation boards.



Refer to the environment and social sections on pages 51 to 111 as well as the 2022 climate change and water report.

Industry associations

How we engage

ARM is an active participant in business and industry initiatives to enable collective engagement with regulators and stakeholders, promote benchmarking and share good environmental practice. These include Minerals Council (and its environmental policy committee), Business Unity South Africa (BUSA), Ferro Alloy Producers' Association, ICMM, World Economic Forum's International Business Council, Association of Mine Managers of South Africa, Association of Resident Engineers, Water User Associations and the Energy Intensive Users Group.

Stakeholder interests

- **Sustainable development**
- **Labour issues**
- **Financial sustainability**
- **Implementation of best practice**
- **Industry-specific issues**
- **Changes in legislation**
- **Coordinated response** to community challenges such as unemployment and Covid-19 relief

Related risks

- 1 Suboptimal performance by Transnet
- 2 Unreliable water supply in the Northern Cape
- 6 Deteriorating national socio-economic conditions in areas where we operate
- 7 Management/misalignment of community expectations
- 8 Security and increased cost of electricity supply
- 9 Increased environmental, social and governance responsibilities
- 10 Safety, health and environment

How ARM responds

ARM is represented in executive and other roles in various industry associations to engage and give input on industry issues and communicate with industry and government stakeholders.



Refer to the environment and social sections on pages 59 to 111.

Stakeholder engagement continued

Customers

How we engage

Ongoing interaction in the course of business, annual contractual negotiations and regular service-level agreement renewals.

Stakeholder interests

- Product **quality**
- **Timing** of product delivery
- **Sustainability issues**

How ARM responds

ARM has processes to ensure consistent product quality. We contract with logistics and freight service providers, including Transnet.

Related risks

- 1** Suboptimal performance by Transnet
- 4** Business continuity preparedness (including cyber)
- 10** Safety, health and environment



Suppliers and local business

How we engage

Continual interactions in the course of business, annual contractual negotiations, regular service-level agreement renewals and scheduled meetings with local business.

Stakeholder interests

- **Local economic development**
- **Industry issues**
- **Fair payment** terms
- **Fair treatment**
- **Valid** BBBEE certification
- **Ethics**
- **Sustainability issues**

Related risks

- 1** Suboptimal performance by Transnet
- 3** Increased unit costs
- 6** Deteriorating national socio-economic conditions in areas where we operate
- 7** Management/misalignment of community expectations
- 8** Security and increased cost of electricity supply
- 9** Increased environmental, social and governance responsibilities
- 10** Safety, health and environment

How ARM responds

ARM operations support local enterprise development through preferential procurement and CSR initiatives. Our payment terms align with industry standards. We operate ethically and do not tolerate unfair discrimination. ARM requires valid BBBEE certificates to support transformation in its supply chain.



Refer to our social impacts from page 106.

Media

How we engage

One-on-one interviews, press releases, SENS announcements, publications and the media contact function on our website.

Stakeholder interests

- **Information and updates** on topical issues

How ARM responds

ARM's investor relations department communicates with the investment community and media, and facilitates access to information and management where possible.



Environment

ARM recognises the critical local and global challenges climate change presents. We take a precautionary approach to environmental stewardship that aims to eliminate, reduce or mitigate our impacts on the environment.



52	Environment overview
56	Climate change and energy
64	Water
70	Waste management
72	Responsible management of tailings storage facilities
76	Atmospheric pollution
76	Land use management and biodiversity

Environment continued

Environment overview



ENSURING RESPONSIBLE STEWARDSHIP OF NATURAL RESOURCES

ARM considers the country's socio-economic realities and how our actions affect the natural environment in conducting our business activities. We are guided by our values, governance structures and ethical leadership, and accept our responsibility to manage and mitigate potential negative impacts. 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

UN SDGs

F2022 focus areas	F2022 performance	F2023 focus areas
Climate change, energy and water  Refer to pages 56 and 64 for information regarding F2022 performance and F2023 focus areas for climate change and water		
Rehabilitation and closure	Rehabilitation and closure plans and processes are in place at the operations to ensure appropriate planning and budgeting for rehabilitation and closure, overseen by rehabilitation trusts. Operations undertake rehabilitation activities concurrently with mining activities wherever possible.	Continue to ensure appropriate planning and budgeting for rehabilitation and closure.
Responsible TSFs management	In addition to ensuring mandatory compliance, the operations are implementing the ARM TSF management policy and standard, which align with the GISTM	Safe and responsible operation of all TSFs, with complete alignment to the GISTM for high-risk TSFs

How we manage natural resources

ARM takes a precautionary approach to environmental stewardship across business processes that aims to eliminate or reduce environmental impact wherever possible. Where unavoidable, processes are implemented to mitigate impacts.

Identifying and mitigating environmental impacts

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.

Environmental impact assessments (EIAs), including social impact assessments, are performed when planning new projects or making changes to existing operations. Environmental management programmes (EMPs) are in place to mitigate impacts identified, as required by the NEMA and its regulations.

Environmental management systems (EMSs), either certified or aligned to ISO 14001: 2015, at each operation use the plan-do-check-act principle to identify potential environmental aspects and impacts. The ERM policy identifies, assess and manages environmental and related risks, particularly for climate change and water. Quarterly risk workshops review and update operational and corporate risk profiles 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.

Alignment with global standards and best practices

The EMSs align with ISO 14001: 2015, the international standard on environmental management. Black Rock, Beeshoek, Khumani and Two Rivers mines and Cato Ridge Works and Alloys are certified in terms of this standard. Modikwa Mine, Nkomati Mine and Machadodorp Works were

ISO 14001: 2015 certified and, while not formally recertified, remain aligned with the standard. Modikwa Mine is preparing for certification in F2023.

Our management of environmental issues also aligns with the relevant ICMM position statements, including:

- Climate change
- Water stewardship
- TSF governance
- Mining and protected areas.

ARM participates in industry initiatives, particularly the ICMM and MCSA, which provide important insights that shape our approach to sustainable development. Other metals and mineral-related industry forums in which ARM or its joint-venture partners participate include:

- International Manganese Institute
- International Chrome Development Association
- Ferro Alloy Producers' Association
- Association of Mine Managers South Africa.

Environment continued

Environment overview continued

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

Training and awareness

Employees and contractors receive regular training on relevant environmental policies, standards and procedures, including at induction, regular refresher courses and job-specific training.

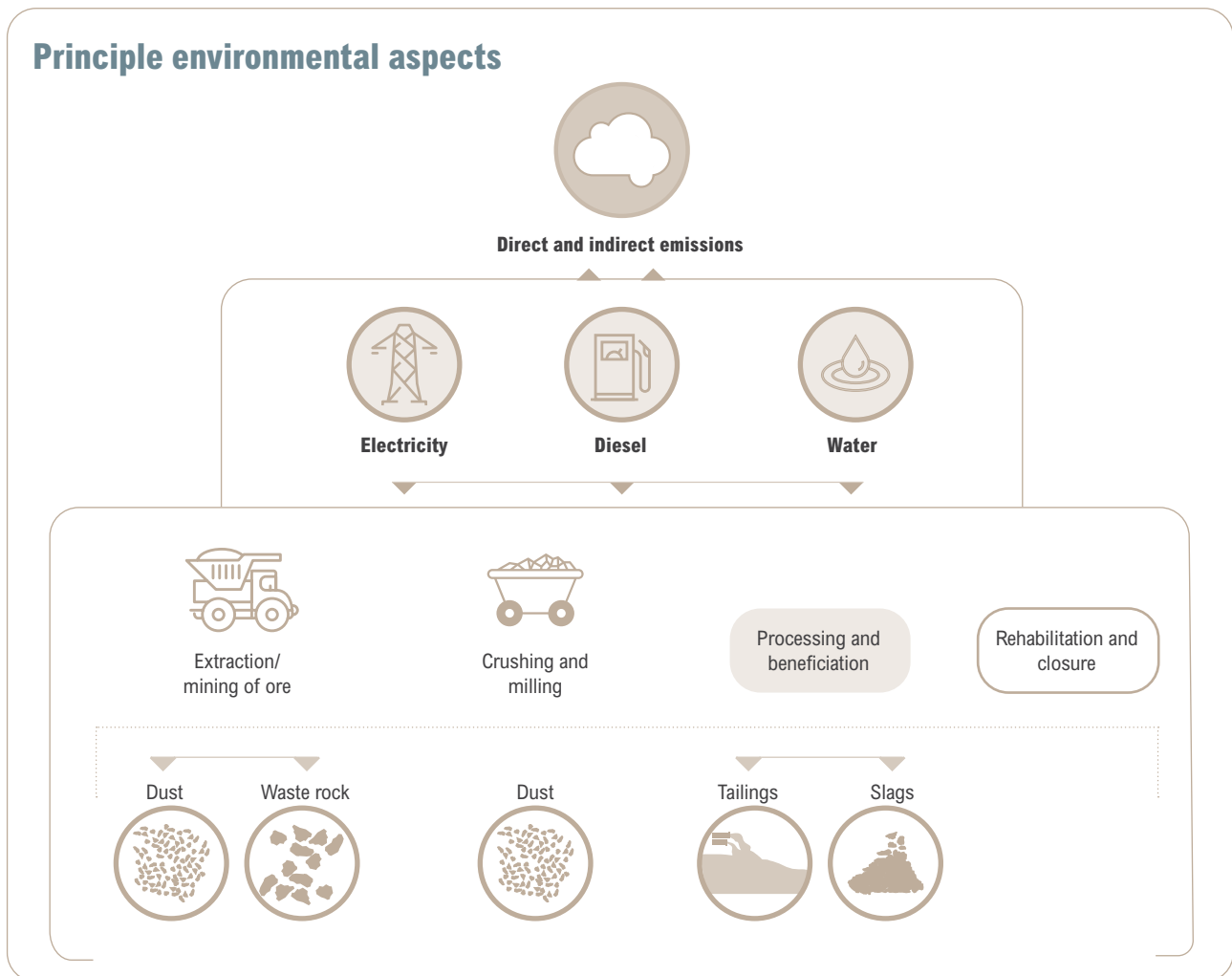
Annual workshops are held at the divisions and operations as part of the climate-change and water compliance and reporting programme. These sessions are facilitated by an external specialist consultant and include senior management, engineers and environmental managers on-site, as well as the executive: risk and sustainability 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 and our stakeholders. 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:

- Building awareness, feeding back on past performance and collectively shaping priorities and processes going forward
- Developing decarbonisation pathways and preparing for the legislated carbon budget process (phase 2)
- Updating environmental targets of ARM's conditional share plan
- At Cato Ridge Works, discussing and agreeing on the process of submitting data to DFFE as part of the mandatory GHG emissions

Principle environmental aspects



reporting (via SAGERS) and the process for reporting GHG product data to customers

- Finalising context-based water targets at the operations.

Assessing and monitoring

The EMSs measure and monitor key environmental indicators at the operations and these are consolidated and regularly reviewed at divisional and group level. 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.

Assurance

Assurance of environmental performance and compliance includes internal operational environmental inspections and audits, external legal compliance audits and compliance audits on authorisations, such as the commitments in EIAs, EMPs and water use licences. External certification audits assure alignment of the EMSs against ISO 14001: 2015 at the three mines in ARM Ferrous, Cato Ridge Works and Two Rivers Mine. Selected sustainability data included in the integrated annual and ESG reports,

and ARM's King IV™ alignment, is externally assured.

Areas identified as non-compliant in these audits are rectified promptly. No environmental fines or penalties were received in F2022.

Compliance notices/directives

A directive was issued by Department of Water and Sanitation (DWS) to Two Rivers Mine in terms of Section 20(4)(d) of the National Water Act (NWA), 1998 (Act No 36 1998), following the tailings slurry spillage incident that occurred on 19 April 2022 (see page 68), for failure to take all reasonable measures to contain and minimise the effects of the incident, undertake clean-up procedures and remedy effects of the incident. The mine sent its response to the DWS on 21 June 2022 and is awaiting further instruction. Progress reports on the cleaning and rehabilitation of the affected areas are submitted to the authorities weekly.

On 23 June 2022, the South African Heritage Resource Agency (SAHRA) issued Two Rivers Mine with a cease works order in terms of the provisions of the National Heritage Resources Act (Act No 25 of 1999), to stop all construction activities at

Merensky based on the allegations of disturbed graves. The directive was lifted after a stoppage of three days.

During the internal review of environmental systems, Two Rivers Mine identified that the Water Use Licence (WUL) was compliant with the New Tailings Storage Facility (NTSF) design however the Environmental Authorisation (EA) did not cover the entire footprint as designed and constructed. This therefore resulted in a non-compliance with the EA due to the NTSF footprint being outside of the authorised area.

The approvals for the NTSF also authorised the construction of a slurry pipeline and during the construction of the pipeline, Two Rivers Mine discovered a gravesite along the approved pipeline route, which necessitated the pipeline being rerouted to avoid the gravesite. The rerouting of the pipeline also resulted in the deviation from the EA.

Two Rivers Mine has engaged the relevant authorities and an application in terms of section 24G of the NEMA to rectify the two non-compliances has been submitted.



Environment continued

Climate change and energy

ARM recognises the critical global and local challenges climate change presents and the effects 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 and transitions impacts caused by climate change.

CCW Refer detailed 2022 climate change and water report.

F2022/23 focus areas	F2022 performance	F2023/24 focus areas
Complying with the South African carbon budget phase 1 extension and phase 2 requirements	ARM submitted data as part of the phase 1 extension and was allocated an extended budget. A GHG pollution-prevention plan was also submitted and approved by the Department of Forestry, Fisheries and the Environment (DFFE). The second phase of the carbon budget has been hampered by delayed promulgation of the climate change bill. However, ARM is proactively preparing for this legislated phase, including initiating a process to develop operation-specific decarbonisation pathways, and by investing in appropriate management systems to ensure compliance	Preparing for the South African carbon budget legislated phase 2 requirements
Incorporating financial metrics into our new energy and carbon management system, to inform prioritisation of decarbonisation measures and feed into developing our long-term decarbonisation pathway	Further improvements have been made to ARM's energy and carbon management system. Detailed work to develop decarbonisation pathways includes the assessment of net-present value costs of different mitigation options	Develop and roll out a new ESG data system to allow improved tracking of ESG risks and opportunities
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	We continue to improve the accuracy and completeness of our scope 3 GHG inventory. This year we included emissions associated with our investment in Sakura. We also continue to engage in ICMM working groups, driving improved reporting and appropriate measures for the industry to contribute to the decarbonisation of our value chain	Continue collaborating to refine our scope 3 approach and understanding of our role in reducing those emissions
Developing a long-term decarbonisation pathway, building on initial work as part of our climate-scenario analysis process	In F2021, after our first climate-change scenario analysis, ARM set the long-term target of achieving net-zero GHG emissions for mining by 2050. In F2022, we focused on developing operation-specific decarbonisation pathways that detail the short and medium-term steps that need to be taken to achieve the long-term target	Finalising our operation-specific long-term decarbonisation pathways, setting revised GHG reduction targets aligned with our long-term commitment, and instituting measures to achieve those targets (including budget allocation, setting KPIs and implementing energy and carbon management systems)

F2022/23 focus areas	F2022 performance	F2023/24 focus areas
Interrogating our GHG accounting organisational boundary	To align with stakeholder expectations and peer/joint-venture partner practices, we moved from calculating and reporting emissions according to ARM's equity share (attributable emissions) to operational control boundaries. Operations and investments outside ARM's operational control are now included under the scope 3 emissions category	Complete
Investigating ways to leverage our socio-economic development (SED) and corporate social investment (CSI) spending to enhance community resilience to climate change	The climate-scenario analysis in F2021 identified transformation initiatives as having the potential to contribute to improved resilience of vulnerable host communities to adapt to climate change. In F2022, we initiated a process to identify where existing efforts contribute to this objective and can be scaled up, and where positive resilience outcomes can be driven by new transformation initiatives	Further investigating and then implementing ways in which we can leverage our SED and CSI spending to enhance community resilience to climate change
Leveraging preliminary results of the climate-scenarios analysis to inform a revised assessment of water and climate-related risks in our supply chain	ARM is evaluating climate-change risks in its supply chain (exposure to physical climate changes). This includes prioritising suppliers/supply chains for analysis, modelling impacts, assessing the risk profile and developing mitigation measures/ other recommendations	Continuing the processes to assess water and climate-related risks in our supply chain and implement the roadmap to fully integrate climate change into our ERM process
Reviewing our industry associations' positions on climate change to ensure alignment of our direct and indirect climate-related lobbying with our new long-term ambition	In F2022, we assessed the climate-change policies and positions of the five industry associations of which ARM is a member or where our joint venture is a member to see how these align with our 12 climate-change statements/commitments. The review identified that climate-change policies of the ICMM and MCSA are mostly congruent. Other outcomes of the review are discussed in the 2022 climate change and water report	Complete
		New: Concluding plans to secure large-scale renewable energy sources and setting renewable energy-consumption targets

Environment continued

Climate change and energy continued

Climate change is integrated into ARM's business strategy

Climate-change considerations are continually integrated into our business 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.

 Refer to the 2022 climate change and water report for ARM's climate change policy and commitments.

Climate-change uncertainties are evaluated at the company and asset levels and considered in our climate-scenario analysis. Company-level risks, such as evolving climate-change mitigation regulations (including carbon tax and carbon budgets), are tracked by the responsible risk owners. The ERM process identifies climate-change-related risks in ARM's top risks.

In F2021, a series of workshops, led by our CEO, conducted a qualitative climate-scenario analysis to assess the resilience of our business to climate transition and physical risks, in line with TCFD recommendations. This informed our long-term GHG emission reduction target, which was approved by the board and announced by the executive chairman at the presentation of our F2021 results.

We are developing decarbonisation pathways and associated measures to ensure we deliver on this commitment in a manner aligned with the global Paris commitment to hold the increase in the global average temperature to well below 2°C and pursue ways to limit that increase to 1.5°C. As part of this process, we assessed the resilience of our business to climate transition and physical risks under five scenarios: 1.5°C – supportive; 2°C – disorderly; 3°C – too little, too late; world transitions and South Africa lags; and business-as-usual.

This process was undertaken in response to and in line with the

ARM's long-term GHG emission reduction target



We aim to achieve net-zero GHG emissions (scope 1 and 2) from mining by 2050 and have set goals and commitments to achieve this target.

TCFD recommendations, and because it is critical to informing our understanding of climate-change risks and opportunities, as well as the way they affect our strategy. We have incorporated climate scenarios into our strategic and operational planning again in F2022.

We have implemented robust processes to measure and report on carbon emissions at our operations and identify opportunities to reduce these emissions. We are actively developing technologies and processes to enhance energy efficiency at our operations while improving fuel efficiency and reducing our carbon footprint through other targeted initiatives.

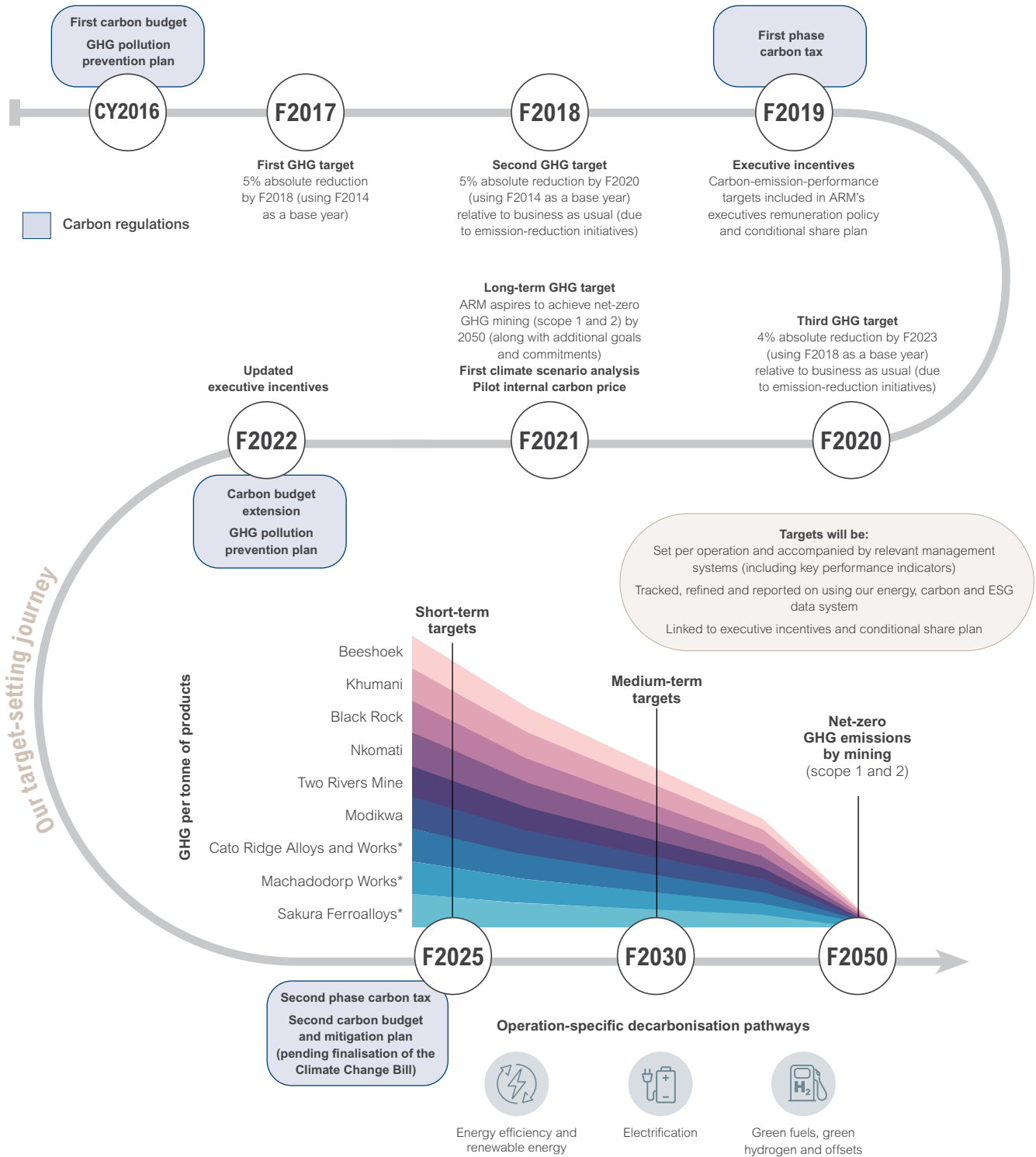
Material climate-change risks and opportunities

- Shifting value pools in commodity markets: global climate-change action will have severe business impacts for mining groups, affecting global demand for several major commodities
- Increasing 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 pressuring 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 and cost or margin impacts linked to operational disruptions and increased capital expenditure, and affecting markets through its negative impacts on countries' gross domestic product (GDP).

Business implications

- Material risks to demand for our current portfolio of products due to changing demand for commodities associated with the energy transition, reduced GDP growth, higher product prices, and circular-economy drivers, such as alternatives, efficiencies and recycling
- Material opportunities to increase demand for minerals associated with the climate transition, and demand for zero- and low-carbon mining and metals products
- Material risks to production volumes due to availability of resources and business disruptions, including community protests and social disruption
- Material risks to margins such as the cost of capital, operating expenses and product prices
- Material opportunities to increase margins due to increased access to low-cost finance
- The potential impact on stranded assets and profitability of research and development (R&D) into low-carbon processes and products.

Figure 1: GHG targets and decarbonisation pathways



To support and complement our decarbonisation pathways and deliver on our long-term ambition, we commit to:

- Work collectively to ensure 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.

* The smelters are not included in the current net-zero GHG by 2050 commitment, but they are included in the decarbonisation pathway development process.

Environment continued

Climate change and energy continued

Performance in F2022

Sources of carbon emissions

The majority of ARM's scope 1 and 2 emissions arise from electricity consumed that is produced by coal-fired power stations and the combustion of fossil fuels (mainly diesel) during our mining, load-and-haul, materials handling and processing activities.

Operational contribution

The smelters at Cato Ridge Works consumed 31% of the group's total electricity in F2022 and this operation is the largest source of GHG emissions at 35%.

Emissions trend

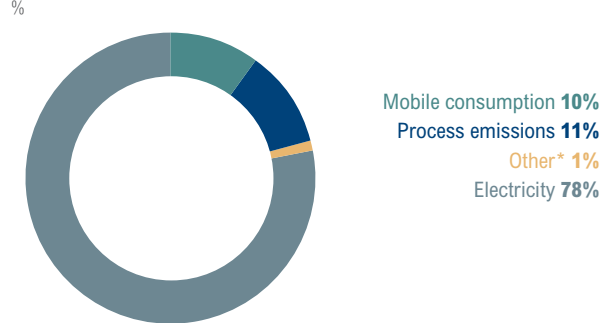
The F2022 estimated carbon footprint (scope 1 and 2 on a 100% basis) decreased 6.8% to 1.88mtCO₂e from 2.02mtCO₂e in F2021. The decrease in total emissions is primarily due to Nkomati Mine being put on care and maintenance, a reduction in Eskom's grid emission factor, electricity-supply disruptions and GHG emission-reduction initiatives. These offset increases due to reduced furnace efficiencies at Cato Ridge Works and increased production at the group's mines.

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 that value chain.

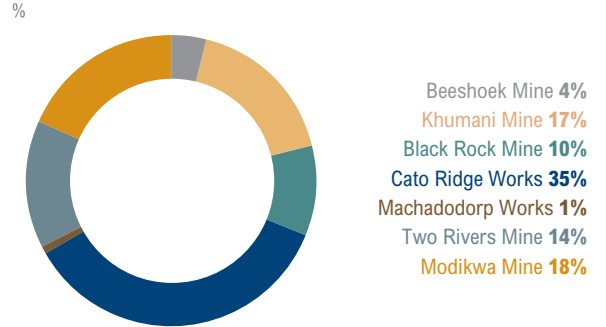
We have significantly improved the completeness and accuracy of our scope 3 inventory to expand and refine our assessments of related categories. We will continue to improve this inventory in F2023 while working closely with our joint-venture partners to ensure risks are mitigated.

F2022 scope 1 and 2 emissions by source

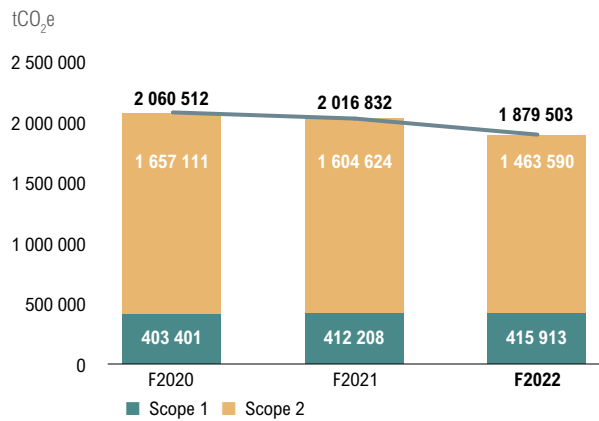


* Stationary emissions, explosives, refrigerants and waste.

F2022 scope 1 and 2 greenhouse gas emissions by operations



Carbon footprint (scope 1 and 2 – 100% basis)



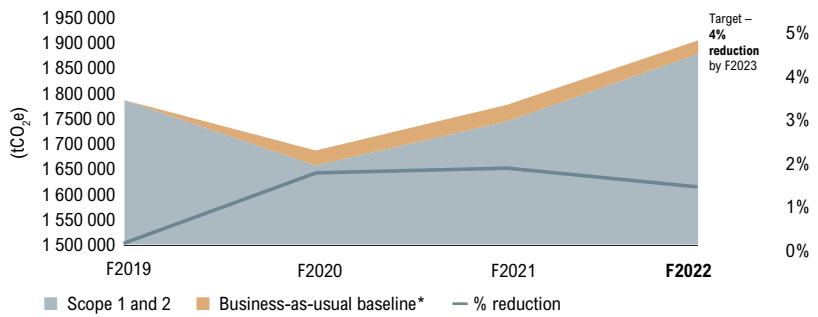
Note: In previous years, we calculated and reported on emissions according to ARM's equity share (attributable emissions) in the operations where we have operational or joint operational control. This year, after benchmarking both our peers and joint-venture partners, and in line with stakeholder expectations, we have shifted to reporting on an operational control basis. This means our emissions are now reported on a 100% basis for operations where we have direct or joint management control.

Progress against our current GHG emissions target

ARM achieved a 1.6% absolute reduction of scope 1 and 2 emissions against an F2018 baseline, relative to what emissions would have been without implementing its emission-reduction initiatives (excluding Nkomati Mine). Our absolute scope 1 and 2 emissions have decreased 7.5% largely due to Nkomati Mine moving onto care and maintenance. However, this mine is excluded from our target, and the increase in emissions in the figure above reflects higher production from expansion activities at Black Rock, Two Rivers and Modikwa mines. Additional emission reductions have been achieved at our operations, but these have been largely offset by reduced furnace efficiencies at Cato Ridge Works.

Going forward, we anticipate additional savings from energy and carbon audits, assessment of mitigation options, and development of our decarbonisation pathways. However, as these savings are unlikely to materialise in the early

GHG emission reductions relative to the short-term target



* The business-as-usual baseline reflects what ARM would have emitted had it not implemented emission-reduction initiatives (referred to as an ex-post baseline according to the GHG protocol policy and action standard).

part of F2023 (given work is still in progress), they will not enable ARM to meet its target. These initiatives, including investments in renewable energy, will deliver significant savings from F2024, and will be key to achieving our new targets, aligned with our long-term commitment to net zero and achieving a decarbonisation pathway aligned with the scientific requirement to limit global average temperature increases to not more than 1.5°C.

Short-term target

4% absolute reduction of scope 1 and 2 emissions by F2023 against F2018 baseline through emission-reduction initiatives implemented from F2019 onwards (provided they are still delivering active savings; excluding Nkomati Mine which is under care and maintenance).

CCW See our 2022 climate change and water report for more information on climate change, ARM's response and the group's scope 1, 2 and 3 GHG emissions.



Environment continued

Climate change and energy continued

GHG emission reduction initiatives

To take meaningful steps towards our long-term GHG reduction ambition, we are exploring options to invest in renewable energy-generation technologies or buy electricity from renewable sources. Our feasibility considerations include capital and operational costs, electricity generation relative to our operations' load requirements, GHG and environmental impacts, and the alignment of green investments with the remaining economic lives of our assets. The latter is particularly important as operations with a short life-of-mine are not suitable candidates.

Various savings and carbon emission reduction initiatives were implemented during the year and their forecast savings are shown below.

New initiatives implemented in F2022	Additional savings per year (tCO ₂ e)
Backfilling at Beeshoek reduced the need to drive up the waste stockpile and reduced diesel use year on year	1 650
Leaving haulage vehicles underground at Modikwa Mine. This required investing in service and refuelling bays underground	608
Installing variable speed drives as part of the furnace 5 baghouse upgrade at Cato Ridge Works. This project benefits from section 12L tax incentives	823
Developing and implementing a generator-management system to control the stopping/starting of individual generators on demand and to run individual generators at optimum loading to ensure most fuel-efficient operation, thus reducing total running hours and diesel consumption per MWh generated	338
Keeping rigs and bolters underground instead of driving them up to surface after each shift at Modikwa Mine. This reduces the number of trips to surface (8km each way)	289
More efficient air-conditioners at Two Rivers Mine	36

Some projects have a payback period of less than three years.

Additional projects being developed include:

- Installing solar photovoltaic (PV) plants with battery storage at our Black Rock and Khumani mines. The environmental impact assessment and system designs for this installation will be completed by August 2023, and construction completed by the end of 2024
- Piloting electric vehicles with multiple benefits
- Reducing vehicles required by increasing vehicle size to reduce the size of the fleet
- Improving energy efficiency by moving fans closer to working places, installing motion detectors for LED lights, automatically stopping conveyors when not in use, investing further in LED lighting, and installing vent fans

- with variable speed drives, such as at Black Rock Mine. The development of the Merensky project at Two Rivers Mine includes investing in energy-efficient equipment and best-practice design
- Optimisation, including surface-fan relocation, right-sizing hauling vehicles and replacing haul roads with underground conveyor belts
- Reducing energy requirements for haulage by replacing haul trucks with conveyors and investing in underground workshops to keep trucks underground
- Exploring the potential of using biomass as a reductant in the ferromanganese smelting process at Cato Ridge Works
- Exploring specific options to wheel renewable power supply to ARM Platinum's mining operations
- Reducing emissions in our value chain (scope 3 – transportation).

These interventions are important, as energy consumption is expected to increase at many of ARM's operations:

- Khumani and Beeshoek are mining at deeper levels and mining lower-quality ore, which increases stripping rates
- Two Rivers Mine has invested in a new mill, which increases energy demand, more ancillary equipment and a new TSF, which has increased electricity for pumping requirements
- The decision to mine the Merensky reef will significantly increase energy consumption with the construction of the new mine and plant, and as the mine ramps up to full production in 2027.

Energy

Energy efficiency is a key focus as energy is a significant factor in production cost and the source of most of the group's carbon emissions. Future energy-cost increases have an implication for profitability and the operations have to budget for carbon tax and the potential for pass-through to consumers by Eskom in the second phase of this tax.

The ERM process recognises security of electricity supply in South Africa as a material 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 affects 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.

Sources of energy used

The primary sources of energy consumed in our value chain are electricity and diesel. Electricity is used in mining activities to power ventilation fans, pumps for processing and dewatering, conveyor-belt motors and machines that crush and mill ore.

Diesel is mainly used by mobile equipment, including trackless machines and vehicles for mining, loading, hauling and logistics. A small amount is used in standby electricity generators.

