

2023

**UN Global Compact
and SDG Report**



ARM's reporting in terms of the UN Global Compact

ARM is committed to the Ten Principles of the United Nations Global Compact (UNGC) and the underlying universal principles on human rights, labour, the environment and anti-corruption. These are derived from global guidelines including the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.



The Ten Principles are embedded in our strategy, business practices and approach to sustainable value creation to promote a sustainable and inclusive future, and contribute towards achieving the UN Sustainable Development Goals.

The social and ethics committee monitors the company's activities in the context of these principles.

UNGC PRINCIPLES	 United Nations Global Compact
<ol style="list-style-type: none"> Businesses should support and respect the protection of internationally proclaimed human rights. Businesses should make sure that they are not complicit in human rights abuses. 	Ethics and human rights Social and ethics chairman's report (pages 22 to 26) Our approach to sustainable value creation (pages 32 and 33) Human rights (pages 108 to 110) Our value chain (page 111)
<ol style="list-style-type: none"> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. Businesses should uphold the elimination of all forms of forced and compulsory labour. Businesses should uphold the effective abolition of child labour. Businesses should uphold the elimination of discrimination in respect of employment and occupation. 	Fair labour practices Human resources management (pages 94 to 103) Human rights (pages 108 to 110) Social and ethics chairman's report (pages 22 to 26)
<ol style="list-style-type: none"> Businesses should support a precautionary approach to environmental challenges. Businesses should undertake initiatives to promote greater environmental responsibility. Businesses should encourage the development and diffusion of environmentally friendly technologies. 	Environmental stewardship Environment (pages 56 to 77) Biodiversity tables in the sustainability data tables (ESG supplementary information 2023 on our website) The F2023 climate change and water report available on our website www.arm.co.za
<ol style="list-style-type: none"> Businesses should work against corruption in all its forms, including extortion and bribery. 	Ethics and human rights Our approach to sustainable value creation (pages 32 and 33) Ethics (page 34) Corporate governance (pages 133, 143 and 146 to 148)



The United Nations Sustainable Development Goals (SDGs)



The SDGs set 17 goals to drive global collaboration to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The underlying targets of each SDG aim to ensure that growth and development address urgent social and environmental challenges to achieve the goals set in the 2030 Agenda for Sustainable Development.

SDG	HOW ARM CONTRIBUTES	FOR MORE INFORMATION
	<p>ARM's local economic development (LED) programmes invest in infrastructure projects that support local government priorities and community resilience, including essential services such as water infrastructure in the water-scarce Northern Cape. Corporate social investment (CSI) programmes provide support for the poor, sick and vulnerable in local communities. Our contribution to the national and local economies includes the jobs we provide, local sourcing of goods and services where possible, a material contribution to the fiscus through taxes and royalties paid, capacity building in local communities, and educational support for community schools. Enterprise and supplier development programmes at the operations help to create jobs, promote entrepreneurship and stimulate economic activity. During the year, Khumani Mine refurbished small, medium and micro-enterprise (SMME) stalls in Kathu to improve safety and infrastructure for eight small businesses.</p>	<p>Our value contribution (page 18)</p> <p>Value created (page 19)</p> <p>Human resources management (pages 94 to 103)</p> <p>Tax contribution (page 107)</p> <p>Community impacts (pages 104 to 110)</p>
	<p>Mining and processing have impacts on water, land and biodiversity resources in traditionally agricultural areas, which could affect farmers and local communities and potentially become a source of social conflict. We take a precautionary approach to environmental stewardship that aims to manage our impacts on natural resources and includes engagements about water at the catchment level as well as consultative land management, which includes biodiversity conservation, and rehabilitation and closure planning. The projects we fund through our CSI programmes include support for the poor and vulnerable, including infants.</p>	<p>Environment (pages 56 to 77)</p> <p>Community impacts (pages 104 to 110)</p> <p>The F2023 climate change and water report available on our website www.arm.co.za</p>

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SDG	HOW ARM CONTRIBUTES	FOR MORE INFORMATION
	<p>ARM's integrated wellness programme encompasses safety, occupational hygiene and health, TB, HIV and Aids, and chronic disease management. The programme supports national priorities in these areas and includes support for awareness, testing campaigns and outreach initiatives to address TB, HIV and Aids among employees and in communities. The operations also support wellness centres, home-based care groups and local Aids councils.</p> <p>Memorandums of Understanding (MoUs) with the provincial Departments of Health (DoH) at Beeshoek, Black Rock, Khumani, Modikwa and Two Rivers mines strengthen the implementation of provincial TB, HIV and Aids, STIs and chronic disease management strategies, and extend primary healthcare services to contractors and communities. During Covid-19, these mines were approved as vaccination sites for employees and local communities to support the government vaccination drive.</p> <p>Black Rock Mine provides primary healthcare services to the local community through a partnership with the Northern Cape DoH. The mine is also active in a three-year integrated school health project to address preventable diseases and barriers to learning in local schools.</p> <p>CSI and LED projects at the operations focus on building capacity in local communities and prioritise women, HIV and Aids projects, advancing people living with disabilities, youth and the socially destitute.</p>	<p>Occupational health and wellness (pages 86 to 92)</p> <p>Community impacts (pages 104 to 110)</p>
	<p>ARM provides technical, vocational and educational training programmes that builds the skills and capacity of the current and future workforce. Learnership programmes and our graduate development programme provide opportunities for unemployed youth. Adult education and training (AET) and portable skills training is provided at ARM operations to employees and community members to improve literacy, numeracy and employability.</p> <p>CSI and LED projects and the ARM BBBEE Trust include investments in infrastructure to build/upgrade or furnish schools. Contributions from the operations during the year included donating school shoes and uniforms, constructing and refurbishing school infrastructure, and holding a career expo for matric learners from local schools.</p>	<p>Human resource management (pages 94 to 103)</p> <p>Community impacts (pages 104 to 110)</p> <p>Value created (page 19)</p>

