



Enter →

2023

**Environmental,
social and
governance
report**



www.arm.co.za

We do it better

OUR 2023 SUITE OF REPORTS

IAR 2023 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 2023 annual financial statements

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

ESG 2023 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 additional ESG information available on our website, including the GRI Index.

CCW 2023 climate change and water report

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

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

 Information available elsewhere in this report

KING 2023 King IV™* application register

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

MRMR 2023 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 2023 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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All monetary values in this report are in South African rand unless otherwise stated. Rounding may result in computational discrepancies.

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	4
Reporting in terms of the ICMM performance expectations and mining principles	6
Context, frameworks and reporting	8
Our strategy	10
Where we operate	16
Our value contribution	18
Value created	19
Sustainability performance for 2023	20
Social and ethics committee chairman's report	22
Chief executive officers' statement	27

Our approach to ESG and value creation

Our approach to sustainable value creation	32
Governance overview	34
Enterprise risk management	36
Stakeholder engagement	46

Environment

Environmental management	56
Climate change and energy	60
Water management	68
Waste management	72
Responsible management of tailings storage facilities	74
Air quality	75
Land use management and biodiversity	76

Social

Our people	
Safety	82
Occupational health and wellness	86
Human resources management	94
Our social impact	
Community impacts	104

Governance

Corporate governance	114
Risk management	140
IT governance	149
Remuneration report	154
Independent assurance report	190

Supplementary information

Glossary	194
Contact details	IBC

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

Overview

Black Rock Tailings Storage Facility

About our ESG report	4
Reporting in terms of the ICMM performance expectations and mining principles	6
Context, frameworks and reporting	8
Our strategy	10
Where we operate	16
Our value contribution	18
Value created	19
Sustainability performance for 2023	20
Social and ethics committee chairman's report	22
Chief executive officers' statement	27

As an ICMM member, ARM is committed to mining with principles. We strive to ensure zero harm to employees, contractors, communities and the environment.

About our ESG report

This 2023 environmental, social and governance (ESG) report provides additional information for stakeholders about our ESG practices and performance for the financial year 1 July 2022 to 30 June 2023 (F2023).

The integrated annual report (IAR) is the primary report for African Rainbow Minerals Limited (ARM or the company), providing information on the company's financial and operational performance to meet the needs of shareholders, potential investors and other providers of capital. This report should be read with the ARM 2023 IAR, the 2023 climate change and water report and the rest of the 2023 reporting suite (available on www.arm.co.za).

Reporting guidelines

The ESG reporting process is informed by the relevant regulatory guidelines, frameworks, industry initiatives and codes of good practice applicable to the South African and global mining sector.

See pages 8 and 9.

Disclosures in this report focus on our most material matters, guided by the member requirements of the International Council on Mining and Metals (ICMM), International Financial Reporting Standards (IFRS) Foundation's Integrated Reporting Framework, GRI Standards 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
- JSE Sustainability and Climate Disclosure Guidance
- World Economic Forum's International Business Council's stakeholder capitalism metrics
- Initiatives under the Minerals Council South Africa (MCSA)
- IFRS Foundation Sustainability Standards S1 and S2
- Global Industry Standard on Tailings Management (GISTM)
- UN Sustainable Development Goals (SDGs)
- The GRI/WBCSD/WRI GHG Protocol.

Determining materiality

ARM's most material matters determine the contents of the IAR and disclosures in this report. These were derived through a formal externally facilitated process with ARM's senior executives in F2022 and reviewed in F2023 for developments during the year.

Boundary and basis for inclusion

ESG information is included in this report for all operations where ARM has direct or joint management control, namely those in the ARM Ferrous and ARM Platinum divisions. Although the financial results of Machadodorp Works are reported separately in the IAR and financial statements, ESG information for the operation is included in ARM Ferrous disclosures, in line with operational reporting lines. It excludes operations, joint ventures and investments that we do not manage directly (ARM Coal, the Sakura Ferroalloys smelter and Harmony Gold), as well as projects in exploration, development or feasibility phases.

ARM acquired Bokoni Mine on 1 September 2022. The environmental and social metrics reported in this report do not include Bokoni Mine. Mine management is focused on setting up reporting systems for safety, health and environment as well as addressing the risk framework and ESG reporting systems. The formal ESG reporting system will be in place from the start of F2024.

Combined assurance

The combined assurance model (page 140) integrates the ARM enterprise risk management (ERM) processes, internal and external audit processes, and assurance from specialists/subject-matter experts to ensure a coordinated and integrated approach to assurance. In doing so, it helps to identify potential gaps in assurance, eliminate duplication and reinforce comprehensive risk-based assurance processes and reporting.

Independent limited assurance was provided by KPMG Inc. over selected key performance information in this report.

See pages 190 to 193, for independent assurance statement

Consistency of disclosure

The ESG data in this report covers ARM's activities for F2023 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 2022 to align with legislation on these disclosures.

Note that the total workforce figure used for occupational health and safety statistics is the average of 19 783 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 22 931 is the headcount as at 30 June 2023. From F2023, operational water withdrawal and other managed water is disclosed separately, in line with

the ICMM's updated Water Reporting Good Practice Guide. Prior-year water figures have been restated to disclose diversions (as defined in the previous guidance) separately.

Total land disturbed at the end of F2022 was revised for updated survey results (see footnote on page 76).

Stakeholder feedback

We value feedback on our ESG reporting, practices and performance. Contact details are included at the back of this report.

Directors' responsibility

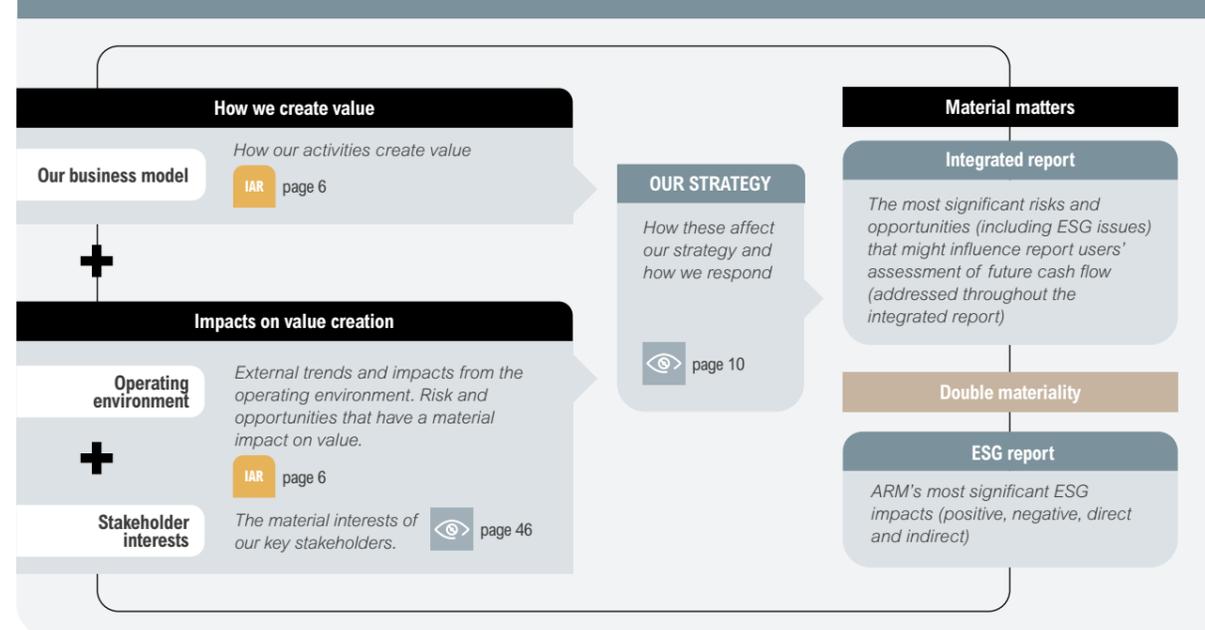
The ARM board is ultimately responsible for this ESG report and has mandated the social and ethics committee to oversee the reporting process. The board reviewed the ESG report and believes that, read together with the 2023 IAR and 2023 climate change and water report, it provides an accurate and balanced 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

Phillip Tobias
Chief executive officer

10 October 2023

MATERIALITY DETERMINATION PROCESS



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 2020, the ICMM launched enhanced membership requirements 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 asset¹ 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. All assets subject to PE validation are required to conduct self-assessments once every three years and third-party validation of prioritised assets within a three-year validation cycle.

By September 2022, members were required to complete self-assessments for all assets and prioritise assets for validation in the first three-year cycle. ARM started piloting self-assessments of PEs in F2019 and in F2022, self-assessments were conducted at Cato Ridge Works, Khumani and Two Rivers mines, and ARM Corporate, with independent third-party validation by the ESG report assurance provider.

ARM's prioritisation of assets selected for PE validation aligns with the ESG report assurance process, with operations selected for external assurance visits in a given year also prioritised for PE validation. In F2023, independent third-party validation of the asset self-assessments was carried out at Modikwa and Khumani mines.

All assets will be subject to external PE validation over a three-year cycle.

Gaps in alignment with the PEs identified in these processes are being addressed.

ARM's self-assessments against the ICMM PE for all assets are available on www.arm.co.za.

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 references ARM's alignment with the ICMM's mining principles.

MINING PRINCIPLE	REFERENCE
 <p>Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.</p>	<p>Social and ethics committee chairman's report (page 22) Our approach to sustainable value creation (page 32) Independent sustainability assurance provider report (page 190)</p>
 <p>Integrate sustainable development in corporate strategy and decision-making processes.</p>	<p>Executive chairman's report (IAR) (page 22) IAR Social and ethics committee chairman's report (page 22) Our approach to sustainable value creation (page 32)</p>
 <p>Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.</p>	<p>Social and ethics committee chairman's report (page 22) Our approach to sustainable value creation (page 32) Independent sustainability assurance provider report (page 190) Our social impact (page 104)</p>
 <p>Implement effective risk-management strategies and systems based on sound science, and which account for stakeholder perceptions of risk.</p>	<p>Our approach to sustainable value creation (page 32) Enterprise risk management (page 36)</p>
 <p>Pursue continual improvement in health and safety performance with the ultimate goal of zero harm.</p>	<p>Executive chairman's report (IAR) (page 22) IAR Social and ethics committee chairman's report (page 22) Safety (from page 82) Occupational health and wellness (from page 86)</p>
 <p>Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.</p>	<p>Environment (from page 54) Climate change and water report CCW</p>
 <p>Contribute to the conservation of biodiversity and integrated approaches to land-use planning.</p>	<p>Environment (from page 54) Sustainability data tables (biodiversity management) (available on our website) </p>
 <p>Facilitate and support the knowledge base and systems for responsible design, use, reuse, recycling and disposal of products containing metals and minerals.</p>	<p>Our value chain (page 111)</p>
 <p>Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.</p>	<p>Our value contribution (page 18) Human resources management (from page 94) Community impacts (from page 104) Stakeholder engagement (from page 46)</p>
 <p>Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner, effectively report and independently verify progress and performance.</p>	<p>Stakeholder engagement (page 46)</p>

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.

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



SUSTAINABLE DEVELOPMENT FRAMEWORK

International Council on Mining & Metals

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

GRI Standards

Task Force on Climate-related Financial Disclosures (TCFD)

The National Strategic Plan for HIV, TB and STIs 2023 – 2028 (NSP 2023-2028)

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

IFRS Foundation's sustainability standards S1 and S2

World Economic Forum's International Business Council's stakeholder capitalism metrics

JSE Sustainability and Climate Disclosure Guidance

Global Industry Standard on Tailings Management (GISTM)

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

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)

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 (ODMWA)

Compensation for Occupational Injuries and Diseases Act (COIDA)

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

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)

Employment Equity Act

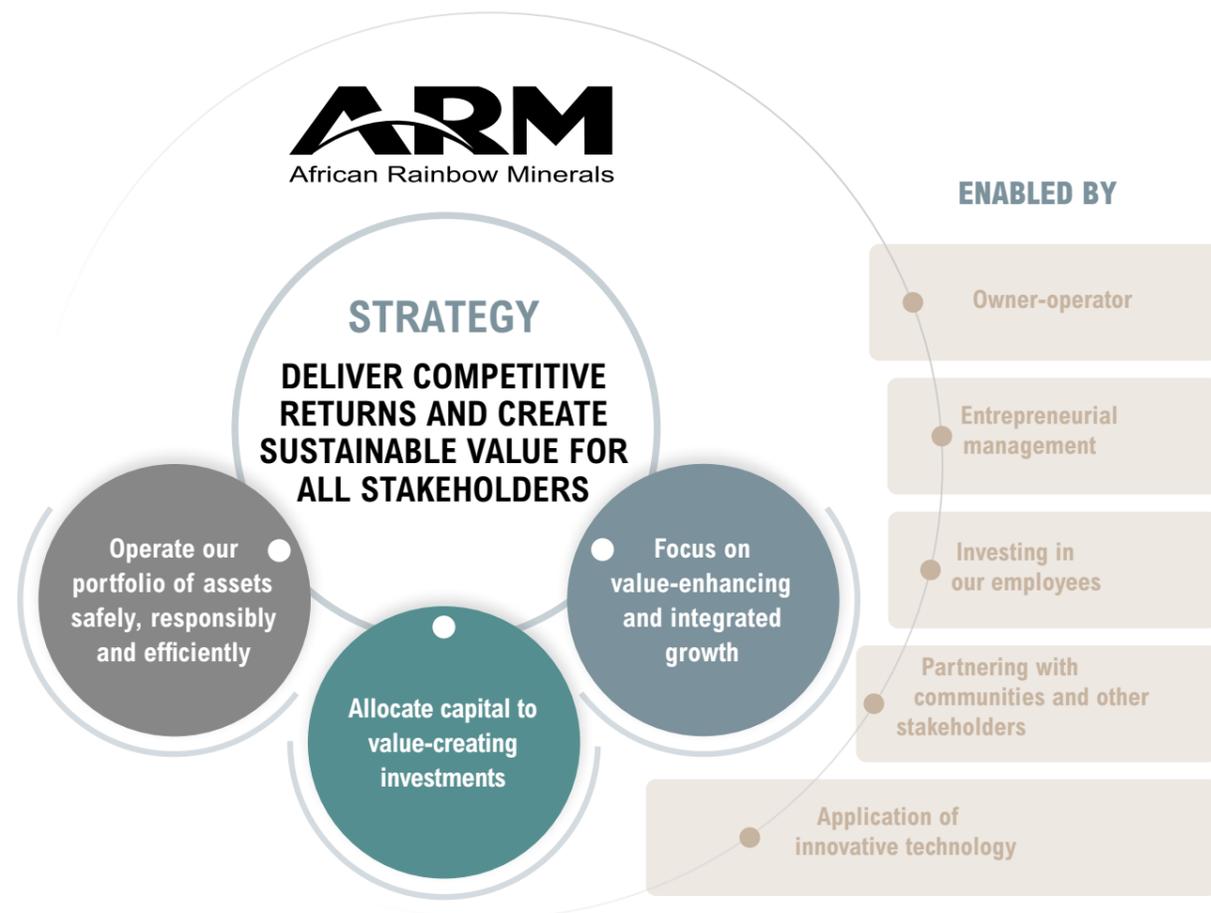


Black Rock Tailings Storage Facility

Our strategy

Deliver competitive returns and sustainable value

Our longer-term strategy is unchanged but we continually review short-term issues – to prioritise our strategic objectives and integrate emerging issues, particularly decarbonisation – into our short, medium and longer-term view.



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

Delivering on our strategy

RESPONSIBLE	WHY Protect value by responsibly and efficiently operating our assets and managing people
HOW <ul style="list-style-type: none"> Drive operational efficiencies and ensure competitive position on global cost curve Contain unit cost increases Implement appropriate innovation and technology Ensure a safe and healthy work environment Invest in our people's personal and professional wellbeing Enhance relationships with key stakeholders by driving positive and sustainable impact in communities neighbouring our operations Remain responsible stewards of the environment. 	MEASURED BY <ul style="list-style-type: none"> Position on the global cost curve for each operation Unit cost increases relative to mining inflation Efficiencies as measured by volumes and unit cost performance Safety and health indicators including: fatalities, lost-time injury frequency rate and eliminating occupational illnesses Human capital investment to attract, develop and retain talent; promote diversity, equity and inclusion; and minimise turnover Total investment in host communities (including impact of social and labour plans, local economic development and corporate social investment) Reducing greenhouse gas (GHG) emissions in support of a sustainable transition to achieve net-zero GHG emissions from mining by 2050 Water withdrawn and water reused Conformance of our tailings storage facilities to global standards Adequate provision for environmental rehabilitation.
RESILIENT	WHY Create and sustain value through prudent management of financial capital
HOW <ul style="list-style-type: none"> Ensure effective allocation of financial capital Manage a robust financial position that enables us to be opportunistic and resilient Integrate ESG criteria in investment decisions to ensure positive and sustainable impact. 	MEASURED BY <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.
READY	WHY Create and unlock additional value by investing in growth and innovation supporting sustainable responses to the changing operating environment
HOW <ul style="list-style-type: none"> Drive innovation and capitalise on value-accretive opportunities for growth Support inclusive business opportunities in communities neighbouring our mines Focus on local and preferential procurement from women/youth-owned businesses Drive shift to net-zero GHG emissions from mining by 2050 Invest in skills of the future Continually assess portfolio for disposal opportunities or points of exit. 	MEASURED BY <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 Decarbonisation pathways and year-on-year reduction in GHG emissions Investment in skills training.

Completed and future growth projects

Completed growth projects

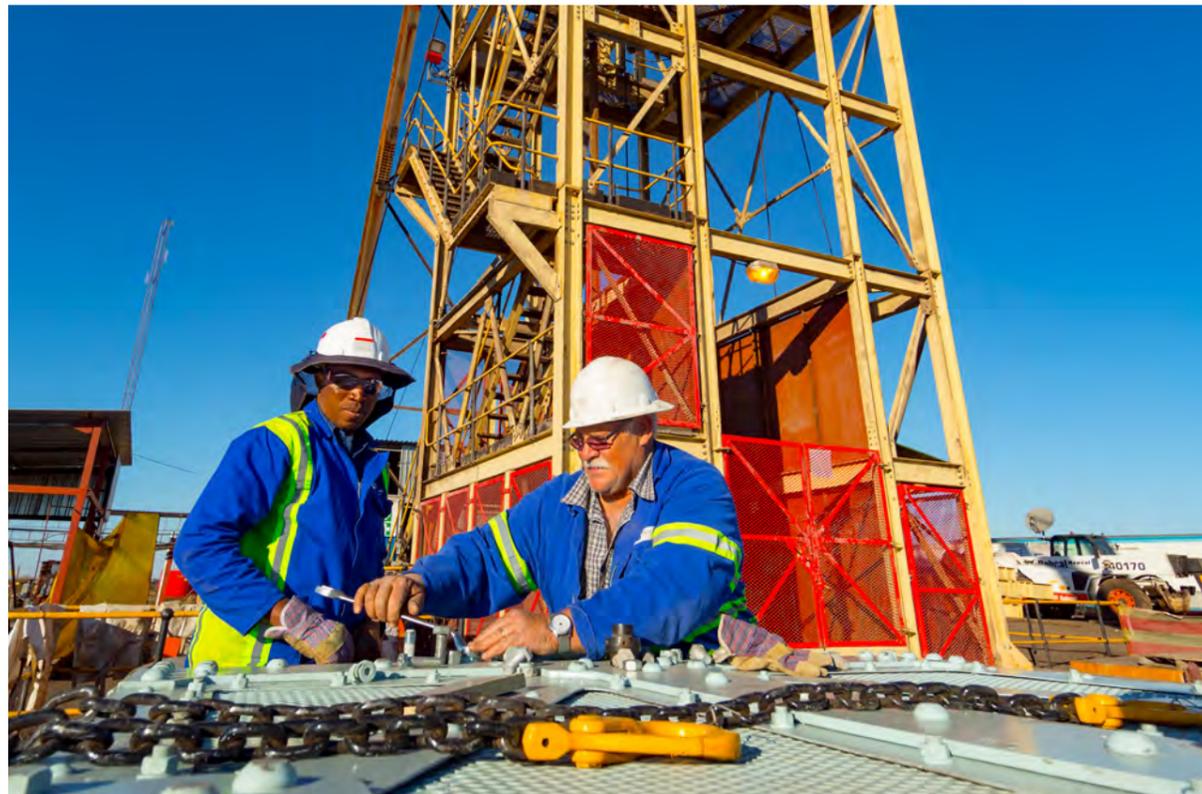
BLACK ROCK AND GLORIA PROJECTS

The Black Rock Project was completed in September 2022 and within the approved budget of R7.4 billion, with 1.4 million fatality-free shifts and a LTIFR of 0.22.

Key benefits: improved tramming cycle times, lower cost of production and enhanced control of ore quality.

TWO RIVERS PLANT EXPANSION

Fully commissioned, now ramping up to mill the additional 40 000 tonnes per month capacity, and minimise impact of grade reduction in ore tonnes milled.



Future growth projects

TWO RIVERS MERENSKY PROJECT

The Two Rivers Merensky project is on target for completion in Q2 F2025, with first PGM concentrate production in Q4 F2024.

Additional 182 000 6E PGM ounces, 1 600 tonnes nickel and 1 300 tonnes copper per annum.

BOKONI PLATINUM MINE

Good progress in advancing the definitive feasibility study (DFS) based on a phased development approach.

The DFS will now advance to bankable feasibility and then be presented to the board for approval.



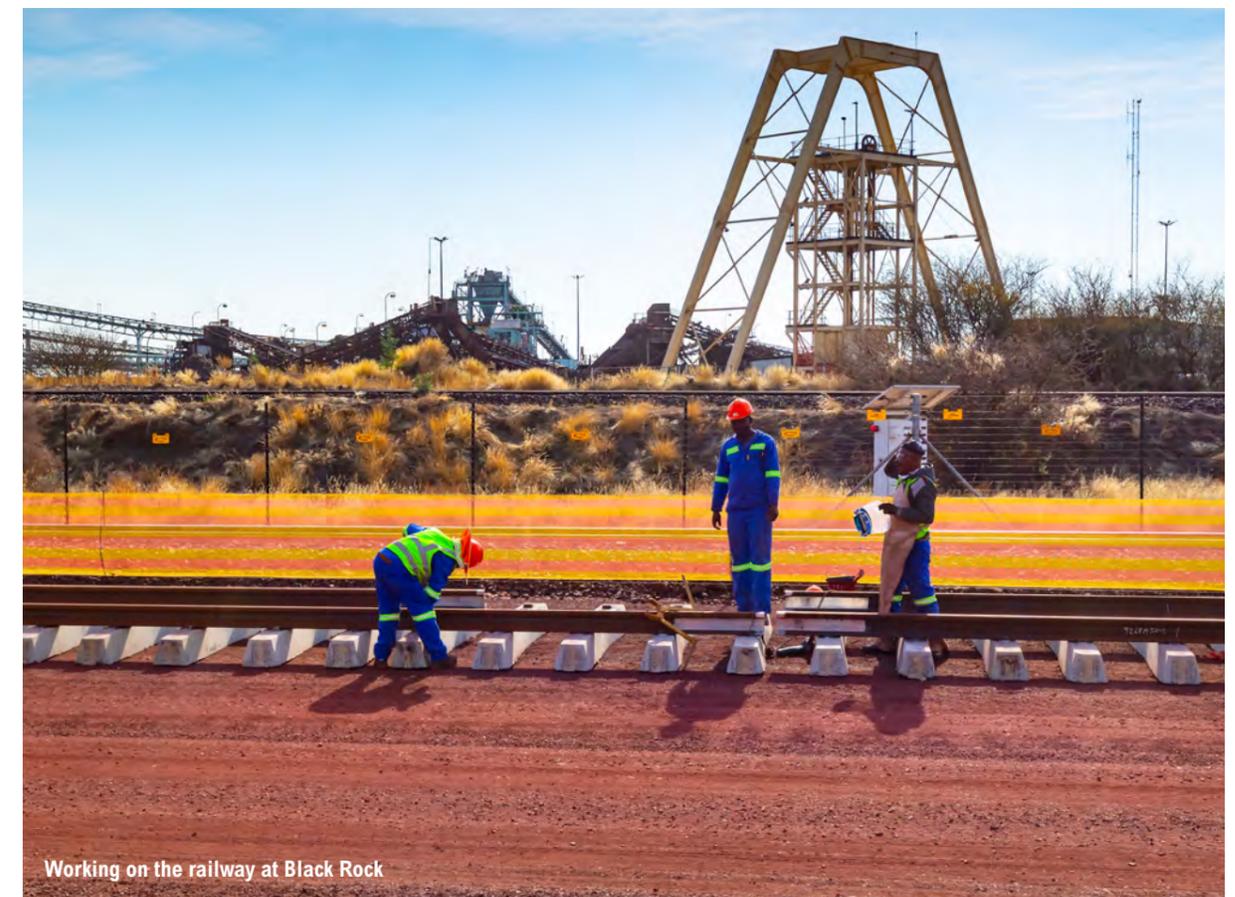
This report focuses on the following material matters arising from our strategic priorities:

ENVIRONMENT	SOCIAL
<ul style="list-style-type: none"> Climate change Energy Water Atmospheric pollution Land use management Responsible tailings management. 	<ul style="list-style-type: none"> Safety Occupational health and wellness Human resources management Communities.

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

SDG (Goal)	ARM indicators
3 GOOD HEALTH AND WELL-BEING	<p>Ensure healthy lives and promote wellbeing for all at all ages</p> <p>1 Pulmonary tuberculosis (TB) 2 HIV prevalence 3 Employees and contractors receiving antiretroviral therapy (ART)</p> <p>4 Number of fatalities 5 LTIFR</p>
4 QUALITY EDUCATION	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <p>1 Training spend per employee 2 Training days per employee 3 Training spend as a % of payroll 4 Adult education and training (AET)</p> <p>5 Bursaries awarded 6 Bursars employed by ARM 7 Bursaries to children of ARM employees 8 Studies funded for ARM employees</p>
5 GENDER EQUALITY	<p>Achieve gender equality and empower all women and girls</p> <p>1 Workforce breakdown by race and gender 2 Female representation in the workforce (%)</p> <p>3 Female representation in management (%) 4 Female representation on the board (%)</p>
6 CLEAN WATER AND SANITATION	<p>Ensure availability and sustainable management of water and sanitation for all</p> <p>1 Water recycling and reuse 2 Water use efficiency 3 Water stress</p> <p>4 Water reuse efficiency (%) 5 Water supplied to neighbouring communities, farms and other users (m³)</p>
7 AFFORDABLE AND CLEAN ENERGY	<p>Ensure access to affordable, reliable, sustainable and modern energy for all</p> <p>1 Energy consumption intensity per unit of output per commodity 2 Investment in renewable energy and energy optimisation 3 Energy-related community investment</p>
8 DECENT WORK AND ECONOMIC GROWTH	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p>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</p> <p>4 Number of employees and contractors 5 Procurement of goods and services from host communities (R billion)</p>
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	<p>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p> <p>1 Percentage of local procurement 2 Percentage of procurement from women and youth-owned businesses</p>

SDG (Goal)	ARM indicators
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<p>Ensure sustainable consumption and production patterns</p> <p>1 Hazardous waste 2 Recycled waste</p>
13 CLIMATE ACTION	<p>Climate action</p> <p>1 Scope 1 and 2 GHG emissions 2 Reduction in GHG emissions from specific initiatives</p>
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> <p>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)</p> <p>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)</p>
17 PARTNERSHIPS FOR THE GOALS	<p>Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development</p> <p>1 Taxes and other payments to the government 2 Community investment – local economic development (LED) and corporate social investment (CSI)</p>



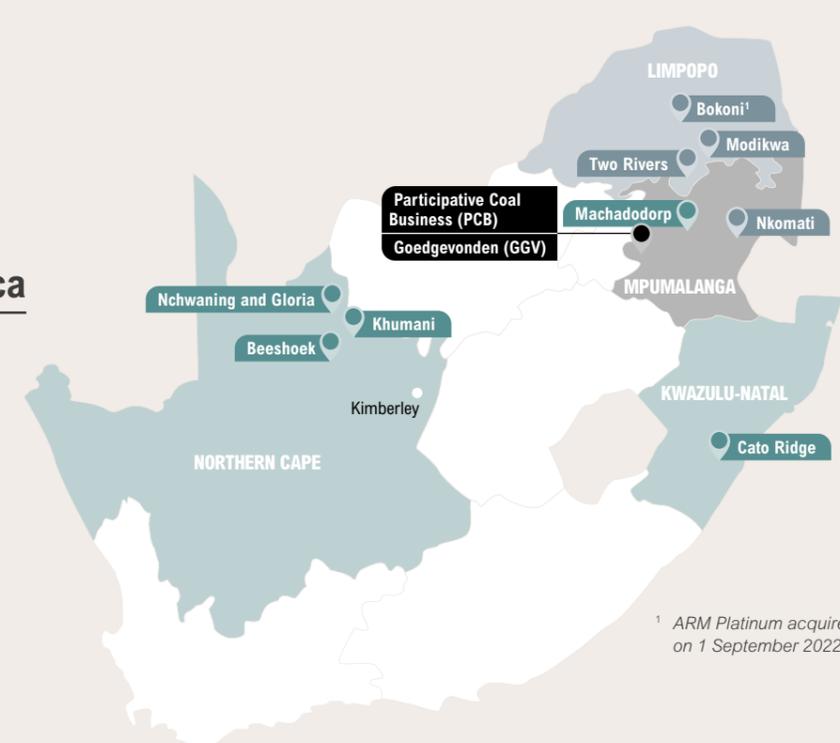
Working on the railway at Black Rock

Where we operate

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



South Africa



¹ ARM Platinum acquired Bokoni on 1 September 2022.

ARM Platinum ARM Ferrous ARM Coal

KHUMANI



IRON ORE

◆	Open-pit mechanised mine
●	13.1Mt iron ore
LoM	24 years
EMPL	3 658
LTIFR	0.17
Scope 1 and 2 emissions	313 073tCO ₂ e
Operational water withdrawal	4.0 million m ³
CSI and LED spend	R22.7 million

IAR page 68.

BEESHOEK



IRON ORE

◆	Open-pit mechanised mine
●	3.1Mt iron ore
LoM	13 years
EMPL	1 199
LTIFR	0.06
Scope 1 and 2 emissions	76 266tCO ₂ e
Operational water withdrawal	4.6 million m ³
CSI and LED spend	R14.8 million

IAR page 68.

NCHWANING AND GLORIA (collectively Black Rock)



MANGANESE ORE

◆	Underground mechanised mine
●	4.1Mt manganese ore
LoM	>30 years
EMPL	4 233
LTIFR	0.24
Scope 1 and 2 emissions	181 033tCO ₂ e
Operational water withdrawal	2.0 million m ³
CSI and LED spend	R54.3 million

IAR page 68.

CATO RIDGE



FERROMANGANESE

◆	Smelter
LoM	116 000t ferromanganese
EMPL	635
LTIFR	0.00
Scope 1 and 2 emissions	596 191tCO ₂ e
Operational water withdrawal	0.2 million m ³
CSI and LED spend	R1.7 million

IAR page 68.

SAKURA FERROALLOYS



FERROMANGANESE

◆	Smelter
LoM	253 000t ferromanganese
EMPL	Not reported by ARM
LTIFR	Not reported by ARM
Scope 1 and 2 emissions	Not reported by ARM
Operational water withdrawal	Not reported by ARM
CSI and LED spend	Not reported by ARM

IAR page 68.

MACHADODORP



FERROMANGANESE

◆	Smelter
●	Currently being utilised to develop energy-efficient smelting
LoM	118
EMPL	240
LTIFR	0.00
Scope 1 and 2 emissions	11 316tCO ₂ e
Operational water withdrawal	0.08 million m ³
CSI and LED spend	Rnil

MODIKWA



6E PGM

◆	Underground mine
●	295 000 6E PGM ounces
LoM	>30 years*
EMPL	5 728
LTIFR	0.47
Scope 1 and 2 emissions	324 831tCO ₂ e
Operational water withdrawal	4.0 million m ³
CSI and LED spend	R6.2 million

IAR page 58.

TWO RIVERS



6E PGM

◆	Underground mechanised mine
●	302 000 6E PGM ounces
LoM	>30 years*
EMPL	6 060
LTIFR	0.21
Scope 1 and 2 emissions	293 932tCO ₂ e
Operational water withdrawal	3.1 million m ³
CSI and LED spend	R15.8 million

IAR page 58.

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	122
LTIFR	0.00
Scope 1 and 2 emissions	7 437tCO ₂ e
Operational water withdrawal	0.2 million m ³
CSI and LED spend	Rnil

IAR page 58.

BOKONI



PLATINUM

◆	Combined mineral resources
●	Not yet reported
LoM	Not yet reported
EMPL	923
LTIFR	Not yet reported

IAR page 58.

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 emissions	Not reported by ARM
Operational water withdrawal	Not reported by ARM
CSI and LED spend	Not reported by ARM

IAR page 80.

PARTICIPATIVE COAL BUSINESS (PCB)



THERMAL COAL

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

IAR page 80.

◆ Mine/operation type
● F2023 production volumes (100% basis)
LoM Approximate life-of-mine (* including resources not yet converted to reserves)
EMPL Number of employees at 30 June 2023 (full-time employees and contractors)

LTIFR F2023 lost-time injury frequency rate (LTIFR) per 200 000 man-hours
Mt million tonnes
t tonnes
oz ounces
PGM platinum group metals

Our value contribution

ARM Ferrous produces iron ore, manganese ore and alloys. Together with nickel, these are used to make steel, the backbone of the modern economy. Steel 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
- Domestic appliances
- Wind turbines
- Water and energy distribution systems
- Transport infrastructure
- Alternative energy systems
- Information technology
- 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 many industrial and consumer applications, including:

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

Responsible stewardship of South Africa's coal assets

ARM is not making any new coal investments and we will continue running existing assets to the end

of their current economic lives. We are continually looking for opportunities to be more responsible and efficient in our coal-related activities.

ARM continues to produce the metals that are critical to a low-carbon future. We are exploring and investing in energy transition and critical minerals that could be value accretive (eg copper).

How our products contribute to a low-carbon future

Saving energy and reducing emissions

- Higher-quality iron ore and manganese ore require less energy, improve production and reduce emissions in the steel-production process
- 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 in hydrogen fuel cells generates energy from hydrogen and oxygen where water is the only emission. Hydrogen fuel-cell electric vehicles provide a zero-emissions alternative to the internal combustion engine.



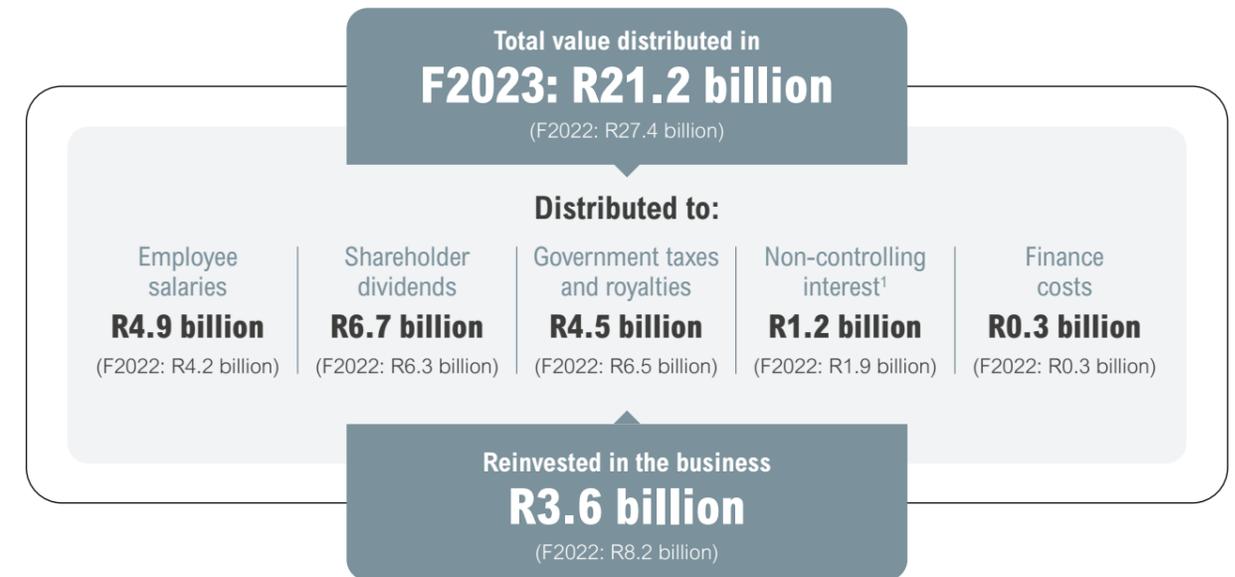
Storing energy efficiently

- Nickel and manganese are used in lithium-ion batteries, which support the growth of renewable energy and electro-mobility.



Value created

The value created by our activities is distributed to a range of stakeholders. In F2023, we distributed R21.2 billion of financial value on a segmental basis, as illustrated below.



¹ Profit attributable to non-controlling interests.

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

R27.0 billion paid as taxes and royalties²

R750 million invested in community development

1 024 bursaries provided

Paid **R20.9 billion**² to employees as salaries, wages and benefits

Invested **R1.3 billion** in training initiatives to improve the skills of employees

² Segmental basis.

Preferential procurement at the operations aims to increase procurement of goods and services from historically disadvantaged South Africans (HDSA), women- and youth-owned companies

Providing employment for **22 931 employees** and contractors (at 30 June 2023)

Improved **historically disadvantaged representation** in management from **61%** in F2018 to **72%** in F2023

Provided adult education and training to **343 employees** and **1 017 community members** at ARM facilities, increasing their confidence and employability

Sustainability performance for 2023

PERFORMANCE INDICATOR AS AT 30 JUNE	ASSURED	F2023	F2022	F2021	F2020	F2019
Economic and related core baseline indicators (segmental)						
Sales (Rm)		14 662	38 208	44 564	27 370	26 641
Taxes (Rm)		3 469	4 817	6 506	2 805	2 135
Headline earnings (Rm)		8 981	11 338	13 064	5 534	5 226
EBITDA (Rm)		5 829	17 839	24 321	11 009	9 336
Number of environmental administrative penalties/fines		–	–	–	–	–
Employee indicators (100% basis)						
Total number of ARM employees and contractors ¹		22 931	21 610	20 928	20 998	21 417
– Employees (permanent)		13 477	12 707	12 335	12 678	12 771
– Contractors (mainly used in capital projects)		9 454	8 903	8 593	8 320	8 646
Employee turnover (excluding contractors) (%)		6.5	5.2	10.1	6.3	5.7
Investment in employee training and development						
– Total expenditure (Rm)		371	198	239	225	239
– % of payroll		9.3	7.1	6.9	6.8	7.7
Employment equity (% previously disadvantaged groups per category)						
– Top management		75	67	65	61	56
– Senior management		66	64	57	52	51
– Professionally qualified		76	73	69	68	66
– Technically qualified		84	82	80	79	77
Safety and health						
– Total work-related fatalities	✓	1	2	2	2	1
– Fatality frequency rate (FFR)	✓	0.005	0.010	0.010	0.010	0.005
– Lost-time injury frequency rate (LTIFR) ²	✓	0.27	0.31	0.41	0.45	0.42
– Total recordable injury frequency rate (TRIFR)	✓	0.62	0.70	0.81	0.92	0.96
– Reportable/serious accidents		44	42	55	63	76
– Total occupational diseases submitted for compensation	✓	15	13	18	19	35
– Total number of cases of noise induced hearing loss (NIHL) submitted for compensation	✓	15	13	13	11	26
– Total number of new pulmonary TB cases ³	✓	21	18	34	46	66
– Employees and contractors receiving antiretroviral treatment at ARM operations		1 239	1 398	2 575	3 168	4 767
Number of lost man-days due to industrial action		0	0	110	0	8
Environmental indicators – on a 100% basis						
Total volume of water withdrawal (m ³)	✓	21 274 743	17 393 796	20 034 604	20 267 668	21 773 441
– Total operational water withdrawal ⁴ (m ³) (municipal, surface and groundwater)		18 291 911	16 803 679	19 380 928	18 967 229	20 326 717
– Other managed water/diversions ⁴ (m ³)		2 982 832	590 117	653 676	1 300 439	1 446 724
Water output (m ³)		733 063	242 836	866 552	1 045 647	437 868
Total energy used (GJ) ⁵	✓	7 693 348	7 577 456	8 444 099	8 642 520	9 476 810
Energy usage						
– Electricity (MWh)	✓	1 331 182	1 380 623	1 542 908	1 563 311	1 658 629
– Diesel (000 litres)	✓	79 213	71 241	78 852	82 572	96 055
Emissions						
Carbon emissions (equivalent tonnes CO ₂) (100%)						
– Scope 1 and 2	✓	1 804 578	1 879 503	2 016 832	2 060 511	2 248 620
– Scope 3	✓	59 402 936	58 914 235	*	*	*
Direct emissions						
– NOx (tonnes)		374	366	372	398	434
– SOx (tonnes)		249	257	263	274	298
– Particulate matter (tonnes)		213	276	290	267	274
Corporate social responsibility (100%)						
Total CSI and LED spend (Rm)	✓	123.9	150.4	170.4	130.3	175.3
– CSI (Rm)		41.4	34.6	45.2	44.7	27.4
– LED (Rm)		82.5	115.8	125.3	85.6	147.9
ARM BBEE Trust (Rm) (projects)		9.5	19.8	10.9	14.5	16.4
Governance indicators						
King IV Application	✓	Y	Y	Y	Y	Y
Board diversity						
– Diversity (black) (%)		56	56	56	58	47
– Gender (female) (%)		22	25	25	25	18
– Independent non-executive directors (%)		67	63	63	56	59

Non-financial data is stated on a 100% basis

¹ Total number of ARM employees and contractors as at 30 June 2023.

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 From F2023, operational water withdrawal and other managed water is disclosed separately, in line with the ICMM's updated Water Reporting Good Practice Guide. Prior-year water figures have been restated to disclose diversions (as defined in the previous guidance) separately.

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

✓ Limited assurance by independent third-party assurance provider.

* Not reported.

Social and ethics committee chairman's report

As ICMM members, ARM is committed to mining with the required principles. Our strategic priorities to operate safely, responsibly and efficiently, and to partner with host communities and other stakeholders, are founded on responsible ESG practices.



Dr Rejoice Simelane
Chairman of the social and ethics committee

Responsibilities

The ARM board is ultimately responsible for monitoring the effective management of sustainable development and delegates this responsibility to the social and ethics committee. The committee is constituted under regulation 43(5)(c) of the Companies Act.

The committee operates according to its terms of reference, which are regularly updated. It monitors and reports on the manner and extent to which ARM protects, enhances and invests in the economy, society and natural environment to ensure its business practices are sustainable. It holds responsibility 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, implementing 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.

In addition, the committee assumes responsibility for matters assigned by the board. It draws relevant

matters to the board's attention and reports to shareholders at annual general meetings. In its responsibilities, it is supported by executive management and relevant management committees and governance structures, including the employment equity and skills development committee. The committee oversees the management of ESG risks identified through the enterprise risk management (ERM) process, which considers internal and external stakeholders as well as governance processes.

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

Composition

The committee's terms of reference provide for a minimum of three members, with a majority of independent non-executive directors. The committee currently comprises five independent non-executive directors who bring extensive experience in mining operations, human resources, sustainable development and stakeholder engagement.

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

The committee met four times in F2023. Attendance is shown on page 129.



Assurance

In line with its terms of reference, the committee had oversight of ARM's appointment of a new independent external sustainability assurance provider for the 2023 ESG report, and reported to ARM's audit and risk committee that the appointment was made.

F2023 focus

During the year, the committee:

- Monitored tailings storage facilities (TSFs) at our managed operations and progress in conformance to the GISTM
- Monitored safety improvement, rollout of the critical control management (CCM) programme to enhance risk engagement and progress in implementing level 9 of the collision avoidance system
- Considered an independent report on the regrettable accident at Two Rivers Mine that resulted in a fatality, including discussing root causes, contributing factors and remedial actions implemented
- 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 refining operation-specific decarbonisation pathways, setting short-term operational GHG emission-reduction targets, drafting medium-term GHG emission-reduction targets and assessing performance against operation-specific water targets
- Assessed proposals to integrate climate-change and water targets into executive remuneration
- Monitored allegations received via ARM's whistleblower facility
- Considered management reports on compliance in terms of the company's legal compliance policy
- Received reports on the code of conduct training programme
- Received reports on implementation of Protection of Personal Information Act and Promotion of Access to Information Act
- 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 the status of implementation of recommendations from the 2022 sustainability assurance process
- Monitored the process of identifying a new sustainability assurance provider
- Monitored the process to procure an automated system to capture and report ESG data
- Reviewed and provided input into the human rights policy
- 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 dtic CoGP targets, as well as the company's adoption of standards of good practice.

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 promulgated under the Companies Act and its terms of reference.

Working together to entrench good ESG practice

Sustainability is embedded in ARM's strategy and a principle deeply integrated into our operational ethos. We recognise that the company's long-term success and ability to create value are inherently tied to how responsibly and ethically we act.

The traditional core factors of production, particularly in the mining industry, expand to recognise the importance of ESG factors such as environmental management, human capital and our relationships with our host communities and broader society. Our activities help to realise the value of the country's mineral reserves to catalyse growth and development. In the process, we are committed to operating sustainably, ethically and with full regard for the interests of our stakeholders and mindful of our responsibility to manage and mitigate potential negative impacts arising from our activities and operations. ESG targets are included in the remuneration packages of relevant executives to align management and stakeholder interests.

ARM has implemented the ICMM's sustainable development framework and, since F2019, our operations (except for Bokoni which was acquired in September 2022) and the corporate office have completed self-assessments against the ICMM's 38 performance expectations (PE). ARM determined that the operations

that will be prioritised for validation will follow the ESG report assurance process, with the undertaking that all operations will be subject to the external PE validation process over a three-year cycle. In F2023, the Modikwa and Khumani PE self-assessments were prioritised for validation as part of the external assurance over ESG information.

Supporting the safety, health and wellness of our employees and contractors

ARM aims to maintain a safe and healthy work environment for all employees and contractors. Regrettably, there was a fatality at Two Rivers Mine when a contractor employee, Mr Seutlwadi Eson Ramathesela, an engineering assistant, was injured and later succumbed to his injuries. We extend our sincere condolences to his family, friends and colleagues. Independent root cause investigations were done and action plans were implemented and closed out.

We continue to work towards ensuring zero harm at our operations, including implementing the CCM process and a level 9 collision avoidance system. The group achieved its best lost-time injury frequency rate (LTIFR) of 0.27 in F2023 from 0.31 in F2022, ARM Ferrous mines achieved a number of notable safety milestones and safety performance at ARM Platinum mines has improved consistently.

 Refer page 82.

The group's integrated wellness management programme focuses on preventing occupational health hazards from affecting the health of employees and contractors, and supports the national agenda to address TB and HIV and Aids. The programme prioritises effective management of hearing

conservation, occupational lung diseases and chronic conditions. The mines have memorandums of understanding (MoUs) with regional departments of health to strengthen the implementation of provincial strategies for TB, HIV and Aids, sexually transmitted infections and chronic disease management. The MoUs also extend primary healthcare services to contractors and communities, while the clinics participate in wellness campaigns in the workplace and the community, which include TB and HIV and Aids awareness and outreach.