Operational energy use

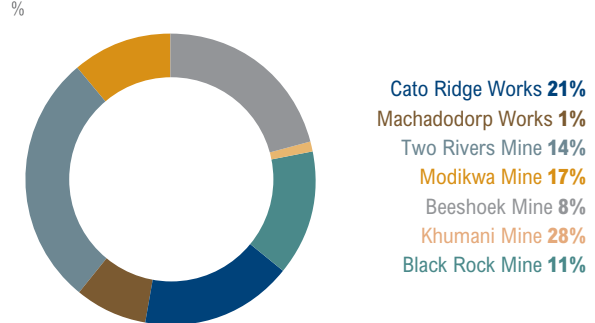
In F2022, the group consumed 7 577 456GJ of energy. Khumani accounted for 28% of group energy consumption, with mainly diesel used in mobile equipment. Electricity used for heating is a significant cost input in the smelting process at Cato Ridge Works and the operation accounted for 21% of group energy use in F2022.

Energy use trend

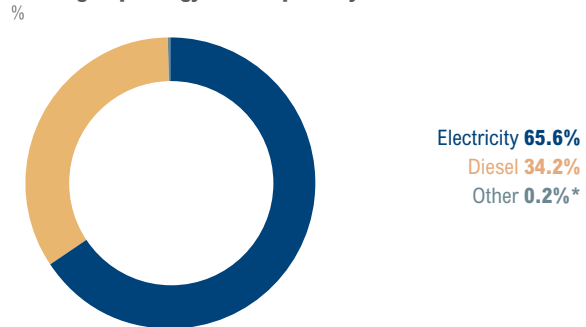
Total electricity consumed by the operations decreased 11% to 1 381GWh and group diesel consumption decreased 10% to 71.2 million litres. The primary reason for the decreases is Nkomati Mine being put on care and maintenance in the third quarter of F2021. In F2021, the operation comprised 16% of group electricity and 12% of group diesel consumption.

CCW Refer to our 2022 climate change and water report for more information on ARM's energy-consumption and energy-reduction initiatives.

F2022 group energy consumption by operation

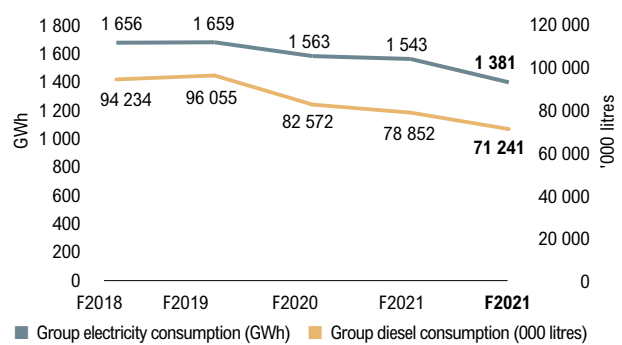


F2022 group energy consumption by source



* Petrol, LPG, acetylene.

Group electricity and diesel consumption



Environment continued

Water

All over the world, water systems are under threat from rising consumption, pollution, weak governance and climate change. Water is essential to all mining and metals operations. ARM is exposed to increased water-related risks that could affect production, increase costs, constrain growth, disrupt our supply chains and place our communities under strain. We need to continually contribute to, and focus on, ensuring a water-secure future that is socially and culturally equitable, environmentally sustainable and economically beneficial.

F2022/23 focus areas	F2022 performance	F2023/24 focus areas
Finalising draft context-based water targets	ARM has set context-relevant water targets or objectives for operations with material water-related risks aligned with ICMM guidance.	Complete
Reporting F2022 water data according to the revised ICMM water accounting framework (WAF) guideline	We continued to make improvements and will report against the revised ICMM WAF guideline in F2023.	Reporting our F2023 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	The climate-scenario analysis in F2021 identified transformation initiatives (specifically SLP, ESD, SED and community trusts) as having the potential to contribute to improved resilience of vulnerable host communities to adapt to climate change. In F2022, we initiated a process to identify where existing efforts contribute to this objective and can be scaled up, and where positive resilience outcomes can be driven by new transformation initiatives. This work will continue in F2023.	Further investigating and then implementing ways in which we can leverage our SED and CSI spending to enhance community resilience to climate change and associated impacts on water
Expanding our assessment of water-related risks and the role of projected climate changes in our supply chain	In F2022, we started to leverage preliminary results of the climate-scenarios analysis to inform a revised assessment of water- and climate-related risks in our supply chain. This work will continue in F2023.	Continuing the processes initiated in F2022 of leveraging preliminary results of the climate-scenarios analysis to inform a revised assessment of water- and climate-related risks in our supply chain, and to implement the roadmap to fully integrate climate change into our ERM process

How we use and manage water

Water is a material matter across the group, although for different reasons at different operations. We anticipate that the likelihood and impact of our water-related risks will increase over time as climate change results in more extreme weather events, particularly floods and drought.

ARM believes that water-related challenges should be owned collectively. These issues are shared and, to be properly resolved, they require collaboration by governments, civil society, the private sector and local communities. We therefore continue to manage water impacts at our operations, while

regularly engaging with our partners and other stakeholders on water stewardship and holistic-risk mitigation at the catchment level.

Water stewardship is integral to our business strategy. The climate-scenario analysis conducted in F2021 included considering different water-related futures influenced by climate change. The ERM process recognises water as a principal risk with associated opportunities and is therefore a key input to our sustainable business strategy. We consider water-related risks and opportunities at company and asset levels. Our ERM process links strategic intent factors to water risks that may help or hinder operations

from achieving their objectives. Water availability is considered as part of the five-year business plan for each operation, which assesses the availability and use of appropriate technology to address water requirements or manage impacts.

ccw Refer to the 2022 climate change and water report for ARM's water stewardship policy and commitments.

Seven of the eight operations under our direct or joint control are in water-stressed areas and some face significant catchment-level water risks due to poor existing infrastructure, lack of funding and capacity to deliver new infrastructure, and the impacts of climate change on water supply.

Operation	Water management area (WMA)	Catchment stress	Operational water risk rating	Operational water risks
Beeshoek Mine	Vaal WMA	Moderate	High	Water scarcity, regulatory risk, occasional flooding and other extreme weather events
Black Rock Mine			High	
Khumani Mine			High	
Two Rivers Mine	Olifants WMA	Moderate	High	Water scarcity, extreme weather events, regulatory risk
Modikwa Mine			High	
Nkomati Mine	Inkomati-Usuthu WMA	Moderate	High	Surface water contamination due to excess water accumulation, regulatory risk
Machadodorp Works			High	Surface water contamination due to high rainfall and limited production
Cato Ridge Works	Pongola-Umzimkulu WMA	Not water stressed	N/A	N/A

ccw Refer to the 2022 climate change and water report for more information on operational water risks and how ARM mitigates these.

Our proactive and holistic water management strategy facilitates how we sustainably manage our water resources. It is built around identifying and mitigating water-related risks, exploring opportunities and engaging with partners to achieve collective action. Our emphasis on operational efficiencies stresses the value of water and the need to use it efficiently. We aim to

minimise withdrawal of clean, potable or municipal water, to recycle 100% of water – excluding losses due to evaporation, seepage, and entrainment – and to have no discharges.

Where water is material, relevant KPIs have been introduced at operational level. Water balances are used to manage and optimise water

use and all operations run closed-circuit water systems to the extent possible to maximise reuse and minimise discharge into the environment. Dirty and clean water are separated, and operations implement a hierarchy of water use to ensure that dirty or process water is recycled for reuse before clean water is abstracted from the natural environment.






Environment continued

Water continued

Where appropriate, technologies such as reverse osmosis have been implemented to clean process water, and we continue to investigate natural, sustainable alternatives such as wetland formation, particularly for our mine closure plans. Operations invest in technology to reduce their water requirements, and consider

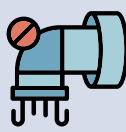
these as part of new or expansion projects to reduce our water dependency and competition with other water users. Various measures are in place to reduce consumption, increase storage and mitigate production downtime, including the use of dust-suppression surfactants to reduce evaporation.

Surface and groundwater quality are monitored to measure compliance with WUL conditions, assess our impact on the receiving environment, and flag the need for mitigation. Biomonitoring of aquatic and riverine environments is performed as appropriate and as stipulated in each operation's WUL conditions.

 Water withdrawal	 Water outputs	 Water consumption	 Water use	 Diversions
<p>Operations withdraw water from a range of sources defined in the terms of their WULs. Sources include rivers, boreholes and municipal supplies.</p>	<p>Water outputs include flows to surface water, groundwater and supply to third parties (neighbouring communities, farms and other users).</p>	<p>Water is primarily consumed through evaporation and transpiration, water entrained in tailings, and interstitial water in product, seepage and outputs to third parties.</p>	<p>Water is used in milling, beneficiation, cooling and for dust suppression during blasting, on haul roads, and at ore-transfer points. Employees need access to water for drinking and water, sanitation and hygiene (WASH) purposes, and it is a critical component in our supply-chain commodities, including electricity, chemicals and explosives. Water is also essential for users in our wider catchments.</p>	<p>Water diverted to neighbouring communities, farms and other users.</p>



Reuse efficiency
All operations run closed-water circuits to maximise recycling and reuse. In F2022, water-reuse efficiency improved to 79%.



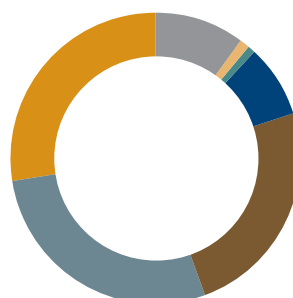
Discharges
Occasional discharges are unavoidable in certain instances, such as during heavy rainfall. Discharges are reported to the relevant authorities and clean-up and rehabilitation processes are initiated immediately, documented, and reported comprehensively to the respective internal governance structures as well as authorities.

Performance in F2022

Operational water withdrawal

In F2022, Beeshoek Mine accounted for 28% of total group water withdrawal, Khumani Mine 27% and Modikwa Mine 24%.

F2022 water withdrawal by operation %



- Black Rock Mine **10%**
- Cato Ridge Works **1%**
- Nkomati Mine **1%**
- Two Rivers Mine **8%**
- Modikwa Mine **24%**
- Beeshoek Mine **28%**
- Khumani Mine **27%**

Water withdrawal trend

In F2022, water withdrawal decreased by 13% to 17.4 million m³ (F2021: 20 million m³) due to reduced activity in the last quarter of F2021 after mining stopped at Nkomati and increased intake from pit dewatering associated with increased rainfall at Beeshoek.

Water use efficiency, a key performance indicator in monitoring and managing consumption and losses, improved to 79% (F2021: 78%).

Total water output decreased 72% to 242 836m³ (F2021: 866 552m³).

Water targets

Current target:

To reduce withdrawals of potable water (surface and municipal sources) 17% by F2022 relative to F2011 (excluding Machadodorp Works and divested operations).



Our initial water targets aimed to reduce withdrawals of potable water (surface and municipal sources) relative to F2011. The targets were set based on site-specific considerations of what was realistic but ambitious as a first step on the water target-setting journey. We have exceeded our targets to date and in F2022 achieved a reduction of 19% compared to our target of 17%. The main contributors to achieving the target were the scaling down of activities at Nkomati Mine and Cato Ridge Works since F2011, although Beeshoek and Modikwa mines achieved decreases of 32% and 14% respectively.

Setting new context-relevant water targets

An ARM-level target represented an important step in our target-setting journey, but our operations found that

the target did not cover the multi-dimensional risks specific to each operational context and was not useful in measuring and driving water performance. The focus on potable water is relevant but too narrow in its scope. In F2020, we began the process of setting context-based water targets for operations with material water-related risks and these were finalised in F2022.

The process at each operation included:

- Prioritising shared-water challenges in each operational catchment and understanding operational risks, dependencies and impacts
- Developing our understanding of the desired catchment condition

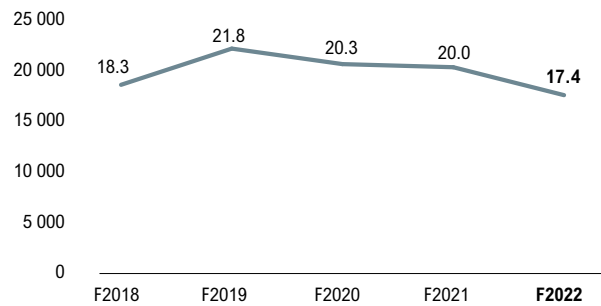
and determining our contribution to the desired conditions for each priority shared-water challenge

- Setting draft targets with the aim of contributing to existing efforts to meet desired conditions, determining implementation strategies and measuring progress towards meeting targets.

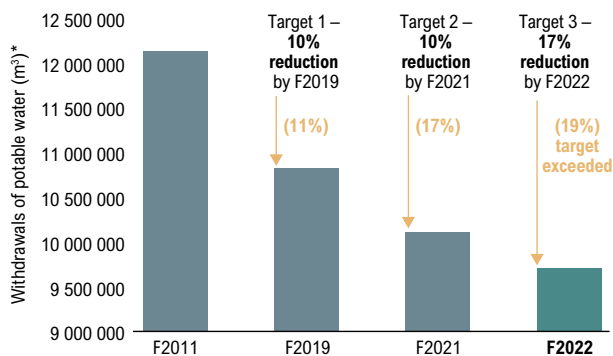
Context-based water targets were set for the mines, with Cato Ridge Works excluded as it is not located in a water-stressed area. Target will be set for Machadodorp Works once there is greater clarity on the development of new smelt technology for ferroalloys.

CCW Refer to the 2022 climate change and water report for the operations' context-based targets.

Water withdrawal (m³ million)



Progress towards ARM's water target



* Potable water includes surface and municipal surface water (excluding precipitation and runoff).

Environment continued

Water continued

Water discharge incidents

While all operations run closed-water circuits to maximise recycling and reuse, discharges are unavoidable in certain instances, such as during heavy rainfall. ARM categorises these discharges using level 1 to level 5 classifications of environmental incidents which are based on the size/scale of the impact, the sensitivity of the receiving environment, and remediation/clean-up requirements. Levels 1 – 3 incidents (insignificant to moderate impact) are reported internally at operations. Level 4 (high impact) and level 5 (major impact) incidents are reportable to relevant authorities.

In F2022 we had 13 level 4 water discharges which were all reported to the authorities. No level 5 discharges occurred.

Discharges are reported in terms of quality and volumes, and investigated to identify root causes, learnings and key actions to remediate the affected areas and prevent recurrence. Clean-up and rehabilitation processes are initiated immediately, documented and comprehensively reported to the respective internal governance structures as well as authorities.

The most significant discharge was a slurry spillage estimated at 8 400m³ due to a burst flange gasket on the new TSF pipeline at Two Rivers Mine on 19 April 2022. The berm walls alongside the pipeline were unable to contain the spillage and the slurry washed out of the pipeline servitude, entering the natural environment on Dwarsrivier farm, including the Dwarsrivier. The incident was reported to the DWS, remedial actions have been put in place to prevent recurrence and clean up of the spillage and rehabilitation of the affected areas are ongoing.

Other incidents in F2022 are summarised below.

Operation	Incident
Two Rivers Mine	<ul style="list-style-type: none"> On 11 August 2021, slurry spilled outside the bund area and lined dam following cable theft at the booster pump station On 26 August 2021, a breakdown in the tailing thickener led to a discharge into the pollution control dam (PCD) which then overflowed into the natural environment On 23 February 2022, a power failure led to plant water spilling into the PCD, which overflowed into the natural environment. Spillages of slurry and silt also occurred around the plant area On 24 February 2022, a power failure led to the TSF booster area overflowing into the natural environment, with slurry spilling outside the bund area and HDPE lined dam On 28 February 2022, excessive water pumped up from underground caused the PCD to overflow into the natural environment. Following the incident, a company was appointed to desilt the PCD to increase holding volume. On 16 March 2022, a break in the return water pipe leaked into the PCD waterways and caused the dam to overflow into the natural environment On 17 March 2022 the PCD overflowed into the natural environment due to heavy rain On 28 March 2022 a leaking valve pinch led to slurry spilling at the TSF booster station into the natural environment, including a non-perennial stream and the Dwarsrivier River.
Black Rock Mine	<ul style="list-style-type: none"> Following a period of heavy rain, dirty water (run-off) discharged from the manganese stacking floors and truck loading station at Black Rock Mine on 15 January 2022. Impermeable earth berms had been constructed adjacent to the mine fence/boundary following a similar incident in January 2021. The dirty water accumulated along the berms and then discharged around the end of the berms. The mine is investigating options for preventing future events, including extending the berms or constructing containment facilities.
Machadodorp Works	<ul style="list-style-type: none"> Following a period of heavy rain that culminated in flooding, a controlled release of process water from Dam 1 took place on 7 December 2021 to maintain water levels and integrity of the walls in Dam 1 and 3. The water was released up-gradient of the Leeuwspruit. The incident was reported to the Inkomati Usuthu Catchment Management Agency and Department of Agriculture, Rural Development, Land and Environmental Affairs.
Nkomati Mine	<ul style="list-style-type: none"> On 13 December 2021, following heavy rain, the storm water dam overflowed into the Adit stream, a tributary of the Gladdespruit. The incident was reported to the IUCMA and DMRE. Surfacewater samples following the incident indicated that the quality of water discharged was within the specifications of the water use licence.
Modikwa Mine	<ul style="list-style-type: none"> On 29 July 2021 a leaking expansion joint resulted in slurry spilling onto and flowing down the mine entrance road. Some of the slurry spilled into the dry bed of the Moopetsi river. The incident was reported to the DWS.

There were no incidents of material hydrocarbon spillage of a scale reportable to the authorities in F2022.

 Refer to page 70 and 71 for detail on measures taken to address incidents.



Environment continued

Waste management

The most material waste streams at the operations are by-products of mining, beneficiation and smelting processes, primarily slag, waste rock and tailings. These mineral waste streams are directly linked to production and we focus on improving mining and process efficiencies to minimise their creation.

Non-mineral waste includes domestic waste from our offices, and oil from trackless mobile mining and production machinery as well as medical waste from the clinics. These are strictly managed and there is a waste minimisation strategy that includes effectively sorting waste and

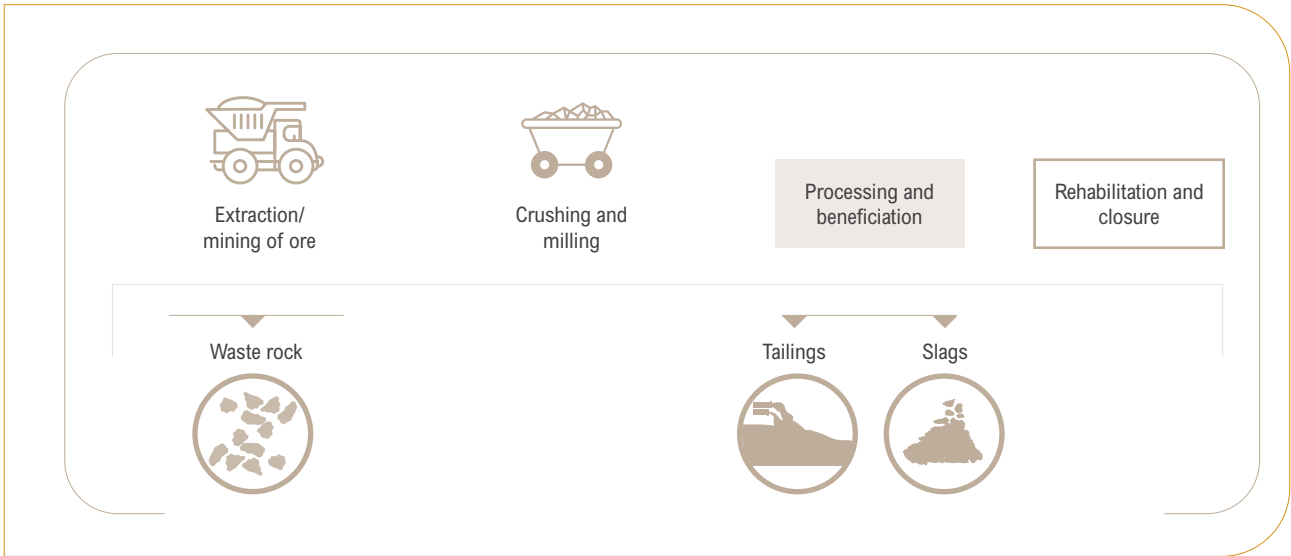
recycling as much waste as possible. Waste that cannot be recycled is safely disposed at appropriate facilities and safe-disposal certificates are obtained.

The source, volume and type of waste generated by each process,

as well as the disposal method, are recorded in waste inventories. 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	F2022	F2021
Mineral waste				
Waste rock	Non-ore-bearing rock removed in ore extraction process	Waste rock dumps or used to backfill and rehabilitate open pit workings	66.6mt	59.8mt
Tailings	Finely milled waste material suspended in water produced during processing metals and minerals	Tailings storage facilities.	9.0mt	12.9mt
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 the smelters	Disposed 15 060t Recycled 190 878t	Disposed 7 854t Recycled 131 310t
Non-mineral waste				
Domestic waste	Produced by operational, administrative and support functions	Licensed municipal landfill sites	2 936t	3 120t
Hazardous waste	Includes: <ul style="list-style-type: none"> Oil-contaminated material Oil filters from vehicle maintenance Medical waste from the clinics 	Registered waste-disposal facilities. Safe-disposal certificates obtained for each hazardous waste stream	3 073t	1 741t*

t – tonnes, mt – million tonnes.
* Corrected for error in prior year.



Waste rock produced increased due to increased production at Khumani and removal of accumulated waste at Black Rock. Tailings produced decreased mainly as a result of Nkomati Mine being put on care and maintenance in January 2021. Domestic waste to landfill reduced by 6% against F2021, ahead of our target of a minimum 5% reduction. Hazardous waste disposed increased by 76% to 3 073 tonnes, due to increased disposal of contaminated soil at Khumani, Two Rivers and Beeshoek mines. Disposal of contaminated soil at Khumani and Two Rivers mines represents waste accumulated over F2021 and F2022 only disposed of in the current year. Beeshoek Mine cleaned up a sump during the year, which resulted in increased contaminated soil disposed. Khumani Mine has constructed a facility to treat contaminated soil on-site and is currently testing the treatment method.

Recycled waste

	Scrap metal	Paper	E-waste	Wood/timber	Plastic	Cans	Fluorescent tubes	Boxes	Building rubble (reused/recycled)	Used oil	Tyres
	Tonnes									Litres	Numbers
F2021	4 429	61	7	307	139*	6	2	12	384	937 662	2 286
F2022	5 918	30	10	283	233	144	9	48	119	1 029 719	2 313

* Corrected for error in prior year.

Environment continued

Responsible management of tailings storage facilities

In processing and beneficiating mined ore, the ore is finely ground and mixed with water and chemicals to separate minerals from waste. Tailings (or slurry) is the waste remaining after beneficiation – a mix of finely ground waste rock and water disposed of in TSFs.

Poorly managed TSFs can result in groundwater pollution. Recent international catastrophic incidents highlighted the significant impact that TSF failures can have on the people and environment downstream from these facilities. Responsible TSF management is therefore a significant focus for investors, NGOs and other stakeholders, as well as a strategic issue with major financial and reputational value.

ARM is committed to TSF 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 lifecycle. To achieve this consistently, we have strict internal standards and practices in line with local regulations and internationally recognised good practice.

TSF management and governance

There are 12 TSFs at ARM operations (see page 74). The safety and stability of these TSFs is a corporate and board priority. The management systems for all these facilities assess and incorporate all relevant legislative requirements.

Reporting on TSFs 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, social and ethics committee and,

ultimately, the ARM board. The latest structural stability reports confirm the TSFs at our managed operations as stable.

Developments in global good practice

In 2016, the ICMM published a position statement on preventing catastrophic failures of TSFs and governance framework that enhanced the focus on the key elements of management and governance necessary to maintain TSF integrity and minimise the risk of catastrophic failures. ARM, as a member of the ICMM, reviewed its TSFs in accordance with the framework.

The GISTM was launched in August 2020, with the main objective being the safer operation of TSFs. In May 2021, ICMM published the TSF management good practice guide and conformance protocol. These documents will assist member companies to align with GISTM.

In 2019, ARM commissioned independent external reviews of its TSFs, aligned with global best practice. These reviews included TSF management systems, designs and stability, as well as governance processes at operational and corporate level.

The reviews identified the requirement for a corporate policy and a formalised corporate standard on tailings management, in addition to governance standards already in place. The ARM TSF management policy and ARM TSF management standard were approved in F2021 and align with appropriate good-practice standards nationally and internationally, including GISTM.

TSF governance at ARM operations

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

At ARM Platinum, the steering committees and sustainable development committees of each mine, represented by both joint-venture partners, consider details on the status and compliance of TSFs at quarterly meetings. At ARM Ferrous, the Assmang exco and social and ethics committee consider TSF compliance and status reports at each quarterly meeting.

Overview of the TSF management system

The operations have submitted and implemented the mandatory code of practice on operating mine-residue facilities, according to the guidelines of the DMRE and South African National Standard on the management of mine residue (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.

Implementation plans for the ARM TSF management policy and ARM TSF management standard are in place at all operations, together with reporting dashboards on critical compliance elements. Progress is reported quarterly at the sustainable development/compliance meetings, with alignment to the GISTM scheduled for completion at all mines, except Beeshoek Mine, in August 2023. As a low-hazard TSF, Beeshoek Mine has until August 2025 to comply.

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.

Classification

The TSFs are classified as per SANS 10289 based on the potential hazard to the environment and community infrastructure of failure. Due to the height and footprint of most TSFs, and the potential consequence in the event of failure, most are classified as 'high hazard'. The classification incorporates the 'zone of influence' of the facility – an empirical formula that could over/understate risk of inundation in the event of failure.

Dam-breach analyses, which model the potential impact of a TSF failure, are being updated against the GISTM risk criteria, with reclassification in terms of GISTM underway. Existing emergency response plans as required by DMRE are being updated, expanded and tested to align with GISTM.

Owners

An internal competent person, in most cases the process plant/production manager, has been appointed as the responsible manager (the manager) in terms of the Mine Health and Safety Act (MHSA), to oversee the operation of each TSF. An accountable executive has been appointed for both ARM Ferrous and ARM Platinum divisions as required by the ICMM.

Professional engineer

A professional civil/geotechnical engineer (the engineer of record (EoR)) is appointed at each operation to conduct annual structural stability audits and quarterly surveillance monitoring of the TSFs. Operations are currently identifying and appointing suitably qualified persons as responsible tailings facility engineers (RTFE) and engineers of record (EoR) as required by GISTM. This will be a progressive role implementation to align with GISTM competency requirements.

Operators

Specialist TSF operating companies (the operators) have been appointed at all mines (except Beeshoek Mine, due to the low risk of that TSF) to operate the TSF in close cooperation with the manager and audited by the PR engineer/EoR each quarter.

Compliance and governance

The operator and the operation perform routine daily, weekly and monthly inspections of the TSFs. The engineer, the operator and mine personnel conduct quarterly inspections, and submit reports to the manager. Records kept by operations include TSF designs, construction drawings, continuation reports, annual reports and minutes of mandatory meetings.

In addition to governance and operational measures, a review of each TSF is conducted annually by the IMIU risk engineer 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.

At the Modikwa TSF, preliminary investigations indicated that a stabilising buttress may be required to increase the factor of safety of the facility to align with GISTM requirements. Further field investigations, laboratory testing and analysis is being undertaken in collaboration with Modikwa's JV partner to better define the tailings and foundation properties, and to define the extent of buttressing that may be required. Preliminary design of a buttress has also been commissioned to fast track the construction should it be required. Piezometers will also be installed at the facilities at Nkomati and Two Rivers Mine, and ARM Platinum is investigating other monitoring systems.

Focus for F2023

- Continued safe and responsible operation of all TSFs
- Alignment of high-risk TSFs to the GISTM

Environment continued

Responsible management of tailings storage facilities continued

	Mine/facility	Status	Raising method	Hazard classification ¹	Operator	Engineer of record	Independent technical reviews	Dam breach analysis	
ARM Ferrous	Black Rock ²	Nchwaning II	Active	Upstream	High	Fraser Alexander	Geotail	Complete	
		Gloria	Active	Upstream	Medium				
		Nchwaning II New	Active	Upstream	High				
	Beeshoek	Active	Downstream	Low	N/A ³	SRK	Complete	Planned for F2023 ³	
	Khumani	Active	Various ⁴	High	Steffanuti Stocks	Geotail	Complete	Complete	
ARM Platinum	Nkomati	Onverwacht	Active	Upstream	High	Steffanuti Stocks	Geotail	Complete	
		Co-disposal	Active	Impoundment dam	High				
		High sulphide	Idle	Impoundment dam	High				
		MSB	Idle ⁵	Upstream	Low				
	Two Rivers	Two Rivers	Active	Upstream	High	Intasol	HVTS	Complete	Complete
		De-Groote Boom	Active	Downstream	High		HVTS	Complete	Complete
	Modikwa	Active	Upstream	High	Fraser Alexander	SRK	Complete	Complete	

¹ Based on SANS 10286. Reclassification in terms of the GISTM is in process.

² A fourth TSF is being commissioned at Black Rock Mine.

³ As a low-risk facility, Beeshoek has not appointed an external TSF operator and has until 2025 to align with the GISTM.

⁴ Compartment 1 and 2: upstream construction. Compartment 3A: centre-line construction (impoundment). Compartment 3B: backfilling of mined-out open pit.

⁵ In the process of closure, lining and rehabilitation.



Environment continued

Atmospheric pollution

The smelting process at Cato Ridge works results in emissions of nitrogen oxides, sulphur oxides, carbon dioxide and particulate matter. An approved air emission licence, issued in terms of the National Environmental Management: Air Quality Act, is in place at the operation. 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. In F2022, the air cleaning system achieved 100% availability, compared to the required level of 98%.

	F2022	F2021
Nitrogen oxides (NO _x)	366t	372t
Sulphur oxides (SO _x)	257t	263t
Particulate matter	276t	290t

Land use management and biodiversity

Mines are often located in remote and environmentally sensitive areas. Mining and associated activities may result in environmental impacts which include disturbance of biodiversity, changes in topography and land use, ground and surface water, waste, air pollution and other impacts.

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

ARM has undertaken studies at all its mining operations as required in terms of the relevant legislation to prevent or mitigate potential impacts. Proposed remedial measures are documented in environmental authorisations and the EMPs. Systems are in place to ensure compliance with legal and other requirements, including compliance audits, specialist environmental studies, environmental monitoring and regular site inspections.

Biodiversity

Our approach to biodiversity conservation aligns with the ICMM Position Statement on Mining and Protected Areas. 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. More information on biodiversity at an operational level is available in the tables on our website at www.arm.co.za.

The land-use planning aspects of EIA and/or EMP processes include biodiversity studies to establish baselines and identify potential risks to biodiversity and the landscape. As part of these processes, structured engagements are held with community forums, local municipalities and other affected stakeholders.

Biodiversity action plans (BAPs) 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. BAPs and associated biodiversity management programmes (BMPs) are in place at all operations.

Training is provided to employees, contractors and communities to raise awareness of sensitive and endangered species around our operations. Impacted areas are monitored continuously in terms of the BMPs 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 relocating protected species and removing 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 metrics

	F2022	F2021
Land disturbed in the current year	109ha	191ha
Land rehabilitated in the current year	26ha	85ha
Total land disturbed to the end of the year	7 389ha	7 280ha
Total land rehabilitated to the end of the year	252ha	226ha

Rehabilitation and closure

At the end of a mine's life, the site must be restored to an agreed land end-use or state, in line with conditions in its environmental authorisations, such as EMPs 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.

Rehabilitation and closure plans and processes are in place at ARM operations to ensure appropriate planning and budgeting for rehabilitation and closure. Operations undertake rehabilitation activities concurrently with mining activities wherever possible.

The ICMM's closure maturity framework self-assessment tool was rolled out at all ARM mines. The 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.

Each mine has a rehabilitation trust with appropriate governance

structures to oversee planning and budgeting. Independent specialists conduct annual reviews of the estimated costs of closure and rehabilitation against the requirements of relevant legislation, EMP closure commitments and applicable good practice, including ICMM guidance. These provisions align with the requirements of the NEMA: Financial Provisions Regulations that are currently awaiting promulgation. Annual contributions are made to conservation trusts and/or guarantees are provided to fund liabilities for rehabilitation obligations in line with regulatory requirements.

As at 30 June 2022, the total estimated closure cost across the ferrous and platinum divisions on a 100% basis was R3.1 billion (F2021: R2.7 billion). The estimated balance of the trust funds was R527 million at June 2022 and guaranteed facilities are in place for a further R1.4 billion, representing total trust funds and guarantees (contributions) of R1.9 billion.

Nkomati Mine was placed on care and maintenance on 15 March 2021. ARM is evaluating various options

regarding the way forward for the mine. The mine's environmental responsibilities are being executed in line with its EMP and relevant statutory requirements. 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 2022, to be R1.3 billion (at 100%). A total of R274 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.

While there are shortfalls in provisions at some other 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	Estimated closure cost as at 30 June 2022	Contributions			Total provision, including guarantees	Anticipated shortfall excluding guarantees	Anticipated shortfall including guarantees
		Trust fund		Guarantees			
Operation		2022 trust fund contribution	Estimated trust fund balance as at 30 June 2022				
Beeshoek	184.9	–	113.9	74.1	188.1	71.0	3.1
Khumani	485.1	–	122.2	321.8	444.1	362.9	(41.0)
Gloria*	68.4	–	32.9	76.1	109.0	35.5	40.6
Nchwaning*	145.7	–	22.5	23.4	45.8	123.3	(99.9)
Black Rock*	185.6	–	45.2	81.9	127.2	140.3	(58.4)
Two Rivers	318.7	–	27.7	239.0	266.7	291.1	(52.0)
Nkomati	1 348.0	–	123.6	150.6	274.2	1 224.3	(1 073.8)
Modikwa	364.9	–	38.6	424.0	462.7	326.3	97.7
Total	3 101.4	–	526.7	1 391.0	1 917.7	2 574.7	(1 183.7)

* Part of Black Rock Mine



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.



