

**2025
Climate change
and water report**



We do it better

Our 2025 suite of reports

IAR 2025 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 the Mineral Resources and Mineral Reserves report.

AFS 2025 Annual financial statements

The audited annual financial statements have been prepared according to IFRS® Accounting Standards.

ESG 2025 ESG report

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

CCW 2025 Climate change and water report

A detailed review of our performance on key climate change and water matters, in line with the Task Force on Climate-related Financial Disclosures (TCFD) and IFRS S2 Climate-related disclosures.

KING 2025 King IV™ application register

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

* Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all its rights are reserved.

MRMR 2025 Mineral Resources and Mineral Reserves report

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

AGM 2025 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.

How to navigate our reports

In F2025, we cross-reference to other documents in our reporting suite, hyperlinked for your convenience by the icons below.



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



Information available elsewhere in this report

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

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

Two Rivers Mine

Contents

2	About this report
3	Reporting framework
4	Leadership message
7	Climate change and water performance dashboard

Overview

9	About us
10	Our climate and water journey
11	Our low-carbon portfolio and products

Governance

13	Board oversight
14	Management's role
14	Incentives and remuneration
15	Assurance and verification
15	Stakeholder and policy oversight
15	Supply chain engagement
15	Policy and industry engagement
16	Partner and multistakeholder collaboration

Our strategy

19	Position on climate change
20	Climate transition plan
20	Decarbonisation strategy
20	Operation-specific decarbonisation pathways (scopes 1 and 2)
22	Emission-reduction levers
23	Market opportunities
23	Position on water
24	Water stewardship
25	Water use and management

Risk management

31	Assessment of risk and opportunities
31	Scenario analysis and resilience
31	Scenario analysis
32	Climate resilience
32	Integrating climate change and water risk into our ERM processes
32	From road map to implementation
33	Embedding climate risk in decision-making
33	Next steps (F2026 and beyond)
33	Risks and opportunities
33	Climate-related risks and opportunities
36	Water-related risks and opportunities
40	Our response to water-related risks
40	Indirect water risks and mitigation measures
40	Water and TSFs
41	Financial planning impacts
41	The impact of risks and opportunities on business and financial planning
44	Considering climate change risks in ARM's investments
45	Carbon pricing and markets
45	Internal carbon-price framework
45	Developed-market exposure
45	Pass-through risk for purchased electricity
45	Preparing for sectoral emission targets and carbon budgets

Metrics, performance and targets

47	Climate metrics, performance and targets
47	Scopes 1 and 2 emissions
49	Scope 3 emissions
52	Future improvements to scope 3 emissions accounting
52	Energy
54	Emissions associated with our investments
55	Emission-reduction targets
59	Improving our sustainability data management system
59	Value-chain decarbonisation
60	Future climate focus areas
61	Water metrics, performance and targets
63	Water withdrawal
69	Progress on operational water targets
71	Future water focus areas

Value-chain and stakeholder engagement

73	Community and social licence
74	Policy and industry collaboration
75	Investor and rating-agency dialogue

Appendices

77	Material climate change and water topics
78	TCFD/IFRS S2 matrix
79	Acronyms
80	Contact details

About this report

This climate change and water report provides a detailed account of African Rainbow Minerals' (ARM) climate change and water-related matters for the reporting period 1 July 2024 to 30 June 2025 (F2025).

The report reflects our continued effort to transparently communicate our climate change and water strategy, risk management processes, governance, targets and performance that are material to our operations and stakeholders.

This report covers all operations that ARM directly controls or jointly manages, including our ARM Ferrous and ARM Platinum divisions. Operations not directly managed, such as ARM Coal, the Sakura Ferroalloys Smelter and our strategic investment in Harmony Gold, are excluded from direct reporting but are considered in our scope 3 GHG emissions inventory and in indirect risk assessments.

Selected climate and water-related data in this report has been subjected to limited external assurance by an independent sustainability assurance provider. The assurance statement and criteria are detailed in the 2025 ESG report.



Black Rock Mine

Reporting framework

This climate change and water report has been built using the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We are progressively moving towards adopting the International Financial Reporting Standards (IFRS) S2 guidance as part of our core framework.

The report also considers the position statements of the ICMM on climate change and water stewardship, and other relevant frameworks and standards. Through this report, we justify and explain how and where we have used a comparative basis of reporting with previous years. We cross-reference content to relevant TCFD recommendations and related IFRS S2 requirements.

ARM's climate and water-related disclosures are guided by the principle of transparent, comparable and investor-relevant reporting. As regulatory landscapes evolve and stakeholder expectations become more sophisticated, ARM has aligned its internal governance and disclosure processes with internationally recognised sustainability frameworks and applicable legislation. This includes compliance with South Africa's Climate Change Act, the National Water Act, and the National Environmental Management Act, among other

relevant regulatory instruments. These frameworks and legislative requirements not only inform what we report, but also how we identify, prioritise and manage climate and water-related issues across our operations.

In F2024 and now in F2025, ARM reported in line with the IFRS S2 *Climate-related Disclosures* standard, continuing our strategic progression from the TCFD structure towards future formal adoption. IFRS S2 builds directly on the foundations of TCFD, retaining its familiar four-pillar architecture while introducing refinements to meet evolving global regulatory expectations. This evolution brings enhanced emphasis on investor-relevant materiality, stronger alignment with financial reporting, and the inclusion of industry-specific metrics, ensuring continuity while deepening the quality and decision-usefulness of disclosures.

Our report remains backward-compatible with TCFD and incorporates linkages to ICMM performance expectations, ICMM Water Accounting Framework guidelines, South Africa's Climate Change Act of 2024 (Act No 22 of 2024) (noting that only certain provisions have commenced, while others await proclamation), National Environmental Management: Air Quality Act, the JSE Sustainability and Climate Disclosure Guidance, and the GRI standards.

ARM's disclosure methodology prioritises risks and opportunities across our operational and value chain boundaries. This includes climate and water impacts linked to suppliers and contractors, and joint ventures and operations not directly managed by ARM, which are reflected in our scope 3 GHG inventory and indirect water risk assessments. These disclosures align with IFRS S2's requirement to consider upstream and downstream activities when evaluating financial effects of climate-related risks and opportunities.



Two Rivers Mine

Leadership message



Dr Rejoice Simelane
Chairman of the social and ethics committee

Social and ethics committee chairman's report

"As a member of the ICM, ARM is committed to playing an active role in creating a safer and more sustainable mining and metals industry. Our responsible corporate citizenship philosophy aspires to transform mineral wealth into sustainable economic growth and development. Through its business endeavours, ARM seeks to act as a catalyst for development to make a lasting and important social, economic and environmental contribution."

Responsibilities

The ARM board retains ultimate accountability for overseeing sustainable development across the group. This responsibility has been delegated to the social and ethics committee, without diminishing the fiduciary duties of the board. The committee ensures that ARM's business practices protect, enhance and invest in the economy, workplace, society and natural environment, supporting sustainable long-term growth.

Constituted under regulation 43(5)(c) of the Companies Act and activities prescribed by other legal requirements and codes of best practice, the committee's responsibilities include monitoring:

- Social and economic development
- Responsible corporate citizenship, including equality, anti-discrimination and community development
- Sustainable development, including environmental stewardship, occupational health and safety, and employee wellness
- Stakeholder relationships
- Labour and employment matters.

The committee also oversees ESG risks identified through the enterprise risk management (ERM) process, working closely with management committees and governance structures. Relevant matters are escalated to the board.

Composition

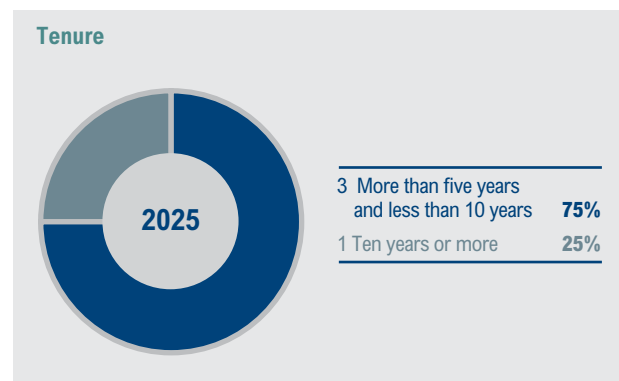
The terms of reference provide that the committee must comprise at least three directors, with a majority of independent non-executive directors. From the 2025 annual general meeting, members of the committee will be elected by the shareholders. Regular invitees include the CEO, FD, divisional executives and sustainable development executive. The committee had four scheduled meetings during the year, with full participation and engagement. Attendance is shown on page 108 of the ESG report.



Member	Committee member since
Dr RV Simelane¹ (chairman)	February 2007
JA Chissano¹	August 2019
DC Noko	August 2019
JC Steenkamp	April 2018

¹ Dr Simelane and Mr Chissano will step down from the board and the committee from the conclusion of the forthcoming annual general meeting.

Leadership message continued



Assurance

In line with its terms of reference, the committee had oversight of ARM's appointment of an independent external sustainability assurance provider for the 2025 ESG report.

Selected F2025 ESG performance data, including total scope 1, 2 and 3 GHG emissions, water withdrawal and energy use (electricity and diesel), were assured by KPMG Inc. This was a limited assurance engagement aligned with ICMM principles, the ICMM assurance and validation procedure, GRI standards and international assurance standards (ISAE 3000 and ISAE 3410).

Navigating an evolving global and national context

The review period was shaped by significant global and domestic regulatory developments. Internationally, the IFRS S2 Climate Disclosure Standard and the Transition Plan Taskforce framework have raised expectations for investor-relevant climate disclosures, while the ICMM and Taskforce on Nature-related Financial Disclosures (TNFD) continue to define best practice in mining and resource

stewardship. Domestically, South Africa's Climate Change Act 22 of 2024 is effective, establishing a stronger regulatory framework for carbon budgets, sectoral targets and mandatory reporting. Together, these developments create risks and opportunities for ARM, reinforcing the importance of climate and water integration into governance, strategy and risk management.

F2025 climate change and water focus and progress

During the year, the committee:

- Monitored environmental priorities, carbon-reduction initiatives, and improvements to corporate climate change and water reporting
- Monitored performance against carbon emission-reduction targets, including scope 1 and 2 reductions and qualitative scope 3 commitments
- Oversaw tailings storage facility (TSF) management with reference to Global Industry Standard on Tailings Management (GISTM) standards, recognising their water and climate risk implications
- Reviewed climate and water-related risk areas affecting business sustainability through corporate risk processes and workshops
- Monitored progress of renewable energy projects, including the 100MW solar facility, and their contribution to ARM's decarbonisation pathway
- Reviewed performance data on water, electricity and diesel consumption and intensity across divisions
- Oversaw alignment with South Africa's carbon budgets, carbon tax and mandatory climate and water-related reporting obligations.

F2025 progress

ARM made substantial progress in advancing its climate change and water strategy:

- Construction of a 100MW solar plant neared completion, with commissioning scheduled for F2026. Once operational, the plant is expected to supply nearly 30% of the platinum division's energy requirements and avoid around 4.8 million tCO₂e
- Operational projects reduced scope 1 and 2 emissions by over 7% year-on-year, demonstrating momentum towards our 15% reduction target by F2026 and long-term ambition of net-zero mining by 2050
- ARM submitted its GISTM conformance results and public disclosure document for all its TSFs classified as "low" and "extreme" on 5 August 2025. The TSFs at Black Rock and Beeshoek declared their GISTM conformance for the first time on 5 August 2025 (see page 40). Reviews by the independent tailings review boards are underway to assess the safety of the TSFs in terms of design, operation and performance against the design intent.



Entrenching good ESG practice

Sustainable development has always been at the core of ARM's identity and is evident in our founding principles, values and strategy. We recognise that ethical and responsible business practices are essential to mitigate potential negative environmental and social impacts, catalyse development and make a lasting contribution.

We aim to embed global best practices across all aspects of the business. The board actively oversees the inclusion of critical issues such as climate change in strategy, ensuring effective responses are implemented across the group.

Leadership message continued



Modikwa Mine

ARM applies the ICMM sustainable development framework and, since F2019, our operations and corporate office have undertaken annual self-assessments against ICMM's 38 performance expectations (PEs). External validation of these assessments is aligned with our ESG assurance process, with all operations independently validated over a three-year cycle. In F2025, the PE self-assessments at Two Rivers, Nkomati, Black Rock and Beeshoek mines, as well as Machadodorp Works, were externally assured as part of this process.

ARM is committed to achieving net-zero scope 1 and 2 emissions in mining by 2050, supported by short and medium-term reduction targets (15% by 2026 and 30% by 2030). Decarbonisation pathways identified include improving energy efficiencies, implementing renewable energy and using new energy vehicles. In F2024, we set qualitative scope 3 emissions targets, and work is underway to set quantitative scope 3 emissions targets by F2027. At policy level, ARM has engaged with the Department of Forestry, Fisheries and the Environment on carbon budgets, carbon tax alignment and sectoral emission targets. We also actively participate in the Minerals Council South Africa, ICMM and other industry bodies to advance collective action.

Water stewardship remains critical, guided by ICMM frameworks and global best practice. All our operations have set context-based targets, with 81% of these targets met or on track. While we secured approval for Khumani's water-use licence to enable groundwater augmentation, supply to the mine remains an area of ongoing risk management. The long-term solution is the completion of the phase 2 project of the Vaal Gamagara pipeline, which is being addressed as a priority.

Strengthening climate resilience

Building on our first climate-scenario analysis in F2021, we will conduct an updated and more quantitative scenario analysis in F2026, integrating financial impacts into resilience planning to better understand the physical risks (heat stress, flooding, drought) and transition risks (carbon pricing, border adjustment measures, and market shifts) faced by our operations, communities and stakeholders.

Acknowledgements

I thank my fellow committee members for their commitment and counsel in guiding our work during the year. I also thank the board for its continued oversight and support in advancing the group's social and ethics agenda. We are grateful to management for their dedication to implementing ARM's ESG initiatives, and to all employees – your daily actions bring our values to life and ensure that our commitment to responsible mining is upheld.

Dr RV Simelane

Chairman of social and ethics committee

Climate change and water performance dashboard

BEESHOEK MINE  <table><tr><td>Production (tonne iron ore)</td><td>2 270 065</td></tr><tr><td>Emissions (tCO₂e)</td><td>58 774</td></tr><tr><td>Energy (GJ)</td><td>501 399</td></tr><tr><td>Emissions intensity (tCO₂e/tonne)</td><td>0.03</td></tr><tr><td>Energy intensity (GJ/tonne)</td><td>0.22</td></tr><tr><td>Water (ML/tonne)</td><td>1.71</td></tr></table>	Production (tonne iron ore)	2 270 065	Emissions (tCO ₂ e)	58 774	Energy (GJ)	501 399	Emissions intensity (tCO ₂ e/tonne)	0.03	Energy intensity (GJ/tonne)	0.22	Water (ML/tonne)	1.71	KHUMANI MINE  <table><tr><td>Production (tonne iron ore)</td><td>12 297 319</td></tr><tr><td>Emissions (tCO₂e)</td><td>317 720</td></tr><tr><td>Energy (GJ)</td><td>2 245 124</td></tr><tr><td>Emissions intensity (tCO₂e/tonne)</td><td>0.03</td></tr><tr><td>Energy intensity (GJ/tonne)</td><td>0.18</td></tr><tr><td>Water (ML/tonne)</td><td>0.40</td></tr></table>	Production (tonne iron ore)	12 297 319	Emissions (tCO ₂ e)	317 720	Energy (GJ)	2 245 124	Emissions intensity (tCO ₂ e/tonne)	0.03	Energy intensity (GJ/tonne)	0.18	Water (ML/tonne)	0.40	BLACK ROCK MINE  <table><tr><td>Production (tonne manganese ore)</td><td>3 761 486</td></tr><tr><td>Emissions (tCO₂e)</td><td>158 704</td></tr><tr><td>Energy (GJ)</td><td>740 794</td></tr><tr><td>Emissions intensity (tCO₂e/tonne)</td><td>0.04</td></tr><tr><td>Energy intensity (GJ/tonne)</td><td>0.20</td></tr><tr><td>Water (ML/tonne)</td><td>0.69</td></tr></table>	Production (tonne manganese ore)	3 761 486	Emissions (tCO ₂ e)	158 704	Energy (GJ)	740 794	Emissions intensity (tCO ₂ e/tonne)	0.04	Energy intensity (GJ/tonne)	0.20	Water (ML/tonne)	0.69	CATO RIDGE WORKS  <table><tr><td>Production (tonne manganese alloy)</td><td>126 314</td></tr><tr><td>Emissions (tCO₂e)</td><td>407 497</td></tr><tr><td>Energy (GJ)</td><td>1 093 324</td></tr><tr><td>Emissions intensity (tCO₂e/tonne)</td><td>3.23</td></tr><tr><td>Energy intensity (GJ/tonne)</td><td>8.66</td></tr><tr><td>Water (ML/tonne)</td><td>1.16</td></tr></table>	Production (tonne manganese alloy)	126 314	Emissions (tCO ₂ e)	407 497	Energy (GJ)	1 093 324	Emissions intensity (tCO ₂ e/tonne)	3.23	Energy intensity (GJ/tonne)	8.66	Water (ML/tonne)	1.16	NKOMATI MINE  <table><tr><td>Production (tonne milled)</td><td>–</td></tr><tr><td>Emissions (tCO₂e)</td><td>4 567</td></tr><tr><td>Energy (GJ)</td><td>21 434</td></tr><tr><td>Emissions intensity (tCO₂e/tonne)</td><td>C&M*</td></tr><tr><td>Energy intensity (GJ/tonne)</td><td>C&M</td></tr><tr><td>Water (ML/tonne)</td><td>C&M</td></tr></table>	Production (tonne milled)	–	Emissions (tCO ₂ e)	4 567	Energy (GJ)	21 434	Emissions intensity (tCO ₂ e/tonne)	C&M*	Energy intensity (GJ/tonne)	C&M	Water (ML/tonne)	C&M
Production (tonne iron ore)	2 270 065																																																															
Emissions (tCO ₂ e)	58 774																																																															
Energy (GJ)	501 399																																																															
Emissions intensity (tCO ₂ e/tonne)	0.03																																																															
Energy intensity (GJ/tonne)	0.22																																																															
Water (ML/tonne)	1.71																																																															
Production (tonne iron ore)	12 297 319																																																															
Emissions (tCO ₂ e)	317 720																																																															
Energy (GJ)	2 245 124																																																															
Emissions intensity (tCO ₂ e/tonne)	0.03																																																															
Energy intensity (GJ/tonne)	0.18																																																															
Water (ML/tonne)	0.40																																																															
Production (tonne manganese ore)	3 761 486																																																															
Emissions (tCO ₂ e)	158 704																																																															
Energy (GJ)	740 794																																																															
Emissions intensity (tCO ₂ e/tonne)	0.04																																																															
Energy intensity (GJ/tonne)	0.20																																																															
Water (ML/tonne)	0.69																																																															
Production (tonne manganese alloy)	126 314																																																															
Emissions (tCO ₂ e)	407 497																																																															
Energy (GJ)	1 093 324																																																															
Emissions intensity (tCO ₂ e/tonne)	3.23																																																															
Energy intensity (GJ/tonne)	8.66																																																															
Water (ML/tonne)	1.16																																																															
Production (tonne milled)	–																																																															
Emissions (tCO ₂ e)	4 567																																																															
Energy (GJ)	21 434																																																															
Emissions intensity (tCO ₂ e/tonne)	C&M*																																																															
Energy intensity (GJ/tonne)	C&M																																																															
Water (ML/tonne)	C&M																																																															
* C&M – care and maintenance.																																																																
MODIKWA MINE  <table><tr><td>Production (tonne PGM milled)</td><td>2 432 315</td></tr><tr><td>Emissions (tCO₂e)</td><td>281 338</td></tr><tr><td>Energy (GJ)</td><td>1 247 994</td></tr><tr><td>Emissions intensity (tCO₂e/tonne)</td><td>0.12</td></tr><tr><td>Energy intensity (GJ/tonne)</td><td>0.51</td></tr><tr><td>Water (ML/tonne)</td><td>0.81</td></tr></table>	Production (tonne PGM milled)	2 432 315	Emissions (tCO ₂ e)	281 338	Energy (GJ)	1 247 994	Emissions intensity (tCO ₂ e/tonne)	0.12	Energy intensity (GJ/tonne)	0.51	Water (ML/tonne)	0.81	TWO RIVERS MINE  <table><tr><td>Production (tonne PGM milled)</td><td>3 484 447</td></tr><tr><td>Emissions (tCO₂e)</td><td>265 369</td></tr><tr><td>Energy (GJ)</td><td>1 160 925</td></tr><tr><td>Emissions intensity (tCO₂e/tonne)</td><td>0.08</td></tr><tr><td>Energy intensity (GJ/tonne)</td><td>0.33</td></tr><tr><td>Water (ML/tonne)</td><td>1.02</td></tr></table>	Production (tonne PGM milled)	3 484 447	Emissions (tCO ₂ e)	265 369	Energy (GJ)	1 160 925	Emissions intensity (tCO ₂ e/tonne)	0.08	Energy intensity (GJ/tonne)	0.33	Water (ML/tonne)	1.02	BOKONI MINE  <table><tr><td>Production (tonne PGM milled)</td><td>526 243</td></tr><tr><td>Emissions (tCO₂e)</td><td>71 470</td></tr><tr><td>Energy (GJ)</td><td>296 791</td></tr><tr><td>Emissions intensity (tCO₂e/tonne)</td><td>0.14</td></tr><tr><td>Energy intensity (GJ/tonne)</td><td>0.56</td></tr><tr><td>Water (ML/tonne)</td><td>11.87</td></tr></table>	Production (tonne PGM milled)	526 243	Emissions (tCO ₂ e)	71 470	Energy (GJ)	296 791	Emissions intensity (tCO ₂ e/tonne)	0.14	Energy intensity (GJ/tonne)	0.56	Water (ML/tonne)	11.87	MACHADODORP WORKS  <table><tr><td>Production (tonne milled)</td><td>–</td></tr><tr><td>Emissions (tCO₂e)</td><td>4 917</td></tr><tr><td>Energy (GJ)</td><td>22 264</td></tr><tr><td>Emissions intensity (tCO₂e/tonne)</td><td>C&M*</td></tr><tr><td>Energy intensity (GJ/tonne)</td><td>C&M</td></tr><tr><td>Water (ML/tonne)</td><td>C&M</td></tr></table>	Production (tonne milled)	–	Emissions (tCO ₂ e)	4 917	Energy (GJ)	22 264	Emissions intensity (tCO ₂ e/tonne)	C&M*	Energy intensity (GJ/tonne)	C&M	Water (ML/tonne)	C&M	ARM CORPORATE  <table><tr><td>Emissions (tCO₂e)</td><td>439</td></tr><tr><td>Energy (GJ)</td><td>1 724</td></tr></table>	Emissions (tCO ₂ e)	439	Energy (GJ)	1 724								
Production (tonne PGM milled)	2 432 315																																																															
Emissions (tCO ₂ e)	281 338																																																															
Energy (GJ)	1 247 994																																																															
Emissions intensity (tCO ₂ e/tonne)	0.12																																																															
Energy intensity (GJ/tonne)	0.51																																																															
Water (ML/tonne)	0.81																																																															
Production (tonne PGM milled)	3 484 447																																																															
Emissions (tCO ₂ e)	265 369																																																															
Energy (GJ)	1 160 925																																																															
Emissions intensity (tCO ₂ e/tonne)	0.08																																																															
Energy intensity (GJ/tonne)	0.33																																																															
Water (ML/tonne)	1.02																																																															
Production (tonne PGM milled)	526 243																																																															
Emissions (tCO ₂ e)	71 470																																																															
Energy (GJ)	296 791																																																															
Emissions intensity (tCO ₂ e/tonne)	0.14																																																															
Energy intensity (GJ/tonne)	0.56																																																															
Water (ML/tonne)	11.87																																																															
Production (tonne milled)	–																																																															
Emissions (tCO ₂ e)	4 917																																																															
Energy (GJ)	22 264																																																															
Emissions intensity (tCO ₂ e/tonne)	C&M*																																																															
Energy intensity (GJ/tonne)	C&M																																																															
Water (ML/tonne)	C&M																																																															
Emissions (tCO ₂ e)	439																																																															
Energy (GJ)	1 724																																																															