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	<p>ARM's gender unit advances women's interests and oversees gender mainstreaming in the company. Gender diversity is promoted through women in mining committees at operations, a female leader profile and a women development training programme. We participate in provincial Department of Mineral Resources and Energy (DMRE) women-in-mining structures and in related events hosted by the Minerals Council. Intakes into training programmes include an emphasis on increasing the number of female candidates. Awareness about the company policy on sexual harassment and bullying is raised through an ongoing training programme and communication plan that provides education on respectful and appropriate behaviours in the workplace. We actively recognise women's rights to property and resources, include women as stakeholders in consultation processes, and create inclusive access to jobs and economic opportunities. ARM's CSI and LED projects focus on building capacity in local communities and prioritise women.</p>	<p>Human resources management (pages 94 to 103)</p> <p>Community impacts (pages 104 to 110)</p>
	<p>Water is a material matter at all operations and water stewardship is integral to ARM's business strategy. Water issues are shared and we take a collaborative approach to address them.</p> <p>We consider water availability and quality when planning projects, operations and closure, and consult with regulators and communities to ensure this essential resource is responsibly managed and shared.</p> <p>We continue to improve water reporting and promote water-use efficiency. All operations run closed circuit water systems to the extent possible to maximise recycling and minimise discharge into the environment. Context-based water targets have been set at all operations, operations have water-related key performance indicators (KPIs) and invest in technology to reduce their water requirements.</p> <p>Our LED and CSI programmes and the ARM Trust have a focus on promoting water access and improving water infrastructure and sanitation for schools and communities. In F2023 this included boreholes, reservoirs, reticulation networks, toilet structures and wastewater treatment works.</p>	<p>Environment (pages 56 to 77)</p> <p>Community impacts (pages 104 to 110)</p> <p>The F2023 climate change and water report available on our website www.arm.co.za</p>

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 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>The metals ARM produces are used in clean energy solutions. We are committed to participating in the global response to reduce carbon emissions and mitigating the physical impacts caused by climate change. We are working to identify contextually appropriate and just mitigation options for each operation. During F2023, ARM Platinum concluded a 20-year power purchase agreement to wheel solar photovoltaic power to its operations.</p> <p>ARM Ferrous is undertaking a prefeasibility study to explore the correct energy mix for the Northern Cape mines to balance the energy sources to meet baseload demand. Additional medium-term emission-reduction plans include possible collaborations and further optimising energy efficiencies at our operations.</p> <p>Projects implemented through the LED and CSI programmes during the year included solar streetlights and a secured solar power installation to power a borehole pump at a food garden.</p>	<p>Environment (pages 56 to 77)</p> <p>Our value contribution (page 18)</p> <p>The F2023 climate change and water report available on our website www.arm.co.za</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>The metals and alloys ARM produces play a key role in the infrastructure that promotes economic growth. As a company, we provide direct and indirect employment, promote entrepreneurship and grow SMMEs through enterprise and supplier development programmes. Preferring local procurement creates large economic multipliers.</p> <p>We provide skills development initiatives, including opportunities for unemployed youth and graduates, as well as AET and portable skills training to improve employable. Regular internal benchmarking ensures equal pay for work for equal value. ARM's safety initiatives promote safe and secure work environments. We have controls in place to ensure that labour rights are protected and that we do not use forced or child labour. A diversity programme is in place that includes a focus on raising awareness regarding people with disability (PWD) and increasing PWD representation wherever practical.</p>	<p>Our value contribution (page 18)</p> <p>Value created (page 19)</p> <p>Human resources management (pages 94 to 103)</p> <p>Community impacts (pages 104 to 110)</p>