Our people

80 Safety

85 Occupational health and wellness

94 Human resources management

Our social impact

106 Community impacts

Social – our people

Safety

ARM is committed to zero harm and ensuring a safe work environment for all employees, contractors and associated parties, while seeking innovative ways to prevent injury.

Operating our assets safely is at the heart of our strategy and the core of our values. It is also a crucial aspect of operational performance that directly affects productivity, efficiency, financial capital and our relationships with our stakeholders.

Reporting context

ICMM



FTSE/Russell

Health and safety

UN SDGs



F2022 focus areas

- Zero fatalities and zero harm to employees
- Reduction in injuries and severity of injuries
- Completing implementation of critical control management (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.

F2022 performance

- Lost-time injuries (LTIs) reduced from 85 in F2021 to 60 in F2022
- LTIFR improved to 0.31 (F2021: 0.41) and the severity rate improved to 33 (F2021: 41)
- Tragically, two fatalities in F2022, one each at Two Rivers and Modikwa mines (F2021: two)
- Black Rock Mine achieved 10 million fatality-free shifts and reduced LTIs by 60% year on year
- Beeshoek achieved 5 million fatality-free shifts and has been fatality-free for over 19 years
- ARM Platinum reduced LTIs by 34% year on year and ARM Ferrous reduced LTIs by 17%
- CCM fully implemented at Beeshoek and Black Rock mines; advanced stage at our other mining operations
- Ongoing benchmarking and sharing of good practices between operations and at industry level.

F2023 focus areas

- Zero fatalities and zero harm to employees and contractors
- 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.
- Modikwa and Two Rivers mines are implementing an integrated contractor safety management system.

How we manage safety

Workplace hazards are identified to ensure appropriate controls to mitigate harm.

Mining, crushing and milling, as well as processing and beneficiating minerals and metals present challenging working conditions. Key safety issues include falls of ground, trackless mobile machinery, working at heights, fatigue, conveyor belts, winches and rigging. Hazard identification and risk assessment are critical in ensuring appropriate controls for mitigating harm.

ARM's wellness management programme combines occupational hygiene, health and safety. Group safety policies inform operational safety policies and strategies that are adapted to meet specific challenges at each operation. Contractors are treated as employees, receive the same training and are included in our safety reporting, as required by legislation and industry standards.

Workplace hazard identification

Identifying hazards in the workplace and preventing harm are at the heart of working safely. Each operation performs and continuously reviews risk assessments to identify 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. They include input from regulators, specialists, equipment manufacturers, our employees and labour representatives. Hazards and mitigating controls are included in standard operating procedures used for on-the-job training.

Safety training

Safety training is provided to employees and contractors at induction, while continual on-the-job and competency training entrenches a culture of safe working practices. Supervisors monitor employees through regular planned task observations that ensure the correct safety procedures are understood and followed, and create opportunities to coach and improve safe task execution.

Assessing and monitoring safety processes and performance

All safety incidents are investigated. The results, root causes of injuries and 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 meetings.

Leading and lagging safety indicators are reported and reviewed at quarterly operational and divisional SHEQ and related meetings, corporate SHE meetings and at quarterly meetings of the ARM social and ethics committee.

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 safety indicators measure the occurrence and frequency of incidents and injuries that have already happened, including lost-time, recordable and reportable injuries, medical treatment cases and fatalities.

Safety performance indicators are included in short-term incentives for operational, divisional and corporate staff, and externally assured annually as part of the ESG reporting process. Safety modifiers are included in executive short- and long-term incentives (see remuneration report).

Alignment with global standards and best practices

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, Two Rivers mines and Cato Ridge Works 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.

Safety around transport and trackless machinery remains an area of focus. The operations are working with vehicle manufacturers, DMRE and MCSA to develop more advanced safety solutions for trackless mobile machinery. Collision awareness systems (vehicle-to-vehicle and vehicle-to-person detection systems) have been installed in trackless machinery at ARM mines. Collision avoidance systems are being installed and are on schedule for completion within the required timeframes. We are also preparing initiatives to address new requirements for mine and conveyor-belt fire prevention.

Implementing critical control management (CCM) process

CCM aims to manage the risk of material unwanted events through a systemic approach to ensure critical controls are in place and effective.

Social – our people continued

Safety continued

It comprises six planning and three implementing steps and is globally recognised as a process that could significantly help to prevent disabling or fatal accidents. CCM has been fully implemented at Beeshoek and Black Rock mines, and is at an advanced stage at our other mining operations.

Peer learning

ARM-managed operations collaborate and share safety learnings across the group. Internal safety competitions raise awareness and create constructive internal benchmarking between operations.

At industry level, we participate in health and safety forums and initiatives to share and adopt good practice to improve health and safety performance. These include:

- The Mining Industry Occupational Safety and Health (MOSH) initiatives and related learning hub established by the MCSA to facilitate learning and propagate leading practices from areas of excellence across the industry.

ARM’s group occupational health and wellness superintendent participates in the council’s MOSH taskforce and its occupational health and safety policy committee.

- The Mine Health and Safety Council’s (MHSC) culture transformation framework aims to eliminate discrimination and create a safe, healthy and productive mining industry in South Africa, with risks controlled at source. ARM’s culture, systems and programmes align with the goals of the framework.
- As an ICMM member, we have access to a network for learning from peers and implementing industry good practice.

The culture transformation framework arose from a tripartite (government, organised labour and industry) process and the MOSH initiatives aim to help the mining industry meet the tripartite occupational health and safety targets and milestones. ARM monitors and reports internally against these milestones at quarterly operational sustainable development

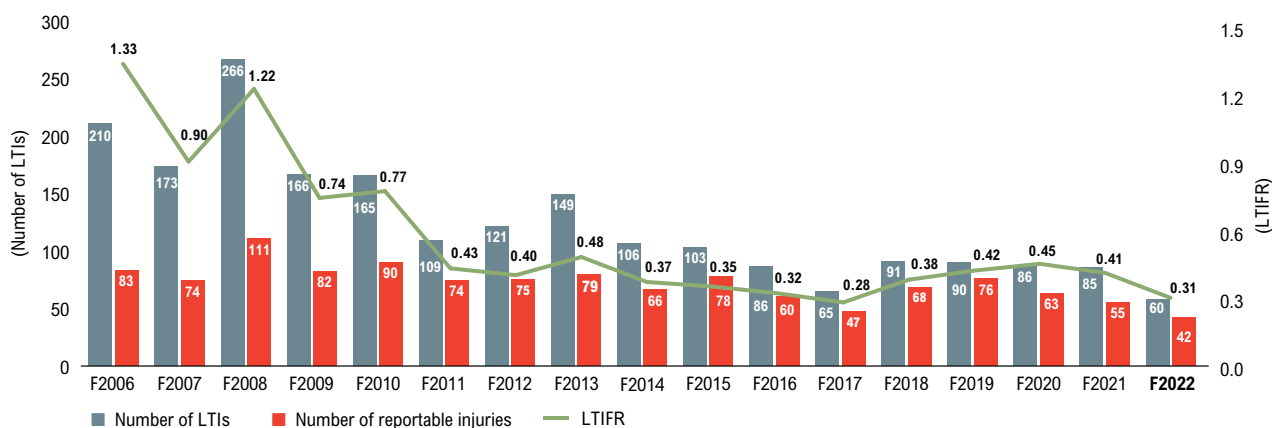
committee/compliance review meetings. Progress towards targets is reported to the DMRE in annual mining charter reports, and to the MCSA.

Performance in F2022

Tragically, there were two fatalities in F2022. On 1 September 2021, Mr Jacob Puleng Leshaba, a full-time employee, died in a fall-of-ground at Two Rivers Mine’s North decline. On 10 June 2022, Ms Phasoana Rheina Malatji, a contractor employee, was fatally injured by a runaway load-haul-dump truck tyre at Modikwa Mine’s North shaft. We extend our heartfelt condolences to their families, friends and colleagues.

Both accidents were thoroughly investigated. The learnings and opportunities for improvement were presented to the ARM social and ethics committee, which contributed to further insights on improving our safety systems. Remedial actions, as agreed with the DMRE, were implemented at both mines.

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



ARM operations recorded 60 LTIs in F2022, 42 reportable injuries and 134 recordable injuries (F2021: 85, 55 and 169 respectively). The ARM FFR remained at 0.01, the LTIFR improved to 0.31 per 200 000 man-hours (F2021: 0.41), while the TRIFR improved to 0.70 (F2021: 0.81). The LTIFR improved in both the platinum and ferrous divisions.

The severity rate (days lost to LTIs per 200 000 man-hours) improved to 33 days from 41 days in F2021.

Safety achievements during the year included:

- Black Rock Mine completed 10 million fatality-free shifts and 13 consecutive years fatality-free.

The mine also reduced LTIs from 16 in F2021 to six.

- Beeshoek Mine completed 5 million fatality-free shifts and 19 consecutive years fatality-free.
- Modikwa, Two Rivers and Black Rock mines improved their LTIFRs by 31%, 36% and 62%, respectively.

Operation	Total fatality-free shifts worked*	Last fatality*
Beeshoek Mine	5 145 751	March 2003
Black Rock Mine	10 415 226	April 2009
Khumani Mine	4 574 518	April 2015
Cato Ridge Works	2 860 494	February 2008
Machadodorp Works	1 215 273	February 2011
Modikwa Mine	106 499	June 2022
Two Rivers Mine	627 983	September 2021
Nkomati Mine	610 653	October 2019

* As at 30 June 2022.

Modikwa Mine

Modikwa Mine contributes nearly one-third of total man-hours worked in the group and, as our only conventional stope-mining operation, has higher inherent risk. As a result, it has accounted for over half the LTIs reported in the group in recent years. A focused safety-improvement initiative was launched in F2020, based on externally facilitated safety surveys and audits as well as investigations of legal and technical compliance and the safety culture.

Black Rock Mine

The expansion project at Black Rock Mine resulted in a number of operational changes that could affect safety performance. These include a large number of contractors on site, significantly increased non-routine activities, new tasks and employees redeployed to new work areas. In response, the mine introduced an intense safety campaign.

Weekly planning sessions identify critical projects and tasks, and senior supervisors and heads of department are allocated to work areas to supervise critical tasks. Mine overseers regularly re-inspect areas routinely inspected by mine captains to provide a further level of assurance. Pleasingly, despite increased inherent risk in the expansion, the mine reported a 60% reduction in LTIs and LTIFR year on year as a result of these initiatives.

Social – our people continued

Safety continued

Section 54 and 55 notices

The DMRE issued 20 section 54 notices at ARM operations (F2021: 19) and 78 shifts (or part-shifts) were affected by these stoppages (F2021: 74):

- 17 notices were issued in the ARM Platinum division – 12 at Modikwa Mine and five at Two Rivers Mine.
- Three section 55 notices were issued at both Modikwa and Nkomati mines, not affecting any shifts.

The smelters in the group were not issued with any compliance or prohibition notices under the Occupational Health and Safety Act in F2022 (F2021: 0).

More detailed safety statistics, including section 54 and section 55 notices by operation, appear in the sustainability tables on our website at www.arm.co.za.



Social – our people

Occupational health and wellness

Our values and commitment to safe and sustainable mining require that we support the health and wellness of the workforce. The integrated wellness management programme aims to prevent occupational health hazards from affecting employee health. It also actively identifies and manages health risks and chronic conditions that may affect wellness and quality of life.

Reporting context

ICMM	
FTSE/Russell	Health and safety
UN SDGs	

F2022 focus areas

Continued focus on:

- Reaching 2024 occupational health and hygiene milestones, which include eliminating occupational lung diseases and noise-induced hearing loss (NIHL)
- Reducing and preventing TB, HIV and Aids infections and sexually transmitted infections (STIs), in line with the National Strategic Plan on HIV, TB and STIs 2017-2022 (NSP) and DoH 90-90-90 goals
- Reinforcing TB-related community outreach projects to focus on early detection and treatment for communities around our operations
- Risk-based monitoring and treatment of uncontrolled chronic conditions, particularly hypertension, supported by lifestyle coaching and awareness programmes
- Screening, testing and preventing the further spread of Covid-19.

F2022 performance

- Continued reduction in employees showing percentage loss of hearing shifts
- No occupational respiratory diseases detected
- Employees receiving HIV counselling and voluntary treatment decreased as more employees opted to receive treatment at government clinics
- TB incidence remains below national and industry rates
- 15 144 employees tested for Covid-19; 99% recovery rate
- 73% of workforce fully vaccinated against Covid-19
- Continued TB, HIV and Aids community outreach, including significant schools health initiative in the Northern Cape
- Addressing uncontrolled hypertension remains a focus.

F2023 focus areas

Continued focus on:

- Reaching 2024 occupational health and safety milestones
- Reducing and preventing TB, HIV and Aids infections and STIs, in line with NSP and DoH goals
- Reinforcing TB-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 uncontrolled hypertension, supported by lifestyle coaching and awareness programmes

Social – our people continued

Occupational health and wellness continued

How we manage occupational health and wellness

ARM's integrated wellness management programme addresses occupational health and wellness and aligns with SANS 16001 (the South African national standard on disease and wellness management). Comprehensive programmes are in place to manage the primary and chronic health challenges that affect our workforce.

Group health and wellness policies are implemented and overseen across the group, with coordination by the superintendent: occupational health and wellness. Trained occupational health and wellness coordinators oversee wellness programmes at the operations. 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. All ARM-managed operations have appointed registered occupational hygienists¹.

Ongoing occupational hygiene and medical surveillance

Occupational hygiene surveillance provides leading indicators on exposure to hazards in the workplace. This is combined with comprehensive risk-based mandatory medical surveillance programmes that identify and monitor for health risks relevant to each workplace and occupation. Regular surveillance examinations include pre-employment medicals, annual surveillance medicals, medicals when changing job roles and exit medicals.

The occupational medical surveillance programme is aligned with the requirements of the Mine Health and Safety Act (mining operations) and Occupational Health and Safety Act (smelters).

Operational access-control systems are linked to the occupational healthcare system 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.

Training and awareness

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

Assessing and monitoring

The ARM health and wellness standard incorporates the requirements of relevant legislation, reporting frameworks, industry good practice and SANS 16001. 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, benchmark performance between operations

and ensure occupational hygiene, health and wellness practices and processes are aligned.

	F2022	F2021
ARM standard average audit score (%)	77.0	83.1
Target score (%)	85.0	85.0

The ARM standard audit score decreased to 77% in F2022 as Nkomati Mine and Machadodorp Works are both on care and maintenance and onsite occupational hygiene, health and wellness services have been reduced.

Further assurance is provided via quarterly reviews by an external occupational health expert and annual audits of operating procedures and practices by an independent occupational health medical practitioner. Every second year, the superintendent: occupational health and wellness audits the operations as part of the directors' liability audits. The operational wellness management programmes are assessed through the external certification audits for SANS 16001 and ISO 45001. Health indicators are also included in the annual external assurance of ESG data.

Alignment with global standards and best practices

The 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. Modikwa Mine is implementing an integrated ISO 14001:2015/ISO 45001 management system in preparation for certification in terms of these standards, which is planned for F2023.

¹ Legally appointed as per section 12.1 of MSHA and registered with Mine Ventilation Society (for underground mines) and South African Institute for Occupational Hygiene (for surface mines).

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 was appointed at Modikwa Mine and will receive training in SANS 16001 in F2023.

Contributing to national and global priorities

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

- Requirements of the DoH, DoEL, DMRE and the MHSC
- The occupational health and hygiene milestones – ten-year goals set by MHSC in 2014 that include eliminating occupational lung diseases and noise-induced hearing loss, and preventing the spread of TB, HIV and Aids
- National health priorities – including TB, HIV and Aids, and STIs – set out in the NSP, DMRE guidelines for TB, HIV and Aids management and requirements of the mining charter
- The Masoyise Health Programme, a multi-stakeholder initiative led by the MCSA, focused on leading the fight against TB, 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 MCSA
- The DoH strategic plan's 90-90-90 goals for TB, HIV and Aids, which refer to goal 3 of the NSP
- SDG 3 – Good health and wellbeing (SDG 3.3 and 3.4).

Occupational health and hygiene

Occupational health focus areas

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

ARM takes a precautionary approach to occupational health and wellness that 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.

Individual baseline information for relevant indicators, such as hearing and lung capacity, are measured and recorded through the medical surveillance programme. Indicators are regularly monitored and shifts from baselines are followed up. 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)²

Our hearing conservation programme aligns with the MOSH leading practice on noise, an initiative facilitated by the MCSA. The operations report quarterly in terms of the MHSC's occupational health and hygiene milestones for 2025.

Exposure to noise is limited through:

- A buy-quiet policy for new equipment
- Reducing noise from existing equipment to below DMRE threshold (107dB(A))
- Hearing safety awareness campaigns in high-noise areas
- Training employees who work in areas where they may be exposed to noise above 85dB(A) in the use of hearing protection devices (HPDs), which include personalised HPDs.

There were 32 851 audiometric tests in F2022 as part of the scheduled periodical medical surveillance (F2021: 34 744). These tests include specialist indicators that provide early warning before actual hearing loss occurs. If a deterioration is detected, the employee receives counselling and coaching, training from clinic personnel, and the appropriateness and effectiveness of HPDs are reconfirmed. The root 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.

Any 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 investigation indicates this 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 employee³.

² More information on current and historical NIHL at operational level appears in the ESG data tables on our website.

³ 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. All silicosis and asbestosis cases relate to exposure before these employees started working at ARM.

Social – our people continued

Occupational health and wellness continued

PLH shifts in the 5% to 10% category improved to 1.4% of employees tested in F2022 (F2021: 1.8%) and 0.7% (F2021: 0.8%) in the +10% category.

Occupational lung diseases

Exposure to airborne particles and chemicals can cause damage to the respiratory tract. The operations have mitigation measures to limit exposure to harmful substances and respiratory function is closely monitored through the medical surveillance programme. While cases of occupational respiratory disease have been detected 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 affected employees.

Dust particulates

Dust suppression is a core occupational hygiene focus. Airborne dust levels are controlled using water sprays, surfactants and extractor fans, and employees are given dust masks where dust cannot be eliminated at source.

Routine monitoring of the silica content in the orebodies of our base metals and platinum mines show that silica levels are consistently below analytical detection limits and 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 F2022 (F2021: 0).

Asbestos

Asbestos fibres have been detected in the orebody at Nkomati Mine and extensive dust-suppression and exposure-mitigation measures are in place. A comprehensive surveillance and control programme was implemented in consultation with experts from the Institute of Medicine in Scotland. Asbestos is not present at the other mines in the group.

No cases of asbestosis were diagnosed at ARM operations in F2022 (F2021: 0).

Manganese

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

Diesel particulate matter (DPM)

Exposure to diesel exhaust fumes has been linked to negative health effects. This is primarily a concern for people working in confined spaces in the underground mines – Modikwa, Two Rivers and Black Rock. Diesel particulate filters are being installed on primary and secondary machinery and proving effective in reducing DPM emissions.

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

Occupational diseases submitted for compensation

	F2022	F2021	F2020	F2019	F2018
Silicosis	0	0	3	6	53
Asbestosis	0	0	2	3	8
NIHL	13	18	14	26	68
Total	13	18	19	35	129

In total, 13 occupational diseases were identified and submitted for compensation in F2022 (F2021: 18) all of which related to NIHL.

Primary healthcare

Primary health focus areas

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

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

Beeshoek, Black Rock and Khumani mines have memorandums of understanding (MoUs) with the Northern Cape DoH to strengthen the implementation of provincial TB, HIV and Aids, STIs and chronic diseases strategies, and extend primary healthcare services to contractors and communities. Modikwa and Two Rivers mines have similar MoUs with the Limpopo DoH. These partnerships aim to build the capacity of local clinic staff and engage communities and other stakeholders 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 TB treatment.

Covid-19 management

Operations continue with daily health screenings at all access points in line with mandatory Covid-19 protocols per their specific health risk assessments.

A total of 7 716 employees were tested in F2022, with 1 891 positive tests. In total, 99% of positive cases recovered compared to the national rate of 96.3%. Sadly, we lost 12 of our colleagues to Covid-19 during the year, bringing to 46 the number

of colleagues we have lost since the onset of the pandemic. We extend our condolences to their families, friends and colleagues.

Vaccination campaigns continue at all operations. Khumani, Black Rock, Beeshoek, Modikwa and Two Rivers mines are approved by the DoH as Covid-19 vaccination sites to support the government-led rollout. These sites are vaccinating our employees and contractors as well as members of communities neighbouring our mines.

Beeshoek and Khumani mines are now above 80% fully vaccinated.

Initiatives to promote vaccination are ongoing and include:

- On-site vaccination stations to make vaccinations easily accessible
- Extending clinic working hours to allow more time for employees to vaccinate
- Participating in the Vooma Vaccination Week (mass vaccination) campaign in April 2022 launched by the national DoH in partnership with the MCSA
- Vaccination awareness campaigns.

At year end, 14 939 employees are fully vaccinated, representing 73% of the workforce, compared to the mining industry figure of 75% and national rate of 51%; 2 681 community members were vaccinated at ARM-managed sites.

TB, HIV and Aids

The occupational health and wellness programme integrates management of TB, HIV and Aids and STIs and prioritises early identification. 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 DMRE on screening, diagnosis and treatment of TB, HIV and Aids, as well as compliance with its guidelines for management and reporting of TB.

HIV and Aids

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 encouraged to know their HIV status and take responsibility for managing their wellness.

Employees are offered (but not obliged to take up) HIV counselling and voluntary testing (CVT) at every visit to primary healthcare facilities, including at induction and during regular follow-up visits for chronic disease management. Trained peer educators provide ongoing awareness and training, and give formal feedback on their activities.

The average estimated HIV prevalence for the operations is 8.9% (F2021: 8.5%). Indicative HIV prevalence rates from the operational clinics show that estimated prevalence rates at our operations are below district and provincial levels.

HIV-positive employees have the option of registering and receiving antiretroviral treatment (ART) from government clinics or enrolling on ARM's disease management plan and receiving ART from clinics at the operations in terms of wellness centres at the operations under MoUs with the local departments of health. Permanent employees can also access disease management programme benefits, including HIV and Aids treatment, through their membership of medical aid schemes.

Social – our people continued

Occupational health and wellness continued

In F2022, 30 235 employees received HIV CVT (F2021: 35 840) and employees electing to undergo HIV testing decreased to 13 430 (F2021: 14 890). All operations have implemented the DoH test-and-treat

policy. In previous years, ARM reported employees and contractors receiving ART including those receiving treatment from government clinics. From F2022, the figure reported shows only those

employees and contractors on ARM disease management plans and receiving ART from wellness centres at our operations. The number consequently declined to 1 398 (F2021: 2 575).

Performance against targets

HIV and Aids targets*	Target	F2022	F2021
Masoyise programme			
– HIV testing offered to employees annually	100%	100%	100%
– HIV positive employees linked to an ART programme	100%	100%	100%
DoH 90-90-90 principle			
– Employees living with HIV who know their status	90%	83%	73%
– HIV positive employees on ART	90%	97%	89%
– Employees on ART who achieve viral suppression.	90%	90%	84%

* F2022 excludes Nkomati Mine (on care and maintenance).

Pulmonary tuberculosis (TB)

At every visit to the clinics, employees and contractors undergo mandatory passive TB screening using the cough questionnaire of the DoH. Workplace contact tracing is done for all new TB cases to manage infection control, and the community clinic where the employee resides is notified to arrange for contact tracing at their home. New cases are reported to DMRE and submitted to the Medical Bureau for Occupational Disease for possible compensation.

Employees with TB receive treatment from local DoH clinics and are monitored under the national TB 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 2021, 56 144 TB screening tests were conducted on employees and contractors (calendar

2020: 43 301) and 18 new cases were detected (calendar 2020: 34). The cure rate increased to 105%, which includes cases from the prior year cured in the current year (calendar 2020: 94.1%). This remains above the DoH's 2014/2015 target of 90%. No cases of multi-drug resistant (MDR) TB were detected at our operations during the year (calendar 2020: 0).

TB targets	National rate	Industry rate	F2022	F2021
MHSC occupational health and safety milestones				
– TB incidence rate below national rate by 2024*	554 ⁴	217 ⁵	94	172 ^{**}
Masoyise programme				
– Mining sector TB incidence rate below national rate by 2024*	554 ⁴	217 ⁵	94	172 ^{**}
		Target	F2022	F2021
DoH 90-90-90 principle				
– Employees screened for TB		90%	98%	100%
– Employees with TB on treatment		90%	98%	100%
– Employees on TB treatment successfully treated		90%	98%	100%

* per 100 000.

** ARM mines only (excluding Nkomati, which is on care and maintenance).

⁴ World Health Organisation Global Tuberculosis Report 2021.

⁵ Masoyise Health Programme 2021 Annual Report.

TB incidence rate is below national rates (554/100 000) and industry rates (217/100 000) at ARM mines (94/100 000). Although the incidence rate at Two Rivers and Nkomati mines is above industry rates, it is trending down, with incidence at Two Rivers Mine improving 25% since the introduction of IPT and 65% since calendar 2018.

Employee wellness

All ARM managed operations including the corporate office have employee wellness programmes (EWPs) that provide holistic wellness management. The programmes offer clinical and professional wellness support for employees and their dependants (24/7) through a toll-free line.

All operations, except for Nkomati Mine and Machadodorp Works have wellness service providers that provide the following services:

- Mental health
- Psychosocial counselling
- Legal advice and coaching
- Financial wellness advice
- Face to face counselling with accredited therapists

- Group and trauma counselling (crisis intervention post trauma).

Nkomati Mine and Machadodorp Works are currently on care and maintenance, so their wellness programmes are less comprehensive.



Social – our people continued

Occupational health and wellness continued

Community outreach for TB, HIV and Aids

ARM supports community initiatives including community wellness centres and home-based care groups to promote early detection and treatment for TB, HIV and Aids. 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.

In June 2022, Modikwa Mine hosted a Youth Day celebration for employees, contractors and community members at Driekop taxi rank in partnership with a local youth NGO. The event included a fun run/walk, aerobics, a health talk on lifestyle diseases and diet advice from a dietician.

Screening provided at the event included HIV CVT as well as TB, blood pressure and blood glucose screening, with 89 community members screened.



Chronic conditions

Chronic health focus areas

- Uncontrolled hypertension
- Diabetes
- Epilepsy

Chronic conditions are monitored as an essential part of the integrated health risk and wellness management programmes at the operations. Chronic disease registers are in place for employees and contractors diagnosed with chronic conditions, including hypertension, type 1 and type 2 diabetes, and epilepsy.

People with chronic conditions are monitored by specific occupational risk exposure profiles, with particular

reference to high-risk occupations. The clinics monitor patients and manage compliance with prescribed treatment regimes. Contractors presenting with chronic diseases are treated in terms of MoUs with the DoH and, where appropriate, referred to public hospitals and clinics.

Uncontrolled hypertension is a key risk factor for stroke and heart disease. Blood-pressure and body mass index are included in medical surveillance programmes and occupational medical practitioners monitor and report blood-pressure statistics every quarter.

Education on lifestyle diseases is provided at induction and forms part of the compulsory occupational health surveillance programme.

All operations have programmes that promote physical activity and raise awareness on diet and lifestyle to address chronic conditions. Dietitians are available to advise employees at the Northern Cape mines and through employee assistance programmes at ARM Platinum operations. Clinics also engage other stakeholders such as the DoH and community NGOs in conducting wellness campaigns in the workplace and the community. The prevalence of hypertension in the workforce increased slightly to 16.0% (F2021: 14.5%) and remains well below national and provincial rates. High incidence was recorded among employees working in core functions such as mining and engineering.

Promoting the health and wellbeing of learners in local communities

Black Rock Mine entered into a three-year integrated school health project in partnership with the Northern Cape DoH. The programme aims to provide learners with health education and interventions that address the many health and socio-economic factors that affect South African children. These children can potentially become influential sources of health information and models of healthy behaviour for their families and the broader community.

The project's objectives are to:

- Provide preventive and promotive services that address the health needs of school-going children and youth to support their immediate and future health
- Support and facilitate learning by identifying and addressing health barriers to learning
- Facilitate access to health and other services where required
- Support the school community to create a safe and secure environment for teaching and learning.

The project primarily targets grade 1 learners and focuses on health screening, health promotion and onsite services such as parasite control and immunisation. It also has a sexual reproductive health component for grades 6 and 7 to promote adolescent sexual health.

In F2022, the programme screened 1 853 grade 1 learners at 29 schools in the John Taolo Gaetsewe district. Screening included oral, vision, developmental and nutritional status assessments. Onsite treatment was provided where possible and learners were referred for further treatment where necessary.

Health education was provided to 2 538 learners in grades 1-3 and reproductive health promotion was provided to grade 6 and 7 learners, including the distribution of menstrual cups. The team also supported the district health department by providing human papillomavirus (HPV) vaccines during a campaign in March 2022, reaching 1 209 girls in grade 5 at 44 schools.

The project employs 14 people, the majority of whom are black youth. It also contributes to local economies by procuring goods and services including training venues, printing, catering, uniforms and stationery.



Black Rock Mine is proud to be supporting the project, which can make a meaningful contribution to local communities and have a lifelong impact on the learners it touches. In F2022, the mine invested R2.7 million in the project.

Social – our people

Human resources management



HUMAN RESOURCES MANAGEMENT

The skills and experience of ARM’s workforce are essential to drive our strategy, realise operational efficiencies and create value. 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

UN SDGs



F2022 focus areas	F2022 performance	F2023 focus areas
<p>Strategic workforce planning <i>Business planning and budgeting</i> 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>	<p>Workforce planning continued, with a focus on ensuring labour costing remains within budget</p>	<p>Align workforce plans to business plan, growth and expansion goals. Monitor workforce planning goals in line with the business strategy. Ensure proper workforce management plan is aligned to productivity and efficiencies. Track transformation targets to address issues pertaining to equity and inclusion in relation to the employment equity plan and regulators' targets.</p>
<p>Talent management <i>Integrating young professionals</i> Continuous career conversations with young talent as part of our employee engagement and retention initiatives. Mentor young talent to share knowledge and expose them to experienced individuals to accelerate skills acquisition</p>	<p>ARM's learning and development pillar includes a strong emphasis on developing and connecting young talent through accelerated development initiatives, bursaries, learnerships and the graduate development programme. These are supplemented by mentoring and career development panels (page 103)</p>	<p>Implement robust attraction, development and retention of young talent strategy. Promote and enhance collaboration and partnerships with institutions of higher learning. Build a future pipeline through values-based talent acquisition programmes.</p>
<p>Learning and development <i>Changing world of work</i> Ongoing interactions with employees to gauge and improve engagement and wellbeing, in partnership with mental health specialists. Interventions to prepare workforce for the fourth industrial revolution. Continue blended learning as we move towards more virtual learning initiatives. The business will empower employees to transition from contact to virtual sessions</p>	<p>Total investment in skills development decreased to R198 million in F2022 (F2021: R239 million) and remains above the mining charter target of 5% of payroll. In addition to our ongoing leadership development programmes (page 102), 20 candidates completed programmes at the McKinsey Black Leadership Academy and we introduced a Toastmasters International programme to build communication and leadership skills</p>	<p>Facilitate and drive continuous improvement and identification of organisational learning and development initiatives, in line with the changing world of work. Invest in women development and young talent development for the future talent pipeline. Create and instil a life-long learning organisational culture.</p>
<p>Performance enhancement <i>Enhance ARM employee value proposition</i> Ongoing monitoring of online performance management platform. Improve accessibility and navigation to enhance user experience. Introduce 360° feedback</p>	<p>360° feedback is in place at ARM Corporate and Khumani Mine, and being rolled out to remaining operations</p>	<p>Promote the organisational, team and individual high-performance culture. Cascade organisational and performance goals to divisional, team and individual performance. Ensure performance is linked to rewards.</p>
<p>Human capital 4.0 <i>Integration of technology</i> 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. Increase digitisation by interacting at a global level and incorporating global best practice through technology</p>	<p>Digitisation of HR processes continues and integration of the dashboard has progressed. Various options are being considered for implementation in the medium term</p>	<p>Place digital transformation at the forefront of human capital processes, enhancement and innovation. Develop a values-based human capital matrix for data analytics. Promote and drive automation.</p>

Social – our people continued

Human resources management continued

ARM’s human capital strategy

ARM’s human capital strategy underpins all human resources (HR) initiatives and ensures our HR practices are benchmarked against best practices, sustain our entrepreneurial culture, develop

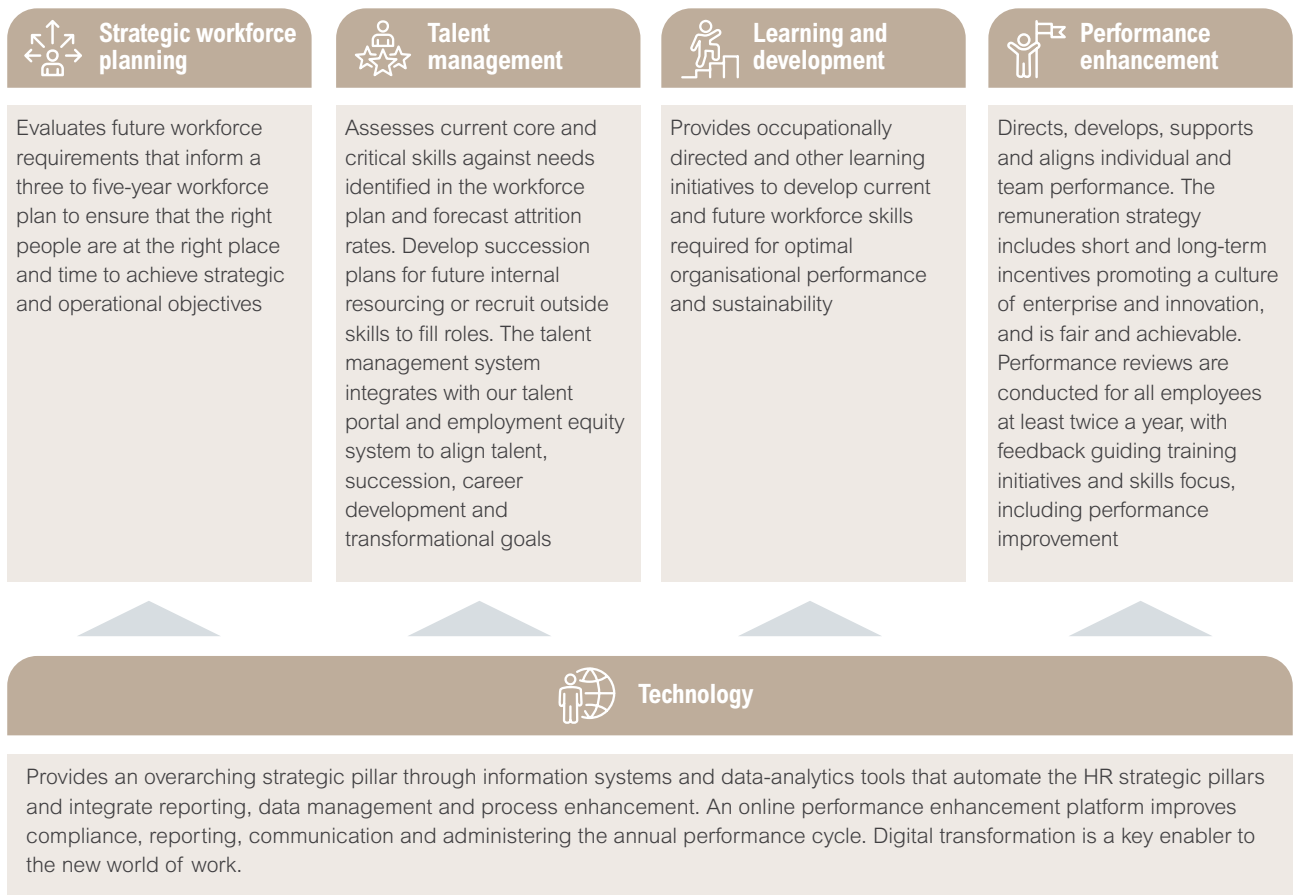
leadership among employees and position ARM as an employer of choice.