* C&M – care and maintenance.

* C&M – care and maintenance.

Overview

Overview

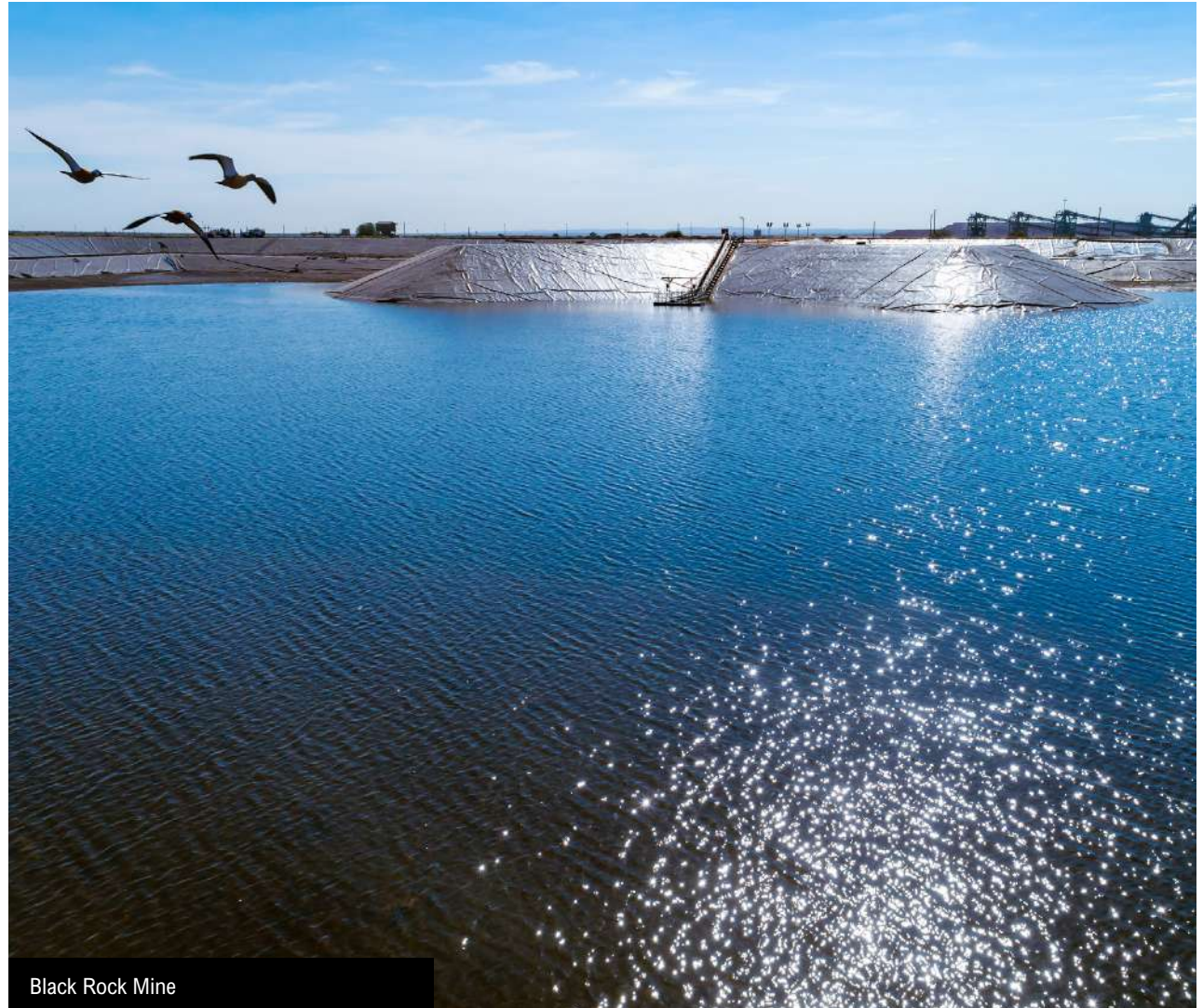
- 9 About us
- 10 Our climate and water journey
- 11 Our low-carbon portfolio and products

About us

African Rainbow Minerals (ARM) is a leading South African diversified mining and minerals company with a strong focus on responsible mining, value creation and sustainable development.

The company operates across key commodities, including iron ore, manganese ore and alloys, platinum group metals (PGMs), and nickel. Through strategic joint ventures and wholly owned operations, ARM maintains a strong presence in South Africa's mining sector, contributing to both the national economy and local development.

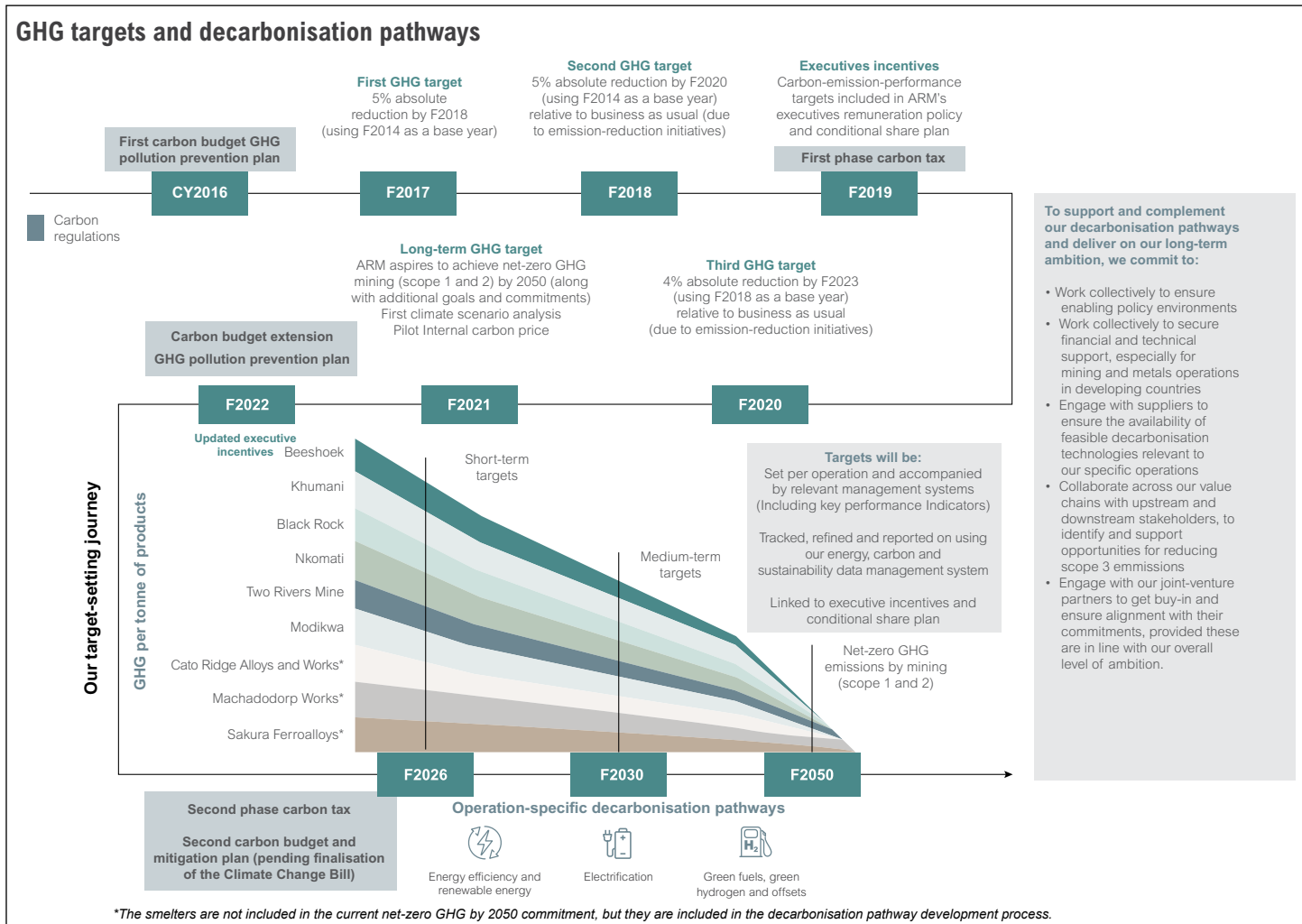
ARM's active operations in F2025 include our ferrous operations at Beeshoek, Black Rock and Khumani mines, and the Cato Ridge Works. Our PGM operations include Bokoni, Modikwa and Two Rivers mines. In addition to these active sites, ARM manages a number of operations that are currently on care and maintenance (C&M), including Nkomati Mine, Machadodorp Works, and the Merensky project at Two Rivers Mine, which has been paused as part of broader project reprioritisation efforts.



Black Rock Mine

Our climate and water journey

ARM's journey toward climate resilience and water stewardship has been defined by a consistent strengthening of our governance, data systems and strategic ambition. The timelines below capture key milestones and achievements.



KEY CLIMATE CHANGE MILESTONES ACHIEVED IN F2025

- Renewable energy secured: 100MW completed construction in F2025, due for commissioning in F2026
- Continued positive progress of emission-reduction initiatives, with around 13 067tCO₂e saved from the implementation of new initiatives this year
- Increased alignment with the IFRS S2 disclosure framework.

ARM's climate and water journey reflects a deliberate evolution, from compliance-driven beginnings to a forward-looking, integrated strategy rooted in long-term value creation. The milestones depicted are not isolated achievements but connected steps in a broader transition to resilience and accountability. With the roll-out of our Sustainability Data Management System in F2025 at some of our mining operations (and full roll-out due in F2026), ARM is positioned to strengthen the efficiency and accuracy of data, which in turn will aid in informed and responsible decision-making. Looking ahead, our focus remains on meeting our targets, deepening scenario analysis, and enabling climate-aligned growth across our portfolio.

Our climate and water journey continued

Our water journey to date

Actual reduction: 14% Targets met and extended	Actual reduction: 17% Targets met and maintained	Actual reduction: 19% Targets met and expanded	81% of context-based targets met or on track to be met	91% of context-based targets met or on track to be met	81% of context-based targets met or on track to be met. Some of the water intensity targets were not met due to lower production output compared to planned production targets
First aggregated target	Second aggregated target	Third aggregated target	Context-based target	Context-based target	Context-based target
To reduce withdrawals of potable water (surface and municipal sources) by 10% by F2020 relative to an F2011 baseline.	To reduce withdrawals of potable water (surface and municipal sources) by 15% by F2021 relative to the baseline (excluding Machadodorp Works and divested operations).	To reduce withdrawals of potable water (surface and municipal sources) by 17% by F2022 relative to the baseline (excluding Machadodorp Works and divested operations). Expanded to context-based targets, and set targets for 75% of our operations.	Evaluated progress towards context-based targets, and set targets for operations that did not yet have them.	Context-based water targets are now set for Bokoni Mine. Targets in place for all operations.	Progressed key projects such as Bokoni Mine's planned 2.5ML/day reverse osmosis plant expansion and Nkomati Mine's 13ML/day water purification plant, enabling the treatment and discharge of water.

F2020

F2021

F2022

F2023

F2024

F2025

WATER TARGETS

WATER-RELATED RISKS

Considered the impacts of climate change on long-term water security.

Third risk assessment: water risks revisited as part of climate and water workshops.

Began to incorporate climate change into our ERM process and began working with the business to explore operation-specific impacts associated with projected physical climate changes.

Extended climate change ERM integration, with plans to update operational risk assessments based on the planned second climate scenario analysis process.

Expanded participation in water forums, including advancing Phase 2 of the Vaal Gamagara Scheme and securing approval of Khumani's WUL to enable groundwater augmentation during Vaal Central system downtime.

OUR LOW-CARBON PORTFOLIO AND PRODUCTS

ARM's portfolio continues to evolve in response to the global shift toward decarbonisation, electrification and sustainable infrastructure. Our strategic exposure to critical minerals and metals essential for the energy transition positions us as both a responsible resource steward and a value creator in the low-carbon economy. This aligns with South Africa's Critical Minerals and Metals Strategy, which identifies platinum, iron ore and manganese as high-criticality minerals enabling global energy-transition technologies. In addition, ARM continues to investigate value-accretive opportunities in other transition minerals. The mineral claim package owned by Surge Copper Corporation hosts deposits of copper, molybdenum, gold and silver – all enabling renewable energy, storage and electrification technologies. Copper, in particular, is critical for wind and solar energy, batteries and electric vehicles (EVs).

Strategic market positioning

Our production of platinum group metals (PGMs) supports the development of hydrogen fuel cells and automotive emissions reduction technologies. Similarly, our exposure to nickel and manganese aligns with fast-growing demand for battery storage solutions, both in EVs and stationary storage infrastructure. Investments in copper, particularly through our partnership with Surge Copper Corporation in Canada, will contribute to the electrification of energy systems, renewable energy integration, and grid expansion.

Enabling emissions avoidance

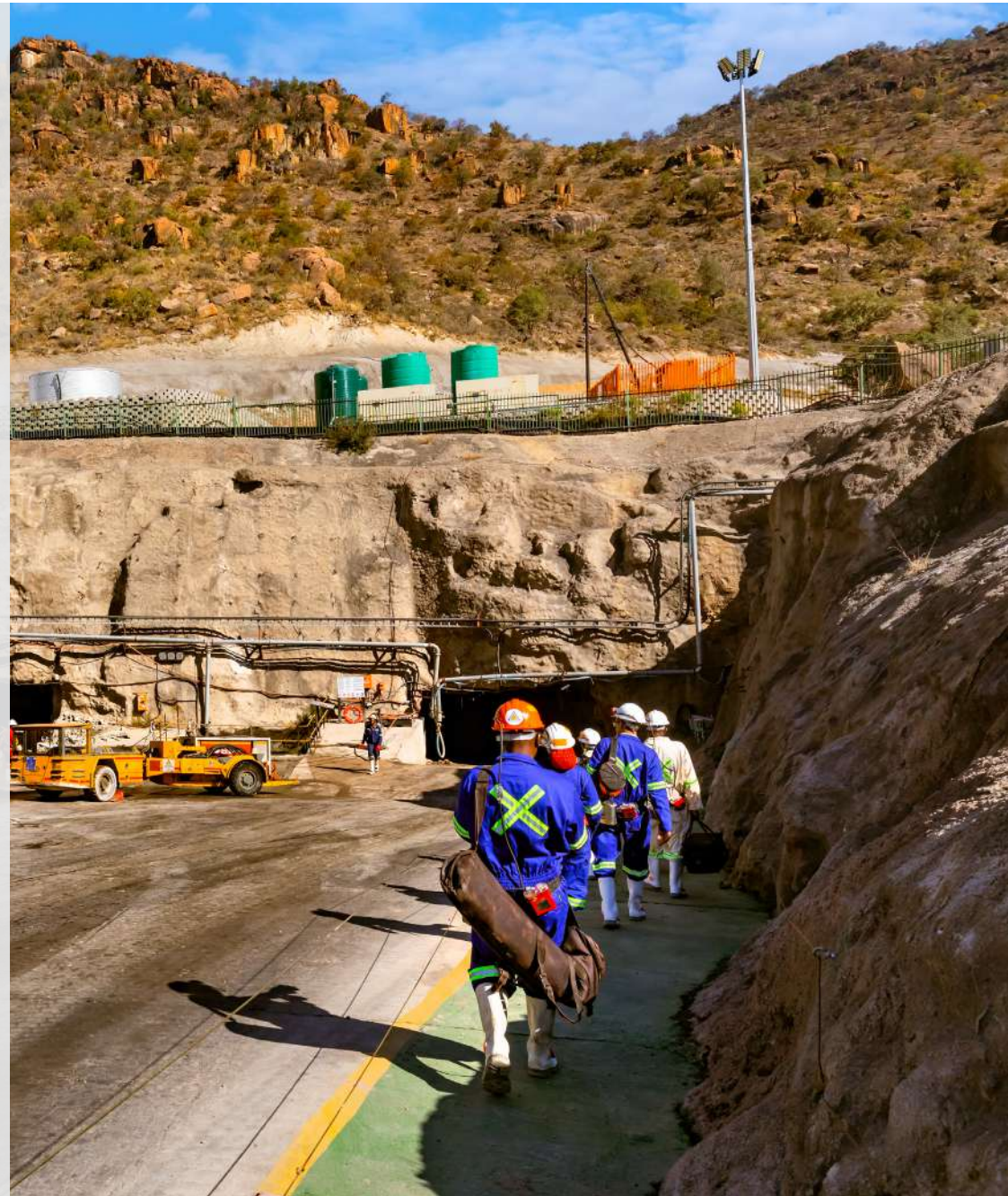
While ARM does not currently report on avoided emissions from its product use, our commodities play a crucial enabling role in the downstream decarbonisation of sectors such as transport, energy, and industrial production. For example, PGMs are integral to catalytic converters that reduce internal combustion engine emissions and are being explored as catalysts in hydrogen electrolyzers.