The World Health Organization declared that Covid-19 is no longer a public health emergency of international concern and the South African Department of Health eased all Covid-19 regulations and protocols during the year. ARM operations nevertheless continue with Covid-19 management as dictated by the outcomes of risk assessments.

Optimising human capital and realising benefits of diversity

The success of our business depends on our ability to attract, develop and retain talented, highly skilled and experienced professionals. ARM's human resources management aims to align our available human capital with the group's strategic goals, while entrenching our desired organisational culture.

ARM embraces the principle of transformation and endorses the ICMM position statement on improving diversity, equity and inclusion in the industry and positively influencing the communities that we are a part of. Transformation imperatives and gender mainstreaming inform succession planning, management recruitment, retention, selection and

promotion to improve representation of historically disadvantaged persons (HDPs), women and people with disabilities.

To further support the implementation of these objectives the board has approved changes to the long-term incentive performance measures for awards in the 2024 financial year to include measures of diversity, equity and inclusion. These changes are detailed in the remuneration report on page 167.



The group's ongoing investment in learning and development programmes builds the skills required to meet current and future needs, and helps to develop a diverse and representative pipeline of future leaders. The group's broader focus on transformation contributes to the requirements of the mining charter and the Department of Trade, Industry and Competition (dtic) Code of Good Practice (CoGP) which include HDP ownership, human resources development, preferential procurement, enterprise and supplier development, and mine community development.

Supporting host communities

ARM invests in projects that aim to make a meaningful contribution to the lives of people in local communities and to improve community resilience. Infrastructure projects are identified in partnership with local government and community representative structures to address current and future priority areas.

Local job creation and economic development are promoted through enterprise and supplier development programmes at the operations, which assist sustainable local black-owned, black youth-owned and black women-owned companies to graduate into the mining supply chain.

Responsible stewardship of natural resources

Protecting and preserving our natural resources is integrated into our business strategy. Climate risks are escalating rapidly, underscoring the urgency of changing the way we work and consume natural resources.

We recognise the critical global challenges that climate change presents and the effects these may have on our business, our stakeholders and the world. ARM is 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.

We announced our long-term 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 refining our operation-specific decarbonisation pathways, setting short and medium-term scope 1 and 2 emission-reduction targets.

Globally, water systems are under threat from rising consumption, pollution, weak governance and climate change. ARM is exposed to greater 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. We now comply with updates to the ICMM's water accounting framework (WAF) and are following the guidelines of the ICMM's recently revised water reporting good practice guide.



More information is available in the 2023 climate change and water report, which provides increased transparency and comparability

in water and climate-change reporting that aims to meet the requirements of a broad range of stakeholders.

Responsible tailings management is a priority for ARM, the mining industry and investors. ARM and its joint-venture partners have adopted the GISTM at all its operations and good progress has been made in achieving full conformance. A report on this progress is available on our website.



For further information regarding how we continue to integrate measurable greenhouse gas emissions reduction targets into executive remuneration. Please see the remuneration report in this ESG report.

Ethics and compliance

ARM's long-term success and reputation depend on our unwavering commitment to ethics and integrity. The code of conduct is built on our values and emphasises our dedication to the highest moral, ethical and legal compliance in dealing with our stakeholders. Directors and employees are required to maintain these standards to ensure the company's business is conducted honestly, fairly, legally, reasonably, in good faith and in the best interests of all stakeholders. The committee reviews reports of calls made to the independent anonymous whistleblower facility and the outcomes of resulting investigations.

We regard legal compliance as the minimum requirement and engage with regulators to ensure that licences and permit applications are approved and in place so that we continue to comply with the conditions of these authorisations. Amending 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 page 71.



The ARM group human rights policy, which was approved by the board in April 2023, formalises our commitment, already set out in the code of conduct, to conducting business in a manner that respects and gives utmost consideration to the rights and dignity of all people, while centrally embracing the values and principles of ubuntu. It promotes respect for human rights and instils a culture of human rights between and among employees and the group's stakeholders.

Acknowledgements

I extend my sincere gratitude to my fellow committee members and the entire board for their support and contribution during the year.

On behalf of the board, I thank management and employees for their diligence and ongoing commitment to operating responsibly, and our shareholders for their support and constructive engagements.

Dr RV Simelane

Chairman of social and ethics committee

FOCUS FOR F2024

- Monitoring safety improvement programmes and implementation of CCM process and collision avoidance systems at 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
- Monitoring management's implementation of the new ICMM accounting and reporting guidelines and the development of the appropriate company scope 3 targets and commitments
- Oversee TSF management and conformance to GISTM.



Phillip Tobias
Chief executive officer (CEO)

ARM welcomes the increased focus on environmental and social responsibility by shareholders, funders, customers, civil society and other stakeholders as a sign that the importance of sustainability is becoming more widely accepted. ARM's motto of 'We do it better' includes an unwavering commitment to ethical and responsible practices.

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.

Our approach to responsible mining aligns with global best practice, primarily through our membership of the ICMM and alignment with its principles and performance expectations. As the rest of this report shows, we also consider many other global and local frameworks, both statutory and voluntary, emphasising our commitment to integrate all aspects of sustainability in our business for the benefit of all our stakeholders.

We have set measurable targets and time frames for key ESG elements of our business. ESG-related performance criteria including safety, transformation and climate-change performance conditions are included in the 2018 conditional share plan and 2018 cash-settled conditional share plan to ensure management's interests are aligned with those of stakeholders (see page 167). Cash bonuses for senior executives also include a safety modifier, with a further downward adjustment in the case of fatalities. We are exploring ways of integrating measurable climate-change and water targets into the remuneration packages of relevant executives.

Safety

ARM is committed to zero harm and we deeply regret the fatality at Two Rivers Mine during the year (page 84). Safety is one of our key indicators of operational performance and starts with continuous workplace hazard identification and risk assessments supported by appropriate controls to mitigate risk and prevent harm.

We monitor leading indicators such as planned task observations and visible felt leadership that indicate the effectiveness of proactive safety procedures, as well as lagging indicators that quantify the resulting safety performance. The safety section from page 82 contains more

Chief executive officer's statement continued

details on our safety initiatives and progress. However, it is worth noting that lost-time injuries reduced to 54 from 60 in F2022, and the lost-time injury frequency rate (LTIFR) improved from 0.31 in F2022 to 0.27, our lowest rate. Black Rock, Khumani and Modikwa mines achieved 11 million, five million and one million fatality-free shifts respectively in F2023, while Cato Ridge achieved three million fatality-free shifts.

The integrated wellness management programme actively identifies and manages health risks and chronic conditions that may affect wellness and quality of life to deliver on our commitment to support the health and wellness of the people who work at ARM.

Our people and communities

ARM provides jobs for nearly 23 000 employees and contractors. Global competition for talented people is fierce, particularly those with scarce technical skills. We aim to attract, retain and develop the skills we need by offering a compelling employee value proposition that includes a creative, innovative and entrepreneurial organisational culture as well as competitive remuneration and benefits.

The group's investment in skills development increased to R371 million (F2022: R198 million), representing 9% of payroll compared to the mining charter target of 5%. This includes leadership development programmes that support increased representation of previously disadvantaged groups in the workforce and equip employees with the skills of the future (page 101).

We aim to meet and preferably exceed statutory transformation targets and I am pleased to report that representation of historically disadvantaged people (HDPs) and women continues to improve in almost all categories (pages 99 and 100).

Local economic development and corporate social investment programmes aligned with community and government priorities aim to improve living conditions and standards for the people in our local communities (page 104), which include many of our employees. In total, we invested R124.9 million in local communities in F2023 (F2022: R150.4 million), with two-thirds of this going to local economic development, including projects to improve water and sanitation, health, roads and lighting.

A number of programmes support skills development to improve opportunities and enhance employability for young people living in communities around our mines. This year these included direct investments in school infrastructure, career days, bursaries and donations of school shoes and uniforms. In addition to 615 learnerships (F2022: 291) and 83 candidates on our graduate development programme (F2022: 61), we provided adult education and training to 135 community members (F2022: 176) and portable skills training to a further 140 (F2022: 96).

We support local small, medium and micro enterprises (SMMEs) through preferential procurement and enterprise and supplier development programmes. These programmes stimulate entrepreneurship, create jobs,

increase economic activity in mining communities, empower HDPs and improve market access for South African goods and services. In F2023, our operations supported 294 SMMEs, sustaining 696 and creating 508 jobs.

We also share the benefits of our growth with communities through equity participation. This year, a R102 million dividend (F2022: R255 million) was declared that will be invested in projects to benefit communities neighbouring Modikwa Mine that own an effective 8.5% of the operation. Similarly, 15% of Bokoni Platinum Mine will be held by communities, employees and black industrialists, who will each hold 5%.

Responsible environmental stewardship

Over the past three years, we have deepened our understanding of the resilience of our business to climate transition and physical risks. South Africa's heavy reliance on electricity from coal-fired power stations and serious constraints on the national power grid limit our ability to reduce our carbon footprint through business-as-usual methods.

In April 2023, ARM Platinum concluded a 20-year power purchase agreement (PPA) to wheel 100MW of solar photovoltaic (PV) power to its operations which is expected to save around 4 800 000tCO₂e over 20 years.

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.

In F2023, ARM's absolute scope 1 and 2 emissions decreased by 4% to 1.8 million tCO₂e and electricity consumption decreased by 3.6% to 1 331kWh (pages 64 to 67). These decreases are mainly due to improved efficiencies at Cato Ridge Works. Current scope 1 and 2 emissions represent a 13.9% decrease against our F2018 baseline and a 28% decrease on the previous baseline in F2014. Although we fell short (by 0.5%) of our short-term (F2023) target, we are confident that our current initiatives to decarbonise are more ambitious than before, and that our evolving strategy is in line with our long-term commitment and will ensure future targets are achieved.

Mines and communities in the Northern Cape, where the ARM Ferrous mines are situated, are at risk of water-supply interruptions due to delays in refurbishment of critical infrastructure. ARM is engaging with the Department of Water and Sanitation and other mines to address the issue.

We continue to improve water accounting and reporting. Over the last two years, and aligned with ICMM guidance, we set operation-specific water targets for all operations except the newly acquired Bokoni Mine, for which targets will be set in F2024. Our assessments this year show that the majority (81%) of these targets have been met or are on track.

Reported operational water withdrawal increased by 9% compared to F2022, primarily due to improved rainfall

accounting at Two Rivers Mine and activities associated with the Two Rivers Merensky project (page 71). Our water-reuse efficiency, a key indicator in monitoring and managing consumption and losses, remained stable at 78%.

Ensuring the safe and stable operation of the 13 TSFs at ARM operations (page 75) is a priority, both at operational level and at corporate level by the joint-venture partners at each operation. In addition to the critical compliance requirements set in the guidelines of the Department of Mineral Resources and Energy (DMRE) and the South African National Standard on the management of mine residue (SANS 10286), ARM is implementing a TSF management policy and standard that align with appropriate good-practice standards nationally and internationally, including GISTM.

Reviews by independent tailings review boards for each TSF were performed in F2023 and conformance to the GISTM was self-assessed at Nkomati, Two Rivers, Modikwa and Khumani mines during the year, followed by GISTM conformance verification third-party validation in July 2023.

In August 2023, we released the ARM report on conformance to the GISTM (available on our website) to provide public disclosure and confirmation that ARM operations have implemented effective risk management processes and systems to ensure that TSFs are managed effectively and that any

risk to people and the environment is identified and mitigated. Bokoni is planning to conform to the GISTM by August 2024. The TSFs at Black Rock and Beeshoek mines are classified as lower risk and these mines will conform by August 2025.

Looking ahead

By their nature, ESG risks, opportunities and priorities unfold and evolve over decades, and must be addressed with an appropriately long-term perspective. We will continue to stay abreast of developments and best practices in these areas to ensure that we respond appropriately and effectively. While we are proud of our good progress in a number of areas in F2023, we remain committed to improving our environmental and social performance alongside operational and financial performance.

The immediate focus areas for the year ahead are addressed in the relevant sections in the rest of this report. We believe that delivering on these priorities will move ARM further forward in our quest to achieve operational excellence in all aspects of sustainability performance and support the group's ability to create sustainable value for all stakeholders.

Phillip Tobias
Chief executive officer

10 October 2023

Our approach to ESG and value creation

Underground at Black Rock

Our approach to sustainable value creation	32
Governance overview	34
Enterprise risk management	36
Stakeholder engagement	46

We recognise that the company's long-term success and ability to create value are inherently tied to how responsibly and ethically we act.

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.

to any sustainability-related matters raised by the board. Under the oversight of the finance director, the risk department reports on risk-related matters.

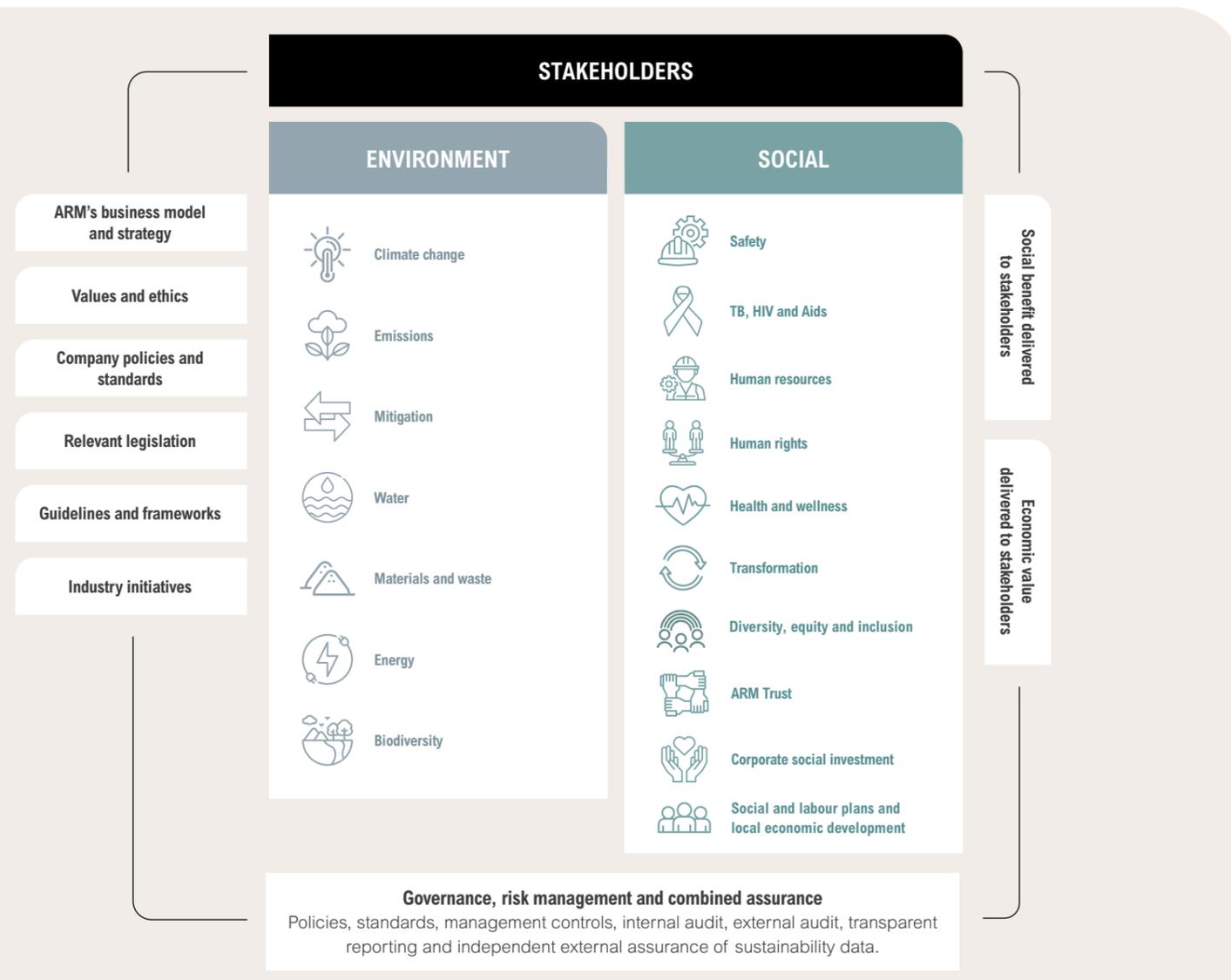
reliability of ARM's sustainability processes, controls and information.

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. In F2023, the committee was 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 were chaired in F2023 by the executive operations: ARM Platinum and report to the executive committee 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 sustainability-related performance and compliance to the ARM social and ethics committee at quarterly meetings.



The ARM social and ethics committee is delegated 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

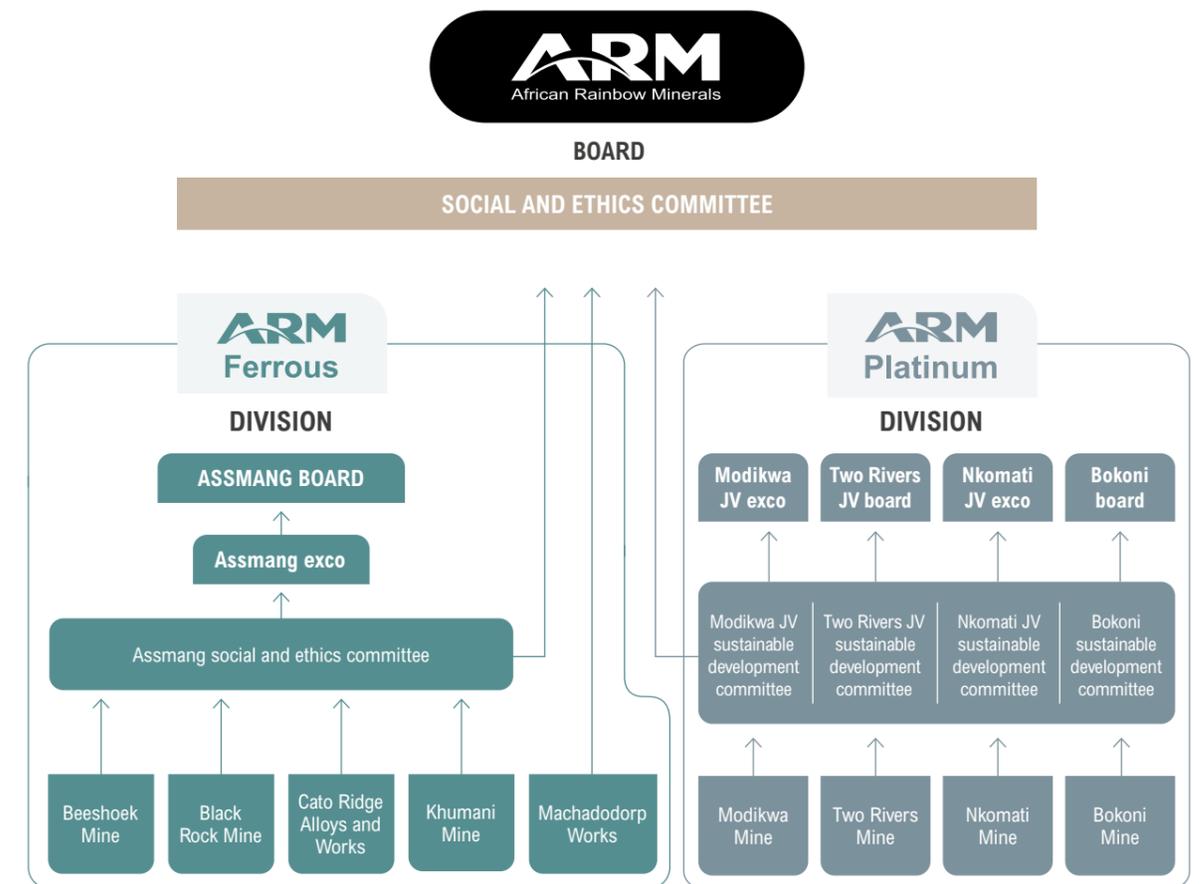
by Dr RV Simelane and comprises five non-executive board members.

The enterprise risk management (ERM) process includes sustainability risks as well as sustainable development matters and performance. ERM is included in the formal agenda of the management risk and compliance committee, a subcommittee of the audit and risk committee.

The executive: 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



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 related information from engagements with our key stakeholders. The combined assurance model (see page 140) provides a sound basis from which to evaluate the appropriateness and



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 regularly 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

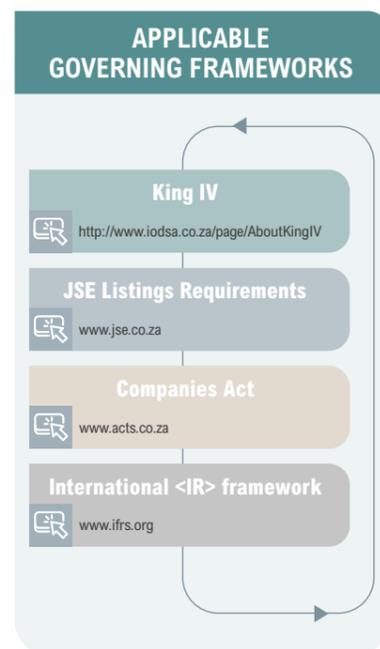
We support the governance outcomes, principles and practices set out in King IV and apply all relevant principles. We view developments and governance trends as opportunities to continuously improve and entrench

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.

Refer to KPMG's Independent Assurance Practitioner's Limited assurance report in ARM's 2023 ESG report on our website:

www.arm.co.za

 King IV application register on our website www.arm.co.za.



Ethics

Code of conduct

Through our code of conduct, we confirm our commitment to high ethical and legal standards in dealing with all our stakeholders. All directors and employees are required to maintain these standards so that ARM's business is conducted honestly, fairly, legally, reasonably and with utmost good faith. As per policy, the code was reviewed in 2023 and includes more detailed provisions for conflicts of interest as well as anti-bribery and anti-corruption. Training is ongoing.

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. 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. In F2023, the chief executive officer, finance director, executive director: investor relations and new business development and group company secretary and governance officer oversaw compliance with disclosure under the JSE Listings Requirements.

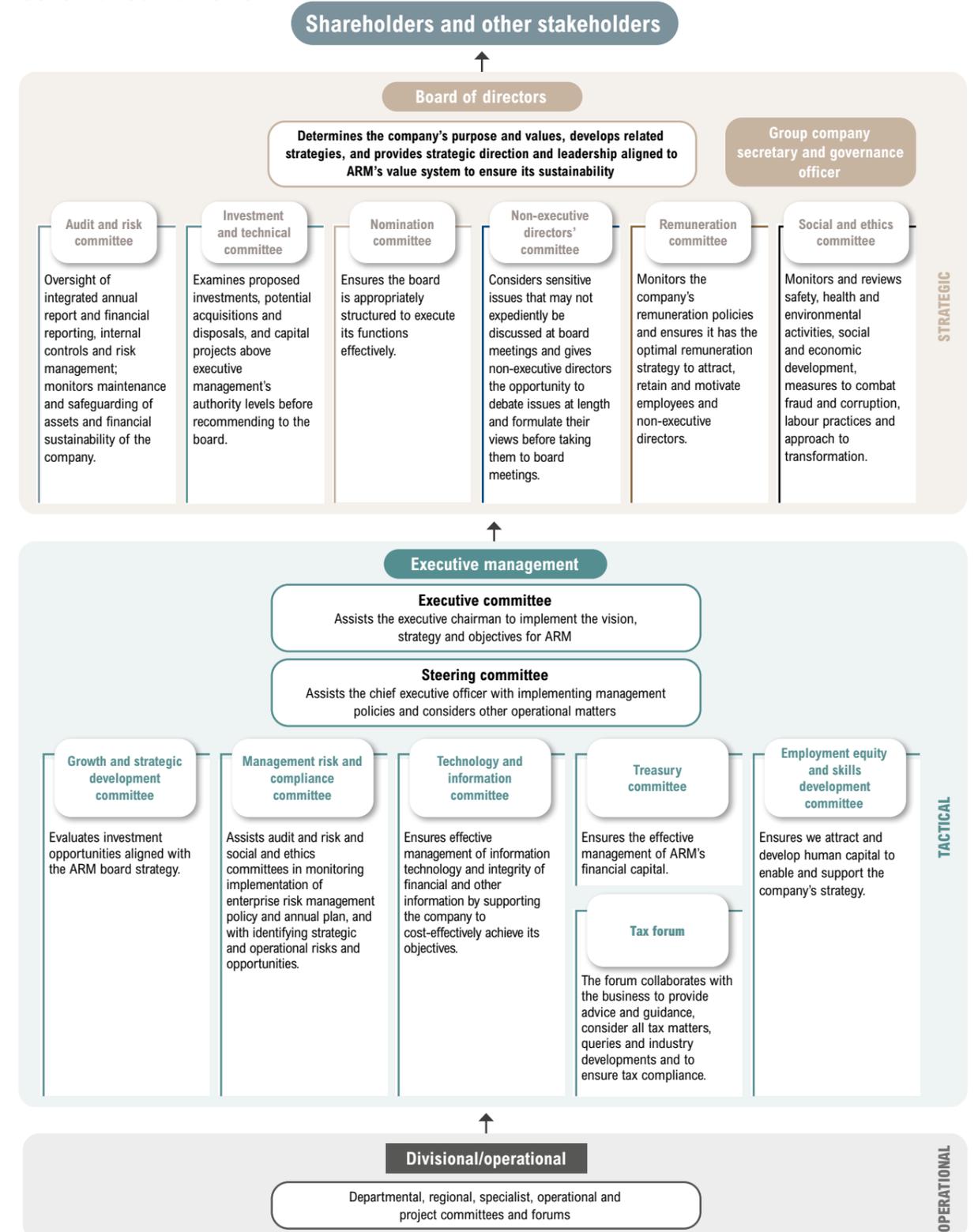
Dignity and respect

Employees are required to treat their colleagues in a way that upholds individual self-worth and that respects cultural, political, religious and other beliefs.

Safety, health and environment

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

Governance framework



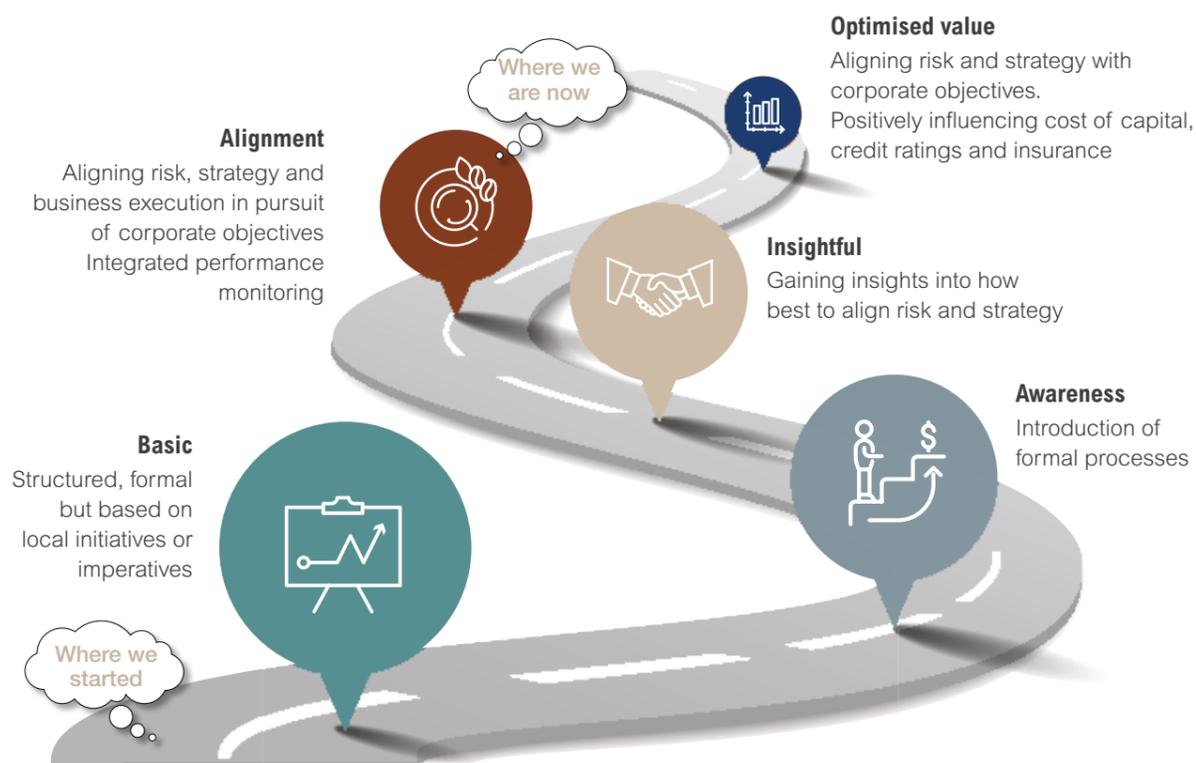
Enterprise risk management

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

ARM's risk management 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 risk management 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 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.

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



The ERM process

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

- Climate change risk assessment integration into ERM is in progress
- JSE paragraph 3.84(k) control validation is embedded and has been completed for F2023
- Appointment of Hawcroft to conduct the risk engineering surveys has yielded positive results. ARM has had the benefit of 'new eyes' looking at risk
- Risk control validation surveys are embedded and are a welcome integration into the risk engineering surveys
- Automation/system integration of internal audit findings
- Global Industry Standards for Tailings Management (GISTM) under the auspices of ICMM process establishment and

development. ARM operations are at various stages of aligning to GISTM

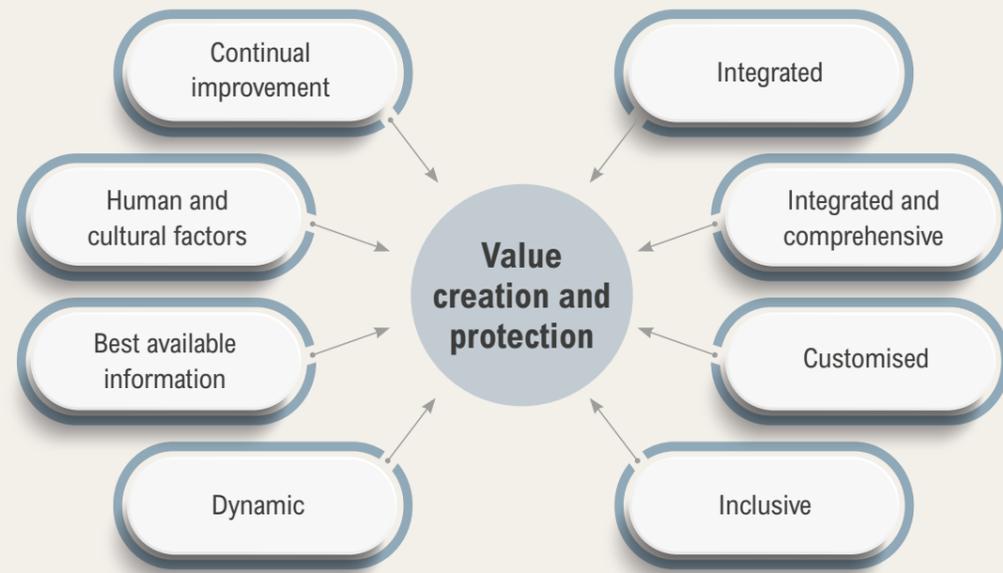
- Compliance Policy, Framework and Strategy are approved. The compliance universe has been established; compliance risk assessments are conducted
- Compliance monitoring of critical legislation is in place
- Application of the project risk management framework and capital-intensive growth projects eg Merensky project and Bokoni early ounces and overall project.

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 310001 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.

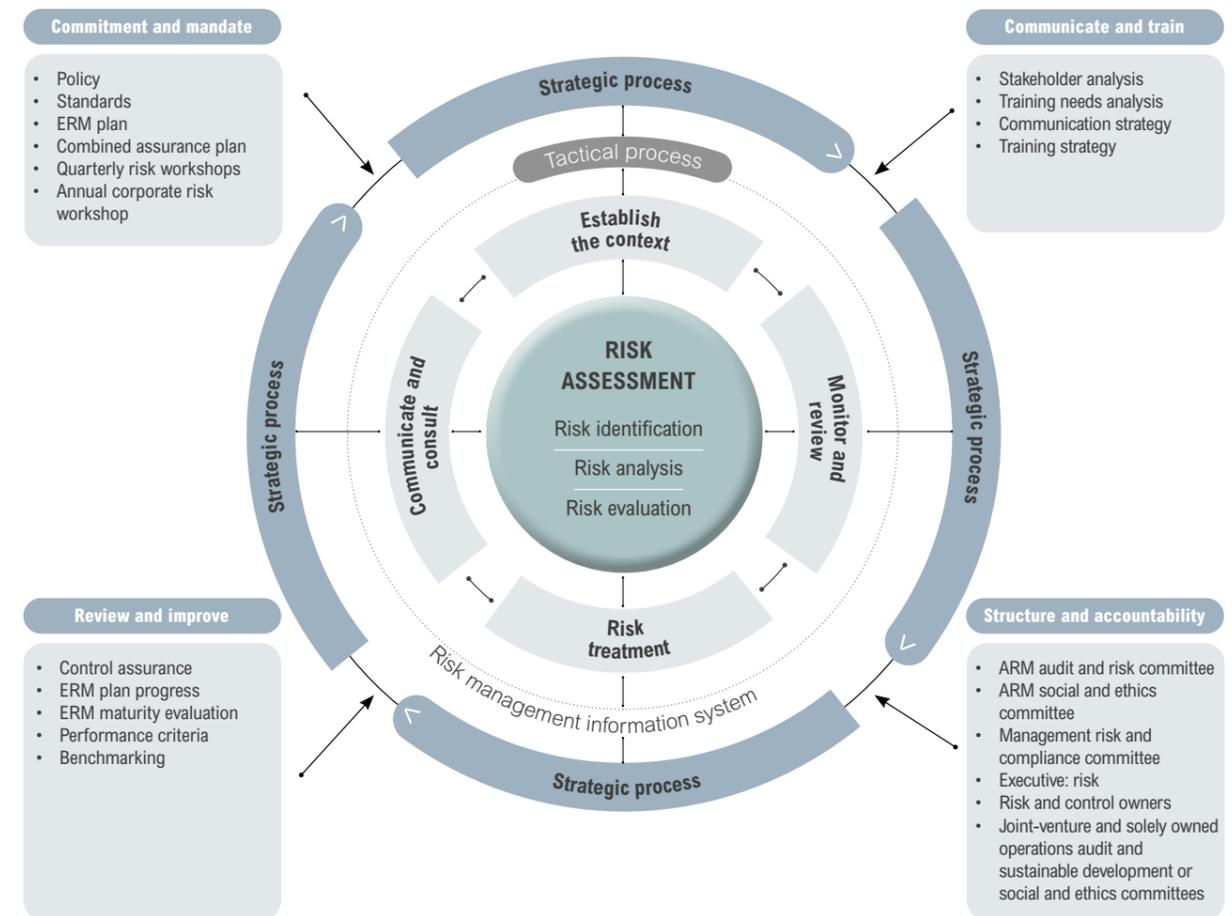
Risk management principles



Beeshoek Mine

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.

The ARM ERM framework



Risk-based asset management activities

Each ARM-managed operation is subjected to an independent risk engineering survey annually. In 2023 we appointed Hawcroft consultants to conduct the risk engineering surveys. The results or recommendations of such surveys are 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, environmental, fire, engineering and mining levels

- The asset management aspect is complemented by flow and pressure tests on fire protection systems
- Thermal imaging of electrical and mechanical equipment.

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

Policies and frameworks

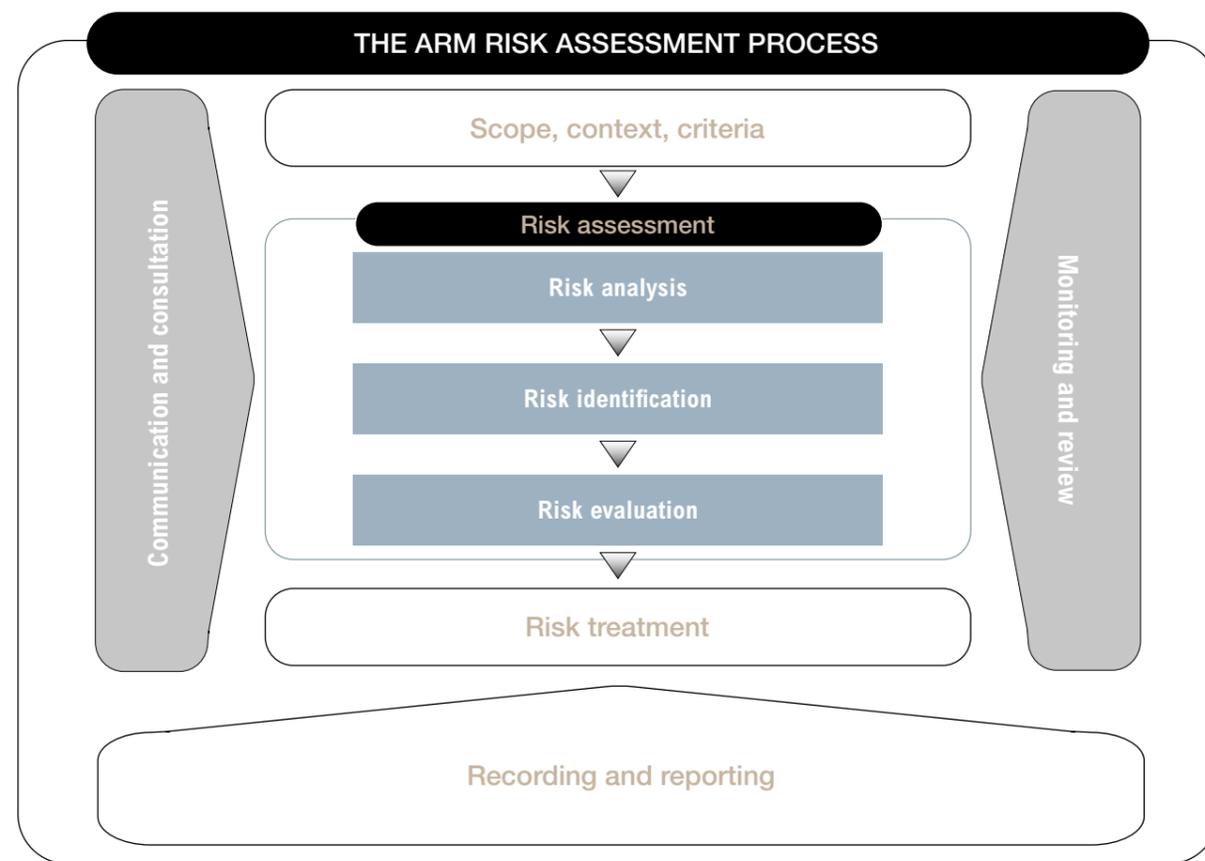
ARM has a number of policies and frameworks that govern how we manage risk, resilience, assurance, asset management and other aspects of our risk. Details of all our policies are available on request.

Current notable policies and frameworks include:

- Enterprise risk management policy
- Business continuity management policy
- Capital allocation framework

- Project risk management framework
- Whistleblower policy
- Risk management framework
- ERM standard
- Risk appetite and tolerance 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 defined in the table on page 144.



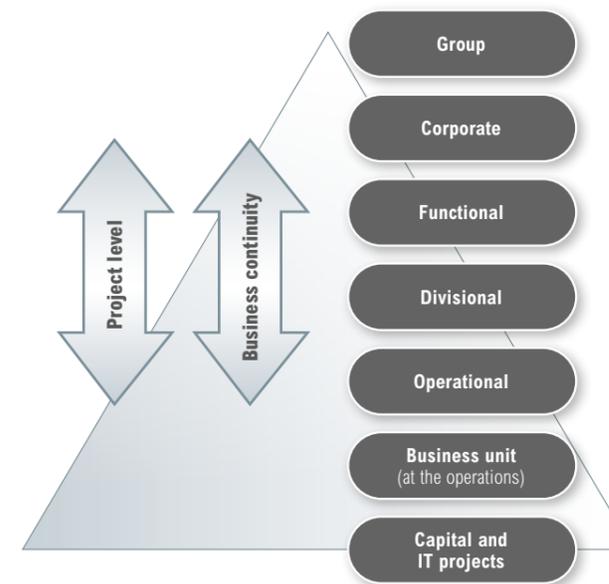
Our risk assessment hierarchy

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

consultation, monitoring and reviewing, and recording and reporting.

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 are timed to facilitate risk input into the ARM strategic planning process as committed to in our ERM policy.

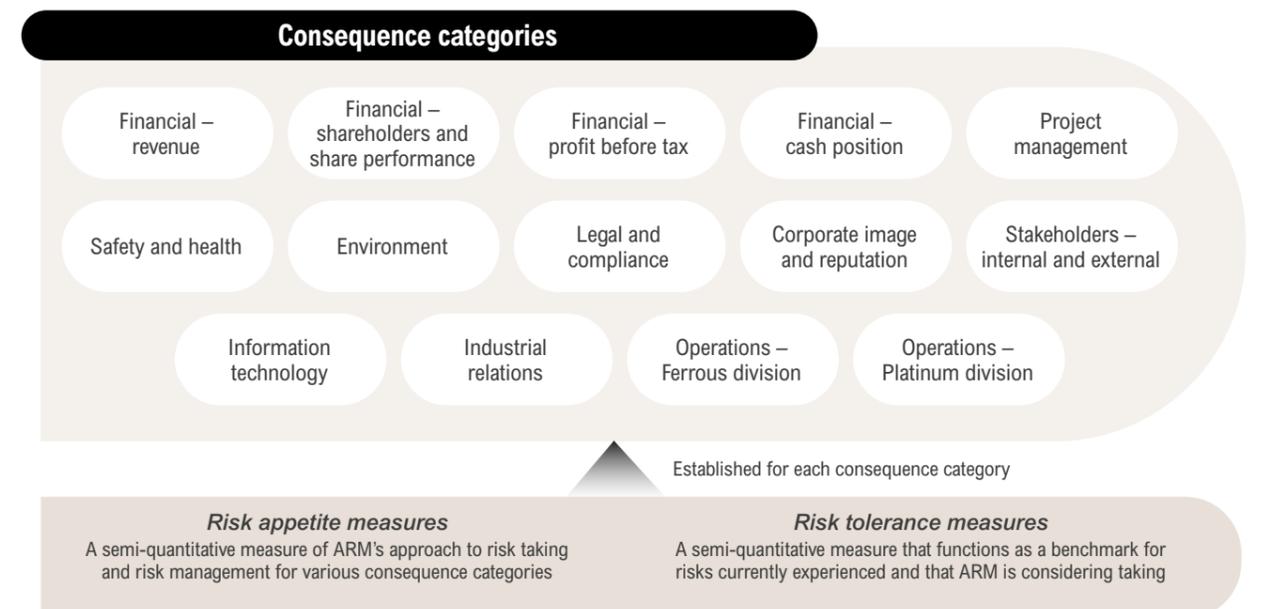


We in turn report on the results of our various risk assessment activities to the following governance structures:

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.

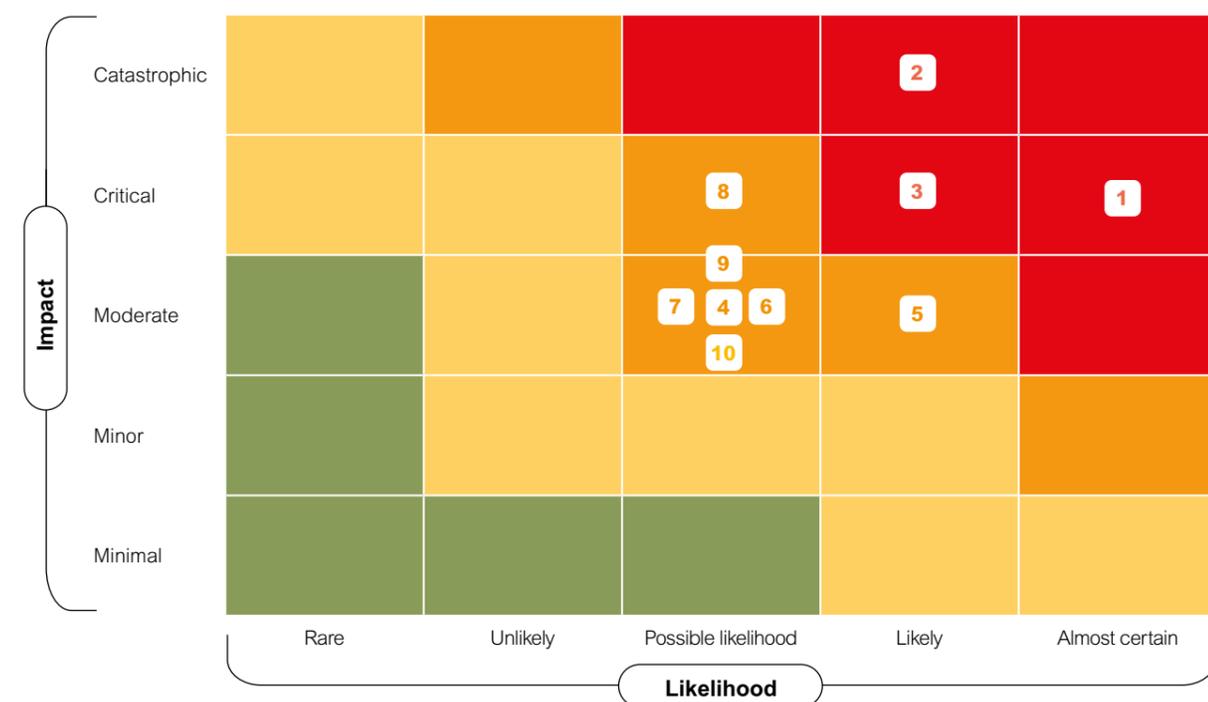
Composition of risk appetite and tolerance



Residual risk dashboard

Our top 10 residual risk profile as at end June 2023.

Group risk profile



Risk	Strategic objectives
<p>1 Poor performance of Transnet (rail and port) 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 dedicated executives Revised annual production in line with Transnet's performance Road-haul contingency for manganese Engagement through various forums in collaboration with other mines via the Minerals Council South Africa (MCSA) and DMRE.
<p>2 Unreliability and 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 load curtailment, adversely impacting unit cost of production due to the associated cost of operating back-up diesel generators. The increase in the cost of electricity also has adverse impacts on the profitability and sustainability of some operations.</p>	<ul style="list-style-type: none"> ARM representation at Ferro Alloys Producers Association Back-up generators keep safety critical systems operational Participation in load curtailment/reduction schemes Ongoing engagement with Eskom.

Risk	Strategic objectives
<p>3 Cost escalations (capex and opex) ARM operations have recorded above-inflation increases in the cost of production due to above-inflation increases stemming from geopolitical and other factors that have impacted supply chains, availability and cost of transportation, exchange rates and more. The increase in cost of diesel and explosives 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 terms 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 processes.
<p>4 Delay in project execution and inefficient capital allocation Increased demand for limited available skills and resources (including engineering, procurement, construction, management (EPCM)); projects depend on securing water and electricity supply; supply-chain challenges persist; service providers are averse to accepting risks, resulting in protracted negotiations before finalising contracts. Volatile commodity prices warrant frequent review of capital allocation plan; consideration of funding mechanisms other than balance sheet.</p>	<ul style="list-style-type: none"> Scenario planning is conducted to establish options for the business to consider Ongoing engagement with key stakeholders, including communities, Eskom and service providers Capital reporting through maintenance of the capital book Dedicated project management resources Project governance structures in place.
<p>5 Deteriorating national socio-economic conditions in areas where we operate Communities surrounding ARM operations have been impacted by rising unemployment, increased cost of living and poor service delivery. This has led to increased demands on the 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.
<p>6 Unreliable water supply and delayed pipeline upgrade project Unreliable water supply from Vaal Central 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 Vaal Central 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>7 Business continuity preparedness (including cyber) Over the past three 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 (IT) and operational technology (OT) systems Business continuity management policy in place Cybersecurity strategy in place Emergency response plans in place.