The strategy supports value creation by:

- Sourcing, attracting and retaining people with the necessary experience and skills

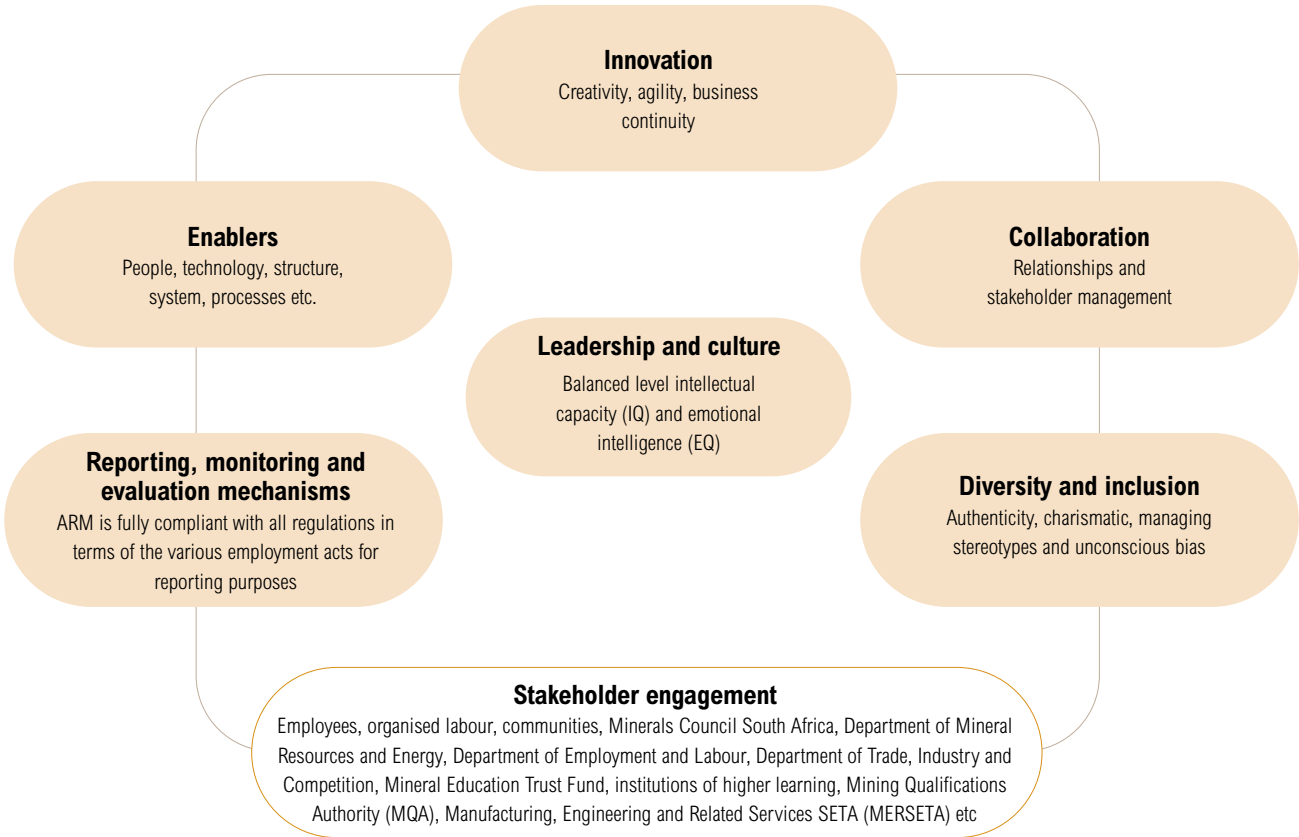
- Enhancing the knowledge, skills, experience and behaviour of individuals and teams
- Fostering an entrepreneurial and innovative culture
- Promoting diversity and transformation in the workforce
- Providing appropriate development opportunities.

The strategy comprises five interrelated pillars:



Strategic imperatives 3 – 5 years

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



Managing our human capital

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.

Human capital performance indicators are monitored and reported in operational and divisional meetings, as well as at quarterly

committee meetings at executive and board levels.

ARM's code of conduct, human capital policies, procedures and practices align with South African labour laws and South African Board for People Practices (SABPP) national standards to ensure they meet stipulated legal and ethical requirements. These include conditions of employment, equitable pay and leave regulations, and limit excessive working hours.

We regularly benchmark remuneration practices against comparable South African mining companies to ensure alignment with national industry standards and legislative requirements, including minimum wages. We also benchmark our approach to HR against international best practices by participating in and contributing to professional bodies. These include the SABPP and the Global Top Employer certification programme, which assesses our practices against 400 HR best practices over 20 topics.

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.

Board level	Social and ethics committee	Remuneration committee	
Executive level	Executive committee	Steering committee	Employment equity and skills development committee

Social – our people continued

Human resources management continued

We respect the privacy of data and personal information: measures are in place to ensure compliance with the Protection of Personal Information Act (POPIA) in our business practices and interactions with employees. ARM successfully implemented and rolled out relevant POPIA training to respective information officers and deputies as per the requirements of the regulator. The company is in the process of driving change management and relevant processes to ensure successful implementation of POPIA.

The ARM human rights policy is under final review by legal specialists and will be published by the end of 2022. It aligns with South African legislation on human rights, our code of conduct and the relevant principles of international human rights standards. It provides guidance and emphasises our commitment to respecting the human rights of our employees, contractors, service providers and communities affected by our business activities.

There were **21 610 workers** across the group at 30 June 2022, 41% of whom were contractors (F2021: 20 928 and 41% contractors).



Employment equity performance

Each operation tracks and monitors their employment equity performance against the demographics of their provinces. The table below shows consolidated company performance against the mining charter. ARM group performance improved in most levels for HDP and female representation in F2022.

EMPLOYMENT EQUITY PERFORMANCE AGAINST MINING CHARTER	F2022	F2021	F2020	Mining Charter target
HDP representation				
Board	56%	56%	56%	50%
Executive management	67%	65%	61%	50%
Senior management	64%	57%	52%	60%
Middle management	73%	69%	68%	60%
Junior management	82%	80%	79%	70%
People with disabilities	1.4%	1%	1%	1.5%
Core and critical skills	91%	91%	90%	60%
Female representation				
Board	25%	25%	25%	20%
Executive management	22%	24%	22%	20%
Senior management	25%	23%	18%	25%
Middle management	28%	28%	25%	25%
Junior management	21%	19%	18%	30%
Women in mining	17%	16%	15%	N/A

Diversity, equity and inclusion

ARM is committed to creating opportunities and employment for all people regardless of race, religion, gender, age, sexual

orientation, nationality or disability. Our code of conduct promotes equality and emphasises our zero tolerance towards unfair discrimination.

ARM corporate's diversity and inclusion programme aims to entrench conversations on diversity and inclusion in the organisational culture-change journey by facilitating

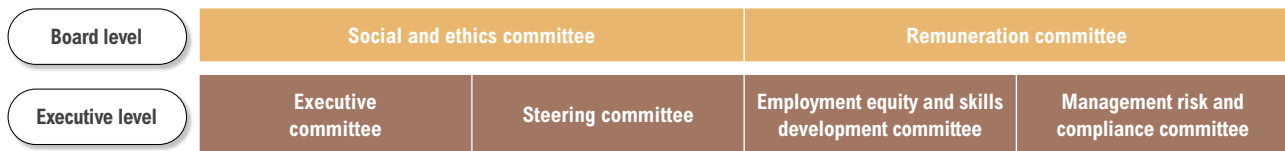
continuous deep-seated and sustainable change on individual, team and organisational levels. Transformation targets are embedded in each pillar of the human capital strategy to improve reporting, monitoring and evaluation. The talent management strategy identifies promising individuals, with management, then drives career-path programmes to fast-track development of HDPs to senior levels in the company.

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.

Employment equity performance and progress is reported internally to the following ARM structures.



Employment equity performance is measured and reported against the requirements of the mining charter, Department of Employment and Labour (DoEL) and the Department of Trade, Industry and Competition (dtic) codes of good practice. These scorecards require that employment equity performance is measured and reported 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 DoEL Director General review 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 employment equity forums.

Skills development programmes place significant emphasis on, and play a key role in, driving employment equity in the workplace.

People with disability

We aim to increase the representation of people with disability (PWD) in the workforce

wherever practical and the diversity programme includes a focus on raising awareness about PWDs. There were 176 PWDs working at ARM in F2022 (F2021: 137), 67 of whom are women (F2021: 88). In F2022, 126 learnership opportunities were provided to PWDs at ARM's operations (F2021: 118). These include adult education and training, a range of relevant short courses and a certificate in business administration.

We also support learners with disabilities through learnership initiatives hosted at the learning hub for skills development purposes in line with the dtic and Youth Employment Services (YES) initiative.

Social – our people continued

Human resources management continued

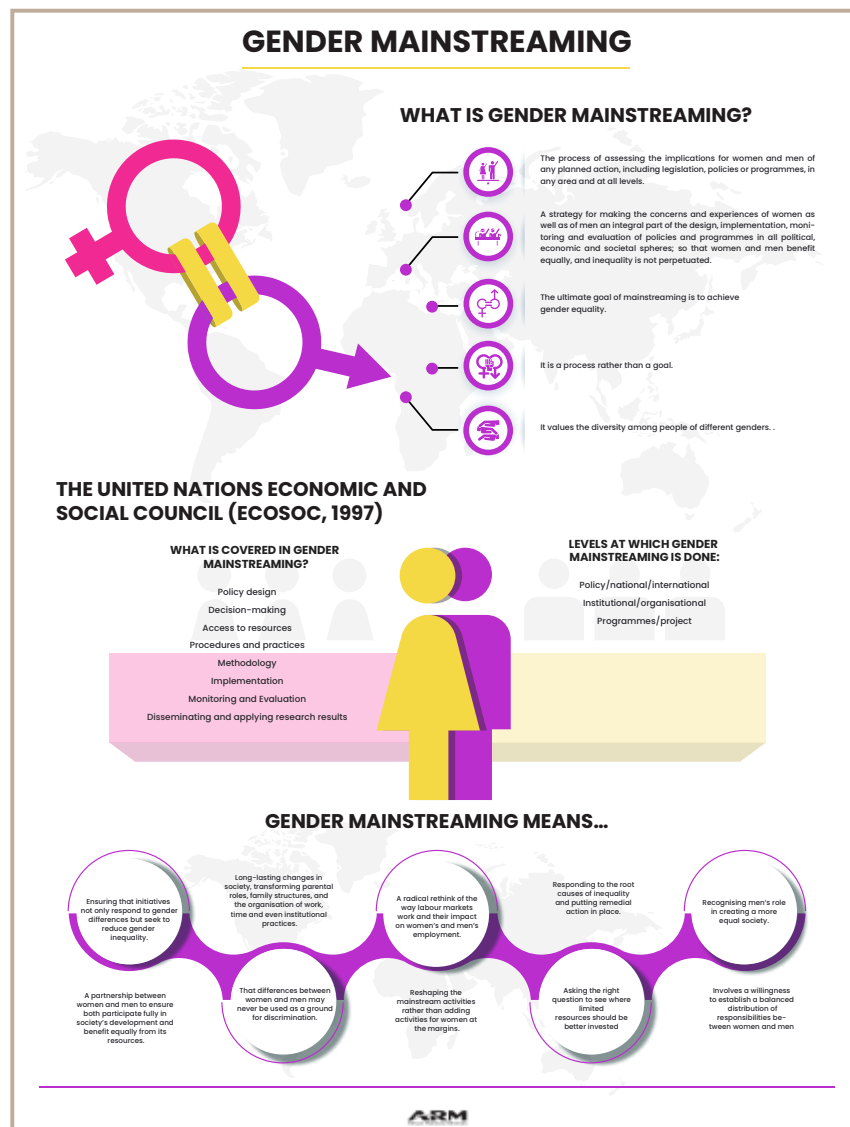
Gender mainstreaming

The gender unit, a substructure of the employment equity and skills development committee, advances women's interests in the company and oversees 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.

The ARM female leader profile aims to promote gender diversity in leadership, attract and retain female talent, and inform leadership development programmes to ensure graduates from these programmes are adequately prepared for their roles. The women development programme comprises study blocks, group coaching and psychosocial sessions to provide women in ARM with the leadership and managerial competencies required to function optimally in their current and future roles.

A gender mainstreaming and development framework integrates a gender perspective into all phases of planning cycles, policies, programmes and projects. Gender mainstreaming practices across the company are being monitored and evaluated as part of goal setting, and a labour-law specialist was engaged to conduct a high-level evaluation of group policies for gender sensitivity that will be rolled out to the operations.

Information on the current status was gathered through site visits, surveys and workshops at the operations. The gender audit planned for F2022/F2023 will assess the institutionalisation of gender equality in the company and identify areas for improvement. This will inform gender



action plans and the supporting short and long-term interventions.

We support and promote women in mining through:

- ARM's women-in-mining forum
- Women-in-mining committees at all operations aligned with Women in Mining South Africa (WIMSA)
- 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 as well as women and child abuse
- ARM's participation in provincial DMRE women-in-mining structures.

Webinars and workshops were rolled out across the group to raise awareness on sexual harassment.

ZERO TOLERANCE FOR HARASSMENT AND BULLYING

The robust and masculine culture endemic in mining can lead to incidents of sexual and racial harassment, as well as workplace bullying. ARM prohibits any form of discriminatory behaviour and bullying. During the year, a sexual harassment campaign was rolled out at ARM operations to raise awareness about

the company policy on harassment and bullying, emphasise the legal consequences of such incidents and provide education on respectful and appropriate behaviours in the workplace.



Interactive workshops included experiential exercises and role-playing to initiate a culture shift and provide employees with tools to move from bystander to ‘upstander’ when they witness unacceptable behaviour. The workshops will be reinforced through a company-wide communication plan to entrench key learnings from the training. The training aligns with the code of good practice on the prevention and elimination of harassment in the workplace published on 18 March 2022 and is being rolled out across the business.

Gender mainstreaming workshops were conducted across the operations to facilitate dialogue about addressing the identified gaps or challenges pertaining to gender issues and raising issues of gender equality, equity and mainstreaming to the executives’ attention.

ARM’s employee value proposition includes:



- A creative, innovative and entrepreneurial organisational culture
- Competitive remuneration and benefits
- Study assistance
- Performance management
- Career development opportunities.

Talent management

ARM’s compelling employee value proposition positions the company as an employer of choice and promotes attraction and retention of talent. In F2022, 99% of job offers made were accepted (F2021: 99%). Talent development and retention remains a focus, particularly the retention of women.

Employee turnover¹ decreased to 5.2% in F2022 from 10.1% in F2021. The high turnover in F2021 is attributable to Nkomati Mine being placed on care and maintenance and

voluntary severance packages offered at Modikwa Mine. There were no retrenchments in F2022.

The future core and critical skills needs identified in the workforce plan inform succession plans that aim to develop promising internal candidates to fill these roles or recruit outside skills. Talent at junior to senior management is assessed to determine potential, capability and areas for development. Psychometric assessments are also used as one of the evaluation tools to provide unbiased and consistent evaluations of employees, identify development gaps, highlight employees with potential for future roles and enhance succession plans. Reports to ARM executives and senior general managers create awareness of internal talent and the opportunity to discuss the development of each employee. Employees receive feedback and individual development plans that map out their potential careers in the group.

Learning and development

Our learning and development programmes are designed to ensure our workforce has the necessary skills to meet current and future needs. We place particular focus on leadership development and building the pool of future talent in the mining and minerals industry.

The operations plan and budget training and development of core and critical skills in support of the Skills Development Act. Training centres at the operations have full SETA accreditation with either the MQA or MERSETA.

The total investment in skills development in F2022 decreased to R198 million (F2021: R239 million), or 7.1% of payroll (F2021: 6.9%), above the mining charter target of 5.0%. The decline is attributable to Nkomati Mine moving to care and maintenance, and to an increase in the number of virtual courses,

¹ Includes resignations, dismissals, retirements, retrenchments and voluntary severance packages.

Social – our people continued

Human resources management continued

which reduced training-related accommodation, transport and meals costs. Total training spend was R9 157 per employee (including contractors) compared to R11 420 in F2021, representing 4.7 training days per employee (F2021: 4.1 days). Functional literacy across the company is unchanged at 98%.

Operations provide portable skills training to employees and community

members in areas such as paving, welding, generic engineering level 1, driver's licences and basic life skills. This year, 108 employees and 96 local community members received portable skills training, including 36 PWDs.

Leadership development

The leadership development framework aims to ensure all employees acquire leadership and

managerial skills through internally delivered and externally facilitated courses. These programmes 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, particularly women.

CANDIDATES ON LEADERSHIP DEVELOPMENT PROGRAMMES

	F2022	F2021	F2020
Rising Star and GradStar	14	45	8
Women development	37	38	22
Future leaders development	31	30	30
McKinsey Black Leadership Academy			
– Black executive leadership programme	2	–	–
– Management accelerator	18	–	–

The McKinsey Black Leadership Academy aims to accelerate black leaders on a global scale. Two senior ARM managers completed the academy's three-month black executive leadership programme, which includes virtual, expert-led sessions and facilitated small group discussions. In the review period, 18 delegates completed the management accelerator, a six-month offering targeting early to mid-career leaders.

We introduced a Toastmasters International programme to build self-

confidence and self-awareness as well as improve communication and leadership skills. Three clubs were established, with 51 employees participating. A mentoring and coaching programme was introduced to develop purpose-driven leaders guided by values.

Investing in the skills of the future talent pool

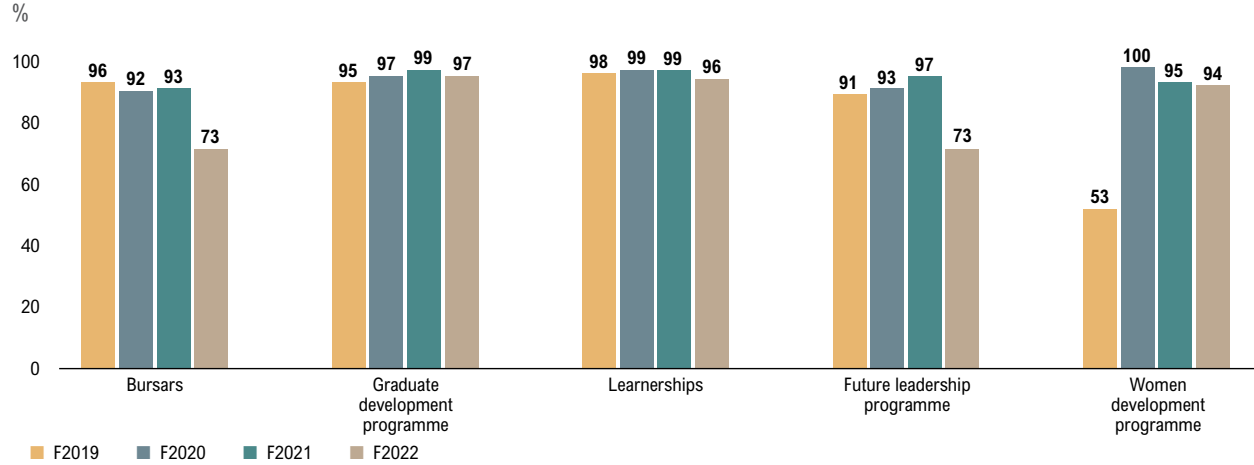
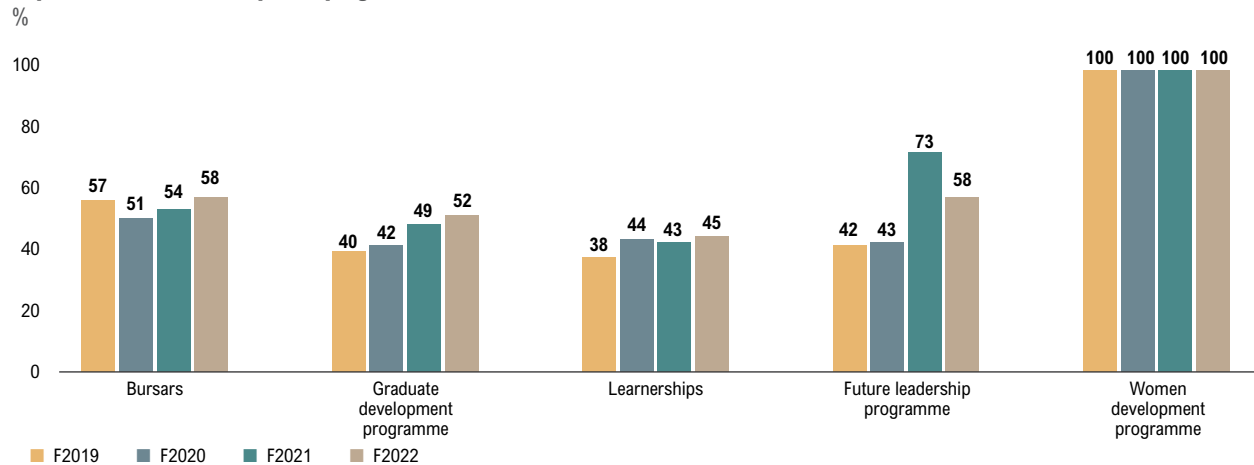
Programmes to build the talent pool of relevant skills in the mining and minerals industry include bursaries for students in industry-relevant fields, opportunities for young

unemployed graduates to gain work exposure, and learnerships for eligible candidates from outside academic streams. We also provide adult education and training (AET) for employees and community members.

ARM participates in the Minerals Education Trust Fund and the education advisory committee of the MCSA, where mining company representatives engage to address employee training and future skills.

FUTURE SKILLS DEVELOPMENT OPPORTUNITIES

	F2022	F2021	F2020
Bursaries	291	140	110
Graduate development programme	61	73	64
Learnerships	367	270	239
AET – employees	21	22	137
AET – community members	176	150	117

Representation in development programmes – HDP**Representation in development programmes – women**

ARM's bursar ambassador programme supports our bursars throughout their learning journeys, helping them prepare for the world of work, build relationships with fellow bursars, meet and network with the management teams and get to know the business. It also creates ambassadors for the group at institutions of higher learning across the country. Two events during the year included an overview of our operations, psychosocial sessions, inspirational talks and profiled the career of a previous woman bursar now working in ARM.

Career development panels provide candidates on the graduate development programme with an opportunity to learn from senior ARM managers in their fields,

increase engagement and retention, support career progression and accelerate development. The programme includes training on interpersonal skills, personal branding, career management, workplace conduct and compliance as well as a mentorship initiative.

ARM has partnered with the top seven institutions of higher learning in South Africa to attract top-performing young talent and ensure the group's visibility. Engagements with heads of department to design collaboration frameworks and placement plans for top students in disciplines such as mining engineering, metallurgy, chemical engineering, geology, legal, finance and human resources took place.

Through these partnerships, ARM sponsored 37 talented undergraduate and postgraduate students, and provided research topics arising from challenges identified in our business.

ARM attends the DMRE's annual learner focus week to promote mining as a career to learners in grades 9 to 12. One of the two young female learners previously sponsored by ARM was recruited to join the graduate development programme after completing her mining qualification and was permanently appointed into a substantive role at one of our operations.

ARM sponsored five DMRE bursars studying mining and minerals related qualifications in the 2022 academic year.

Social – our people continued

Human resources management continued

Labour relations

We respect the rights of employees to engage and bargain collectively on labour-related matters. Operational HR managers have primary responsibility for employee relations consultative matters and union negotiations, 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 85% of the workforce is unionised (F2021: 87%). No man-days were lost due to strikes in F2022 (F2021: 110).

Trade union representation

%



NUM **59%**
 NUMSA **2%**
 AMCU **13%**
 Solidarity **8%**
 UASA **3%**
 Non-union **15%**

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, housing and living conditions standards for the minerals industry as well as municipal and spatial-planning legislation. Housing and living conditions plans to comply with this standard were submitted and engagements were held with stakeholders, including unions, municipalities and relevant government departments. We are monitoring progress against the submitted plans.

Operational housing policies aim to meet the specific housing needs of their employees. At Modikwa and Two Rivers mines, most employees live in communities around the operations and qualifying employees receive a home-ownership allowance.

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.

Projects at the operations under social and labour plans (SLPs) and local economic development (LED) initiatives in terms of the mining charter (refer to page 108) include infrastructure development that improves living conditions and socio-economic development in these communities. These projects also benefit employees who live in communities surrounding our operations.



Social – our social impact

Community impacts



COMMUNITY IMPACTS

ARM makes a significant investment in its host communities, partnering with stakeholders to help to address the challenges facing local communities, promote socio-economic development and improve community resilience and sustainability.

Reporting context

ICMM



FTSE/ Russell

- Human rights and community

UN SDGs





There is increasing pressure globally for mining communities to share in the value created by operations in their vicinity. At a local level, poor and marginalised South Africans are frustrated by high levels of unemployment, poverty and inequality. These issues were exacerbated by Covid-19 and rising food, fuel and living expenses from geopolitical tensions. Expectations include job opportunities, LED, CSI, procurement opportunities and other benefits.

ARM works with a range of local and national stakeholders including community forums, municipalities and the DMRE to find solutions for challenges facing local communities. Our investments in infrastructure and social projects improve living conditions and living standards of people in these communities, promote socio-economic development and improve community resilience and sustainability.

Ongoing support for communities can create significant positive impact, strengthening relationships and benefiting employees who live there. Regular engagements help us understand current community needs and expectations, and we include

community beneficiaries from the project-planning phase to promote ownership of projects.

How we manage community relationships

Community stakeholder groups are identified through stakeholder-mapping exercises and when they directly contact operations. The main community stakeholders include traditional leaders, elected or approved representatives and community interest groups, such as business, youth or women's forums.

Engagements are guided by stakeholder engagement strategies, policies and plans. Stakeholder groups are recorded in registers and engagements include formal and informal interactions, with minutes generally taken at formal engagements.

The divisional executives and senior management oversee operational stakeholder engagement. Stakeholder and community engagement are agenda items at operational, divisional and board meetings, which include discussions of community concerns or disputes.

Operations collaborate with peers and other industry bodies wherever possible to improve coordination and increase social impact. ARM Ferrous is a member of the Northern Cape shared-value working committee, which works with the MCSA to coordinate and deliver sustainable corporate social responsibility projects in the region. ARM Ferrous also participates in 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.

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

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 – our social impact continued

Community impacts continued

ARM's contribution to communities

Local economic development (LED)

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

Project implementation and impact are monitored using metrics relevant to the type of project and stakeholders. 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, DMRE and other government departments.

In F2022, ARM invested R116 million in LED infrastructure projects (F2021: R125.3 million).

CSI spend

Operational CSI budgets fund community needs that fall outside the SLPs. CSI spending decreased to R35 million (F2021: R45.2 million), with focus areas shown below.

Areas supported by LED and CSI investments, as well as our broader contributions, are discussed below.

Infrastructure development

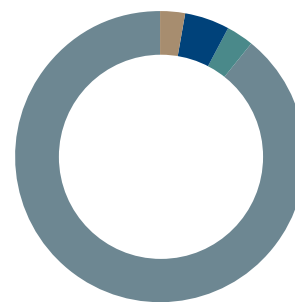
- Two Rivers Mine electrified 700 households in Kutullo, Makakatela and Ma-Seven Villages in Ngwaabe and installed four high-tech high-mast solar lights in Ga-Malekane, Belvedere and Kalkfontein (Ga-Masha). Electric lighting improves visibility at night in these communities and helps to reduce crime
- Two Rivers Mine paved the access road in Ngwaabe, improving conditions for the Ga-Malekane and Kalkfontein (Ga-Masha) communities
- Modikwa Mine constructed a 4km tarred road in the Mamphahlane community to improve road conditions and traffic flow, and support the local taxi industry
- Khumani Mine upgraded 1.3km of Hans Coetzee Road to improve road conditions and ease congestion in Kathu, Siyathemba and Mapoteng
- Beeshoek Mine installed 50 solar lights at the main entrances to Postmasburg and in streets identified by the municipality to improve safety for community members.

Education

- Beeshoek Mine donated masks, hand sanitisers, protector face-shield masks and thermometers to three high schools and eight primary schools in Postmasburg to mitigate the spread of Covid-19
- Cato Ridge Works donated school uniforms to 18 local early childhood development centres, assisting 583 orphans and vulnerable children

F2022 total LED spend R116 million

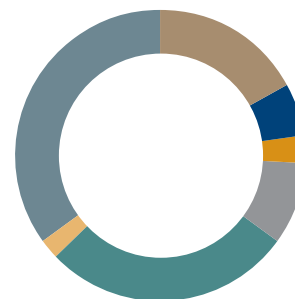
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Enterprise development **3%**
Community development **5%**
Other **3%**
Infrastructure **89%**

F2022 total CSI spend R35 million

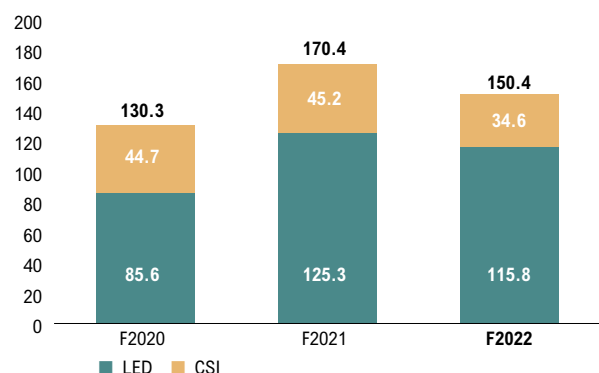
%



Capacity building **17%**
Sporting events **6%**
Arts and culture **3%**
Other **9%**
Health **28%**
HIV/Aids **2%**
Education **35%**

LED and CSI spend

Rm



- Black Rock Mine constructed an early childhood development centre for an estimated 50 children in Lotlhakajaneng with three classrooms, two ablution facilities, kitchen, office and storage facility. The centre is currently managed by a practitioner and two assistants, and created 14 temporary local jobs during construction
- Khumani Mine donated two adult learning modular classrooms for members of the Babatas and Siyathemba communities in Gamagara
- Beeshoek Mine donated two mobile classrooms each to a primary school and a high school in Postmasburg to address overcrowding.

Skills development

Initiatives that support youth development, increase employability in local communities and develop future industry skills include bursaries for qualifying students from local communities in relevant fields of study. There is also a web-based programme to improve performance in maths and science. Learnerships enhance skills across disciplines applicable to mining and the graduate development programme provides work exposure for unemployed youths who have completed degrees or diplomas in scarce-skills disciplines. Nationally aligned AET is provided at the operations' training centres to build basic skills.

Employment

ARM operations provide employment for over 20 000 employees and contractors, many 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 were approved as vaccination sites and are supporting the government-led Covid-19 vaccination drive. As at 30 June 2022, 2 683 community members had been vaccinated at Black Rock and Khumani sites.