SDG	HOW ARM CONTRIBUTES	FOR MORE INFORMATION
	<p>The metals and alloys our operations produce are essential parts of the infrastructure that supports industrialisation. Our operations have made a significant investment in infrastructure, particularly in remote areas, when developing and operating our mines and processing facilities. The projects supported through the operations' LED programmes include significant investments in community infrastructure that supports economic development and human wellbeing.</p> <p>ARM's enterprise and supplier development programmes support entrepreneurs and SMMEs, and helps to include sustainable businesses into the mining value chain. These initiatives prioritise support for historically disadvantaged people and thereby promote inclusive growth. ARM conducts research and development, and supports tertiary institutions, to identify innovative and sustainable applications in mining technology. Machadodorp Works is developing more cost-effective and energy-efficient ways of smelting.</p>	<p>Our value contribution (page 18)</p> <p>Community impacts (pages 104 to 110)</p> <p>Partnering to drive innovation (page 102)</p>
	<p>The ARM human rights policy, code of conduct, employment equity policy and our human resources management policies promote equality and prohibit unfair discrimination on the basis of race, religion, gender, age, sexual orientation, nationality or disability. We promote equality and the inclusion of previously disadvantaged groups, including women, and PWD. We embrace an inclusive approach to community consultation and participation in decision-making.</p>	<p>Human resources management (pages 94 to 103)</p> <p>Stakeholder engagement (pages 46 to 53)</p> <p>Community impacts (pages 104 to 110)</p>
	<p>ARM's housing strategy promotes access to decent accommodation by helping employees access affordable housing. The metals and alloys our operations produce are essential components in constructing cities and the infrastructure required to support them. LED infrastructure projects support community resilience and provide basic services including access to water, sewage services, schools and roads.</p>	<p>Our value contribution (page 18)</p> <p>Employee housing (page 103)</p> <p>Community impacts (pages 104 to 110)</p>

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	<p>Sustainable practices and environmental responsibility are embedded in our policies and activities. The waste management programme aims to promote recycling wherever possible, reduce waste production and ensure safe disposal at appropriate facilities. ARM is implementing the GISTM to align tailings management and standards to national and global good practices to preserve health, safety and the environment during all phases of the mining life cycle. Water discharges that are below the quality specified in their water use licences (WULs) are reported to the relevant authorities and clean-up and mitigation action undertaken. Air emissions at Cato Ridge Works are managed by cleaning equipment in line with its air emission licence. ARM's integrated approach to sustainability reporting is evident in the integrated annual report and this ESG report.</p>	<p>Our value contribution (page 18)</p> <p>Environment (pages 56 to 77)</p> <p>The F2023 climate change and water report available on our website www.arm.co.za</p> <p>More information regarding ARM's management of tailings storage facilities is also available on our website.</p>
	<p>ARM's carbon emissions are publicly reported in this ESG report and in the climate change and water report. We have set a 2050 greenhouse gas emissions reduction target and in F2023 we refined operation-specific decarbonisation pathways and set short and medium-term emission-reduction targets. Carbon emission reduction targets are included in executive incentives. We address climate change by reducing our carbon footprint and by engaging in dialogue with stakeholders to enhance adaptive capacities and integrate climate change measures into policies and strategies.</p>	<p>Environment (pages 56 to 77)</p> <p>The F2023 climate change and water report available on our website www.arm.co.za</p> <p>Remuneration report (pages 154 to 189)</p>
	<p>ARM works closely with our partners to ensure safe and responsible shipping with minimal risk to marine ecology. The operations are all inland and do not have a direct impact on marine resources. Our approach to water management aims to maximise recycling and minimise discharge into the environment, including freshwater ecosystems such as rivers and streams.</p>	<p>Our value chain (page 111)</p> <p>Environment (pages 56 to 77)</p> <p>The F2023 climate change and water report available on our website www.arm.co.za</p>
	<p>Our approach to biodiversity conservation aligns with the ICM Position Statement on Mining and Protected Areas. We acknowledge our responsibility to conserve biodiversity around our operations, particularly in the context of the declining estate of global biodiversity. We are committed to net positive biodiversity impact, or to compensation for negative impact, as appropriate.</p>	<p>Environment (pages 56 to 77)</p> <p>Biodiversity tables in the sustainability data tables (ESG supplementary information 2023 on our website www.arm.co.za)</p>

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 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>The ARM human rights policy promotes respect for human rights during business operations and engagements, and aims to instil a culture of human rights between and among the company and its stakeholders. We respect human rights, provide access to information, support representative decision-making, work to avoid company-community conflict and carefully manage our security approaches to ensure they decrease rather than increase the likelihood of conflict. ARM has a zero-tolerance approach to unethical and improper conduct, including bribery, corruption and money laundering. We commit to transparency across the scope of our activities that impact society, from transparency of mineral revenues and payments to transparency in commitments made to local communities.</p>	<p>Stakeholder engagement (pages 46 to 53)</p> <p>Social and ethics committee chairman’s report (pages 22 to 26)</p> <p>Our approach to sustainable value creation (pages 32 and 33)</p> <p>Ethics (page 34)</p> <p>Human rights (pages 108 to 110)</p> <p>Fraud and ethics (pages 146 to 148)</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>We partner on SDG-related challenges at local, national and global levels and in collaborative approaches to sustainable development with all our stakeholders. We participate in public-private partnerships to promote community health (see goal 3) and collaborate with public and private-sector stakeholders to promote water security and coordinate community development.</p>	<p>Stakeholder engagement (pages 46 to 53)</p> <p>Our approach to sustainable value creation (pages 32 and 33)</p> <p>Environment (pages 56 to 77)</p> <p>The F2023 climate change and water report available on our website www.arm.co.za</p> <p>Community impacts (pages 104 to 110)</p>



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We do it better