Copper is essential for electrical conductors in renewable energy systems, and manganese is a key component in steel alloys used in wind turbines and EV structures.

Governance

Governance

- 13 Board oversight
- 13 Management's role
- 14 Incentives and remuneration
- 15 Assurance and verification
- 15 Stakeholder and policy oversight
 - 15 Supply chain engagement
 - 15 Policy and industry engagement
- 16 Partner and multistakeholder collaboration



Governance

Board oversight

ARM's board of directors comprises executive and independent non-executive directors. These board members determine the company's purpose and values, consider and approve the long-term strategy and vision for ARM, and provide strategic direction and leadership aligned with ARM's value system to ensure its sustainability. The board incorporates the King IV principles and recommended practices for governance to guide the company towards ethical leadership, good performance, effective control and legitimacy.

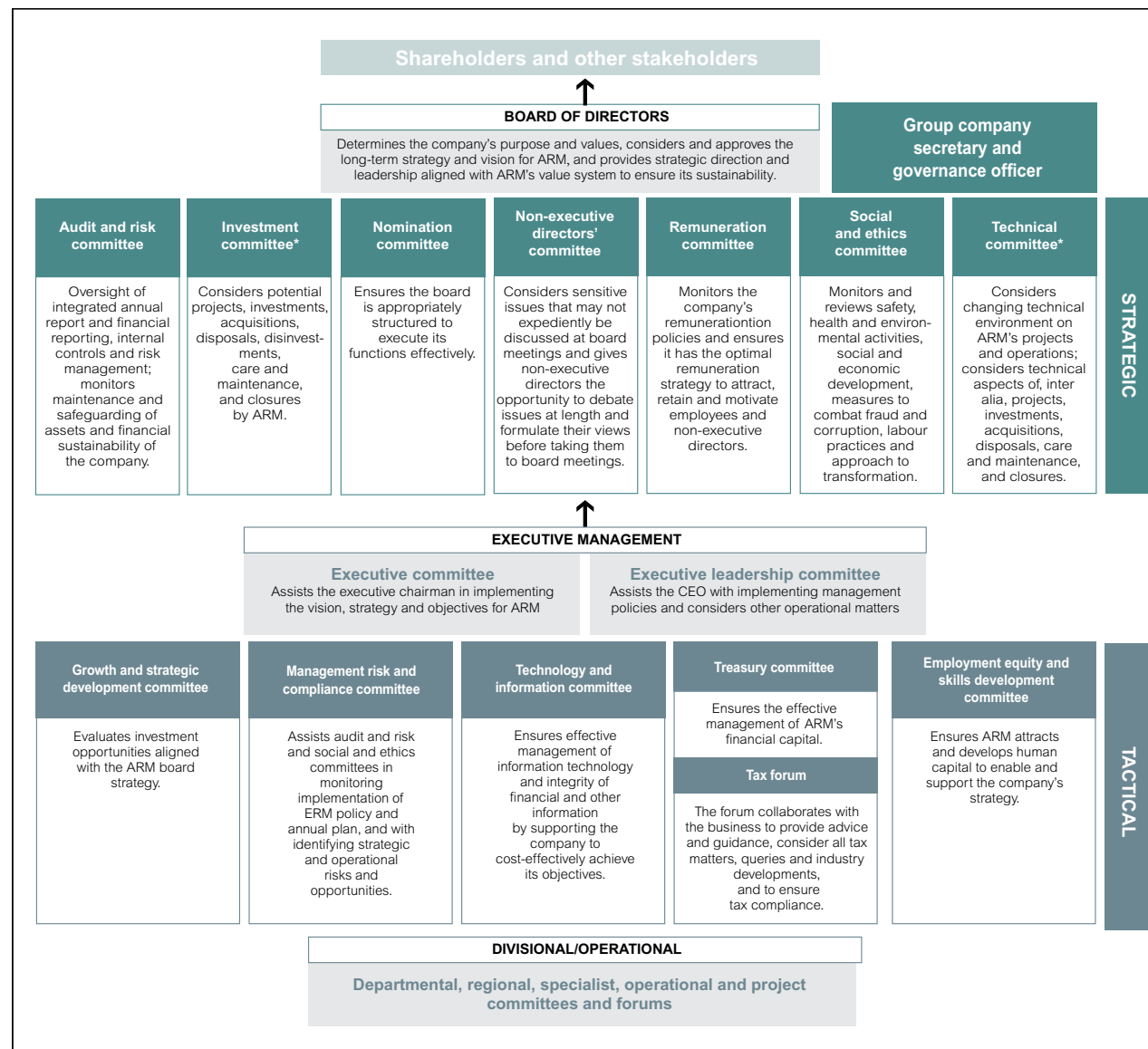
The board collectively brings extensive expertise in law, accounting, mining operations, engineering and sustainable development. Competencies in climate change and water-related dependencies, risks and opportunities are actively strengthened through targeted training and capacity-building initiatives, with a strong emphasis on ESG and sustainability standards.

The board maintains control of the business through a well-defined governance structure and is supported by established committees in accordance with its charter.

The ARM social and ethics committee provides oversight by monitoring and reporting on how we safeguard, develop and invest in the wellbeing of the economic, social and natural environments in which we operate through our performance indicators.

Regular attendees at meetings include the CEO, 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. These meetings occur on a quarterly basis.

Figure 1: Established committees within ARM's governance structure



Governance continued

The social and ethics committee operates in line with its terms of reference, which are reviewed and updated regularly. It monitors and reports on how ARM protects, enhances and invests in the economy, society, and the natural environment to ensure the sustainability of its business practices. The committee is also tasked with overseeing specific activities as per our legal obligations and codes of best practice, including:

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

The committee takes responsibility for matters delegated by the board. It brings relevant issues to the board's attention and reports to shareholders at annual general meetings. Its responsibilities are supported by executive management and appropriate management committees and governance structures, including the employment equity and skills development committee.

The social and ethics committee is also responsible for overseeing the management of ESG risks identified through the enterprise risk management (ERM) process, which takes into account internal and external stakeholders as well as governance procedures. The social and ethics committee maintains its competency of climate change and water-related matters through regular ESG training.

Management's role

The chief executive officer (CEO) carries the responsibility for implementing ARM's climate change and water initiatives, delegating duties to the chief executives of each division and the executive: sustainable development. The executive: sustainable development oversees the review of ARM's sustainable development policies, strategies and targets, including the updated GHG and water targets, ensuring alignment to the board's zero-tolerance stance on harm to employees, host communities, and the environment.

Assmang, a joint venture between ARM and Assore South Africa Proprietary Limited (Assore), has a social and ethics committee responsible for monitoring its sustainability performance. The committee is chaired by the ARM executive: investor relations and new business development, and reports to the Assmang executive committee and board, as well as the ARM social and ethics committee. The ARM executive: sustainable development attends the meetings of this committee. Within the ARM Platinum division, each operation has its own sustainable development committee. These are chaired by the ARM executive: sustainable development, and report to the respective joint venture's executive committee or board, as appropriate, in addition to reporting to the ARM social and ethics committee.

Climate and water-related matters are addressed at quarterly board meetings through reports from the social and ethics committee, the remuneration committee, and divisional operational reviews. The scheduling of our climate change and water risk management activities is aligned with the organisation's assurance frameworks and corporate governance requirements.

Incentives and remuneration

We consider incentives as a key enabler of our decarbonisation road map and utilise the ARM long-term incentive plans (LTIPs), alongside operational key performance indicators (KPIs), to ensure employees are appropriately incentivised to meet our short and medium-term targets and contribute to our long-term commitments. We aim to strengthen the alignment between ARM's LTIP and GHG performance criteria and corresponding on-the-ground actions, while ensuring that ARM executives clearly understand what is expected of them at operational level to contribute to positive performance outcomes.

Our LTIP framework is underpinned by the 2018 conditional share plan and 2018 cash-settled conditional share plan, which link executive share incentives to achieving strategic financial, operations and ESG outcomes. Performance conditions are measured over a three-year period, with ESG metrics forming a key component of these benefits. The LTIP includes climate change metrics that are directly linked to ARM's decarbonisation pathway, including renewable energy deployment, operational energy-efficiency initiatives, and achieving our short, medium and long-term GHG reduction targets.

The LTIP target is defined as a reduction of ARM's absolute reduction in scopes 1 and 2 GHG emissions by F2027, relative to the F2024 base year, measured for each year as aggregate GHG emissions over the full financial year. Our executive incentives and operational KPIs are linked to achieving this target.

As part of our evolving climate strategy and in line with the recommendation of the remuneration committee (Remco), we have opted not to include quantitative scope 3 emissions targets in the performance conditions for F2025 long-term incentive awards.

Governance continued

This is because the measurement and target setting for quantitative scope 3 emissions have not yet reached the level of maturity required for inclusion in incentive conditions. Scope 3 performance metrics will be considered for future inclusion.

Our long-term incentives include awards of conditional shares to eligible participants in the Paterson grade F-band under the 2018 conditional share plan, and cash-settled conditional awards to eligible participants in the Paterson D and E-bands under the 2018 cash-settled conditional share plan. For the executive chairman, conditional shares are awarded as a multiple of basic salary, while for other senior executives they are awarded as a multiple of total annual package before incentives. These awards vest after three years, subject to prescribed performance criteria, with the 20-day volume-weighted average price on the award date used to determine award pricing. The F2025 performance period runs from 1 July 2024 to 30 June 2027, with F2025 awards assessed against the following performance conditions: relative total shareholder return (TSR), average free cash flow return on equity, consistent and sustainable cost performance, and sustainable business outcomes – that include the achievement of our short, medium and long-term GHG reduction targets.

Assurance and verification

ARM applied a combined assurance model, which integrates the ARM ERM processes, internal and external audit processes, and assurance from specialists/subject-matter experts to ensure an integrated approach to assurance. Selected F2025 ESG performance data, including total scopes 1, 2, and 3 GHG emissions, water withdrawal and energy use (electricity and diesel), were assured by KPMG Inc. through a limited assurance engagement aligned with

ICMM principles, the ICMM assurance and validation procedure, GRI standards, and international assurance standards (ISAE 3000 and ISAE 3410). Emission reductions from active initiatives were also assured and aggregated to assess company-level performance against our emission-reduction target, which informs executive incentive outcomes.

Effective management of tailings storage facilities (TSFs) is a priority to us as well as investors, NGOs, and a broad range of stakeholders. It is not only a matter of operational responsibility but also a strategic concern, carrying substantial financial and reputational implications. In line with the Global Industry Standard on Tailings Management (GISTM) published by ICMM, we reported the conformance of all our TSFs on 5 August 2025.

Stakeholder and policy oversight Supply chain engagement

We continue to work closely with our key suppliers to ensure we collectively strive to mitigate climate change and water risks in our supply chain, and that we apply the best technology available. We understand that relevant and new technology might help our operations increase energy and water efficiency, reduce our GHG emissions, or increase our resilience to physical climate change risks.

In F2025, we continued to build momentum on decarbonising our supply chain and enhancing the quality of water and climate-related disclosures across our value chain. We advanced our scope 3 emissions accounting, deepened engagement with suppliers, and initiated the supplier profiling process previously planned for this period, with a supplier profiling service provider being appointed, and the process to kick off early in F2026.

In F2025, we began scoping a supply chain risk-mapping exercise, with the aim of identifying vulnerabilities related to water stress, energy reliability and emissions intensity. This assessment will be supported through engagement with suppliers and other partners, and will inform the development of appropriate mitigation measures. These activities form part of our strategic approach to risk management, with a specific emphasis on long-term resilience.

One of the key risks identified across the supply chain relates to the availability, cost, and reliability of electricity supply. In South Africa, this risk remains elevated due to ongoing instability in the national grid and operational challenges faced by Eskom. Eskom is currently structured as a vertically integrated utility and has faced financial, maintenance, and capacity constraints in recent years. In this context, ARM has continued to monitor electricity supply conditions and investigate opportunities to strengthen energy security, both within our direct operations and among key suppliers. These efforts complement our exploration of self-generation and renewable procurement options, as outlined in our energy and emissions initiatives.

Policy and industry engagement

ARM continued to support South Africa's transition to a low-carbon economy and continued to engage constructively with the government on climate-related policies. Our engagement with the Department of Forestry, Fisheries and the Environment (DFFE) continues to play an essential role in shaping frameworks that align carbon taxation, carbon budgets, and other mitigation mechanisms. While no new policies or procedures were adopted in F2025, ARM maintains ongoing disclosure practices that feed into national policy development efforts.

Governance continued

We actively participate in key industry associations, including the Minerals Council South Africa (MCSA), the Ferroalloys Producers Association, and ICMM to ensure alignment between our climate commitments and broader sectoral initiatives. These forums offer opportunities for collective advocacy, knowledge exchange, and benchmarking of environmental and sustainability practices. We continue to engage in the MCSA Environmental Policy Committee and ICMM's climate change and water working groups.

In F2022, we reviewed the climate-change positions of industry associations we belong to, assessing how their policies align with our own climate-change commitments. These include the MCSA's committees, 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. In 2023, the MCSA published its climate-change position statement, in which ARM actively participated. We found that ARM's positions are largely congruent with most other industry associations that have public positions on climate change. Details on other associations that we engage and collaborate with can be found in the policy and industry collaboration section.

We remain committed to publicly disclosing any material misalignments that may arise, and our senior-level participation in these forums continues to enable proactive engagement and influence, where appropriate.

Partner and multistakeholder collaboration

We continue to collaborate closely with our joint-venture partners to assess and mitigate climate and water-related risks and to identify shared opportunities that support the transition to a low-carbon and water-resilient operating environment. These engagements are embedded in routine operational and management interactions, structured in accordance with the terms of shareholder agreements and aligned with our broader governance and disclosure commitments.

Our partnership with Assore South Africa Proprietary Limited remains a key enabler of industry-aligned initiatives, including participation in life-cycle assessments, waste and energy-efficiency programmes, and life-cycle inventory research through the International Manganese Institute. These platforms support improved data transparency and sector-wide innovation, particularly in relation to circular economy strategies and environmental impact benchmarking. Over recent reporting years, ARM has expanded its climate-related disclosure across investments not directly operated by the group. These milestones include:

F2020	Initial disclosure of GHG emissions from our direct investment in ARM Coal, managed by Glencore
F2021	Disclosure extended to include Harmony Gold
F2022	Disclosure further expanded to cover our equity interest in the Sakura Ferroalloys smelter

Our partner engagement approach is grounded in the same ethical, governance and data integrity standards that apply to all ARM stakeholder relationships. In line with our scope 3 accounting improvements, we have worked with joint-venture partners to enhance data availability and transparency related to category 10 (processing of sold products), specifically within our platinum operations, and category 15 (investments), which includes relevant disclosures associated with Harmony, Sakura and Glencore.

In F2025, we worked towards the refinement of our qualitative scope 3 targets, aligned with ICMM guidelines and joint-venture partner ambitions. Our quantitative scope 3 targets are being developed collaboratively and will be finalised by F2027 as data quality improves and strategic alignment across partnerships is achieved.

Our commitment to governance is further reflected in our integrated approach to sustainable development and responsible mining. With sustainability embedded in our strategy and operations, we acknowledge that long-term value creation depends on acting ethically and responsibly. For us, effective corporate governance means driving transparency, accountability and fairness.

Our governance structures ensure that mineral resource development contributes meaningfully to national growth, while aligning management incentives with stakeholder interests through ESG-linked remuneration. As a proud member of the ICMM, ARM adheres to its sustainable development framework, conducting regular self-assessments against the ICMM performance expectations and having independent external validations.

Governance continued



Modikwa Mine

Our strategy

Our strategy

- 19 Position on climate change
- 20 Climate transition plan
- 20 Decarbonisation strategy
 - 20 Operation-specific decarbonisation pathways (scopes 1 and 2)
 - 22 Emission-reduction levers
 - 23 Market opportunities
- 23 Position on water
- 24 Water stewardship
- 25 Water use and management



Our strategy

ARM's climate and water strategy forms an integral part of the group's overall business strategy and reflects the company's commitment to managing climate and water-related risks and opportunities in a way that supports long-term value creation and resilience.

ARM's business strategy is to deliver competitive returns and sustainable value by:

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

This section outlines the integrated approach ARM takes to address climate and water issues across its operations and value chain. It encompasses strategic elements such as our climate transition plan and decarbonisation strategy, key emission-reduction levers and market opportunities, and our approach to water stewardship, use and management. Together, these components form a cohesive part of ARM's broader corporate strategy, supporting the transition to a sustainable, low-carbon and water-responsible economy, while ensuring business continuity, regulatory compliance, and sustained socio-economic contribution in the regions where we operate.

Position on climate change

At ARM, we are keenly aware of the critical global challenges that climate change presents and the effects they may have on our business, our stakeholders, and the world.

ARM recognises climate change as a strategic priority and is committed to supporting the global effort

to reduce greenhouse gas emissions and mitigate physical climate risks. We have established rigorous systems to measure, verify and report carbon emissions across our operations, and to identify cost-effective abatement opportunities. Current initiatives focus on enhancing energy and fuel efficiency, deploying renewable energy solutions, and implementing targeted emissions-reduction projects.

Consistent with industry best practices and our ICMM commitments, we are investigating renewable-energy investments to meet short-term targets and strengthen long-term resilience. No new coal projects are being pursued; existing coal assets will be operated only to the end of their economic lives under strict efficiency and stewardship standards. In parallel, we continue to evaluate and invest in transition-critical minerals such as copper and nickel, positioning the portfolio to create value in a low-carbon economy.

Our climate-change policy outlines a clear strategic and governance framework to manage climate-related risks and opportunities across all operations within ARM's operational control. The policy aligns with the ICMM Climate Change Position Statement, of which ARM is a member, and it reinforces ARM's commitment to the Paris Agreement goals.

In line with our climate-change policy, ARM acknowledges:

- The urgency of the global climate crisis and the importance of contributing to the solution

- The necessity of limiting global temperature rise to well below 2°C and pursuing efforts to limit it to 1.5°C, in line with the Paris Agreement
- The transition challenges specific to South Africa as a developing country with fossil fuel dependencies
- The importance of carbon pricing, market mechanisms and innovation to incentivise emissions reduction.

Taking the above into account, ARM commits to:

- Climate governance: embedding climate change risks and opportunities in business decision-making through structured governance, stakeholder engagement, and transparent disclosures
- Disclosure: Publicly reporting scopes 1 and 2 emissions annually, setting reduction targets aligned with a 1.5°C pathway, and using the ICMM's scope 3 guidance to quantify and manage indirect emissions
- Decarbonisation: advancing adaptation and mitigation through operational projects such as energy efficiency, renewables integration, and low-emission technology deployment
- Stakeholder engagement: working with peers, government, suppliers and communities to align climate response actions and support local resilience
- Carbon pricing support: promoting fair and effective pricing systems and incentives that drive deep, long-term decarbonisation investments, especially in hard-to-abate sectors.

Our strategy continued

Climate transition plan

ARM's transition is underpinned by clearly defined targets, actions, timelines and resources, and is steered by our dedicated climate-change policy and strategic framework. These outline the key actions and priorities required to achieve net-zero greenhouse gas emissions by 2050. Climate change considerations are integrated across the business, including capital allocation, investment decisions, procurement, finance and community development.