The operations work closely with regional departments of health to support government and industry health priorities (see page 89). Awareness and testing campaigns and outreach initiatives address TB, 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.

Khumani Mine refurbished a hospital ward in Olifantshoek to serve as a Covid-19 vaccination and TB centre for the Gamagara and John Taolo Gaetsewe (JTG) municipalities. The mine also donated medical equipment for the casualty ward at Kuruman Hospital.

Black Rock Mine is running a three-year school programme in the JTG municipality to provide health screening and education. Screening includes oral health, vision, developmental and nutritional status assessments (see page 93). In F2022, 1 853 learners at 29 schools received screening, health education was provided to 2 538 learners and 1 209 girls at 44 schools received human papillomavirus vaccines through the programme.

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). In doing so, they promote entrepreneurship, create jobs, increase economic activity in mining communities, empower historically disadvantaged people and improve market access for South African goods and services.

Our goal is to transform our own procurement practices by shifting certain goods and services to black-owned SMMEs over a period. In doing so, we drive the process of transformation by working more closely with emerging SMMEs, incorporating them into our preferential procurement programmes to create impactful development.

We strive to continuously improve and develop communication platforms aligned with supplier compliance. ARM is committed to achieving its target through procuring goods and services from new and existing suppliers who meet the acceptable BBBEE contributor status, while ensuring that our quality standards and competitive position are maintained. We are against any form of fronting and therefore take the additional time and effort to ensure compliance in all transformation activities and encourage suppliers to demonstrate commitment to good governance and ethical conduct.

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, providing equipment and financial support.

Social – our social impact continued

Community impacts continued

During F2022, enterprise and supplier development at the operations supported 192 SMEs, sustaining 1 792 jobs and creating a further 372.

Community water initiatives

Our 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.

- In partnership with Gamagara local municipality, Khumani Mine sank three boreholes, constructed and equipped a pump house and connected water lines to the reservoir at Olifantshoek to improve access to water for around 17 000 community residents
- Khumani also provided sanitation for a further 38 households in Olifantshoek in response to a request from Gamagara municipality to extend the completed SLP project that upgraded 362 stands
- Black Rock Mine donated a municipal water truck to Joe Morolong local municipality
- Two Rivers Mine implemented a programme to remove invasive alien plants along riverbanks in Ngwaabe and Steelpoort. Alien plants consume more water than indigenous plants, reducing supply in the Dwarsrivier. Their removal improves access to water and supports the local agricultural economy
- In partnership with Ga-Segonyana municipality, Khumani Mine, Anglo

American Kumba and Blackrock contributed to the construction of a 13.5km pipeline to provide access to water for 5 551 households in Kuruman and surrounding areas.

Other community support

- Beeshoek Mine donated a waste truck to the Tsantsabane municipality to support waste removal in Postmasburg to keep the town and environment clean
- Black Rock Mine constructed a hardware store in Dithakong to provide a livelihood for the 18 members of the Thusanang Mining and Projects Cooperative. The hardware store currently employs nine people
- Khumani Mine donated a fire truck with firefighting superstructure and fitted equipment to the JTG municipality
- Khumani Mine supported an SMME that makes and refurbishes furniture in Deben, providing jobs for unemployed youth
- Black Rock Mine provided work for 250 unemployed youth for three months to clean Kuruman, repair potholes and do other work around the town.

Community dividend

Communities neighbouring Modikwa Mine have an effective 8.5% shareholding in the operation through ARM Mining Consortium. In F2022, ARM Mining Consortium declared a R255 million dividend to these communities.

The ARM Broad-Based Black Economic Empowerment Trust (ARM Trust)

The ARM Trust aims to uplift living conditions and living standards of poor and marginalised South Africans. It 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.

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 F2022, R19.8 million was provided to projects facilitated by the trust (F2021: R10.9 million).

Transformation

ARM unequivocally supports transformation in the South African mining industry as an effective way to redress historical inequality and facilitate broader social development. We are committed to working with government, labour, our host communities and other stakeholders

Group transformation performance is measured against the dtic CoGP. ARM improved to a level 5 contributor in F2022.

CATEGORY	Target %	F2022 %	F2021 %	F2020 %
Ownership	25	22.24	22.26	22.30
Management control	19	14.51	13.50	13.35
Skills development	20	16.54	7.89	10.16
Enterprise and supplier development	40	31.28	31.14	29.00
Socio-economic development	5	1.63	0.86	0.60
Overall score		86.21	75.65	75.41
Contributor level		5	6	6

to ensure the South African mining industry advances the interests of all stakeholders. Mining licences depend on transformation performance, and compliance with relevant legislation is a key focus.

Transformation is overseen by the social and ethics committee. Progress against the requirements of the mining charter and the Department of Trade, Industry and Competition's Codes of Good Practice (dtic CoGP) is continually monitored and reported to the social and ethics committee every quarter.

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

The six ARM South African mines submitted reports to the DMRE in March 2022 on their performance for the 12 months to December 2021 in terms of mining charter requirements.

Human rights

ARM's approach to promoting and protecting human rights aligns with South Africa's human rights legislation, its constitution and the bill of rights, which safeguard basic human rights. We are committed to the ten principles of the United Nations Global Compact (detail available on our website).

Human rights principles are incorporated into our business policies and management systems 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. We are in the process of finalising and approving the ARM human rights policy and policy statement.

The code, employment equity policy and our human resources management policies promote equality and prohibit 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. 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.

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 code applies to suppliers and contractors, requiring that they behave ethically and with respect for human rights. Community-relations strategies at the operations uphold and promote human rights and respect cultural considerations and heritage.

Our value chain

Our approach to sustainable development includes an appreciation of the broader impacts of our activities upstream (ie supply-chain impacts) and downstream (customer impacts) from the operations. Our carbon footprint calculations, assessments of climate-change risks and opportunities, climate-change scenario analyses and water-related risk analyses consider upstream and downstream activities.

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, further processing and beneficiation
- Safe and legally compliant transportation to prevent spillage into the natural environment
- Climate-change risks
- Carbon emissions.

Suppliers

We contract with suppliers and contractors that take a responsible approach to business. Our code of conduct, legal compliance policy and business protocols and practices set appropriate standards for legal compliance, health and safety, transformation and environmental practices, and apply to suppliers and contractors.

Customers

Customers for the metals and minerals produced at our operations are industrial companies that we engage contractually. Sales and marketing is handled by our joint-venture partners and ARM is not directly involved in these activities. Most operations have ISO 9001-certified quality management systems to support product quality, and customer complaints are addressed at operational level.

We encourage responsible use, reuse, recycling and disposal of our products. ARM and our joint-venture partners participate in industry forums to monitor developments on the properties of metals and minerals and their lifecycle effects on human health and the environment. Where required, material safety data sheets provide information on the potential health, safety and environmental impacts of our products and operations.



Governance

ARM is led by a skilled and expert board, committed to good governance practices.



- 114 Corporate governance
- 140 Risk management
- 146 IT governance
- 152 Remuneration report

Corporate governance

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.

Understanding that our stakeholders are central to achieving our strategic priorities, the ARM team engages regularly and constructively with our stakeholder groups at all levels (detailed on page 42).

To illustrate, our people have proved their mettle in finding creative solutions to drive our progress amid the prevailing global uncertainty. We also continually assess how the company is perceived and valued by shareholders, current and prospective, as well as specialist stakeholders focused on sustainability-related (ESG) aspects of our business. Across the group, management teams are focused on trends and shifts in our markets that may affect how we implement our strategy.

All this feedback informs decisions taken at meetings of the board, which has transitioned seamlessly to the new hybrid way of working that characterises the post-pandemic world. At the same time, board effectiveness has become increasingly important in rapidly changing markets. The effectiveness of the board and its committees was again externally assessed this year, with positive results (see page 128). These reviews are instrumental in developing the board's objectives and work plan for F2023 and beyond.

One of the primary functions of the board is to ensure ARM's strategy is carefully considered, clearly defined and actionable. Management is accountable to the board for

implementing all facets of this strategy, while the board is responsible for ensuring implementation proceeds against plan while considering broader developments that should be taken into account in refining the strategy. Either directly or through its mandated committees, the board maintained and monitored its robust processes to ensure that good governance and ethical behaviour are central to the way ARM operates.

Key actions in F2022

Refer to page 8 for more detail on our strategy.



Strategic objectives

Responsible	Resilient	Ready
<p>Operate our portfolio of assets safely, responsibly and efficiently</p> <p>The board approved targets and governance enhancements that underpin our long-term environmental objectives</p> <p>A board-level diversity and inclusion policy was approved, reinforcing the approach and targets at company level for employment equity, diversity and inclusion</p>	<p>Allocate capital to investments that create and preserve value</p> <p>Approving the investment to support hybrid working through robust technology and systems</p> <p>The board approved the R3.5 billion acquisition of Bokoni Platinum Mine, which is a significant value-accretive opportunity for the company</p> <p>In collaboration with peers and industry bodies, approving appropriate capital and expertise to address key infrastructural risks, ie logistics, water and energy</p>	<p>Focus on value-enhancing, integrated growth</p> <p>ARM's growth depends on good governance. The board and its committees regularly review information about our safety and health culture and performance, approach to assessing and monitoring risk, and real-time sustainability-related data. ARM is on track to align with the GISTM as per the required timeframes</p>

Detailed committee reports begin on page 131.



Our corporate governance: outcomes and practices

Consistent with the apply-and-explain approach of King IV to disclosure, ARM considers and applies the principles of corporate governance relevant to ARM (both those recorded in King IV and in terms of best practice in international governance standards).

ARM is confident that these practices assist in maintaining good performance in the governance outcomes of ethical culture, effective control and legitimacy with stakeholders.

 The King IV application register is available on www.arm.co.za

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.

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



Dr Patrice Motsepe (60)

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)

Value added to the board: commercial and business acumen, executive leadership, financial acumen, governance and ethics, government relations, international experience, legal and regulatory compliance, mining strategy, risk management, stakeholder engagement, strategic leadership, sustainability best practice, transformation best practice



Mike Schmidt (64)

Chief executive officer

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

Appointed to the board in 2011.

Value added to the board: commercial and business acumen, engineering, executive leadership, financial acumen, governance and ethics, human capital best practice, international experience, legal and regulatory compliance, mining strategy, mining technical expertise, health and safety, operational experience, risk management, stakeholder engagement, strategic leadership, sustainability best practice, technical insight, technology and information, transformation best practice



Tsundzukani Mhlanga (40)

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.

Value added to the board: commercial and business acumen, executive leadership, financial acumen, financial expert, governance and ethics, international experience, legal and regulatory compliance, mining strategy, risk management, strategic leadership, tax expertise, technology and information



Alex Maditsi (60)

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)

Appointed to the board in 2004.

Value added to the board: commercial and business acumen, executive leadership, governance and ethics, government relations, human capital best practice, international experience, legal and regulatory compliance, health and safety, operational experience, stakeholder engagement, strategic leadership



Jongisa Magagula (40)

Executive director: Investor relations and new business development

BBusSci (finance) (hons) (UCT)

Appointed to the board in 2019.

Value added to the board: commercial and business acumen, economics, executive leadership, financial acumen, governance and ethics, international experience, mining strategy, stakeholder engagement, strategic leadership



Thando Mkatshana (53)

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.

Value added to the board: commercial and business acumen, engineering, executive leadership, financial acumen, governance and ethics, government relations, human capital best practice, international experience, mining technical expertise, mining strategy, health and safety, operational experience, risk management, stakeholder engagement, strategic leadership, sustainability best practice, technical insight



Frank Abbott (67)

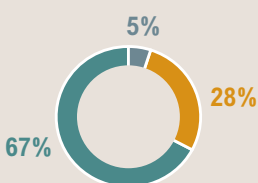
Independent non-executive director

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

Appointed to the board in 2004.

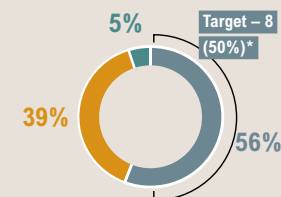
Value added to the board: commercial and business acumen, executive leadership, financial acumen, financial expert, governance and ethics, international experience, legal and regulatory compliance, strategic leadership, tax expertise

Mix



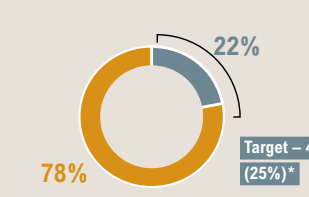
- 1 Non-executive directors
- 5 Executive directors
- 12 Independent non-executive directors

Diversity



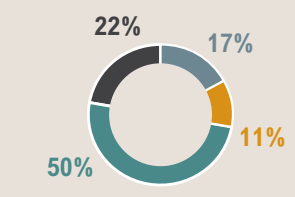
- 10 Black
- 7 White
- 1 Other African

Gender



- 4 Female
- 14 Male

Age**



- 3 Under 50 years
- 2 50 to 59 years
- 9 60 to 69 years
- 4 70 years and older

* Target in terms of the board-approved policy.
 ** At the date of the 2022 annual general meeting.

**Tom Boardman (72)****Independent non-executive director**

BCom (Wits), CA(SA)

Appointed to the board in 2011.

Value added to the board: commercial and business acumen, executive leadership, financial acumen, financial expert, governance and ethics, human capital best practice, international experience, legal and regulatory compliance, mining strategy, risk management, stakeholder engagement, strategic leadership, sustainability best practice, transformation best practice

**Dr Rejoice Simelane (70)****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)

Appointed to the board in 2004.

Value added to the board: economics, executive leadership, financial acumen, governance and ethics, government relations, human capital best practice, international experience, legal and regulatory compliance, mining strategy, health and safety, risk management, stakeholder engagement, strategic leadership, sustainability best practice, transformation best practice

**Mike Arnold (65)****Non-executive director**

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

Appointed to the board in 2009.

Value added to the board: commercial and business acumen, engineering, executive leadership, financial acumen, financial expert, governance and ethics, international experience, legal and regulatory compliance, mining strategy, mining technical expertise, risk management, strategic leadership, tax expertise, technical insight

**Anton Botha (69)****Independent non-executive director**

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

Appointed to the board in 2009.

Value added to the board: commercial and business acumen, economics, executive leadership, financial acumen, financial expert, governance and ethics, human capital best practice, international experience, legal and regulatory compliance, mining strategy, stakeholder engagement, strategic leadership, sustainability best practice, tax expertise, technology and information, transformation best practice

**David Noko (65)****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)

Appointed to the board in 2017.

Value added to the board: commercial and business acumen, engineering, executive leadership, governance and ethics, government relations, human capital best practice, international experience, legal and regulatory compliance, mining strategy, health and safety, operational experience, risk management, stakeholder engagement, strategic leadership, sustainability best practice, technical insight

**Joaquim Chissano (82)*****Independent non-executive director**

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

Appointed to the board in 2005.

Value added to the board: governance and ethics, government relations, human capital best practice, international experience, strategic leadership

* Non-South African.

**Pitsi Mnisi (39)****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)

Appointed to the board in 2020.

Value added to the board: commercial and business acumen, executive leadership, financial acumen, financial expert, governance and ethics, human capital best practice, international experience, legal and regulatory compliance, mining strategy, health and safety, operational experience, strategic leadership, tax expertise

**Brian Kennedy (62)****Independent non-executive director**

MSc Eng (elec), MBA (Wits); advanced management programme (Harvard University); non-executive directors course (Insead)

Appointed to the board in 2022.

Value added to the board: commercial, business and financial acumen, governance and ethics, government relations experience, human capital best practice, stakeholder engagement, strategic and executive leadership

**Mangisi Gule (70)****Independent non-executive director**

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

Appointed to the board in 2004.

Value added to the board: executive leadership, governance and ethics, human capital best practice, mining strategy, health and safety, stakeholder engagement, strategic leadership, transformation best practice

**Jan Steenkamp (68)****Independent non-executive director**

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

Appointed to the board in 2017.

Value added to the board: commercial and business acumen, engineering, executive leadership, financial acumen, governance and ethics, international experience, mining strategy, mining technical expertise, health and safety, operational experience, risk management, stakeholder engagement, strategic leadership, sustainability best practice, technical insight, transformation best practice

**Bongani Nqwababa (56)****Independent non-executive director**

BAcc (hons) (University of Zimbabwe), FCA (Institute of Chartered Accountants of Zimbabwe), MBA (with merit) (jointly awarded by universities of Wales, Bangor and Manchester)

Appointed to the board in 2022.

Value added to the board: commercial and business acumen, financial expert, governance and ethics, government relations experience, mining strategy, risk management, stakeholder engagement, strategic and executive leadership, sustainability best practice

Corporate governance continued

Résumés

Dr Patrice Motsepe (60)

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.

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 recognized and honoured as one of the "100 Greatest Living Business Minds" in the world.

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.

Dr Motsepe is a member of the 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).

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.

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; and
- World Economic Forum Global Leader of Tomorrow, 1999.

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 Pty Ltd. He is also the Deputy Chairman of Sanlam and Chairman of Harmony Gold.

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

Mike Schmidt (64)**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 (40)**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 (40)**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 that time, 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 (53)**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 (60)

Lead independent non-executive director

Chairman of nomination and non-executive directors' committees; member of audit and risk, investment and technical, 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, Famous Brands Limited, Murray & Roberts, and Sterling Debt Recoveries Proprietary Limited.

Frank Abbott (67)

Independent non-executive director

Member of audit and risk, investment and technical, 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 from February 2012 to March 2020. He retired from the Harmony board in September 2020. He is also a trustee of the Tshiamiso Trust, established to carry out the settlement terms in the silicosis and tuberculosis class action.

Tom Boardman (72)

Independent non-executive director

Chairman of audit and risk committee; member of investment and technical, 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, African Rainbow Energy General Partner (RF) Proprietary Limited and TymeBank Proprietary Limited. He is a director of The Peace Parks Foundation and trustee for a number of charitable foundations.

Anton Botha (69)

Independent non-executive director

Chairman of remuneration committee; member of audit and risk, investment and technical, 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 (82)

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 (70)

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.

Brian Kennedy (62)

Independent non-executive director

MSc Eng (elec), MBA (Wits); advanced management programme (Harvard University); non-executive directors course (Insead)

Appointed to the board in 2022

Brian Kennedy is a skilled leader with over 30 years' experience in engineering and financial services in Africa, encompassing executive (CEO) and non-executive board roles in large institutions and smaller high-growth private companies. After an early career in systems engineering for automated test equipment, he moved into the financial services field, developing his skills in project and structured finance. He then spent 20 years with the Nedbank group, primarily responsible for developing its corporate and investment banking division into the group's largest revenue stream. He is a non-executive director of Ecobank Transnational Limited, Afrisam Holdings Proprietary Limited, Nozala Women Investments Proprietary Limited and Telkom Limited.

Pitsi Mnisi (39)

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 18 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 (65)

Independent non-executive director

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

HDip (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), chartered director (Institute of Directors – SA)

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 executive roles at De Beers Consolidated Mines Limited and AngloGold Ashanti Limited, responsible for the groups' business and sustainable development portfolios, respectively. His experience and business acumen have seen him serve on the boards of various publicly listed companies in South Africa. David is currently chairman of the council of the University of the Free State. He is also interim chairman of Tongaat-Hulett Limited and a non-executive director at Aveng Moolmans and Bushveld Minerals Limited.

Corporate governance continued

Mike Arnold (65)

Non-executive director

Member of investment and technical, 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 is also a non-executive director of Ubuntu-Botho Investments Proprietary Limited, African Rainbow Capital Proprietary Limited, African Rainbow Energy and Power Proprietary Limited and African Rainbow Energy General Partner (RF) Proprietary Limited.

Bongani Nqwababa (56)

Independent non-executive director

BAcc (hons) (University of Zimbabwe), FCA (Institute of Chartered Accountants of Zimbabwe), MBA (with merit) (jointly awarded by universities of Wales, Bangor and Manchester)

Appointed to the board in 2022

Bongani Nqwababa has 30 years' global experience in the industrial, energy, petrochemical and mining sectors. As chief financial officer for major companies (Shell Southern Africa, Eskom SOE, Anglo American

Platinum and Sasol), he has a strong record of building efficient finance functions and executing complex local and global transactions. He is a senior adviser on the energy, mining and petrochemicals sectors for a global consultancy group, non-executive director of Development Bank of Southern Africa (member of audit and risk, investment committees) and non-executive director of Harmony Gold Mining Company Limited (chairman of investment committee, member of audit and risk, remuneration committees). He is also chairman of Babcock Ntuthuko Engineering Proprietary Limited and Babcock Plant Services Proprietary Limited.

Dr Rejoice Simelane (70)

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. She retired from the board of Sanlam Limited in March 2022. Other directorships include 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 a member of the presidential economic advisory panel under former president Thabo Mbeki.

Jan Steenkamp (68)

Independent non-executive director

Member of investment and technical, 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.

Diversity and inclusion

The promotion of diversity and inclusion on the board policy stipulates at least 50% black board members, of whom 25% would be black women. For the year under review, we had 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 and inclusion. 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. Subsequent to the financial year end, the board appointed two independent non-executive directors.

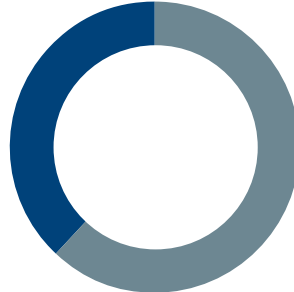
The board ensures that shareholders are given the right to vote on director appointments and dismissals in the general meeting each year.

In the annual performance evaluation of the board, diversity and inclusion was again identified as a priority area and the nomination committee will continue to focus on exceeding related 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

Tenure: Non-executive directors



8 Ten years or more **62%**
5 Five years or less **38%**

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.

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, 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 resolving an important matter. The board is satisfied that this did not impair his independence. He did not receive any consultancy fee in F2022 as the agreement was terminated. The board has again classified him as independent.

Mr M Arnold, a former financial director, had a consultancy agreement with the company that terminated in December 2021. Although he has not been an executive of the company in the preceding three financial years and no longer participates in its share incentive schemes, he has declared that he is not independent. As such, the board has classified him as a non-executive director.

For additional information about consultancy agreements, see the remuneration report on pages 171 and 189.

Corporate governance continued

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. The board charter also sets out the role and responsibilities of the chief executive officer.

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 2022.

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.

AFS For further information, see shareholder analysis in the annual financial statements.

Board charter

The board charter was amended in August 2022, 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
- Monitoring any related-party transactions, in line with JSE criteria
- Ensuring that appointments to the board are formal, transparent and comply with all prescribed procedures
- Stipulating the roles and responsibilities of the executive

chairman, lead independent director and chief executive officer in the board charter

- Ensuring a succession plan for executive directors and senior management is implemented
- Selecting and appointing suitable candidates as chairmen and members of board committees. Members of the audit and risk committee are subject to annual reappointment by shareholders in the general meeting
- 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

- Ensuring the board policy on diversity and inclusion is effectively applied.

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

* Messrs B Kennedy and B Nqwababa were appointed to the board subsequent to the financial year end.

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 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)	■	■	■	■	■	■	■	■		■		■

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

* Messrs B Kennedy and B Nqwababa were appointed to the board subsequent to the financial year end.

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 M Arnold, TA Boardman and JC Steenkamp and Ms PJ Mnisi are required to retire by rotation. They have made themselves available for re-election at the annual general meeting on Thursday, 1 December 2022, or any adjournment. Executive directors do not rotate.

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.

Messrs B Kennedy and B Nqwababa were appointed to the board from 6 October 2022. Their terms of office terminate at the annual general meeting in accordance with the memorandum of incorporation (Mol). They have made themselves available for election at the annual general meeting on Thursday, 1 December 2022, or any adjournment thereof.


Induction and continuing education

New 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 135.

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 F2022 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 F2022 assessment were considered by the board and a copy provided to the external auditor.

F2022 board performance assessment

The F2022 assessment focused on the effectiveness of the board, and included:

- Board attributes and culture
- Ethical culture and conduct
- Board meetings and processes
- Risk management
- Oversight of the ARM strategy
- Information technology
- Stakeholder management
- Role of the executive chairman
- Role of the chief executive officer
- Role of the group company secretary and governance officer
- Board induction, orientation and development
- Board committees (in general).

Annual performance assessments of all executive directors, including the executive chairman and chief executive officer, form the basis of their remuneration as discussed in part III 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 F2022, four board meetings 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 held in September 2022.

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 strategy or to training in pertinent business areas.

Budget workshop

Members of the board and senior executives considered the F2023 budget and reviewed 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 Alyson 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 2022, on recommendation of the nomination committee, the board considered details of her competence, qualifications and experience as well as results of the F2022 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.

Meeting attendance

F2022 scheduled board and committee meeting attendance*

	Board	Committees					
	Board	Audit and risk	Investment and technical	Nomination	Non-executive directors	Social and ethics	Remuneration
Number of meetings ¹	4	7	2	2	4	4	3
Dr PT Motsepe (executive chairman)	4/4	–	–	–	–	–	–
MP Schmidt (chief executive officer)	4/4	–	–	–	–	–	–
F Abbott ²	4/4	2/3	2/2	–	4/4	–	–
M Arnold	4/4	–	2/2	–	4/4	–	–
TA Boardman	4/4	7/7	2/2	–	4/4	–	3/3
AD Botha	4/4	7/7	2/2	–	4/4	–	3/3
JA Chissano	4/4	–	–	2/2	4/4	4/4	–
WM Gule	4/4	–	–	–	4/4	–	–
AK Maditsi	4/4	7/7	2/2	2/2	4/4	4/4	3/3
J Magagula	4/4	–	–	–	–	–	–
TTA Mhlanga	4/4	–	–	–	–	–	–
HL Mkatshana	4/4	–	–	–	–	–	–
PJ Mnisi	4/4	7/7	–	–	4/4	–	–
DC Noko	4/4	–	2/2	–	4/4	4/4	–
Dr RV Simelane ³	4/4	7/7	–	2/2	3/4	4/4	–
JC Steenkamp	4/4	–	2/2	–	4/4	4/4	–

¹ Includes attendance at board meetings by directors and attendance at committee meetings by members.

² Mr Abbott was appointed to the audit and risk committee at the December 2021 annual general meeting. Three audit and risk committee meetings were held subsequent to his appointment. He was absent from one of those committee meetings with leave of the committee chairman. He received meeting materials beforehand and contributed as necessary.

³ Dr Simelane was absent from one committee meeting with leave of the committee chairman. She received meeting materials beforehand and contributed as necessary.

* Messrs B Kennedy and B Nqwababa were appointed to the board subsequent to the financial year end.

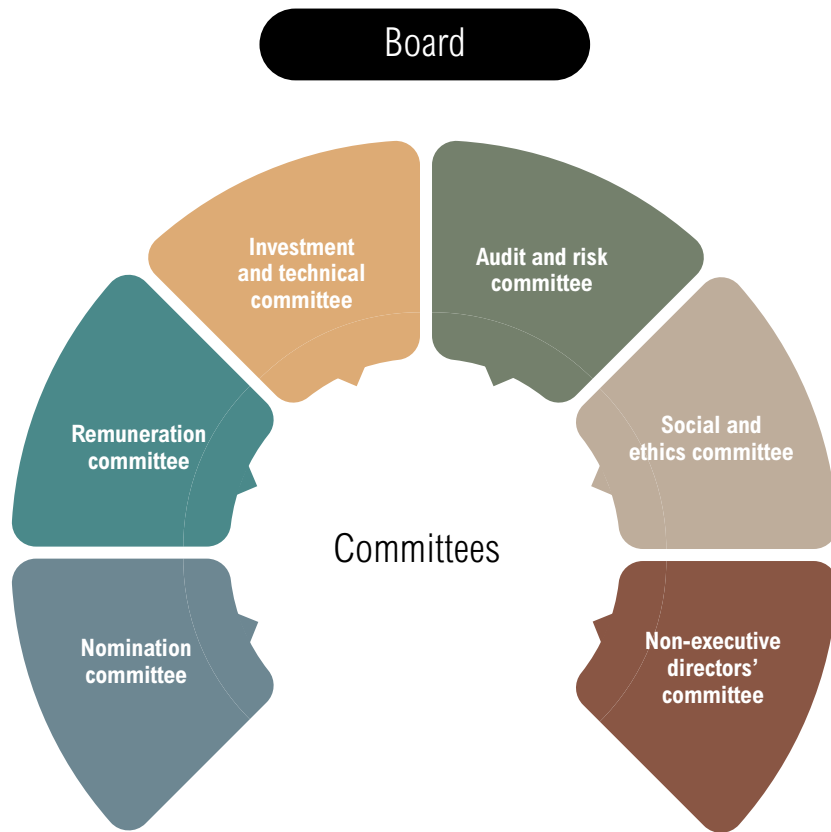
Corporate governance continued

Strategy

Deliver competitive returns and sustainable value

The board has oversight of plans to achieve ARM’s strategic objectives, summarised on page 9. 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.



Nomination committee

Refer to page 135.

Remuneration committee

Refer to report on page 152.

Investment and technical committee

Refer to page 134.

Audit and risk committee

Refer to page 131 and committee report on page 4 of the annual financial statements.

Social and ethics committee

Refer to report of committee chairman on page 18 and statement of the social and ethics committee chairman in the 2022 climate change and water report.

Non-executive directors' committee

Refer to page 136.

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 2022, the committees considered and proposed amendments to their terms of reference. After due consideration, the board approved appropriate amendments.

The F2022 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 118.

Composition

The audit and risk committee comprises six independent non-executive directors, with extensive relevant experience. Mr F Abbott, CA(SA), was appointed to the committee in December 2021. 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.

The board, through its nomination committee, is responsible for ensuring sufficient financial expertise on the audit and risk committee, which is confirmed annually by shareholders in the general meeting.

A recommendation that the shareholders of the company appoint Mr B Nqwababa 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 F2022. See meeting attendance summary on page 129.

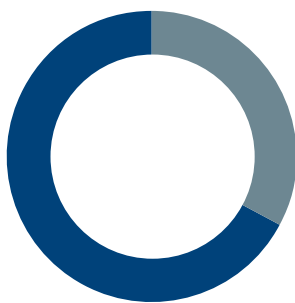
Responsibilities

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

Audit and risk committee

Member	Member since
TA Boardman (chairman)	February 2011
F Abbott	December 2021
AD Botha	June 2010
AK Maditsi	July 2004
PJ Mnisi	December 2020
Dr RV Simelane	July 2004

Tenure: Audit and risk committee



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.

AFS The report of the audit and risk committee begins on page 4 of the annual financial statements.

Corporate governance continued

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.

IAR See financial review in the integrated annual report.

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 information and technology section from page 146.

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.

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, including the memorandum of incorporation
- 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 F2022 annual financial statements
- Key risks including logistics, water supply and cybersecurity
- The impairment reversal at ARM Coal.

Focus areas for F2023

In F2023, the audit and risk committee will consider:

- The seamless handover to the new external auditor
- 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
- Key risks, including logistics, water supply and cybersecurity.

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 2022 review, the committee was satisfied with the performance of the finance director, Ms TTA Mhlanga. 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 F2023. 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 F2022, 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 136.

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 140.
For more on TSF management, see page 72.

Anti-fraud protocols

In line with our values of operating under the highest standards of corporate governance and zero tolerance for fraud, bribery and corruption, we are guided by the ARM code of conduct which sets out the prescribed ethical and moral standards to conduct business honestly, fairly, legally and responsibly, in good faith and in the best interests of ARM. Formal training on the code of conduct is provided to all employees annually. In addition, a comprehensive anti-fraud, anti-bribery, and anti-corruption control self-assessment is conducted every two years to assess key controls related to fraud, bribery and corruption control self-assessment following the principles of King IV. Any ratings below satisfactory require follow-up actions to improve and results are communicated to the relevant governance structures as well as internal audit partners as input to the internal audit risk-based plan.

The fraud protocols at ARM are further supplemented by the JSE paragraph 3.84(k) compliance to the Listings Requirements. Our internal financial controls were effective in managing any risk of financial misreporting and material misstatements due to fraud.

Mandatory audit firm rotation

In line with the rules of the Independent Regulatory Board for Auditors (IRBA) regarding mandatory audit firm rotation, the 2023 financial year will be Ernst & Young Inc.'s final financial year as the company's external auditor. Ernst & Young Inc. has been the company's external auditor for 49 years. The audit and risk committee has recommended, and the board of directors has approved for recommendation to the shareholders, the proposed appointment of KPMG Inc. as the external auditor of ARM and the appointment of Ms S Loonat as the person designated to act on behalf of such external auditor in respect of the 2024 financial year.



For more information see the notice of annual general meeting on ARM's website www.arm.co.za

Corporate governance continued

Investment and technical committee

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

recommendations to the board on proposed projects, acquisitions, disposals and other investments.

Meetings

The committee is required to meet at least once a year. Two scheduled meetings were held in F2022.

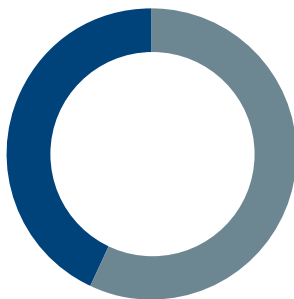
See meeting attendance summary on page 129.

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 Bokoni Platinum Mine project
- Monitoring proposals to grow and optimise the efficiencies of the ARM Ferrous division
- Continuing to assess value-enhancing internal and acquisitive growth opportunities.

Tenure: Investment and technical committee



4 Five years or less **57%**
3 Ten years or more **43%**

Composition

The investment and technical committee comprises seven non-executive directors, six of whom are independent. 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.

Responsibilities

The purpose of the committee is to consider projects, acquisitions and the disposal of the company's assets in line with thresholds set out in its terms of reference and criteria developed by the committee and approved by the board. It also reviews, from a technical perspective, the implementation of the company's strategy in terms of allocation of capital resources, performance targets, and operational results and projects. It then makes

Focus areas for F2023

In F2023, the committee will continue to monitor proposals to optimise our portfolio.