Risk	Strategic objectives
<p>8 Management/misalignment of community expectations Incidents of community unrest that interrupt operations are experienced. 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.</p>	<ul style="list-style-type: none"> 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 Social and labour plans in place.
<p>9 Increased ESG requirements 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.</p>	<ul style="list-style-type: none"> Committed to being net-zero GHG emissions from mining by 2050 ARM suite of annual reports provides comprehensive disclosure ESG principles are inherent in business processes, systems and decisions Aligned to GISTM Robust governance structures in place Financial provision for closure in place.
<p>10 Improved safety, health and environment performance Safety, health and environmental risks are inherent to our operations. ARM strives to ensure that these critical elements of our operations are managed in a way that minimises and eliminates any adverse impacts.</p>	<ul style="list-style-type: none"> Zero tolerance for safety incidents at all operations Visible felt leadership where mine management identify gaps and improvements in management systems and behaviour while demonstrating their commitment to safety, health and environment International Standards Organization (ISO) accreditation for relevant disciplines Employee wellness programmes in place Employees are made aware of the section 22 notice (MHSA) that recognises their responsibility to take reasonable care to protect theirs and other persons safety and health 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.

Enterprise risk management scorecard

F2023 objectives	Achieved/Not achieved	F2024 objectives
Focus on continuous improvement and use of technology to systemise anti-fraud self-assessment	Partially achieved Financial controls incorporated in GRC tool and assessment completed using this tool	Incorporate non-financial anti-fraud controls in GRC tool
Implement project risk management across all major capital projects	Achieved Project risk assessments developed and reviewed; updated at least quarterly	Continued implementation of project risk management framework to embed practice and improve its maturity
Achieving GISTM alignment deadlines with focus on business continuity management	Achieved Developed emergency preparedness and response plans in consultation with stakeholders as per ICMM GISTM principles	Review and update of business continuity plans of all operations
Systemisation of process of reporting internal audit findings and status of implementation of recommendations	Not achieved Reporting on internal audit findings and their status is undertaken manually	Systemise the process of reporting internal audit findings and status of implementing recommendations
Roll out training to all stakeholders on linking internal audit findings to risk profiles	Not achieved This will follow completion of systemising internal audit findings (above)	–

Stakeholder engagement

ARM recognises that our ability to create value depends on the value we create for others. ARM is fully committed to mutually beneficial relationships with all our stakeholders to ensure that we build a resilient and sustainable business that delivers competitive returns for shareholders.

Stakeholders are defined as those individuals or groups with a material interest in or affected by our operations. 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.

The board has delegated the task of monitoring stakeholder relationships to the social and ethics committee, while retaining responsibility for identifying stakeholders and developing appropriate strategies. ARM's stakeholder communication policy includes measurable outcomes for all engagements.

Engagements take place in formal and informal interactions at the corporate, divisional and operational level as appropriate to the stakeholder. The content of these engagements is documented at the operations to ensure learnings are

shared effectively. Stakeholder and community engagement are agenda items at operational, divisional and board meetings.

The section that follows shows broader information about ARM's main stakeholder groups, how we engage with them, what their primary interests are and how we respond. Specific examples of engagements in F2023 include:

- A meeting with the national Department of Water and Sanitation (DWS) and Minerals Council SA to address issues with outstanding water use licences authorisations and conditions
- Community engagement sessions by Two Rivers, Nkomati, Modikwa and Khumani mines with affected downstream communities in terms of the GISTM. These engagements also included consultations with local authorities and the Mine Rescue Service on emergency preparedness and response plans as well as emergency drill simulations

- Imbizos with local SMMEs on opportunities available and explanations of procurement processes at Modikwa Mine
- Engagements with representatives of the European automotive industry seeking to promote sustainable sourcing of raw materials and fair labour practices
- Engagements with shareholders regarding remuneration
- Participation in the joint collaboration structures established by the Transnet board and Minerals Council South Africa to improve rail performance.

 See page 154.

Senior executives responsible for stakeholder engagement include:

- Executive chairman
- Chief executive officer
- Finance director
- Executive: investor relations and new business development
- Executive: compliance
- Executive: risk
- Executive: sustainable development
- Divisional chief executives
- Senior management.

SHAREHOLDERS, POTENTIAL SHAREHOLDERS, ANALYSTS AND OTHER INVESTORS

How we engage

- ARM's comprehensive investor relations programme, the annual general meeting, condensed and interim results presentations and at conferences
- Stock Exchange News Services (SENS) announcements
- Media releases
- ARM's website
- The IAR and accompanying suite of reports.

Stakeholder interests:

- **Financial performance** including growth, capital allocation, dividends and share price performance
- **ESG matters** including climate change
- **Project execution risk**, particularly related to the Bokoni Mine development and PGM outlook
- Logistics challenges
- Above-inflation cost increase
- Security of water supply to the Northern Cape operations

Related risks:

- 1 Poor performance of Transnet (rail and port)
- 2 Unreliability and cost of electricity supply
- 3 Cost escalations (capex and opex)
- 8 Management/misalignment of community expectations
- 9 Increased ESG requirements

How ARM responds:

- Strategic focus on operating assets efficiently and disciplined capital allocation
- Timely, transparent, comprehensive and objective communication with the market
- The investor relations department communicates with institutional shareholders, potential investors, research analysts and the media, continually promoting open communication and transparency
- Management, the board and joint-venture partners are kept informed of the concerns and expectations of research analysts and institutional fund managers
- Summaries of decisions taken at shareholders' meetings are available on our website after every meeting
- Continued engagement with Transnet to implement sustainable solutions that are value accretive to all stakeholders
- Containing unit cost escalations in line with inflation
- Long-term solution of refurbishing the Vaal Gamagara pipeline is being addressed as a priority between the department and Northern Cape mines
- Transparent and comprehensive disclosures on ESG matters
- Details of our engagements with shareholders on remuneration appear in the remuneration report on page 154.

  Refer to the financial review in the IAR (page 42) and the annual financial statements.

BANKERS, INSURERS AND FUNDERS

How we engage

- Ongoing meetings and general discussions
- Annual visits to international and local markets around insurance renewal.

Stakeholder interests:

- **Financial position**, including liquidity, solvency and funding
- **Merger and acquisition opportunities**
- **Insurance cover and costs** (with particular focus on cybersecurity, SASRIA and tailings storage facility cover)

How ARM responds:

- Managing the company's financial position responsibly to enable ARM to pursue value-enhancing growth opportunities
- Comprehensive risk financing and transfer programme.

 Refer to the financial review in the IAR (pages 42 to 56) and risk management section (pages 35 to 37).

Related risks:

- 1 Poor performance of Transnet (rail and port)
- 2 Unreliability and cost of electricity supply
- 3 Cost escalations (capex and opex)
- 4 Delay in project execution and inefficient capital allocation
- 8 Management/misalignment of community expectations

JOINT-VENTURE PARTNERS

How we engage

- Continuous management interaction
- Monthly executive management and quarterly board meetings

Stakeholder interests:

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

How ARM responds:

- We hold ourselves to the highest ethical and governance standards in dealings with all stakeholders, including joint-venture partners
- Continuous and open engagement on operational, financial and ESG matters with joint-venture partners
- Executive committees and boards include representatives from joint-venture shareholders
- Management, the board and joint-venture partners are kept informed of the concerns and expectations of research analysts and institutional fund managers.

 Refer to financial review (pages 42 to 56) and operational reviews (pages 58 to 87).

Related risks:

- 1 Poor performance of Transnet (rail and port)
- 2 Unreliability and cost of electricity supply
- 3 Cost escalations (capex and opex)
- 6 Unreliable water supply and delayed pipeline upgrade project
- 7 Business continuity preparedness (including cyber)
- 8 Management/misalignment of community expectations
- 9 Increased ESG requirements
- 10 Improved safety, health and environment performance

EMPLOYEES AND ORGANISED LABOUR

How we engage

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

Stakeholder interests:

- **Health and safety**
- **Safe working conditions**
- **Training**
- **Remuneration**
- **Transformation**

How ARM responds:

- The human resources strategy aims to make ARM an employer of choice
- Maintaining good relationships with unions
- Our commitment to fair treatment and remuneration of employees
- The skills development and career-planning programmes help employees to develop their full potential
- Recognition agreements with unions where the required representation levels are reached
- Investing in building a talent pipeline.

 Refer to safety, occupational health and wellness and human resources management sections (pages 82 to 103).

Related risks:

- 2 Unreliability and cost of electricity supply
- 5 Deteriorating national socio-economic conditions in areas where we operate
- 6 Unreliable water supply and delayed pipeline upgrade project
- 10 Improved safety, health and environment performance

COMMUNITIES, CIVIL SOCIETY AND NON-GOVERNMENTAL ORGANISATIONS

How we engage

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

Stakeholder interests:

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

Related risks:

- 2 Unreliability and cost of electricity supply
- 6 Unreliable water supply and delayed pipeline upgrade project
- 7 Business continuity preparedness (including cyber)
- 10 Improved safety, health and environment performance

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 BBEE Trust invests in uplifting rural communities across South Africa by partnering with traditional and other community leaders
- Community outreach campaigns including awareness and screening to address health challenges including TB, HIV and Aids
- Participation 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 the socio-economic challenges in local communities.

 Refer to our social impacts from page 104 and occupational health and wellness from page 86.

GOVERNMENT

How we engage

- Meetings with local and provincial government on LED projects, licences and compliance with relevant safety and environmental legislation
- Engagements with national government on matters of policy-making as required
- Annual dtic audits for BEE verification
- Annual workplace skills plan submissions to the Mining Qualifications Authority (MQA)
- Representation on various industry bodies that engage with government.

Stakeholder interests:

- **Social investment**
- **Health and safety**
- **Environmental management**
- **Transformation**
- **Compliance** with governing regulations
- **Regular progress** reports and updates
- **Support for government priorities**

Related risks:

- 1 Poor performance of Transnet (rail and port)
- 2 Unreliability and cost of electricity supply
- 3 Cost escalations (capex and opex)
- 6 Unreliable water supply and delayed pipeline upgrade project
- 7 Business continuity preparedness (including cyber)
- 8 Management/misalignment of community expectations
- 9 Increased ESG requirements
- 10 Improved safety, health and environment performance

How ARM responds:

- LED projects implemented in line with commitments under social and labour plans (SLP)
- Compliance with relevant safety, health and environmental legislation
- Engaging with national government on policy matters and challenges, where required, such as operational challenges at Transnet
- Regular reports on progress on SLP projects
- The mines submit annual mining charter scorecard reports to DMRE
- Participation in coordinated industry-level initiatives
- Direct support for employees, communities and government to address relevant needs, such as employment creation and enterprise and supplier development
- Partnerships with regional departments of health to strengthen implementation of the provincial strategies for TB, HIV and Aids, sexually transmitted infections and chronic diseases (see page 87) 
- Engaging 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 54 to 80 as well as the 2023 climate change and water report.

INDUSTRY ASSOCIATIONS*

How we engage

Active participation in business and industry initiatives to enable collective engagement with regulators and stakeholders, promote benchmarking and share good environmental practice.

Stakeholder interests:

- **Sustainable development**
- **Labour issues**
- **Implementation of best practice**
- **Industry-specific issues**
- **Changes in legislation**
- **Coordinated response** to industry-related matters

How ARM responds:

- Representation in executive and other roles in industry associations to engage and give input on industry issues and communicate with industry and government stakeholders
- Coordinated industry-level and direct support for employees, communities and government.

 Refer to the environment and social sections on pages 54 to 80.

* Includes 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.

Related risks:

- 1 Poor performance of Transnet (rail and port)
- 2 Unreliability and cost of electricity supply
- 6 Unreliable water supply and delayed pipeline upgrade project
- 7 Business continuity preparedness (including cyber)
- 8 Management/misalignment of community expectations
- 9 Increased ESG requirements
- 10 Improved safety, health and environment performance

CUSTOMERS

How we engage

- Ongoing interaction in the course of business
- Annual contractual negotiations
- Regular service-level agreement renewals.

Stakeholder interests:

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

How ARM responds:

- Processes to ensure consistent product quality
- Contracts with logistics and freight service providers, including Transnet
- ARM follows global good practice in managing sustainability matters and is committed to transparent and comprehensive reporting to stakeholders.

Related risks:

- 1 Poor performance of Transnet (rail and port)
- 4 Delay in project execution and inefficient capital allocation
- 10 Improved safety, health and environment performance

SUPPLIERS AND LOCAL BUSINESS

How we engage

- Continual interactions in the course of business
- Annual contractual negotiations
- Regular service-level agreement renewals
- Scheduled meetings with local business.

Stakeholder interests:

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

How ARM responds:

- Support for local enterprise development through preferential procurement, LED and CSI initiatives
- Our payment terms align with industry standards
- We operate ethically and do not tolerate unfair discrimination
- ARM requires valid BEE certificates from suppliers to support transformation in its supply chain.

 Refer to our social impacts from page 104.

Related risks:

- 1 Poor performance of Transnet (rail and port)
- 3 Cost escalations (capex and opex)
- 6 Unreliable water supply and delayed pipeline upgrade project
- 7 Business continuity preparedness (including cyber)
- 8 Management/misalignment of community expectations
- 9 Increased ESG requirements
- 10 Improved safety, health and environment performance

MEDIA

How we engage

- One-on-one interviews
- Press releases
- SENS announcements
- Publications
- Media contact function on our website.

Stakeholder interests:

- **Information and updates** on topical issues
- **Operational, financial and ESG performance** raised during results presentations
- **Plans for Bokoni Mine**
- **Impact of operational challenges of Transnet on ARM**

How ARM responds:

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

Related risks:

- 6 Unreliable water supply and delayed pipeline upgrade project
- 7 Business continuity preparedness (including cyber)
- 9 Increased ESG requirements

Environment

Aerial view of Khumani

Environmental management	56
Climate change and energy	60
Water management	68
Waste management	72
Responsible management of tailings storage facilities	74
Air quality	75
Land use management and biodiversity	76

Protecting and preserving our natural resources is integrated into ARM's business strategy. We are committed to participating in the global response to reduce carbon emissions and to mitigating the physical impacts caused by climate change.

Environment continued

Environmental management

REPORTING CONTEXT



FTSE/Russell:
Biodiversity
Climate change
Pollution and resources
Water security



Ensuring responsible stewardship of natural resources

ARM's values, governance structures and ethical leadership guide our actions and we accept our responsibility to manage and mitigate potential negative impacts on the natural environment. We take a precautionary approach to environmental stewardship across business processes to eliminate or reduce environmental impacts wherever possible. Where unavoidable, processes are implemented to mitigate impacts.

F2023 FOCUS AREAS	F2023 PERFORMANCE	F2024 FOCUS AREAS
Climate change, energy and water	 Refer to pages 60 and 61 for information on F2023 performance and F2024 focus areas for climate change and energy, and water.	
Rehabilitation and closure Continue to ensure appropriate planning and budgeting for rehabilitation and closure.	Rehabilitation and closure plans and processes at the operations, overseen by rehabilitation trusts, ensure appropriate planning and budgeting for rehabilitation and closure. This includes closure liability assessments to ensure financial provisioning for closure. Operations undertake rehabilitation activities concurrently with mining activities wherever possible.	Ensure that closure continues to be provided for in line with the latest independent specialist reports and that rehabilitation aligns with the annual plans submitted to the DMRE.
Responsible TSFs management Safe and responsible operation of all TSFs with complete alignment to the GISTM for high-risk TSFs.	Ensured mandatory compliance and implemented the ARM TSF management policy and standard, which align with GISTM. Conformance to GISTM was self-assessed at Nkomati, Two Rivers, Modikwa and Khumani mines during the year, followed by GISTM conformance verification third-party validation in July 2023. In August 2023, we released the ARM report on conformance to GISTM (available on our website).	Safe and responsible operation of all TSFs, aligned to GISTM.

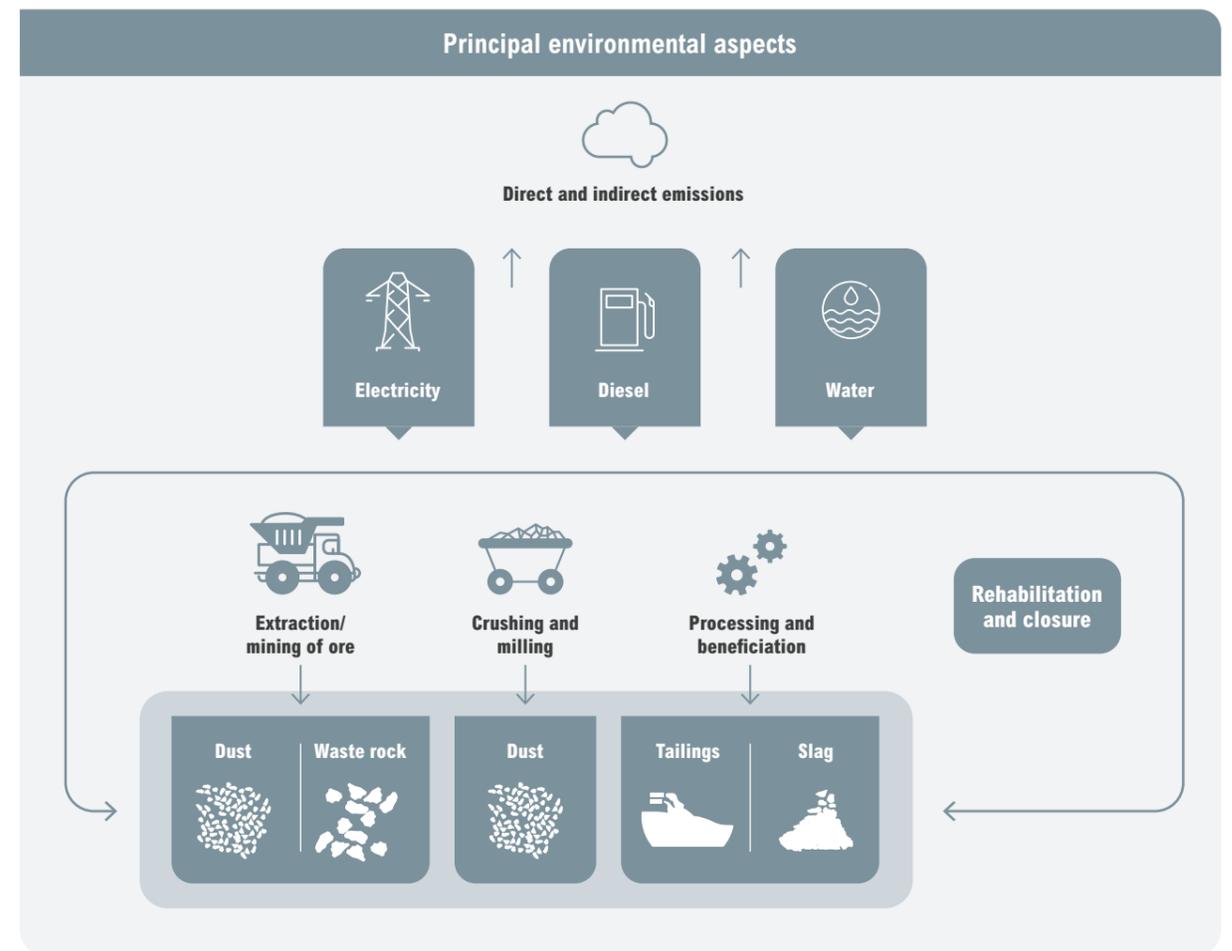
How we manage natural resources Identifying and mitigating environmental impacts

ARM's safety, health and environment policy entrenches our commitment to conserving and protecting our environment from harm and degradation through, among others, using energy and water efficiently, assessing and managing physical climate change and extreme weather risk, minimising waste and reducing pollution. Potential impacts on the natural environment are identified through environmental impact assessments (EIAs), including social impact assessments, when planning

new projects or making changes to existing operations. Identified impacts are mitigated with environmental management programmes (EMPs), as required by NEMA and its regulations.

Environmental management systems (EMSs) at each operation use the plan-do-check-act principle to identify potential environmental aspects and impacts. Environmental and related risks, particularly for climate change and water, are being integrated into ERM processes. Ongoing environmental inspections and audits are used to continually identify environmental impacts

at operations and ensure corrective and preventive measures are put in place to address those. Operational and corporate risk profiles are reviewed and updated at quarterly risk workshops and material environmental matters and risks are consolidated at group level. Risks are reported and mitigating strategies discussed and planned at the group-level management risk and compliance committee, social and ethics committee as well as audit and risk committee.



Environment continued

Environmental management continued

Alignment with global standards and best practices

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

ARM operations certified in terms of ISO 14001 have committed to protecting the environment, including reducing or preventing pollution, conserving resources in the context of each operation's significant environmental aspects, and considering its risks and opportunities.

ARM participates in industry initiatives, particularly the ICMM and MCSA (and its environmental policy committee), which provide important insights that shape our approach to sustainable development, enable collective engagement with regulators and stakeholders, promote benchmarking and sharing good environmental practice. Our management of environmental issues aligns with the relevant ICMM position statements, including:

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

Through our joint-venture partnership with Assore in the ARM Ferrous division, we have 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 (IMNI) and International Chromium Development Association (ICDA).

Other industry forums and business initiatives in which ARM or its joint-venture partners participate include:

- Ferro Alloy Producers' Association
- Association of Mine Managers South Africa.

Training and awareness

Every employee and contractor is responsible for compliance to the standards and policies specific to each operation. They receive regular training on relevant environmental policies, standards and procedures, including at induction, refresher courses and job-specific training. Environmental specialists in operational safety, health, environment and quality (SHEQ) departments facilitate environmental management.

Annual workshops facilitated by an external specialist consultant are held at the divisions and operations as part of the climate-change and water compliance and reporting programme. The workshops explore evolving climate-change and water risks and opportunities, build awareness, gather data and inform the approach to complying with and responding to developing requirements and expectations. Attendees include senior management, engineers and environmental managers on-site, as well as the executive: sustainable development, corporate environmental manager and divisional SHEQ managers.

This year, workshops focused on:

- Building awareness, feeding back on performance and collectively shaping priorities and processes going forward

- Capacity building and ongoing information gathering for reporting
- Finalising context-based water targets at Cato Ridge Works and Machadodorp Works
- Progressing climate change-related water elements
- Developing decarbonisation pathways and targets.

Assessing and monitoring

Key operational environmental indicators are measured and monitored by the EMSs, consolidated and regularly reviewed at divisional and group level. Environmental performance is an important focus at quarterly operational meetings, divisional sustainable development and social and ethics committee meetings, and the ARM social and ethics committee meetings. Each operation has set environmental targets for their significant environmental aspects. These include reducing or avoiding pollution, waste and resource use as well as effective waste management. Progress against these targets is reported during operational management reviews.

Progress against the group waste reduction targets is disclosed in this report and progress against climate change and water targets is reported in the climate change and water report.

Assurance

Environmental performance and compliance is regularly assured, including in 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 in terms of ISO 14001:2015 assure alignment of the EMSs with the standard at the three mines in ARM Ferrous, Cato

Ridge Works and Two Rivers Mine. Areas identified as non-compliant in these audits are rectified promptly. Selected sustainability information included in the ESG and climate change and water report, and ARM's King IV alignment, is externally assured.

Compliance notices/directives

No new compliance notices/directives were issued in F2023. However, four compliance notices/directives issued in F2022 remain in place. Progress on these issues is discussed below.

A directive was issued in F2022 by DWS to Two Rivers Mine in terms of section 20(4)(d) of the National Water Act (NWA), 1998

(Act No 36 1998), following a tailings slurry spillage incident in April 2022. Rehabilitation of the affected area was completed and a close-out report submitted to DWS. We continue to monitor the rehabilitated area.

Two non-compliances¹ were identified with the environmental authorisation at Two Rivers Mine's new tailings storage facility in F2022. Two Rivers Mine engaged the relevant authorities and submitted an application in terms of section 24G of NEMA to rectify the non-compliances. In F2023, the DMRE approved the scoping report and plan of study for the necessary EIA and the EIA process is underway.

In May 2022, the South African Heritage Resources Agency (SAHRA) and DMRE issued a directive in terms of the provisions of the National Heritage Resources Act (Act No 25 of 1999) to Modikwa Mine to fence off all graves on the property and to use ground-penetrating radar (GPR) to determine if there are any additional graves. GPR detected no new graves. Fencing off of the existing graves is in progress.

No environmental fines or penalties were received in F2023.

In addition, Bokoni Mine did not report any environmental incidents during the year.

¹ For more information about these incidents, please refer to ARM's 2022 ESG report, on our website www.arm.co.za.



Working on the Tailings Storage Facility at Two Rivers Mine

Environment continued

Climate change and energy

ARM recognises that climate change presents critical global and local risks and opportunities that have the potential to profoundly impact our business, our stakeholders and the world. We are committed to contributing to global efforts to reduce carbon emissions and to mitigating the physical and transition impacts of climate change.

F2023 FOCUS AREAS	F2023 PERFORMANCE	F2024 FOCUS AREAS
Preparing for South African carbon budget legislated phase 2 requirements.	We engaged with Department of Forestry, Fisheries and the Environment (DFFE) on its draft phase 2 carbon budget for our smelters.	Continue to comply with existing requirements, prepare for South African carbon budget legislated phase 2 requirements and engage with DFFE to interrogate its budget-allocation methods.
Develop and roll out a new ESG data system to allow improved tracking of ESG risks and opportunities.	We are in the final stages of choosing a preferred ESG data solution.	Start rolling out the preferred solution for our improved energy and carbon management system. Expand the system to include broader ESG risks and opportunities, as well as financial metrics.
Continue collaborating to refine our scope 3 approach and understanding of our role in reducing those emissions.	Improved the accuracy and completeness of our scope 3 GHG inventory, and engaged external assurance of the inventory, which included Sakura.	Improve scope 3 reporting and set appropriate scope 3 targets and commitments in F2024.
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).	Finalised the decarbonisation strategy, including operation-specific GHG reduction targets and decarbonisation plans. We are investing in systems and other measures to ensure implementation of these plans and achieve targets.	Formalise operation-specific decarbonisation plans aligned with GHG reduction measures identified in the decarbonisation pathway development process, assign roles and responsibilities, allocate budget, refine systems and allocate additional resources to ensure plans are achieved and ultimately GHG reduction targets are met. Develop a strategy and plan to explicitly align our future capital expenditure with decarbonisation goals.

F2023 FOCUS AREAS	F2023 PERFORMANCE	F2024 FOCUS AREAS
Further investigating and then implementing ways in which we can leverage our local economic development (LED) and CSI spending to enhance community resilience to climate change.	Worked on identifying existing LED and CSI initiatives that enhance community resilience and where these can be scaled up. Held workshops with sustainability and community affairs teams from operations to improve collaboration and leverage collective experience.	Continue to investigate ways of leveraging our LED and CSI spending to enhance community resilience to climate change, and then implementing these. Co-develop a strategy that encompasses climate and development activities, supported by practical tools, to embed 'climate resilience first' thinking across the organisation.
Continuing 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.	We deepened our understanding of water and climate-related risks in our supply chain in F2023 and made notable progress in explicitly incorporating climate change into our ERM processes. We held webinars and workshops to explore appropriate response measures, and started developing systems to ensure more structured, ongoing assessments of climate risks.	Begin the process of understanding the climate-change risks and responses for our broader value chain. Implement roadmap to fully integrate climate change into our ERM process.
Concluding plans to secure large-scale renewable energy sources and setting renewable energy-consumption targets.	ARM Platinum concluded a 20-year power purchase agreement with an independent power producer to wheel 100MW of solar photovoltaic power to its operations. ARM Ferrous has started a prefeasibility study to explore possible blends of energy solutions for its mines.	Monitor and manage the successful implementation of the power purchase agreement. Construction of the power plant will begin in F2024. Progress investigative work exploring appropriate renewable energy solution for our Northern Cape operations.

Climate change integrated into ARM's business strategy

We view the need to manage the impacts of climate change as a business imperative and incorporate climate scenarios into our strategic and operational planning. Climate-change considerations influence ARM's short-term strategy (to F2026) through the need to manage related operating costs. Our medium-term strategy (F2027 to F2030) is influenced by expected changes in regulations and market demands that pose both risks and opportunities.

CCW Refer to 2023 climate change and water report for ARM's climate-change policy and commitments.

Climate-change uncertainties are assessed 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.

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 to achieve this target.

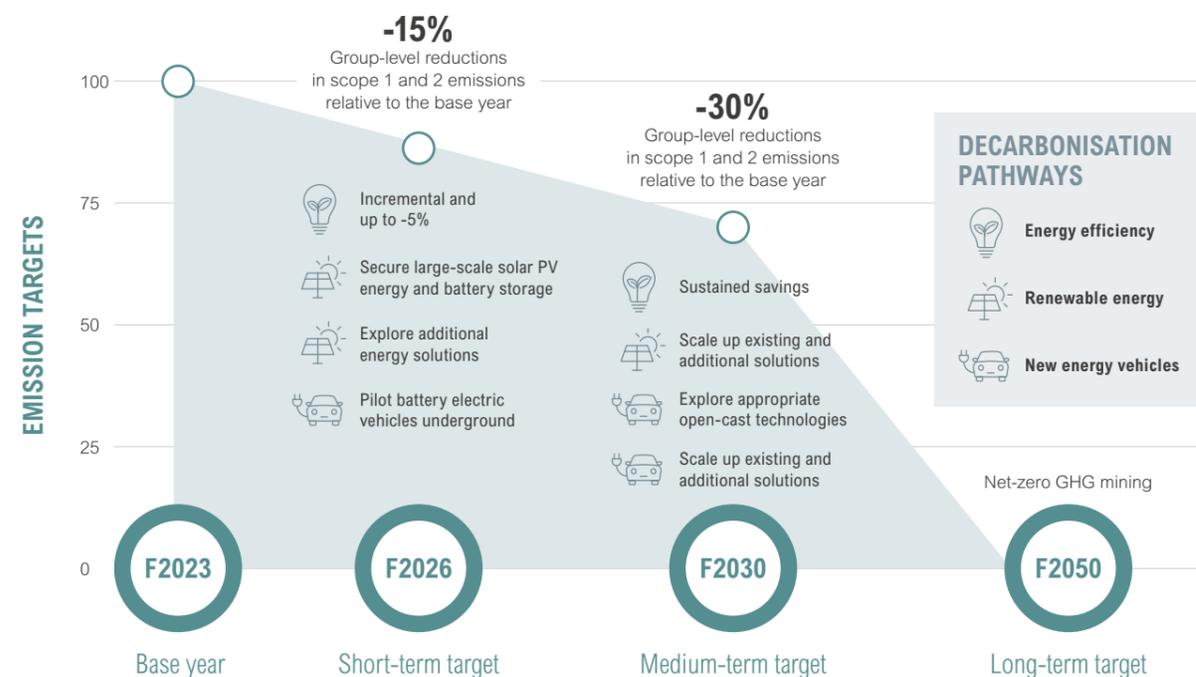
In F2021, we conducted climate-scenario analysis in line with TCFD recommendations to inform our understanding of climate-change risks and opportunities and their effect on our strategy. This informed our long-term GHG emission reduction target, which was approved by the board and announced by the executive chairman on presenting our F2021 results.

In F2022 and F2023, ARM made further progress including:

- Implementing robust processes to measure and report on carbon emissions at our operations and identify opportunities to reduce these emissions
- Actively developing technologies and processes to enhance energy efficiency at our operations
- Improving fuel efficiency and reducing our carbon footprint through targeted initiatives

- Developing operation-specific decarbonisation pathways with targets that marry short and medium-term actions with our long-term commitment, supported by detailed plans
- Further integrating climate change into ERM processes
- Aligning executive long-term incentive performance conditions to the new ARM GHG emission reduction targets
- Deepening our understanding of the impacts of climate change across our value chain
- Developing and improving data systems to improve the quality and efficiency of reporting
- Exploring renewable energy opportunities
- Applying an internal carbon price to evaluate new projects, acquisitions and energy studies
- Energy and carbon audits to identify and quantify mitigation options
- Improving scope 3 accounting
- Setting new short and medium-term GHG emission targets
- Mainstreaming climate change across the organisation, including in areas such as capital allocation and investments, community development, procurement and financial considerations.

Figure 3: Emission targets and decarbonisation pathways



About our emissions targets:

- The group-level target is underpinned by detailed operation-specific targets based on decarbonisation pathways. It includes operations within ARM's operational control boundary as well as the board-approved early-ounces project at Bokoni Mine. It excludes Nkomati Mine and Machadodorp Works which are on care and maintenance
- We will explore and set appropriate scope 3 targets in line with the ICMM 2021 climate change position statement. We will also contribute to advancing partnerships that enable credible target setting and emission reductions across our value chains

- The baseline year and targets will be adjusted for any material acquisitions and divestments, material changes to planned operating conditions, and to reflect progressive refinement of GHG reporting methodologies. Adjustments are expected following the detailed feasibility study at Bokoni Mine and following a board decision on future activities at Machadodorp Works
- We are ensuring that our employees are sufficiently incentivised at both operational and executive levels to achieve our targets, and support our long-term commitment.

ARM's long-term climate change commitments and goals:

- 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 ensure alignment with their commitments, provided these are in line with our overall level of ambition.

Environment continued

Climate change and energy continued

Performance in F2023

Sources of carbon emissions

Most 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 29% of the group's total electricity in F2023. This operation is the largest source of GHG emissions at 33%.

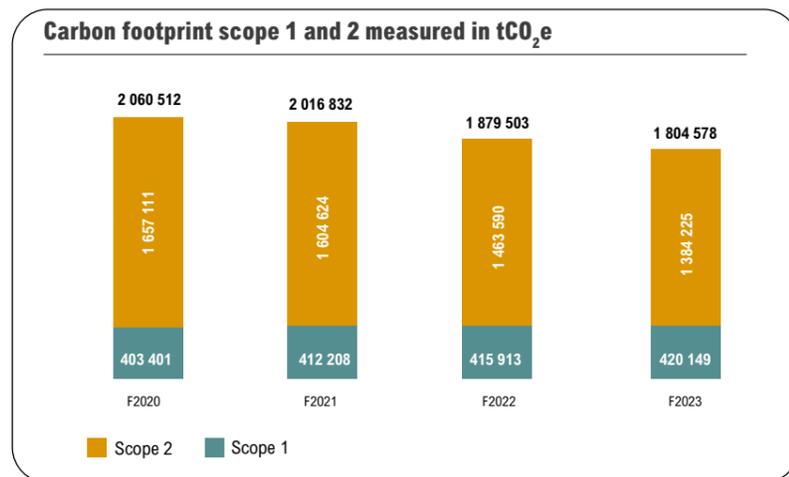
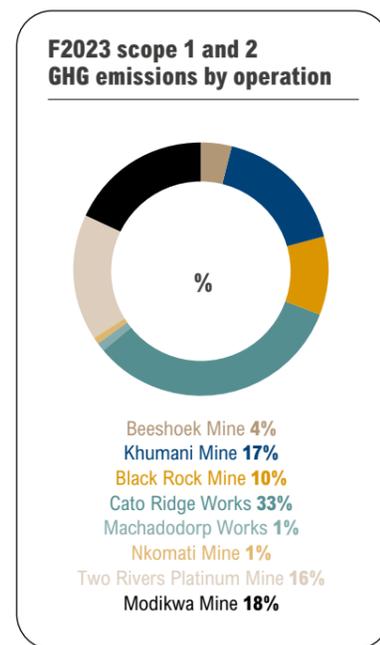
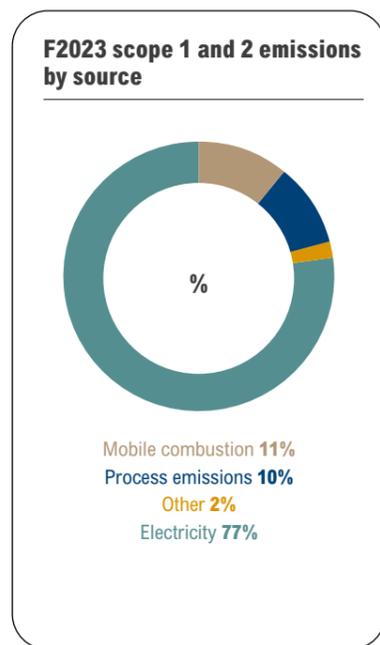
Emissions trend

The F2023 estimated carbon footprint (scope 1 and 2 on a 100% basis) decreased by 4% from 1.88mtCO₂e to 1.80mtCO₂e. The decrease in total emissions is mainly due to a reduction in Eskom's grid emission factor, improved furnace efficiencies and a shutdown of furnace 1 at Cato Ridge Works, as well as a planned shutdown at Khumani Mine, which offset increased emissions at Two Rivers Mine from activities associated with development of the Merensky project.

Scope 3 emissions

ARM's systems consider scope 3 activities, upstream and downstream of our operations, in line with TCFD recommendations. Assessing and reporting scope 3 emissions encourages companies to assess and mitigate GHG-related risks in their value chain and include targeted climate-change engagement with partners in that value chain.

In F2023, we further refined our assessments to focus on specific purchased goods and services,

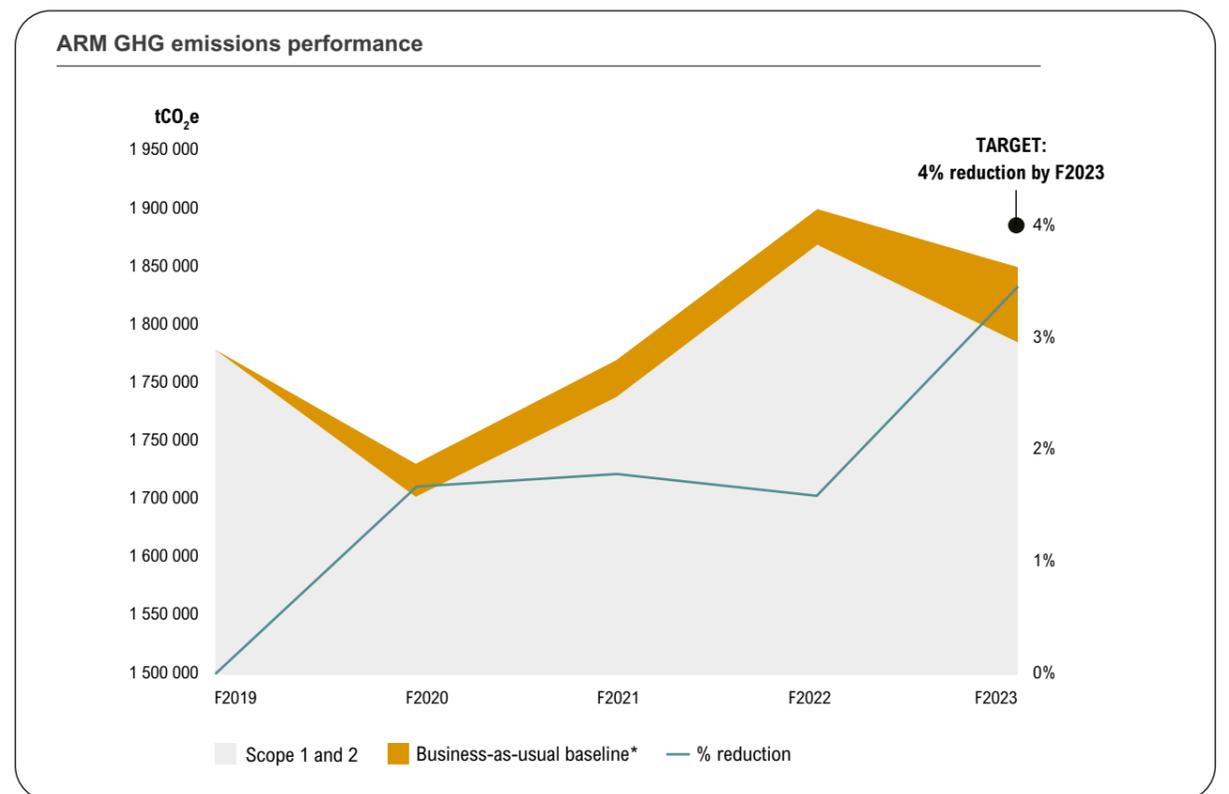


and capital goods. Going forward, we will work on identifying ways to decarbonise our value chain and set scope 3 targets in F2024.

Progress against our current GHG emissions target

Our current short-term target was to achieve a 4% absolute reduction of scope 1 and 2 emissions by F2023 against a F2018 baseline

through emission-reduction initiatives implemented from F2019 (provided they are still delivering active savings and excluding Nkomati Mine which is under care and maintenance). We were only able to achieve a 3.5% absolute reduction of scope 1 and 2 emissions compared to a F2018 business-as-usual baseline*. However, we realised significant reductions in F2023 by implementing



some of the measures identified as part of the decarbonisation pathway development process as well as improved measurement and GHG reporting at Cato Ridge Works, which helped to identify GHG reduction opportunities.

Our current work to develop decarbonisation pathways and set operation-specific targets represents a more ambitious strategy. This is in line with our long-term commitment, and characterised by clearer plans and associated resources and

systems. Following this strategy will ensure that future targets are achieved.

CCW See 2023 climate change and water report for more on climate change, ARM's response and the group's scope 1, 2 and 3 GHG emissions

GHG emission-reduction initiatives

Significant additional savings and carbon emission-reduction initiatives were implemented in F2023, particularly at Cato Ridge Works where work to investigate and invest in opportunities to reduce the carbon content of furnace inputs and improve

furnace efficiencies have started to bear fruit. The most significant of these include the new sinter plant, enabling the substitution of carbonate ore and the introduction of biocarbon. Many of the projects implemented in F2023 have a payback period of less than three years.

No new renewable energy was deployed or consumed during the year, but significant progress has been made on leveraging renewable energy in the near future.

* The business-as-usual baseline reflects ARM's theoretical emissions if it had not implemented emission-reduction initiatives (referred to as an ex-post baseline according to the GHG protocol policy and action standard).

Environment continued

Climate change and energy continued

New initiatives implemented in F2023	Additional savings per year (tCO ₂ e)	Energy savings (unit per year)
Various measures have contributed to improved furnace efficiencies in F2023, as measured by the electricity required per tonne of product produced. These include introducing sinter to replace carbonate ore, introducing biocarbon, and more optimal combinations of furnace inputs coupled with relatively stable operating conditions.	27 336	26 284 500kWh
Enabling a more efficient mix of reductants used in the furnaces and replacing carbonate ore (4.61% carbon) with sinter (0% carbon) directly reduces carbon and indirectly reduces carbon needed per tonne of product produced. Cato Ridge Works has been replacing carbonate ore with sinter from the new plant since March 2023.	5 461	NA (process emissions savings)
Using biomass as a reductant in the ferromanganese smelting process to help reduce scope 1 process emissions. Cato Ridge Works has been ramping up use of husk-based carbon brix since January 2023 to over 350 tonnes/month by the end of F2023, replacing over 400 tonnes/month of coke.	3 172	NA (process emissions savings)
Replacing coolers in houses with inverter air conditioners at Black Rock Mine.	236	226 670kWh

Additional projects being developed include:

- Investigating the feasibility of renewable energy solutions for the mines in Northern Cape and for our platinum operations
- Piloting battery electric vehicles with multiple benefits
- Reducing vehicle numbers. Beeshoek Mine will replace trucks to reduce size of the fleet while handling necessary tonnages
- 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 emissions in our value chain (scope 3 – transportation)
- Exploring specific options to wheel renewable power supply to ARM Platinum's mining operations
- Reducing emissions in our value chain (scope 3 – transportation).

Energy

- Energy consumed produces most of the group's carbon emissions and is a significant production cost. Energy efficiency is consequently a key focus. Energy consumption is expected to increase at many of ARM's operations summarised below
- Khumani and Beeshoek are mining at deeper levels and mining lower-quality ore, which increases stripping ratios
- 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
- Mining 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
- 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 limitations and failures, loadshedding, load curtailment and delays in rolling out additional infrastructure 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.

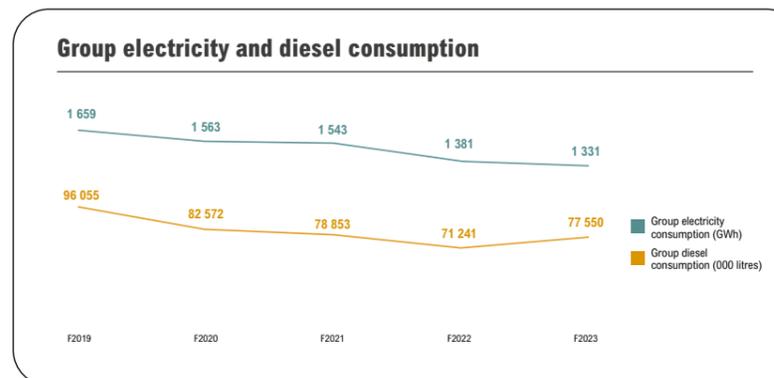
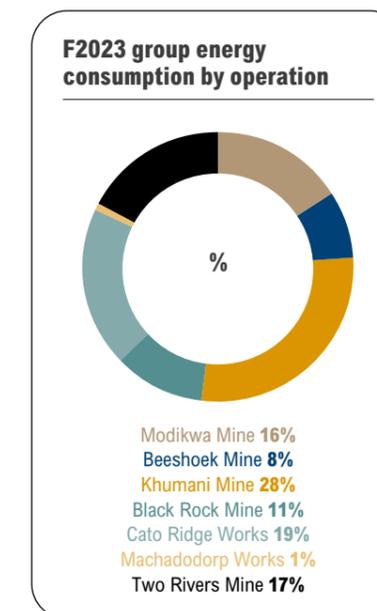
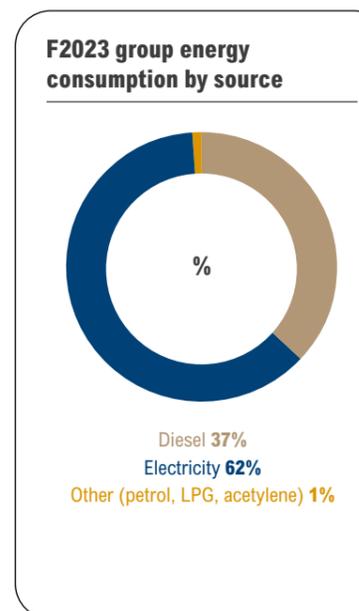
Operational energy use

In F2023, the group consumed 7 693 348GJ of energy. Khumani Mine 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, which accounted for 19% of group energy use in F2023.

Energy use trend

Total electricity consumed by operations decreased 3.6% to 1 331GWh mainly on improved efficiencies at Cato Ridge Works. Group diesel consumption increased by 11% to 79.2 million litres, with diesel consumption at Two Rivers Platinum increasing by 98% due to construction and mining activities at the Merensky project. This includes significant consumption in generators to meet increased electricity demand until Eskom completes the new transmission line to the mine.