Core to our climate-change policy and strategy are the following focus areas:

- Decarbonisation of our operations and value chain: guided by our decarbonisation strategy, we are implementing site-specific pathways and supplier engagement to reduce our emissions in line with defined targets
- Resilience of our business, community and value chain: informed by scenario analysis and systematic risk assessment, we invest in adaptation and business continuity measures across our operations, suppliers, and host communities
- Diversification of our product portfolio: we integrate climate-related market opportunities into financial planning and capital allocation, directing investment toward lower-carbon commodities and products.

Central to these is a commitment to a just transition, ensuring that our decarbonisation pathway is fair and inclusive, particularly within the context of our operations in the Global South and our broader role in Africa.

We are working towards aligning our transition plan with the IFRS Transition Plan Taskforce (TPT) Disclosure Framework, which provides guidance on how companies should transparently communicate credible and actionable climate transition strategies. This

alignment process involves clearly defining our long-term climate ambitions and interim targets, specifying the actions required to deliver them, and identifying the financial, operational and technological levers available to support implementation. It also includes the development of appropriate governance structures, such as oversight by executive committees and board subcommittees, and the integration of climate considerations into our existing risk management and capital allocation processes.

We are establishing enabling tools, including internal carbon pricing, enhanced emissions data systems, and scenario modelling capabilities, to support informed decision-making. Explicit roles and responsibilities are being assigned across functional and operational levels to ensure accountability and effective execution of the transition plan across the group. As we refine and further advance our framework, we will report on progress in coming disclosures.

Decarbonisation strategy

ARM's decarbonisation strategy is a central pillar of our broader climate change response and long-term business resilience. It outlines the group's approach to reducing GHG emissions across our operations and value chain in alignment with our climate targets. Our strategy is informed by science-based principles and guided by the climate-change strategy framework, which identifies specific interventions, technologies and investment priorities across short, medium and long-term time frames.

To operationalise this strategy and embed it across the organisation, ARM focuses on three core levers:

- Capital allocation: prioritising investments in renewable-energy projects and complementary efficiency measures

- Executive incentives: linking remuneration to operational-level emissions reduction milestones to embed accountability
- Data and digital systems: upgrading reporting platforms to generate timely, high-quality emissions data across the value chain.

These levers support the implementation of initiatives and projects designed to meet our scopes 1 and 2 targets, and to prepare for future quantitative scope 3 reduction goals.

In the near term, our decarbonisation efforts are focused on two key priorities:

- Execute the operation-specific decarbonisation pathways across our six fully operational sites (Black Rock, Beeshoek, Modikwa, Bokoni, Two Rivers Platinum and Khumani)
- Continue improving scope 3 data quality and set credible value chain targets.

The success of our decarbonisation strategy depends on sustained, collaborative engagement with employees, suppliers, joint venture partners, and other key stakeholders.

Operation-specific decarbonisation pathways (scopes 1 and 2)

In line with the ICMM's 2021 pledge (as part of its updated climate-change position statement), which consists of a collective, industry-wide commitment by its company members to achieve net-zero scopes 1 and 2 greenhouse gas emissions by 2050 (or sooner), and the Paris Agreement's ambition to limit global warming well below 2°C above pre-industrial levels, ARM has committed to achieving net-zero scopes 1 and 2 greenhouse gas emissions from its mining operations by 2050.

Our strategy continued

Since F2022, we have initiated operation-specific decarbonisation pathways to reduce GHG emissions, with short and medium-term targets for operations where ARM has operational or joint operational control (ie Cato Ridge Works, Beeshoek, Khumani, Black Rock, Two Rivers Platinum, Modikwa and Bokoni mines). Machadodorp Works and Nkomati mines are excluded from these initiatives as they continue to be on care and maintenance. In F2025, we implemented the next phase of planned initiatives and assessed their effectiveness in practice across our operations.

Decarbonisation pathways

These decarbonisation pathways focus on three key mitigation levers: implementing energy-efficiency measures, integrating renewable energy sources, and transitioning to new energy vehicles (figure 2).

Target overview

ARM's group-level emissions reduction target is underpinned by operation-specific targets and decarbonisation pathways tailored to each site.

The group target covers scope 1 and scope 2 emissions from all operations within ARM's operational control boundary, ensuring consistency and accountability across the portfolio.

ARM currently tracks three *qualitative* scope 3 targets, and is in the process of developing quantitative scope 3 targets, which will require strong engagement with suppliers and other partners across our value chain. We aim to establish these quantitative scope 3 targets by F2027.

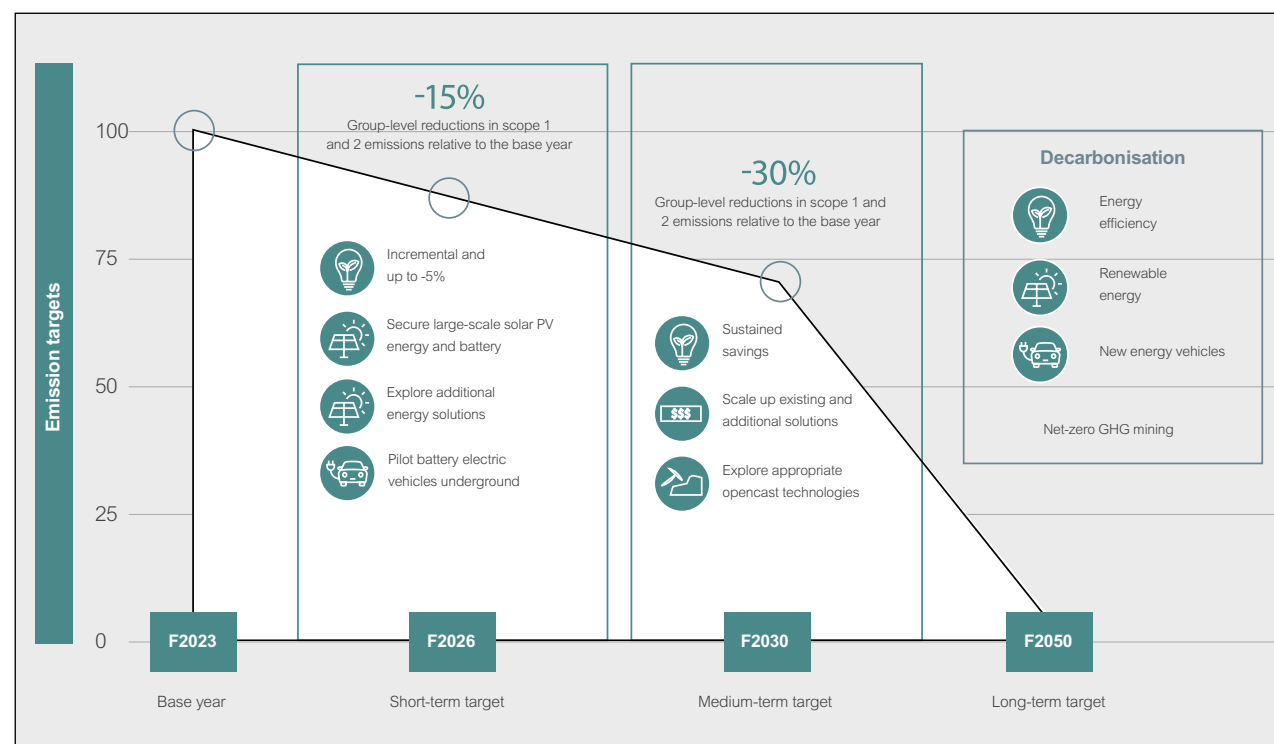
To ensure relevance and accuracy, our baseline and targets will be adjusted to reflect any material acquisitions or divestments, significant changes in planned operating conditions, and ongoing refinements in GHG reporting methodologies.

To drive delivery, we have embedded climate performance into our incentive structures, ensuring that employees at both operational and executive levels are held accountable for achieving emissions reduction targets and advancing our long-term climate objectives.

To achieve our targets, ARM commits to:

- Work collectively to ensure enabling policy environments
- Collaborate to secure financial and technical support for our operations
- Partner with suppliers to ensure access to practical and cost-effective decarbonisation technologies suited to our operational context
- Collaborate across our value chains with upstream and downstream stakeholders, to identify and support opportunities for reducing scope 3 emissions
- Engage proactively with joint venture partners to align climate commitments, where these are consistent with ARM's overall level of ambition.

Figure 2: Decarbonisation pathways to reach emission-reduction targets



Our strategy continued

Assumptions and uncertainties

The rate of decarbonisation on our journey to net-zero hinges on both planned initiatives implemented by ARM, as well as external factors out of ARM's control. For example, the rate of decarbonisation in the South African grid is uncertain and dependent on the uptake of renewable energy by the national utility, Eskom. Similarly, emission reductions from new-energy mobile equipment will depend on the commercial availability of viable technologies in the market.

Aligning new targets and ARM LTIPs

Executive long-term incentives are an essential mechanism to ensure decarbonisation plans are implemented and that short, medium and long-term company targets are achieved. The LTIP target is defined as a reduction of ARM's absolute reduction in scopes 1 and 2 GHG emissions by F2027, relative to the F2024 base year, measured for each year as aggregate GHG emissions over the full financial year. Information on performance-led incentives is given in the governance section of this report.

Emission-reduction levers

Exploring renewable energy options

We are advancing our transition away from fossil-based electricity toward a diversified, renewable energy supply mix. Current options under evaluation include wind and solar portfolios, which may be developed as self-build projects or procured through independent power producers (IPPs). Given the need for reliable baseload power across our operations, we are also modelling hybrid energy configurations that combine renewables with grid imports and, where appropriate, a transitional fuel source.

ARM Platinum

ARM Platinum has made significant progress in its journey to wheel renewable energy, especially notable in the construction of the 100MW solar PV facility, which remains on schedule for commissioning in the first half of F2026. Once operational, the solar facility will supply approximately 30% of ARM Platinum's energy requirements, significantly reducing ARM's scope 2 carbon emissions over the long term. Our estimates indicate that over the 20-year lifespan, the renewable power facility is expected to generate up to 4 900 000MWh of electricity, saving approximately 4 800 000tCO₂e.

ARM has also implemented the potential for both wheeling renewable energy power and meeting the significant electricity requirements through the construction of Eskom's new 132kV transmission line for the Two Rivers Merensky project, completed in F2024. As of F2025, ARM is exploring the IPP options available to procure renewable energy.

ARM Ferrous

ARM is exploring opportunities for cross-operational investments in renewable energy to enhance energy security and reduce emissions in our ferrous division. At the Northern Cape mining operations, the renewable energy definitive feasibility study (DFS) was completed in December 2024. Given the uncertainty surrounding future Eskom tariff structures, which could affect the viability of a standalone photovoltaic (PV) plant, ARM Ferrous has opted to explore contracting with an Independent Power Producer (IPP). This approach, like that adopted by the ARM Platinum division, will be pursued on a medium-term basis while the new multi-market model for energy supply and procurement is finalised.

This investigation of renewable energy procurement options considers carbon implications (such as carbon credits, carbon taxes and international benchmarks), assesses the energy security potential, and evaluates different cost models (eg ownership versus sourcing IPPs).

To support this initiative, environmental authorisations have been granted for both the Khumani Mine and Black Rock Mine, enabling the development of solar PV systems with integrated battery energy storage. Applications have been submitted to Eskom for approval and cost assessment of the proposed behind-the-meter renewable energy installations. Once Eskom's approval is received, further technical engagements will take place to finalise implementation details.

Energy efficiency

ARM has already implemented the most readily available efficiency measures across operations. We continue to secure savings from these initiatives, and additional opportunities will be pursued as advanced digital, automation, and artificial-intelligence technologies mature. Energy-efficiency initiatives implemented thus far include 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. Furthermore, research and development is being undertaken across both underground and opencast operations, supporting the identification of scalable technologies for future deployment. One example of this at Khumani Mine is to reduce idling time on trucks by installing stop/start switches to prevent unnecessary diesel use while idling.

Mine fleet electrification

The ferrous division deployed battery-electric vehicles (BEVs) at the Nchwaning 3 operation (Black Rock) in 2021. Fourteen are currently operational, with plans to ramp up to 18 in the next two years.

Our strategy continued

Early performance indicates meaningful carbon-reduction potential, though further development is needed to improve operating reliability and fleet availability.

In parallel, we are scanning global markets for “new-energy” mobile equipment, battery, hybrid and other emerging drive-trains, suitable for opencast conditions. As part of this effort, still in the pipeline for Khumani Mine is the piloting of BEVs (for mining and transport) to gather in-field data that will guide future fleet conversions.

Underground energy use conversion

Similar to the above, underground battery-electric mining equipment has proven commercially viable in selected underground applications and is delivering measurable energy and emissions benefits. Building on these results, we are expanding trials to additional sections while refining charging infrastructure requirements and maintenance practices needed for wider deployment.

Mining equipment upgrades

Bokoni Mine has approved a trial for a mobile tunnel borer machine (MTB) for F2026. An MTB is a large piece of equipment used to excavate tunnels with the rotation of the cutter head and is used as an alternative to traditional drilling and blasting methods. The benefits of this project include the reduction of emissions associated with reduced explosive use, replacing diesel use with grid electricity, and also reducing the risk of groundwater contamination.

Smelter process optimisation

At Cato Ridge Works, we have substituted 20% of fossil carbon inputs with biochar and fines, while also recovering and recycling brick-dust residues. As the smelter is now preparing for closure in F2026, priorities will shift to site-rehabilitation activities.

Market opportunities

In the medium term (F2027 to F2030), we anticipate shifts in both regulatory frameworks and market expectations, which present a mix of risks and opportunities for ARM's operations.

At the national level, changes in regulation are expected to impact the cost and availability of critical resources such as energy and water, alongside rising compliance costs, including the escalating carbon tax.

Globally, markets are evolving toward a preference for higher-grade, lower-emission products, positioning ARM favourably, particularly in the Asian market, where demand for higher-grade iron ore, battery-grade manganese and PGMs is growing. As the global economy transitions to a more carbon-constrained future, we expect these trends to become increasingly material to our business.

Our 2021 climate scenario analysis supports this outlook. For example, demand for manganese is projected to grow as it plays a crucial role in the production of lithium-ion batteries for EVs. Therefore, as EV adoption increases globally, so too will the demand for manganese. Similarly, platinum demand is expected to rise, given its essential function in the hydrogen economy and its broader relevance to climate-aligned technologies in both the transport and industrial sectors.

Position on water

We align with the International Council on Mining and Metals (ICMM) position on water stewardship and report progress against its commitments. We support the ICMM's updated guidance on consistent water reporting and have begun implementing it to enhance transparency, which is a key enabler of stakeholder trust and informed decision-making in an era of growing pressure on water resources.

As part of our broader commitment to ICMM's nature position statement, we also support the direction set by the Taskforce on Nature-related Financial Disclosures (TNFD). Water is one of our most material nature-related dependencies and risks. We recognise water as a shared, finite resource with vital social, cultural, environmental and economic value. It is essential for human wellbeing, community livelihoods, and ecosystem health, and is a critical input across all stages of our mining operations.

Water is also an important input across all phases of mining and metallurgical operations. It supports the wellbeing of our workforce and is integral to operational processes. Given our reliance on this shared resource, effective water stewardship is essential to mitigate operational risks and ensure long-term sustainability.

The world is facing increasing water-related challenges driven by urbanisation, industrial growth, climate change, and rising demand. Tackling these issues requires a collaborative, cross-sectoral response involving government, business, civil society, and local communities.

We support the Sustainable Development Goals (SDGs), particularly the goal of universal access to clean water, sanitation and hygiene (WASH). We aim to meet these standards internally while contributing to improved community outcomes through partnerships and targeted initiatives.

Recognising that water-related risks are most acute at the catchment level, we go beyond site-based management to consider broader water dynamics and user interactions. Our proactive and integrated approach strengthens our resilience, mitigates risk, and supports long-term sustainability, reinforcing our social licence to operate.

Our strategy continued

Our water policy commitments

STRENGTHENING WATER GOVERNANCE

- Publicly disclosing the company's approach to water stewardship (eg the ARM ESG report and integrated annual report as well as the supplementary report on climate change and water)
- Allocating clear responsibilities and accountabilities for water – from the board to our operations
- Integrating water considerations in business planning, including ARM's strategy, life-of-asset and investment planning
- Publicly reporting our water performance, material risks, opportunities and management response using consistent industry metrics and recognised approaches.

RESPONSIBLE SITE-LEVEL WATER MANAGEMENT

- Maintaining a water balance and understanding how it relates to the cumulative impact of other users at each operation. All operations maintain a water balance, considered in the context of a catchment balance
- Setting context-relevant water targets or objectives for operations with material water-related risks realise opportunities
- Ensuring all our employees have access to clean drinking water, gender-appropriate sanitation facilities and hygiene at their workplace. WASH facilities are in place for all our employees.

COLLABORATION AND SHARED RESPONSIBILITY

- Identifying, evaluating and responding to catchment-level water-related risks and opportunities
- Identifying and engaging proactively and inclusively with stakeholders that may influence or be affected by our operations' water use and discharge.

EFFECTIVE EXTERNAL GOVERNANCE

- Actively engaging on external water governance issues, with governments, local authorities and other stakeholders, to support predictable, consistent and effective regulation that underpins integrated water resource management.

BROADER STEWARDSHIP GOALS

- Supporting water stewardship initiatives that promote better water use, effective catchment management and by contributing to improved water security and sanitation.

Water stewardship

Water stewardship is integral to ARM's business strategy. Our approach is catchment-based and aims to be collaborative in delivering on our strategic objectives. Our operations participate in catchment-level forums that discuss issues on sustainable water supply in their regions, including ways that climate change and shifts in regulation could potentially influence the availability and cost of water.

The Inkomati-Usuthu catchment management agency (CMA), where Nkomati Mine and Machadodorp Works operate, is effective in facilitating this and meets quarterly. The Vaal-Orange CMA was formally established at the end of 2022 by expanding the Vaal River CMA to include the Orange Water Management Area (WMA). It oversees South Africa's largest WMA, spanning Gauteng, Free State, and the Northern Cape. In addition, the Tshiping WUA and Kgalagadi Catchment Management Forum in the Northern Cape contribute actively to this function as well.

Regarding other CMAs, Black Rock and Khumani mines have concerns about the security of water supply. The Vaal Central Water Board (VCWB) is unable to supply operations with contracted volumes due to ageing infrastructure and limitations in pipeline capacity management. Khumani Mine, under the leadership of ARM's Ferrous division and in coordination with Assmang, is actively engaging with the VCWB and the Department of Water and Sanitation (DWS). Their joint focus is to develop a feasible and sustainable solution centred on advancing Phase 2 of the Vaal Gamagara Water Supply Scheme, prioritised as a key water security measure for the Northern Cape operations.

Our strategy continued

A recovery plan to effect emergency repairs on the VCWB system is underway. Khumani's water use licence (WUL) application has been recommended for approval by the DWS, which will allow the use of groundwater to augment water supply to Khumani when the Vaal Central water system cannot perform.

Several new mines have been developed near Black Rock Mine, but this has had no impact on the water supply to the mine to date. Catchment-level management is expected to become increasingly important as water demand rises regionally. Black Rock and Khumani mines benefit from access to surplus water from Kumba's Sishen Mine, which is used for purposes such as dust suppression. Beeshoek Mine likewise maintains an active agreement with Kumba's Kolomela Mine to ensure early mitigation of any disruptions that could affect its water supply.

Modikwa Platinum Mine participates in a quarterly environmental forum coordinated with Fetakgomo Tubatse local municipality, aimed at addressing local service-delivery issues. Alongside other community stakeholders, Modikwa responds to municipal requests as part of its ongoing community engagement efforts.

In F2025, ARM reinforced its commitment to maintaining social licence by deepening relationships with communities surrounding its operations. Through ongoing dialogue and partnerships, the company supported initiatives that enhance water access, build local resilience, and create socio-economic value. More information available in the community and social licence section.