For current and future growth projects see below.

Refer to page 8 for strategy.

Current and future growth projects

Black Rock and Gloria projects

Potential ramp up to 5Mt manganese ore per annum, subject to rail availability and market conditions

Two Rivers Merensky project

Additional 182 000 6E PGM oz, 1 600t nickel and 1 300t copper per annum

Two Rivers plant expansion

Additional 40 000 tonnes per month milling capacity

Bokoni Platinum Mine

Targeted steady-state production of 300 000 6E PGM oz per annum

Nomination committee

Member	Member since
AK Maditsi (chairman)	July 2004
JA Chissano	August 2012
Dr RV Simelane	August 2009

Tenure: Nomination committee



3 Ten years or more **100%**

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 non-executive director with the annual performance evaluation of the executive chairman, assisted by the group company secretary and governance officer.

Refer to the board performance assessment on page 128.

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.

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 October 2022, the nomination committee recommended that Messrs B Kennedy and B Nqwababa be appointed to the board and that the board recommends to shareholders that Mr B Nqwababa be appointed as an audit and risk 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 F2022, there were two scheduled meetings.

See meeting attendance summary on page 129.

Focus and adding value

In 2022, the committee made recommendations to the board to:

- Make appointments to augment the knowledge, skills and experience on the governing bodies of group entities and the ARM board.

For more on diversity and inclusion, see page 123.

Corporate governance continued

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
B Kennedy	October 2022
PJ Mnisi	September 2020
DC Noko	October 2017
B Nqwababa	October 2022
Dr RV Simelane	May 2009
JC Steenkamp	October 2017

¹ The committee was established in May 2009.

See page 123 for additional information about independence.

Non-executive directors' committee

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 F2022.

See meeting attendance summary on page 129.

Focus and adding value

In adding value in F2022, the committee considered management's response to emerging developments, such as climate change, tailings storage facilities management and key risks including logistics, water supply in the Northern Cape and cybersecurity 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 152.

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 and 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 18.

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, the executive director: investor relations and new business development, 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: risk and sustainability, 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 executive: risk and sustainability 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 F2022.

Whistleblower facility

The whistleblower facility is operated by an independent service provider. ARM's internal and external stakeholders may confidentially report any alleged acts of a corrupt and illegal nature without fear of victimisation or reprisal. The whistleblower facility is provided to ARM employees and stakeholders in accordance with the Protective Disclosures Amendment Act of 2017. All complaints received through the facility in accordance with the whistleblower policy are investigated and formal feedback is provided to the facility and quarterly to the ARM social and ethics committee, ARM audit and risk committee and divisional audit and risk committees. The whistleblower policy and procedure are reviewed annually and approved by the board.

	F2022	F2021
Incidents reported	44	54
– Currently under investigation	17	21
– Substantiated	2	7
– Partially substantiated	3	4
– Unsubstantiated	20	19
– Referred back due to insufficient information	2	3

No material non-compliance incidents were reported in F2022.

Meetings

In F2022, the committee held four meetings, including the annual corporate risk workshop.

For more on our risk management programme, see the enterprise risk management section from page 34 and the risk management section from page 140.

Technology and information committee

See the technology and information governance section on page 146.

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. 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 lockdown, the committee continues to meet as required 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.

IAR See strategy section in the integrated annual report.

Corporate governance continued

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 94.

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 (Andisa), 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.

For additional information on stakeholder engagement, see pages 42 to 49.

Dealings in securities and insider trading policy

The company has a dealings in securities and insider trading policy. ARM enforces closed periods in compliance with legislation and regulations. During closed periods, directors, officers and designated persons are precluded from dealing in ARM securities.

All directors and employees were provided with relevant extracts from applicable legislation and the company's procedures. Directors and employees are reminded of their obligations in terms of insider trading and the penalties for contravening the regulations.

Annual general meetings

Each shareholder is entitled to one vote for each share held. Shareholders are encouraged to vote at annual general meetings. As set out in ARM's memorandum of incorporation, shareholders are entitled to vote on the composition of the board and the audit and risk committee.

The 2022 annual general meeting will be conducted as a physical meeting and by way of electronic participation via a platform that will enable persons attending the meeting to communicate concurrently with each other.

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 on our website at www.arm.co.za.



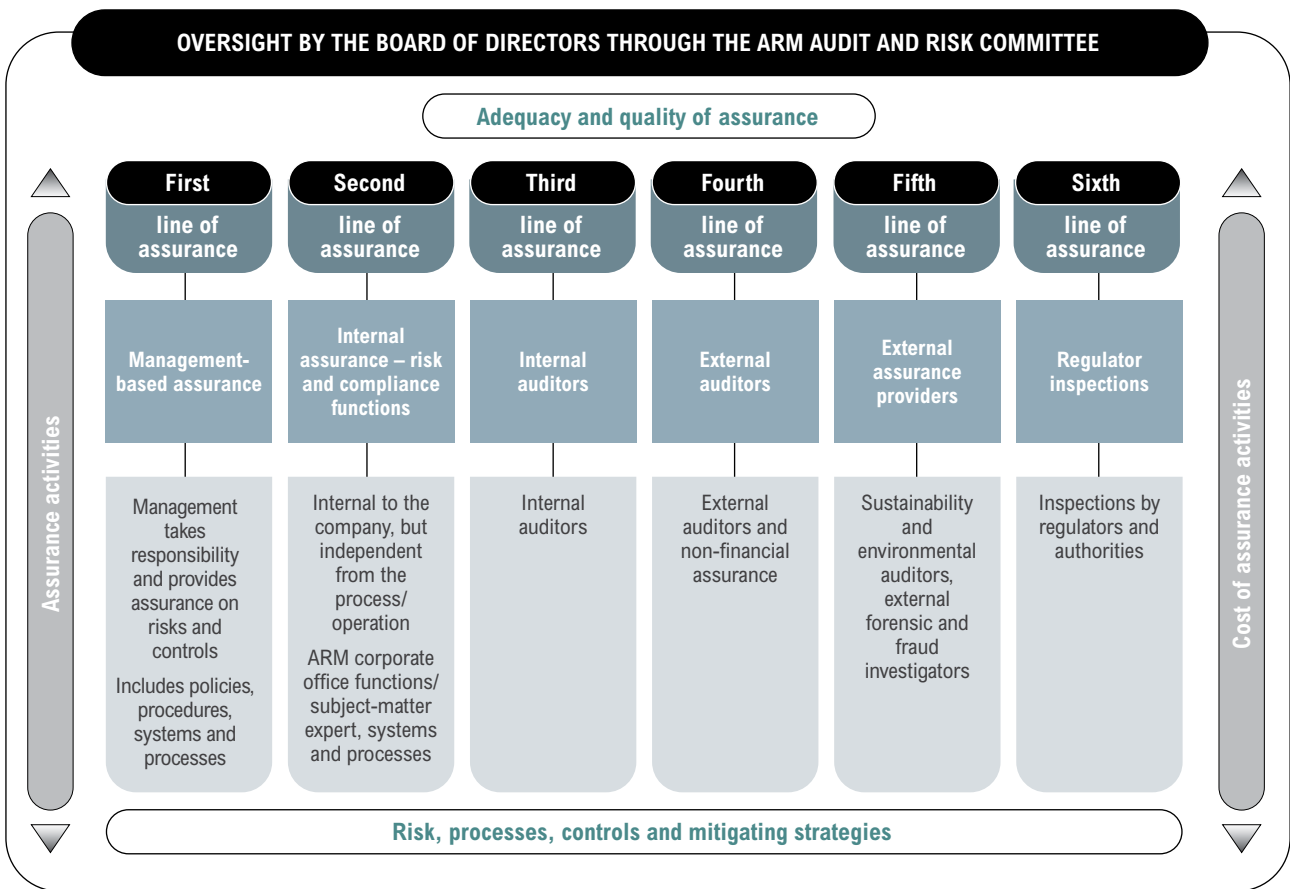
Risk management

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 defines principle 15 as:

“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.”



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

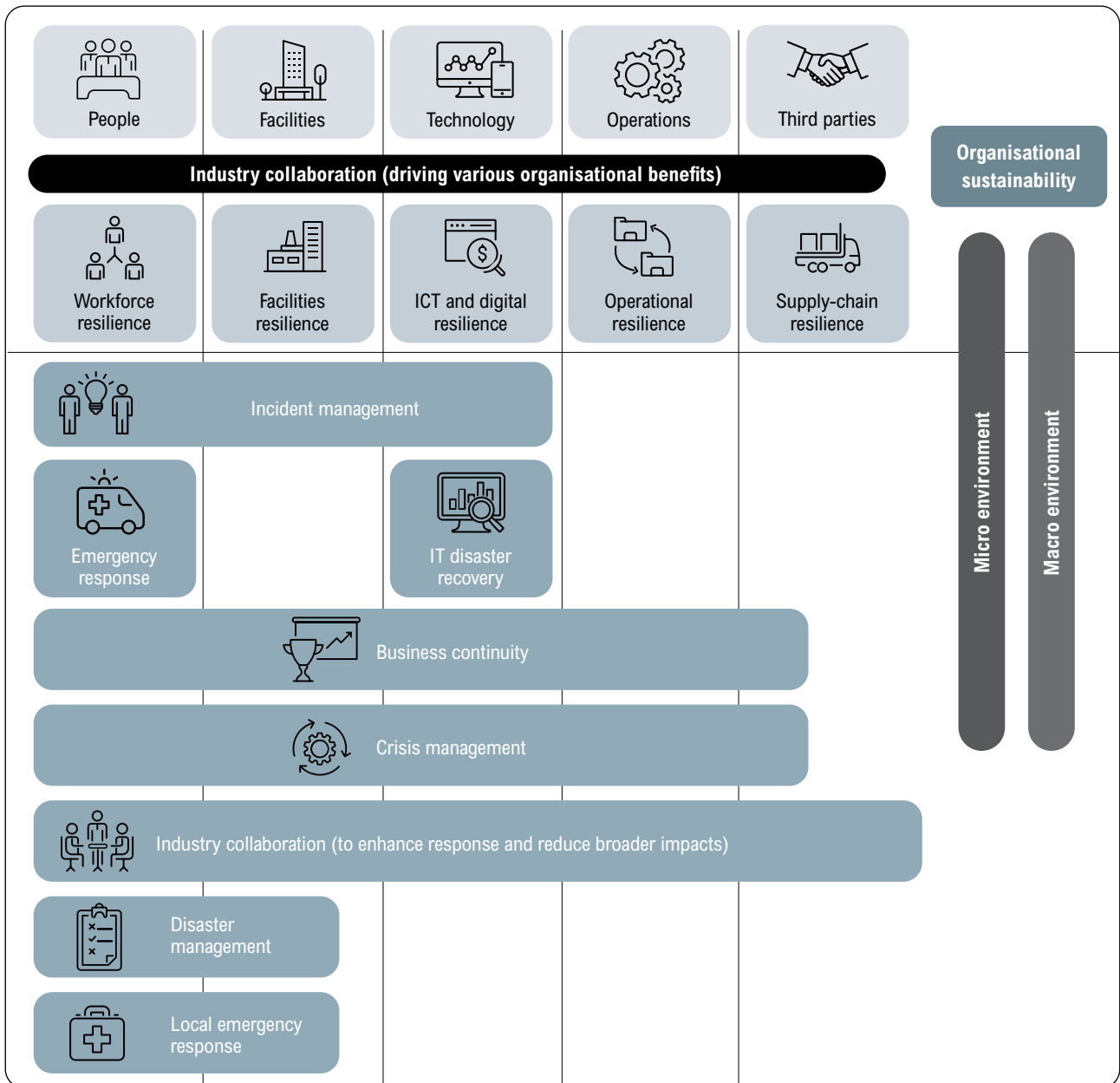
quality of assurance provided by both internal and external assurance

- Identify areas where there is either over- or under-assurance
- Provide a coordinated and integrated approach to obviate duplication and gaps in assurance, enabling cost-effective assurance activities

- Provide further input to 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.

Resilience – including business continuity management (BCM)

Our resilience strategy, supported by our BCM policy, is premised on recognising the many layers that affect a possible interruption to our broader ecosystem. It is not only focused on understanding, appreciating and preparing for possible continuity events, it also recognises that our business is part of a broader ecosystem of communities, suppliers and customers. Much of our effort in the last reporting period has been on emergency preparedness and crisis management capacity building for our mines.



Risk management continued

Overview of our key processes and how they benefit/relate to achieving our ERM strategy

ERM strategic pillar	What we actually do	Key benefits
Effective leadership and governance	<ul style="list-style-type: none"> • Cura, the governance, risk and compliance (GRC) platform • Risk owners • Control owners • Task owners <p>Quarterly reporting to governance structures, see page 38</p>	<ul style="list-style-type: none"> • Accountability and responsibility for all aspects of the business means all identified risks are managed in time, proactively keeping a range of stakeholder expectations in mind • Oversight as well as accountability and responsibility for risks, controls and risk treatment clearly allocated • Improves our insurability and risk transfer cost and options
Strategy	<p>Risk context setting always considers the group, divisional and operational strategies and business plans.</p> <p>We have an integrated risk and sustainability strategy See page 34</p>	<ul style="list-style-type: none"> • A business that succeeds has fewer losses • A business that has direction experiences fewer surprises and is agile • We clearly understand the uncertainties that could affect our ability to miss or exceed our strategic objectives, at various levels
Risk management, including investing for growth	<ul style="list-style-type: none"> • ERM policy • ERM framework • ERM standards and guidelines (including risk appetite and tolerance) • Capital investment standards incorporating sound project risk management advice <p>See pages 36 and 37</p>	<ul style="list-style-type: none"> • Knowns and unknowns are accounted for on an enterprise-wide basis • We truly understand and analyse insurable and uninsurable risks • Risks that are identified are better managed • Decisions are made in context of the uncertainty they pose (upside and downside uncertainty) • Decisions are made within set parameters (appetite and tolerance) • Results in a risk-based approach to decision making including risk transfer
Asset management	<ul style="list-style-type: none"> • Risk control validation surveys <p>Operational-focused asset management programmes IMIU risk engineering surveys</p>	<ul style="list-style-type: none"> • Matters of concern to the insurance/underwriting communities are tabled and formally managed as part of the risk management process • Fewer losses/interruptions/claims • Risk control validation surveys (twice per year) focus on an audit/independent review of controls used to manage a large proportion of risks that can affect our assets and interrupt our business

ERM strategic pillar	What we actually do	Key benefits
Resilience	<ul style="list-style-type: none"> • BCM policy • Business continuity plans (in progress) • Major focus on our capacity to respond to unwanted Tailings Storage Facility failures (in line with GISTM requirements) 	<ul style="list-style-type: none"> • We understand what events or combination of events could severely interrupt our operations • We pro-actively monitor such events and put measures in place to either prevent them from occurring or • Draft response plans that inform how we can and will react to the realisation of unplanned events • Better prepared organisations are more resilient and respond better to unwanted events minimising the impact and improving its reputation
Assurance	<p>JSE paragraph 8.34(k) listing amendment (internal financial controls)</p> <ul style="list-style-type: none"> • Integrated combined assurance 	<ul style="list-style-type: none"> • Identifies control weaknesses before control weaknesses results in losses and risks materialising. • Imperative for all lines of insurance since it maintains focus on and audits risk treatment and mitigation measures
Ethics management and fraud	<p>Code of Conduct, ethics and fraud risk assessments, whistle blower programme</p> <p>See pages 32, 133 and 137</p>	<ul style="list-style-type: none"> • Sustains a continued culture of ethical behaviour • Identifies, monitors and prevents ethics and fraud risks • Enables the early detection of actual events and provides response mechanisms to unwanted events
Optimised risk finance	<p>Review and validate declared values, ensure they are not unnecessarily inflated in terms of insurance definitions</p> <ul style="list-style-type: none"> • Asset valuations • Test local and international markets for best price • Establish/review self-financing structure • Dual retail and wholesale structure – reviewed and tendered per governance requirements • Manage losses by investing capital in asset management and risk improvements 	<ul style="list-style-type: none"> • Creates a culture that manages the business as though ‘uninsured’, resulting in better managed risks. • Protects the business and its shareholders with an optimised risk transfer programme to the insurance markets to shield against the financial impacts of insurable events • This includes a significant structured and externally managed self-retention programme to optimise the cost of risk and manage pay away costs of risk transfer

Risk management continued

Legal compliance

Compliance globally is moving away from being the policing role to one that is evolving, proactive and value-adding in supporting the business to ensure that a compliance culture is established based on the concept that prevention takes far less time than remediation.

ARM has committed to establish an effective compliance process with a supporting system throughout the organisation, which will ensure that ARM complies with applicable laws. Legal and regulatory compliance are critical components that ensure ARM maintains its licences to operate. We continuously seek to engage in a collaborative exercise with the operations to manage and mitigate compliance risks with reasonable foresight. The objective is a compliance function that is not only proactive, but continually evaluates and influences strategic decisions and drives all employees to consider ethics and compliance risk when making business decisions.

The ARM compliance programme is moving from a developmental phase to implementation phase. After that, our programme should reach an optimisation and matured state by the end of 2024. We continuously seek to engage in a collaborative exercise with the business units to manage and mitigate compliance risks. We seek to be a compliance function that is proactive and continually evaluates and influences strategic decisions, and that drives all employees to consider compliance risks when making business decisions.

Compliance function four-phase approach

The compliance process adopted encompasses a four-phase approach (as prescribed in terms of the Generally Accepted Compliance Practice (GACP) which assists management to discharge its compliance responsibilities and comply with applicable obligations.

The four-phased establishment of our compliance function has been implemented and has reached phase 4 on compliance risk monitoring which entails conducting periodic monitoring on identified high compliance risks and general compliance management.



Phase 1: ARM's compliance obligations have been identified, collated and consolidated to form ARM's compliance universe (a living document that is amended from time to time).



Phase 2: Compliance risk assessments were conducted on the compliance universe to ensure compliance efforts and focus are directed to areas of high risk.



Phase 3: ARM has developed and continues to develop compliance risk management plans mapping out and identifying priority compliance requirements to be monitored and the control effectiveness assessed to ensure adequacy.



Phase 4: Compliance risk monitoring and management entails the continual checking, supervising, critically observing or determining the status to identify change from the required or expected compliance performance level.

Compliance programme

The compliance programme is a plan of activities to be undertaken by the compliance function over a defined period, including the review of

specific controls, policies and procedures, the development and maintenance of compliance risk profiles and compliance risk management plans, compliance monitoring and compliance training.

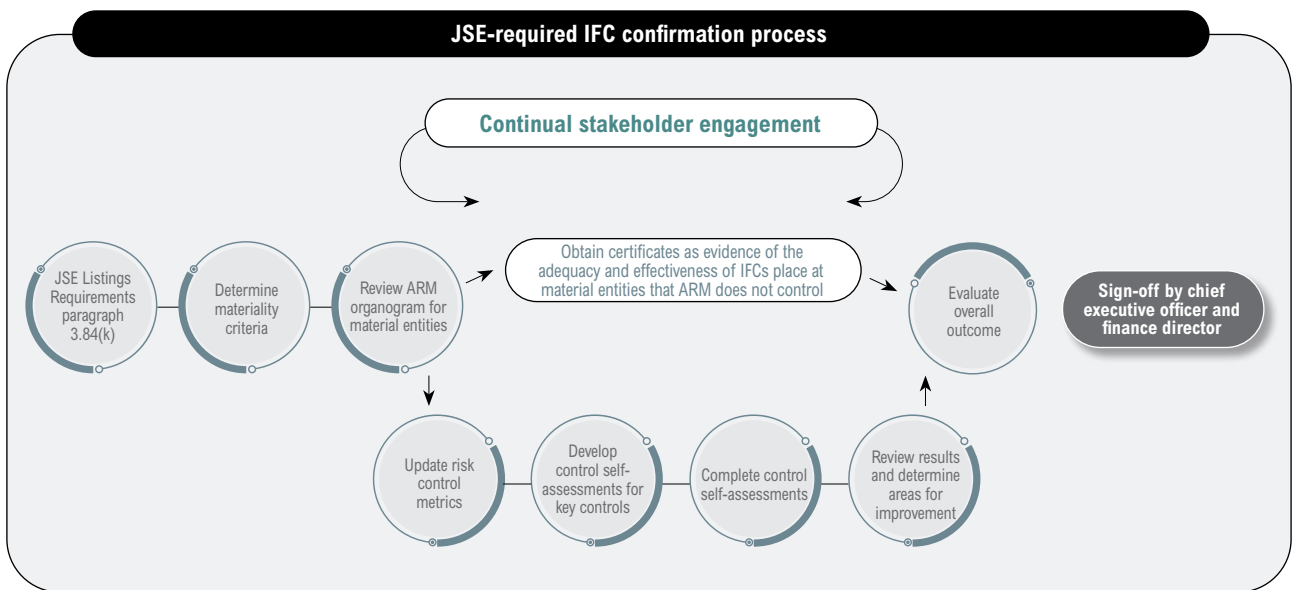
The compliance journey is by no means a once-off project. In line with ARM's compliance strategy, our objective is to develop a dynamic and agile compliance function.

Complying with JSE Listings Requirements on internal financial controls

In December 2019, the JSE amended its Listings Requirements by introducing a requirement in paragraph 3.84(k), stipulating that the chief executive officer (CEO) and finance director (FD) need to sign-off on the fact that, “after due, careful and proper consideration” the internal financial controls (IFC) in place are effective in managing risks of material financial misreporting.

To obtain the sign-off, as illustrated below, we reviewed entities that could result in a material misstatement within the ARM group organogram in line with the materiality criteria determined in consultation with the FD. The entities deemed material, in accordance with the defined materiality criteria, completed a risk-based control self-assessment which covered process risks and controls facilitated through the update of risk control matrixes (RCMs) related to finance

processes to assess the adequacy and effectiveness of IFCs. The control self-assessments were conducted in line with the ARM combined assurance model and input was obtained from management on the first and second lines of assurance in consultation with internal audit (third line), and external audit (fourth line). In addition, to ensure the completeness of IFCs across the ARM group, entities in which ARM has an interest per the ARM organogram and which could affect disclosure within the ARM group, submitted certificates attesting to the effectiveness of IFCs.



Enterprise risk management

Enterprise risk management scorecard

F2022 OBJECTIVES	ACHIEVED/NOT ACHIEVED	F2023 OBJECTIVES
<ul style="list-style-type: none"> Refine systemisation to JSE 3.84k process 	<ul style="list-style-type: none"> Achieved 	<ul style="list-style-type: none"> Focus on continuous improvement and use of technology to systemise the anti-fraud self-assessment
<ul style="list-style-type: none"> Roll out project risk management framework 	<ul style="list-style-type: none"> Achieved 	<ul style="list-style-type: none"> Implementation across all major capital projects
<ul style="list-style-type: none"> Refocus business continuity plan to ensure alignment to ICMM GISTM 	<ul style="list-style-type: none"> Not achieved 	<ul style="list-style-type: none"> Achieving the GISTM alignment deadlines
<ul style="list-style-type: none"> Consistent reporting on the status of internal audit findings 	<ul style="list-style-type: none"> Achieved 	<ul style="list-style-type: none"> Systemisation of the process
<ul style="list-style-type: none"> Roll out linking of internal audit findings to risk profiles 	<ul style="list-style-type: none"> Not achieved 	<ul style="list-style-type: none"> Roll out of training to all stakeholders

IT governance

Information technology (IT) and innovation remain the cornerstone of ARM's intellectual capital and the key to unlocking benefit and value realisation from digital transformation.



* Functions include responsibility for the ARM Corporate information and technology steering committee.

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 as health and safety compliance), resource management, benefit realisation, tracking benefits of past projects and performance management.

A chief information officer leads IT in fulfilling its mandate per the

IT strategy, overseen by the finance director. A chief information security officer oversees cybersecurity. In addition to steering committees for the ferrous and platinum divisions, the 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. Members include the finance director, divisional chief executives, chief information officer, chief information security officer and executive: risk and sustainability. 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 committee ensures that digital spend value is accounted for and delivered, ie full benefit realised.

Information technology strategy

In F2022, the board, on the recommendation of the audit and risk committee, approved the revised IT strategy.

Strategic action plan



Migrate to a cloud core:

- Hybrid, multi-cloud migration with application rationalisation
- Speed, automation
- Security embedded
- Office 365
- Software-defined (SD) network
- IT cost optimisation
- Audit turnaround



Accelerate to be a data-driven enterprise:

- Digitise with product, platform focus
- Cloud-native architecture and application
- Data-driven enterprise, data architecture with platform support for data insights
- Post-modern enterprise resource planning
- Operational excellence



Innovative to grow the top-line:

- Drive entrepreneurial build-experimental-fail fast operation model
- Innovation-led reinvention of key applications and processes – eg digital inspection and enterprise-2-enterprise services
- Secondary industry – higher value proposition

Talent and culture; governance

- Business-centric support model with digital talent

- Agile, product-based approach
- Drive innovation culture

- Connect ecosystems and enable enhanced collaboration

Value drivers

Cost and resiliency
10% to 30% savings

Innovation enablement
Incremental 10% to 20% savings and additional capacity for innovation

Reinvent
Top-line growth, service adjacencies, alternate digital revenue

This strategy is underpinned by a robust framework that guides our activities and performance scorecard.

IT governance continued

Enterprise architecture

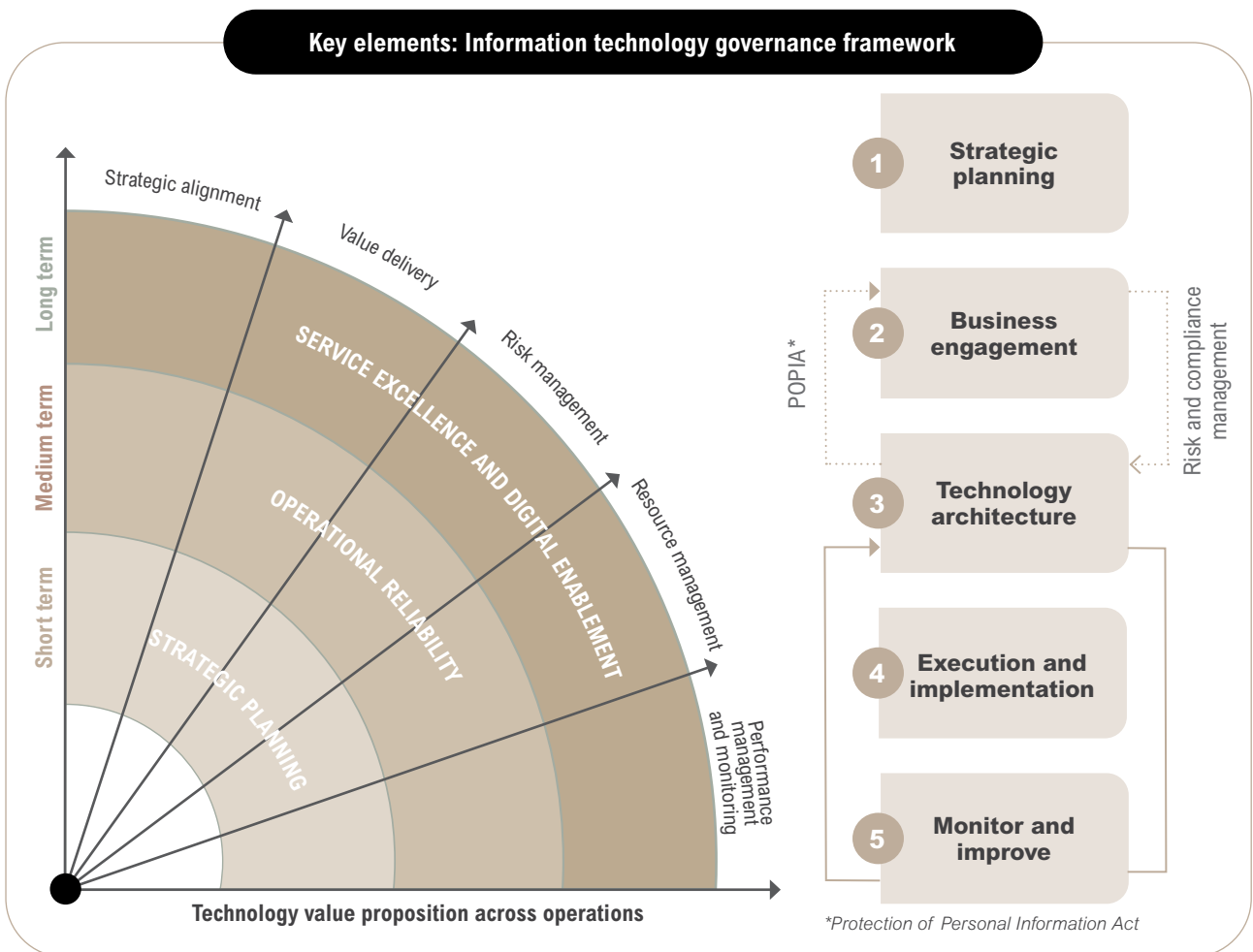
In F2022, the enterprise architecture function was established in ARM IT. This will assist with architectural blueprints for digital transformation aligned to IT strategy, thus ensuring industry-leading practice principles are adhered to across all managed operations. We have designed this

function as business-value-orientated, with the objective to drive quantifiable value on the bottom line.

Enterprise architecture will focus on:

- Supporting digital innovation and technology assessments
- Delivering business-driven value outcomes

- Defining future-state architecture designs and solutions
- Supporting projects and programmes delivery
- Providing technology guidance and standards.



Technology and information performance scorecard

GOVERNANCE DIMENSION AND F2022 OBJECTIVES	ACHIEVED/NOT ACHIEVED	F2023 OBJECTIVES
Strategic alignment		
<ul style="list-style-type: none"> Execute short-term projects to deliver digital backbone Establish office and measure benefits from digital operational projects 	<ul style="list-style-type: none"> Partially achieved. Completed Office 365 migration and transferred voice calls to Teams to enable collaboration Migrated one mining operation to cloud to ensure consistent and stable business operations Doubled network capacity to enable digital projects Optimised software licence costs for IT applications across business operations 	<ul style="list-style-type: none"> Complete migration to public cloud and close out digital foundation programme Focus on realising value from use cases delivered Cloud and software-defined network projects on track to complete in Q3 F2023
Risk management		
IT governance		
<ul style="list-style-type: none"> Ensure controls dictated by policy are adequately implemented and maintained 	<ul style="list-style-type: none"> Achieved. Controls implemented as per policies Policies reviewed and updated for current year 	<ul style="list-style-type: none"> Mature business continuity and disaster-recovery practices Conduct full set of disaster-recovery scenarios Conduct business-impact analysis for all managed operations
<ul style="list-style-type: none"> Ongoing compliance with POPIA requirements 	<ul style="list-style-type: none"> Achieved. Paper-based documentation completed for POPIA and PAIA, users trained 	<ul style="list-style-type: none"> Remove data not required by the business as per data-retention and disposal document
Information security		
<ul style="list-style-type: none"> Comprehensive awareness programme for ARM group being developed 	<ul style="list-style-type: none"> Achieved. Group-wide cybersecurity awareness programme operational, with appropriate awareness campaigns 	<ul style="list-style-type: none"> Mandatory cybersecurity training for all employees, including operational technology
<ul style="list-style-type: none"> Cybersecurity strategy execution: elements began in F2021 and will continue into F2022/23 	<ul style="list-style-type: none"> Achieved. Successful execution of four cybersecurity strategy pillars: people-centred defence, cybersecurity programme, managed security services, zero-trust architecture 	<ul style="list-style-type: none"> Optimise and improve security controls aligned to zero-trust architecture principles Regular tests and assessments to identify weak or ineffective controls, and implement process to strengthen controls
<ul style="list-style-type: none"> Enhance security support services model into a hybrid-managed security services model, including support of cloud, IT and operational technology security 	<ul style="list-style-type: none"> Achieved. Security operations centre established for monitoring and incident response capabilities Cyber incidents plan established 	<ul style="list-style-type: none"> Optimise cyber incident response capability and processes Establish security threat and vulnerability visibility, deep into operational technology infrastructure
Value delivery		
<ul style="list-style-type: none"> Automated contractor registration; introduce cloud-based integrated business process solution for financial reporting, close and planning functions 	<ul style="list-style-type: none"> Not achieved. 	<ul style="list-style-type: none"> Complete contractor onboarding Complete enterprise performance management (EPM) project Complete centralised procurement function for the platinum division
<ul style="list-style-type: none"> Use of modernisation functions, analytics and scanning technology 	<ul style="list-style-type: none"> Not achieved. 	<ul style="list-style-type: none"> Entrench analytics with machine learning (ML) and artificial intelligence (AI) as core business function Establish self-service analytics allowing general users to innovate locally
Resource management		
<ul style="list-style-type: none"> Focused training on digital worker and cloud operations 	<ul style="list-style-type: none"> Achieved. Training and upskilling of IT team continues to create a cloud-ready team 	<ul style="list-style-type: none"> Create culture shift in IT team and greater organisation to adopt a more agile process to promote innovation and fail-fast approach

IT governance continued

Review of F2022

In F2022, the IT team focused on a portfolio of projects to modernise infrastructure and systems. This was done in preparation for implementing the approved IT strategy in line with the agreed initiatives and priorities with business.

Revised the IT strategy and its components at various governance forums. The core of the digital transformation strategy remains robust and is intact for delivery:

- Continued implementing cybersecurity components through a focused project, monitoring and continuous improvements. We have improved the maturity level of cybersecurity in general across operations
- Launched a project for enterprise performance management, primarily focused on financial consolidation, budgeting and forecasting, planning and management reporting

- Migration of enterprise workload to public cloud was launched
- Completed an enterprise and operations journey to cloud assessment
- Established tenant in Microsoft Azure, ARM's choice for enterprise public cloud
- Improved skills in the IT team and operations.