CCW Refer to 2023 climate change and water report for more on ARM's energy-consumption and energy-reduction initiatives.



Environment continued

Water management

All over the world, 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 and employees under strain. We are committed to contributing to a water-secure future that is socially and culturally equitable, environmentally sustainable, and economically beneficial.

F2023 FOCUS AREAS	F2023 PERFORMANCE	F2024 FOCUS AREAS
Reporting our F2023 water data according to the revised ICMM water accounting framework guideline.	Achieved. Water data in the climate change and water report is reported against the revised guideline.	Complete
Further investigating and then implementing ways in which we can leverage our LED and CSI spending to enhance community resilience to climate change and associated impacts on water.	Projects supported by ARM's LED and CSI programmes (page 105), as well as those facilitated by the ARM Rural Upliftment Trusts, include a focus on improving water infrastructure and community resilience.	Further investigating and then implementing ways in which we can leverage our LED and CSI spending to enhance community resilience to climate change and associated impacts on water.
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.	Good progress was made in explicitly incorporating climate change into our ERM processes. We held webinars and workshops to explore appropriate response measures, and started developing systems to ensure more structured, ongoing assessments of water- and climate-related risks.	Continuing 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.
		Updating our long-term target in line with pending updates to the ICMM climate change position statement.
		Updating our water-stewardship approach based on our assessment of the processes and outcomes of our pilot of the ICMM water stewardship maturity framework, and as the broader programme unfolds in the ICMM.

How we use and manage water

Water is a material matter at all operations. We expect that the likelihood and impact of water-related risks will increase over time as climate change results in more extreme weather events, particularly floods and drought.

Water stewardship is integral to ARM's business strategy. Our approach to water stewardship is catchment-based and aims to be collaborative in delivering on our strategic objectives. We believe that water-related challenges should be owned collectively. These issues are shared, and addressing them requires collaboration by governments, civil society, the

private sector and local communities. While managing water impacts at our operations, we regularly engage with our partners and other stakeholders on water stewardship and holistic risk mitigation at the catchment level. An example of this is our participation in a public-private collaboration to secure long-term bulk-water supplies in the Northern Cape (Vaal Gamagara Water Supply Scheme) and a similar initiative in Limpopo (Lebalelo Pipeline Project).

Water is recognised as a principal risk with associated opportunities in the ERM process and is a key input to our sustainable business strategy. We consider water-related risks and opportunities at company and asset levels. 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.

 Refer to 2023 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 ageing existing infrastructure, poor maintenance of 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	
Cato Ridge Works	Pongola-Umzimkhulu WMA	Not water stressed	N/A	N/A

 Refer to the 2023 climate change and water report for more information on operational water risks and how ARM mitigates these.

Environment continued

Water management continued

ARM's proactive and holistic water-management strategy aims to identify and mitigate water-related risks, explore new ways to sustainably manage our water resources and engage with partners to achieve collective action. Our strategic focus on operational efficiencies emphasises the value of water and the importance of using 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 uncontrolled discharges. Water use is managed and optimised with water balances 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.

Where appropriate, we use technologies such as reverse osmosis to clean process water, and we continue to investigate natural, sustainable alternatives such as wetland formation, particularly for our mine closure plans.

Context-based water targets have been set at all operations. Operations have water-related KPIs and operations invest in technology to reduce their water requirements.

New or expansion projects consider water efficiency as well as the need to reduce our water dependency and competition with other water users. Measures are in place to reduce consumption, increase storage and mitigate production downtime, including using dust-suppression surfactants to reduce evaporation.

Ongoing monitoring of surface and groundwater quality measures compliance with WUL conditions, assesses our impact on the receiving environment, and highlights the need for mitigation. Biomonitoring of aquatic and riverine environments is performed as appropriate and as stipulated in each operation's WUL conditions.

Operational water withdrawal	Other managed water*	Water outputs	Water consumption	Water use
Water that enters the operational water system used to meet operational demand. Sources are defined in the terms of their WULs and include rivers, boreholes and municipal supplies.	Water that is actively managed (physically pumped, actively treated or has material consumptive losses), but is not intended for operational use.	Water outputs include flows to surface water, groundwater and supply to third parties (neighbouring communities, farms and other users).	Water is primarily consumed through evaporation and transpiration, water entrained in tailings, and interstitial water in product, seepage and other operational losses.	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.

Reuse efficiency	Discharges
All operations run closed-water circuits to maximise recycling and reuse. Water-reuse efficiency is a KPI in monitoring and managing water consumption and losses. In F2023, water-reuse efficiency was 78%.	Discharges are unauthorised flows into the natural environment, as defined by operation WULs. 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.

* Previously called diversions. The name was amended to align with the ICMM's updated water reporting good practice guide.

Performance in F2023

ARM continues to make good progress in deepening our understanding of water-related impacts, risks and opportunities, setting relevant water targets and improving reporting. During the year, this included:

- Improving water accounting and reporting, including aligning to the ICMM's updated water reporting good practice guide
- Setting new context-based water targets for Cato Ridge Works and Machadodorp Works, in addition to targets set for the mines in F2022
- Improved stability and effectiveness of water management with no significant water incidents
- Piloting ICMM water stewardship roadmap tool in workshops with relevant stakeholders from our operations
- Using preliminary results of our climate-scenario analysis to reassess water-related risks in our supply chain.

Operational water withdrawal

Water withdrawal figures reported show water withdrawal for operational use and exclude water withdrawal for other managed water. In F2023, Beeshoek Mine accounted for 25% of total group water withdrawal, Khumani Mine 22% and Modikwa Mine 22%.

Operational water withdrawal trend

Operational water withdrawal increased by 9% to 18.3 million m³ (F2022: 16.8 million m³) mainly due

to improved accounting of rainfall at Two Rivers Platinum Mine and an increase at Black Rock Mine due to mining deeper (which requires fissure water to be removed for safety).

Water reuse efficiency, a KPI in monitoring and managing consumption and losses, was 78% (F2022: 79%).

Total water output increased to 733 063m³ in F2023 (F2022: 242 836m³).

Outputs have increased in F2023 relative to F2022 due to accounting changes in line with the application of the revised ICMM guidance. Outputs now include supplies to third parties (part of other managed water) that was previously reported separately as "diversions".

Water targets

Context-based water targets were finalised for the mines in F2022. The targets include quantitative and qualitative targets and commitments relevant to the multi-dimensional risks specific to each operation. Across the 27 targets set for the six mines, 15 were met, seven are on track to be met within the target timelines and five were not met.

In F2023, context-based water targets were set for Cato Ridge Works and Machadodorp Works.

 Refer to 2023 climate change and water report for operations' context-based targets and performance during the year.

Water discharge incidents

All operations run closed-water circuits to maximise recycling and reuse, but discharges are unavoidable in certain instances, such as during heavy rainfall. We categorise discharges on a level 1 to level 5 classification of environmental incidents based on size/scale of the impact, sensitivity of 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.

Discharges are reported in terms of quality and volumes, and investigated to identify root causes, learnings and key actions to remediate 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.

In F2023, we had one level 4 (discussed below) and no level 5 water discharge incidents.

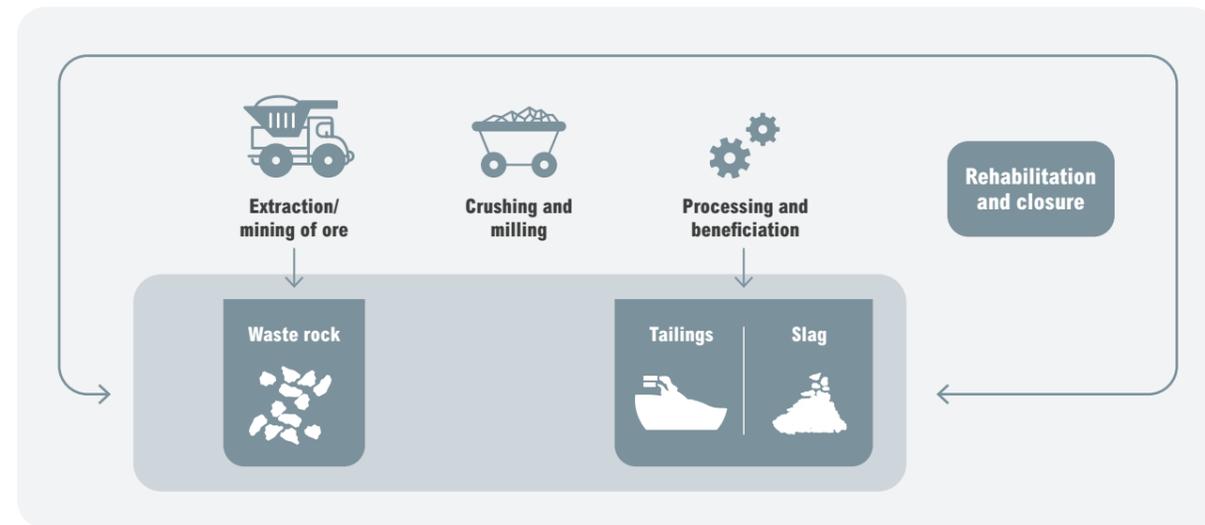
Operation	Incident
Modikwa	On 10 July 2022, a tailings slurry pipe leak was identified near south 2 shaft T junction. The tailings slurry flowed into the dry Hwashi tributary and dry Moopetsi riverbeds. The leaking pipe was replaced and spillage cleaned to prevent further impact. The incident was reported to the provincial DWS.

There were no incidents of material hydrocarbon spillage of a scale reportable to the authorities in F2023 (F2022: none).

Environment continued

Waste management

ARM's most material waste stream is mineral waste. Slag, waste rock and tailings are the main by-products of mining, beneficiation and smelting processes, and are produced in proportion to production. We focus on mining and process efficiencies to minimise these volumes.



Non-mineral waste streams include domestic waste from our offices, oil from trackless mobile mining and production machinery, and medical waste from the clinics. These are strictly managed and waste is sorted to increase recycling rates and ensure proper disposal. Waste that cannot be recycled is sent to appropriate facilities and safe-disposal certificates are obtained. Waste inventories record the source, volume and type of waste generated by each process, as well as the disposal method. The operations report the volume and type of waste generated and disposed monthly on the South African waste information system.



Conveyor at Black Rock

Waste stream	Source	Disposal sites	F2023	F2022
Mineral waste				
Waste rock	Non-ore-bearing rock removed in ore extraction process.	Waste-rock dumps are used to backfill and rehabilitate open-pit workings.	59.9mt	66.6mt
Tailings	Finely milled waste material suspended in water produced by processing metals and minerals.	Tailings storage facilities.	9.0mt	9.0mt
Slag	Main industrial waste product from 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 5 061t Recycled 164 818t	Disposed 15 060t Recycled 190 878t
Non-mineral waste				
Domestic waste	Produced by operational, administrative and support functions.	Licensed municipal landfill sites.	2 795t	2 936t
Hazardous waste	<ul style="list-style-type: none"> Oil-contaminated material Oil filters from vehicle maintenance Medical waste from the clinics Fluorescent tubes, etc 	Registered waste-disposal facilities. Safe-disposal certificates obtained for each hazardous waste stream.	4 091t	3 073t

t – tonnes, mt – million tonnes.

Waste rock produced decreased due to a ten-day planned shutdown at Khumani Mine in December 2022, reduced waste development at Black Rock mine, lower production at Beeshoek Mine and a change in mining method at Modikwa Mine.

Domestic waste to landfill decreased by 5% against F2022, in line with our target of a minimum 5% reduction. Hazardous waste disposed increased by 33% to 4 091 tonnes, mainly due to accumulated oil-contaminated material at Modikwa Mine due to a change in hazardous waste disposal service provider and cleaning as part of an upgrade to the vehicle workshop, as well as accumulated contaminated soil from F2022 at Khumani Mine disposed this year after drying out. Operations are investing in rehabilitating contaminated soil to limit the volume disposed to landfill sites.

Recycled waste

	Scrap metal	Paper	E-waste	Wood/timber	Plastic	Cans	Fluorescent tubes	Boxes	Building rubble (reused/recycled)	Tyres	Tyres	Used oil
	Tonnes									Tonnes	Numbers	Litres
F2022	5 918	30	10	283	233	144	9	48	119	0	2 313	1 029 719
F2023	5 194	17	19	242	284	54	1	24	4	30	3 165	1 158 032

In F2023, the total cost of safe waste disposal of domestic and hazardous waste to avoid negative impacts was R47.1 million. In F2023, ARM operations recycled 5 869 tonnes of waste (excluding slag recycled) (F2022: 6 797).

The ARM Ferrous mines are participating in a collaboration with other mines in the Northern Cape to investigate the feasibility of establishing a facility to recycle and beneficiate waste tyres. The envisaged business model also aims to support local economic development by creating jobs and providing opportunities for local SMMEs.

Environment continued

Responsible management of tailings storage facilities

During processing and beneficiating mined ore, it is finely ground and mixed with water and chemicals to separate minerals from waste. The mix of finely ground waste rock and water that remains after beneficiation is known as tailings (or slurry) and is disposed of in tailings storage facilities (TSFs).

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

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 life cycle. Strict internal standards and practices are aligned with local regulations and internationally recognised good practice.

GISTM was launched in 5 August 2020 with the goal of zero harm to people and the environment. It sets a global benchmark for achieving strong social, environmental and technical outcomes

for the management of TSFs. ARM mines have 13 active TSFs, shown in the table on the following page.

Conformance with GISTM in F2023

ARM and its JV partners have adopted GISTM at all mines and good progress has been made in achieving full conformance.

Conformance to GISTM was self-assessed at Nkomati, Two Rivers, Modikwa and Khumani mines during the year, followed by GISTM conformance verification third-party validation in July 2023.

Reviews by independent tailings review boards for each TSF were conducted in August 2022 at Modikwa Mine, November 2022 at Khumani Mine, and in July 2023 at Two Rivers and Nkomati mines. In August 2023, we released the ARM report on conformance to GISTM (available on our website)

to provide public disclosure and confirmation that ARM operations have implemented effective risk management processes and systems to ensure that TSFs are managed effectively and that any risk to people and the environment is identified and mitigated.

Bokoni is planning to conform to GISTM by August 2024. The TSFs at Black Rock and Beeshoek mines are classified as lower risk and these mines will conform by August 2025.

ARM and its JV partners will ensure that its TSFs continue to be operated in a safe and responsible manner to the benefit of all stakeholders involved.

FOCUS FOR F2024

Safe and responsible operation of all TSFs, aligned to GISTM.

	Mine/Tailings storage facility	GISTM consequence classification	GISTM conformance	
ARM Ferrrous	Black Rock ¹	Nchwanging II	Significant	Planned for August 2025
		Gloria	Significant	Planned for August 2025
		Nchwanging II New	Significant	Planned for August 2025
		Nchwanging IIb	Significant	Planned for August 2025
	Beeshoek	Low risk	Planned for August 2025	
ARM Platinum	Nkomati	Onverwacht	Extreme	Reported August 2023*
		Co-disposal	Extreme	Reported August 2023*
	Two Rivers	Old TSF	Extreme	Reported August 2023*
		De Grooteboom	Extreme	Reported August 2023*
	Modikwa		Extreme	Reported August 2023*
	Bokoni Mine	Dam 5	Extreme	Planned for August 2024
		Dam 6	Extreme	Planned for August 2024

¹ Black Rock Mine is commissioning a fifth facility.

* Refer to ARM's report on conformance to GISTM available on our website at www.arm.co.za.

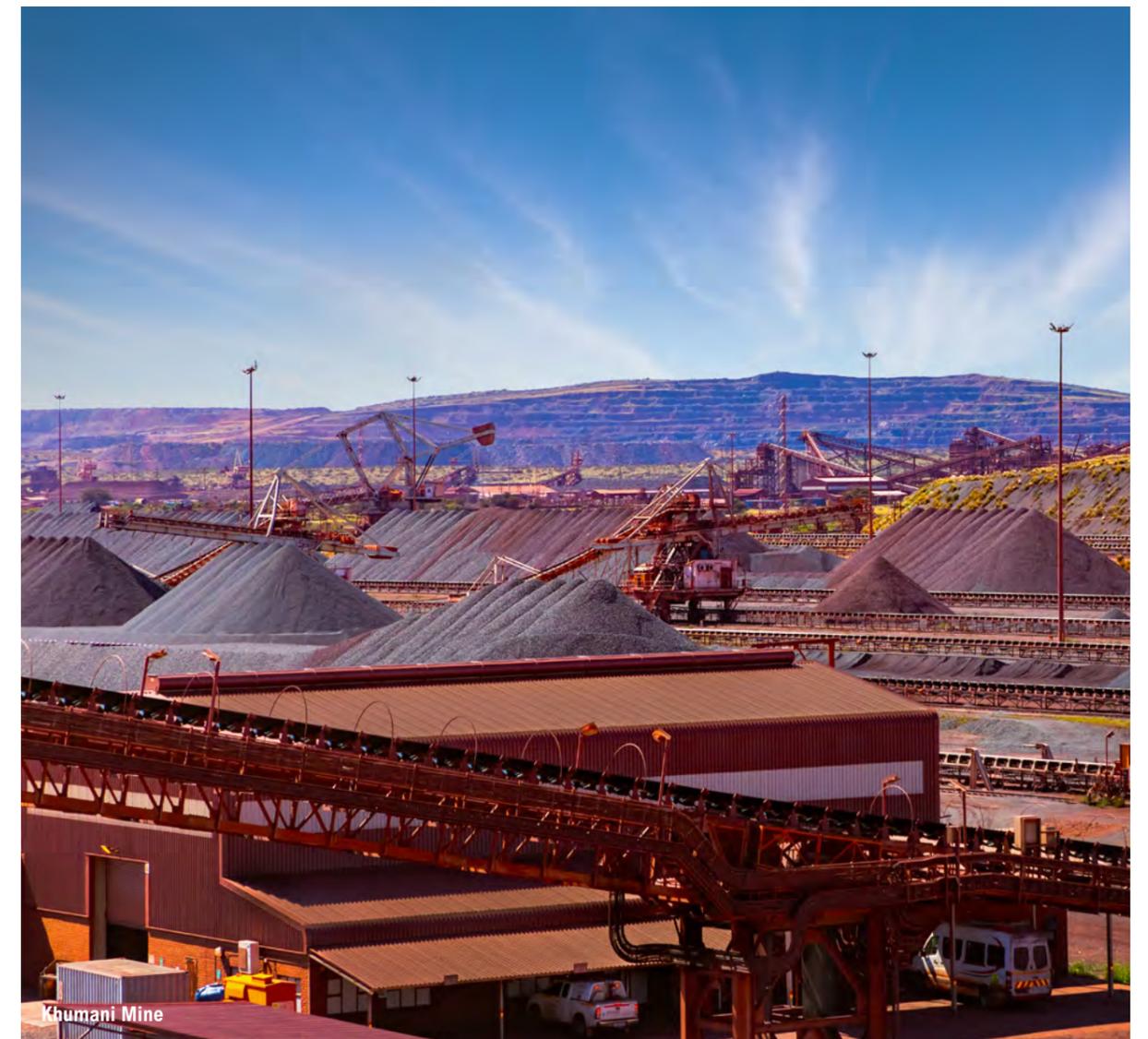


Air quality

Smelting at Cato Ridge Works results in emissions of nitrogen oxides, sulphur oxides, carbon dioxide and particulate matter. The operation has an approved air emission licence, issued in terms of the National Environmental Management: Air Quality Act. An air-cleaning system manages emissions. Its availability is continuously monitored and regularly reported to local and provincial authorities as required by the licence conditions. In F2023, the air-cleaning system achieved 100% availability, compared to the required level of 98%.

Dust suppression measures at all operations aim to minimise airborne dust levels, including seeding vegetation on TSF walls, water sprays and surfactants. Dust fall-out is measured with dust buckets and operations in line with SANS standards. Ambient noise and vibrations are monitored and managed within the required levels.

	F2023	F2022
Nitrogen oxides (NOx)	374t	366t
Sulphur oxides (SOx)	249t	257t
Particulate matter	213t	276t



Khumani Mine

Land use management and biodiversity

Land use management

Responsible mining requires that we prevent or mitigate the environmental impacts of our activities, which may 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 life cycle, 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.

EIAs in terms of the relevant legislation identify potential impacts on the natural environment. Remedial measures are documented in environmental authorisations and the EMPs. Systems to ensure compliance with legal and other requirements include compliance audits, specialist environmental studies, environmental monitoring and regular site inspections.

Biodiversity

Mines are often in remote and environmentally sensitive areas. Two Rivers and Modikwa mines, as well as Machadodorp and Cato Ridge Works, are close to areas of high biodiversity.

ARM's 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. Biodiversity studies included in the land-use planning aspects of EIA and/or EMP processes establish baselines and identify potential risks to biodiversity and the landscape. These processes include structured engagements with community forums, local municipalities and other affected stakeholders.

Biodiversity action plans (BAPs) and associated biodiversity management programmes (BMPs) are in place at all operations. BAPs are designed to protect and restore biological systems, and 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.

Induction training for employees and contractors includes environmental training that incorporates aspects of biodiversity. Impacted areas are monitored continuously in terms of the BMPs and operational biodiversity performance is included in regular 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, through a memorandum of understanding with eThekweni Municipality, sponsors the Wildlands Trust to conserve grasslands in the Inanda Dam area
- Khumani Mine partnered with the DFFE and Department of Nature Conservation in the Northern Cape to establish a biodiversity offset area that is being registered as a nature reserve
- A full-time team at Nkomati Mine continuously manages alien invasive plant species inside mine boundaries as part of a stream flow-reduction activity programme
- Black Rock Mine is securing land to establish a biodiversity offset area.

Rehabilitation and closure

When mining activities cease 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.

Closure and rehabilitation quantum assessments are conducted annually by independent specialists against the requirements of relevant legislation, EMP closure commitments and applicable good practice, including ICMM guidance. Liabilities for rehabilitation obligations are funded in trusts at each mine with annual contributions and/or guarantees. Rehabilitation provisions align with regulatory requirements, including those in the NEMA: Financial Provisions Regulations that are currently awaiting promulgation. Effective governance structures are in place for each trust to oversee planning and budgeting.

Final closure and rehabilitation reports as well as annual rehabilitation plans are developed for each mine based on the annual independent assessments. These reports, plans and proof of financial provision are submitted to the DMRE. Mine closure is considered as an integral part of our mining activities and operations undertake rehabilitation activities concurrently wherever possible.

The ARM mines have implemented ICMM's closure maturity framework self-assessment tool, which aligns with the ICMM integrated mine closure good practice guide to assist members to map, motivate and measure the status of assets on their journey to sustainable closure.

As at 30 June 2023, the total estimated closure cost across the ferrous and platinum divisions on a 100% basis was R3.6 billion (F2022: R3.1 billion). The estimated balance of the trust funds was R577 million at June 2023 and guaranteed facilities are in place for a further R1.6 billion, representing total trust funds and guarantees (contributions) of R2.2 billion.

The value of shortfalls in provisions at some operations are small compared to assets at the operations and annual cash flows they generate.

Nkomati Mine remains on care and maintenance since 15 March 2021. ARM is evaluating various options regarding the way forward for the mine.

At 30 June 2023, the estimated undiscounted rehabilitation costs attributable to ARM were determined to be R932 million (30 June 2022: R771 million) excluding VAT.

The increase in the undiscounted liability of R161 million is attributed mainly to the provision for the short to medium-term water management costs.

The discounted rehabilitation costs attributable to ARM were determined to be R802 million (30 June 2022: R676 million).

At 30 June 2023, R141 million (attributable to ARM) in cash and financial assets was available to fund rehabilitation obligations for Nkomati Mine. The resulting attributable shortfall in discounted rehabilitation costs of R661 million is expected to be funded by ARM.

Nkomati Mine's estimated rehabilitation costs continue to be reassessed as engineering designs evolve and new information becomes available. Refer to note 40 of the annual financial statements.

 Refer to note 40 of the annual financial statements.

Key metrics	F2023	F2022
Total mining right area	45 891ha	45 891ha
Land disturbed in current year	111ha	109ha
Land rehabilitated in current year	14ha	26ha
Total land disturbed to end of year	7 475ha	7 389ha
Total land disturbed rehabilitated to end of year	264ha	250ha*

* Revised for updated survey results. More information on biodiversity at an operational level is available in the tables on our website at www.arm.co.za.

Schedule of financial provision for closure and rehabilitation 100%

Operation	Estimated closure cost as at 30 June 2023 R	2023 trust fund contribution R	Estimated trust fund balance as at 30 June 2023 R	Guarantees R	Total provision, including guarantees R	Anticipated shortfall excluding guarantees R	Anticipated shortfall including guarantees R
Beeshoek	193 527 713		121 649 151	74 136 951	195 786 102	71 878 562	2 258 389
Khumani	512 250 472		130 560 134	362 859 325	493 419 459	381 690 338	(18 831 013)
Gloria*	80 391 378		39 760 179	193 861 568	233 621 747	40 631 199	153 230 369
Nchwaning*	121 304 372		22 451 838	23 376 022	45 827 860	98 852 534	(75 476 512)
Black Rock*	319 158 269		45 226 746	81 928 511	127 155 257	273 931 523	(192 003 012)
Two Rivers	360 122 000	–	43 995 534	289 799 747	333 795 281	316 126 466	(26 326 719)
Nkomati	1 598 054 645	–	132 164 365	150 571 873	282 736 238	1 465 890 280	(1 315 318 407)
Modikwa	451 434 662	–	41 375 316	430 064 359	471 439 675	410 059 345	20 005 014
Total	3 636 243 511	–	577 183 262	1 606 598 356	2 183 781 618	3 059 060 248	(1 452 461 893)

* Part of Black Rock Mine.

Environment continued

Land use management and biodiversity

REHABILITATION AT THE ONVERWACHT TSF

Nkomati Mine was placed on care and maintenance in March 2021 while ARM evaluates options regarding the way forward for the mine. The mine continues to undertake progressive rehabilitation of the TSF top wall to fulfil its rehabilitation commitments in the approved consolidated EMPR of 2016.

The Onverwacht TSF is one of two active TSFs at the mine. The TSF is situated approximately 14 kilometres from the processing plant and has a footprint of 180 hectares with a perimeter of 5 500 metres. The TSF was designed by an independent engineering company as an upstream constructed valley impoundment, commissioned in 2010 and is currently filled to 50% of the intended design capacity.

Progressive rehabilitation of the top wall of the Onverwacht TSF started in May 2022 to prevent dust generation and erosion of the top wall, which covers a surface area of approximately 53 000m².

At the start of the process, the wall was reshaped to blend it with the topography of the existing landform. The reshaped wall was covered with a 300mm layer of topsoil and then seeded with a mixture of local grass species.

The wall was revegetated using the posi-seed method, an environmentally friendly mineral mortar coating solution comprising seed mixtures, fertiliser, ameliorant¹, binders, a setting agent and mulch that creates a microclimate suitable for seed germination.

The wall has revegetated well, with a diverse and self-sustaining combination of five local grass species, providing key elements for ecosystem restoration as per Nkomati Mine rehabilitation commitments. The grass coverage mitigates dust generation on the TSF wall and prevents erosion, thereby increasing slope stability.



GISTM conformance, Nkomati and Onverwacht



¹ Soil ameliorants are chemical soil conditioning products that enhance the quality of soil.

Social

Healthcare workers at Modikwa

Our people	
Climate change and energy	82
Water management	86
Waste management	94
Our social impact	
Community impacts	104

ARM is committed to operating sustainably, ethically and with full regard for the interests of our stakeholders, mindful of our responsibility to manage and mitigate potential negative impacts.

Social – our people

Safety

REPORTING CONTEXT



FTSE/Russell:
Health and safety



F2023 FOCUS AREAS

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

Safety

ARM's aim is zero harm and we continue to focus on initiatives across our operations to reinforce continual safety training and ensure safety standards are strictly upheld. Safety sits at the core of our values and strategy, and is one of our key

indicators of operational performance. Ensuring a safe working environment for our employees and contractors is not only a moral imperative, it also improves productivity, efficiency and relationships with our stakeholders.

F2023 PERFORMANCE

- Tragically, there was one fatality in F2023 (F2022: two)
- Lost-time injuries (LTIs) reduced from 60 in F2022 to 54 in F2023
- LTIFR improved to its lowest of 0.27 (F2022: 0.31) and severity rate improved to 26.2 days (F2022: 33.3)
- Black Rock Mine achieved 11 million fatality-free shifts and has been fatality-free for more than 14 years
- Khumani Mine achieved 5 million fatality-free shifts and has been fatality free for more than eight years
- Beeshoek Mine has been fatality-free for over 20 years
- Cato Ridge Works achieved 3 million fatality-free shifts and has been fatality-free for more than 15 years
- Modikwa Mine achieved 1 million fatality-free shifts
- ARM Ferrous reduced LTIs by 13% year on year and ARM Platinum reduced LTIs by 9%
- Ongoing benchmarking and sharing good practices between operations and at industry level
- CCM fully implemented at ARM Ferrous mines; advanced stage at Modikwa and Two Rivers mines and Cato Ridge Works
- Implementation of level 9 of collision avoidance system on track within timelines agreed with DMRE
- Integrated contractor safety management system rolled out at Modikwa and Two Rivers Mines.

F2024 FOCUS AREAS

- Zero fatalities and zero harm to employees and contractors
- Reduction in injuries and severity of injuries
- Complete implementation of CCM process, with verification of effective implementation at remaining operations
- Continued learning, internally among operations and from engagement with peers and industry associations
- Integrated contractor safety management system to be rolled out at ARM Ferrous
- Implementation of level 9 of collision avoidance system.

How we manage safety

Group safety policies inform operational safety policies and strategies that are adapted to meet specific challenges and milestones at each operation. ARM's wellness management programme integrates occupational hygiene, health and safety.

Key safety issues linked to mining, crushing and milling, as well as processing and beneficiating minerals and metals, include fall-of-ground, trackless mobile machinery, working at heights, fatigue, conveyor belts, winches and rigging.

Continuous workplace hazard identification and risk assessments at the operations identify specific safety and health risks. Risk assessments 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.

Appropriate controls are put in place to mitigate risk and prevent harm. Hazards and mitigating controls are included in standard operating procedures used for on-the-job training.

Contractors are treated as employees, receive the same training and are included in our safety reporting, as required by legislation and industry standards.

Safety training is provided to employees and contractors at induction, while continual on-the-job and competency training entrench a culture of safe working

practices. Supervisors conduct regular planned task observations to ensure that correct safety procedures are understood and followed, and to create opportunities to coach and improve safe task execution.

Assessing and monitoring safety processes and performance

All safety incidents are investigated to identify root causes of injuries and develop plans to prevent recurrences. These are discussed in detail in operational safety meetings, operational management meetings and quarterly joint-venture sustainable development (SD) committees, and reported to the quarterly ARM social and ethics committee meetings. Safety learnings are shared across the group.

Leading¹ and lagging² safety indicators are reported and monitored at quarterly operational and divisional SHEQ and related meetings, corporate SHE meetings, SD committee meetings, and at quarterly meetings of the ARM social and ethics committee. Short-term incentives for operational, divisional and corporate staff include safety performance indicators, and safety modifiers are included in executive short and long-term incentives (see remuneration report). Safety indicators are externally assured annually as part of the ESG reporting process.

Alignment with global standards and industry 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. Modikwa Mine is conducting a gap analysis in preparation for future certification in terms of the standard. Nkomati Mine is on care and maintenance and certification of Machadodorp Works is not currently planned due to the significant reduction in activities at that operation.

We participate in industry health and safety forums and initiatives to share and adopt good practice to improve health and safety performance. These include:

- The Mine Health and Safety Council's (MHSC) culture transformation framework, which arose from a tripartite (government, organised labour and industry) process. The 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 framework's goals.
- The Mining Industry Occupational Safety and Health (MOSH) initiatives and related learning hub. These were developed to facilitate learning and propagate leading practices from areas of excellence to support the industry to meet the tripartite occupational health and safety targets and milestones. ARM is represented in the Minerals Council's MOSH taskforce and its occupational health and safety policy committee by the group occupational health and wellness superintendent.
- As an ICMM member, we have access to a network for learning from peers and implementing industry good practice.

¹ Leading safety indicators are proactive measures that track 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.

² 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.

Social – our people continued

Safety continued

ARM monitors and reports internally against the MHSC milestones and targets 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.

Current safety initiatives

Critical control management (CCM) has been fully implemented at ARM Ferrous mines and is at an advanced stage at our other mining operations. CCM is a systemic process to ensure critical controls are in place and effective to manage the risk of material unwanted events. It is globally recognised as a process that could significantly help to prevent disabling or fatal accidents.

Safety around transport and trackless machinery is an area of focus and 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.

In October 2022, the DMRE informed the industry that implementation of level 9 of the collision avoidance system (CAS) would be compulsory with immediate effect. ARM mines had already started ensuring compliance with CAS level 9 in F2022 and are engaging with the DMRE to secure extensions. The mines are submitting monthly progress reports towards completion within these timeframes.

The ARM mines are also preparing initiatives to address new requirements for mine and conveyor-belt fire prevention.

Performance in F2023

Regrettably, there was a fatality at Two Rivers Mine on 9 November 2022 when a contractor employee, Mr Seutlwadi Esron Ramathesela, an engineering assistant, was injured and later succumbed to his injuries. We extend our deepest condolences to his family, friends and colleagues.

An independent safety specialist was engaged to conduct root-cause investigations, identify contributing factors and compile proposed remedial actions. Learnings were shared across the group and presented to the ARM social and ethics committee in a detailed briefing, which included

opportunities for further improvement in our safety systems. Remedial actions, as agreed with the DMRE, were implemented at the mine.

ARM operations recorded 54 LTIs in F2023, 44 reportable injuries and 121 recordable injuries (F2022: 60, 42 and 134 respectively). The ARM FFR reduced to 0.005 (F2022: 0.010) while the LTIFR improved to 0.27 per 200 000 man-hours (F2022: 0.31), the group's lowest-ever rate. The TRIFR improved to 0.62 (F2022: 0.70).

The LTIFR improved by 20% in the platinum division and increased by 3% in the ferrous division.

The severity rate (days lost to LTIs per 200 000 man-hours) improved to 26.2 days from 33.3 days. Safety achievements during the year included:

- Black Rock Mine completed 11 million fatality-free shifts and 14 consecutive years fatality-free
- Khumani Mine achieved 5 million fatality-free shifts

- Beeshoek Mine completed more than 20 consecutive years fatality-free
- Modikwa Mine completed 1 million fatality-free shifts
- Modikwa and Two Rivers mines improved their LTIFRs by 19% and 16% respectively.

OPERATION	TOTAL FATALITY-FREE SHIFTS WORKED*	LAST FATALITY
Beeshoek Mine	5 473 507	March 2003
Black Rock Mine	11 317 123	April 2009
Khumani Mine	5 148 447	April 2015
Cato Ridge Works	3 004 813	February 2008
Machadodorp Works	1 253 084	February 2011
Modikwa Mine	1 326 730	June 2022
Two Rivers Mine	569 190	November 2022
Nkomati Mine	641 821	October 2019

* As at 30 June 2023.

Modikwa Mine

Modikwa Mine is our only conventional stope-mining operation and consequently has a higher inherent risk. It also has the largest workforce and contributes roughly one-third of total man-hours worked in the group. 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. Self-imposed stoppages have increased significantly and regular safety campaigns are run

to emphasise the importance of safety and embed safety culture. These initiatives have contributed to a 45% drop in LTIs reported and a 48% improvement in LTIFR in F2023 compared to F2019.

Bokoni Mine did not record any LTIs during F2023.

Section 54 and 55 notices

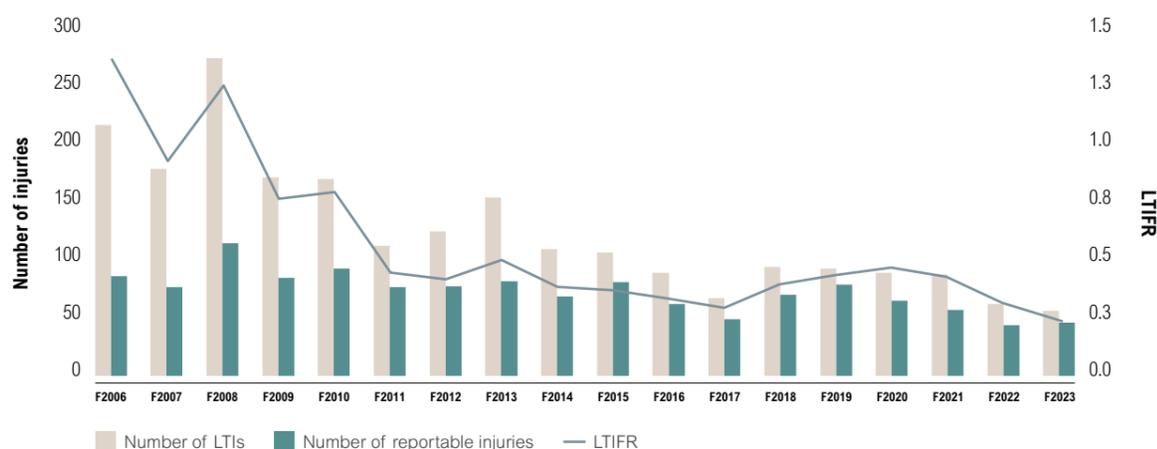
The DMRE issued 30 section 54 notices at ARM operations (F2022: 20) and 136 shifts (or part-shifts) were affected by these stoppages (F2022: 78). 25 notices were issued in the ARM Platinum division – 16 at Modikwa Mine and nine at Two Rivers Mine.

Nine section 55 notices were issued 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 F2023 (F2022: 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.

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



Social – our people continued

Occupational health and wellness

REPORTING CONTEXT



FTSE/Russell:
Health and safety




Occupational health and wellness

Our commitment to support the health and wellness of the people who work at ARM is enshrined in our values and commitment to safe and sustainable mining. The integrated

wellness management programme is designed to prevent occupational health hazards from affecting employee health. It actively identifies and manages health risks and chronic conditions that may affect wellness and quality of life.

Occupational hygiene and medical surveillance

Comprehensive risk-based mandatory medical surveillance programmes identify and monitor for health risks relevant to each workplace and occupation, supported by occupational hygiene surveillance that provides leading indicators on exposure to hazards in the workplace. The occupational medical surveillance programme aligns with the requirements of the Mine Health and Safety Act (mining operations) and Occupational Health and Safety Act (smelters). Surveillance examinations are conducted at pre-employment medicals, periodic surveillance medicals, medicals when changing job roles and exit medicals.

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

Training and awareness

Occupational health and hygiene training is provided at induction, wellness officers and peer educators provide ongoing training and awareness, and the operations run regular awareness campaigns. In F2023, 21 457 employees and contractors were trained on health and safety standards. This includes health, hygiene, wellness and safety training at induction, certified health and safety training, awareness programmes and training in health and safety standards.

Operational wellness committees comprising representatives from the company, employees and organised labour meet regularly to discuss

occupational health, hygiene and wellness, and promote a partnership approach to managing wellness.

Assessing and monitoring

Operational clinics are audited annually by a certified external auditor against legal requirements. The group occupational health and wellness superintendent conducts annual audits of operational wellness management programmes against the ARM health and wellness standard. The standard incorporates the requirements of relevant legislation, reporting frameworks, industry good practice and SANS 16001 (the South African National Standard on Disease and Wellness Management). These audits 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.

The average ARM standard audit score increased to 88% in F2023 (F2022: 77%) against our target of 85%. The improved performance follows the appointment of a wellness officer at Modikwa Mine and assigning specific responsibility for implementing the standard at Cato Ridge Works. We also removed indicators from the audit at Machadodorp and Nkomati Mine that were no longer applicable as these operations have limited activities and staff.

Other assurance includes:

- Quarterly reviews by an external occupational health expert
- Annual audits of operating procedures and practices by an independent occupational health medical practitioner
- Assessments of operational wellness management programmes through external certification audits for SANS 16001 and ISO 45001:2018

- Health indicators included in the annual external assurance of ESG data.

Alignment with global standards and best practices

ARM's integrated wellness management programme aligns with SANS 16001 and the three mines in ARM Ferrrous are certified in terms of the standard. Two Rivers Mine and Cato Ridge Works are certified in terms of ISO 45001:2018 (the international occupational health and safety standard). Modikwa Mine is conducting a gap analysis to prepare to implement an integrated management system in terms of the ISO standards for future certification.

The wellness coordinators at Modikwa, Two Rivers, Khumani, Beeshoek and Black Rock mines have completed training on the implementation of SANS 16001, which includes HIV and Aids.

Contributing to national and global priorities

Our approach to occupational health and wellness complies with regulatory requirements and supports national and global goals, including:

- Requirements of the DoH, DoEL, DMRE and the MHSC
- The occupational health and hygiene milestones – 10-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

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.

F2023 PERFORMANCE

- No occupational respiratory diseases detected
- Ongoing monitoring of hearing conservation through audiometric tests as part of scheduled periodical medical surveillance
- Employees receiving HIV counselling and voluntary treatment increased
- TB incidence remains below national and industry rates
- ARM's contribution to the fight against Covid-19 received a special recognition award from the South African Mining Hall of Fame
- Continued TB, HIV and Aids community outreach, including significant schools health initiative in the Northern Cape
- We continue to monitor and address uncontrolled hypertension and diabetes mellitus type 1 and 2.

F2024 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 95-95-95 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.

How we manage occupational health and wellness

ARM's integrated wellness management programme addresses occupational health and wellness, and includes comprehensive programmes to manage the primary and chronic health challenges that affect our workforce. Health and wellness policies are set at group level and implemented and overseen

across the group, with coordination by the group occupational health and wellness superintendent.

Wellness programmes at the operations are overseen by trained occupational health and wellness coordinators. The clinics at the 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.

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).

Social – our people continued

Occupational health and wellness continued

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 90-90-90² 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

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

- Identifying potential hazards and risk assessments
- 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.

Occupational health focus areas

Noise-induced hearing loss (NIHL)

Occupational respiratory diseases from exposure to particulate matter, fumes and hazardous substances.

The medical surveillance programme measures and records baseline information for relevant indicators, such as hearing and lung capacity. The programme regularly monitors indicators and deteriorations from baselines are followed up with counselling, training and, where appropriate, the use of personal protective equipment.

Hearing conservation and noise-induced hearing loss (NIHL)³

Exposure to noise in the workplace 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.

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.

Regular audiometric tests include specialist indicators that provide early warning before actual hearing loss occurs. Where tests indicate a deterioration from baseline, counselling and coaching is provided as well as training from clinic personnel, and we reconfirm the appropriateness and effectiveness of HPDs. To identify the root cause of the deterioration, we check exposure to noise at and outside the workplace. Where possible, the employee is redeployed to work in areas with low noise levels.

Percentage loss-of-hearing (PLH) shifts of 5% or more are reported to the DMRE and investigated as per section 11.5 of the MHSA. If the investigation suggests the shift may be due to noise exposure, cases 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. Where the examinations confirm NIHL due to workplace exposure, a claim

for compensation is submitted on behalf of the employee⁴.

There were 29 447 audiometric tests in F2023 as part of the scheduled periodical medical surveillance (F2022: 32 851). During the year we refined our reporting of PLH shifts to only report employees registering shifts above the relevant thresholds for the first time in the current year (ie excluding cases already identified in prior years). Shifts above 10% were further refined to include only those cases where specialist examinations confirmed NIHL due to workplace exposure. New cases of PLH shifts in the >5 to <10% category detected in F2023 represent 0.2% of the workforce and shifts of >10% due to workplace exposure represent 0.08% of the workforce.

Occupational lung diseases

Mitigation measures are in place at the operations to limit exposure to inhaled airborne particles and harmful substances that could damage the respiratory tract. Respiratory function is closely monitored by the medical surveillance programme.

All ARM operations' silica and platinum dust exposure are below the limits set in the MHSC milestones and the mining industry occupational exposure limit. Operations submit their survey results to the MCSA and report quarterly to the DMRE.

To date, baseline indicators from pre-employment medical surveillance indicate that cases of occupational respiratory disease detected at our operations relate to exposure prior to employment at ARM. The clinics facilitate compensation submissions on behalf of affected employees regardless of the origin of the condition.

Dust particulates

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. There is consequently minimal risk of exposure to silica at our operations.

Dust suppression is a core occupational hygiene focus and airborne dust levels are controlled using water sprays, surfactants and extractor fans. Employees are given dust masks where dust cannot be eliminated at source. No new silicosis cases have been diagnosed from exposure at ARM-managed mining operations since 2009 and no new cases were reported in F2023 (F2022: 0).

Asbestos

Asbestos fibres have been detected in the orebody at Nkomati Mine, which is currently on care and maintenance. Extensive dust-suppression and exposure-mitigation measures remain in place. The comprehensive surveillance and control programme at the mine was developed 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 F2023 (F2022: 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. No cases of overexposure to manganese were detected in F2023.

Primary health focus areas

Pulmonary tuberculosis (TB)

HIV and Aids

Sexually transmitted infections (STIs)

Diesel particulate matter (DPM)

Inhalation of DPM from diesel exhaust fumes can have 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

	F2023	F2022	F2021	F2020	F2019
Silicosis	0	0	0	3	6
Asbestosis	0	0	0	2	3
NIHL	15	13	18	14	26
Total	15	13	18	19	35

In F2023, 15 occupational diseases were identified and submitted for compensation (F2022: 13) all related to NIHL.

A medical surveillance system is in place at Bokoni Mine to monitor employees' health and wellness. No compensable occupational injuries were recorded at the mine during F2023.

Primary healthcare

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

Memorandums of understanding (MoUs) between the ARM Ferrous mines (Beeshoek, Black Rock and Khumani) and the Northern Cape DoH strengthen the implementation of provincial TB, HIV and Aids, STIs and chronic diseases strategies, and extend primary healthcare services to contractors and communities. Similar MoUs are in place between Modikwa and Two Rivers mines, and

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.

TB, HIV and Aids

TB, HIV and Aids are national key focus areas of the DoH NSP and therefore a priority in ARM's operational medical surveillance programmes. The occupational health and wellness programme integrates management of TB, HIV and Aids and STIs and prioritises early identification. 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. Awareness and education is included in induction training and promoted at wellness days, including World Aids Day on 1 December.

² From F2024, ARM will align reporting with the DoH's revised 95-95-95 target in terms of the new NSP 2023-2028.

³ More information on current and historical NIHL at operational level appears in the ESG data tables on our website.

⁴ Claims for NIHL are submitted for compensation to either Rand Mutual Assurance (mine employees) or the Medical Bureau for Occupational Diseases (employees at the smelters) in terms of the Occupational Diseases in Mines and Works Act.

Social – our people continued

Occupational health and wellness continued

Pulmonary tuberculosis (TB)

Mandatory passive TB screening is conducted at every visit to the clinics using the DoH cough questionnaire. New TB cases are followed up with workplace contact tracing to manage infection control and the employee's local community clinic 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 are monitored under the national TB management protocol and receive treatment from local DoH clinics. 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 year (CY) 2022, 69 929 TB screening tests were conducted on employees and contractors

(CY2021: 56 144) and 21 new cases were detected (CY2021: 18). 15 employees/contractors were successfully treated in CY2022 (CY2021: 20) and the percentage of employees/contractors on TB treatment successfully treated remained at 98%.