Water use and management

Table 1: Main operational water activities across our operations

Operations	Catchment	Main operational ¹ water activities
Beeshoek Mine (iron ore)	WMA	• Dewatering • Dust suppression • Ore processing • TSF management.
Khumani Mine (iron ore)	Vaal WMA	• Dewatering • Dust suppression • Ore processing • TSF management.
Black Rock Mine (manganese ore)	Vaal WMA	• Dewatering • Dust suppression • Mining, screening and washing • TSF management • Domestic use (village and irrigation).
Cato Ridge Works (ferroalloys)	Pongola-Umzimkhulu WMA	• Cooling • Dust suppression • Scrubbing (air-quality requirement) • Jigging (in metals recovery plant).
Machadodorp Works On care and maintenance	Inkomati-Usuthu WMA	• No operational water activities due to care and maintenance status.
Nkomati Mine (nickel, PGMs and chrome) On care and maintenance	Inkomati-Usuthu WMA	• Dewatering • Ore processing (stopped in last quarter of F2021) • Dust suppression (ad hoc, under care and maintenance) • TSF management.



Our strategy continued

Operations	Catchment	Main operational ¹ water activities
Modikwa Mine (PGMs)	Olifants WMA	• Dewatering • Water in underground processes (drilling) • Dust suppression • Ore processing • TSF management • Domestic use in mine villages and farms/third parties.
Two Rivers Mine (PGMs)	Olifants WMA	• Dewatering • Dust suppression • Ore processing • TSF management.
Bokoni (PGMs)	Olifants WMA	• Dewatering • Water in underground processes (drilling) • Dust suppression • Ore processing • TSF management • Domestic use (villages/sports and leisure/third parties and irrigation).

¹ Operations under joint control or operational control.

Each operation sources water from permitted rivers, boreholes, or municipal supplies in line with its WUL. Detailed water balances are maintained to track use, and KPIs drive efficiency improvements where relevant. Water-saving awareness is promoted through staff meetings, posters, campaigns and community engagements.

Where feasible, sites operate closed-loop systems that maximise recycling and minimise discharge. Clean and contaminated water streams are managed separately, ensuring process water is reused before freshwater is drawn. Technologies such as reverse osmosis are applied, where appropriate, to treat water for reuse.

Water efficiency is considered across the broader value chain, identifying opportunities to reduce water intensity upstream and enhance recycling downstream.

By embedding these principles into procurement, production, and waste management, we aim to optimise use holistically and build resilience across operations and supply networks.

Surface and groundwater quality are routinely monitored to ensure WUL compliance, assess environmental impact, and guide mitigation where necessary. Aquatic and riverine biomonitoring is conducted in line with site-specific WUL requirements. Additional measures to reduce consumption, increase storage, and avoid downtime include the use of dust-suppression surfactants, which improve the effectiveness of sprayed water and limit evaporation.



Beeshoek Mine

Our strategy continued

Table 2: Main water measures at ARM operations

Catchment area: Olifants WMA	
Operation	Water measures
Modikwa Mine	Modikwa Mine has expanded into open-pit operations, prompting the need for effective water management to prevent flooding. To address this, the mine initially implemented basic diversion measures by digging trenches and increasing sump depths. Recognising the need for a more sustainable solution, an engineering firm was later appointed to design a comprehensive stormwater management system, including grass-lined trenches, to reduce the risk of clogging and erosion. A contractor has since been appointed, and construction is currently underway. To improve water efficiency, Modikwa completed a water conservation and demand management study, which was part of a broader water management plan developed after the F2023 gap analysis. This has led to increased use of recycled water from the return-water dam instead of clean water from the regional scheme, as well as reuse of dewatered surface water from pits for drilling and other activities. The mine closely monitors the ratio of recycled to freshwater to track progress against efficiency targets.
Two Rivers Platinum Mine	The mine is generally water-positive, generating more water from underground workings than it requires for operations. This surplus is pumped from the shafts to the plant, where it supplements service water needs and reduces reliance on external water sources. While the shafts do not abstract water from rivers, the plant occasionally draws from the Klein Dwars or Groot Dwars Rivers when return-water dam levels are low. Potable water for drinking purposes is supplied via boreholes rather than river abstraction. Extreme rainfall between November 2024 and February 2025 created operational challenges. Heavy rains highlighted the difficulty of containing water on-site. While each operational area has its own pollution control dams (PCDs) and stormwater dams, there is limited infrastructure to transfer water between them. The mine currently uses a push-pull pumping system between certain facilities and pumps excess water from shafts to the plant, which then sends overflow to return-water dams at the TSF. From there, water is recirculated to the plant. This system has prevented any reportable overflows in the past year, but concept plans for a more integrated transfer network remain on hold due to financial constraints.

Catchment area: Olifants WMA continued	
Operation	Water measures
Two Rivers Platinum Mine continued	Water reuse and recycling are central to TRP's water management. The TSF is fully lined, enabling efficient recovery of stormwater and process water, which is pumped back to the plant for reuse. This has helped the mine maintain its target water intensity.
Bokoni Mine	The mine is in a water-scarce region with no nearby perennial rivers, and it is only natural source is rainfall runoff captured in dams. This limited natural availability has made securing a sustainable water supply a critical priority for future operations. The mine holds a WUL that allows abstraction from groundwater. The mine withdraws most of its water from boreholes or reuses fissure water from shafts. In addition, the mine has started implementing a plan to provide 12 boreholes to assist the local communities with water access, of which seven boreholes have been completed. One of the physical climate risks to Bokoni Mine includes excess groundwater and flooding. Persistent seepage in the Rapholo River valley necessitates continuous shaft pumping. One of the water targets was to have two reverse osmosis (RO) plants approved and operational by F2025. A 0.5ML/day RO plant is already operational, with an expansion to 1.5ML/day, which was scheduled for commissioning in November 2025. The development of a rehabilitation plan to mitigate erosion affecting the Rapholo river is underway. Bokoni has set a target to upgrade flow meters and complete hydrogeological baseline studies to establish a defensible water balance by F2025, with appropriate quantitative reduction targets to be set by F2026. The relining of the return-water dam and the pollution-control dam is underway to reduce seepage losses and protect groundwater quality. Both tailings dams will be moving to care and maintenance in F2026. In parallel, the mine has assessed opportunities to use treated water from its wastewater treatment works, which could provide a cost-effective supplementary source while supporting regional water re-use goals.

Our strategy continued

Table 2: Main water measures at ARM operations continued

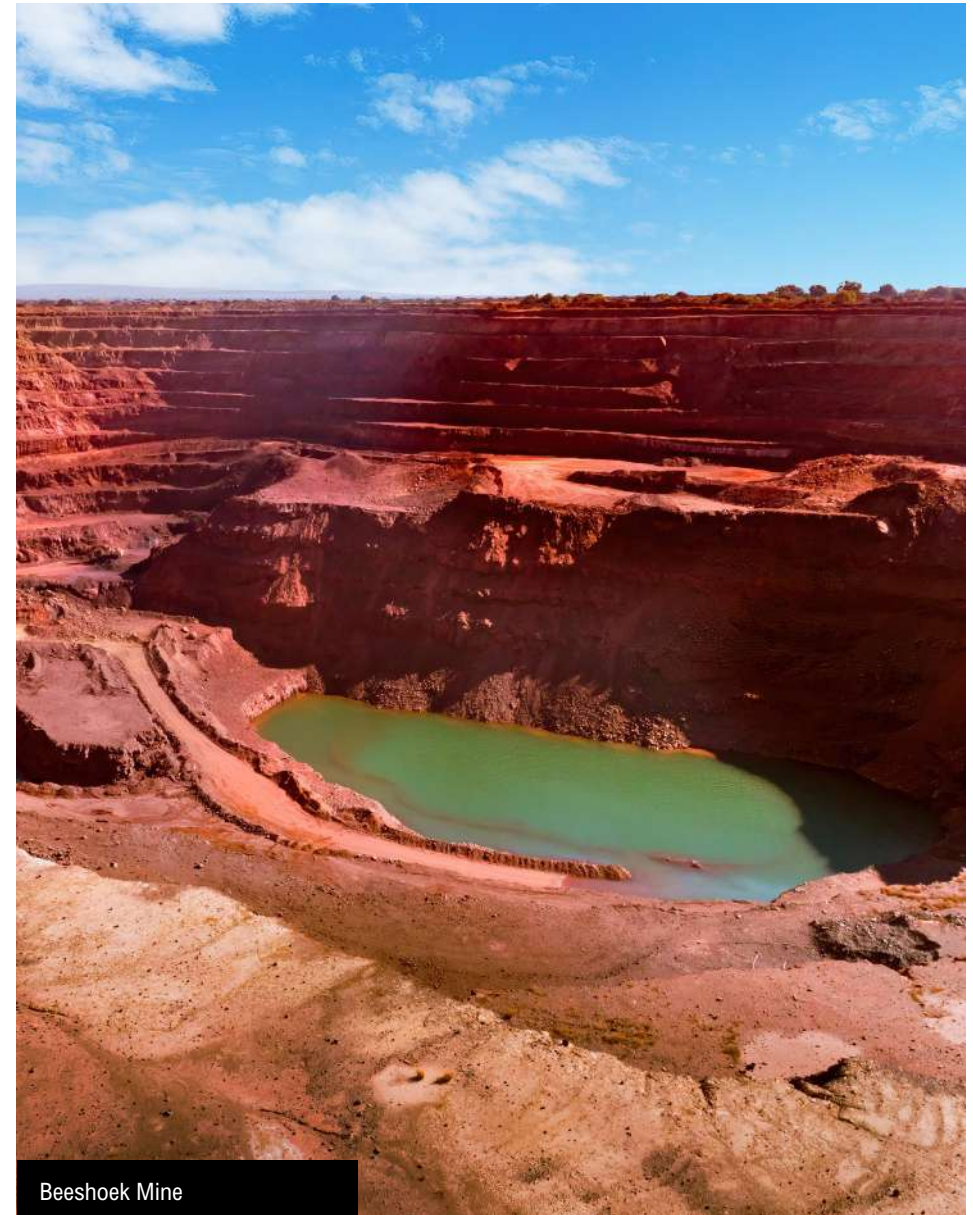
Catchment area: Inkomati-Usuthu WMA	
Operation	Water measures
Nkomati Mine	At Nkomati Mine, water management is largely shaped by its care-and-maintenance status following the suspension of mining operations in 2021. Despite reduced activity, the site still manages significant water flows due to infrastructure, rainfall, and the need to control pollution risks from historical mining areas. The mine is located in a water-stressed catchment area, however, it is situated in a sub-basin (with very low water stress) with seasonal variability in supply from the boreholes and the Gladdespruit River, a branch of the Komati River. While freshwater is still abstracted under the existing water-use licence, most of its water withdrawals are from fissure water from shafts, and much of the focus is now on capturing, treating and reusing site water to minimise withdrawals and environmental impacts. A central feature of Nkomati's current water strategy is the construction of its water treatment plant, which will treat excess mine water to a quality suitable for discharge back into the Gladdespruit River. This capability is essential for managing dam levels during periods of high rainfall and for ensuring compliance with strict discharge quality limits. Treated water is also reused internally for non-potable purposes. The mine's network of pollution control dams (PCDs) and return-water dams allow for the separation of clean and dirty water, as well as maximising recycling, with priority given to compliance-critical facilities. During the care-and-maintenance phase, Nkomati has also undertaken rehabilitation work aimed at reducing future water liabilities. This includes capping tailings areas to limit infiltration, stabilising eroded slopes, and improving stormwater management to prevent uncontrolled runoff.
Machadodorp Works	Machadodorp Works has cut-off trenches and a fully operational water treatment plant to mitigate the risk of discharges to the environment. At Machadodorp Works, a reverse osmosis plant commissioned in April 2024 treats all contaminated water from dam 1, the slag-dump borehole, and the river dam. Treated water is released and, when possible, stored in dams. We also explore natural, sustainable solutions such as wetland formation, particularly for mine-closure plans.

Catchment area: Vaal WMA	
Operation	Water measures
Black Rock Mine	At Black Rock Mine, water management focuses on ensuring supply reliability, improving efficiency, and addressing risks. The mine recently faced shortages from the VCWB supply due to maintenance issues but is now in a more stable position. Water security is critical because approximately 1 500 to 2 000 of the mine's 4 000 employees work underground daily and require water for health and hygiene purposes. The mine village, which has around 300 to 400 houses, also depends on this supply. To safeguard availability, Black Rock is working with Assmang and the CMA to ensure continuous provision for both the mine and the surrounding community. Operationally, the mine has implemented several water conservation measures. A feasibility study is underway for a centralised wastewater and sewage treatment plant, which would enable treated effluent reuse. The mine has also successfully rolled out a water flow meter project, significantly improving water accounting accuracy. Consideration has been given to reverse osmosis treatment, although challenges with brine disposal have paused progress. Irrigation of the golf course has been stopped to redirect water to essential uses.
Khumani Mine	The mine sources the bulk of its water from the VCWB pipeline, with additional supply from dewatering activities and limited borehole use. While current allocations are sufficient, there is ongoing engagement with VCWB to ensure stability, particularly in light of planned regional infrastructure upgrades. Khumani also benefits from an agreement with Kumba Iron Ore to use excess water from their Sishen operation for dust suppression, reducing its reliance on freshwater. Operational efficiency is supported through a well-structured return-water circuit. Process water is recovered from the TSF via a dedicated return-water dam and pumped back to the plant, maximising reuse. The mine has invested in maintaining and upgrading pipelines, pumps, and instrumentation to minimise leaks and losses. Stormwater management systems are in place to separate clean and dirty water, and PCDs are used to capture and retain potentially contaminated runoff for reuse or treatment. These measures help ensure compliance with the mine's WUL and reduce environmental risks.

Our strategy continued

Table 2: Main water measures at ARM operations continued

Catchment area: Vaal WMA continued	
Operation	Water measures
Beeshoek Mine	The mine sources most of its water from the VCWB pipeline, supplemented by groundwater abstraction and limited municipal supply. Beeshoek has a longstanding arrangement with Kumba Iron Ore's Kolomela Mine to share water supply information and address potential challenges collaboratively, ensuring that disruptions are mitigated quickly. This coordination has helped avoid major production losses during supply interruptions. Operationally, the mine relies heavily on water recycling to meet process demands. Water from the TSF is recovered and pumped back to the plant for reuse, reducing the need for freshwater intake. The mine maintains a closed-loop system for much of its process water, supported by well-maintained pipelines and pumping infrastructure. PCDs capture stormwater and potentially contaminated runoff, allowing it to be re-used rather than discharged. Regular inspections and maintenance ensure these systems function effectively, minimising environmental risks.
Catchment area: Pongola-Umzimkhulu WMA	
Operation	Water measures
Cato Ridge Works	Cato Ridge Works installed a reverse osmosis plant in Q1 F2025, reducing municipal water consumption.



Beeshoek Mine

Risk management

Risk management

- 31 Assessment of risk and opportunities
- 31 Scenario analysis and resilience
 - 31 Scenario analysis
 - 32 Climate resilience
- 32 Integrating climate change and water risk into our ERM processes
 - 32 From road map to implementation
 - 33 Embedding climate risk in decision-making
 - 33 Next steps (F2026 and beyond)
- 33 Risks and opportunities
 - 33 Climate-related risks and opportunities
 - 36 Water-related risks and opportunities
 - 40 Indirect water risks and mitigation measures
 - 40 Water and TSFs
- 41 Financial planning impacts
 - 41 The impact of risks and opportunities on business and financial planning
 - 44 Considering climate change risks in ARM's investments
- 45 Carbon pricing and markets
 - 45 Internal carbon-price framework
 - 45 Developed-market exposure
 - 45 Pass-through risk for purchased electricity
 - 45 Preparing for sectoral emission targets and carbon budgets



Risk management

The management risk and compliance committee (a subcommittee of the ARM audit and risk committee) monitors the ERM process, which includes climate and water-related risks. Transitional company-level risks, such as shifting climate-change mitigation policies (including carbon tax and carbon budgets) are monitored by the executive: sustainable development.

Climate and water risk management is embedded across all phases of project execution and activated in response to any material change in the group's operations or business environment. Risk reviews are conducted on a quarterly basis at all ARM-managed operations and within each division, and are further supplemented by the annual corporate risk workshop. Additional climate-related activities include annual climate and water risk assessments and management workshops involving divisions and operations.

Assessment of risk and opportunities

ARM instituted a risk management strategy in line with ISO 31000 in 2018 to transition the group to a mature, risk-intelligent and value-optimised organisation. On this journey, ARM continues to prioritise climate change and water-related risks within the same ERM framework that governs all strategic, operational and financial risks.

The processes we use to identify, assess and manage climate change and water-related risks have not materially changed from the previous reporting period. Our position as a group is reflected in the consideration of resilience to climate risks as a crucial pillar under our climate-change strategy, considering not only our operations, but also the risks and opportunities our value chain and communities are exposed to. We have made significant progress on incorporating climate change into our ERM processes. We will continue to work on this over the next financial year during focused workshops and a second climate scenario analysis, planned for F2026.

Scenario analysis and resilience

Scenario analysis

Our climate scenario analysis enables the group to assess the resilience of the business under a range of plausible climate futures. The analysis is used to identify and evaluate both transition risks and opportunities (arising from changes in policy, markets, and technologies) as well as physical risks (resulting from acute and chronic climate impacts, such as extreme heat or drought). It supports strategic decision-making, financial planning, and long-term operational resilience.



Black Rock Mine

Risk management continued

In F2026, we will undertake a second scenario analysis that will consider including more quantitative (eg financial) aspects to further inform our strategy, targets, actions and capital allocation towards our response to climate change.

Climate resilience

We will not make new coal investments and will run existing assets to the end of their current economic lives. We will continue to look for opportunities to minimise the impact of our coal-related activities, and simultaneously allocate capital to prioritise metals consistent with the transition. Although autocatalyst demand has decreased as a result of decreased demand for new vehicles, we expect an increase associated with the green hydrogen economy. We are also exploring the demand for lower-carbon metals, while exploring energy transition and critical minerals (eg copper and nickel) to best position ourselves and our operations. As such, we are translating this energy-transition awareness into our operational and investment decision-making, as evidenced by our increased investment in Surge Copper Corporation in F2025.

Climate-resilient operations

To ensure the resilience of the business to the risk and opportunities posed by climate change, we have continued assessments of risks and opportunities across our operations, with a particular focus on internal stakeholder engagements. We are continuing our work towards integrating climate change as part of our ERM process.

Climate-resilient value chains

Supply chain engagement has gained traction in the climate change space, and as such, this is becoming an area of focus for our business. We are responding to this by assessing key areas in our value chain, particular regarding transport. As part of our strategic approach to risk management, we have commenced the supplier profiling process and have been exploring climate risks in our supply chain and how risks can be mitigated.

Enhancing community resilience

We are working to integrate climate risks and opportunities into our existing development programmes and transformation initiatives, with the goal of improving the resilience of our host communities to physical climate risks.

In F2025, ARM has applied a climate lens on our response to community resilience. For example, Khumani Mine assisted their municipality with the development of their climate-change strategy. Furthermore, flood protection works were completed at Beeshoek Mine and community drainage systems were upgraded to prevent future stormwater impacts.

Moving forward, we will apply a similar climate lens to our community development budget, directing funds to projects that strengthen community climate resilience. Local economic-development initiatives will be shaped by key outputs from our climate-risk assessments, community input, and opportunities to build on existing programmes.

Integrating climate change and water risk into our ERM processes

From road map to implementation

A dedicated road map to integrate climate change in ARM's ERM system was finalised in 2021 and implementation began in F2022. Key actions included: (i) improving data on climate-related impacts; (ii) refining risk-rating scales to capture climate-specific causes and consequences; and (iii) defining climate-impact thresholds and mitigation measures for each operation.

During F2023, we launched a company-wide engagement programme to raise awareness of climate-related risks and opportunities. Site-level workshops conducted annually as far as possible enable employees to identify current and future physical threats such as extreme heat and intense rainfall across operations, supply chains and product-transport routes.