The following has been completed through project implementations:

- Digital workforce – based on roll-out of Office 365 to all sites
- M365 security and compliance
- Hybrid-managed security
- Multi-factor authentication
- Network monitoring.

F2023 focus

In F2023, the IT team will simultaneously work on projects that realise the IT strategy and modernise infrastructure and systems.

The following projects are in progress:

- Cloud migration
- A modern software-defined network architecture
- Consolidated financial close, planning, and forecasting for the group
- Enhanced contractor management
- Centralised procurement
- Operations technology strategy and roadmap implementation
- Enterprise resource management for new operations
- Digital platforms
- Data and analytics
- Robotics process automation and optimisation
- Machine learning
- Environmental data management.



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 supports the board by applying a remuneration strategy that is focused on attracting, motivating, rewarding and retaining talent through competitive remuneration practices, while creating shareholder value. Stakeholder feedback is considered in regular reviews of our remuneration policy, which gives effect to the remuneration strategy by supporting business objectives in the wider operating environment and offering a balanced remuneration mix based on the principles set out below.

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 before external reporting of the pay gap so that our reporting is consistent.

Fixed pay

The board approved cost-to-company salary increases in the corporate office from 1 July 2022 based on the current and forecast consumer price index (CPI), as follows:

Paterson grade	Role	F2023 increase	F2022 increase
F-band	• Executives (including executive directors)	5% (CPI – 1.5%)	5.2% (CPI) ¹
D- and E-bands	• Middle and senior management	5% (CPI – 1.5%)	6.2% (CPI + 1%)
A to C-bands	• General staff	6.5% (CPI) ²	7.2% (CPI + 2%)

¹ CPI of 5.2% at May 2021 as published by StatsSA.

² CPI of 6.5% at May 2022 as published by StatsSA.

At the bargaining-unit level for our managed operations, wage agreements for employees at Two Rivers Mine 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 multi-year agreements have been negotiated. The Machadodorp Works, Modikwa Mine and Two Rivers Mine C-band bargaining units started wage negotiations in June 2022 and agreements have been concluded at Machadodorp Works and Modikwa. Negotiations at Two Rivers Mine (C-band) are still in progress.

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 equitable, market-related and competitive wages 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 85.

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 F2022 profit before interest and taxes (PBIT) was 30% above target
- Profit targets were met at all divisions (ie ARM Platinum, ARM Ferrous and ARM Coal)
- Costs at Beeshoek, Sakura and Machadodorp Works were better than plan
- Overall ARM Platinum, ARM Ferrous, ARM Coal and ARM group were worse than plan on cost targets
- Despite the improved lost-time injury frequency rate, there were regrettably two fatalities (one each

at Modikwa and Two Rivers) in F2022. The fatality adjusted safety modifier for ARM Platinum was -3.33%

- 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 6.25%
- 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. Conditional share awards settled in F2022 under The African Rainbow Minerals 2018 Conditional Share Plan were based on six performance criteria, and adjusted for dividend equivalents as follows (also see page 177):

- Total shareholder return against a comparator group of 20 mining companies (excluding gold and diamond companies)
- Average free cash flow return on equity
- Consistent and sustainable cost performance

Remuneration report continued

- Improved safety performance (measured by lost-time injury frequency rate or LTIFR)
- Improvement in broad-based black economic empowerment (BBBEE) score
- Performance against climate-change targets.

Performance shares settled in F2022 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 prior policy reflect share price movements which are also linked to performance.

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 absolute savings due to emission-reduction initiatives, comprising:
 - ▲ 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 2021 annual general meeting, the non-binding advisory votes on ARM's remuneration policy and implementation report were each supported by 97.23% and 97.69%, respectively, 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. As implied by the high level of votes in favour, there was limited feedback on remuneration at the previous annual general meeting, summarised below.

Stakeholder engagement on voting

Feedback

Long-term incentives: Some shareholders indicated that they would monitor the use of provisions to make conditional share plan awards on an annual basis to reduce the risk of unanticipated outcomes due to share price volatility and cyclical factors.

Short-term incentives – stretch targets: A shareholder enquired how F2021 stretch targets had been revised in light of the effects of the pandemic.

Executive directors' remuneration: A shareholder enquired about the reasons for the executives' particularly high total single-figure remuneration in F2021.

Response

The company makes interim allocations of conditional share plan awards, rather than annual allocations, to participants whose tenure in the first year of employment is insufficient to be eligible for an annual award.

The short-term incentive stretch targets were achieved despite the pandemic and required no revision.

The quantum of remuneration was due in large part to the settlement of previously issued long-term share scheme awards, where the value of the shares had increased significantly from award date, which reflects the concomitant premium shareholder return.

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 2022 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 are 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 18), in 2021 ARM set a target of net-zero greenhouse

gas emissions from mining by 2050. Last year, we set appropriate climate-change performance targets that applied to awards 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 2022 to 30 June 2025. These targets are unchanged. Understanding that our 2050 goal will require a more profound change in the way we work, we continue to work on decarbonisation pathways to develop more specific targets that will incrementally and collectively enable ARM to achieve its longer-term objective. We will communicate these details in the F2023 remuneration report.

No changes to performance conditions of awards that have been issued, nor any other aspects of short-term incentives (bonuses) or long-term incentives were made to address the impact of Covid-19.

We considered the shift in the greenhouse gas reporting boundary from equity share to operational control in line with the market (as discussed on page 57). The new reporting boundary will only be applied to the measurement of performance conditions for long-term incentive awards granted from F2023 onwards, and not to outstanding

Proposed amendments to the 2018 conditional share plan

We have proposed an amendment to the 2018 conditional share plan to align with latest practice. If approved, this will change the rule for retiring participants from early pro-rata vesting on retirement (with unvested awards lapsing) to vesting in full on the original vesting date if applicable performance conditions are met. This provides for post-retirement exposure to share price and company performance, encouraging focus by executives on succession and sustainability.

awards made from F2019 to F2022. This approach ensures consistency and fairness of measurement for prior awards.

The remuneration policy achieved its stated objectives in F2022 and will continue to lead to performance outcomes that generate real long-term value for our shareholders.

AD Botha

Chairman of the remuneration committee

Remuneration report continued

About the remuneration report

To align with 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.

Remuneration governance framework

Composition

AD Botha (chairman)	August 2009
TA Boardman	August 2011
AK Maditsi	July 2011

Meetings

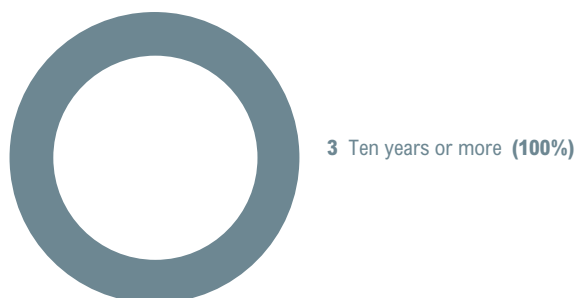
Three scheduled committee meetings were held in F2022. See meeting attendance summary on page 129.

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, chief operating officer, 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.

Tenure: Remuneration committee



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.

Advisers

In F2022, the committee was advised by remuneration consultants, PricewaterhouseCoopers (PwC), on the verification of calculations for settling 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.

As the 2018 conditional share plan (CSP) and 2018 cash-settled CSP were settled for the first time in F2022, the remuneration committee relied on independent assurance reports:

- Andisa provided assurance on dividend-equivalent shares and dividend-equivalent cash payments
- Honeycomb provided an independent assessment of broad-based black economic empowerment performance
- IBIS provided assurance on environmental incidents
- PwC provided an independent assessment of total shareholder returns
- Bowmans provided assurance on the overall long-term incentive vesting outcomes.

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 2022. 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 the 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

Remuneration report continued

- 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 F2022

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
- Monitoring the short-term incentive scheme, including:
 - The ongoing risk for F2023 from the pandemic and global supply-chain constraints, and recommending that the board maintain a cap on the maximum bonus payable
 - Any fatalities during the year and recommending that the board adjust the modifier taking into account the context of such fatalities
- Reviewing provisions for termination of employment in the 2018 conditional share plan and 2018 cash-settled conditional share plan

- Making recommendations to shareholders regarding amendments to the 2018 conditional share plan
- Recommending the procedure to be adopted for the annual allocation and settlement of long-term incentives due to the delay of initiating the Bokoni Platinum Mine transaction
- 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
- Recommending a change to provisions for retirement in the long-term incentive plans to align with latest practice and the emerging trend of post-termination of employment shareholding
- Reviewing malus and clawback policy.

Focus areas for F2023

- Recommending corporate bonus parameters for F2023 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
- Overseeing preparation of the remuneration implementation report
- Monitoring the ongoing impact of the pandemic on executive remuneration.

PART II – overview of main provisions of the remuneration policy

Remuneration philosophy and policy: executive remuneration

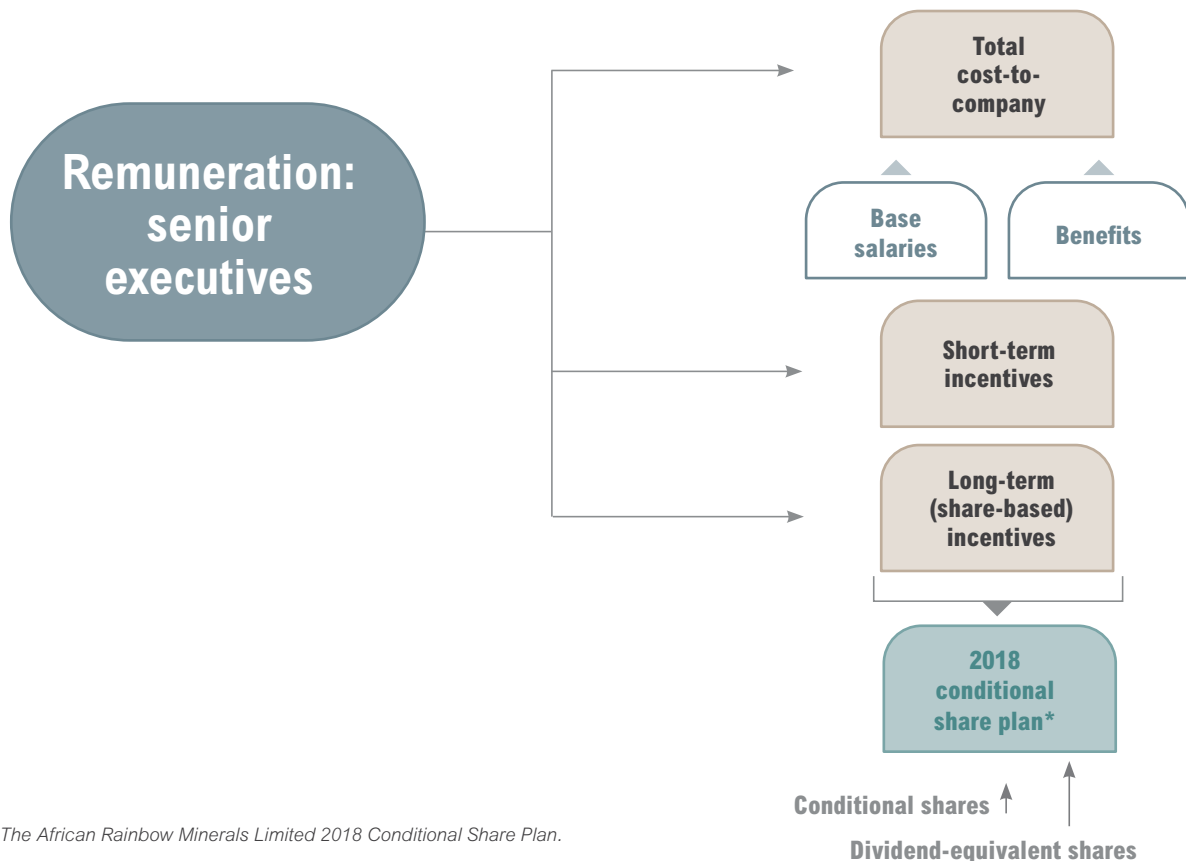
Philosophy

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 with 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** (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



* The African Rainbow Minerals Limited 2018 Conditional Share Plan.

Remuneration report continued

Total cost-to-company (CTC)

POLICY

IMPLEMENTATION

Strategic alignment

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.

- 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 F2023 of 5% for executives approved from 1 July 2022 (F2022: 5.2%)
- 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.

Short-term incentives continued

Instrument

Cash under the outperformance bonus scheme.

Bonus percentages

After considering a recommendation from ARM's remuneration consultants to mitigate the risk in F2023 amid ongoing uncertainty due to continuing global uncertainty and risk, the maximum bonus payable in F2023 will be capped as in F2022 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 F2023 actual performance relative to targets set for F2022. 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. Therefore, for F2023 bonuses, the short-term incentive on-target and maximum percentages of CTC, before applying safety and personal performance modifiers, are unchanged from F2022, as shown below:

Position	Paterson grade	F2022 % on-target bonus of CTC	F2022 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 (from ARM Ferrous, ARM Platinum and ARM Coal), 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.

Remuneration report continued

Short-term incentives continued

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.

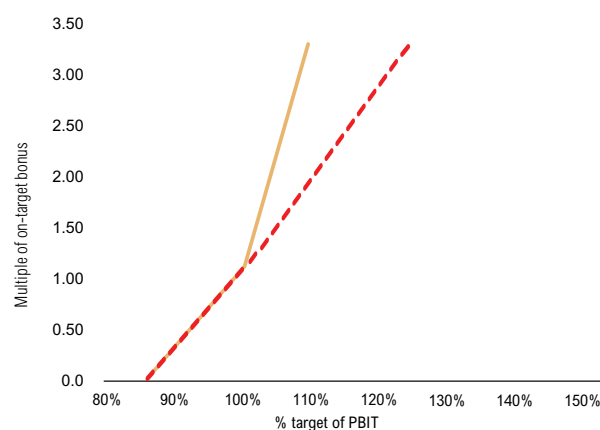
Performance targets

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. F2023 PBIT targets relative to F2022 PBIT targets are set out below. The requirement for the achievement of the maximum bonus award (as a percentage of target) has been increased to 125% for F2023 compared to 120% for F2022 due to the reduction in the target to be achieved to receive on-target awards. F2023 cost target percentages are unchanged from F2022.

%	F2023 PBIT targets*
ARM group	(24%)
ARM Ferrous	(26%)
ARM Platinum	(32%)
ARM Coal	>200%

* Based on approved F2023 plan relative to F2022 targets. The F2023 plan will be trued up for opening balances.

F2023 bonus structure*



— Proposed F2023 % of unit cost relative to target (same as F2022)

- - - Proposed F2023 % of PBIT relative to target

* Total bonus capped at 2x CTC – see page 161: bonus percentage

Short-term incentives continued

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 added. 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.

Long-term incentives

2018 conditional share plan (F2023)

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.

Instrument

Conditional shares (subject to performance and employment conditions) for annual or interim awards of long-term incentives.

Limits

The overall company and individual limits for the conditional share plan are 10 985 514 shares and 2 197 103 shares, respectively.

Award and settlement

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

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.

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.

Remuneration report continued

Long-term incentives continued

2018 conditional share plan (F2023) continued

Performance conditions and vesting

Performance conditions*	Weight	Threshold	Target	Stretch
Relative total shareholder return (TSR) against a comparator group of 20 mining companies (excluding gold and diamond companies).	25%	Threshold and target are 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 company's unit costs over three-year performance period compared with 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 lost-time injury frequency rate (LTIFR).	10%	Improvement of 3% over period (50% vesting)	Improvement of 4% over period (100% vesting)	Improvement of 5% over period (200% vesting)
Improvement in the BBBEE 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%	—————→		

Climate-change performance targets

Description: absolute reduction in greenhouse gas emissions through initiatives that reduce:

- Emissions from direct production activities (ie scope 1 emissions)
- Emissions from electricity consumption (ie scope 2 emissions) due to emission-reduction initiatives determined at the end of the performance period from 1 July 2022 to 30 June 2025 (F2023 performance period), relative to the saving for F2022.

Threshold: maintain level of savings in F2022, ie maintain initiatives implemented since F2018 and still actively reducing emissions at the beginning of the F2023 performance period (50% vesting).

Target: 2% further absolute reductions in aggregate of scope 1 and 2 emission levels at the end of the F2023 performance period against level of savings at the beginning of the F2023 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 F2023 performance period against level of savings at the beginning of the F2023 performance period (200% vesting).

Measurement: measuring these performance targets is based on reductions relative to a business-as-usual baseline. The approach is based on an industry-accepted methodology (ie Greenhouse Gas Protocol policy and action standard).

* 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, it may substitute or vary the performance condition in 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.

Long-term incentives continued

2018 conditional share plan (F2023) continued

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, and the applicable resolution is approved at the 2022 annual general meeting, 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.

Remuneration report continued

Long-term incentives (legacy schemes) continued

Performance shares (last allocation in F2019) 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.

Long-term incentives (legacy schemes) continued

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 168.



Remuneration report continued

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.

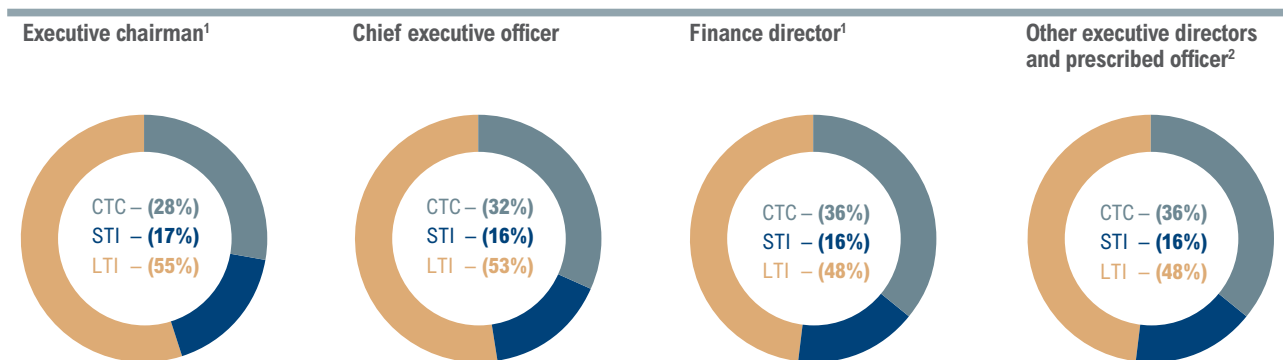
Total remuneration design: F2022

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 VP Tobias, HL Mkatshana, 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 Mesdames J Magagula (executive director: investor relations and new business development) and TTA Mhlanga.

The company also has employment agreements with the prescribed officers, Messrs A Joubert (chief executive: ARM Ferrous) and VP Tobias (chief operating officer).

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 prescribed officers 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 officers.

Chief operating officer sign-on arrangements

Mr VP Tobias was appointed as ARM's chief operating officer from 15 November 2021. In terms of a formal agreement, he will receive:

- Cash sign-on awards paid as follows and provided he remains in ARM's employ:
 - 2022: R1 262 496 on 15 November 2022
 - 2023: R2 133 781 on 15 November 2023.

He received an annual long-term share incentive award in the F2022 allocation under the African Rainbow Minerals Limited 2018 conditional share plan, based on the award multiple applicable to his role (ie 1.33 times cost-to-company).

Remuneration report continued

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 F2022. The remuneration committee agreed to recommend to shareholders that non-executive directors' fees be increased by 5% in F2023 (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 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% 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 2022 (excluding VAT) (R)*		Fees from 1 July 2021 (excluding VAT) (R)	
	Annual retainer	Per meeting	Annual retainer	Per meeting
Lead independent non-executive director	643 600	24 550	612 950	23 400
Independent non-executive directors	513 500	24 550	489 050	23 400
Non-executive directors	513 500	24 550	489 050	23 400

* Effective 1 July 2022, should fees be approved by shareholders at the 2022 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.

The company reimburses reasonable travel, subsistence and

accommodation expenses to attend meetings and contributes towards the cost of tablets for digital meeting packs. Other office costs, including telecommunication costs, are deemed to be included in board retainers.

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 2022 (excluding VAT) (R)*	Per-meeting attendance fees proposed from 1 July 2021 (excluding VAT) (R)
Audit and risk committee		
Chairman	128 350	122 250
Member	51 350	48 900
Investment and technical committee**, nomination committee, remuneration committee, social and ethics committee (or other committee(s) performing substantially the same function)		
Chairman	63 650	60 600
Member	33 600	32 000

* Effective 1 July 2022, should fees be approved by shareholders at the 2022 annual general meeting.

** The name of the committee was changed from the investment committee to the investment and technical committee in December 2021.

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.

Consultancy 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.

In F2023, the company has:


- A renewable consultancy agreement with Mr JA Chissano, which was renewed for two years from 1 May 2021.

There are no other consultancy agreements between the company and its non-executive directors.

Details of amounts paid in F2022 under non-executive directors' fees 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.

Remuneration report continued

PART III – implementation report: F2022

Directors' remuneration: executive directors and prescribed officers

The remuneration of executive directors and prescribed officers comprises base salaries, benefits, short-term (annual cash) incentives, and long-term (share-based) incentives. Executive directors do not receive directors' fees.

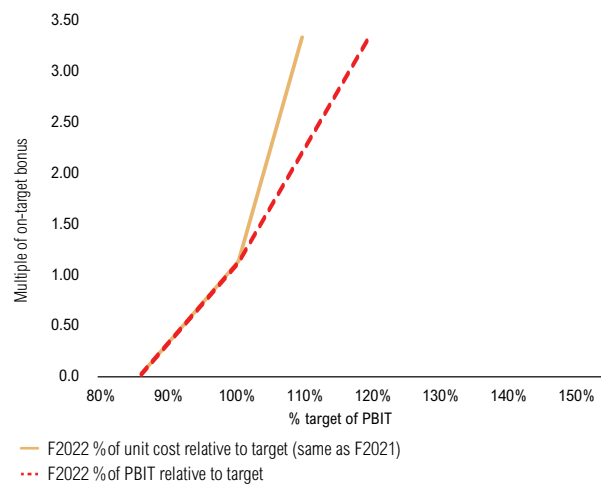
Salary adjustments

The board approved a cost-to-company increase of 5.2% for senior executives for F2022 (F2021: 3%).

F2022 short-term incentive performance targets

The F2022 targets for profit before interest and taxes (PBIT) and costs are shown alongside.

F2022 bonus structure



Performance against bonus targets for F2022 was as follows:

Profitability*	Cost targets	Safety modifier**
Above target	Overall worse than plan	Maximum achieved
ARM Ferrous	ARM Ferrous	ARM Ferrous
ARM Platinum	ARM Platinum	ARM Coal
ARM Coal	ARM Coal	Between target and maximum
ARM group	ARM group	ARM group
		Not achieved
		ARM Platinum

* Based on profit before interest and taxes.

** Safety modifier adjusted for fatalities.

F2022 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.

F2022 short-term incentive performance scorecard: executive directors and ARM corporate prescribed officer

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%	●				0.63	Between threshold and target (OTB multiple = 0.63)
Group performance outcome before capping	100%						1.82	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (0.63)
Group performance outcome (capped at 2.00*)	100%						1.82	Capped at 2.00*
Group safety modifier adjusted for fatalities					●		6.25%	Between target and stretch (6.25%)

OTB = on-target bonus.

* In terms of the board-approved remuneration policy for F2022, performance multiple before safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.

Remuneration report continued

F2022 short-term incentive performance scorecard: ARM Ferrous 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 = 3.00)
• Unit cost of sales (weighted)		50%	●				0.63	Between threshold and target (OTB multiple = 0.63)
Group performance outcome before capping	50%						1.82	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (0.63)
Group performance outcome (capped at 2.00*)	50%						1.82	Capped at 2.00*
Divisional performance	50%							
ARM Ferrous • PBIT from division		50%			●		2.27	Between target and stretch (OTB multiple = 2.27)
ARM Ferrous • Unit cost of sales (weighted)		50%	●				0.64	Between threshold and target (OTB multiple = 0.64)
Divisional performance before capping	50%						1.46	50% of OTB multiple from PBIT from operations (2.27) + 50% of OTB multiple from unit cost of sales (0.64)
Divisional performance (capped at 2.00*)	100%						1.46	Capped at 2.00*
Overall performance from group and division	100%						1.64	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 F2022, the performance multiple before safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.

The F2022 remuneration outcomes are summarised below. The total F2022 bonus was payable in cash and no portion was deferred.

F2022 short-term incentive performance outcomes: executive directors and prescribed officers

	F2022 % on-target bonus	F2022 % maximum bonus (before safety and personal performance modifiers)	F2022 performance multiple ⁴	F2022 % bonus (before safety and personal performance modifiers) ⁵	F2022 safety modifier adjusted for fatalities ⁶	F2022 % bonus (after safety and before personal performance modifiers) ⁷	F2022 personal performance modifier	F2022 % bonus (after safety and personal performance modifiers) ⁸	F2022 total annual package before incentives (excluding non-cash benefits) (R000) ⁹	F2022 short-term incentives (cash bonus) (R000) ¹⁰
Executive directors										
Dr PT Motsepe ¹	62%	124%	1.82	113.0%	6.25%	120.0%		120.0%	8 998	10 760
MP Schmidt ²	50%	100%	1.82	90.8%	6.25%	96.4%		96.4%	9 396	9 061
J Magagula	45%	90%	1.82	81.7%	6.25%	86.8%	4.67%	91.5%	4 157	3 801
TTA Mhlanga	45%	90%	1.82	81.7%	6.25%	86.8%	3.86%	90.6%	5 377	4 874
HL Mkatshana	45%	90%	1.82	81.7%	6.25%	86.8%	4.12%	90.9%	5 043	4 584
Prescribed officers										
A Joubert	45%	90%	1.64	73.6%	10.00%	81.0%	2.75%	83.7%	5 764	4 825
VP Tobias ³	45%	90%	1.82	81.7%	6.25%	86.9%	4.34%	91.3%	4 408	4 023

OTB = on-target bonus.

The percentage values and multipliers displayed are rounded to three significant digits.

^{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 Mr VP Tobias was appointed chief operating officer from 14 November 2021 and the cost-to-company portion of the total annual package is the amount received for the applicable portion of the full financial year.

⁴ In terms of the board-approved remuneration policy for F2022, the performance multiple before safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00. Refer to the scorecards on pages 173 and 174 for the performance multiples.

⁵ The % bonus (before safety and personal performance modifiers) is the % on-target bonus times the performance multiple (rounded).

⁶ As independently assured by Bowmans. Refer to the scorecards on pages 173 and 174 for the safety modifiers.

⁷ The % bonus (after safety and before personal performance modifiers) is the % bonus (before safety and personal performance modifiers) times (1 plus the safety modifier adjusted for fatalities) (rounded).

⁸ The % bonus (after safety and personal performance modifiers) is the % bonus (after safety and before personal performance modifiers) plus the personal performance modifier (rounded).

⁹ Per the single-figure remuneration table on page 180.

¹⁰ The short-term incentives (cash bonus) is the % bonus (after safety and personal performance modifiers) times the total annual package before incentives (excluding non-cash benefits), as shown on the single-figure remuneration table on page 180 of the ESG report.

F2022 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. The awards would usually have been made in December; however, the award date was delayed as the company was in a prohibited period for trading in the company's securities due to the Bokoni

transaction, which was finalised in December 2021. This was followed by the interim results closed period, which ended in early March 2022. The awards were therefore made on 8 March 2022. The applicable performance period remained 1 July 2022 to 30 June 2025.

F2022 long-term incentive performance outcomes

Settlement of F2018 conditional share awards and the F2018 conditional awards

Awards granted under the 2018 CSP and the 2018 cash-settled CSP were originally due to vest in December 2021, but vesting was delayed by the closed periods, as noted above.

The performance period was 1 July 2018 to 31 July 2021.

The final vesting date of these awards was the date of determination by the board of the extent to which the applicable performance conditions had been met (the vesting percentage), being 8 March 2022.

The 2018 CSP awards that vested also included dividend-equivalent shares and the 2018 cash-settled CSP awards include dividend-equivalent payments. These additional amounts reflected dividends paid between the award date and settlement date, if applicable.

Remuneration report continued

The number of shares settled to holders of **2018 CSP awards**, based on these parameters was:

Number of awards x vesting percentage x (1 + dividend-equivalent shares per award)

The cash payable to holders of **2018 cash-settled CSP awards**, based on these parameters was:

Number of awards x vesting percentage x **settlement amount per award***

** Settlement amount per award is the 20-day volume-weighted average price on the vesting date plus the dividend-equivalent payment per award.*

Each performance outcome as well as the overall vesting percentage was independently assured.

The quantum of long-term incentives was due to the total vesting percentage above 100%, dividend-equivalent shares and the value of the shares, which had increased significantly from the award date.

Vesting percentages

Vesting percentages per performance condition and in total are shown below:

Performance conditions	Weighting	Below threshold	Threshold	Between threshold and target	Target	Between target and stretch	Stretch and above	Vesting percentage	Weighted percentage	Commentary on performance condition measurement and link to reward
Relative total shareholder return (TSR)	25%						●	200%	50%	ARM's TSR performance was above the upper quartile of the comparator group of 20 mining companies (excluding gold and diamond companies) ¹
Average free cash flow return on equity	25%						●	200%	50%	ARM's return was above the US\$ cost of equity of the company plus 6% ²
Consistent and sustainable cost performance	25%						●	200%	50%	The unit cost increase was below 80% of the increase of the mining producer price index (PPI) ³
Sustainable business										
Safety performance	10%	●						0%	0%	ARM's safety performance, as measured by the lost-time injury frequency rate (LTIFR) did not improve over the three-year performance period ⁴
Improvement in BBBEE score	10%	●						0%	0%	ARM's BBBEE score did not improve over the three-year performance period ⁴
Environmental compliance	5%						●	100%	5%	ARM had no material environmental incidents over the three-year performance period
Total vesting percentage									155%	

¹ The table below shows the TSR of ARM and comparator group companies and results of the relative TSR calculation for the performance period from 1 July 2018 to 30 June 2021:

Rank	Company*	Rank	Company*	TSR returns are as follows:	
1	Impala Platinum Holdings Ltd	10	Tharisa plc	ARM	43.12%
2	Northam Platinum Ltd	11	Glencore plc	Median	20.01%
3	Anglo American Platinum Ltd	12	South32 Ltd	Upper quartile	42.60%
4	Royal Bafokeng Platinum Ltd	13	Merafe Resources Ltd	Vesting %	200.00%
5	Kumba Iron Ore Ltd	14	Wescoal Holdings Ltd	Vesting is capped at 200% for performance at and above stretch.	
6	Anglo American plc	15	Hulamin Ltd		
7	ArcelorMittal South Africa Ltd	16	MC Mining Ltd		
8	Exxaro Resources Ltd	17	Kore Potash plc		
9	BHP Group plc				

Source: PwC

* Companies that delisted during the performance period were excluded from the TSR testing.

² 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 repayment of debt

The vesting percentage due to the US\$ free cash flow return performance is detailed below:

Free cash flow return on equity	17.10%
US\$ weighted average cost of capital (WACC)	10.94%
Stretch return (US\$ WACC +6%)	16.94%
Vesting %	200.00%

Vesting is capped at 200% for performance at and above stretch.

³ **Consistent and sustainable cost performance** is measured against the mining producer price index (PPI), ie the compound annual growth rate of company's unit costs over the three-year performance period compared with mining PPI. Vesting is capped at 200% for performance at and above stretch.

2018 – 2021 mining PPI increase*	74.15%
2018 – 2021 unit cost increase	Less than 80% of mining PPI
Vesting %	200.00%

*Source: Statistics SA

Vesting is capped at 200% for performance at and above stretch.

⁴ The vesting percentage is 0% vesting for the applicable performance measure if performance is below threshold.

Dividend equivalent shares and dividend equivalent cash payments

The dividend equivalent shares and dividend equivalent cash payments for awards which were due to vest in December 2021 were calculated on the basis of the dividend amounts and the ex-dividend dates sourced from the applicable SENS announcements and on the 20-day volume-weighted share price following the ex-dividend dates.

The calculations were assured by Andisa.

The number of dividend equivalent shares per CSP award granted on 7 December 2018 was 0.2997 per award, and the value of dividend equivalent payments per cash-settled CSP award granted on 7 December 2018 and vested on 8 March 2022 was R55 per award.

Award	Ex-dividend date	Dividend (R)	Market value of share (R)	DE shares	DE payment
Interim dividend	Wednesday, 3 April 2019	4.00	174.89	0.0229	4.00
Final dividend	Wednesday, 25 September 2019	9.00	144.61	0.0622	9.00
Interim dividend	Wednesday, 18 March 2020	5.00	102.14	0.0490	5.00
Final dividend	Wednesday, 30 September 2020	7.00	226.64	0.0309	7.00
Interim dividend	Wednesday, 24 March 2021	10.00	275.18	0.0363	10.00
Final dividend	Wednesday, 29 September 2021	20.00	203.27	0.0984	20.00
Total dividend equivalent shares				0.2997	55.00

DE = dividend equivalent.



Remuneration report continued

Settlement of F2018 deferred bonus/co-investment scheme performance share awards

Matching performance shares were awarded to senior executives in the Paterson F-band in terms of the deferred bonus/co-investment schemes on 6 November 2018. The performance condition for the matching performance shares was based on the total shareholder return (TSR) of the company compared with that of the 20 largest mining companies listed on the JSE (excluding gold and diamond mining

companies) over the applicable performance period.