Performance

TB targets	National rate ¹	Industry rate ²	CY2022 ³	CY2021 ³
MHSC occupational health and safety milestones				
TB incidence rate below national rate by 2024*	513	241	99	94
Masoyise programme				
Mining sector TB incidence rate below national rate by 2024*	513	241	99	94

	Target	CY2022	CY2021
DoH 90-90-90 principle			
Employees screened for TB	90%	98%	98%
Employees with TB on treatment	90%	98%	98%
Employees on TB treatment successfully treated	90%	98%	98%

* Per 100 000.
¹ World Health Organization Global Tuberculosis Report https://worldhealthorg.shinyapps.io/tb_profiles/?_inputs_&entity_type=%22country%22&lan=%22EN%22&iso2=%22ZA%22.
² Masoyise Health Programme 2022 Annual Report.
³ ARM mines, excluding Nkomati, which is on care and maintenance.

TB incidence rate is below national rates (513/100 000) and industry rates (241/100 000) at ARM mines (99/100 000).

HIV and Aids

Employees are encouraged to know their HIV status and take responsibility for managing their wellness. At every visit to primary healthcare facilities, employees are offered (but not obliged to take up) HIV counselling and voluntary testing (CVT). Trained peer educators provide ongoing awareness and training, and give formal feedback on their activities.

HIV-positive employees can choose to register and receive antiretroviral treatment (ART) from government

clinics or enrol on ARM's disease management plan and receive ART from clinics at the operations under MoUs with 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.

The ARM group HIV and Aids policy emphasises the right of employees to confidentiality and non-discrimination on the basis of HIV status. As a consequence of this confidentiality, it is difficult to assess the true percentage of employees living with HIV who know their status (the first element of the DoH 90-90-90 principle), because our reported figures only

include employees on ARM disease management plans or who have voluntarily disclosed their status.

Average estimated HIV prevalence at ARM operations is 7.7% (F2022: 8.9%), which is well below the district and provincial indicative HIV prevalence rates from the operational clinics.

A total of 40 640 employees received HIV CVT in F2023 (F2022: 30 235) and employees electing to undergo HIV testing increased to 19 880 (F2022: 13 430). All operations have implemented the DoH test-and-treat policy. A total of 1 239 employees and contractors were on ARM disease management plans and received ART from our wellness centres during the year (F2022: 1 398).

Performance

HIV and Aids targets*	Target	F2023	F2022
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%	77%	83%
HIV positive employees on ART	90%	96%	97%
Employees on ART who achieve viral suppression	90%	93%	90%

* Excludes Nkomati Mine (on care and maintenance).

Community outreach for TB, HIV and Aids

ARM supports community initiatives to promote early detection and treatment for TB, HIV and Aids, including community wellness centres and home-based care groups. The operations facilitate community awareness and testing campaigns and, where possible, work with local Aids councils to ensure community projects address the most-pressing wellness and health needs.

Covid-19 management

The World Health Organization (WHO) declared that Covid-19 is no longer a public health emergency of international concern. The DoH eased all Covid-19 regulations and protocols, but ARM operations continue with Covid-19 management as dictated by the outcomes of risk assessments.

During the year, ARM's contribution to the fight against Covid-19, which included community vaccinations at the mines (apart from Nkomati Mine), received a special recognition award from the South African Mining Hall of Fame.

Employee wellness

Wellness programmes at all ARM managed operations and the corporate office provide holistic wellness management, including 24/7 clinical and professional wellness support for employees and their dependants through a toll-free line.

Wellness service providers at all operations (except for Nkomati Mine and Machadodorp Works, which are on care and maintenance) provide the following services:

- Mental health support
- Psychosocial counselling
- Legal advice and coaching
- Financial wellness advice
- Face-to-face counselling with accredited therapists
- Group and trauma counselling (crisis intervention post trauma).

Chronic conditions

The integrated health risk and wellness management programmes at the operations monitor chronic conditions with affected employees and contractors recorded in chronic disease registers. These people are monitored according to occupational risk exposure profiles, with particular reference to high-risk occupations. Uncontrolled cases are declared temporarily unfit until their chronic condition is brought under control and they are declared fit by the occupational medical practitioner.

Affected employees and patients and their compliance with prescribed treatments are monitored and managed by the clinics. Contractors 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. Medical surveillance includes blood pressure and body

mass index, which are monitored by occupational medical practitioners. Programmes to promote physical activity and raise awareness on diet and lifestyle to address chronic conditions are in place at the operations.

Chronic health focus areas

- Uncontrolled hypertension
- Diabetes
- Epilepsy

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

Diet and lifestyle advice is available to employees through dietitians and employee assistance programmes. Clinics work with stakeholders including the DoH and community NGOs to provide wellness campaigns in the workplace and the community.

The prevalence of hypertension in the workforce increased marginally to 16.1% (F2022: 16.0%).

Social – our people continued

Occupational health and wellness continued

PROMOTING LEARNER HEALTH AND COMMUNITY WELLBEING

Black Rock Mine is partnering with the Northern Cape DoH in a three-year integrated school health project that supports the Integrated School Health Policy to address preventable diseases and barriers to learning in local schools.

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 educational component of the programme aims to provide knowledge that can potentially make these learners influential sources of health information and models of healthy behaviour for their families and the broader community.

The project primarily targets grade one learners and focuses on health screening, health promotion and onsite services. In F2023, the programme screened 4 314 grade one learners at 47 schools in the John Taolo Gaetsewe district. Screening included oral, vision, developmental and nutritional status assessments. Onsite treatment provided includes parasite control, immunisation and oral health, and learners were referred for further treatment where necessary. Health education was provided to 2 775 learners in grades two and three. All learners reached by the programme were given simple and graphic-rich pamphlets on various health themes to take home.

Reproductive health promotion was provided to grade six and seven learners, including the distribution of 3 500 menstrual cups to girls at the 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.



Northern Cape Operations CSI project



Charging station underground at Black Rock

Social – our people continued

Human resources management

REPORTING CONTEXT



FTSE/Russell:
Labour standards







The success of our business depends on our talent management strategy. We strive to source and attract highly skilled and experienced professionals. We aim to foster a high-performance, entrepreneurial and innovative culture by providing growth opportunities that empower employees to reach their full potential and develop fulfilling careers. Our approach to human resources management entrenches equality, fair labour practices and freedom of association in the workplace. We recognise the value of diversity, equity and inclusion, and support the ICMM's collective commitment to driving change in these areas in the workplace and communities.

F2023 FOCUS AREAS	F2023 PERFORMANCE
<p>Strategic workforce planning 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 of equity and inclusion against the employment equity plan and applicable regulators' targets.</p>	<p>All operational business plans are in line with the budget and business expansion plans. Our workforce plan aims to deliver results in relation to our productivity standards and efficiencies. Strategic workforce planning goals address all our equity compliance regulatory requirements in line with mining charter III, BEE scorecard and Employment Equity Act.</p>
<p>Talent management 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 strategy and programmes.</p>	<p>The company has mapped talent for the next 30 years with a focus on talent acquisition for future skills to close forecast gaps and mitigate the risk of talent loss.</p> <p>HR and line management are embarking on a robust succession planning process to address talent gaps to assist in talent pool/pipeline readiness to address retirees/natural attrition.</p> <p>The company has initiated the process of identifying the internal talent pipeline to ensure that employees in the succession plan are adequately developed and ready for placement purposes. Our talent pipeline includes bursars, graduates and learnership candidates.</p> <p> See page 102.</p>
<p>Learning and development 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>Training and development aims to ensure that each employee has the right skill set to perform their duties. Training spend as a percentage of payroll in F2023 was 9.3%, above the mining charter target of 5%. The company's leadership development programmes and women-specific leadership development programmes facilitate learning and upskilling of the workforce for future readiness.</p> <p> See page 101.</p>

F2023 FOCUS AREAS	F2023 PERFORMANCE
<p>Performance enhancement 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>The company has a compelling employee value proposition and a culture that promotes competitiveness, entrepreneurship and ethical standards aligned to the code of conduct. Employees have clear performance indicators and aligned individual developmental plans.</p> <p>We completed an equal pay for work of equal value project and benchmarked salaries against peer companies annually. Salaries were aligned appropriately in line with the remuneration philosophy.</p>
<p>Human capital 4.0 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>	<p>Our human capital industrial revolution 4.0 pillar has proven to be competitive, embracing innovation and creativity. Through this pillar, a number of systems and platforms have been developed to enhance and promote service delivery. These include employee master data, data integration and reporting, employee relations management, compliance reporting, performance management and reward, leave management, and talent assessment and management.</p>

FOCUS FOR F2024 AND BEYOND

<p>Strategic workforce planning 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 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 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 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 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

Managing our human capital

Our human capital strategy ensures that our HR practices are benchmarked against best practices, sustain our entrepreneurial culture, develop leadership among employees and position ARM as an employer of choice. Transformation targets are embedded in each pillar of the human capital strategy to improve reporting, monitoring and evaluation.

The strategy supports value creation by:

- Sourcing, attracting, developing and retaining people with the necessary experience and skills
- Enhancing the knowledge, skills, experience and behaviour of individuals and teams
- Providing appropriate development opportunities
- Fostering an entrepreneurial and innovative culture

- Promoting diversity, equity and inclusion in the workforce.

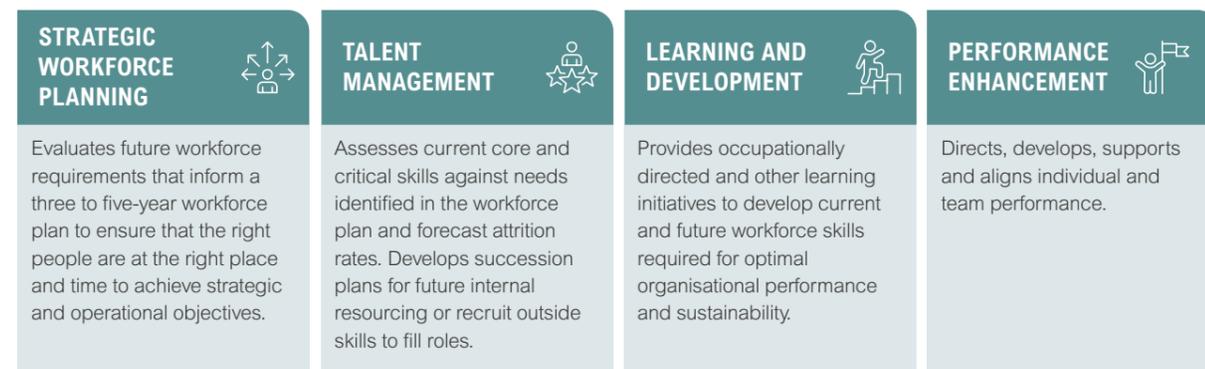
The group executive: human resources is the senior executive responsible for implementing the human capital strategy and the executive accountable for related legal compliance. Related performance indicators are monitored and reported in operational and divisional meetings. Executive-level structures that oversee human capital include the executive committee, steering committee and the employment equity and skills development committee. At a board level, the social and ethics committee, remuneration committee and audit and risk committee monitor human resources initiatives and performance.

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. This ensures that they meet stipulated legal and ethical requirements, including conditions of employment, equitable pay and leave regulations, and limit excessive working hours.

HR policies and procedures are benchmarked against international best practices by participating in and contributing to professional bodies, such as the SABPP and the Global Top Employer certification programme, which assesses our practices against 400 HR best practices over 20 topics.



ARM's human capital strategy

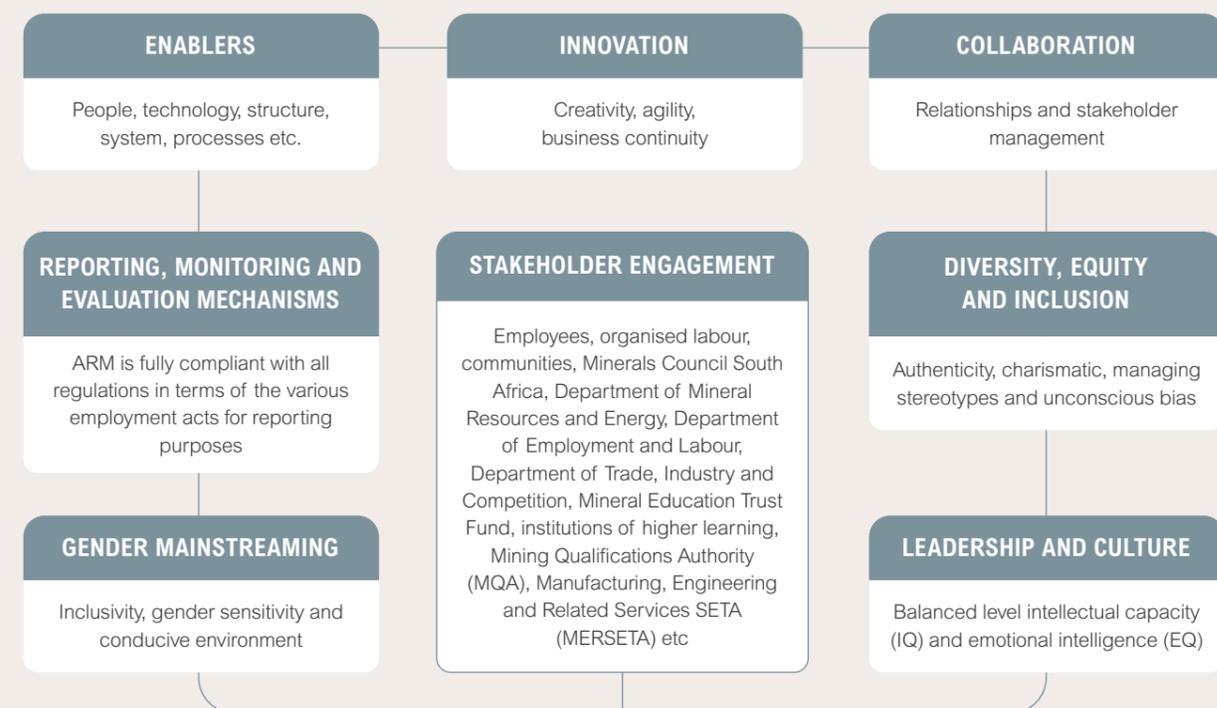


TECHNOLOGY

Technology provides an overarching strategic pillar through information systems and data-analytics tools that automate the HR strategic pillars and integrate reporting, data management and process enhancement. An online performance enhancement platform improves compliance, reporting, communication and administering the annual performance cycle. Digital transformation is a key enabler to the new world of work.

Strategic imperatives: three to five years

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



Talent management

The workforce plan sets out a three- to five-year roadmap of future workforce needs to ensure that the right human resources are in place to meet our strategic and operational objectives.

The talent management system compares current core and critical skills against the needs identified in the workforce plan and anticipated attrition rates. It integrates with our talent portal and employment equity system to align talent, succession, career development and transformational goals.

The company has mapped talent for the next 30 years to identify potential future skills gaps. These are addressed through learning and development, on-the-job training and cross-operational exposure to address deficiencies

in candidates identified as future potential successors, as well as external appointments where necessary. Regular evaluations assess employee potential and capabilities, identify areas for development and inform succession planning. Employees receive feedback and personalised development plans, outlining their potential career paths in the group. Career discussion panels assist with individual focused/targeted development.

The pool of global and local mining skills is small and ARM competes to attract and retain talent. Our compelling employee value proposition positions the company as an employer of choice.

In F2023, 98% of job offers made were accepted (F2022: 99%).

ARM's employee value proposition includes

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

Social – our people continued

Human resources management continued

There were four retrenched employees at Machadodorp Works (F2022: no retrenchments) and 72 employees took up early retirement and voluntary severance packages at Cato Ridge Works and Machadodorp Works in F2023.

Employee turnover increased to 6.5% in F2023 from 5.2% in F2022. This figure includes resignations, dismissals, retirements, retrenchments and voluntary severance packages.

At 30 June 2023, there were 22 931 employees and contractors across the group, 41% of whom were contractors (F2022: 21 610 and 41% contractors).

	F2023			F2022		
	Permanent	Contractor	Total	Permanent	Contractor	Total
Beeshoek Mine	714	485	1 199	774	468	1 242
Khumani Mine	1 881	1 777	3 658	1 892	1 900	3 792
Black Rock Mine	2 528	1 705	4 233	2 618	2 698	5 316
Cato Ridge Works	383	252	635	359	304	663
ARM Ferrous	5 506	4 219	9 725	5 643	5 370	11 013
Modikwa Mine	4 440	1 288	5 728	3 998	1 480	5 478
Two Rivers Mine	2 911	3 149	6 060	2 665	1 830	4 495
Nkomati Mine	34	88	122	30	88	118
Bokoni Mine	265	658	923	–	–	–
ARM Platinum	7 650	5 183	12 833	6 693	3 398	10 091
Machadodorp Works	80	38	118	120	120	240
ARM Corporate Office	241	14	255	251	15	266
ARM Group	13 477	9 454	22 931	12 707	8 903	21 610

Performance enhancement

Employees participate in performance reviews at least twice a year. ARM's performance-enhancement system provides an opportunity to contract on performance goals, review performance, track developmental areas and reward appropriately. It also promotes staff engagement and provides constructive feedback for development and performance improvement.

The remuneration strategy includes short and long-term incentives promoting a culture of enterprise and innovation, and is fair and achievable. We focus on pay-for-performance in designing our

variable pay structures, particularly at senior levels. Short and long-term incentives include modifiers for ESG-related indicators such as safety, BBBEE, diversity, equity and inclusion as well as climate-change performance targets.

 Remuneration strategy and implementation in F2023 on page 154.

We are committed to offering equitable, market-related and competitive salaries to all employees. We regularly benchmark our remuneration practices against comparable South African mining companies to ensure alignment with national industry standards and legislative requirements, including minimum wages. An equal pay for

work of equal value project was completed as per section 6(4) of Employment Equity Act.

We recognise the importance of addressing the wage gap between remunerating executives and employees at the lower end of the pay scale. We periodically assess the pay gap and progress is monitored by the remuneration committee. Percentage increases granted to junior employees are generally on a sliding scale, exceeding those granted to management and executives.

Promoting diversity, equity and inclusion

The ARM human rights policy was published during the year and addresses our commitment to compliance with national and international human rights principles as defined by the constitution, various acts and declarations.

 Refer to page 8.

As a company we respect and value human rights. We also have a whistleblower hotline where employees can raise concerns on any irregularities.

ARM is committed to transformation and to creating opportunities and employment for all people regardless of race, religion, gender, age, sexual orientation, nationality or disability. The code of conduct promotes equality and emphasises our zero tolerance on unfair discrimination, harassment and bullying.

ARM's group diversity, equity and inclusion programme entrenches 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.

The group executive: human resources, with the support of top leadership, oversees and monitors 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.

Implementation of the group diversity management policy is monitored by the employment equity and skills development committee. The committee 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.

Employment equity

We measure and report employment equity performance in terms of 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 (CoGP). These scorecards measure employment equity performance against the economically active population (EAP) and against mining charter targets and demographics.

ARM's legislative compliance monitoring tools ensure alignment of all transformation plans.

Management recruitment, selection, promotion and succession planning consider the EAP in driving employment equity in the workplace. The talent management system identifies high-potential historically disadvantaged persons (HDPs) with management, and drives career-path programmes to fast-track their development to senior levels in the company.

We conducted an Employment Equity Act compliance review to identify improvements in processes and controls in the context of planned amendments to employment equity legislation. Areas for improvement from the review are being addressed to ensure compliance and consistency across the group. The company continues to engage with DoEL to evaluate the impact of proposed sector targets.

The table below shows consolidated company performance against the mining charter. ARM group performance improved across all occupational categories against the mining charter in F2023.

Employment equity performance against mining charter	F2023	F2022	F2021	Mining charter III target
HDP representation				
Board	61%	56%	56%	50%
Executive management	75%	67%	65%	50%
Senior management	66%	64%	57%	60%
Middle management	76%	73%	69%	60%
Junior management	84%	82%	80%	70%
Core and critical skills	94%	91%	91%	60%

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 and oversees gender mainstreaming in the company. ARM's 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.

A gender mainstreaming development framework ensures that all phases of planning cycles, policies, programmes and projects integrate a gender perspective. Gender mainstreaming practices across the company are monitored and evaluated as part of goal setting. Group policies were reviewed by a labour-law specialist for gender sensitivity and the revised policies are being rolled out to the operations.

Awareness about gender equality, equity and mainstreaming was created through gender mainstreaming workshops at the operations to facilitate dialogue about addressing the identified gaps or challenges.

The ARM female leader profile helps to promote gender diversity in leadership, attract and retain female talent, and align leadership development programmes to ensure graduates are adequately prepared for their roles. The women development programme focuses on building the pool of female leaders by providing them with the leadership and managerial competencies required to perform optimally in their current and future roles.

During the year, we conducted a gender audit to assess the institutionalisation of gender equality in the company and identify areas for improvement. A gender action plan and framework have been developed, with progress on implementation presented to the social and ethics committee.

Talent mapping of roles from a gender perspective was completed during the year, feedback communicated to heads of department, and development plans are being implemented to address gaps identified.

ARM supports and promotes women in mining, overseen by ARM's women-in-mining forum.

We participate in provincial DMRE women-in-mining structures and in related events hosted by the Minerals Council.

Women-in-mining committees aligned with Women in Mining South Africa (WIMSA) are in place at all operations. The operations provide gender-based access control at operations' change houses and personal protective equipment (PPE) designed for women.

An ongoing programme to raise awareness about the company policy on sexual harassment and bullying is being rolled out across the group. The programme includes interactive workshops and a company-wide communication plan to emphasise the legal consequences of such incidents and provide education on respectful and appropriate behaviours in the workplace. ARM group is embarking on the second phase of gender mainstreaming to align policies with LGBTQI+ aspects.

ARM group performance improved in most levels in F2023. Recruitment and promotion efforts are focused on improving representation of women, particularly at junior management level.

Employment equity performance against mining charter	F2023	F2022	F2021	Mining charter III target
Female representation				
Board	22%	25%	25%	20%
Executive management	25%	22%	24%	20%
Senior management	26%	25%	23%	25%
Middle management	30%	28%	28%	25%
Junior management	22%	21%	19%	30%

People with disabilities

ARM seeks to provide opportunities for people living with disabilities (PWD) wherever practical and the diversity programme includes a focus on raising awareness about PWDs. In F2023, there were 192 PWDs working at ARM (F2022: 176), 32% of whom are women (F2022: 38%). 120 learnership opportunities were provided to PWDs at ARM's operations (F2022: 126), including adult education and training, relevant short courses and a certificate in business administration. 48 PWDs from local communities received portable skills training at ARM operations during the year. We will continue to monitor our progress and implementation programmes to ensure we are ready to meet proposed sector targets for PWDs.

Learning and development

Our learning and development programmes provide occupationally directed and other learning initiatives to build the skills required to meet current and future needs. 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.

In F2023, ARM invested R371 million in skills development (F2022: R198 million), or 9.3% of payroll (F2022: 7.1%), above the mining charter target of 5.0%. The increase is attributable to training moving back to in-person after Covid-19, with attendant travel, accommodation and meal costs increasing accordingly. Total training spend was R16 204 per employee (including contractors) compared to R9 157 in F2022, representing 6.2 training days per employee (F2022: 4.7 days). Functional literacy across the company increased to 99% (F2022: 98%).

Learning and development initiatives are an important and effective way to improve transformation.

Leadership development

The leadership development framework provides leadership and managerial skills by delivering internally and externally facilitated courses. The programmes are designed to build leadership and managerial capabilities, create talent pools, accelerate development and improve promotional opportunities for all employees, particularly women. The Rising Star and GradStar programmes focus on developing young professionals and providing them with networking opportunities nationally.

Candidates on leadership development programmes	F2023	F2022	F2021
Rising Star and GradStar*	0	14	45
Future leaders development	34	31	30
Women development	38	37	38
Digital transformation and maturity masterclass	126	–	–
Mentorship and coaching programme	38	–	–

* The 2023 programme commenced after year end.

ARM recognises the 4th industrial revolution as the new way of working and living. We are currently equipping employees with the skills of the future, as advocated by the World Economic Forum and various institutions of higher learning, to maintain ARM's leadership brand of world-class management teams.

To support our digital readiness, we redesigned the future leaders programme to introduce the digital world of work, which includes units on digital technology in mining, a digital mining tour and the future of mining in Africa. We also launched a new virtual programme in the form of a digital transformation and maturity masterclass webinar series.

Our mentoring and coaching programme aims to develop purpose-driven leaders guided by values. Sixteen delegates have been trained as mentors and there are currently 22 protégés in the programme. The programme aims to create a culture of positive constructive conversations between line managers and subordinates.

Investing in the skills of the future talent pool

ARM invests in various programmes to build the talent pool of relevant skills in the mining and minerals industry. We participate 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.

In F2023, ARM supported 368 students with bursaries in industry-relevant fields (84% HDP and 58% women). The bursar ambassador programme provides support throughout the learning journey, helping bursars prepare for the world of work, develop life skills, 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. Bursars are provided with psychosocial support

Social – our people continued

Human resources management continued

throughout the year to help manage stress and support their mental health.

In F2023, 83 opportunities were provided to young unemployed graduates (98% HDP and 53% women) through the graduate development programme. Participants receive mentorship and training on interpersonal skills, personal branding, career management and workplace conduct and compliance. They also participate in career development panels chaired by senior executives and managers, which help to progress their careers, ensure alignment in their development and training, and create opportunities for future placement in the operations.

Learnerships provide opportunities to enhance skills in core mining and processing competencies. In F2023, learnerships across the group increased to 615 (99% HDP and 42% women) from 367 in F2022 as more opportunities were created to meet targets set by the dtic, mining charter and Employment Equity Act.

The operations also provide adult education and training (AET) as well as portable skills training to employees and community members. Portable skills training programmes include paving, welding, cooking, generic engineering level 1, driver's licences and basic life skills.

Future skills development opportunities	F2023	F2022	F2021
Bursaries	368	291	140
Graduate development programme	83	61	73
Learnerships	615	367	270
AET – employees	21	21	22
AET – community members	135	176	150
Portable skills training – employees	340	108	N/R
Portable skills training – community members	140	96	N/R

N/R – Not reported.

ARM partners with the top seven institutions of higher learning in South Africa to promote the company brand and attract top-performing young talent. Collaboration frameworks and placement plans were developed with heads of department for top students in disciplines such as mining engineering, metallurgy, chemical engineering, geology, legal, finance and human resources. Through the partnerships, ARM sponsored 37 talented undergraduate and 19 postgraduate

students who will study towards master's and PhD qualifications. ARM will provide research topics that aim to address challenges identified in our business.

We sponsored four DMRE bursars studying mining and minerals-related qualifications in the 2023 academic year (F2022: five). We also participate in the DMRE's annual learner focus week to promote mining as a career to learners in grades 9 to 12.

Partnering to drive innovation

ARM is partnering with Stellenbosch University to foster interdisciplinary research and training in the emerging field of geometallurgy. The ARM geometallurgy research chair is shared between the university's earth sciences and process engineering departments to foster interdisciplinary collaboration to create innovative research and training opportunities. Five master's students are funded under the research chair.

Geometallurgy integrates geological, mineralogical and metallurgical data to create a spatially-aware processing model. The model provides detailed projections of a mining/extraction operation across the full life-cycle so that it can be designed to have zero impact on the environment.

With a growing renewable energy market for green- and battery metals such as copper, cobalt, manganese and lithium, holistic mine design can ensure that these commodities are extracted responsibly, promoting sustainable mining and positioning the South African industry to be a globally competitive player.

ARM is also partnering with the University of KwaZulu-Natal to establish a partial research chair in sustainable minerals engineering to produce world-class mineral processing engineering postgraduates and future industry leaders to support the sector into a sustainable future.

Labour relations

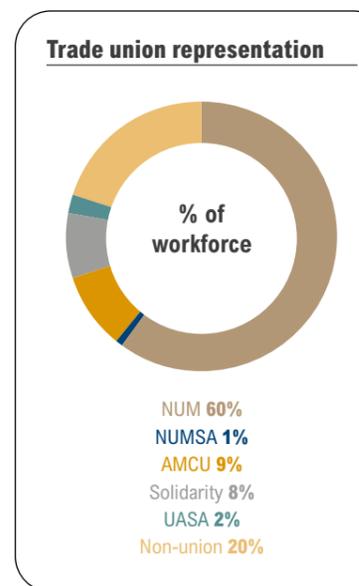
ARM respects the rights of employees to engage and bargain collectively on labour-related matters. Corporate policies and guidelines provide guidance for operational HR managers, who have primary responsibility for employee relations consultative matters and union negotiations. Collective agreements at each operation have formalised negotiations on wages and conditions of employment.

Recognition agreements are in place with five unions across our operations. Engagements take place through consultative forums and other structures as required.

Bokoni Platinum Mines concluded a recognition agreement with the National Union of Mineworkers (NUM), with first wage negotiations planned for 2024.

At the end of F2023, 80% of the workforce was unionised (F2022:

85%). No man-days were lost due to strikes in F2023 (F2022: 0).



*NUM – National Union of Mineworkers.
NUMSA – National Union of Metalworkers of South Africa.
AMCU – Association of Mineworkers and Construction Union.
UASA – UASA The Union.*

Employee housing

ARM's housing 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. The goal of the strategy is to provide every employee with access to decent accommodation by promoting ownership of affordable housing. ARM submitted plans to comply with the housing and living conditions standards for the minerals industry and held engagements with stakeholders, including unions, municipalities and relevant government departments. Progress is monitored against the submitted plans.

The housing policies at the operations align with the specific housing needs of their employees. At Modikwa and Two Rivers mines, qualifying employees receive a home-ownership allowance as most employees live in nearby communities.

Employees at the Northern Cape mines in the ferrous division 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.

Infrastructure projects under social and labour plans (SLPs) and local economic development (LED) initiatives in terms of the mining charter improve living conditions and socio-economic development in local communities, which also benefits employees living in these communities.

Refer to page 106.



Housing provided by the Northern Cape Operations

Social – our social impact

Community impacts

REPORTING CONTEXT



FTSE/Russell: Labour standards



ARM partners with communities and other stakeholders to invest in infrastructure and social projects that promote socio-economic development. These projects aim to make a meaningful positive contribution to the lives of the people in these communities and to improve community resilience. They also help to strengthen ARM's relationships with community stakeholders and benefit employees who live there.

How we manage community relationships

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

Stakeholder mapping exercises identify community stakeholder

groups and stakeholders also contact operations directly. Engagements include formal and informal meetings that are guided by stakeholder engagement strategies, policies and plans. Minutes are generally taken at formal engagements.

We work with community forums, municipalities, the DMRE and other local and national stakeholders to understand and find solutions for the challenges facing our host communities. Primary community stakeholders include traditional leaders, elected or approved representatives and community interest groups, such as business, youth or women's forums. We value the opportunity these regular engagements provide to build relationships with our communities and to understand their current needs and expectations.

Communities can raise grievances through formal stakeholder structures, although their concerns are often addressed to municipalities and communicated to the operations by the local mayors. Stakeholder groups also approach the operations directly or use the externally managed ARM whistleblower facility.

Wherever possible, we look for opportunities to collaborate with peers and other industry bodies to improve coordination and increase social impact in areas of mutual interest. ARM Ferrous participates in the Northern Cape shared-value working committee, which works with the MCSA to coordinate and deliver sustainable corporate social responsibility projects in the area. The Northern Cape Impact Catalyst arose out of this initiative and leverages cross-sectoral collaboration 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.

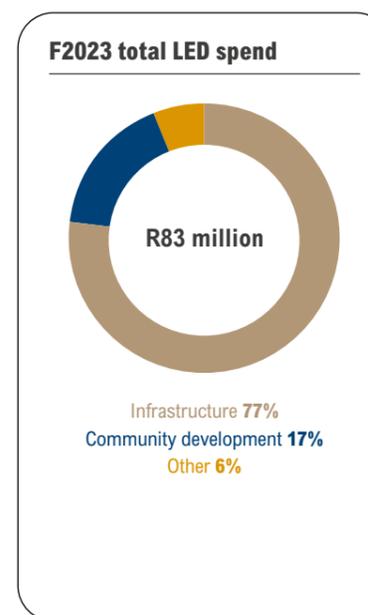
ARM is committed to fostering climate resilience and sustainability, and contributing to a just energy transition. We are working to integrate climate change into our development programmes and transformation initiatives, with the goal of improving the resilience of our host communities to physical and transitional climate risks.

In F2023, sustainability and community affairs teams from each operation participated in a workshop to introduce ARM's climate analyses and discuss options for improving collaboration. We are evaluating ways to leverage collective expertise within the teams to improve climate awareness and bring a climate lens to development and transformation activities.

ARM's contribution to communities

Local economic development (LED)
LED programmes to enhance community infrastructure are agreed in the five-year social and labour plans (SLPs) committed to by the mines in terms of the MPRDA. Projects under these programmes align with 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 planning includes community beneficiaries at an early stage to promote ownership of projects.

Oversight of project implementation and impact monitors relevant metrics according to the type of project and



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

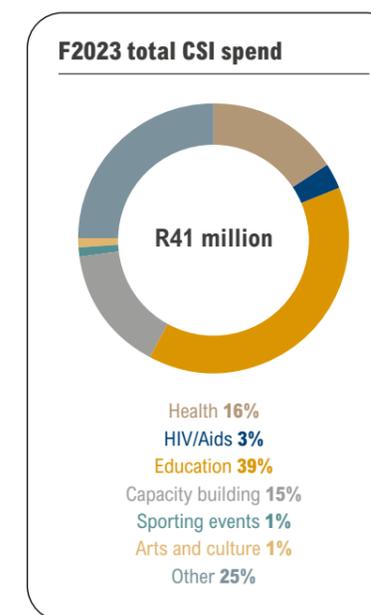
ARM invested R83 million in LED infrastructure projects in F2023 (F2022: R116 million).

Corporate social investment (CSI) spend

Operations can fund community needs that fall outside the SLPs through their CSI programmes. CSI spending increased to R41 million (F2022: R35 million). Areas supported by LED and CSI investments, as well as our broader contributions, are discussed below.

Education

- In Kuruman, Khumani Mine constructed a special needs education centre at Kalahari High School for 30 learners living with disabilities to improve access



to needs-appropriate cognitive stimulation for learners with special needs

- Modikwa Mine donated school shoes and uniforms to 500 local learners from disadvantaged households at the start of the academic year
- Black Rock Mine refurbished the school in Van Zylrus, helping to improve teaching and learning conditions for 700 learners. The project renovated four classrooms as well as the offices, passages, school hall, computer room and kitchen. Two fully-furnished mobile classrooms were provided. Seven temporary local jobs were created during the project
- Two Rivers Mine constructed an early childhood development centre at Shaga Farm
- The ARM Ferrous mines partnered with the Northern Cape Department of Education and the John Taolo Gaetsewe Developmental Trust to hold a career expo in Kuruman. The expo ran over two days and hosted 3 000 matriculants from 31 high schools in the area

- Khumani Mine donated high-quality school shoes and socks to 2 390 learners at five primary schools in Kathu, Deben and Olifantshoek.

SMME support

- Khumani Mine refurbished SMME stalls and fencing at the Siyathemba Community Centre in Kathu to improve safety for eight small businesses. This included repairs to fences, windows and sewer piping; painting stalls and replacing electrical wiring, doors, washbasins and roller shutter doors
- Nkomati Mine is implementing a poultry farming and egg-laying project in Mantjolo, in partnership with the local traditional authority and the Mpumalanga Department of Agriculture
- Two Rivers Platinum Mine supported 13 local agri-businesses by providing vehicles, tractors and agricultural equipment.

Water and sanitation

- Modikwa Mine drilled two boreholes for the Matimatjatji community
- Beeshoek Mine contributed to the construction of an 11 megalitre reservoir in Mountain View to store clean drinking water for the Postmasburg community. 30 temporary jobs were created by the project
- Khumani Mine invested in water infrastructure to provide access to water for the 15 households in Kruisaar Village in Joe Morolong local municipality. The project provided a 50 kilolitre pressed steel tank, equipped the existing borehole and installed chlorination at the storage facility as well as water reticulation and standpipes. Ten temporary local jobs were created during the project

Social – our social impact continued

Community impacts continued

- The mine also partnered with Gamagara local municipality to construct 500 temporary toilet structures in the Dibeng community
- Black Rock Mine provided funding to upgrade the water supply for 1 262 households in the Cassel community. The project included a bulk-water supply system, internal reticulation network and refurbishing of existing boreholes. 23 temporary local jobs were created during the project
- The mine also contributed to the refurbishment of Kuruman's wastewater treatment works from a 4.5ML/d to 6ML/d plant, including supplying two new pump stations as well as mechanical and electrical works and refurbishing the existing buildings. The project improves services for an estimated 15 000 households in Kuruman and created 11 temporary local jobs during implementation.

Community infrastructure

- Black Rock Mine reconstructed the 2.4 kilometre access road and culvert bridge in Makhubung village, a community of more than 100 households in Joe Morolong local municipality. The project created 46 temporary jobs
- Modikwa Mine constructed a road from Masojane to Mpitikwane, upgraded the Mamphahlane road and paved sections of Swale Road and Moruladilepe Road
- Beeshoek Mine, in partnership with the Tsantsabane local municipality, installed solar streetlights in Postmasburg to improve visibility and safety at night during loadshedding for over 9 800 households. 12 temporary jobs were created during the project
- Modikwa Mine completed construction of the Maandagshoek sports facility
- Two Rivers Mine completed the construction of the Masha Makopole Masha Makopole

Traditional Council Office in Kalkfontein

- Khumani Mine repaired high-mast lights to improve safety and community mobility at night for 200 households in Olifantshoek in Gamagara local municipality. The mine also provided a secured solar power installation to power the borehole pump at the Tswelopele Food Garden, helping to address food insecurity for 16 community members, encouraging economic participation for local agripreneurs and building community resilience and sustainability.

Health

Black Rock Mine provided support to the Northern Cape DoH TB campaign, which ran door-to-door and over radio in the John Taolo Gaetsewe communities. The campaign aimed to find undiagnosed people with TB, strengthen systems for retention in care and scale up TB preventative treatment.

Skills development

ARM has various programmes that foster youth development, enhance employability in local communities and broaden the pool of industry skills. These include bursaries for qualifying students from local communities in industry-relevant qualifications, learnerships in mining-related disciplines and graduate development opportunities for unemployed youths with degrees or diplomas in scarce-skills disciplines. We also provide access to a web-based programme to learners to improve performance in math and science. Training centres at the operations provide training to employees and community members that builds basic skills through nationally-aligned AET and portable skills training.

 More information is available on page 102.

Employment

More than 22 931 employees and contractors work at ARM operations, many from local communities.

Wherever possible, infrastructure development and other projects supported by the operations use local labour and facilitate transfer of skills. As Bokoni Mine is built and moves to operation, we will create around 5 000 jobs, half of which will be permanent roles.

Healthcare

ARM operations promote community health by supporting wellness centres, home-based care groups and local Aids councils. They also conduct awareness initiatives, testing campaigns and outreach programmes to address TB, HIV and Aids among employees and in communities. At a regional level, they partner with departments of health to support government and industry health priorities.

 Refer to page 87.

Black Rock Mine is running a three-year school programme in the John Taolo Gaetsewe municipality to provide health screening and education. Screening includes oral health, vision, developmental and nutritional status assessments.

 Refer to page 82.

In F2023, 1 103 learners at 30 schools received screening and health education was provided to 2 775 learners.

Preferential procurement and enterprise and supplier development

The preferential procurement programme aims to transform ARM's procurement practices to promote meaningful participation by expanding opportunities for qualifying black-owned small, medium, and micro enterprises (SMMEs) into our supply chain for certain goods and services.

The programme is aimed at working closely with emerging black owned and black women owned SMMEs, assisting them to grow and become financially and operationally

independent as they are incorporated into our preferential procurement programmes.

We support our beneficiaries to improve and strengthen their overall growth by providing ongoing training, mentoring, coaching, offering early payment terms to assist with cash-flow management, equipment, and financial support ensuring that our impact in the community is sustainable. The enterprise and supplier development programme supports the preferential procurement programme by assisting sustainable black-owned, black women-owned and youth-owned SMMEs to graduate into the mining chain, increasing access to procurement opportunities.

Supporting local SMMEs creates a strong structure for access into the economy thereby promoting entrepreneurship, driving job creation through the growth of sustainable SMMEs, increasing economic activity in mining communities, empowering historically disadvantaged people, and improving market access for South African goods and services.

We encourage suppliers to demonstrate a commitment to good governance and ethical conduct. We conduct due diligence checks to ensure compliance and to avoid fronting. ARM is committed to achieving its procurement targets by focusing on new and existing suppliers who meet our required BBBEE contributor status and quality standards.

During F2023, enterprise and supplier development programmes at the operations invested R226 million on developing 294 SMMEs, sustaining 696 jobs and creating a further 508.

Community dividend

Seven communities around Modikwa Mine have an effective 8.5% shareholding in the operation through ARM Mining Consortium.

In F2023, ARM Mining Consortium declared a R102 million dividend to these communities (F2022: R255 million). These dividends will be invested in sustainable community upliftment and development projects to benefit around 100 000 people living in communities neighbouring the mine.

The development of Bokoni Mine also allows ARM to create sustainable value for a range of stakeholders as local communities, employees and black industrialists, combined, will own 15% of the mine.

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

The ARM Trust comprises rural upliftment trusts in every province, except Gauteng and Western Cape, that implement welfare, community development and anti-poverty initiatives focused on education to uplift living conditions and living standards of poor and marginalised South Africans. The trust works with kings, traditional leaders, religious and faith-based organisations, representatives from government, business, trade unions, women, youth, NGOs and other rural and urban communities.

The rural upliftment 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 F2023, R9.5 million was provided to projects facilitated by the trust (F2022: R19.8 million). Projects supported prioritised improving access to water, educational infrastructure and community infrastructure.

Tax contribution

ARM acknowledges its ethical and legal obligation to pay the right amount of tax due. The taxes that the group pays are its main contribution to the funding of public purpose needs and a significant contribution to society. We are committed to operating with integrity in our compliance and reporting, ensuring an open, honest and transparent relationship with all relevant stakeholders, including tax authorities.

Our tax strategy is contained in the ARM tax policy, which is reviewed and approved annually by the board, or when a change is recommended by the audit and risk committee. The tax policy supports ARM's overall business strategy, its approach to risk and ARM's core values.

The finance director is responsible to ensure that ARM's tax function is operated in accordance with the tax policy and internal audit monitors compliance with the policy by performing compliance reviews and audits. The tax risk management framework (TRMF) is a formal process that defines the group TRMF philosophy and appetite for risk, and clarifies the tax governance structure and related roles and responsibilities. It identifies, analysis and assesses tax risks, and documents procedures and controls to mitigate tax risks.

The internal audit function audits the TRMF process on an ad-hoc basis to provide an objective independent appraisal of the effectiveness of the TRMF and processes.

In F2023, the total tax contribution was R4 500 million.

Transformation

ARM supports transformation in the South African mining industry as an effective way to redress historical inequality and facilitate broader social development. We work with government, labour, our host

Social – our social impact continued

Community impacts continued

communities and other stakeholders to achieve these goals. Mining licences depend on transformation performance and compliance with transformation legislation is a priority. The social and ethics committee oversees transformation in the group. Progress against the mining charter and the dtic CoGP is continually monitored and reported to the committee every quarter.

Transformation principles are integrated into related business processes in relevant areas such as human resources, procurement and corporate social responsibility.

The six ARM South African mines submitted reports to the DMRE in March 2023 on their performance for the 12 months to December 2022 in terms of mining charter requirements.

ARM's transformation score in terms of the dtic CoGP was 84.41 and the group was externally verified as a level 5 contributor in F2023.

 The BBBEE certificate is available on our website at www.arm.co.za/governance.

Human rights

ARM is committed to conducting business in a manner that respects and gives utmost consideration to the rights and dignity of all people, while centrally embracing the values and principles of Ubuntu.

Group transformation performance against the dtic CoGP

Category	Target	F2023	F2022	F2021	F2020
Ownership	25	22.18	22.24	22.26	22.30
Management control	19	14.38	14.51	13.50	13.35
Skills development	20	14.60	16.54	7.89	10.16
Enterprise and supplier development	40	31.38	31.28	31.14	29.00
Socio-economic development	5	1.87	1.63	0.86	0.60
Overall score		84.41	86.21	75.65	75.41
Contributor level		5	5	6	6

The ARM human rights policy was approved by the board on 4 April 2023. The purpose of the policy is to promote respect for human rights during business operations and engagements, and to instil a culture of human rights between and among employees, contractors, partners, suppliers, stakeholders, and communities with which ARM works and interacts in its business.

The board, management and employees of ARM are committed to compliance with all relevant South African legislation as well as national and international human rights principles as defined in, among others:

- South Africa's Constitution
- UN guiding principles on business and human rights
- Universal declaration of human rights
- International covenant on civil and political rights

- International covenant on economic, social and cultural rights
- The International Labor Organization declaration on fundamental principles and rights at work
- The ICMM principles, position statements and performance expectations
- GISTM.

We are committed to the ten principles of the United Nations Global Compact (detail available on our website) and plan to conduct human rights assessments aligned with the United Nations' protect, respect and remedy framework.

Consistent with ARM's commitment to respect human rights we commit to:

- Continuous adherence with the Constitution
- Applicable laws of the Republic of South Africa as well as applicable regional, continental and international laws



Beeshoek Mine

- Respecting the human rights of the people in communities in which we operate and contributing to the promotion of local and rural development and the social upliftment and empowerment of communities affected by mining
- Performing a human rights due diligence, continuously monitoring human rights impacts and providing for and cooperating in processes to enable the remediation of any adverse human rights impacts
- Implementing a reporting/grievance mechanism including effectiveness monitoring for stakeholder engagement and grievance resolution activities
- Implementing a strategy for managing involuntary physical or economic displacement of families and communities

- Implementing policies, procedures, and programmes to respect the rights of workers
 - Implementing policies, procedures, and programmes to respect the rights, interests, aspirations, culture, and natural resource-based livelihoods of traditional communities.
- Our business policies, procedures and management systems incorporate human rights principles to ensure that human rights are appropriately managed and addressed. These principles inform, among others, our code of conduct, sexual harassment policy, operational risk management systems, and our grievance procedure.

The human rights policy, code of conduct (code), 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 among others as stipulated in the Employment Equity Act, 1998.

Although the policy does not explicitly reference the precautionary principle, it is embedded in ARM's approach to responsible business practices, including our commitment to identify, prevent and mitigate adverse human rights impacts, conduct workplace hazard identification and risk assessment, inclusive approach to community consultation and impact assessments.

ARM is committed to fair, responsible, market-related, competitive, and transparent remuneration and continuously monitors the effectiveness and implementation of the remuneration policy, strategy, and practices.

Social – our social impact continued

Community impacts continued

We are opposed to forced, compulsory or child labour and prohibit the use of all forms of forced labour, including modern forms of slavery and any form of human trafficking. We aim to maintain a workplace that is free from intimidation, violence, harassment, sexual harassment, bullying and other unsafe or disruptive conditions due to internal and external threats.

The policy, read together with the code, protects the right of non-management employees to form, join, or not to join a labour union without fear of reprisal, intimidation, or harassment. ARM is committed to bargaining in good faith with such representatives.

ARM respects the human rights, interests, cultures, customs, and values of individuals and communities affected by its activities. We embrace an inclusive approach to community consultation and active participation in decision-making. Community-relations strategies at the operations uphold and promote human rights and respect cultural considerations and heritage.