Social dimensions were also explored, recognising that surrounding communities face the same climate hazards and that their responses can create additional operational risks. The workshops confirmed that climate and water risks hold real financial implications, increasing both potential capital requirements and the likelihood of production disruptions. They also highlighted where our existing severity scales were adequate and where further refinements are needed to communicate physical-risk impacts effectively at both operational and corporate levels.

Risk management continued

Embedding climate risk in decision-making

Building on the workshops in F2024 and F2025, we are collecting detailed exposure data and applying a climate-enhanced risk matrix to integrate findings into day-to-day decision-making. Climate risks and resilience considerations are assessed throughout the asset life cycle (from planning and design to operations and closure) and incorporated into existing standards, guidelines and processes. Ultimately, these climate change risks and opportunities will also be integrated into and reflected in mainstream filings, including income statements, cash flow statements and balance sheets.

Progress to date includes the creation of operation-specific risk profiles through the ERM process, with physical climate and water indicators, improved data feeds into the central risk information system, and alignment of mitigation actions.

Next steps (F2026 and beyond)

- Second scenario-analysis cycle – in F2026, we will conduct a second scenario analysis to obtain updated, high-resolution physical climate risk data that will refine our risk assessments and supporting models
- Corporate integration workshops – joint sessions between group risk and sustainability will translate the new analysis into revised severity scales, risk-appetite thresholds and mitigation plans
- Continuous ERM enhancements – we will place greater emphasis on supply-chain climate risks and institute systematic processes for regular, structured reassessment of all climate-related risks.

Through this phased approach (road map completion, site engagement, data integration and continuous refinement), we are progressively mainstreaming climate-related risks and opportunities into our ERM framework, strengthening organisational resilience while sharpening capital allocation and operational-planning decisions.

Risks and opportunities

Climate-related risks and opportunities

The global shift to low-carbon energy and industry exposes ARM to higher costs and new risks, but it also opens significant transition opportunities.

Our operations are distributed across the country (Northern Cape, Limpopo and Mpumalanga) and each are exposed to physical climate risks, with some mining sites already impacted by extreme weather events. Climate impacts pose direct and indirect risks to ARM, including damage to fixed assets and equipment, compromised operational performance of facilities with long life spans (eg TSFs, water and waste-rock storage facilities), output disruptions and damage, and disrupted supply chains.

There have been no significant changes to the risks we are exposed to, their causal factors, potential impacts and ARM's residual risk exposure since F2023. Furthermore, our climate change risks do not typically change significantly year-on-year. Nevertheless, we are preparing for greater physical climate stressors and investing in the resilience of our operations, supply chains, and communities through the resilience focus area of our climate-change strategy framework as we continue to develop and progress this. Table 3 presents a summary of ARM's material climate risks.

Evolving transition risks, such as developing domestic and international policy, technology development and shifting demands for mining and metal products, pose risks to our business. Internally, we are responding through the product and decarbonisation pillars of our climate-change strategy framework.

Many of these factors are driven by external forces such as trade flows, geopolitical shifts, financial market reforms, and similar dynamics that are beyond our control. The impacts could be significant, yet their exact nature and timing remain uncertain. Our efforts, therefore, aim to balance direct investments in risk mitigation over which we have influence and contributions to collective efforts to respond more systemically through our participation in the ICMM, for example.

Risk management continued

Table 3: ARM's material climate risks

Risk category	Impact	Response to risk
Policy and legal: domestic policy Likelihood: High Time frame: Short term	Introduction of the Climate Change Act, carbon tax, carbon budgets, mitigation plans, and mandatory climate reporting. These regulations may raise operational costs and require emissions-related adjustments.	We have implemented a climate-change strategy that includes emissions targets, investing in renewables, and deploying a sustainability data management system. We actively engage with policy-makers and stakeholders to influence policy outcomes and align with best practice. Our product strategy and portfolio investments (eg in critical minerals) are designed to remain competitive under transition scenarios.
Policy and legal: international policy Likelihood: Medium Time frame: Medium to long term	Introduction of the EU Carbon Border Adjustment Mechanism (CBAM) and evolving trade measures may affect the competitiveness of our ferrous operations, particularly in Europe.	We are monitoring CBAM developments and participating in multilateral policy forums to understand long-term implications. Efforts are underway to strengthen value-chain emissions reporting and improve the carbon competitiveness of our products.
Technology substitution Likelihood: Medium Time frame: Medium term	Shift to EVs and other low-carbon technologies may reduce demand for certain PGMs.	We monitor global technology trends and adjust our portfolio accordingly. Diversification efforts include targeting minerals relevant to the energy transition. Where demand is at risk, new markets are being explored.
Markets: high-quality ores Likelihood: High Time frame: Medium term	Increased demand for low-emission, high-grade iron ore products that support customer decarbonisation goals.	ARM is well-positioned with a portfolio of high-grade iron ore and a longstanding base of value-in-use customers. We continue to market the carbon benefits of our products and engage with customers on product-specific emissions data.
Markets: critical minerals demand Likelihood: Medium Time frame: Medium to long term	Uncertainty in timing and scale of hydrogen and electrification markets may delay or alter demand for platinum and copper.	We are proactively investing in future-facing commodities such as copper through our stake in Surge Copper Corporation. This aligns with our strategic shift towards supplying transition-critical minerals.
Reputation: stakeholder expectations Likelihood: High Time frame: Short to medium term	Increased scrutiny from investors and customers on climate-change governance and climate performance, particularly related to scopes 1 to 3 emissions, increasingly seen as material to shareholder value.	We are strengthening climate disclosures, setting science-aligned emissions targets (including scope 3), and participating in global frameworks such as the ICMM standards. Sustainability KPIs are also embedded in executive remuneration to reinforce accountability.

Risk management continued

Table 3: ARM's material climate risks continued

Risk category	Impact	Response to risk
Physical: acute weather events Likelihood: High Time frame: Short term	Extreme rainfall and flooding can disrupt operations, destabilise TSFs, and cause environmental non-compliance.	We have invested in physical climate risk assessments for all operations and integrated findings into our ERM process. We are enhancing climate resilience through infrastructure upgrades, scenario analysis, and engagement with CMAs. The resilience focus of our climate-change strategy supports capacity-building and early warning systems. Example: Modikwa experienced extreme rainfall between October 2024 to March 2025, which caused hillside erosion and water ingress into shafts and the new S1/S3 pits. Diversions proved undersized and engineering redesign is now underway. Similarly, at TRP, heavy rainfall washed away the mine's main access bridge. As a result, all traffic had to be rerouted via temporary light-vehicle and overhaul tracks. The damaged bridge also disrupted community access, prompting a joint reconstruction effort with the local municipality and a neighbouring mining operation.
Physical: social unrest Likelihood: Medium Time frame: Medium term	Climate-related social unrest may damage assets, disrupt labour availability, increase production costs, and heighten community tensions.	ARM incorporates just transition principles into its climate-change strategy framework and engages closely with affected communities. Social risks are managed through proactive stakeholder engagement and investment in local economic resilience. Example: Our mines include members from the community in their stakeholder engagement structure, where they discuss environmental issues as well as other social-related issues.
Physical: rainfall in Vaal catchment (drought) Likelihood: Medium Time frame: Long term	Shifting rainfall patterns in the Vaal catchment threaten long-term water availability, especially for the Northern Cape operations.	ARM is assessing long-term water security and resilience measures for its Northern Cape operations. Climate risks are being integrated into operational planning to safeguard water supply and avoid disruption to communities and employees. Example: If Black Rock has no water, it poses a health and safety risk to employees who cannot use water for hygiene purposes after underground mining. There are approximately 4 000 employees, of which 1 500 to 2 000 go underground each day. The village also relies on the water, which supplies between 300 to 400 houses. Furthermore, there is also the added risk of not meeting production targets.
Physical: heat stress Likelihood: High Time frame: Short to medium term	Rising temperatures increase health risks to employees, reduce productivity, and raise cooling costs.	ARM is reviewing facility designs, operational protocols, and workforce protection measures to manage heat risks. Ventilation management for our underground mines is factored into future infrastructure planning and equipment procurement. Example: Bokoni mine experienced multiple days with temperatures exceeding 40°C during summer months. A heat stress risk assessment is complete, and controls can be activated if temperature thresholds are breached to avoid adverse employee health impacts and production stoppages.
Physical: supply-chain interruptions Likelihood: High Time frame: Short to medium term	Extreme weather events (storms, high winds, flooding) can disrupt logistics and supply chains.	We are assessing vulnerabilities across our supply chain and are engaging with key suppliers to improve climate resilience. Risk-based contingency planning is underway for critical routes and inputs.

Risk management continued

ARM is well-positioned to capitalise on the increasing global demand for portfolio commodities, particularly those aligned with the low-carbon transition. This includes rising interest in both bulk commodities (such as iron ore and manganese) and base metals, which are essential for infrastructure development, battery technologies, and clean energy systems. There is also growing demand for zero and low-carbon mining and metals products, driven by customer expectations, investor scrutiny, and emerging regulatory standards. As markets and financiers increasingly prioritise sustainability, ARM expects greater access to low-cost capital for projects and operations that are demonstrably aligned with global climate goals, including those that support emissions reductions, circularity, and responsible resource use.

ARM carried out its first scenario analysis in F2021, and plan to undertake a second scenario analysis in F2026. Refer to our 2022 report (page 29, figure 4) for a detailed review of how demand for our current portfolio of products is expected to change under different climate scenarios.

Water-related risks and opportunities

Our proactive and holistic water management strategy facilitates how we manage water sustainably. It is built around identifying and mitigating water-related risks, exploring opportunities, and engaging with partners to achieve collective action. Water availability, consumption, and pollution are recognised as key risks and included in both our operational and corporate risk registers, tailored to the operational risk contexts. We are incorporating both water and climate change into the ERM process as part of the resilience focus under our climate-change strategy framework. We support the ICMM position statement on water stewardship and report our performance against the commitments in this report.

Operations can be impacted by too much water in a short period (flooding), not enough water over an extended period (droughts), and the respective impacts of these natural hazards on the availability and quality of ground and surface water. Consequently, our strategic objectives at group and operational levels include various water considerations, including the availability, protection and management of water sources, and the use of appropriate technologies and other mitigating measures to address water needs or manage water impacts.

Catchment-level risks

Our primary concerns are the availability of water, uncertainty in the existing policy environment, the state of existing water infrastructure, and the socio-economic impacts of these risks. The unreliability of water supply from VCWB in the Northern Cape is classified as one of our top 10 risks (impact: critical; likelihood: almost certain) in our ERM group residual risk dashboard. ARM Ferrous mines based in the water-scarce Northern Cape and the cost and continuity of water supply are risks for all mines as well as communities in the region.

The existing policy environment includes many WMAs that still do not have a functional CMA, under-resourced regulators, weak enforcement of compliance conditions, lengthy and unpredictable WUL processes, and ageing municipal and bulk water infrastructure that affect how mines secure, manage and discharge water.

Eight of the nine operations under our direct or joint control are in water-stressed areas, namely Beeshoek Mine, Khumani Mine and Black Rock Mine (in the Vaal WMA); Two Rivers Mine, Modikwa Mine and Bokoni Mine (in the Olifants WMA); Beeshoek Mine, Khumani Mine and Black Rock Mine (in the Vaal WMA); Two Rivers Mine, Modikwa Mine and Bokoni Mine (in the Olifants WMA);

and Nkomati Mine and Machadodorp Works (in the Inkomati-Usuthu WMA).

Our risk registers indicate the water-related risks and opportunities for each of these mines except Cato Ridge Works, which is in the Pongola-Umzimkhulu WMA, and therefore not in a water-stressed area. In the risk registers, we indicate catchment stress, water stress rating and water-related risks. We used the WWF Water Risk Filter developed by the World Wide Fund for Nature (WWF) to determine catchment stress, and ratings for physical risks, regulatory risks and reputational risks. The water stress rating was based on main basin catchment areas.



The WWF Water Risk Filter (<https://waterriskfilter.org/>) is an online tool that helps companies and investors assess and respond to water-related risks facing their operations and investments across the globe. The tool uses a three-tier hierarchical structure to rate basin risk on a scale of 1 (low risk) to 5 (high risk). The top level of the hierarchy considers risk types, including physical, regulatory and reputational water risks. Each type is broken down into more specific risk categories. For example, the physical risk type includes water scarcity, flooding, water quality, and ecosystem services status. These categories are informed by several global indicators, such as measures of water stress, flood frequency, pollution levels, and governance performance. The indicators are based on peer-reviewed and reliable data sets, updated annually, and are designed to provide a consistent and comparable basis for assessing water risk across different river basins.

Risk management continued

Table 4: ARM's catchment water risk register for WMAs

Catchment area: Olifants WMA			
Operation	Water stress rating	WWF risk index	Water stress description
Modikwa Mine	High	Physical risk: 2.96 Regulatory risk: 1.92 Reputational risk: 3.23	Physical risk: Recently added two open-pit sections (S1 and S3) while ramping down certain underground workings. During the October to March 2025 rainy season, the site experienced record rainfall, with heavy downpours causing hillside erosion and water ingress into both the shafts and the new open-pits. Existing water diversion infrastructure proved inadequate under these conditions, prompting an engineering redesign to improve capacity and resilience. Regulatory risk: There is limited catchment management (no effective CMA). Operations technically need to contribute to the establishment and effective functioning of a CMA as part of their WULs, but failure to achieve this is mainly due to governance challenges and capacity constraints of the regulator. Reputational risk: The mine actively supports nearby settlements experiencing water shortages by drilling boreholes, installing piping, and preparing for electrification. Plans also include the provision for future solar-powered pumps, which will improve the sustainability and reliability of the water supply to these communities.
Two Rivers Platinum Mine	High	Physical risk: 2.96 Regulatory risk: 1.92 Reputational risk: 3.23	Physical risk: Experienced an exceptionally wet summer between November 2024 and February 2025, which caused flooding that damaged and eventually destroyed a key access bridge to the plant and main shaft. While no reportable water overflow incidents occurred in F2025, the mine remains exposed to risks during extreme rainfall events, particularly in managing water between shafts, the plant, and tailings facilities. Regulatory risk: There is limited catchment management (no effective CMA). Operations technically need to contribute to the establishment and effective functioning of a CMA as part of their WULs, but failure to achieve this is mainly due to governance challenges and capacity constraints of the regulator. Reputational risk: While no significant water-related community complaints were reported in F2025, occasional concerns have been raised by downstream communities regarding water quality. Continued management of discharge quality and community engagement will be important to maintaining trust, particularly given the mine's proximity to the Klein and Groot Dwaars Rivers and its role in local water infrastructure projects.
Bokoni Mine	High	Physical risk: 2.96 Regulatory risk: 1.92 Reputational risk: 3.23	Physical risk: Heavy summer storms regularly cause flooding in underground sections, increasing pumping requirements and posing operational challenges. The mine is water-positive, with significant inflows from underground workings and stormwater runoff. Excess water is stored in PDCs and reused in the processing plant, although storage capacity can be strained during peak rainfall. Regulatory risk: The mine operates with lined TSFs and PCDs in compliance with its WUL. Excess water is discharged into nearby streams only when quality meets regulatory standards. Bokoni abstracts potable water from the local municipality, supplemented by boreholes, for operational needs. Catchment management in the area is limited due to the absence of a fully functional CMA, which reduces coordinated oversight of water use and quality. Reputational risk: Communities in the surrounding area rely partly on municipal supply, which faces intermittent shortages. While the mine does not directly supply community water, its ability to manage excess mine water and protect downstream water quality influences community perceptions. Poor water management or a decline in discharge quality could create reputational challenges.

Risk management continued

Table 4: ARM's catchment water risk register for WMAs continued

Catchment area: Inkomati-Usuthu WMA			
Operation	Water stress rating	WWF risk index	Water stress description
Nkomati Mine	High	Physical risk: 2.45 Regulatory risk: 1.92 Reputational risk: 2.82	Physical risk: Nkomati is currently under care and maintenance (C&M), with mining operations suspended. The surrounding environment is not considered water-stressed, and flooding risk is minimal. The site remains water-positive due to underground and surface inflows, as well as rainfall, which is generally moderate in the area. The mine's water treatment plant treats excess mine water to a quality suitable for discharge back into the Gladdespruit. Treated water is also reused internally for non-potable purposes. The mine's network of PCDs and return-water dams allows for the separation of clean and dirty water, as well as maximising recycling, with priority given to compliance-critical facilities. Regulatory risk: The catchment has one of the few effective CMAs in the country, which helps to mitigate overall catchment risk. Reputational risk: As the mine is not actively producing, water-related community risks are minimal. Local communities do not rely on Nkomati for their water supply, and there have been no recent complaints related to water quality or availability.
Machadodorp Works	High	Physical risk: 2.50 Regulatory risk: 1.92 Reputational risk: 2.91	Physical risk: Machadodorp Works constructed cut-off trenches to manage runoff and reduce the risk of uncontrolled discharges. Since April 2024, the site has also operated a fully functional water treatment plant, which ensures effluent compliance. Regulatory risk: The commissioning of the water treatment plant strengthens compliance with WUL conditions and South African environmental regulations, reducing the likelihood of non-compliance penalties. Reputational risk: Potential reputational concerns are mitigated by implementing visible infrastructure upgrades, including the operational treatment plant.



Black Rock Mine

Risk management continued

Table 4: ARM's catchment water risk register for WMAs continued

Catchment area: Vaal WMA			
Operation	Water stress rating	WWF risk index	Water stress description
Black Rock Mine	Very high	Physical risk: 2.99 Regulatory risk: 1.92 Reputational risk: 2.79	Physical risk: Black Rock Mine has a legacy risk of groundwater contamination due to unlined TSFs. However, the risk of flooding is considered low, and the zone of potential impact around the TSF is relatively small, as the area is arid and there are no nearby villages. Regulatory risk: The VCWB pipeline infrastructure requires investment, and the source catchment faces water stress. There is limited catchment management as there is no CMA for this WMA. Improvements are expected with the proposed establishment of the Vaal-Orange CMA. Reputational risk: Black Rock Mine faces community and social perception risks. A disruption in water supply would create a health-and-safety concern for employees, as water is essential for hygiene after underground mining activities. The mine employs approximately 4 000 people, with 1 500 to 2 000 working underground daily. The associated village, which includes around 300 to 400 households, is also dependent on the mine's water supply.
Khumani Mine	Very high	Physical risk: 2.99 Regulatory risk: 1.92 Reputational risk: 2.79	Physical risk: Experienced increased rainfall during February and March, which resulted in flooding of the King pit, which directly impacted production. To manage the excess water, it was pumped into super trucks and the stormwater dam. However, limited storage capacity in the dam remains a challenge. Regulatory risk: The VCWB pipeline infrastructure requires investment, and the source catchment faces water stress. There is limited catchment management as there is no CMA for this WMA. Improvements are expected with the proposed establishment of the Vaal-Orange CMA. Reputational risk: ARM helped the municipality with its climate-change strategy.
Beeshoek Mine	Very high	Physical risk: 2.71 Regulatory risk: 1.92 Reputational risk: 2.82	Physical risk: External Kalahari (Vaal Gamagara) line managed by neighbouring Kolomela Mine; Beeshoek is limited to ≤320m³/day under the supply agreement, creating a possible supply risk. Regulatory risk: The VCWB pipeline infrastructure requires investment, and the source catchment faces water stress. There is limited catchment management as there is no CMA for this WMA. Improvements are expected with the proposed establishment of the Vaal-Orange CMA. Reputational risk: Beeshoek is limited to ≤320m³/day under the supply agreement. The community takes priority in shortages, creating reputational risk.
Catchment area: Pongola-Umzimkhulu WMA			
Cato Ridge Works	Low	Physical risk: 2.86 Regulatory risk: 1.92 Reputational risk: 3.07	Physical risk: In F2025, there were no major water-related operational disruptions, and although rainfall was higher than usual, it was consistent and manageable. Regulatory risk: The catchment has an operating CMA since 2023, which helps to mitigate overall catchment risk. Reputational risk: Reputational risk could arise during closure if water discharge quality is not adequately managed, particularly as the mine transitions into rehabilitation activities. Current compliance with water quality standards and treatment processes significantly lowers this risk.