The performance period would usually have been the three-year period from 6 November 2018 to 7 November 2021; however, the vesting date for this award was a Sunday, so the new vesting date was the first business day thereafter. The vesting was also delayed as the company was in a prohibited period for trading in the company's securities due to the Bokoni Platinum Mine transaction, which was finalised in December 2021, and subsequently

due to the interim results closed period, which ended early March 2022, and therefore the vesting was delayed until 8 March 2022.

The remuneration committee requested that the TSR be measured over the period 6 November 2018 to 8 November 2021 as well as the period 6 November 2018 to 8 March 2022. The TSR outcomes over both performance periods (period 1 and 2 below) for these companies, as calculated by Mentenova, from data provided by Bloomberg, are shown below:

Period 1 6 November 2018 – 8 November 2021		Period 2 6 November 2018 – 8 March 2022	
Rank	Company*	Rank	Company*
1	Impala Platinum Holdings Limited	1	Impala Platinum Holdings Limited
2	Northam Platinum Holdings Limited	2	Royal Bafokeng Platinum Limited
3	Royal Bafokeng Platinum Limited	3	Northam Platinum Holdings Limited
4	Anglo American Platinum Limited	4	Anglo American Platinum Limited
5	Kumba Iron Ore Limited	5	Kumba Iron Ore Limited
6	African Rainbow Minerals Limited	6	Anglo American Platinum Limited
7	Anglo American plc	7	African Rainbow Minerals Limited
8	Exxaro Resources Limited	8	ArcelorMittal South Africa Limited
9	BHP Billiton plc	9	BHP Billiton plc
10	ArcelorMittal South Africa Limited	10	Exxaro Resources Limited
11	Tharisa plc	11	Tharisa plc
12	Glencore plc	12	Glencore plc
13	South32 Limited	13	South32 Ltd
14	Wescoal Holdings Limited	14	Merafe Resources Limited
15	Merafe Resources Limited	15	Wescoal Holdings Limited
16	Hulamin Limited	16	Hulamin Limited
17	Kore Potash plc	17	Kore Potash plc

* Lonmin Limited was acquired by Sibanye-Stillwater Limited during the performance period, and Tawana Resources NL and Assore Limited were delisted, so the vesting percentage is based on the TSR of the 17 surviving companies.


ARM ranked in position 6 of the 17 surviving comparators over the first performance period, and in position 7 over the second performance period. Over both performance periods, the vesting percentage was 100% and therefore 100% of the awarded number of performance shares vested and were settled.

 For performance shares settled in F2022 and F2021, see page 185.

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.

 For bonus shares settled in F2022 and F2021 and more on unvested bonus share awards, see page 186.

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 were to lapse in October 2022; however, the exercise was delayed due to the closed periods described above. Participants exercised their share options in F2022 due to the strong share price which was above the strike price.

For share options settled in F2022 and F2021 and more on unexercised share options, see page 187.

Termination-of-office payments

In F2022, no payments were made to executive management as a result of terminating employment.

Malus and clawback

In F2022, 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

The executive directors and prescribed officers have met their shareholding requirements by the targets dates, or still have some time left to acquire further shares. The minimum shareholding of the executive directors and prescribed officers as at 30 June 2022 is set out below:

Executive directors and prescribed officers	Shareholding at 30 June 2022 (direct or indirect)	Shareholding at 30 June 2021 (direct or indirect)	Minimum shareholding target (first tranche)	Date to achieve first tranche	Minimum shareholding target (second tranche)	Date to achieve second tranche
Executive directors						
Dr PT Motsepe ¹	90 696 906	90 204 743	62 965	October 2018	125 930	October 2021
MP Schmidt	616 454	480 896	41 094	October 2018	82 188	October 2021
TTA Mhlanga ²	–	–	10 366	December 2023	20 732	December 2026
J Magagula ³	6 000	6 000	13 705	December 2023	27 410	December 2026
HL Mkatshana	186 676	138 032	21 207	October 2018	42 413	October 2021
Prescribed officers						
A Joubert ⁴	28 441	82 108	24 236	October 2018	48 472	October 2021
VP Tobias ⁵	–	–	13 362	December 2024	26 724	December 2027

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 from 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 from 18 December 2019 and is required to meet the target for the first tranche in December 2023.

⁴ Mr A Joubert will meet the minimum shareholding target for the second tranche by December 2022.

⁵ Mr VP Tobias was appointed as chief operating officer from 14 November 2021 and is required to meet the target for the first tranche in December 2024.

Remuneration report continued

Single-figure remuneration: executive directors and prescribed officers

The schedules of single-figure remuneration for executive directors and prescribed officers for the years ended 30 June 2022 and 30 June 2021 are set out below.

Single-figure remuneration

R000						2022				Total single figure remuneration	
	Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits	Non-cash benefits ⁶	Other benefits ⁷	Allowances	Total annual package before incentives	Short-term incentives	Total annual package after short-term incentives, before long-term incentives		Long-term incentives ⁹
Executive directors											
Dr PT Motsepe	8 996	–	–	10 976	2		19 974	10 760	30 734	107 897	138 631
MP Schmidt	8 672	585	–	–	139		9 396	9 061	18 457	69 167	87 624
J Magagula ¹	3 653	307	177	–	20		4 157	3 801	7 958	3 267	11 225
TTA Mhlanga ²	4 923	399	42	–	13		5 377	4 874	10 251	–	10 251
HL Mkatshana	4 504	376	–	–	163		5 043	4 584	9 627	24 820	34 447
AM Mukhuba ³	–	–	–	–	–		–	–	–	–	–
Total for executive directors	30 748	1 667	219	10 976	337		43 947	33 080	77 027	205 151	282 178
Prescribed officers⁴											
A Joubert	4 882	560	–	11	322		5 775	4 825	10 600	28 371	38 971
VP Tobias ⁵	3 991	339	–	–	78		4 408	4 023	8 431	–	8 431
Total for prescribed officers	8 873	899	–	11	400		10 183	8 848	19 031	28 371	47 402
Total for executive directors and prescribed officers	39 621	2 566	219	10 987	737		54 130	41 928	96 058	233 522	329 580

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 F2022 (ie conditional awards in terms of the 2018 cash-settled conditional share plan) had been granted prior to her appointment as executive director.

² Ms TTA Mhlanga was appointed finance director from 1 October 2020. No long-term incentive is reflected for her because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured.

³ Ms AM Mukhuba resigned as finance director from 30 September 2020.

⁴ The prescribed officers of the company were determined under section 66(10) of the Companies Act 71 2008, as amended, and further described in section 38 of its regulations. Their remuneration is disclosed in terms of the Companies Act, section 30(4)(a).

⁵ Mr VP Tobias was appointed chief operating officer from 14 November 2021. No long-term incentive is reflected for him because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured.

⁶ Includes protection services.

⁷ Includes travel, UIF and risk benefits.

⁸ No bonuses were deferred in F2022.

⁹ Includes pre-tax settlement value of i) matching performance shares in terms of the deferred bonus/co-investment scheme; ii) conditional share awards in terms of the 2018 conditional share plan; and iii) conditional awards in terms of the 2018 cash-settled conditional share plan. The value of the performance shares, conditional share awards and conditional awards were included in F2022 as performance was determined at the vesting date which fell in F2022.

2021										
R000	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 ⁶	Other benefits ⁷		Cash bonus ⁸		Performance shares ⁹	
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
Total for executive directors	28 697	1 570	220	9 587	314	40 388	33 566	73 954	106 563	180 517
Prescribed officers⁴										
A Joubert	4 693	531	–	–	255	5 479	5 704	11 183	12 124	23 307
VP Tobias ⁵	–	–	–	–	–	–	–	–	–	–
Total for prescribed officers	4 693	531	–	–	255	5 479	5 704	11 183	12 124	23 307
Total for executive directors and prescribed officers	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 (ie performance shares) 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. No long-term incentive is reflected for Ms Mhlanga because the final allocation of performance shares was made prior to her appointment.

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 of the 2021 ESG Report.

⁴ The prescribed officers of the company were determined under section 66(10) of the Companies Act 71 2008, as amended, and further described in section 38 of its regulations. Their remuneration is disclosed in terms of the Companies Act, section 30(4)(a).

⁵ Mr VP Tobias was appointed chief operating officer from 14 November 2021.

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 fell in F2021.

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 prescribed officers are summarised below.

Unvested conditional share awards

F2022

Directors/ prescribed officers	Number of shares	Award type	Award date	Vesting date	Value on award date (R000)	F2022					Pre-tax cash value on settlement (R000) ²
						Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year ¹	Closing balance	
Directors											
Dr PT Motsepe	159 694	CSA	7-Dec-18	8-Mar-22	20 570	159 694	–	–	(159 694)	–	87 473
	107 420	CSA	6-Dec-19	7-Dec-22	16 603	107 420	–	–	–	107 420	–
	70 909	CSA	7-Dec-20	8-Dec-23	17 102	70 909	–	–	–	70 909	–
	68 685	CSA	8-Mar-22	4-Dec-24	17 991	–	68 685	–	–	68 685	–
MP Schmidt	126 274	CSA	7-Dec-18	8-Mar-22	16 265	126 274	–	–	(126 274)	–	69 167
	93 663	CSA	6-Dec-19	7-Dec-22	14 477	93 663	–	–	–	93 663	–
	61 828	CSA	7-Dec-20	8-Dec-23	14 912	61 828	–	–	–	61 828	–
	59 889	CSA	8-Mar-22	4-Dec-24	15 687	–	59 889	–	–	59 889	–
J Magagula	16 445	CSA	11-May-20	12-May-23	2 025	16 445	–	–	–	16 445	–
	28 219	CSA	7-Dec-20	8-Dec-23	5 738	28 219	–	–	–	28 219	–
	21 099	CSA	8-Mar-22	4-Dec-24	5 527	–	21 099	–	–	21 099	–
TTA Mhlanga	27 573	CSA	7-Dec-20	8-Dec-23	6 650	27 573	–	–	–	27 573	–
	27 292	CSA	8-Mar-22	4-Dec-24	7 149	–	27 292	–	–	27 292	–
HL Mkatshana	45 313	CSA	7-Dec-18	8-Mar-22	5 836	45 313	–	–	(45 313)	–	24 820
	40 027	CSA	6-Dec-19	7-Dec-22	6 186	40 027	–	–	–	40 027	–
	26 422	CSA	7-Dec-20	8-Dec-23	6 372	26 422	–	–	–	26 422	–
	25 593	CSA	8-Mar-22	4-Dec-24	6 704	–	25 593	–	–	25 593	–
Prescribed officers											
A Joubert	51 796	CSA	7-Dec-18	8-Mar-22	6 671	51 796	–	–	(51 796)	–	28 371
	45 754	CSA	6-Dec-19	7-Dec-22	7 072	45 754	–	–	–	45 754	–
	30 203	CSA	7-Dec-20	8-Dec-23	7 284	30 203	–	–	–	30 203	–
	29 255	CSA	8-Mar-22	4-Dec-24	7 663	–	29 255	–	–	29 255	–
VP Tobias ³	35 542	CSA	8-Mar-22	4-Dec-24	9 310	–	35 542	–	–	35 542	–

CSA = conditional share awards.

¹ The original 2021 vesting date was delayed by the company being in a prohibited period as a result of the Bokoni Platinum Mine transaction and interim results. The amended vesting date was 8 March 2022.

² Additional dividend equivalent shares of 0.2997 per award were included for settlement, as assured by the independent third-party consultant, Andisa. The performance measurement and applicable vesting percentage (ie 155%) was determined by independent third-party consultant, Bowmans. The final vesting price used to determine the pre-tax cash value on settlement was the closing share price on 7 March 2022 of R271.90.

³ Mr VP Tobias was appointed as chief operating officer from 14 November 2021.

F2021

Directors/ prescribed officers	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)
Directors¹											
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 included on page 172 of the 2021 ESG report.

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.

Remuneration report continued

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 these 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

F2022

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 ¹	Closing balance	Pre-tax cash value on settlement (R000) ²
J Magagula ³	6 650	CA	7-Dec-18	8-Mar-22	857	6 650	–	–	(6 650)	–	3 267
	5 874	CA	6-Dec-19	7-Dec-22	908	5 874	–	–	–	5 874	–

CA = cash-settled conditional awards.

¹ The original 2021 vesting date was delayed by the company being in a prohibited period as a result of the Bokoni Platinum Mine transaction and interim results. The amended vesting date was 8 March 2022.

² A dividend equivalent cash payment of R55 per award was included in the settlement value, as assured by the independent third-party consultant, Andisa. The performance measurement and applicable vesting percentage (155%) was assured by the independent third-party consultant, Bowmans. The final vesting price was the 20-day volume-weighted average share price on the vesting date (8 March 2022) of R261.94.

³ Ms J Magagula was appointed an executive director from 18 December 2019 and received these awards prior to this appointment.

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 ¹	6 650	CA	7-Dec-18	8-Dec-21	857	6 650	–	–	–	6 650	–
	5 874	CA	6-Dec-19	7-Dec-22	908	5 874	–	–	–	5 874	–

CA = cash-settled conditional awards.

¹ Ms J Magagula was appointed an executive director from 18 December 2019 and received these awards prior to this appointment.

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

F2022

	Number of awards	Award type	Award date	Vesting date	Value on award date (R000)	F2022					
						Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year ¹	Closing balance	Pre-tax cash value on settlement (R000) ²
Directors											
Dr PT Motsepe	75 115	DB	6-Nov-18	8-Mar-22	9 608	75 115	–	–	(75 115)	–	20 424
MP Schmidt	–	–	–	–	–	–	–	–	–	–	–
M Arnold ³	–	–	–	–	–	–	–	–	–	–	–
J Magagula	–	–	–	–	–	–	–	–	–	–	–
HL Mkatshana	–	–	–	–	–	–	–	–	–	–	–
Prescribed officer											
A Joubert	–	–	–	–	–	–	–	–	–	–	–

DB = deferred bonus/co-investment scheme matching award.

¹ The original 2021 vesting date was delayed by the company being in a prohibited period because of the Bokoni Platinum Mine transaction and interim results. The amended vesting date was 8 March 2022. The performance period for determining total shareholder return was unchanged.

² The price used to determine the value was the closing share price on the date before the vesting date (ie 7 March 2022) of R271.90. The vesting percentage was 100%.

³ Mr M Arnold retired as finance director from 10 December 2017, and became a non-executive director from 11 December 2017. His final award of performance shares was settled in F2021.

F2021

	Number of awards	Award type	Award date	Vesting date	Value on award date (R000)	F2021					
						Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
Directors¹											
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	6-Nov-18	7-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
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.

¹ See section entitled "Settlement of unvested share awards to the finance director on termination of employment" for settlements of awards made to Ms AM Mukhuba following her resignation from the company on 30 September 2021 included on page 172 of the 2021 ESG report.

² Mr M Arnold retired as finance director from 10 December 2017 and became a non-executive director from 11 December 2017.

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 are summarised below.

Unvested bonus share awards

F2022

Directors	Number of shares	Award type	Grant date	Vesting date	Value on grant date (R000)	F2022				Pre-tax cash value on settlement (R000) ²
						Opening balance	Forfeited during the year	Vested/ settled during the year ¹	Closing balance	
Dr PT Motsepe	75 115	DB	6-Nov-18	8-Mar-22	9 608	75 115	–	(75 115)	–	20 424
MP Schmidt	–	–	–	–	–	–	–	–	–	–
HL Mkatshana	–	–	–	–	–	–	–	–	–	–

DB = deferred bonus/co-investment scheme.

¹ The original 2021 vesting date was delayed due to the company being in a prohibited period because of the Bokoni Platinum Mine transaction and interim results. The amended vesting date was 8 March 2022.

² The price used to determine the value was the closing share price on the day before the vesting date (ie 7 March 2022) of R271.90.

F2021

Directors ¹	Number of shares	Award type	Grant date	Vesting date	Value on grant date (R000)	F2021				Pre-tax cash value on settlement (R000)
						Opening balance	Forfeited during the year	Vested/ settled during the year	Closing balance	
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 included on page 172 of the 2021 ESG report.

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 purchased. Unexercised share options held by directors and the prescribed officer are shown below.

Share options

						F2022				
Directors/ prescribed officers	Number of options	Grant date	Vesting date ¹	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) ²
Directors										
Dr PT Motsepe	20 223	29-Oct-13	30-Oct-17	18-Mar-22	20 075	20 223	–	(20 223)	–	1 485
MP Schmidt	–	–	–	–	–	–	–	–	–	–
J Magagula	–	–	–	–	–	–	–	–	–	–
HL Mkatshana	–	–	–	–	–	–	–	–	–	–
Prescribed officer										
A Joubert	–	–	–	–	–	–	–	–	–	–

¹ The original 2021 vesting date was delayed by the company being in a prohibited period as a result of the Bokoni Platinum Mine transaction and interim results. The share options were due to lapse 14 days after interim results were announced.

² The pre-tax cash value on settlement was based on the closing share price on the trading day prior to the exercise date (ie 11 March 2022) of R274.20.

						F2021				
Directors/ prescribed officers	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
J Magagula ¹	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
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

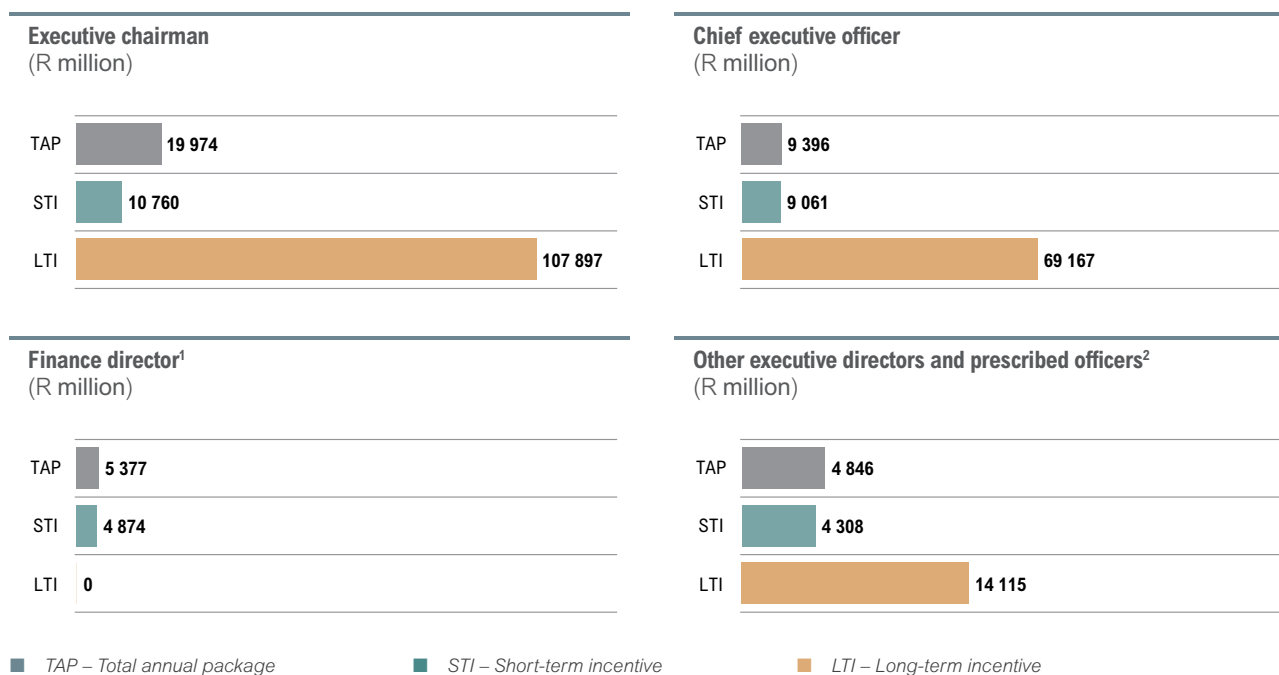
¹ Ms J Magagula was appointed an executive director from 18 December 2019.

Remuneration report continued

Remuneration outcomes

Remuneration outcomes in 2022 for the executive chairman, chief executive officer, finance director and other executive directors plus the prescribed officers are shown below. Emoluments are detailed in the single-figure remuneration table on page 180.

Total remuneration outcomes: F2022



¹ Ms TTA Mhlanga 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 end of the performance period when the performance conditions are measured, and not when the award is granted.

² Average remuneration for Messrs VP Tobias, HL Mkatshana, A Joubert and Ms J Magagula. Mr Tobias was appointed chief operating officer from 14 November 2021. No LTI is reflected for Mr Tobias for the reasons set out under footnote 1 above.

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.

The remuneration of non-executive directors comprises directors' fees. Board retainers and attendance fees as well as committee attendance fees are paid quarterly in arrears. The table below sets out emoluments paid to non-executive directors for F2022 and F2021.

Non-executive directors' fees

	F2022					F2021				
	Board fees	Committee fees ⁹	Consultancy fees (excluding VAT) ¹⁰	VAT	Total (including VAT)	Board fees	Committee fees ⁹	Consultancy fees (excluding VAT) ¹⁰	VAT	Total (including VAT)
R000										
Non-executive directors¹										
AK Maditsi (independent lead)	730	893	–	243	1 866	694	942	–	245	1 881
F Abbott	606	235	–	126	967	576	175	–	113	864
M Arnold ²	606	141	152	135	1 034	576	87	397	159	1 219
Dr MMM Bakane-Tuoane ³	–	–	–	–	–	139	317	–	68	524
TA Boardman ⁴	606	1 070	–	251	1 927	576	1 068	3 000	697	5 341
AD Botha	606	625	–	94	1 325	576	642	–	17	1 235
JA Chissano ⁵	606	302	672	136	1 716	576	275	672	128	1 651
WM Gule	606	56	–	–	662	576	63	–	–	639
PJ Mnisi ⁶	606	383	–	148	1 137	438	229	–	76	743
DC Noko ⁷	606	320	–	–	926	576	321	–	–	897
Dr RV Simelane	606	746	–	203	1 555	576	777	–	203	1 556
JC Steenkamp ⁸	606	261	–	130	997	576	263	75	126	1 040
Total for non-executive directors	6 790	5 032	824	1 466	14 112	6 455	5 159	4 144	1 832	17 590

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 from 11 December 2017. His consultancy agreement with the company terminated in December 2021.

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 resolving an important matter. He no longer has a consulting agreement with the company.

⁵ Mr Chissano has a consultancy agreement with the company.

⁶ Ms Mnisi was appointed to the board from 30 September 2020.

⁷ Mr Noko was appointed chairman of the investment and technical committee from 2 March 2020.

⁸ Mr Steenkamp's consultancy agreement with the company was terminated in September 2020.

⁹ Attendance fees are paid for attending scheduled committee meetings, ad hoc committee meetings and other work devoted to committee business outside regular scheduled committee meetings. From F2021, where such ad hoc meetings required substantially less time to prepare for, attend or undertake than a scheduled meeting, the per-meeting fee was reduced commensurately.

¹⁰ Additional information appears under consultancy agreements: non-executive directors in part II of the remuneration report.

Consultancy fees: non-executive directors

In addition to non-executive directors' fees, some non-executive directors received consultancy fees under agreements concluded at market rates for defined and pre-approved services. In F2022, the company had:


- A renewable consultancy agreement with Mr M Arnold, which terminated on 11 December 2021

- A renewable consultancy agreement with Mr JA Chissano, which was renewed for two years from 1 May 2021.

There are no consultancy agreements between the company and its executive directors.

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 notice of annual general meeting on the company's website.

Independent assurance report

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 Assurance and Validation Procedure (Revised January 2021).

IBIS ESG Consulting Africa (Pty) Ltd (IBIS) was commissioned by ARM to conduct an independent third-party assurance engagement in relation to select sustainability information in its ESG Report for the financial year that ended 30 June 2022.

IBIS is an independent AccountAbility licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from a multidisciplinary team of environmental and social 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 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 seventh consecutive sustainability assurance engagement conducted for ARM by IBIS.

Assurance objectives

The primary purpose of the assurance engagement was to provide the management of ARM with an independent assurance opinion on whether the Report meets the following objectives as per the ICMM Assurance and Validation Procedure (Revised January 2021).

- **ICMM subject matter 1:** The alignment of ARM's policies, management standards and procedures to the ICMM Principles and relevant Performance Expectations (PEs), as well as mandatory requirements set out in the ICMM Position Statements.
- **ICMM subject matter 2:** ARM's material sustainability risks and opportunities based on its own review of the business and the views and expectations of its stakeholders.
- **ICMM subject matter 3:** The existence and status of implementation of management systems and approaches that ARM is using to manage a selection of the identified material sustainability 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 sustainability risks and opportunities. The disclosures assured are marked by a ✓ in the sustainability performance for 2022 table on page 16.

Scope 1 and 2 greenhouse gas emissions (100% basis)	tCO ₂ e
Total energy used	KJ
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
Total work-related fatalities	number
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 (2021 calendar year)	number
Total number of occupational diseases submitted for compensation	number
Total number of noise induced hearing loss (NIHL) cases 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 prioritisation process for selection of assets for PE Validation.

Secondary assurance objectives included providing the management of ARM with an independent assurance opinion on the following:

- **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™).

- **AA1000 accountability principles alignment:** ARM's alignment with the AA1000AP of inclusivity, materiality, responsiveness and impact.

Assessment criteria

The assessment criteria as stipulated for the respective subject matters by the ICMM Assurance and Validation Procedure (Revised January 2021) were applied for the five ICMM Subject Matters.

For the alignment with KING IV, the King Report on Governance for South Africa and the King Code of Governance Principles were applied as suitable criteria.

For the AA1000 AccountAbility Principles alignment, the AA1000AP (2018) adherence criteria for the Principles of Inclusivity, Materiality, Responsiveness and Impact were applied.

Assurance procedures performed

Our assurance methodology included:

- Interviews with relevant functional managers from the ARM corporate office and assets to understand and test the processes in place for adherence to the specified criteria.
- Asset level reviews at five select operations: Cato Ridge Smelter, Two Rivers Mine, Khumani Mine, Modikwa Mine and Beeshoek Mine 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.

Engagement limitations

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.

The assurance work did not include an examination of the derivation of independently supplied emissions and energy conversion factors.

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

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.

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

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 materially 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 all material respects.

In relation to ICMM subject matter 2

ARM has processes in place to identify and prioritise the material sustainability risks and opportunities based on its own review, views and expectations of its stakeholders, and as presented in the ESG Report.

In relation to ICMM subject matter 3

The existence and status of implementation of management systems and approaches that ARM is using to manage the identified material sustainability risks and opportunities are well established. The material risks and opportunities reported in the previous year remained relevant for FY2022.

In relation to ICMM subject matter 4

Management's responses to issues raised from the previous assurance cycle resulted in similar issues not being repeated. It was observed that appropriate measures are in place to provide reliable source-data related to the selected disclosures assessed, however consistency between asset and Corporate-level data could be improved through periodic checks and secondary validations. The general control environment for sustainability information could be

Independent assurance report continued

further improved by ensuring that corporate-level sustainability reporting procedures are correctly interpreted and consistently implemented across all assets, to avoid inconsistencies in data reported by each asset to Corporate. 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 disclosures regarding the company's prioritisation process for selecting assets for third-party PE Validation indicated that the prioritisation follows the ESG assurance asset sample selection delivering coverage of all material assets over a three year cycle at Corporate and asset level.

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 the continued application of King IV™ during the reporting period.

In relation to ARM's alignment to the AA1000 accountability principles

Inclusivity: ARM's Stakeholder Engagement Policy, which incorporates the different needs of ARM's stakeholders, is in place at both the Corporate and asset levels. It emphasises ARM's commitment to stakeholder engagement and accountability and includes measurable outcomes for engagement. Documented evidence assessed at select assets as well as board minutes inspected reflect the Board's oversight of stakeholder engagement. Responsibilities were found to be appropriately assigned at

all levels. Documented evidence assessed at select assets, 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's material matters, identified from a wide-range of sources, are determined by considering financial and non-financial risks, opportunities and factors that impact ARM's strategy, performance, governance and value creation. Reviews of Board documentation reflect ongoing assessment of material issues, risks, and impacts. These material matters are publicly disclosed in the ESG Report within the ARM business model, the sustainable development model and stakeholder concerns. The 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 stakeholders vary in frequency and mode of engagement, based on the specific needs of stakeholders. Interaction with stakeholders is an ongoing process, inclusive of both regularly scheduled meetings and ad hoc meetings with key stakeholders when critical issues arise. A variety of feedback mechanisms, including written feedback, and oral presentations are documented and distributed back to stakeholders. Samples 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 continuously uses the material matter determination process and stakeholder engagement to understand its impacts, and measure the effectiveness of its management of these impacts. Monitoring and management of impacts regarding each material matter, forms part of the integrated management process at ARM - as described in the relevant sections of the ESG Report. Setting of targets, impact assessments and monitoring and reporting on performance, is done across the business and business levels. Corporate targets are set with an understanding of the impacts, the management processes, and the performance at each asset. 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 and demonstrate ARM's impact related to each topic. It is recommended that ARM continue to enhance monitoring, measurement, and reporting on its contributions to the achievement of the SDGs.



Petrus Gildenhuys
Director, IBIS ESG Consulting
Africa (Pty) Ltd



Johannesburg
7 October 2022



Glossary

ABC	Anti-Fraud Bribery and Corruption	CVT	Counselling and Voluntary Testing
AET	Adult Education and Training	dB	Decibels
AFS	Annual Financial Statements	DFFE	Department of Forestry, Fisheries and the Environment
AGM	Annual General Meeting	DMRE	Department of Mineral Resources and Energy
Aids	Acquired Immune Deficiency Syndrome	DOH	Department of Health
AMCU	Association of Mineworkers and Construction Union	DOEL	Department of Employment and Labour
AMMSA	The Association of Mine Managers South Africa	the dtic	Department of Trade, Industry and Competition
AR	Absentee Rate	DWS	Department of Water and Sanitation
ARM	African Rainbow Minerals Limited	EA	Environmental Authorisation
ART	Anti-Retroviral Treatment	EAP	Economically Active Population
ASM	Artisanal and Small-scale Mining	EBITDA	Earnings before interest, tax, depreciation and amortisation
BAP	Biodiversity Action Plan	EE	Employment Equity
BCEA	Basic Conditions of Employment Act	EIA	Environmental Impact Assessment
BCM	Business Continuity Management	EMP	Environmental Management Plan
BEE	Black Economic Empowerment	EMS	Environmental Management System
BBBEE	Broad-Based Black Economic Empowerment	ESD	Enterprise and supplier development
BUSA	Business Unity South Africa	ESG	Environmental, Social and Governance
CCM	Critical Control Management	ERM	Enterprise Risk Management
CEO	Chief Executive Officer	F2022	Financial year from 1 July 2021 to 30 June 2022, and so on
CoGP	Codes of Good Practice	FFR	Fatality Frequency Rate
CPI	Consumer price index	GDP	Gross Domestic Product
CSI	Corporate Social Investment	GGV	Goedgevonden
CSP	Conditional share plan	GJ	Gigajoules
CSR	Corporate Social Responsibility	GHG	Greenhouse Gas
CTC	Cost-to-company		

GISTM	Global Industry Standard on Tailings Management
GRC	Governance, risk and compliance
GRI	Global Reporting Initiative
HDSAs	Historically Disadvantaged South Africans
HDP	Historically Disadvantaged Persons
HIV	Human Immunodeficiency Virus
HR	Human Resources
IAR	Integrated Annual Report
ICMM	International Council on Mining and Metals
ICT	Information and communication technology
IFRS	International Financial Reporting Standards
IMIUI	International Mining Industry Underwriters
IPT	Isoniazid Preventative Therapy
ISO	International Organisation for Standardisation
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
LED	Local Economic Development

LPG	Liquid petroleum gas
LTI	Lost-time Injury
LTI	Long-term incentives
LTIFR	Lost-time Injury Frequency Rate
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
MOSH	Mining Industry Occupational Safety and Health
MoU	Memorandum of Understanding
MPRDA	Mineral and Petroleum Resources Development Act
MQA	Mining Qualifications Authority
NEMA	National Environmental Management Act
NGO	Non-Governmental Organisation
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
OHSA	Occupational Health and Safety Act
OHSAS 18001	Occupational Health and Safety Assessment Series

Glossary continued

OTB	On target bonus	SMME	Small, Medium and Micro Enterprise
PAIA	Promotion of Access to Information Act	SOx	Sulphur Oxides
PBIT	Profit before interest and taxes	STI	Sexually Transmitted Infections
PEs	Performance Expectations	STI	Short-term incentives
PGMs	Platinum Group Metals	TB	Tuberculosis
PLH	Percentage Loss of Hearing	TCFD	Task Force on Climate-related Financial Disclosures
PV	Photovoltaic	TRIFR	Total Recordable Injury Frequency Rate
PWD	People with disability	TSF	Tailing Storage Facility
QSEs	Qualifying Small Enterprises	UASA	United Association of South Africa
SAMREC	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves	UIF	Unemployment Insurance Fund
SANS	South African National Standard	UN	United Nations
SD	Sustainable Development	UNGC	United Nations Global Compact
SDGs	Sustainable Development Goals	UN SDGs	United Nations Sustainable Development Goals
SED	Socio-Economic Development	VAT	Value-added tax
SENS	Stock Exchange News Service	WAF	Water Accounting Framework
SETA	Sector Education and Training Authority	WASH	Water, Sanitation and Hygiene
SHE	Safety, Health and Environment	WMA	Water management Area
SHEQ	Safety, Health, Environment and Quality	XDR TB	Extensively Drug Resistant Tuberculosis
SLP	Social and Labour Plan		

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A2X share code: ARI
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B Kennedy*
AK Maditsi*
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TTA Mhlanga (finance director)
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Forward-looking statements

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