ARM appreciates its duty to obtain consent, where required, from any affected community. We will, as far as possible, avoid the involuntary and physical or economic displacement of families and communities. Where avoidance is not possible, ARM will apply the mitigation hierarchy and implement actions or remedies that

address residual adverse effects to restore or improve the livelihoods and standards of living of displaced people.

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. Other stakeholders can raise grievances through formal stakeholder engagement structures, approach the operations directly or use the external whistleblower facility.

All parties, including the board, executives, employees, contractors, partners, suppliers, and stakeholders have a duty and are obliged to adhere to the human rights policy and strive to meet its provisions. The code also applies to suppliers and contractors, requiring that they behave ethically and with respect for human rights.

Employees and contractors receive training on the code at induction and annually through an e-learning platform. The code and human rights policy are communicated to employees on notice boards, by email and available on the intranet.

Our value chain

ARM considers the broader impacts of our activities upstream and downstream from the operations in our approach to sustainable development, including in our carbon footprint calculations, assessments of climate-change risks and opportunities, climate-change scenario analyses and water-related risk analyses.

UPSTREAM (SUPPLY CHAIN)



Priorities

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

How we respond

We work with suppliers and contractors that take a responsible approach to business. Our code of conduct, human rights policy, legal compliance policy and business protocols and practices set appropriate standards for legal compliance, ethical behaviour, human rights, health and safety, transformation and environmental practices, and apply to suppliers and contractors. We work closely with our key suppliers to ensure we collectively strive to mitigate climate risks in our supply chain, and that we use the best technology available.



DOWNSTREAM (CUSTOMERS)

Priorities

- 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.

How we respond

The end users 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.

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

We continue to improve the accuracy and completeness of our scope 3 GHG inventory, which includes emissions in our downstream value chain. CCW

Governance

Corporate governance	114
Risk management	140
IT governance	149
Remuneration report	154

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

Modikwa Mine

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 46).

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 F2024 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 F2023

Refer to page 10 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 policy on diversity and inclusion at board level was renewed, reinforcing ARM's commitment to transformation.</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>Concluding the 100MW power-purchase agreement and approving the early-ounce project for Bokoni Platinum Mine</p> <p>Allocating capital to the Two Rivers Merensky project, which was approved in F2022, to enable the production of PGMs at competitive costs</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 and published its required conformance reports in August 2023.</p>

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.



Lamp room

Corporate governance continued

Board of directors*

The board provides strategic direction and leadership, monitors implementation of business and strategic plans, and approves capital funding for these plans to support a sustainable business.



Dr Patrice Motsepe (61)

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)



Phillip Tobias (52)

Chief executive officer

BSc Eng (mining), mine manager's certificate, EDP (Wits), AMP (GIBS), professional engineer (Engineering Council of South Africa)
Appointed to the board in May 2023.



Frank Abbott (68)

Independent non-executive director

BCom (University of Pretoria), CA(SA), MBL (Unisa)
Appointed to the board in 2004.



Tom Boardman (73)

Independent non-executive director

BCom (Wits), CA(SA)
Appointed to the board in 2011.



Anton Botha (70)

Independent non-executive director

BCom (marketing) (University of Pretoria), BProc (Unisa), BCom (hons) (University of Johannesburg), SEP (Stanford)
Appointed to the board in 2009.



Joaquim Chissano (83)*

Independent non-executive director

PhD (honoris causa) (Stellenbosch), LLD (honoris causa) (St John's University, USA)
Appointed to the board in 2005.

* Non-South African.



Tsundzukani Mhlanga (41)

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.



Thando Mkatshana (54)

Executive director and chief executive: ARM Platinum

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



Alex Maditsi (61)

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.



Dr Rejoice Simelane (71)

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.



Pitsi Mnisi (40)

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.



Mangisi Gule (71)

Independent non-executive director

BA (hons) (Wits), PDM (Wits Business School)
Appointed to the board in 2004.



David Noko (66)

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.



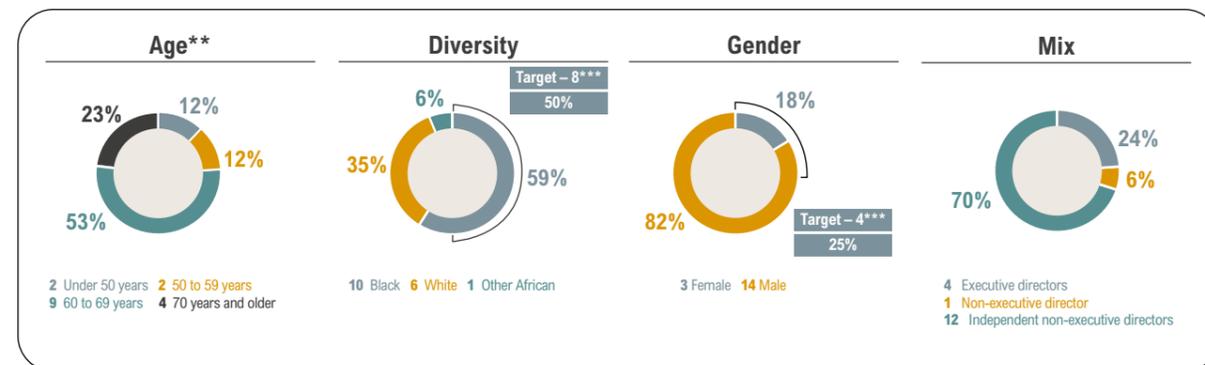
Jan Steenkamp (69)

Independent non-executive director

National mining diploma (Wits Technical College), executive development programme (Wits Business School)
Appointed to the board in 2017.

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

Refer to directors' experience on pages 118 to 123 and pages 126 and 127 of the ESG report.



* At the date of this report.
** At date of 2023 annual general meeting.
*** Target in terms of board-approved policy.



Brian Kennedy (63)

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.



Bongani Nqwababa (57)

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.



Mike Arnold (66)

Non-executive director

BSc (eng) (mining geology) (Wits), BCompt (hons) (Unisa), CA(SA)
Appointed to the board in 2009.

Résumés

Dr Patrice Motsepe (61)

Executive chairman

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.

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

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

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

Dr Motsepe and his wife, Dr Precious Moloi-Motsepe joined the Giving Pledge in January 2013 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.

In March 2020 Dr Motsepe announced 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
- 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 Proprietary Limited. 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.

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)

Phillip Tobias (52)

Chief executive officer

BSc Eng (mining), mine manager's certificate, EDP (Wits), AMP (GIBS), professional engineer (Engineering Council of South Africa)

Appointed to the board in 2023.

Phillip Tobias is a mining engineer with over 28 years' experience in the industry. He joined ARM as chief operating officer (COO) in November 2021. Prior to this, he was COO: business development, corporate strategy and capital projects of Harmony Gold Mining Company Limited. He has also held executive positions at Anglo American Platinum Limited and Gold Fields Limited. Phillip has been chief executive officer of ARM since 1 May 2023. He represents ARM on the board of the Minerals Council South Africa.

Tsundzukani Mhlanga (41)

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.

Thando Mkatshana (54)

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.

Alex Maditsi (61)

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, African Rainbow Capital Proprietary Limited, Famous Brands Limited, Murray & Roberts, Netcare Limited and Sterling Debt Recoveries Proprietary Limited.

Frank Abbott (68)

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 (73)

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 (70)

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 (83)

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 (71)

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.

He is a non-executive director of Ubuntu-Botho Investments Proprietary Limited.

Brian Kennedy (63)

Independent non-executive director

Member of investment and technical and non-executive directors' committees

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 (40)

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, Nampak Limited and Methodist Homes for the Aged NPO.

David Noko (66)

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 a globally renowned business leader with 40 years' experience in engineering, manufacturing and mining. As an engineer, he worked for South African Breweries and Pepsi Cola International in South Africa and internationally.

As an executive, he worked for De Beers as managing director of its South African operations and later joined AngloGold Ashanti Limited where he was the executive responsible for the group's business sustainable development and government relations portfolios. His experience and business acumen have seen him serve on boards of various publicly listed companies in South Africa. David is the founder and lead adviser at ESG Advisory Limited.

He is currently chairman of the council of the University of the Free State and non-executive director at Aveng Limited, Aveng Moolmans Proprietary Limited and Bushveld Minerals Limited.

Bongani Nqwababa (57)

Independent non-executive director

Member of audit and risk and non-executive directors' committees *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 (71)

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 (69)

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.

Mike Arnold (66)

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.

Diversity and inclusion

The policy on the promotion of diversity and inclusion on the board stipulates at least 50% black board members, of whom 25% would be black women. For F2023, we had balanced black and white representation on the board.

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.

Ms J Magagula resigned as executive director: investor relations and new business development from 31 July 2023, subsequent to the financial year end therefore, we did not meet the 25% target for black female board members.

Female representation will increase from the close of the forthcoming annual general meeting, as Mr M Arnold, after serving as a non-executive director for five years and as financial director for eight years, will step down from the board and Mr H L Mkatshana, who will continue to be employed as chief executive of ARM Platinum, will step down as an executive director in line with the global practice to reduce

the number of executive directors. We will continue our efforts to increase female representation on the board.

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 to carry significant weight in its deliberations and decisions.

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

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

Tenure: Non-executive directors



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

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 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 173 and 189.

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 2023.

The chief executive officer, Mr VP Tobias, was appointed by the board between annual general meetings. In December 2023, shareholders will be asked to approve his appointment to the board. Mr Tobias holds one external board appointment as the company representative at the Minerals Council South Africa.

Board charter

The board charter was amended in June 2023, 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 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

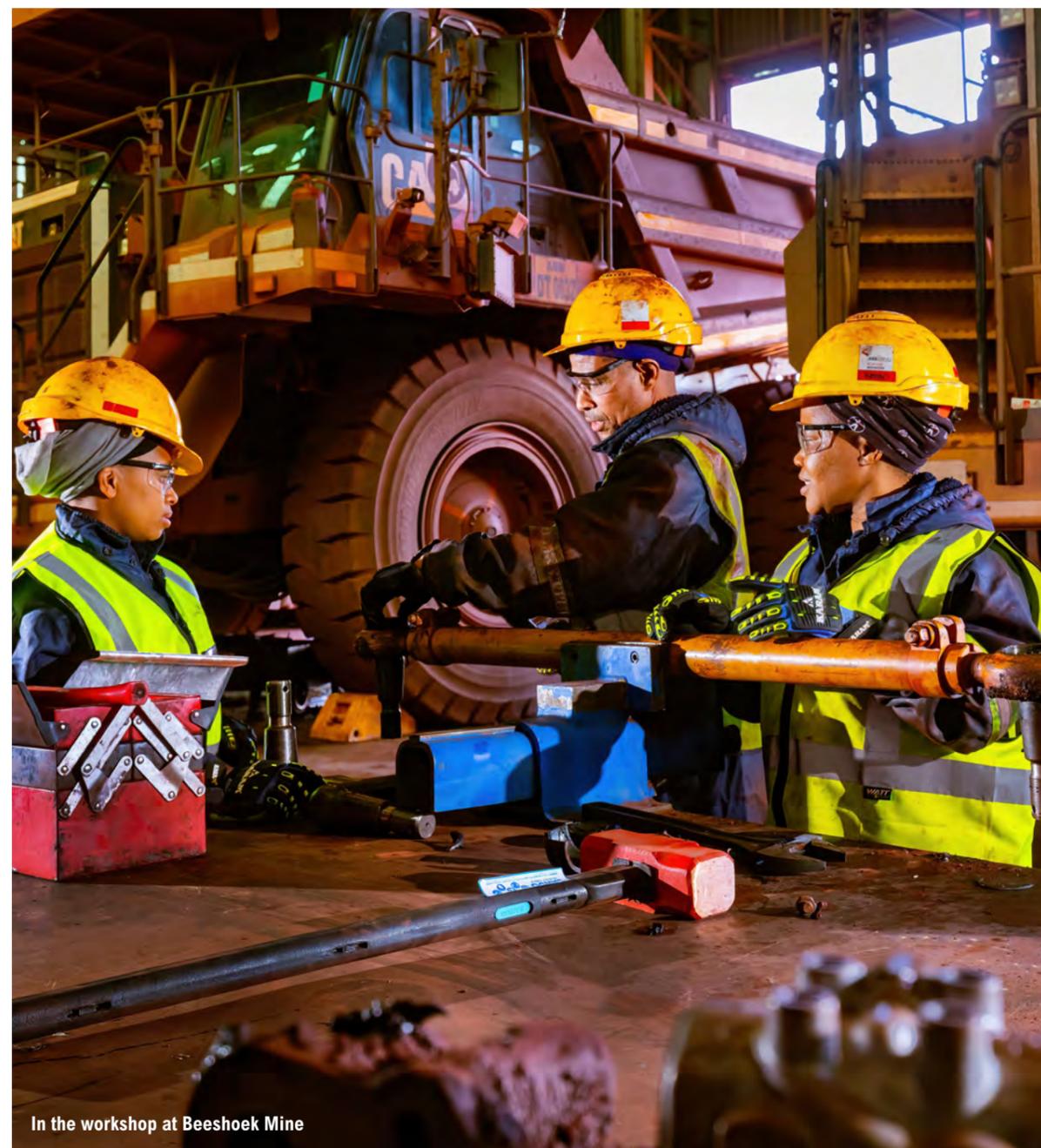
committee are subject to annual reappointment by shareholders in the general meeting

- 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.



In the workshop at Beeshoek Mine

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)	■			■	□		■	□		■	□
VP Tobias (chief executive officer)	□		■	■	□		□		■	□	□
TTA Mhlanga (finance director)	□			□	■	■	□			□	□
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)				■			□		■		
B Kennedy (independent)	□		■	■	■		□		□	□	□
PJ Mnisi (independent)	□			□	■	■	□		□	□	□
DC Noko (independent)	□		□	■			■	□	□	■	□
B Nqwababa (independent)	■	□		■	■	■	□	□	□	■	
Dr RV Simelane (independent)		■		■	□		□	□	□	□	■
JC Steenkamp (independent)	□		■	■	□		□			□	

Key

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

* At the date of this report.

Collectively, our directors apply a depth of skills and expertise in leading ARM through current macro-economic 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)		□			□	□	■	□				□
VP Tobias (chief executive officer)	■	■	■	■	■	■	■	□		■	□	□
TTA Mhlanga (finance director)		□			□		□		■		□	
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)		□	□				■	□				□
B Kennedy (independent)		□			□	□	□	□		□	□	□
PJ Mnisi (independent)		■	□	□	□		□	□	□	□	□	□
DC Noko (independent)		□	■	□	□	□	□	■		□		
B Nqwababa (independent)		□			□	□	■		□			□
Dr RV Simelane (independent)		□	□		□	□	□	■				□
JC Steenkamp (independent)	■	□	□	■	□	□	■	□		□		□

Key

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

* At the date of this report.

Re-election, election, induction, succession and 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 AD Botha, JA Chissano, WM Gule, DC Noko and Dr RV Simelane are required to retire by rotation. They have made themselves available for re-election at the annual general meeting on 8 December 2023, or any adjournment.

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

On 1 May 2023, Mr M Schmidt stepped down as chief executive officer of the company and as an executive director of the board. On the same date, Mr VP Tobias, ARM's chief operating officer, was appointed by the board as executive director and chief executive officer. Given his appointment was between annual general meetings, Mr Tobias will stand for election at the annual general meeting on 8 December 2023, or any adjournment.

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

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

Ms J Magagula stepped down as executive director: investor relations and new business development from 31 July 2023, subsequent to the financial year end.

After serving as a non-executive director for five years and as financial director for eight years, Mr M Arnold will step down from the board at the close of the forthcoming annual general meeting, or any adjournment.

In line with ARM's commitment to best practice to reduce the number of executive directors, Mr HL Mkatshana will continue to be employed as chief executive: ARM Platinum, but will step down as an executive director at the close of the forthcoming annual general meeting, or any adjournment.

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

F2023 BOARD PERFORMANCE ASSESSMENT

This assessment focused on the effectiveness of the board, covering:

- Board composition
- Board meetings and content
- Roles of the executive chairman and company secretary
- Role of the chief executive officer
- Board accountability
- Appointment, induction and training of directors, and succession planning
- Performance evaluation and remuneration
- Board committees
- Communication and stakeholder relations
- Board dynamics and leadership
- Strategic planning and group performance
- Risk management, regulatory compliance and internal controls (including combined assurance)
- Technology and information governance
- Integrated financial and sustainability-related reporting
- Balance of power and authority
- Conduct and ethics.

board, its committees and individual directors as well as the governance processes that support board activities.

In the F2023 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 F2023 assessment were considered by the board and a copy provided to the external auditor. Annual performance assessments of all executive directors, including the executive chairman, chief executive officer and former 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 F2023, four board meetings were held. The board has robust governance structures at every level. The in-person two-day offsite strategy meeting was held in July 2023.

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 F2024 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 2023, on recommendation of the nomination committee, the board considered details of her competence, qualifications and experience as well as results of the F2023 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

F2023 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	4	3	4	4	3
Dr PT Motsepe (executive chairman)	4/4	-	-	-	-	-	-
MP Schmidt (CEO to 1 May 2023)	3/3	-	-	-	-	-	-
VP Tobias (CEO from 1 May 2023)	1/1	-	-	-	-	-	-
F Abbott	4/4	7/7	4/4	-	4/4	-	-
M Arnold	4/4	-	4/4	-	4/4	-	-
TA Boardman	4/4	7/7	4/4	-	4/4	-	3/3
AD Botha	4/4	7/7	4/4	-	4/4	-	3/3
JA Chissano ²	3/4	-	-	3/3	3/4	4/4	-
WM Gule	4/4	-	-	-	4/4	-	-
B Kennedy ³	3/3	-	-	-	-	-	-
AK Madiisi	4/4	7/7	4/4	3/3	4/4	4/4	3/3
J Magagula ⁴	4/4	-	-	-	-	-	-
TTA Mhlanga	4/4	-	-	-	-	-	-
HL Mkatshana	4/4	-	-	-	-	-	-
PJ Mnisi	4/4	7/7	-	-	4/4	-	-
DC Noko	4/4	-	4/4	-	4/4	4/4	-
B Nqwababa ⁵	3/3	3/3	-	-	-	-	-
Dr RV Simelane	4/4	7/7	-	3/3	4/4	4/4	-
JC Steenkamp	4/4	-	4/4	-	4/4	4/4	-

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

² Mr Chissano was absent from one board meeting with leave of the executive chairman and one non-executive directors' committee meeting with leave of the committee chairman because he had a prior commitment to deliver a lecture as the keynote speaker at the Joaquim Chissano University in Maputo, Mozambique. He received meeting materials beforehand and contributed as necessary.

³ Mr B Kennedy was appointed to the board from 6 October 2022. Mr Kennedy was appointed to the investment and technical committee on 5 October 2023 and no committee meetings were held between the appointment date and the date of this report.

⁴ Ms J Magagula stepped down from the board with effect from 31 July 2023, subsequent to the financial year end.

⁵ Mr B Nqwababa was appointed to the board from 6 October 2022 and to the audit and risk committee from 1 December 2022.



- Nomination committee**
- Remuneration committee**
- Investment and technical committee**
- Audit and risk committee**
- Social and ethics committee**
- Non-executive directors' committee**

Refer to page 135. Refer to report on page 154. Refer to page 134. Refer to page 131. Refer to report of committee chairman on page 22 and statement of the social and ethics committee chairman in the 2023 climate change and water report. Refer to page 137.



Strategy

Deliver competitive returns and sustainable value

The board has oversight of plans to achieve ARM's strategic objectives, summarised on page 10. 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.

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 2023, the committees considered and proposed amendments to their terms of reference. After due consideration, the board approved appropriate amendments.

The F2023 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.

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
B Nqwababa	December 2022
Dr RV Simelane	July 2004

The audit and risk committee is constituted as a statutory entity of the board in terms of section 94 of the Companies Act and its composition complies with the provisions of that section.

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

Composition

The audit and risk committee comprises seven independent

non-executive directors, with extensive relevant experience. Mr B Nqwababa (BAcc, FCA) was appointed to the committee in December 2022. Mr A K Maditsi will not stand for re-election to the committee at the forthcoming annual general meeting. 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

Tenure: Audit and risk committee



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

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.

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 F2023.

 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 conjunction with the social and ethics committee. In fulfilling its oversight responsibilities, the committee reviews and discusses the audited financial statements with management and ARM's external and internal auditors.

 See 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.

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 F2023, 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
- Impairment indicators and impairment reversal indicators at all operations
- 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, combined assurance, regulatory requirements and reputational matters
- Technology and information governance including the IT 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 F2023 annual financial statements
- Key risks including logistics, water supply and cybersecurity
- Considered the acquisition of Bokoni Platinum Mine and related accounting entries
- Rotation of external auditor.

FOCUS AREAS FOR F2024

In F2024, 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 NEMA 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 F2023 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 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.

Audit firm rotation

On the recommendation of the audit and risk committee, the board recommended to shareholders that KPMG Inc. be appointed as the external auditor and that Ms S Loonat be appointed as the designated auditor for the audit for F2024 under the rules for mandatory audit firm rotation after 10 years, notwithstanding that the rule was set aside by the Supreme Court of Appeal.

 For more information see notice of annual general meeting on www.arm.co.za.

The principles for using external auditors for non-audit services are set out in a formal policy. Following changes to the International Ethics Standards Board for Accountants (IESBA) Code which require pre-concurrence from December 2022, all non-audit services require pre-concurrence of the audit and risk committee. The policy also prescribes permitted non-audit services. In F2023, the group's non-audit service fees were less than R1 million.

 See note 28 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 140.

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, TSF management (including conformance with GISTM), major litigation, compliance, legal developments and combined assurance.

 For more on enterprise risk management, see page 36 and TSF management, page 74.

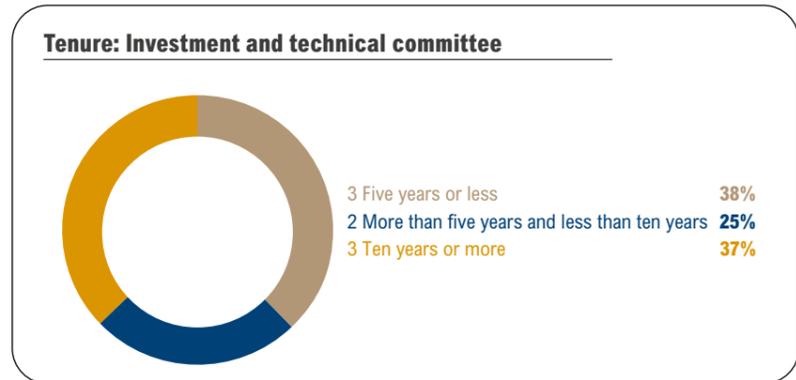
Anti-fraud protocols

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 year 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.

Investment and technical committee

Member	Member since
DC Noko (chairman)	August 2019
F Abbott	August 2009
M Arnold	October 2018
TA Boardman	September 2020
AD Botha	August 2009
B Kennedy	October 2023
AK Maditsi	February 2007
JC Steenkamp	April 2018



Composition

The investment and technical committee comprises eight non-executive directors, seven of whom are independent. Invitees include the chief executive officer, finance director, executive: growth and strategic development, executive: investor relations and new business, 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 recommendations to the board on proposed projects, acquisitions, disposals and other investments.

Meetings

The committee is required to meet at least once a year. Four scheduled meetings were held in F2023.

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 the 20-year solar photovoltaic power-purchase agreement for wheeling power to ARM Platinum, approval of the Bokoni early ounces project and additional capital requirements for Two Rivers Merensky project
 - Monitoring proposals to grow and optimise the efficiencies of the ARM Ferrous division
 - Continuing to assess value-enhancing internal and acquisitive growth opportunities.

FOCUS AREAS FOR F2024

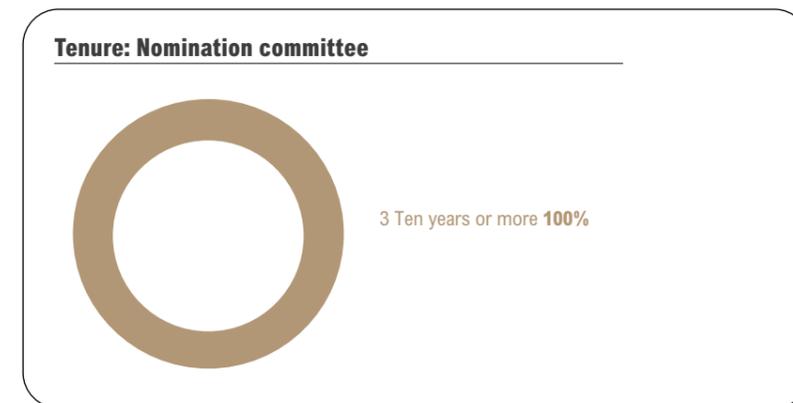
In F2024, the committee will continue to monitor proposals to optimise our portfolio.

For current and future growth projects refer to the summary on pages 12 and 13.

Refer to page 10 for strategy.

Nomination committee

Member	Member since
AK Maditsi (chairman)	July 2004
JA Chissano	August 2012
Dr RV Simelane	August 2009



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 the general composition of the board and balance between executive and non-executive directors. The committee deals with succession planning for the executive chairman, chief executive officer and other directors.

In October 2022, the committee recommended that the board in turn recommend to shareholders the appointments of Messrs B Kennedy and B Nqwababa. These appointments were approved at the 2022 annual general meeting. Towards the end of F2023, Mr MP Schmidt stepped down as chief executive officer and from the board as executive director effective 1 May 2023. The committee made the recommendation to the board to appoint Mr VP Tobias as an executive director and chief executive officer of ARM from 1 May 2023.

Ms J Magagula stepped down as executive director: investor relations and new business development from 31 July 2023, subsequent to year end.

From the close of the forthcoming annual general meeting, Mr M Arnold, after serving as a non-executive director for five years and as financial director for eight years, will step down from the board as will Mr H L Mkatshana, who will continue to be employed as chief executive of ARM Platinum, but will step down as an executive director in line with ARM's commitment to reduce the number of executive directors in line with global best practice.

The nomination committee will continue review the composition of the board given these developments.

After considering membership across board committees, the nomination committee also 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, based on the recommendation of the nomination committee, the board recommended that shareholders appoint Mr B Nqwababa as a member of the audit and risk committee at the December 2022 annual general meeting. This appointment was approved.

Furthermore, in October 2023, the nomination committee recommended that the board appoint Mr B Kennedy as a member of the investment and technical committee.

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 F2023, there were three scheduled meetings.

 See meeting attendance summary on page 129.

Focus and adding value

In 2023, the committee made recommendations to the board to:

- Make appointments to augment the knowledge, skills and experience on the ARM board, ARM audit and risk committee and governing bodies of group entities.

 For more on diversity and inclusion, see page 123.

FOCUS IN F2024

- Further enhance board diversity and inclusion
- Make appointments to augment the knowledge, skills and experience of the board committees
- Recommendations to the governing bodies of group entities.

Non-executive directors' committee

Member	Member since ¹
AK Maditsi (chairman)	May 2009
M Arnold	December 2017
F Abbott	May 2009
TA Boardman	February 2011
AD Botha	August 2009
JA Chissano	May 2009
WM Gule	July 2013
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.

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 F2023.

 See meeting attendance summary on page 129.

Focus and adding value

In adding value in F2023, the committee considered management's response to emerging developments, such as climate change and TSF management

as well as key risks including logistics, power supply, water supply in the Northern Cape, cybersecurity, and 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 154.

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 22.

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.

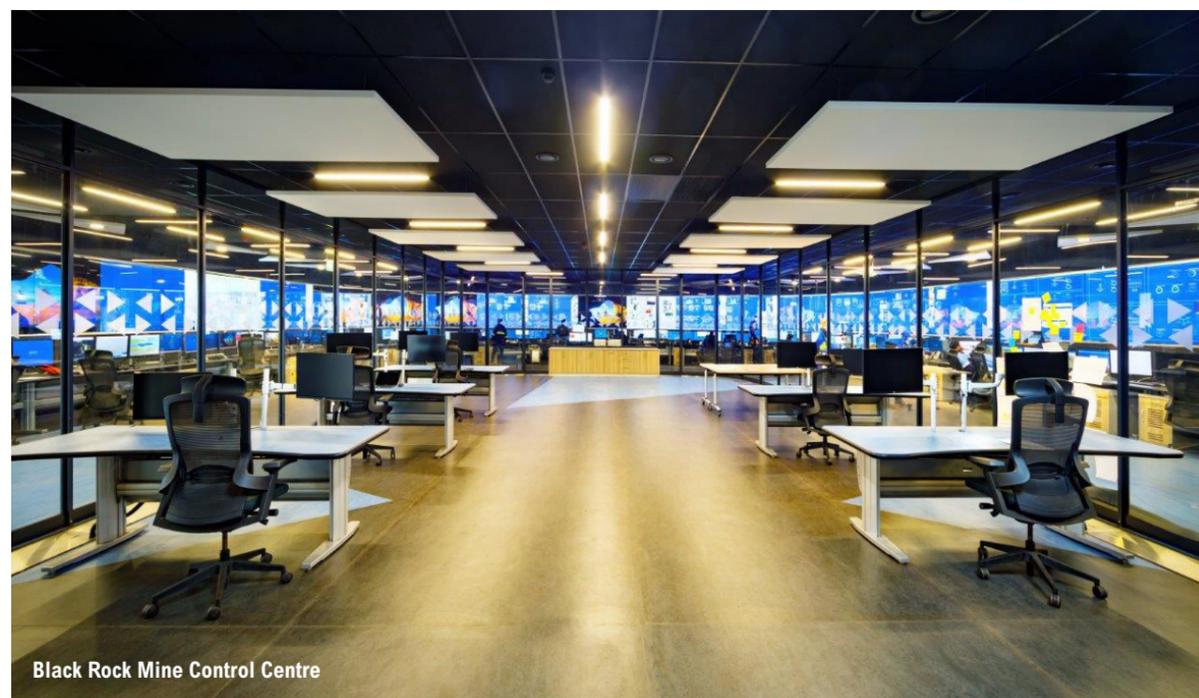
Executive committee

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, executive: growth and strategic development, executive: corporate development, executive: 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; executive: sustainable development; chief information officer; group executive: legal and other senior executives. The internal auditor is invited to attend the annual corporate risk workshop. The chairman of the committee and finance director (whose role includes responsibility for risk) 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 finance director and executive: sustainable development respond to any risk-related matters raised by directors at board meetings.



Black Rock Mine Control Centre

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 F2023.

Meetings

In F2023, the committee held three meetings, including the annual corporate risk workshop.

 For more on our risk management programme, see pages 36 and 140.

Technology and information committee

 See the technology and information governance section on page 149.

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.

Growth and strategic development committee

This committee evaluates growth opportunities. Chaired by the chief executive officer, the committee provides feedback to the executive chairman. Its members include the finance director; executive: growth

and strategic development; executive: investor relations and new business development; group executive: legal; executive: corporate development and divisional chief executives. Other senior executives attend meetings by invitation.

 See strategy section in the integrated annual report.

Employment equity and skills development committee

Composition

The committee is chaired by Mr HL Mkatshana, an executive director and chief executive of ARM Platinum. Members include representatives from management, occupational categories as well as designated and non-designated groups, including the chief executive officer, finance director, group executive: human resources, divisional chief executives, group executive: compliance and stakeholder relations as well as divisional and other senior executives. 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 resources management, see page 94.

Treasury committee

Composition

Members include the finance director, senior finance executive: corporate and tax, divisional finance executives and the company financial manager. Representatives of Andisa Treasury Solutions, to which the treasury function is outsourced, attend meetings by invitation.

Responsibilities

This committee implements treasury policy and reviews operational cash flows, currency and interest rate exposures, as well as funding issues in the group.

While not performing an executive or decisive role in deliberations, Andisa implements decisions taken when required. Advice is also regularly sought from other advisers.

Tax forum

The forum collaborates with the business to provide advice and guidance, consider all tax matters, queries and industry developments and ensure tax compliance.

The forum meets quarterly under the chairmanship of the senior executive finance: corporate and tax, who provides feedback to the audit and risk committee.

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 of conduct.

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: 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 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 page 146.

Dealings in securities and insider trading policy

The company has a policy on dealing in securities and insider trading. 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.

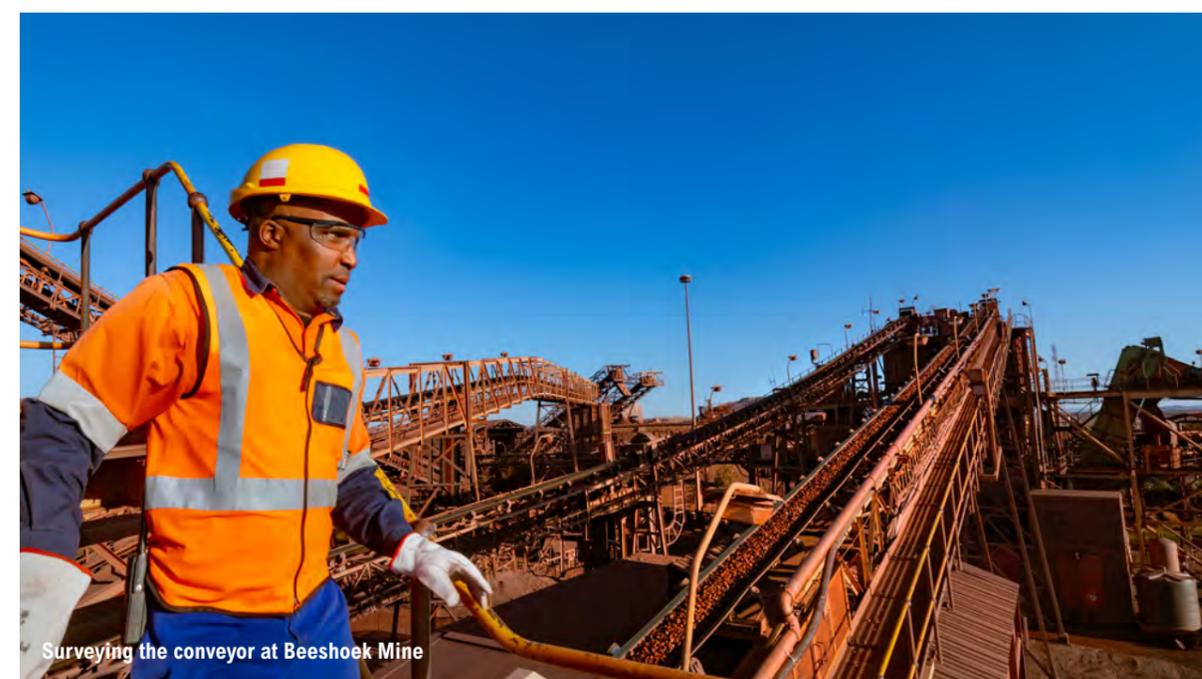
Annual general meetings

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 2023 annual general meeting will be a hybrid format, conducted as a physical meeting and through electronic participation via a platform that will enable attendees 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 www.arm.co.za.



Surveying the conveyor at Beeshoek Mine

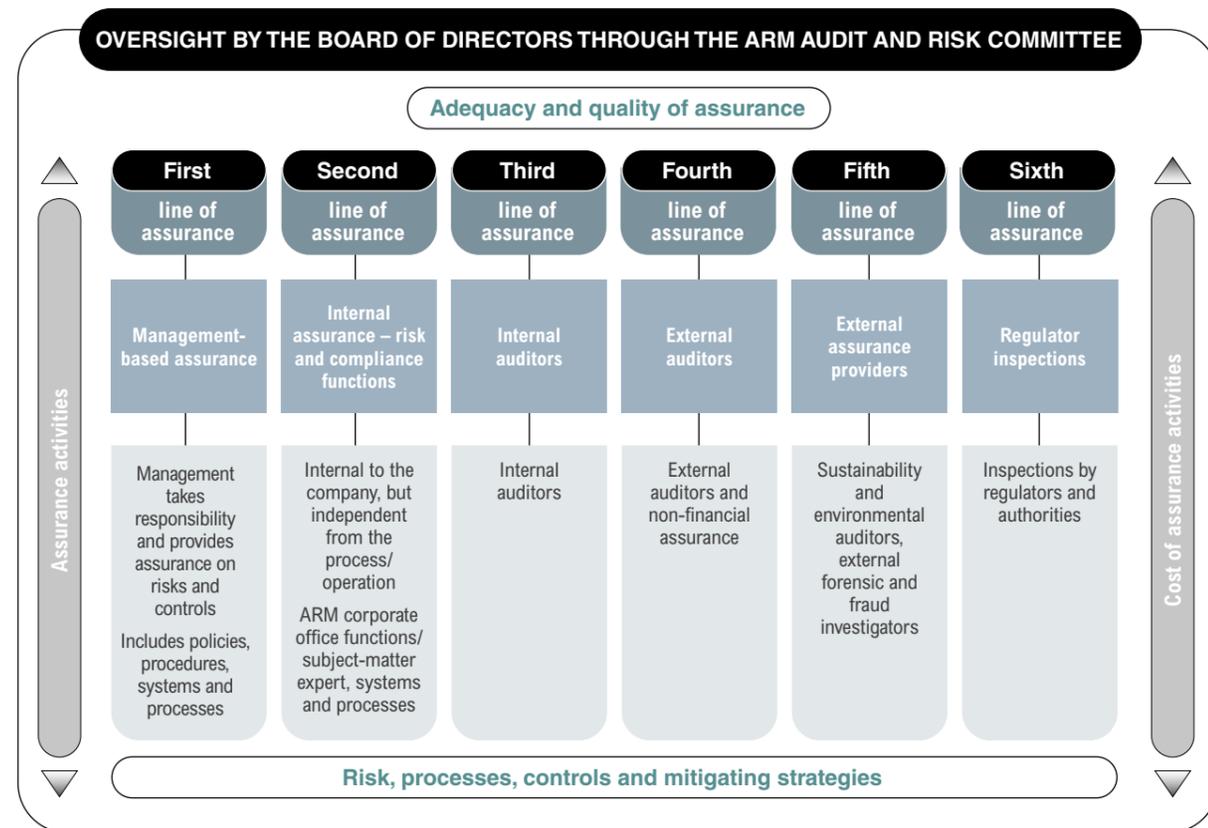
Risk management

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, principle 15 describes a combined assurance model 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." A combined assurance model, as illustrated below, sets out the different lines of assurance.

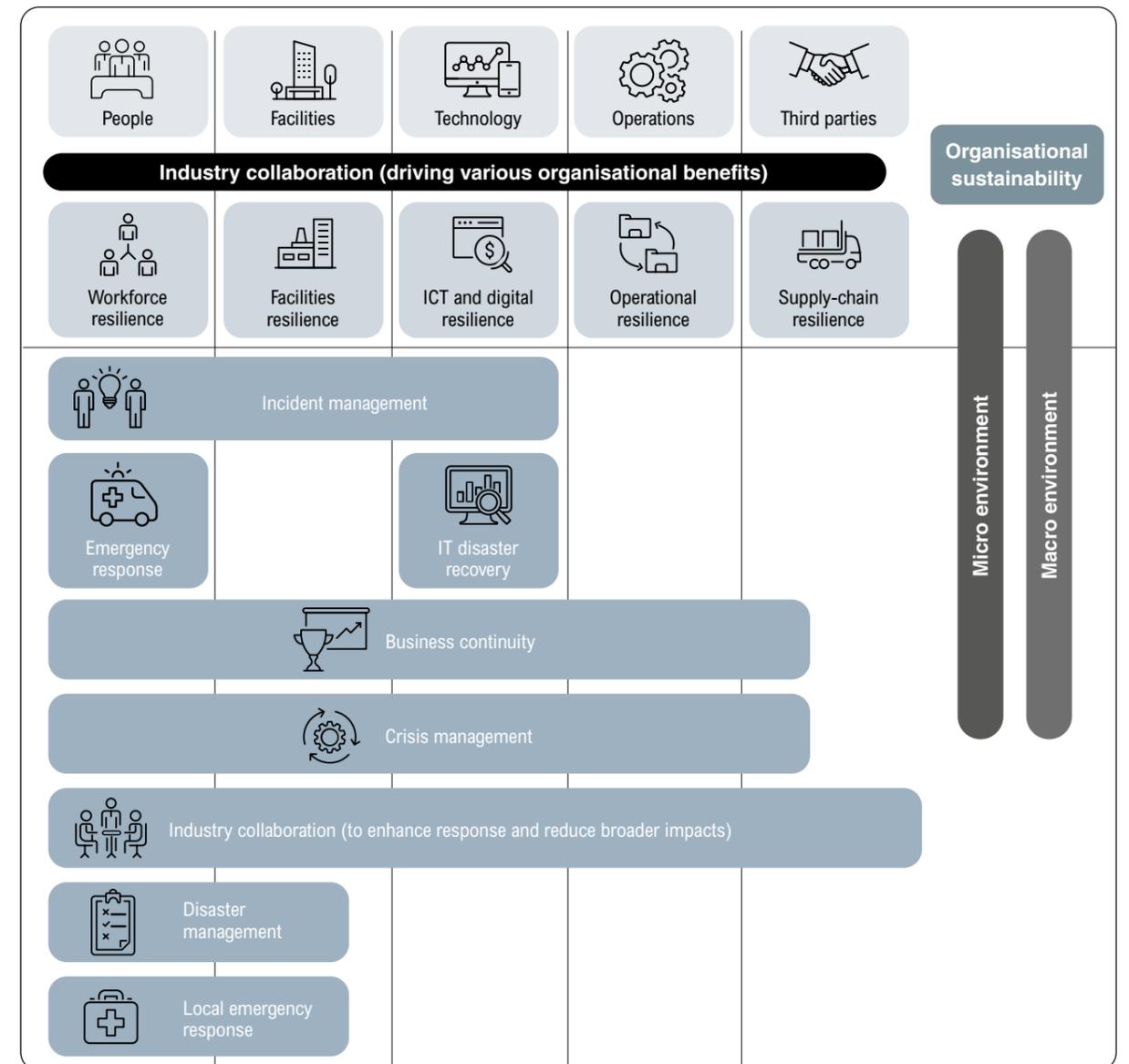


The objectives of ARM's combined assurance model are to:

- Provide a comprehensive 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 and value adding assurance activities
- Provide further input to establishing a control environment appropriate to ARM's approved risk appetite and tolerance levels
- Provide assurance on the adequacy and effectiveness of internal financial controls as per paragraph 3.84(k) of the Johannesburg Stock Exchange (JSE) Listings Requirements
- 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, specifically in relation to the GISTM requirements for TSFs.



Overview of our key processes and how they benefit/relate to achieving our ERM strategy

ERM strategic pillar	What we actually do	Risk finance benefit
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 41 </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 are 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>See page 36 </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 <p>See page 40 </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 the context of the uncertainty they pose (upside and downside uncertainty) Decisions are made within set parameters (appetite and tolerance) Risk-based approach to decision making, including risk transfer
Asset management	<ul style="list-style-type: none"> Risk control validation surveys Operation-focused asset management programmes Risk engineering surveys 	<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 per operation) 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	Risk finance benefit
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 proactively monitor such events and put measures in place to prevent them from occurring 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	<ul style="list-style-type: none"> JSE paragraph 8.34(k) of the listings requirements (internal financial controls) Integrated combined assurance 	<ul style="list-style-type: none"> Identifies control weaknesses before they result in losses and risks materialising Imperative for all lines of insurance since it maintains focus on risk treatment and mitigation measures Expanded to include control validation on ethics and governance processes in addition to anti-fraud controls
Ethics management and fraud	<p>Code of conduct, ethics and fraud risk assessments, whistle blower programme</p> <p>See pages 34, 133 and 148 </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 and terms Establish/review self-financing structure Dual retail and wholesale brokerage structure 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

Legal compliance

ESG

ARM is committed to conducting its business activities lawfully, and in a manner that will enhance the qualities valued by ARM. In particular, these qualities include ethics, honesty, integrity, sustainability and individual accountability which is in line with King IV – Principle 13

ARM has established an effective compliance process with supporting systems 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. As a company, we continuously seek to engage in a collaborative manner 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 drives all employees to consider ethics and compliance risk when making business decisions.

This report provides a detailed overview of the ARM compliance programme and gives insight to the progress we have made.

Compliance process

The compliance process adopted encompasses a four-phase approach (as prescribed in terms of the Generally Accepted Compliance Practice (GACP) as illustrated below)

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 currently forms part of our ongoing process on compliance risk monitoring which entails conducting periodic monitoring on identified high compliance risks and general compliance management.



The compliance function has facilitated the revision and maintenance of the ARM compliance universe which includes all compliance obligations that ARM is required to meet. The compliance universe has been categorised, risk-assessed and prioritised. The ARM compliance universe is a living document that is updated from time to time to reflect any internal or external changes that may impact the compliance obligations applicable to ARM.

To ensure our programme is appropriately designed, tailored to our business and that resources are adequately allocated, we identify, record and evaluate compliance risks faced by our operations. These risks may differ due to the distinct activities they undertake and the geographies in which they operate.

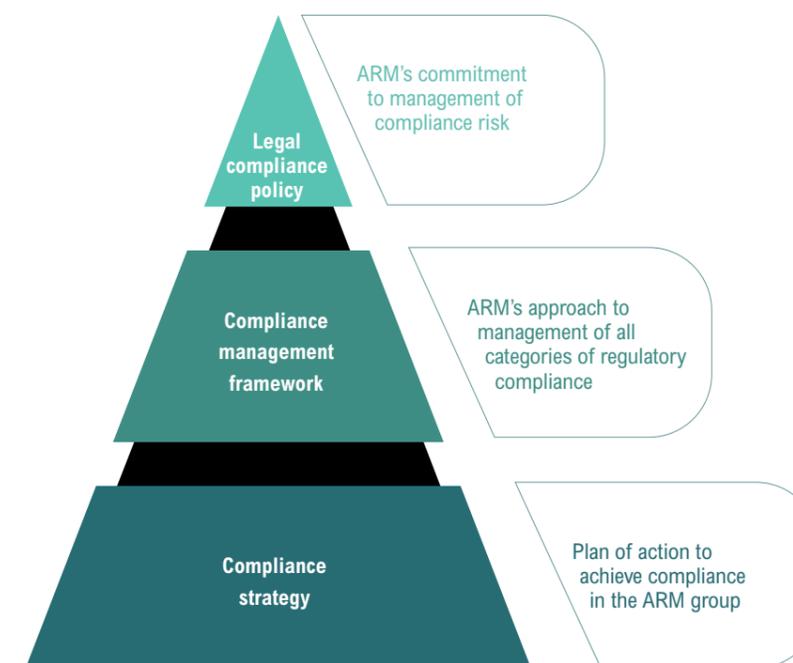
Our compliance function continuously strives to provide guidance and education on compliance obligations and

matters, to ensure the required tools and systems to manage compliance are in place, to ensure compliance risks are tracked and monitored, and that compliance issues and controls are adequately implemented and addressed. This is made possible by ensuring integrated and effective compliance systems are in place so that information is well documented, actively managed and analysed.