Risk management continued

Our response to water-related risks

In the Northern Cape, we have played a leading role in securing long-term bulk water supplies. This is in addition to our operation's investment in water purification and storage, and various efficiency measures implemented. In Limpopo, an ARM executive from the Platinum division participates in the Badirammogo WUA, a section 12 entity set up by mining companies to supply bulk raw water to member mines and other clients.

Other ways in which we respond to water-related risks include:

- Ongoing engagements with the VCWB to ensure reliable water supply
- Mine leadership forum provides technical, financial and governance oversight and drives collaborative engagements through the MCSA
- On-site water-storage facilities
- Recovery and recycling of stormwater and process water.

Indirect water risks and mitigation measures

In F2019, to better understand water risks associated with our supply chain, we assessed risks faced by each operation's top five suppliers (by spend). Our F2021 scenario analysis then considered the projected physical impacts of climate change on water supply and identified critical areas that require additional investigation and collective efforts. These areas include the projected impacts of climate change on the Vaal River that feeds supply to our Northern Cape mines, as well as in other areas.

In F2026, as part of our climate change work and transition planning, we plan to conduct an initial assessment and mapping of water-related supply-chain risks across operations, engage with suppliers, and identify appropriate mitigation measures to address the risks. Please refer to the climate change resilience

section for more on how we consider risks and opportunities in our supply chain.

Water and TSFs

TSFs are included under water risk reporting due to their significant reliance on, interaction with, and potential impact on local water resources, both in terms of operational water use and the risk of environmental

contamination. We apply the GISTM approach to our TSF management. GISTM is the first global standard on TSF management and is designed to achieve the goal of "zero harm to people and the environment". It requires operators to take responsibility by prioritising TSF safety through all phases of the mine life cycle – a goal that aligns closely with ARM's values, policies, and standards.

	MINE/TSF		GISTM CONSEQUENCE CLASSIFICATION	GISTM CONFORMANCE
ARM Ferrous	Black Rock Mine ¹	Gloria Old TSF	Low	 Refer to the 2025 report on conformance to the GISTM, available on our website: www.arm.co.za .
		Gloria New TSF	Low	
		Nchwaning II New TSF	Low	
		Nchwaning II Old TSF	Low	
	Beeshoek Mine	Beeshoek TSF	Low risk	
	Khumani Mine	Khumani TSF	Very high	
ARM Platinum	Nkomati Mine	Onverwacht TSF	Extreme	
		Co-disposal TSF	Extreme	
	Two Rivers Mine	Old TSF	Extreme	
		De Grooteboom TSF	Extreme	
	Modikwa Mine	Modikwa TSF	Extreme	
	Bokoni Mine	Consolidated TSF 1–5	Extreme	
		TSF 6	Extreme	

¹ Black Rock Mine is commissioning a fifth facility.

Risk management continued

ARM has produced a public GISTM disclosure document, separate from this report, outlining our progress toward conformance with the standard. This process has included the implementation of systems and practices aimed at effective risk management, ensuring that risks to people and the environment are identified and mitigated. Along with our joint-venture partners, we have adopted GISTM at all our operations and have made good progress toward achieving full conformance.

In implementing GISTM, awareness of the risks posed by TSFs among mine personnel and surrounding communities has been strengthened. Together with our joint-venture partners, we will continue to build on this foundation to ensure that TSFs are operated safely and responsibly, for the benefit of all stakeholders.

In the process of implementing GISTM, the level of awareness of mine personnel and the surrounding communities of risks posed by TSFs were elevated.

Along with our joint-venture partners, we will build on this foundation and ensure TSFs continue to be operated safely and responsibly to the benefit of all stakeholders. As part of improving our operational efficiencies, we focus on identifying opportunities to reduce water use. Some of these opportunities are cost-effective. For example, by decreasing water consumption, we minimise the need for costly investments in bulk water schemes. We also recognise that our catchment-based approach provides an opportunity to improve community relations and strengthen our social licence to operate.

Some operation-specific examples include:

- Bokoni and Nkomati mines have each identified the need for a water treatment plant to improve water quality. Construction is underway at both mines, which will result in a maximum treatment capacity of 2.5ML/day for Bokoni Mine and 13ML/day for Nkomati Mine
- As part of its social and labour planning engagement, Beeshoek has met with the DWS to provide an update on the water projects it has invested in over recent years and to actively seek any investment plans in the area that Beeshoek can partner with
- In F2024, water security in the Northern Cape remained a challenge. To collaboratively tackle water-scarcity challenges, Khumani Mine is pursuing a solution to secure 1.75 million m³/year from neighbouring Sishen Mine (Kumba Iron Ore). The public-private collaboration between the commercial users and the DWS has made significant progress. To date, key agreements have been reached (pending final sign-off), which underpin refurbishment of the pipeline. The refurbishment project is earmarked to be completed within seven years from inception date. The second phase of the Sishen-to-Khumani water transfer has been commissioned. The process water is being pumped from Sishen to Khumani at 125m³/h.

Financial planning impacts

The impact of risks and opportunities on business and financial planning

Impacts on ARM's financial position and performance

ARM has begun assessing the financial impacts of climate change on our operations, taking into account both physical risks and transition risks. Our assessment process considers how these climate drivers could affect:

- Revenue generation: including potential market-access risks if export destinations adopt stricter carbon-border adjustment measures, changes in commodity demand profiles (eg growth in demand for platinum for hydrogen applications versus declining demand from internal combustion engines), and pricing dynamics for high-grade ores in a low-carbon steel market
- Operating costs: such as increased energy costs due to grid-tariff escalation, the need for higher water-management expenditure during drought or flooding events, additional insurance premiums in response to extreme weather, and costs associated with carbon pricing and compliance
- Capital expenditure and asset resilience: including the cost of climate-proofing infrastructure (eg flood-resistant drainage, reinforced haul roads, heat-tolerant equipment), investment in renewable-energy projects to reduce grid dependence, and funding for technology that lowers emissions intensity.

As capital allocation forms an important part of our climate-change strategy, we will enhance disclosure on climate-related financial performance and investment decisions.

Risk management continued

Disruption to operations, suppliers and communities

In recent years, our operations, suppliers and communities have experienced disruptions related to climate change. While not all have been given a financial impact, they have either resulted in the need to repair infrastructure or highlighted areas where capital needs to be allocated for improved climate resilience. By operation, these include:

Modikwa Mine

Record rainfall between October 2024 to March 2025 caused hillside erosion and flooding of shafts and newly developed open-pits. This led to operational stoppages of five to 10 days while additional pumping was carried out to clear the affected areas.

Two Rivers Platinum Mine

Heavy rainfall, over a similar period as Modikwa Mine, washed away the mine's main access bridge. As a result, all traffic had to be rerouted via temporary light-vehicle and overhaul trucks. The damaged bridge also disrupted community access, prompting a joint reconstruction effort with the local municipality and a neighbouring mining operation.

Bokoni Mine

In December 2024, gusts reaching 61km/h tore the roofs off two training centre buildings. The incident triggered a high-potential investigation and repair costs.

Nkomati Mine

In August 2024, a wildfire in a neighbouring plantation damaged critical water pipeline infrastructure. This resulted in an emergency water discharge and led to the acceleration of the site's firebreak management programme.

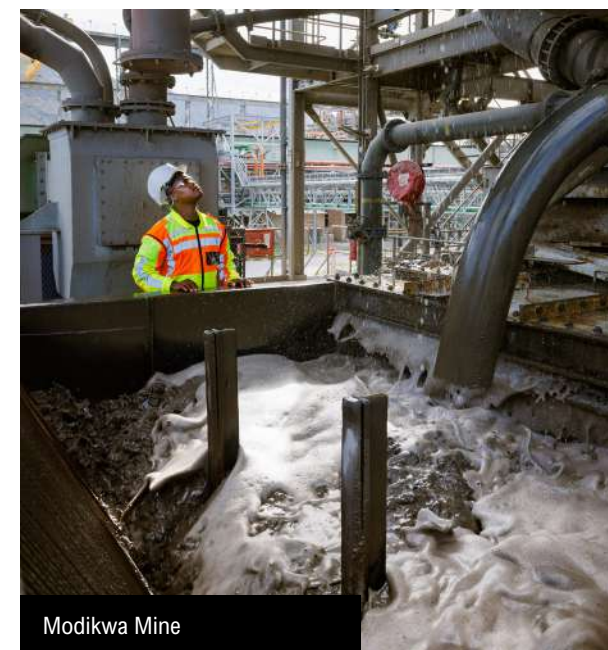
Beeshoek region

Previous flooding in Postmasburg led to financing of stormwater channels and drains in F2025 to protect local roads and informal housing.

Each incident has been addressed, and targeted controls and resilience projects are now in place to minimise the likelihood and impact of similar events in future.

Financial position, performance and cash flows

IFRS S2 encourages entities to disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. We are in the process of evaluating how best to capture and articulate this information in future climate-related reporting to give stakeholders clearer insight into how capital may be reallocated toward a low-carbon, climate-resilient portfolio. Pending development of a formal disclosure approach, table 5 on page 43 lists illustrative examples of F2025 spend that was allocated towards climate-related risks and opportunities.



Modikwa Mine

Risk management continued

Table 5: Capital allocation to climate change-related risks and opportunities

Climate change area	F2025 spend or commitment	Anticipated climate benefit	Climate change area	F2025 spend or commitment	Anticipated climate benefit
Renewable energy build-out	ARM committed to construct a 100MW solar PV plant for ARM Platinum, with targeted completion in the first half of F2026.	Preliminary modelling indicates that these renewable-energy projects could avoid approximately 4.8 million tonnes of CO ₂ e over a 20-year operating life, subject to final performance and prevailing grid-emission factors, while management continues to explore additional independent power producer and wheeling options.	Transition-critical minerals and portfolio shift	The group continued to fund its 19.9% equity stake in Surge Copper Corporation, which was acquired in F2024.	Exposure to copper is intended to align the portfolio with metals that enable EV and renewable-energy value chains, thereby gradually diluting ARM's coal exposure and enhancing long-term climate resilience.
Energy-efficiency and abatement projects	The initiatives implemented during F2025 are estimated to deliver annual savings of approximately 13 067tCO ₂ e.	These low-cost measures should secure near-term abatement and provide a foundation for more capital-intensive decarbonisation investments.	Research, development and pilot technologies	BEV trials continued at Black Rock, a tunnel-boring machine pilot was approved for Bokoni, and smelter-efficiency projects were initiated at Cato Ridge Works.	These early-stage pilots may provide the technical basis for large-scale diesel displacement and process-energy savings over time, although commercial deployment decisions will follow only after performance and cost assessments.
Climate resilience infrastructure	Flood protection works were completed at Beeshoek Mine, costing approximately R6.5 million, and upgraded community drainage systems at a cost of approximately R6 million.	These investments are intended to safeguard mine access routes and neighbouring settlements from increasingly intense rainfall events that are projected under regional climate-change scenarios.			

Risk management continued

Considering climate change risks in ARM's investments

ARM holds investments in coal and smelting operations that contribute materially to its overall emissions profile. These investments are not fully owned but are held through joint ventures and minority equity interests, and ARM accounts for its share of emissions in line with its operational and equity control boundaries. ARM has acquired a 19.9% stake in Surge Copper Corporation and is implementing procedures to include our proportional emissions in our scope 3 investment emissions category. The section below describes the actions that ARM's investments are taking towards reducing their emissions, and by extension, our scope 3 emissions.

Coal

ARM Coal includes a joint venture with Glencore (GOSA) that includes thermal coal operations Goedgedonden (GGV) (26.01% share) and the Participative Coal Business (PCB) (20.2% share).

All the operations are open-pit, with GGV Mine producing around 7Mt of saleable thermal coal per year, with a life-of-mine of more than 20 years. PCB produces some 15.3Mt of saleable thermal coal per year, and has a life-of-mine of approximately 12 years, and consists of Impunzi Mine and Tweefontein Mine. Export coal is marketed and sold by Glencore International to various markets, mainly in India.

GGV is governed by a management committee controlled by ARM Coal, with representatives from ARM and GOSA. Similarly, PCB is governed by a supervisory committee, with representatives from both ARM and GOSA. Operational management of both GGV and PCB is contracted to GOSA. Climate change risks are

assessed and tabled as appropriate at quarterly steering committee meetings. GHG emissions associated with the operations are measured and then consolidated by GOSA during its mandatory reporting for all its South African operations. ARM reports on GHG emissions attributable to its investment in ARM Coal in our scope 3 (category 15) emissions (see table 9).

ARM and Glencore have both committed to net-zero total emissions by 2050 and will continue operating their coal mines until they reach the end of their economic lives. While still in operation, emission-reduction initiatives are in place to decarbonise PCB and GGV. Initiatives include supply chain engagement, emissions abatement, implementing technologies to improve resource efficiency, and transparency on reporting progress and performance. In addition, the operations commissioned a 300kW solar project in F2021 and are investigating additional projects with an estimated capacity of 60MW.

Harmony Gold

ARM holds a 12% interest in Harmony Gold, giving it exposure to emissions from gold and copper mining. While ARM does not control Harmony's operations, emissions from this investment are reported under scope 3 (see table 9). This investment supports portfolio diversification and aligns with ARM's commitment to engage investee companies on climate performance.

Harmony is run by its own management team, which is responsible for its mineral resources and reserves. In line with its strategy of moving towards an alternative energy supply mix in the next five years, Harmony is actively reducing its grid electricity consumption and GHG emissions with both year-on-year and multiyear targets.

The company has also completed a climate-scenario analysis, which determined that the greatest physical climate impacts on operations will likely be water-scarcity-related. Increasing temperatures – which could affect underground ambient temperatures, particularly in deeper-level operations – will also have an impact.

Harmony has identified climate-transition risks that may raise operating costs and affect the long-term viability of its deep-level mines. The company continually assesses and manages these risks, reporting on key developments in their dedicated climate change report, prepared in line with TCFD guidelines.

Sakura

The Sakura Ferroalloys smelter in Sarawak, Malaysia, is operated by Assmang. ARM directly owns 27% of Sakura, while Assmang, our 50% joint-venture partner, holds a 54% stake. Emissions from Sakura are therefore captured in our scope 3 (category 15) emissions.

In F2023, Assmang assessed material categories of Sakura's scope 3 emissions, and historical and projected scopes 1, 2 and 3 emissions to develop an operation-specific decarbonisation pathway. It then assessed short, medium and long-term mitigation options, costs and implementation requirements. The pathway modelling is considered a business-as-usual scenario (including incremental energy efficiency and renewable energy deployment) and a sustained case, which includes organic growth beyond the current life-of-asset plan as well as additional, more aggressive decarbonisation initiatives for achieving net-zero emissions. In June 2025, ARM, through Assmang, however, entered into a binding agreement to divest its interest in Sakura Ferroalloys as part of a strategic realignment.

Risk management continued

Carbon pricing and markets

Carbon pricing is widely recognised as a key lever for meeting the global 1.5°C climate goal. Although projections vary by jurisdiction, ARM expects that, even under business-as-usual conditions, carbon costs will raise our future operating expenditure. Our F2021 scenario analysis considered how different carbon prices may affect the costs of supplying our commodities to global markets, the potential impact of these costs on demand for our products, and the possibility and impact of border tariff adjustments, such as the EU's CBAM.

Internal carbon-price framework

In 2025, we have applied an internal shadow carbon price when evaluating all new projects and acquisitions. The base-case price mirrors the South African Carbon Tax, while the stretch case reflects the 1.5°C trajectory. Moving forward, we intend to set specific carbon pricing as a key enabler of the ambitions laid out in our climate-change strategy framework, as it is developed. Initial evaluations provided some insight into the financial implications of a project that reduces carbon-tax liability and generated lessons for integrating an internal price of carbon into ARM's new projects and acquisitions. Our internal carbon-price assessments are parallel processes, with the feasibility studies that demonstrate the internal rate of return when considering potential avoided carbon-tax costs.

Table 6: ARM's range of assumed internal carbon price (US\$)

	2025	2030	2040	2050
South African carbon tax (business-as-usual scenario)	10	12	20	33
1.5°C scenario	45	83	160	200

Developed-market exposure

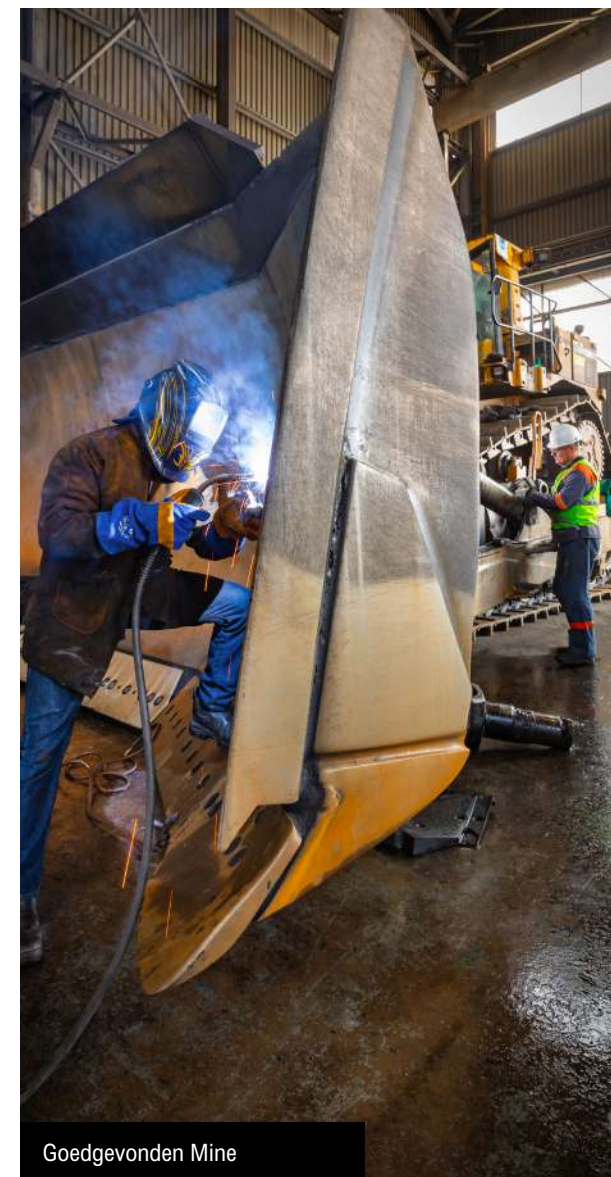
For exports into developed markets, we stress-test revenues against higher carbon-price projections [US\$75 (2025), US\$130 (2030), US\$205 (2040), and US\$250 (2050)] to reflect potential tariff or customer-driven decarbonisation requirements. The next iteration of our scenario analysis will quantify how these price levels could influence long-term demand for ARM products.

Pass-through risk for purchased electricity

There is a material risk that Eskom will begin to pass through the statutory carbon tax on grid electricity after 2030. ARM has therefore modelled a range of potential pass-through rates, using an integrated resource plan emissions factor, to determine the impact, particularly on project internal rate of returns (IRR) for on-site renewable-energy investments.

Preparing for sectoral emission targets and carbon budgets

ARM is monitoring the development of sectoral emission targets and the implementation of carbon budgets under South Africa's Climate Change Act. These mechanisms are expected to set progressively tighter limits on GHG emissions for the mining and metals sector. We are assessing the potential impact of these limits on our operations, including compliance costs, required abatement measures, and implications for future capital investment. This includes scenario analysis to align our decarbonisation pathways with possible budget allocations, ensuring that long-term production plans and growth projects remain viable under stricter emissions constraints.