Compliance programme

Designated compliance officer and compliance committee

- Since January 2020, the key responsibility of ARM's designated compliance executive is to facilitate compliance throughout the ARM group, and who has the responsibility of supervising, managing and overseeing the compliance function. The compliance function identifies, assesses, advises on, monitors, and reports on the compliance risks of ARM.
- The compliance executive is responsible to report to the board on compliance aspects through the management risk and compliance committee (MRCC), the audit and risk committee, and the social and ethics committee.
- To ensure effective governance within the compliance function, the following suite of documents has been put in place and is reviewed annually:



Policies and procedures

ARM has established and continues to establish written policies, procedures and controls which are key to the compliance function's role, ensuring that, as a company, we can demonstrate compliance with the policies and procedures put in place.

Our policies and procedures are managed through Policy Passport, an online document monitoring and tracking tool that ensures employees

read, understand and acknowledge the company policies, standard business procedures, or any other document, which allows the company to monitor progress and draw reports at any time.

Monitoring and auditing

Compliance monitoring is a continuous process to ensure that affected employees are following all laws, regulations, rules, policies, and procedures. Its purpose is to spot compliance risk issues and ensure

they are adequately addressed. The compliance function at ARM performs periodic reviews of the company's identified compliance risks.

The monitoring reports are submitted to the applicable stakeholders, the MRCC, and to the relevant board committees on a quarterly basis and the recommendations and action items are tracked regularly to ensure there are adequate controls and compliance efforts in place to avoid the risk of non-compliance.

Reporting

Internal reporting

The compliance executive is to keep the board, through the MRCC, apprised of the status of compliance management in ARM.

The compliance executive submits compliance management reports to the MRCC, audit and risk committee, and the social and ethics committee on a quarterly basis.

External reporting

The submission dates to the relevant regulators must be recorded on the annual reporting schedule by the compliance executive and be monitored regularly to avoid non-compliance.

The internal audit conducts reviews of the compliance function from time to time.

Education and training

Compliance training and regular awareness sessions are crucial as it supports employees in creating awareness, knowledge and skills in line with the requirements of the law, the company's values and the company's policies and procedures training needed to inform employees of the organisation's regulations, policies, or adherence to laws and takes place when onboarding and at regular intervals during one's employment.

- Code of conduct training – an online compulsory programme championed by the human resources department
- Competition law training – an online compulsory programme for management championed by the competitive compliance officer

- POPIA training
- Ad hoc departmental training
- Publications
- Regular legal updates.

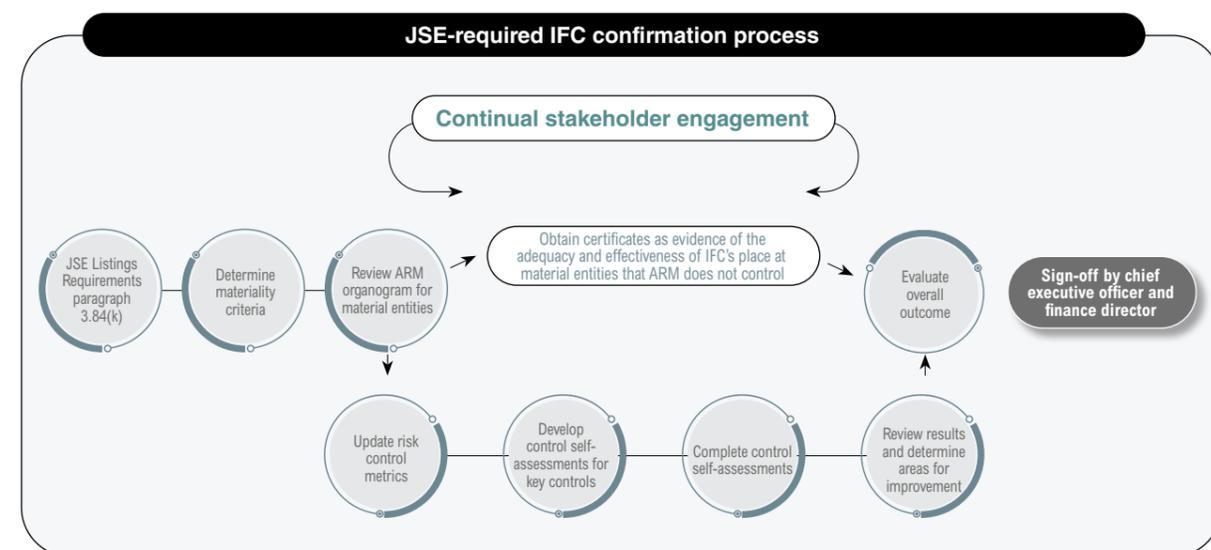
Our compliance journey has made significant strides and contributes significantly to ensuring ARM conducts its business lawfully and in compliance with its compliance obligations. The compliance journey is by no means a once-off project and in line with ARM's compliance strategy, our objective is to develop a dynamic and agile compliance function at ARM. We have adopted a proactive approach to compliance that manages and mitigates compliance risks with reasonable foresight because *"prevention takes far less time than remediation"*.

Fraud and ethics

Complying with JSE Listings Requirements on internal financial controls

Under paragraph 3.84(k) of the JSE Listings Requirements, the chief executive officer and finance director (FD) need to attest by 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, we reviewed entities that could result in a material misstatement in the ARM group organogram, as graphically presented below, 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.



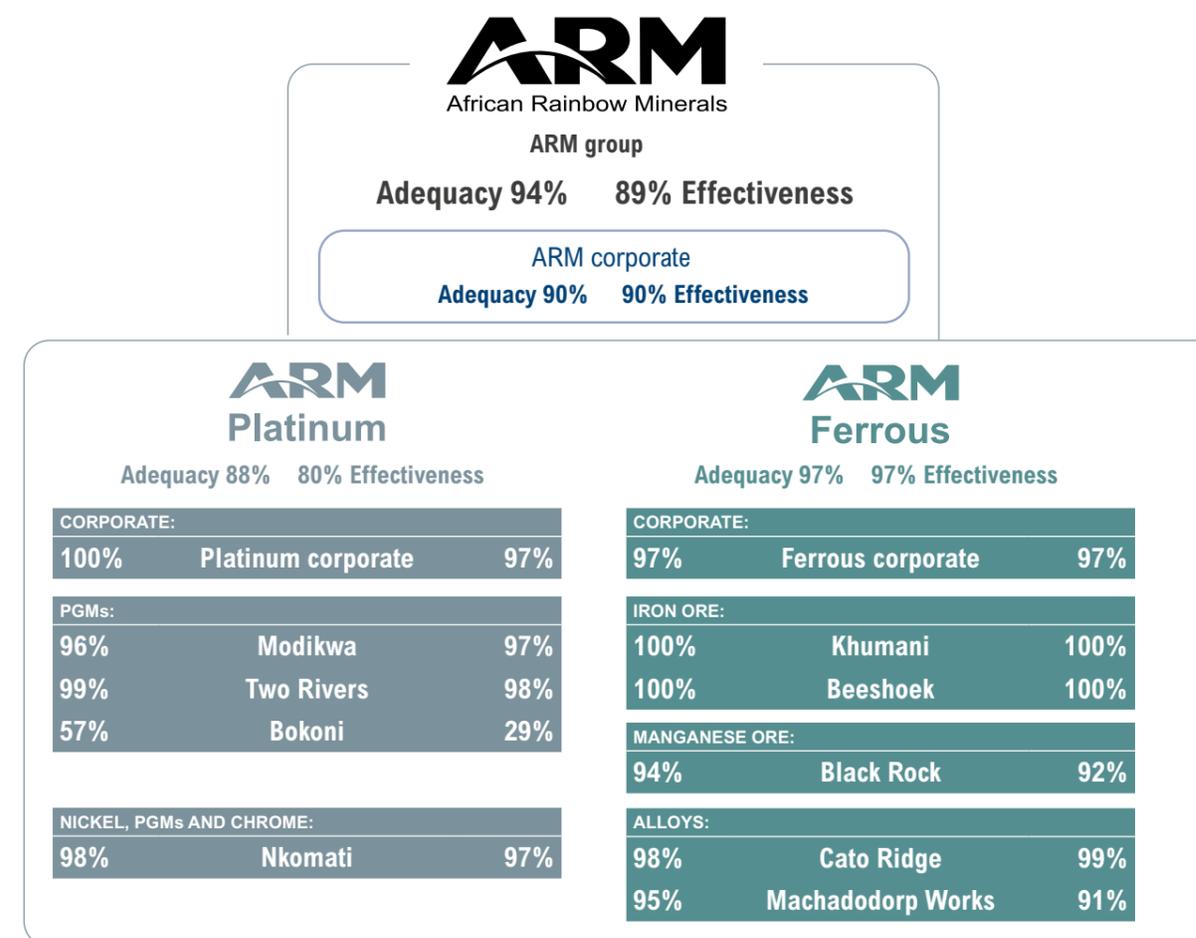
Fraud and ethics continued

The control self-assessment allowed for the determination of both the effectiveness and adequacy of the internal financial controls. This was developed through the identification of the financial process risks and controls using the risk control matrixes. Where the assessment of the financial control resulted in a 'partially' or a 'no' response, the participants were then required to comment on the mitigating control or identify an action for improvement.

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). As part of the validation process, sign-off was then completed by the operational finance manager and thereafter by the divisional finance executive. In addition, to ensure the completeness of internal financial controls 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 internal financial controls.

The ARM group was internally assessed to be compliant with paragraph 3.84(k) of the JSE Listings Requirements for the financial year ended 2023. Based on the outcome of the process, the ARM group achieved ratings of 89% effectiveness and 94% adequacy, as depicted below. The results of the assessment were accordingly reported to the ARM audit and risk committee.



Risk management continued

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.

	F2023	F2022
Incidents reported	48	44
– Currently under investigation	19	17
– Substantiated	3	2
– Partially substantiated	5	3
– Unsubstantiated	21	20
– Referred back due to insufficient information	1	2

No material non-compliance incidents were reported in F2023.

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.

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

ARM also follows a comprehensive combined assurance model which ensures that our internal controls are adequately assessed across the six lines of assurance to mitigate fraud risks.

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.

IT governance continued

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.

IT strategy

The revised IT strategy was approved by the board on the recommendation of the audit and risk committee in F2022.

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-experiment-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.

Enterprise architecture

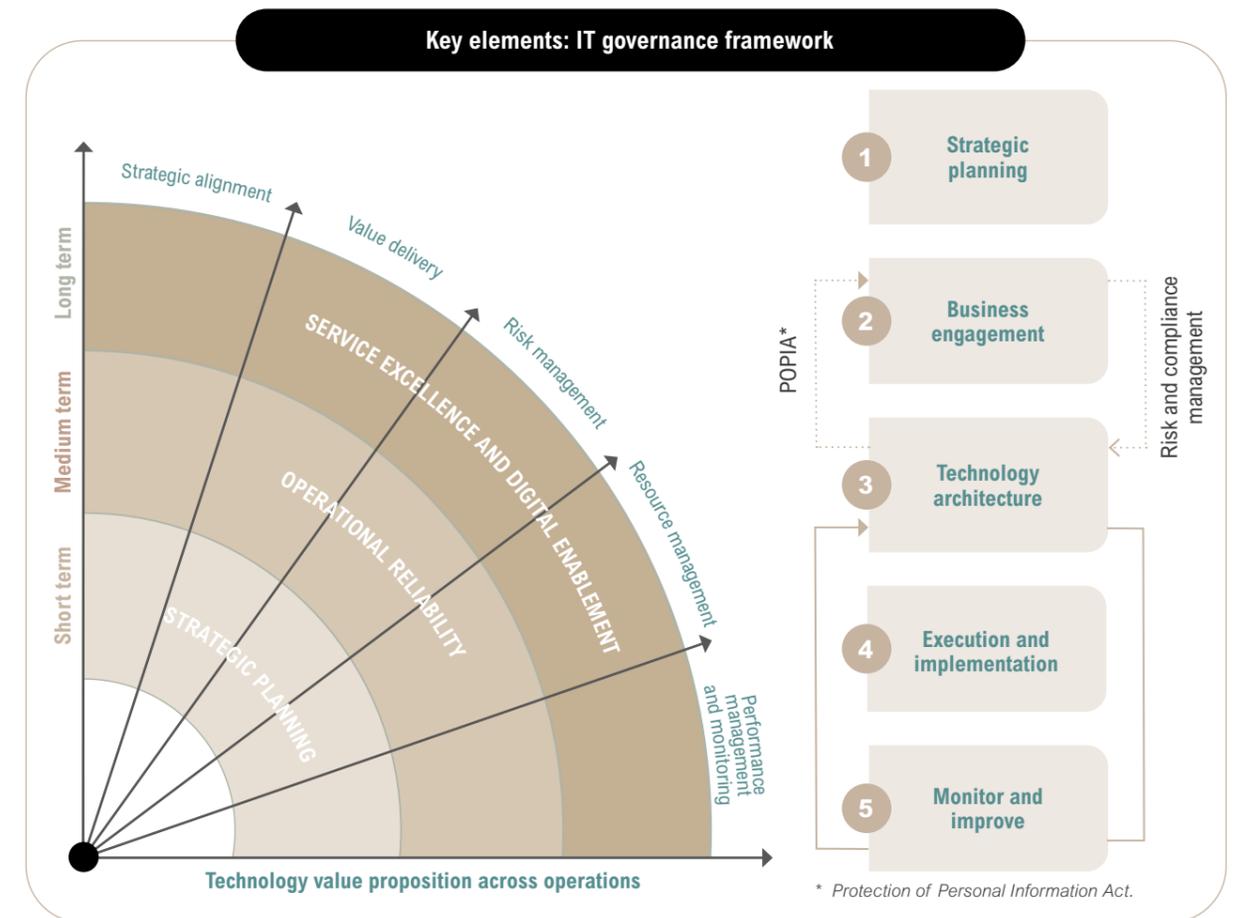
Last year, the enterprise architecture function was established in ARM IT. This will assist with architectural blueprints for digital transformation aligned to IT strategy, thus ensuring industry-leading practice principles are adhered to across all managed

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

F2023 OBJECTIVES	ACHIEVED / NOT ACHIEVED	F2024 OBJECTIVES
Strategic alignment		
<ul style="list-style-type: none"> Focus on realising value from use cases delivered. Complete migration to public cloud and close out digital foundation programme. Cloud and software-defined network projects on track to complete in Q3 F2023. 	<ul style="list-style-type: none"> Achieved: Data analytics platforms established. IoT hub and architecture for real-time data processing in mining operations. Two use-cases for testing this methodology were successfully concluded. Not achieved: 27% of workloads identified for decommissioning realising immediate cost savings. The cloud migration programme is scheduled to complete in Q2 FY2025. Not achieved: The software-defined network project has started. We partnered with a leading ICT vendor in SA. 	<ul style="list-style-type: none"> Establish the analytics centre of excellence (CoE) as a core IT capability. Automate production reports for ARM Platinum and Ferrous divisions. Optimise cloud costs across all operations. Implement modern service management and cloud governance across the organisation. Complete the implementation of the software-defined network across all operations. Implement network monitoring tools to enable maximum network uptime for the transmission of real-time data.
Risk management		
IT governance		
<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"> Not achieved: We partnered with a leading consultancy firm to conduct an organisation-wide business continuity management programme, including business impact analysis, and disaster recovery. Not achieved: Disaster recovery scenarios being develop as part of the business continuity project. Not achieved: Business-impact analysis is being conducted as part of the business continuity project. 	<ul style="list-style-type: none"> Define business continuity and disaster recovery plans for all operations. Conduct business continuity and disaster recovery tabletop exercises for business-critical applications. Conduct extensive training for users.
<ul style="list-style-type: none"> Establish security threat and vulnerability visibility, deep into operational technology (OT) infrastructure. 	<ul style="list-style-type: none"> Achieved: Threat and vulnerability monitoring is implemented at Black Rock OT infrastructure. Plans are in place to implement the same at other operations. 	<ul style="list-style-type: none"> Implement a solution to monitor, detect and respond to threats and vulnerabilities in the operational technology infrastructure at Bokoni, Khumani and Beeshoek operations.
Information security		
<ul style="list-style-type: none"> Mandatory cybersecurity training for all employees, including OT. 	<ul style="list-style-type: none"> Achieved: All personnel mandated to complete annual cybersecurity training. 	<ul style="list-style-type: none"> Implement user training and test simulation exercise for all operations. Continue with regular cybersecurity emails and video awareness campaigns.
<ul style="list-style-type: none"> Optimise and improve security controls aligned to zero-trust architecture principles. 	<ul style="list-style-type: none"> Achieved: Continuous security testing and assessment of effectiveness of controls. We defined a cybersecurity architecture blueprint to guide the implementation unified controls and address weaknesses. 	<ul style="list-style-type: none"> Conduct self-assessment and implement remediation for ineffective controls across all operations.
<ul style="list-style-type: none"> Regular tests and assessments to identify weak or ineffective controls, and implement process to strengthen controls. 	<ul style="list-style-type: none"> Achieved: A programme to regularly test the effectiveness of our cybersecurity controls is in place and exercised quarterly. 	
<ul style="list-style-type: none"> Optimise cyber incident response capability and processes. 	<ul style="list-style-type: none"> Achieved: Cybersecurity incident/breach response plan was established and approved by business. 	<ul style="list-style-type: none"> Ensure cybersecurity response plan is exercised across the organisation, every six months.

F2023 OBJECTIVES	ACHIEVED / NOT ACHIEVED	F2024 OBJECTIVES
Value delivery		
<ul style="list-style-type: none"> Complete contractor onboarding. Complete enterprise performance management (EPM) project. Complete centralised procurement function for platinum division. Entrench analytics with machine learning (ML) and artificial intelligence (AI) as core business function. Establish self-service analytics allowing general users to innovate locally. 	<ul style="list-style-type: none"> Achieved: Contractor management solution deployed for Black Rock and Khumani. Not achieved: EPM project completed and live for the platinum group. Project initiated for the Assmang group implementation project. Achieved: COUPA (for centralised procurement) implemented and live at Two Rivers. Not achieved: We implementing programmes for responsible use of AI. We defined a draft AI group policy. We have provided digital worker programmes across the organisation. 	<ul style="list-style-type: none"> Contractor management solution extension to Black Rock and ARM Platinum. Complete the implementation of EPM for the Assmang group. Implementation of COUPA for Bokoni and ARM Corporate. Complete the business case for COUPA implementation at Assmang group. Implement AI use-cases for the ARM legal department and enable AI functionality for document management. To unlock process efficiencies by analysing current mining value-chain.
<ul style="list-style-type: none"> Establish self-service analytics allowing general users to innovate locally. 	<ul style="list-style-type: none"> Achieved: We have provided the technology platform, training and demand management processes. 	<ul style="list-style-type: none"> Educate users on how to derive benefit from analytics. Establish a framework for benefits realisation.
Resource management		
<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. 	<ul style="list-style-type: none"> Achieved: We have moved the culture needle significantly by creating a cloud-ready IT team. We have shaped demand management to purposely bring agile processes to the mining IT industry. 	<ul style="list-style-type: none"> Ensure that 75% of IT personnel are cloud certified.

Review of F2023

ARM IT team is focused on a portfolio of projects to modernise and optimise infrastructure and systems. This was done in preparation for implementing the approved IT strategy in line with the agreed initiatives and priorities with business.

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 EPM, 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.

F2024/F2025

In F2024, the IT team will simultaneously work on projects that realise the IT strategy and modernise and optimise infrastructure and systems.

The following projects are in progress:

- Business continuity plan (BCP), business impact analysis (BIA), and system impact analysis (SIA)
- Cloud migration
- A modern software-defined network architecture
- Consolidated financial close, planning, and forecasting for the group
- Enhanced contractor management
- Centralised procurement
- OT strategy and roadmap implementation
- Operational technology security
- Enterprise resource management for new operations
- Digital platforms
- Data and analytics
- Robotics process automation and optimisation
- ML
- Environmental data management.

Remuneration report

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 remuneration outcomes for F2023.

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 highest-paid employees to the lowest-paid employees as part of our approach to fair and responsible remuneration. There is currently no regulated methodology for reporting the pay gap in South Africa. ARM will report on the pay gap once there is a statutory measure.

Fixed pay

The board-approved cost-to-company salary increases in the corporate office from 1 July 2023 based on independent benchmarking processes and after considering the current consumer price index (CPI). These are summarised below:

Paterson grade	Role	F2024 increase ¹	F2023 increase ²
F-band	Executives (including executive directors)	5%	5%
D and E-bands	Middle and senior management	6%	5%
A to C-bands	General staff	7%	6.5%

¹ CPI of 6.3% at May 2023 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, multiple-year wage agreements are in place for all ARM-managed operations, except Bokoni Platinum Mine. For Bokoni, a recognition agreement was concluded with the National Union of Mine Workers (NUM) in terms of which NUM would not submit any wage demands for F2023 and F2024.

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	MONITORING OUR FAIR AND RESPONSIBLE PAY	PAY-FOR-PERFORMANCE	TRAINING AND DEVELOPING OUR TALENT
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. We create an environment that promotes a sense of belonging for our employees.	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.	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.	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.

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 F2023 profit before interest and taxes (PBIT) was 29% above target
- Profit targets were met at ARM Ferrous and ARM Coal, but not ARM Platinum
- Costs at Cato Ridge Alloys, Sakura and Machadodorp Works were better than plan. Overall, ARM Ferrous, ARM Coal and ARM Platinum were worse than plan
- Overall, ARM Ferrous, ARM Coal and ARM group were better than plan on cost targets, while ARM Platinum was below plan
- Despite the improved lost-time injury frequency rate, there was regrettably one fatality (at Two Rivers) in F2023. The fatality adjusted safety modifier for ARM Platinum was (1.67)%
- The safety modifier target of 10% after adjustment for fatalities was

achieved at ARM Ferrous and ARM Coal. The overall group safety modifier adjusted for fatalities was 9.38%

- A personal performance modifier has been applied to the cash bonus calculated for each senior executive, except for the executive chairman, chief executive officer and executive: growth and strategic development in the executive chairman's office (who was chief executive officer for 10 months of the financial year). If key performance indicators (KPIs) are met, a senior executive 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, chief executive officer and executive: growth and strategic development as their performance is best measured by the performance of the company.

Benchmark

An executive 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. Based on the findings of the study, for F2024, the board-approved salary adjustments for the chief executive officer and finance director.

A benchmarking study on non-executive directors' fees against a comparator group of South African mining peers has been completed, supporting the proposed 5% increase for F2024.

Long-term incentives

Outcomes are linked to the company's performance. Conditional share awards settled in F2023 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 174):

- Total shareholder return against a comparator group of 17 mining companies (excluding gold and diamond companies as well as companies in the comparator group that delisted in the performance period)
- Average free cash flow return on equity
- Consistent and sustainable cost performance
- Improved safety performance (measured by lost-time injury frequency rate (LTIFR))
- Improvement in broad-based black economic empowerment (BBBEE) score
- Performance against climate-change targets.

2018 conditional share plan

F2022 amendments to the 2018 conditional share plan

In December 2022, shareholders approved an amendment to this plan to align with latest practice. This amendment changed 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.

- 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 10 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 on the shares that vest if performance conditions have been met
- New greenhouse gas (GHG) reduction targets from F2024 (see box): The performance condition is the absolute reduction in GHG emissions over the three-year period from 1 July 2023 to 30 June 2026 measured as the percentage reduction in aggregate GHG emissions from the full F2023 to the full 2026 financial year (F2026). These targets aim to ensure that ARM meets its long-term GHG emission target of net-zero GHG emissions (scope 1 and 2) from mining by 2050.

- The previous transformation performance condition measured by an improvement in the BBBEE scorecard with a weighting of 10% will be retained, but its weight will be reduced to 5% and measures of diversity, equity and inclusion (DEI), with an aggregate weighting of 5%, will be included going forward. The introduction of a DEI measure will align ARM with best global practice whilst retaining focus on the South African transformation imperative.

New GHG emission targets:

Absolute reduction in GHG emissions by F2026, relative to F2023 (Scope 1 and 2) measured for F2023 and F2026 as the aggregate GHG emissions over the full financial year. The target reduction of 15% to 20% over the three-year period from 1 July 2023 to 30 June 2026 will be included in the new GHG emission target for the F2024 share awards. Appropriate threshold and stretch relative to the target reduction are also included in the detailed performance conditions and vesting table on page 166.

New transformation and DEI targets

- Specific measures of DEI:
 - Women in management (proportion of females in Paterson grade D-lower band and above)
 - Black managers (proportion of Africans, coloureds and Indians in Paterson grade D-lower band and above)
 - Leadership and inclusive culture (as measured by retention percentage at all levels)
- BBBEE scorecard:
 - Improvement in current BBBEE scorecard.

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

- Similar to the 2018 conditional share plan, this plan was amended for retiring participants.

Stakeholder engagement

At the 2022 annual general meeting, the non-binding advisory vote on ARM's remuneration policy was supported by 94.61% of shareholders who voted at the meeting. The implementation report was supported by 74.56%, narrowly below the 75% voting threshold.

The board is cognisant of shareholder concerns in terms of ARM's remuneration implementation report, while being encouraged by their support of the remuneration policy. We take shareholder feedback seriously and strive to continuously engage with our shareholders. We also carefully consider the opinions of institutional agencies that provide proxy advisory services. Accordingly, we invited shareholders to engage on their concerns, with the limited response summarised below.

Stakeholder engagement on voting

Feedback	Response
<p>Interim allocations of long-term incentives: Some shareholders questioned the practice of making interim allocations during the year in addition to regular annual allocations in December each year.</p>	<p>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. Top-up awards are also made to employees who have been promoted since the annual allocation. The net allocation of awards during the year from the annual allocation and interim allocation is within policy award levels communicated to shareholders.</p>
<p>Remuneration implementation report: salary increases Some shareholders questioned the quantum of an executive director's salary increase, and lack of accompanying rationale.</p>	<p>Following an independent benchmarking process, the remuneration committee recommended that the board approve an above-inflation salary adjustment to the cost-to-company of the director in question to align with the remuneration of peers in similar roles with similar responsibilities.</p>
<p>Remuneration implementation report: non-cash benefits Some shareholders questioned the recurring non-cash benefits for the executive chairman, noting there was limited information and justification for this payment.</p>	<p>The non-cash benefit for the executive chairman of ARM, comprises a deemed fringe benefit on protection services which are provided to him on the basis of a risk assessment which considers his local and global profile and the concomitant risks.</p>

Commitment for F2024

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 2023 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 by the board. As noted by my colleague, the chairman of the social and ethics committee (page 22), in 2021 ARM set a target of net-zero GHG emissions from mining by 2050.

In October 2023, we set new greenhouse gas performance targets for awards to be made from F2024 in terms of the 2018 conditional share plan and 2018 cash-settled conditional share plan.

The methodology behind setting executive long-term incentive targets aligned to greenhouse gas emissions management is an evolving field globally. In determining targets based on our decarbonisation pathways, we have been mindful of global best-practice standards. We have also benchmarked our practices against a representative peer group to ensure we set appropriate and meaningful long-term incentive performance measures that support our targets

to reduce greenhouse gas emissions to net-zero from mining by 2050.

Understanding that our 2050 goal will require ongoing refinement in the way we work, we continue to work on decarbonisation pathways to further develop specific targets that will incrementally and collectively enable ARM to achieve its longer-term objective. We will communicate these details in future reports.

In October 2023 following a benchmarking, against our peers both locally and globally, we also set new transformation targets for awards from F2024 in terms of the 2018 conditional share plan and the 2018 cash-settled conditional share plan.

As discussed in our 2022 report, we considered the shift in the GHG reporting boundary from equity share to operational control in line with the market. The new reporting boundary was applied to the measurement of performance conditions for long-term incentive awards granted from F2023, and not to outstanding awards made from F2019 to F2022. This approach ensured consistency and fairness of measurement for prior awards.

The remuneration policy achieved its stated objectives in F2023 and will continue to lead to performance outcomes that generate real long-term value for our shareholders.

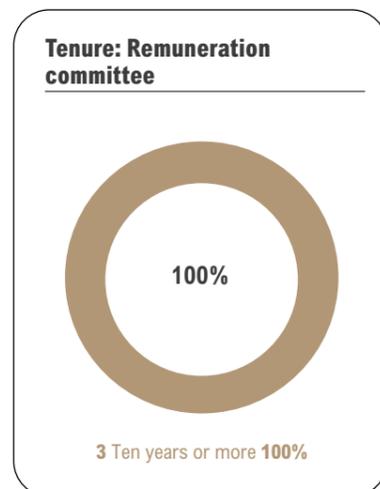
AD Botha
Chairman of the remuneration committee

Remuneration governance framework

Composition

Member	Since
AD Botha (chairman)	August 2009
TA Boardman	August 2011
AK Maditsi	July 2011

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.

Meetings

Three scheduled committee meetings were held in F2023. 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

In F2023, 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 attended committee meetings by invitation and assisted the committee in its deliberations, except when their own remuneration was discussed. Invitees do not vote at meetings. No directors were involved in approving their own remuneration.

Advisers

Regarding F2023 remuneration, 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 implementation of the short-term and long-term incentive schemes and the policy on fees for ad hoc meetings. Change Pathways advised the committee on climate change targets. Bowmans and Change Pathways communicated directly with the committee. Deloitte provided assurance on some elements of executive remuneration. The committee is satisfied that Bowmans, PwC, Deloitte and Change Pathways were independent and objective.

In respect of F2023 remuneration, the remuneration committee relied on the following independent assurance reports in the process of settling awards in terms of the 2018 conditional share plan (CSP) and 2018 cash-settled CSP:

- Andisa provided assurance on dividend-equivalent shares and dividend-equivalent cash payments
- Honeycomb provided an independent assessment of BBBEE

- Change Pathways measured performance in terms of climate-change targets
- IBIS provided assurance on environmental metrics
- 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.

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 2023. 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 and other senior executives
- 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
- 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 F2023

- The scheduled work plan was followed, with a normal cycle of activities and additional duties that included:
- Monitoring the short-term incentive scheme, including:
 - The ongoing risk from 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 on amendments to the 2018 conditional share plan
 - Recommending the procedure to be adopted for the annual allocation and settlement of long-term incentives
 - 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 new climate-change targets
 - Reviewing new transformation and social expenditure and targets
 - Reviewing malus and clawback policy.

FOCUS AREAS FOR F2024

- Recommending corporate bonus parameters for F2024 to the board
- Recommending new GHG targets
- Recommending new transformation targets, new DEI measures and the continued use of BBEE targets
- Recommending to the board annual increases in the base salaries of executive directors and other senior executives
- Recommending to the board short-term incentives (ie bonuses) payable to executive directors and senior executives
- Recommending the board retainer as well as board and committee meeting attendance fees for non-executive directors, for submission to shareholders
- Reviewing malus and clawback criteria
- Reviewing short-term incentive scheme policies
- Considering shareholder feedback and overseeing preparation of the remuneration implementation report.

PART II – Overview of main provisions of the remuneration policy

Remuneration philosophy and policy: executive remuneration

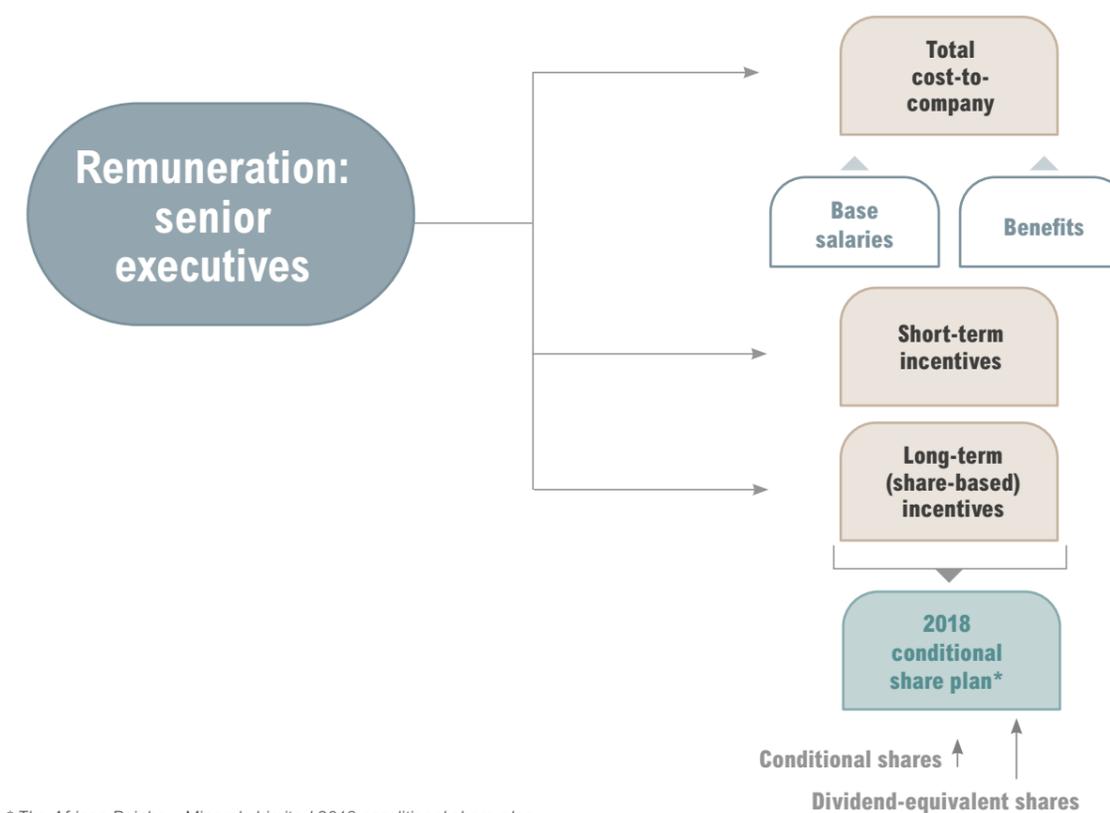
Philosophy

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.

Total cost-to-company (CTC)

POLICY	IMPLEMENTATION
Strategic alignment	
<p>Benchmarked against market practices of South African mining companies comparable in size, business complexity and international scope.</p> <p>Generally reflects market median levels based on role, individual skills and experience.</p>	<ul style="list-style-type: none"> • 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 F2024 of 5% for executives approved from 1 July 2023 (F2023: 5%) • 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	
<p>Membership of ARM pension fund is compulsory. It is a defined contribution fund. Senior executives, if already members of a recognised industrial pension/retirement fund such as Sentinel, may remain members of that fund.</p>	<ul style="list-style-type: none"> • 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 • Employees have the option of choosing a pensionable salary level from 50% to 100% of the CTC • The ARM pension fund is: <ul style="list-style-type: none"> – 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	
<p>Membership of a medical scheme is compulsory.</p>	<ul style="list-style-type: none"> • 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	
<p>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.</p>	
Short-term incentives	
Policy	
<p>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.</p>	

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 F2024 amid ongoing global uncertainty and risk, the maximum bonus payable in F2024 will be capped as in F2023 to two times the on-target bonus multiple. The multiple applicable to each performance measure (being annual profit before interest and taxes (PBIT) and unit cash costs*) will be used to determine a bonus multiple of between zero times and three times, depending on the F2024 actual performance relative to targets set for F2023. 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 two times, it will be capped at two times. Therefore, for F2024 bonuses, the short-term incentive on-target and maximum percentages of CTC, before applying safety and personal performance modifiers, are unchanged from F2023, as shown below:

Position	PATERSON GRADE	F2024 % ON-TARGET BONUS OF CTC	F2024 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 cash costs (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 cash costs against target (a weighted scorecard)
- 25% – divisional profit from operations against target
- 25% – divisional unit cash costs against target (a weighted scorecard).

The following divisional unit cash costs will be measured:

- Manganese
- Iron ore (Beeshoek and Khumani separately)
- Ferromanganese (Machadodorp)
- Ferromanganese (Cato Ridge)
- PGMs (Modikwa)
- PGMs (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.

* Unit cash costs include capitalised waste-stripping costs (for open-pit operations), standing charges (related to periods of non-production) and certain non-cash adjustments but exclude run-of-mine ore work in progress and stock movements.

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 LTIFR 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.

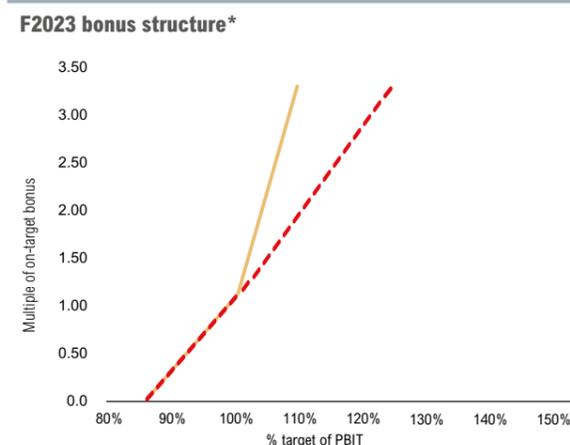
After the safety modifier has been determined on the basis of the LTIFR performance for the year, the board will further consider any fatalities for the year and, at its discretion, adjust the modifier, taking into account the context of such fatalities.

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. F2024 PBIT targets relative to F2023 PBIT targets are set out below. The requirement for the achievement of the maximum bonus award (as a percentage of target) is 125% as in F2023. F2024 cost target percentages are unchanged from F2023.

%	F2024 PBIT TARGETS*
ARM group	(21%)
ARM Ferrous	(12%)
ARM Platinum	(30%)
ARM Coal	(35%)

* Based on the approved F2024 plan relative to F2023 targets. The F2024 plan will be updated for, inter alia, opening balances at 1 July 2023.



— Proposed F2023 % of unit cost relative to target (same as F2022)
 - - - Proposed F2023 % of PBIT relative to target
 * Total bonus capped at 2x on-target bonus multiple (see bonus percentage under part II of the remuneration report).

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 these executives, because their performance is best measured by the performance of the company.

Long-term incentives

2018 conditional share plan (F2024)

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
- Executive: growth and strategic development – 1.5 x total CTC
- Finance director, other executive directors and prescribed officers – 1.33 x total CTC
- Senior executives – 1.0 x total CTC (a premium award up to 1.33 x CTC may be approved for a senior executive in exceptional circumstances including specific knowledge, experience and/or skills that make them of particular value to ARM, retention risks and the degree of difficulty of replacing the executive)

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 and the board.

Dividend-equivalent shares

Awards

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.

Settlements

Dividend-equivalent shares are only settled on vested conditional shares.

Long-term incentives continued

2018 conditional share plan (F2024) continued

Performance conditions and vesting

Performance conditions ¹	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)

¹ 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. In the case of any application of discretion, the remuneration committee will provide an explanation of any deviation in the implementation report for the following financial year.



Aerial view of Modikwa Mine

Long-term incentives continued

2018 conditional share plan (F2024) continued

Performance conditions and vesting continued

Performance conditions ¹	Weight	Threshold	Target	Stretch
Sustainable business Improved safety performance as measured by LTIFR.	10%	Improvement of 3% over period (50% vesting)	Improvement of 4% over period (100% vesting)	Improvement of 5% over period (200% vesting)
Transformation, diversity, equity and inclusion. • Women in management (DL ² and above)	1.5%	Maintain current level (50% vesting)	Equity plan target (100% vesting)	Equity plan target +3% (200% vesting)
• Black managers (DL and above)	2.0%	Maintain current level (50% vesting)	Equity plan target (100% vesting)	Equity plan target +3% (200% vesting)
• Leadership and inclusive culture (measured over the three-year performance period as the average of the annual retention percentage ³ at all levels)	1.5%	95% (50% vesting)	97% (100% vesting)	98% (200% vesting)
• Improvement in the BBBEE score	5%	Maintain current level (50% vesting)	Improvement of 2% (100% vesting)	Improvement of 5% (200% vesting)
Absolute reduction in GHG emissions ⁴ by F2026, relative to F2023 (scope 1 and 2) measured for each year as the aggregate GHG emissions over the full financial year ^{5,6}	5%	10% reduction over the period (50% vesting)	Reduction of between 15% and 20% over the period (100% vesting)	25% reduction over the period (200% vesting)

¹ Should an event occur at any point during the performance period which causes the board to consider who 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. In the case of any application of discretion, the remuneration committee will provide an explanation of any deviation in the implementation report for the following financial year.

² DL means Paterson grade D-lower band.

³ Annual retention percentage is the percentage of those who remain employed at the end of the financial year compared to those that were employed at the start of the year.

⁴ The absolute GHG reduction targets are detailed below and decarbonisation pathways from F2024 to F2026 are more fully described in the climate change section of the ESG report and in the climate change and water report.

⁵ Includes operations within ARM's operational control boundary and the board-approved early-ounces project at Bokoni Platinum Mine, but excludes Nkomati Mine and Machadodorp Works, which are on care and maintenance.

⁶ The baseline year and targets will be adjusted for any material acquisitions and divestments, material changes to planned operating conditions and to reflect progressive refinement of GHG reporting methodologies. Adjustments are expected following the detailed feasibility study at Bokoni Platinum Mine and following a board decision regarding future activities at Machadodorp Works.

Long-term incentives continued

2018 conditional share plan (F2024) continued

Vesting

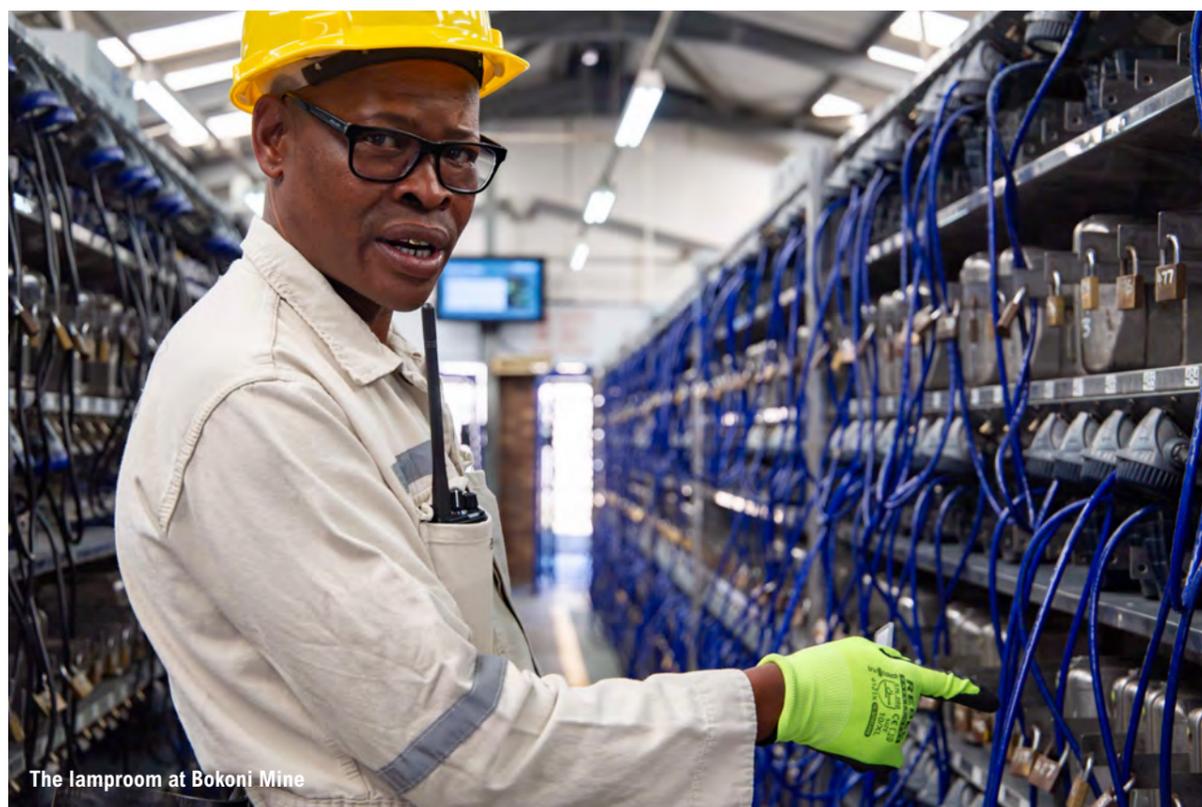
There will be 0% vesting for the applicable performance measure if performance is below threshold. Linear interpolation will be applied for performance between threshold/target, and target/stretch. Vesting is capped at 200% for performance at and above stretch.

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, as approved by shareholders 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.



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 below.

Form of remuneration	Resignation	Retirement	Dismissal	Retrenchment/transfer	Death
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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
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2018 conditional share plan

Conditional shares	Considered a fault termination, subject to the board's discretion: all unvested awards forfeited	Considered a no-fault termination: as a rule, from 2022, unvested awards will vest on the basis of the original vesting dates and performance conditions, without pro-rating. 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
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* Unless the board determines otherwise.

Remuneration report continued

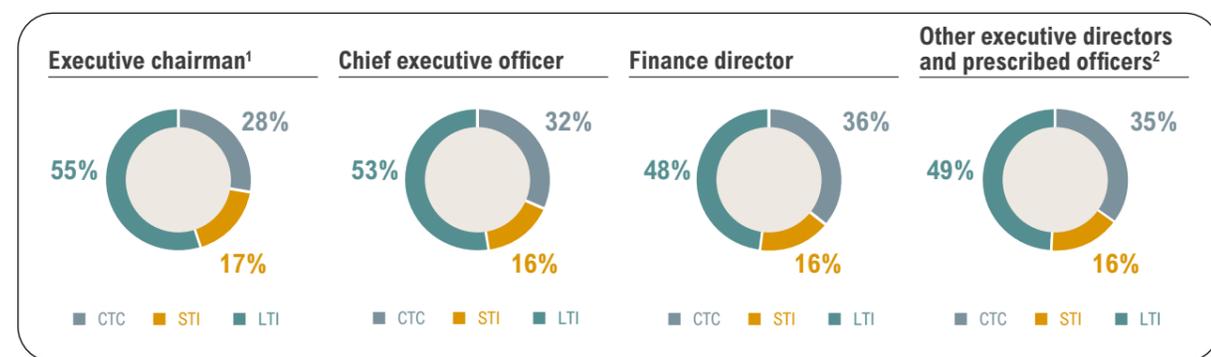
Total remuneration design: F2024

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 (ie fringe benefit tax for protection services).

² Average for Messrs HL Mkatshana, MP Schmidt and A Joubert.

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 one times pensionable salary determined at the date of allocation. This is followed by another period of three years to build a further shareholding of one times pensionable salary for a total of two 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), Mr VP Tobias (who was appointed chief executive officer from 1 May 2023), Mr HL Mkatshana (executive director and chief executive: ARM Platinum, also responsible for ARM Coal), and Ms TTA Mhlana (finance director).

In F2023, there was an employment agreement with Ms J Magagula (executive director: investor relations and new business development), who resigned from the company effective 31 July 2023.

The company also has employment agreements with the prescribed officers, Messrs A Joubert (chief executive: ARM Ferrous) and MP Schmidt (executive: growth and strategic development).

None of these are 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 and the 2018 cash-settled conditional share plan. There are no other service agreements between the company and its executive directors and prescribed officers.

Sign-on arrangements

Mr VP Tobias was appointed ARM's chief executive officer on 1 May 2023, following his appointment as chief operating officer in November 2021. As part of his sign-on agreement in 2021, ARM agreed to match the long-term incentives Mr Tobias forfeited at his previous employer after meeting all performance conditions, except the condition relating to continued employment. In terms of the ARM formal agreement, he received or 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 – paid in F2023
- 2023: R2 133 781 on 15 November 2023 – payable in F2024.

He received an annual long-term share incentive award in the F2023 allocation under the 2018 conditional share plan, based on the award multiple applicable to his role (ie 1.33 times cost-to-company).

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 F2023. The remuneration committee agreed to recommend to shareholders that non-executive directors' fees be increased by 5% in F2024 (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.

Remuneration report continued

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 2023 (excl VAT) R*		Fees from 1 July 2022 (excl VAT) R	
	Annual retainer	Per meeting	Annual retainer	Per meeting
Lead independent non-executive director	675 800	25 800	643 600	24 550
Independent non-executive directors	539 200	25 800	513 500	24 550
Non-executive directors	539 200	25 800	513 500	24 550

VAT = value-added tax

* Effective 1 July 2023, should fees be approved by shareholders at the 2023 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 2023 (excl VAT) R*	Per-meeting attendance fees from 1 July 2022 (excl VAT) R
Audit and risk committee		
Chairman	134 750	128 350
Member	53 900	51 350
Investment and technical committee, nomination committee, remuneration committee, social and ethics committee or any other board committee		
Chairman	66 850	63 650
Member	35 300	33 600

VAT = value-added tax

* Effective 1 July 2023, should fees be approved by shareholders at the 2023 annual general meeting.

Attendance fees are also paid for ad hoc committee meetings and for other work devoted to committee business outside regular scheduled committee meetings. For an ad hoc committee meeting or other work devoted to committee business outside regular scheduled meetings, which requires substantially less time to prepare for, attend or undertake than a scheduled meeting, the per-meeting fee will be reduced commensurately.

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. The company has a renewable consultancy agreement with Mr JA Chissano, which was renewed for one year from 1 May 2023.

There are no other consultancy agreements between the company and its non-executive directors.

Details of amounts paid in F2023 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.

PART III – implementation report: F2023

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 5.0% for senior executives for F2023 (F2022: 5.2%).

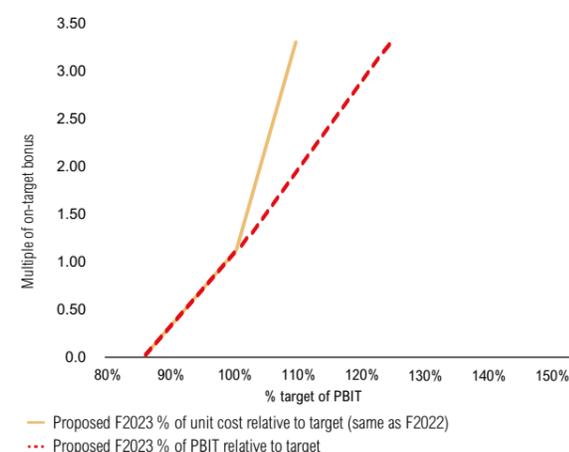
F2023 short-term incentive performance targets

The F2023 targets for PBIT and costs are shown alongside.

F2023 PBIT targets*	
ARM group	(24%)
ARM Ferrous	(26%)
ARM Platinum	(32%)
ARM Coal	>200%

* Based on approved F2023 plan relative to F2022 targets.

F2023 bonus structure*



* Total bonus capped at 2x on-target bonus multiple (see bonus percentage under part II of the remuneration report).

Performance against bonus targets for F2023

Profitability*	Unit cash costs	Safety modifier**
<p>Above target</p> <ul style="list-style-type: none"> ARM Ferrous ARM Coal ARM group <p>Below target</p> <ul style="list-style-type: none"> ARM Platinum 	<p>Overall worse than plan</p> <ul style="list-style-type: none"> ARM Ferrous ARM Platinum ARM Coal ARM group 	<p>Maximum achieved</p> <ul style="list-style-type: none"> ARM Ferrous ARM Coal <p>Between target and maximum</p> <ul style="list-style-type: none"> ARM Platinum ARM group

* Based on profit before interest and tax (PBIT).
** Safety modifier adjusted for fatalities.

F2023 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. Except for the executive chairman, the percentage of total annual package before incentives paid as a bonus is based on relative achievement against targets. For the executive chairman, the bonus is based on a percentage of basic salary and excludes non-cash benefits and other benefits (see single-figure remuneration table).

F2023 short-term incentive performance scorecard: executive directors and ARM corporate prescribed officers

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		
Group performance	100%						
• PBIT from operations		50%				3.00	Exceeded stretch (OTB multiple = 3)
• Unit cash costs** (weighted)		50%	●			0.37	Between threshold and target (OTB multiple = 0.37)
Group performance outcome before capping	100%					1.68	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (0.37)
Group performance outcome (capped at 2.00*)	100%					1.68	Capped at 2.00*
Group safety modifier adjusted for fatalities				●		9.38%	Between target and stretch (9.38%)

OTB = on-target bonus.

* In terms of the board-approved remuneration policy for F2023, performance multiple before safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.

** Unit cash costs include capitalised waste stripping costs (for the open-pit operations), standing charges (related to periods of non-production) and certain non-cash adjustments but exclude run-of-mine orework in progress and stock movements.

Remuneration report continued

F2023 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 cash costs** (weighted)		50%	●				0.37	Between threshold and target (OTB multiple = 0.37)
Group performance outcome	50%						1.68	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (0.37)
Divisional performance	50%							
ARM Ferrous • PBIT from division		50%				●	3.00	Between target and stretch (OTB multiple = 3)
ARM Ferrous • Unit cash costs (weighted)		50%	●				0.56	Between threshold and target (OTB multiple = 0.56)
Divisional performance outcome	50%						1.78	50% of OTB multiple from PBIT from operations (3) + 50% of OTB multiple from unit cost of sales (0.56)
Overall performance from group and division	100%						1.73	50% of group + 50% of division (capped at 2.00*)
Divisional safety modifier						●	10%	Maximum target achieved (10%)

OTB = on-target bonus.

* In terms of the board-approved remuneration policy for F2023, performance multiple before safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.

** Unit cash costs include capitalised waste stripping costs (for the open-pit operations), standing charges (related to periods of non-production) and certain non-cash adjustments but exclude run-of-mine orework in progress and stock movements.

The F2023 remuneration outcomes are summarised overleaf. The total F2023 bonus was payable in cash and no portion was deferred.

F2023 short-term incentive performance outcomes: executive directors and prescribed officers

	F2023 % on-target bonus	F2023 % maximum bonus (before safety and personal performance modifiers)	F2023 performance multiple ⁶	F2023 % bonus (before safety and personal performance modifiers) ⁷	F2023 safety modifier adjusted for fatalities ⁸	F2023 % bonus (after safety and before personal performance modifiers) ⁹	F2023 personal performance modifier	F2023 % bonus (after safety and personal performance modifiers) ¹⁰	F2023 total annual package before incentives (excluding non-cash benefits) (R000) ¹¹	F2023 short-term incentives (cash bonus) (R000) ¹²
Executive directors										
Dr PT Motsepe (executive chairman) ¹	62%	124%	1.68	104.40%	9.38%	114.20%		114.20%	9 447	10 786
VP Tobias ^{2,3}	50%	100%	1.68	84.20%	9.38%	92.09%		92.09%	1 451	1 335
MP Schmidt ^{2,4}	50%	100%	1.68	84.20%	9.38%	92.09%		92.09%	8 221	7 570
J Magagula ⁵	45%	90%	1.68	75.78%	9.38%	82.88%	5.00%	87.03%	4 365	3 797
TTA Mhlanga	45%	90%	1.68	75.78%	9.38%	82.88%	5.00%	87.03%	5 700	4 958
HL Mkatshana	45%	90%	1.68	75.78%	9.38%	82.88%	2.50%	84.95%	5 295	4 496
Prescribed officers										
MP Schmidt ^{2,4}	50%	100%	1.68	84.20%	9.38%	92.09%		92.09%	1 301	1 197
VP Tobias ^{2,3}	45%	90%	1.68	75.78%	9.38%	82.88%	5.00%	87.03%	6 127	5 331
A Joubert	45%	90%	1.73	77.93%	10.00%	85.73%	5.00%	90.01%	6 052	5 446

^{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. For F2023, the board approved that no personal performance modifier would apply to the bonus calculation for the former chief executive officer.

³ Mr VP Tobias, the chief operating officer, was appointed chief executive officer from 1 May 2023. His cash bonus was calculated by determining his on-target bonus at 45% from 1 July 2023 to 30 April 2023 (shown under the heading Prescribed officers) and his on-target bonus at 50% from 1 May 2023 to 30 June 2023. The pro-rata remuneration is shown for the periods when he was a prescribed officer and then an executive director.

⁴ Mr MP Schmidt stepped down as chief executive officer and an executive director from 1 May 2023. He was appointed executive: growth and strategic development from 1 May 2023. The board approved an on-target bonus at 50% for 1 July 2022 to 30 June 2023 (ie all of F2023) and the multiple will decrease to 45% in F2024. The pro-rata remuneration is shown for the periods when he was an executive director and then a prescribed officer.

⁵ Ms Magagula resigned from the company from 31 July 2023.

⁶ In terms of the board-approved remuneration policy for F2023, the performance multiple before the safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00. Refer to the scorecards on pages 175 and 176 for the performance multiples.

⁷ The % bonus (before safety and personal performance modifiers) is the % on-target bonus times the performance multiple (rounded).

⁸ As independently reviewed by Bowmans. Refer to the scorecards on pages 175 and 176 for the safety modifiers.

⁹ 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).

¹⁰ The % bonus (after safety and personal performance modifiers) is the % bonus (after safety and before personal performance modifiers) plus the personal performance modifier (rounded).

¹¹ Total annual package (excluding non-cash benefits) as per the single-figure remuneration table on page 182. For the executive chairman, the cash bonus is based on a percentage of basic salary, excluding non-cash benefits and other benefits.

¹² 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 182 of the ESG report.

F2023 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.

For the executive chairman, conditional shares are awarded as a multiple of basic salary. For other senior executives, conditional shares are awarded as a multiple of total annual package before incentives.

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 were made in December 2022. The applicable performance period was 1 July 2023 to 30 June 2026.

Remuneration report continued

F2023 long-term incentive performance outcomes

F2018 conditional share awards and F2018 conditional awards – annual settlement

Awards granted under the 2018 CSP and the 2018 cash-settled CSP vested on the date determined

by the board. The vesting date for annual settlements was 12 December 2023 and the vesting date for interim settlements was 12 June 2023. The vesting percentage was 124.7% as set out below.

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.

The number of shares settled to holders of **2018 CSP awards**, based on these parameters was:

$$\text{Number of awards} \times \text{vesting percentage} \times (1 + \text{dividend-equivalent shares per award})$$

The cash payable to holders of **2018 cash-settled CSP awards**, based on these parameters was:

$$\text{Number of awards} \times \text{vesting percentage} \times \text{settlement amount per award}^*$$

* **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 TSR	25%	●						0%	0%	ARM's TSR performance was below median of the comparator group 20 mining companies (excludes gold and diamond companies) ¹ therefore 0% vesting
US\$ 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 PPI ³
Sustainable business										
Safety performance	10%						●	200%	20%	ARM's safety performance, as measured by the LTIFR improved over the three-year performance period ⁴
Improvement in BBEE score	10%	●						0%	0%	ARM's BBEE score did not improve over the three-year performance period ⁵
Environmental compliance	5%			●				94.7%	4.7%	ARM's climate-change performance measured through an absolute reduction in GHG ⁶
Total vesting percentage									124.7%	

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 2019 to 30 June 2022:

Rank	Company*	Rank	Company*	TSR returns are as follows:	
1	Royal Bafokeng Platinum Limited	11	South32 Limited	ARM	21.66%
2	Wesizwe Platinum Limited	12	Kumba Iron Ore Limited	Median	26.46%
3	Impala Platinum Holdings Limited	13	BHP Group Limited	Upper quartile	33.69%
4	Northam Platinum Holdings Limited	14	Tharisa plc	ARM's TSR return was 21.66%, below the median, and therefore 0%*	
5	ArcelorMittal SA Limited	15	Wescoal Holdings Limited	Vesting % cap	200.00%
6	Anglo American Platinum Limited	16	Hulamin Limited	* No vesting below median.	
7	Anglo American plc	17	MC Mining Limited		
8	Glencore plc				
9	Exxaro Resources Limited				
10	Merafe Resources Limited				

Source: PwC

* Companies that delisted during the performance period were excluded from the TSR testing.

² Average 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:

Average free cash flow return on equity	19.41%
Average US\$ cost of equity (CoE)	11.11%
Average stretch return (Average US\$ CoE +6%)	17.11%
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 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.

2019-2022 mining PPI increase*	84.11%
2019-2022 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 table alongside summarises the improvement in safety performance as measured by the improvement in LTIFR from 1 July 2019 to 30 June 2022.

Year (at 30 June)	LTIFR
2019	0.42
2022	0.31
Stretch decrease = 5%	0.399 ⇐ Above stretch
Vesting %*	200%

* Vesting is capped at 200% for performance at and above stretch.

⁵ The vesting percentage is 0% vesting for the applicable performance measure if performance is below threshold.

⁶ Climate-change performance is measured in terms of the Greenhouse Gas Protocol policy and action standard by determining absolute savings in carbon emissions through emission-reduction initiatives:
i) emissions from direct production activities (scope 1 emissions); and
ii) emissions from electricity consumption (scope 2 emissions), determined at the end of the performance period from 1 July 2019 to 30 June 2022, relative to the baseline on 1 July 2019.

Baseline at 1 July 2019	0.00%
Reduction at 30 June 2022	1.59%
Target reduction from baseline	1.80%
Vesting percentage	94.20% ⇐ Between target and threshold
Assurance provided by IBIS	

Dividend-equivalent shares and dividend-equivalent cash payments

The dividend-equivalent shares and dividend-equivalent cash payments for awards which vested in December 2022 and June 2023 were calculated on the basis of dividend amounts and ex-dividend dates sourced from 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 6 December 2019 was 0.3377, and the value of dividend-equivalent payments per cash-settled CSP award granted on 6 December 2019 and vested on 12 December 2022 was R74.

The number of dividend-equivalent shares per CSP award granted on 11 May 2020 was 0.3486, and the value of dividend-equivalent payments per cash-settled CSP award granted on 11 and 22 May 2020 and vested on 11 June 2023 was R83. The allocation on 22 May 2020 was made to management other than senior executives in the F band.

Remuneration report continued

Award	Ex-dividend date	Dividend R	Market value of share R	December 2022 settlement		June 2023 settlement	
				DE shares	DE payment	DE shares	DE payment
Interim dividend 2020	Wednesday, 18 March 2020	5.00	102.14	0.0490	5.00	–	–
Final dividend 2020	Wednesday, 30 September 2020	7.00	226.64	0.0309	7.00	0.0309	7.00
Interim dividend 2021	Wednesday, 24 March 2021	10.00	275.18	0.0363	10.00	0.0363	10.00
Final dividend 2021	Wednesday, 29 September 2021	20.00	203.27	0.0984	20.00	0.0984	20.00
Interim dividend 2022	Wednesday, 30 March 2022	12.00	265.57	0.0452	12.00	0.0452	12.00
Final dividend 2022	Wednesday, 28 September 2022	20.00	256.88	0.0779	20.00	0.0779	20.00
Interim dividend 2023	Wednesday, 29 March 2023	14.00	233.84	–	–	0.0599	14.00
Total dividend-equivalent shares				0.3377	74.00	0.3486	83.00

DE = dividend equivalent.

Termination-of-office payments

In F2023, no payments were made to executive management as a result of terminating employment.

Malus and clawback

In F2023, 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 target 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 2023 is set out below:

	Shareholding at 30 June 2023 (direct or indirect)	Shareholding at 30 June 2022 (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	90 876 095	90 696 906	62 965	October 2018	125 930	October 2021
VP Tobias ²	–	–	13 362	December 2024	26 724	December 2027
TTA Mhlanga ³	–	–	10 366	December 2023	20 732	December 2026
J Magagula ⁴	21 123	6 000	13 705	December 2023	27 410	December 2026
HL Mkatshana ⁵	222 571	186 676	21 207	October 2018	42 413	October 2021
Prescribed officers						
MP Schmidt ⁶	700 449	616 454	41 094	October 2018	82 188	October 2021
A Joubert	69 443	28 441	24 236	October 2018	48 472	October 2021

¹ Shares held by African Rainbow Minerals and Exploration Investments Proprietary Limited and Botho-Botho Commercial Enterprises Proprietary Limited.

² Mr VP Tobias was appointed chief operating officer from 14 November 2021 and as an executive director and chief executive officer from 1 May 2023. He is required to meet the target for the first tranche in December 2024.

³ 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.

⁴ Ms J Magagula was appointed to the board as executive director: investor relations and new business development from 18 December 2019 and was required to meet the target for the first tranche in December 2023. Ms Magagula resigned from the board from 31 July 2023.

⁵ As per the Stock Exchange News Services announcements during the financial year ended 30 June 2023, Mr HL Mkatshana has transferred registered title in 80 000 ordinary shares of the company to the ESP Trust of which he is a beneficiary.

⁶ Mr MP Schmidt stepped down as chief executive officer from 1 May 2023 and is now executive: growth and strategic development.

Mr VP Tobias acquired 19 876 ordinary shares in the company between 30 June 2023 and the date of this report.

Remuneration report continued

Single-figure remuneration: executive directors and prescribed officers

The schedule of single-figure remuneration for executive directors and prescribed officers for the years ended 30 June 2023 and 30 June 2022 are set out below.

Single-figure remuneration

R000	2023										2022																
	Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits ⁷	Non-cash benefits	Other benefits ⁸	Allowances	Total annual package before incentives	Short-term incentives	Cash bonus and sign-on awards ⁹	Total annual package after short-term incentives, before long-term incentives	Long-term incentives	Performance shares and conditional awards ¹⁰	Total single-figure remuneration	Basic salary	Retirement fund contributions (incl pension scheme contributions)	Medical benefits ⁷	Non-cash benefits	Other benefits ⁸	Allowances	Total annual package before incentives	Short-term incentives	Cash bonus and sign-on awards ⁹	Total annual package after short-term incentives, before long-term incentives	Long-term incentives	Performance shares and conditional awards ¹⁰	Total single-figure remuneration	
Executive directors																											
Dr PT Motsepe ¹	9 445	–	–	11 340	2		20 787	10 786		31 573	52 728		84 301	8 996	–	–	10 976	2		19 974	10 760		30 734	107 897		138 631	
VP Tobias (from 1 May 2023) ²	1 314	109	–	–	28		1 451	1 335		2 786	–		2 786	–	–	–	–	–		–	–		–	–		–	
MP Schmidt (to 1 May 2023) ³	7 594	511	–	–	116		8 221	7 570		15 791	45 975		61 766	8 672	585	–	–	139		9 396	9 061		18 457	69 167		87 624	
J Magagula ⁴	3 823	326	193	–	23		4 365	3 797		8 162	8 501		16 663	3 653	307	177	–	20		4 157	3 801		7 958	3 267		11 225	
TTA Mhlanga ⁵	5 214	425	45	–	16		5 700	4 958		10 658	–		10 658	4 923	399	42	–	13		5 377	4 874		10 251	–		10 251	
HL Mkatshana	4 714	395	–	–	186		5 295	4 496		9 791	19 648		29 439	4 504	376	–	–	163		5 043	4 584		9 627	24 820		34 447	
Total for executive directors	32 104	1 766	238	11 340	371		45 819	32 942		78 761	126 852		205 613	30 748	1 667	219	10 976	337		43 947	33 080		77 027	205 151		282 178	
Prescribed officers⁶																											
MP Schmidt (from 1 May 2023) ³	1 196	82	–	–	23		1 301	1 197		2 498	–		2 498	–	–	–	–	–		–	–		–	–		–	
VP Tobias (to 1 May 2023) ²	5 554	457	–	–	116		6 127	6 593		12 720	–		12 720	3 991	339	–	–	78		4 408	4 023		8 431	–		8 431	
A Joubert	5 024	587	–	–	441		6 052	5 446		11 498	22 459		33 957	4 882	560	–	11	322		5 775	4 825		10 600	28 371		38 971	
Total for prescribed officers	11 774	1 126	–	–	580		13 480	13 236		26 716	22 459		49 175	8 873	899	–	11	400		10 183	8 848		19 031	28 371		47 402	
Total for executive directors and prescribed officers	43 878	2 892	238	11 340	951		59 299	46 178		105 477	149 311		254 788	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.

- The non-cash benefit for Dr PT Motsepe, the executive chairman of ARM, comprises a deemed fringe benefit on protection services which are provided to him on the basis of a risk assessment which considers his local and global profile and the concomitant risks. For the executive chairman, the cash bonus is based on a percentage of basic salary and excludes non-cash benefits and other benefits.
- Mr VP Tobias was appointed chief operating officer from 14 November 2021 and as chief executive officer from 1 May 2023. His cost-to-company was increased to R8.7 million from 1 May 2023. The pro-rata remuneration is shown for the periods when he was a prescribed officer and then an executive director, respectively. No long-term incentive is reflected for Mr Tobias because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured. (Full details of long-term incentive awards are set out in part III of the remuneration report in the ESG report.)
- Mr MP Schmidt stepped down as chief executive officer and an executive director from 1 May 2023. He was appointed executive: growth and strategic development from 1 May 2023 and his cost-to-company was decreased to R7.8 million per annum from 1 May 2023. The pro-rata remuneration is shown for the periods when he was an executive director and then a prescribed officer, respectively.
- Ms J Magagula resigned from the company from 31 July 2023, following the financial year end. The long-term incentives settled in F2023 (i.e. conditional awards in terms of the 2018 cash-settled conditional share plan) had been granted to her prior to her appointment as an executive director. (Full details of long-term incentive awards are set out in part III of the remuneration report in the ESG report.)
- Ms TTA Mhlanga was appointed finance director from 1 October 2020. No long-term incentive is reflected for Ms Mhlanga because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured. (Full details of long-term incentive awards are set out in part III of the remuneration report in the ESG report.)
- The prescribed officers of the company were determined under section 66(10) of the Companies Act, and further described in section 38 of its regulations. Their remuneration is disclosed in terms of the Companies Act, section 30(4)(a).
- The medical aid benefits for Ms J Magagula and Ms TTA Mhlanga were structured as deductions from their cost-to-company packages. No other executives had medical aid deductions.
- Other benefits includes UIF and optional risk benefits such as group life benefits and additional disability and death benefits.
- No bonuses were deferred in F2023. (Full details of cash bonuses are set out in part III of the remuneration report in the ESG report.) In terms of the sign-on arrangements when he was appointed as chief operating officer in November 2021, Mr VP Tobias received the first cash sign-on award of R1.26 million in November 2022. (Full details of the sign-on awards are set out in part III of the remuneration report in the ESG report.) There were no other sign-on awards in F2023.
- Includes pre-tax settlement value of i) conditional share awards in terms of the 2018 conditional share plan; and ii) conditional awards in terms of the 2018 cash-settled conditional share plan. The value of the conditional share awards and conditional awards were included in F2023 as performance was determined at the vesting date which fell in F2023. Income tax, other taxes and related brokerage and administrative charges on the settlement of long-term incentives settled on Dr Motsepe were paid by Dr Motsepe. Long-term incentives for other executive directors and prescribed officers were settled net of income tax, other taxes and related brokerage and administrative charges. (See part III of the remuneration report in the ESG report for further information about the vesting percentage and dividend equivalents.)

R000	2023										2022																
	Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits ⁷	Non-cash benefits	Other benefits ⁸	Allowances	Total annual package before incentives	Short-term incentives	Cash bonus and sign-on awards ⁹	Total annual package after short-term incentives, before long-term incentives	Long-term incentives	Performance shares and conditional awards ¹⁰	Total single-figure remuneration	Basic salary	Retirement fund contributions (incl pension scheme contributions)	Medical benefits ⁷	Non-cash benefits	Other benefits ⁸	Allowances	Total annual package before incentives	Short-term incentives	Cash bonus and sign-on awards ⁹	Total annual package after short-term incentives, before long-term incentives	Long-term incentives	Performance shares and conditional awards ¹⁰	Total single-figure remuneration	
Executive directors																											
Dr PT Motsepe ¹	8 996	–	–	10 976	2		19 974	10 760		30 734	107 897		138 631	–	–	–	–	–		–	–		–	–		–	
VP Tobias (from 1 May 2023)	–	–	–	–	–		–	–		–	–		–	8 672	585	–	–	139		9 396	9 061		18 457	69 167		87 624	
MP Schmidt (to 1 May 2023)	3 653	307	177	–	20		4 157	3 801		7 958	3 267		11 225	4 923	399	42	–	13		5 377	4 874		10 251	–		10 251	
J Magagula ²	4 504	376	–	–	163		5 043	4 584		9 627	24 820		34 447	4 504	376	–	–	163		5 043	4 584		9 627	24 820		34 447	
TTA Mhlanga ³	4 504	376	–	–	163		5 043	4 584		9 627	24 820		34 447	4 504	376	–	–	163		5 043	4 584		9 627	24 820		34 447	
Total for executive directors	30 748	1 667	219	10 976	337		43 947	33 080		77 027	205 151		282 178	30 748	1 667	219	10 976	337		43 947	33 080		77 027	205 151		282 178	
Prescribed officers⁴																											
MP Schmidt (from 1 May 2023)	–	–	–	–	–		–	–		–	–		–	–	–	–	–	–		–	–		–	–		–	
VP Tobias (to 1 May 2023) ⁵	3 991	339	–	–	78		4 408	4 023		8 431	–		8 431	4 882	560	–	11	322		5 775	4 825		10 600	28 371		38 971	
A Joubert ⁶	4 882	560	–	–	441		6 052	5 446		11 498	22 459		33 957	4 882	560	–	11	322		5 775	4 825		10 600	28 371		38 971	
Total for prescribed officers	8 873	899	–	11	400		10 183	8 848		19 031	28 371		47 402	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	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.

- The non-cash benefit for Dr PT Motsepe, the executive chairman of ARM, comprises a deemed fringe benefit on protection services which are provided to him on the basis of a risk assessment which considers his local and global profile and the concomitant risks. For the executive chairman, the cash bonus is based on a percentage of basic salary and excludes non-cash benefits and other benefits.
- Ms J Magagula was appointed an executive director from 18 December 2019. In F2022, following an independent benchmarking review of executive director remuneration paid by South African mining companies in the company's peer group, Ms Magagula received a salary adjustment of 14.3% in addition to the 5.2% annual increase paid to senior executives in the Paterson Grade F-band, for a total of 19.5%. The long-term incentives settled in F2022 (i.e. conditional awards in terms of the 2018 cash-settled conditional share plan) had been granted to her prior to her appointment as an executive director. (Full details of long-term incentive awards are set out in part III of the remuneration report in the ESG report.)
- Ms TTA Mhlanga was appointed finance director from 1 October 2020. In 2022, following an independent benchmarking review of finance director and chief financial officer remuneration paid by South African mining companies in the company's peer group, Ms Mhlanga received a salary adjustment of 2.3% in addition to the 5.2% annual increase paid to senior executives in the Paterson Grade F-band, for a total of 7.5%. No long-term incentive is reflected for Ms Mhlanga because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured. (Full details of long-term incentive awards are set out in part III of the remuneration report in the ESG report.)
- The prescribed officers of the company were determined under section 66(10) of the Companies Act, and further described in section 38 of its regulations. Their remuneration is disclosed in terms of the Companies Act, section 30(4)(a).
- Mr VP Tobias was appointed chief operating officer from 14 November 2021. No long-term incentive is reflected for Mr Tobias because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured. (Full details of long-term incentive awards are set out in part III of the remuneration report in the ESG report.)
- Mr A Joubert's non-cash benefit comprises a fringe benefit on travel.
- The medical aid benefits for Ms J Magagula and Ms TTA Mhlanga were structured as deductions from their cost-to-company packages. No other executives had medical aid deductions.
- Other benefits includes UIF and optional risk benefits such as group life benefits and additional disability and death benefits.
- No bonuses were deferred in F2022. In F2022, there were no sign-on awards.
- 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. Income tax, other taxes and related brokerage and administrative charges on the settlement of long-term incentives settled on Dr Motsepe were paid by Dr Motsepe. Long-term incentives for other executive directors and prescribed officers were settled net of income tax, other taxes and related brokerage and administrative charges. (See part III of the remuneration report in the ESG report for further information about the vesting percentage and dividend equivalents.)

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

Directors/ prescribed officers	Number of shares	Award type	Award date	Vesting date ¹	Value on award date (R000)	F2023					Pre-tax cash value on settlement (R000) ²
						Opening balance	Awarded during year	Forfeited during year	Vested/ settled during year	Closing balance	
Directors											
Dr PT Motsepe	107 420	CSA	6-Dec-19	7-Dec-22	16 603	107 420	–	–	(107 420)	–	52 728
	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	–
	66 505	CSA	4-Dec-22	5-Dec-25	18 891	–	66 505	–	–	66 505	–
VP Tobias ³	35 542	CSA	8-Mar-22	4-Dec-24	9 310	35 542	–	–	–	35 542	–
	34 415	CSA	4-Dec-22	5-Dec-25	9 776	–	34 415	–	–	34 415	–
	33 758	CSA	11-Jun-23	12-Jun-26	7 195	–	33 758	–	–	33 758	–
J Magagula ⁴	16 445	CSA	11-May-20	12-May-23	2 025	16 445	–	–	(16 445)	–	5 861
	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	–
	20 430	CSA	4-Dec-22	5-Dec-25	5 803	–	20 430	–	–	20 430	–
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	–
	26 677	CSA	4-Dec-22	5-Dec-25	7 578	–	26 677	–	–	26 677	–
HL Mkatshana	40 027	CSA	6-Dec-19	7-Dec-22	6 186	40 027	–	–	(40 027)	–	19 648
	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	–
	24 781	CSA	4-Dec-22	5-Dec-25	7 039	–	24 781	–	–	24 781	–
Prescribed officers											
A Joubert	45 754	CSA	6-Dec-19	7-Dec-22	7 072	45 754	–	–	(45 754)	–	22 459
	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	–
	28 327	CSA	4-Dec-22	5-Dec-25	8 046	–	28 327	–	–	28 327	–
MP Schmidt	93 663	CSA	6-Dec-19	7-Dec-22	14 477	93 663	–	–	(93 663)	–	45 975
	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	–
	57 988	CSA	4-Dec-22	4-Dec-25	16 471	–	57 988	–	–	57 988	–

CSA = Conditional share awards.

¹ In F2022, the annual settlement was made in March 2022, because there was not sufficient time in December 2021 to complete the settlement between the end of the prohibited period due to the Bokoni Platinum Mine transaction and the annual report closed period. In addition, the original 2021 vesting date of the 2019 award was delayed by the company being in a prohibited period. The amended vesting date was 8 March 2022.

² For the F2023 settlement of the December 2019 award, additional dividend-equivalent shares of 0.3377 per award were included in the settlement value, as assured by the independent third-party consultant, Andisa. The performance measurement and applicable vesting percentage (124.7%) was assured by the independent third-party consultant, Bowmans. The final vesting price used to determine the pre-tax cash value on settlement of R294.26 was the closing share price on 9 December 2022.

For the F2023 settlement of the May 2020 award, additional dividend-equivalent shares of 0.3486 per award were included in the settlement value, as assured by the independent third-party consultant, Andisa. The performance measurement and applicable vesting percentage (124.7%) was assured by the independent third-party consultant, Bowmans. The final vesting price used to determine the pre-tax cash value on settlement of R211.91 was the closing share price on 9 June 2023.

³ Mr V P Tobias, chief operating officer, was appointed chief executive officer from 1 May 2023. As such, in June 2023, the board approved a top-up award for Mr Tobias. In accordance with policy, the award was the difference between the number of CSP share awards awarded in December 2022 using a ratio of 1.33 and the number of CSP share awards awarded in June 2023 using a ratio of 1.67.

⁴ In May 2020, Ms J Magagula received a top-up award following her appointment as an executive director. She resigned from the board from 31 July 2023.

F2022

Directors/ prescribed officers	Number of shares	Award type	Award date	Vesting date ¹	Value on award date (R000)	Opening balance	Awarded during year	Forfeited during year	Vested/ settled during year ¹	Closing balance	Pre-tax cash value on settlement (R000) ²
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 (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.

Remuneration report continued

Cash-settled conditional awards

Cash-settled conditional awards are made to eligible participants in the D and E Paterson grade bands 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 a director, prior to her appointment as a director, are summarised below.

Unvested cash-settled conditional awards

Directors	Number of awards	Award type	Award date	Vesting date	Value on award date (R000)	F2023					Pre-tax cash value on settlement (R000) ¹
						Opening balance	Awarded during year	Forfeited during year	Vested/settled during year	Closing balance	
J Magagula ²	5 874	CA	06-Dec-19	07-Dec-22	908	5 874	–	–	(5 874)	–	2 640

CA = cash-settled conditional awards.

¹ An additional dividend-equivalent cash payment of R74 per award was included in the settlement value, as assured by the independent third-party consultant, Andisa. The performance measurement and applicable vesting percentage (124.7%) 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 (12 December 2022) of R286.37.

² Ms J Magagula was appointed an executive director from 18 December 2019 and received these awards prior to her appointment. She resigned from the board from 31 July 2023.

Directors	Number of awards	Award type	Award date	Vesting date	Value on award date (R000)	F2022					Pre-tax cash value on settlement (R000) ²
						Opening balance	Awarded during year	Forfeited during year	Vested/settled during year ¹	Closing balance	
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.

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 share awards

Directors	Number of awards	Award type	Award date ¹	Vesting date	Value on award date (R000)	F2023					Pre-tax cash value on settlement (R000) ²
						Opening balance	Awarded during year	Forfeited during year	Vested/settled during year ¹	Closing balance	
There were no unvested performance share awards.											
Directors	Number of awards	Award type	Award date ¹	Vesting date	Value on award date (R000)	F2022					Pre-tax cash value on settlement (R000) ²
						Opening balance	Awarded during year	Forfeited during year	Vested/settled during 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	–	–	–	–	–	–	–	–	–	–	–
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.

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 share awards

Directors	Number of awards	Award type	Grant date	Vesting date	Value on award date (R000)	F2023					Pre-tax cash value on settlement (R000) ²
						Opening balance	Forfeited during year	Vested/settled during year ¹	Closing balance		
There were no unvested bonus share awards.											
Directors	Number of awards	Award type	Grant date	Vesting date	Value on award date (R000)	F2022					Pre-tax cash value on settlement (R000) ²
						Opening balance	Forfeited during year	Vested/settled during 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.

Remuneration report continued

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.

Share options

F2023
There were no unexercised 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 due to the company being in a prohibited period because 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 March 2022) of R274.20.

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 on page 189 sets out emoluments paid to non-executive directors for F2023 and F2022.

Non-executive directors' fees*

R000	F2023					F2022				
	Board	Committee ⁵	Consultancy fees excl VAT ⁶	VAT	Total incl VAT	Board	Committee ⁵	Consultancy fees excl VAT ⁶	VAT	Total incl VAT
AK Maditsi (lead independent)	815	1 032	–	277	2 124	730	893	–	243	1 866
F Abbott	685	518	–	181	1 384	606	235	–	126	967
M Arnold ¹	636	409	–	157	1 202	606	141	152	135	1 034
TA Boardman	685	1 168	–	278	2 131	606	1 070	–	251	1 927
AD Botha	685	727	–	57	1 469	606	625	–	94	1 325
JA Chissano ²	661	299	684	144	1 788	606	302	672	136	1 716
WM Gule	685	25	–	–	710	606	56	–	–	662
B Kennedy ³	476	67	–	82	625	–	–	–	–	–
PJ Mnisi	685	360	–	157	1 202	606	383	–	148	1 137
DC Noko	685	521	–	182	1 388	606	320	–	–	926
B Nqwababa ⁴	476	188	–	100	764	–	–	–	–	–
Dr RV Simelane	685	835	–	228	1 748	606	746	–	203	1 555
JC Steenkamp	685	335	–	153	1 173	606	261	–	130	997
Total for non-executive directors	8 544	6 484	684	1 996	17 708	6 790	5 032	824	1 466	14 112

VAT = value-added tax.

* Payments to reimburse out-of-pocket expenses have been excluded.

¹ Mr Arnold, former financial director, became a non-executive director from 11 December 2017. His consultancy agreement with the company terminated in December 2021.

² Mr Chissano has a consultancy agreement with the company.

³ Mr Kennedy was appointed as an independent non-executive director from 6 October 2022.

⁴ Mr Nqwababa was appointed as an independent non-executive director from 6 October 2022. Shareholders appointed him as a member of the audit and risk committee in December 2022.

⁵ Attendance fees are paid for scheduled committee meetings, ad hoc committee meetings and for other work devoted to committee business outside regular scheduled committee meetings. 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.

⁶ Additional information appears under service 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 F2023, the company had a renewable consultancy agreement with Mr JA Chissano, which was renewed for one year from 1 May 2023.

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.

Independent Assurance Practitioner's Limited Assurance Report on Selected Key Performance Information

To the Directors of African Rainbow Minerals Limited

Report on Selected Key Performance Information

We have undertaken a limited assurance engagement on selected Key Performance Information, as described below, and presented in the 2023 Environmental, Social and Governance (ESG) Report of African Rainbow Minerals Limited ("ARM") for the year ended 30 June 2023 (the Report). This engagement was conducted by a multidisciplinary team including health, safety, social, environmental and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report over the subject matters below:

- (i) The International Council on Mining and Metals (ICMM) Subject Matter listed below and prepared in accordance with the ICMM Principles and relevant Performance Expectations ("PEs"):
 - ICMM subject matter 1: The alignment of ARM's sustainability policies, management standards and procedures to the ICMM principles and relevant 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 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 reported performance during the reporting period for a selection of the identified material sustainability risks and opportunities (marked with a "tickmark" in the Sustainability Performance table on pages 20 and 21 of the Report). The selected Key Performance Indicators (KPIs) described in the table below have been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), supported by ARM's internally developed guidelines (collectively referred to as "ARM's reporting criteria"):



Category	Selected KPIs	Unit of Measure	Scope of Coverage
Environmental	Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions (100% basis)	tCO ₂ e	African Rainbow Minerals Limited operations within the entity's operational control but excluding Bokoni Platinum Mine (Pty) Limited
	Scope 3 GHG emissions*	tCO ₂ e	
	Total energy used	GJ	
	Total electricity consumption	MWh	
	Total diesel consumption	'000 litres	
	Total volume of water withdrawal	m ³	
Social	Total corporate social investment (CSI) and local economic development (LED) spend	Million ZAR	
Health and Safety	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 – 2022 calendar year	Number	
	Occupational diseases submitted for compensation	Number	
	Total number of cases of noise induced hearing loss (NIHL) submitted for compensation	Number	

* Scope 3 categories include, as defined per the Greenhouse Gas Protocol's accounting and reporting standard, dated 2004 and Scope 3 calculation guidance (2013), category 1 (purchased goods and services), category 2 (capital goods), category 3 (fuel and energy related activities), category 4 (upstream transport and distribution), category 5 (waste generated by operations), category 6 (business travel), category 7 (employee commuting), category 9 (transport and distribution of sold products), category 10 (processing of sold products) and category 15 (investments)

- ICMM Subject matter 5: ARM's description of the prioritisation process for the selection of assets for PE validation

- (ii) ICMM Performance Expectations Validation: ARM's self-assessment of Performance Expectations (PE) implementation at Modikwa and Khumani, prepared in accordance with ICMM Assurance and Validation Procedure: Performance Expectations.
- (iii) ARM's application of the 16 Principles, prepared in accordance with 4th version of the King Report on Governance for South Africa 2016 and the King Code of Governance Principles (collectively, King IV™).

Directors Responsibilities

The Directors are responsible for:

The selection, preparation and presentation of the selected Key Performance Information in accordance with the accompanying African Rainbow Minerals Limited reporting criteria and the ICMM Assurance and Validation Procedure (Revised January 2021). This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected Key Performance Information and for ensuring that those criteria are publicly available to the Report users.

Inherent Limitations

The Greenhouse Gas (GHG) emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and all other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG Inc. applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the selected Key Performance Information based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and in respect to the greenhouse gas emissions, in accordance with the International Standard on Assurance Engagements 3410 (ISAE 3410), *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These Standards require that we plan and perform our engagement to obtain limited assurance about whether the selected Key Performance Information are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (revised) and ISAE 3410 involves assessing the suitability in the circumstances of ARM's use of its reporting criteria as the basis of preparation for the selected Key Performance Information, assessing the risks of material misstatement of the selected Key Performance Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected Key Performance Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing and reconciling information with underlying records.

Independent Assurance Practitioner's Limited Assurance Report on Selected Key Performance Information

continued

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process.
- Inspected documentation to corroborate the statements of management in our interviews.
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected Key Performance Information.
- Performed a controls walkthrough of identified key controls.
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria.
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors/management in the preparation of the selected Key Performance Information.
- Evaluated whether the selected Key Performance Information presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at ARM.
- Evaluated ARM's application of KING IV by testing two (2) relevant practices per principle

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether ARM's selected Key Performance Information have been prepared, in all material respects, in accordance with the accompanying ARM reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected Key Performance Information as set out in the Subject Matter paragraph above for the year then ended 30 June 2023 are not prepared, in all material respects, in accordance with the accompanying African Rainbow Minerals Limited's reporting criteria.

Other Matters

No assurance procedures were performed on the previous ESG report. The information relating to the prior reporting periods has not been subject to assurance procedures by KPMG.

The maintenance and integrity of the African Rainbow Minerals Limited's website is the responsibility of African Rainbow Minerals Limited management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of its presentation on African Rainbow Minerals Limited website.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected Key Performance Information to the Directors of African Rainbow Minerals Limited in accordance with the terms of our engagement, and for no other purpose. Save as set out in that agreement, our report may not be made available to any other party without our prior written consent.

We permit the disclosure of this report within the 2023 ESG Report of African Rainbow Minerals Limited for the year ended 30 June 2023, to enable the Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report on the selected Key Performance Information contained in the Report. To the fullest extent permitted by law, we do not accept or assume liability to any party other than the Directors of African Rainbow Minerals Limited, for our work, for this assurance report, or for the conclusion we have reached.

KPMG Inc.

Registered Auditor

Per Safeera Loonat
Chartered Accountant (SA)
Registered Auditor
Director

10 October 2023

KPMG Inc.
85 Empire Road
Parktown
2193

Glossary

ABC	Anti-Fraud Bribery and Corruption
AET	Adult Education and Training
AFS	Annual Financial Statements
AGM	Annual General Meeting
Aids	Acquired Immune Deficiency Syndrome
AMCU	Association of Mineworkers and Construction Union
AMMSA	The Association of Mine Managers South Africa
AR	Absentee Rate
ARM	African Rainbow Minerals Limited
ART	Anti-Retroviral Treatment
ASM	Artisanal and Small-scale Mining
BAP	Biodiversity Action Plan
BCEA	Basic Conditions of Employment Act
BCM	Business Continuity Management
BEE	Black Economic Empowerment
BBBEE	Broad-Based Black Economic Empowerment
BUSA	Business Unity South Africa
CCM	Critical Control Management
CEO	Chief Executive Officer
CoGP	Codes of Good Practice
CPI	Consumer price index
CSI	Corporate Social Investment
CSP	Conditional share plan
CSR	Corporate Social Responsibility
CTC	Cost-to-company

CVT	Counselling and Voluntary Testing
dB	Decibels
DFFE	Department of Forestry, Fisheries and the Environment
DMRE	Department of Mineral Resources and Energy
DOH	Department of Health
DOEL	Department of Employment and Labour
the dtic	Department of Trade, Industry and Competition
DWS	Department of Water and Sanitation
EA	Environmental Authorisation
EAP	Economically Active Population
EBITDA	Earnings before interest, tax, depreciation and amortisation
EE	Employment Equity
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EMS	Environmental Management System
ESD	Enterprise and supplier development
ESG	Environmental, Social and Governance
ERM	Enterprise Risk Management
F2022	Financial year from 1 July 2021 to 30 June 2022, and so on
FFR	Fatality Frequency Rate
GDP	Gross Domestic Product
GGV	Goedgevonden
GJ	Gigajoules
GHG	Greenhouse Gas

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
IMnI	International Manganese Institute
ICMM	International Council on Mining and Metals
ICT	Information and communication technology
IFRS	International Financial Reporting Standards
ICDA	International Chromium Development Association
IMIU	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

Glossary continued

OHSAS 18001	Occupational Health and Safety Assessment Series
OTB	On target bonus
PAIA	Promotion of Access to Information Act
PBIT	Profit before interest and taxes
PEs	Performance Expectations
PGMs	Platinum Group Metals
PLH	Percentage Loss of Hearing
PV	Photovoltaic
PWD	People with disability
QSEs	Qualifying Small Enterprises
SAMREC	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves
SANS	South African National Standard
SD	Sustainable Development
SDGs	Sustainable Development Goals
SED	Socio-Economic Development
SENS	Stock Exchange News Service
SETA	Sector Education and Training Authority
SHE	Safety, Health and Environment

SHEQ	Safety, Health, Environment and Quality
SLP	Social and Labour Plan
SMME	Small, Medium and Micro Enterprise
SOx	Sulphur Oxides
STI	Sexually Transmitted Infections
STI	Short-term incentives
TB	Tuberculosis
TCFD	Task Force on Climate-related Financial Disclosures
TRIFR	Total Recordable Injury Frequency Rate
TSF	Tailing Storage Facility
UASA	United Association of South Africa
UIF	Unemployment Insurance Fund
UN	United Nations
UNGC	United Nations Global Compact
UN SDGs	United Nations Sustainable Development Goals
VAT	Value-added tax
WAF	Water Accounting Framework
WASH	Water, Sanitation and Hygiene
WMA	Water management Area

Contact details

African Rainbow Minerals Limited

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 Incorporated in the Republic of South Africa
 JSE share code: ARI
 A2X share code: ARI
 ISIN: ZAE000054045

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Investor relations

Thabang Thlaku
 Executive: Investor relations and new business development
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Auditors

External auditor: Ernst & Young Inc.
 Internal auditors: Deloitte & Touche and BDO South Africa

External Assurance Provider over ESG reporting

KPMG Services Proprietary Limited

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Absa Bank Limited
 FirstRand Bank Limited
 The Standard Bank of South Africa Limited
 Nedbank Limited

Sponsor

Investec Bank Limited

Transfer secretaries

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Directors

Dr PT Motsepe (executive chairman)
 VP Tobias (chief executive officer)
 F Abbott*
 M Arnold**
 TA Boardman*
 AD Botha*
 JA Chissano (Mozambican)*
 WM Gule*
 B Kennedy*
 AK Maditsi*
 TTA Mhlanga (finance director)
 HL Mkatshana
 PJ Mnisi*
 DC Noko*
 B Nqwababa*
 MP Schmidt
 Dr RV Simelane*
 JC Steenkamp*

* Independent non-executive.

** Non-executive.

ARM's whistleblowers' facility

Toll-free: 0800-006-7925
 Facsimile: 086-5222-816
 Online: www.whistleblowing.co.za
 SMS: 33490
 SMS callback: Send a "please call me"
 to 0826-777-531

Forward-looking statements

Certain statements in this document constitute forward-looking statements that are neither reported financial results nor historical information. They include but are not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Such forward-looking statements may or may not take into account and may or may not be affected by known and/or unknown risks, unpredictables and other important factors that could cause the actual results, performance and/or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, unpredictables and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, including environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the health-related epidemics and pandemics, including Covid-19, HIV and Aids in South Africa.

These forward-looking statements speak only as of the date of publication of these pages. The company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of these pages or to reflect the occurrence of unpredictable events.