Goedgevoonden Mine

Metrics, performance and targets

Metrics, performance and targets

- 47 Climate metrics, performance and targets
 - 47 Scopes 1 and 2 emissions
 - 49 Scope 3 emissions
 - 52 Future improvements to scope 3 emissions accounting
 - 52 Energy
- 54 Emissions associated with our investments
- 55 Emission-reduction targets
- 59 Improving our sustainability data management system
- 59 Value-chain decarbonisation
- 60 Future climate focus areas
- 61 Water metrics, performance and targets
- 63 Water withdrawal
- 69 Progress on operational water targets
- 71 Future water focus areas



Metrics, performance and targets

Climate metrics, performance and targets

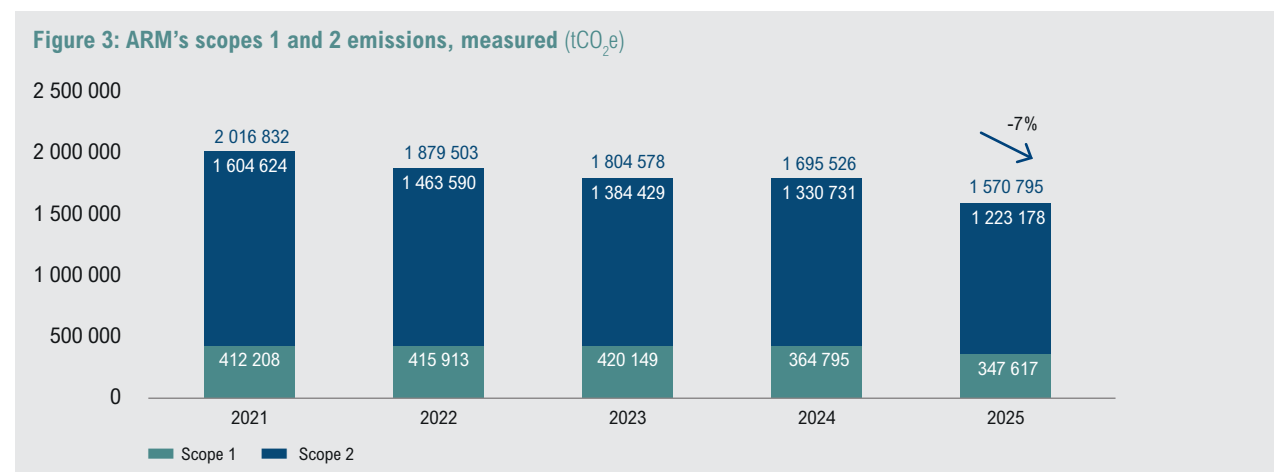
Scopes 1 and 2 emissions

ARM measures and reports GHG emissions in accordance with the GHG Protocol, and our data-collection process aligns with ISO 14044 data-quality principles and GRI Standards. Each year, we ensure the latest, updated, industry-specific emission factors are used in our calculations. In addition, our total scope 1, 2 and 3 emissions are independently assured annually.

Most emissions from our operations arise from coal-based electricity consumption and the combustion of fossil fuels in mining, hauling, materials handling and processing activities. Scope 1 emissions are largely from diesel use, while scope 2 emissions, primarily from electricity consumption, account for 78% of our total scopes 1 and 2 footprint.

We track and review emissions data internally on a quarterly basis, with discussions on progress at both operational sustainable development committees and the ARM social and ethics committee.

Over the past year, ARM's total scopes 1 and 2 emissions have decreased by 7% compared to F2024 (figure 3).



Scope 1 emissions have decreased 5% year-on-year, while scope 2 emissions decreased 8% year-on-year (table 7). Our electricity consumption has remained largely the same at 1 313 833MWh; (2024: 1 330 731MWh); however, scope 2 emissions depend on Eskom's grid emission factor, which decreased to 0.931tCO₂e/MWh in F2025 from 1.00tCO₂e/MWh in F2024. Given the emissions intensity of the national grid, cost and concerns with the security of a consistent electricity supply, we continue to explore lower-carbon power alternatives.

Notable operational changes in the last year contributed to the overall reduction in our emissions:

- Cato Ridge is ramping down production. The site continues to run auxiliary functions, but smelting activities ended in May 2025
- Beeshoek's annual tonnage reduced, leading to a smaller fleet of trackless mobile machinery and consequently lower diesel and electricity demand
- Bokoni's PGM operations ramped down in February 2025 and remain on an indefinite hold for capital development while the new chrome plant is being commissioned
- Modikwa recently added two open-pit operations while ramping down certain underground sections
- Black Rock's operations have been business as usual, but relied on more generator power to reduce reliance on Eskom and reduce the risk of load curtailments
- Khumani Mine's strip ratio is increasing every year; therefore, more diesel is consumed to move material and remove waste
- Two Rivers Platinum Mine's Merensky project is still on care and maintenance due to the downward cycle in the PGM market
- New initiatives implemented in F2025 resulted in a 13 067tCO₂e reduction (see Emission-reduction initiatives on page 59).



Metrics, performance and targets continued

Table 7: GHG emissions per operation

Division	F2025 (tCO ₂ e)			F2024 (tCO ₂ e)		
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
Ferrous division						
Beeshoek Mine	31 613	27 161	58 774	40 830	32 820	73 650
Khumani Mine	126 596	191 124	317 720	126 036	188 161	314 197
Black Rock Mine	17 907	140 797	158 704	21 701	143 955	165 656
Cato Ridge Works	133 826	273 670	407 497	136 386	327 821	464 207
Machadodorp Works	302	4 615	4 917	428	4 458	4 886
	310 245	637 367	947 612	325 382	697 215	1 022 597
Platinum division						
Nkomati Mine	404	4 164	4 567	380	4 626	5 006
Modikwa Mine	18 576	262 762	281 338	14 562	295 172	309 734
Two Rivers Mine	15 963	249 406	265 369	22 498	267 823	290 321
Bokoni Mine	2 426	69 043	71 470	1 914	65 480	67 394
Total	37 369	585 375	622 744	39 353	633 100	672 453
ARM corporate office	3	436	439	60	416	476
ARM total	347 617	1 223 178	1 570 795	364 795	1 330 731	1 695 526

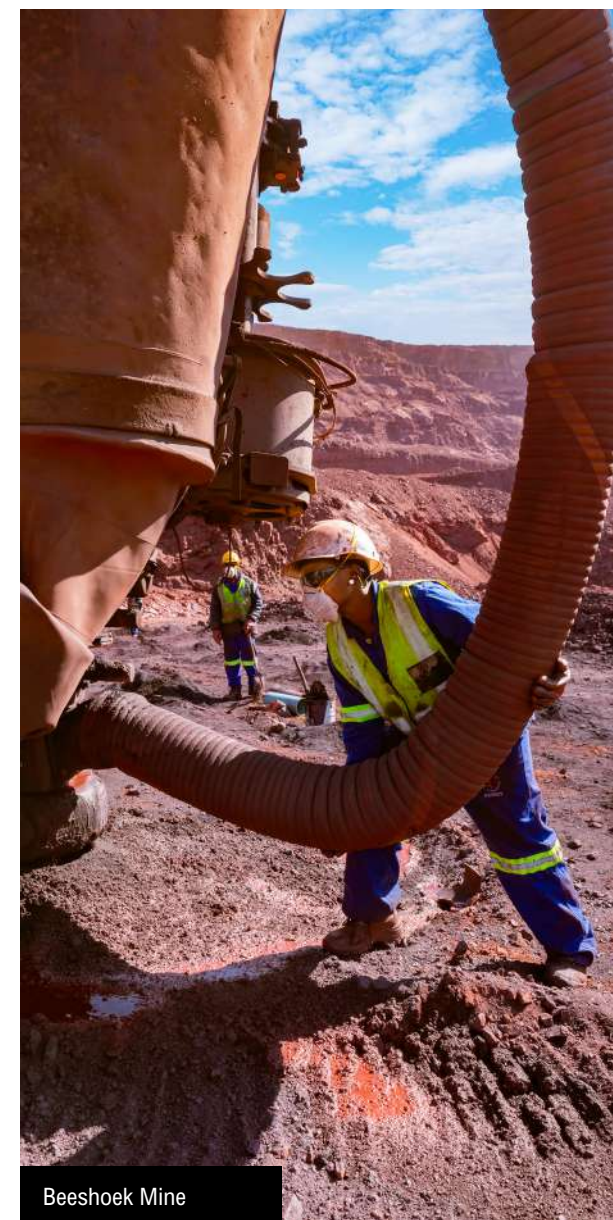
GHG emissions intensity

Emissions intensity improved across all operations (figure 5):

- Iron ore: combined scopes 1 and 2 emissions per tonne of iron ore produced declined by 4%
- Manganese ore: combined scopes 1 and 2 emissions per tonne of manganese produced declined by 8%
- PGM: at Modikwa, Two Rivers and Bokoni Platinum mines, combined scope 1 and 2 emissions per tonne of PGM milled remained the same.

Considering emissions intensity at our Cato Ridge Works smelter:

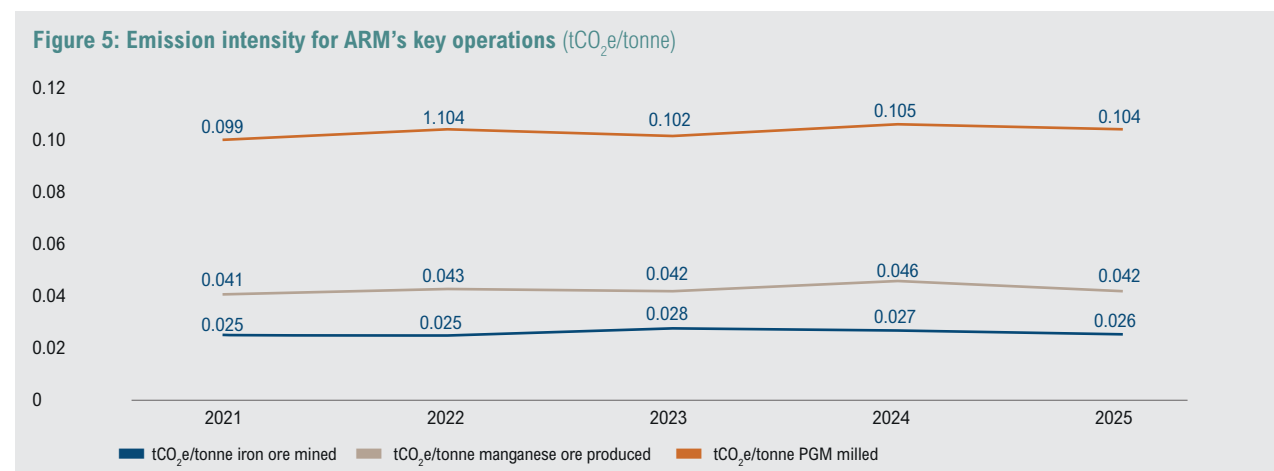
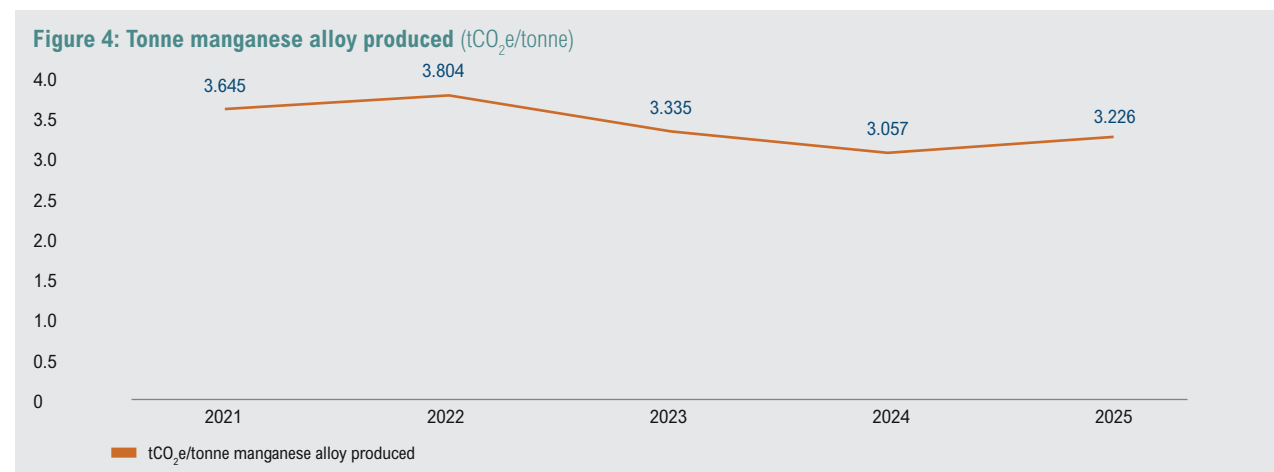
- High-carbon ferromanganese: scopes 1 and 2 emissions intensity increased from 4.45tCO₂e/tonne to 5.61tCO₂e/tonne
- Medium-carbon ferromanganese: scopes 1 and 2 emissions intensity increased from 9.17tCO₂e/tonne to 9.91tCO₂e/tonne.



Beeshoek Mine

Metrics, performance and targets continued

Specific power consumption at Cato Ridge Works decreased from 3.23MWh/tonne in F2024 to 2.48MWh/tonne in F2025, decreasing the scope 2 emissions intensity.



ARM also tracks emission intensity in comparison to the number of full-time employees (FTE), energy consumption, and electricity consumption (table 8). As illustrated in the table below, ARM has reduced emission intensity across all four tracked metrics.

Table 8: Additional intensity metrics tracked

Metric	F2025	F2024	% change
tCO ₂ e/FTE	77.87	79.82	(2)
kg CO ₂ e/man-hours worked	34.09	35.54	(4)
tCO ₂ e/GJ	0.21	0.23	(7)
tCO ₂ e/MWh	1.20	1.27	(6)

Scope 3 emissions

ARM measures and reports on all relevant scope 3 emissions in accordance with the GHG Protocol. In addition, we align with recommendations from the ICMM scope 3 emissions accounting and reporting guidance on improving our scope 3 emissions inventory (table 9).

Each year, we ensure the latest, updated, industry-specific emission factors are used in our calculations, including those from the United Kingdom Department for Business, Energy and Industrial Strategy, and the World Steel Association and International Manganese Institute. We continually work on improving the completeness and accuracy of data gathering and reporting.

Metrics, performance and targets continued

Table 9: ARM's scope 3 emissions

Category	F2025	F2024
1 Purchased goods and services	227 578	198 280***
2 Capital goods	273 081	432 928***
3 Fuel and energy-related activities	197 796	195 947
4 Upstream transport and distribution	760 712	886 487
5 Waste generated in operations	1 837	1 775
6 Business travel	1 233	1 596
7 Employee commuting	22 706	26 458
8 Upstream leased assets*	N/A	
9 Transport and distribution	330 649	338 778
10 Processing of sold products	52 969 486	52 728 825
11 Use of sold products*	N/A	
12 End-of-life treatment of sold products*	N/A	
13 Downstream leased assets*	N/A	
14 Franchises*	N/A	
15 Investments**	4 888 521	879 593
Total	59 673 597	55 690 667

* Categories 8 and 11 to 14 are considered irrelevant. We make limited use of upstream leased assets, and associated emissions are estimated to be immaterial (category 8). Our products feed into various end uses, many of which are recycled, and we have limited influence over the end-of-use (categories 11 and 12). We have no downstream leased assets (category 13). We do not have any franchises (category 14).

** Our investment emissions include scopes 1 and 2 emissions for ARM Coal and Sakura, and scopes 1, 2 and 3 emissions for Harmony.

*** F2024 category 1 and 2 have been restated. The spend-based emission factors previously applied were sourced from the Quantis scope 3 database, which was discontinued in 2023. These have now been replaced with CEDA spend-based emission factors. The restated data decrease the overall emission by 7%.

Applying the ICMM scope 3 emissions accounting and reporting guidance

In F2024, ARM adopted the ICMM scope 3 emissions accounting and reporting guidance (2023), further aligning our disclosures with IFRS S2's call for value-chain data. This builds on a decade of incremental improvements since our inaugural scope 3 inventory in F2014.

Guided by the executive leadership team, we ran a structured engagement programme with senior managers and functional experts to clarify stakeholder expectations, assess risks and opportunities, and agree on the implementation approach to develop ARM's scope 3 targets. Cross-disciplinary technical teams then executed the work in line with the new ICMM guidelines.

A detailed materiality assessment was completed for each of the 15 scope 3 categories, weighing emissions magnitude, exposure to risk and ARM's influence. Inputs included our historical inventory, the ICMM heat map, peer practices and a review of current market conditions. The analysis confirmed five priority areas for scope 3 target setting (please also refer to table 16, page 57):



1	Supply chain: purchased goods, services and capital goods
2	Fuel and energy-related activities: emissions embedded in the energy we consume
3	Logistics: upstream and downstream transport and distribution by road, rail and ship
4	Processing of sold products: notably, the high-carbon iron and steel value chain for iron ore, manganese ore and ferromanganese
5	Investments: ARM Coal, Sakura, Harmony and, prospectively, Surge Copper Corporation

Emissions from waste generated in operations, business travel, employee commuting and upstream leased assets together contribute less than 0.05% of ARM's current scope 3 footprint. Under the GHG Protocol materiality thresholds and the ICMM scope 3 guidance, these categories are considered immaterial and do not present significant risks or opportunities for the group. We will re-evaluate these categories every two to three years (or sooner, if operating conditions change) to confirm they remain non-material.

Consistent with ICMM's expectation to account for fossil-fuel use in non-operated joint ventures, future inventories will include scope 3 emissions from the combustion of coal produced by ARM Coal.

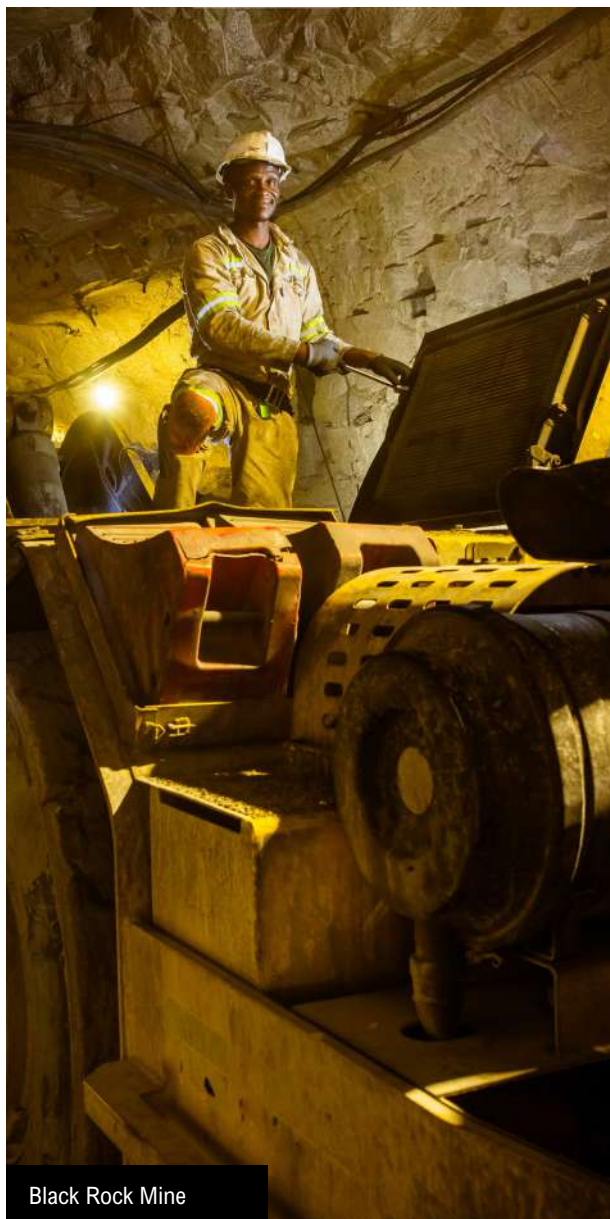
Metrics, performance and targets continued

Table 10 summarises our current reporting status against ICMM requirements, and the specific enhancements delivered in F2025 for each category.

Table 10: Reporting on material scope 3 categories

Material scope 3 category		Status and improvements in F2025
1	Purchased goods and services	- The spend-based emission factors previously applied were sourced from the Quantis scope 3 database, which was discontinued in 2023. These have now been replaced with comprehensive environmental data archived (CEDA) spend-based emission factors, which are also commonly used by other mining organisations - In last year's calculations, a volume-based approach was applied for certain categories, including heavy mining equipment (HME) tyres, engines, lubricants, greases, screens, maintenance steel and plant equipment supplies (pumps) at Machadodorp Works, Bokoni Mine and Nkomati Mine. For the current year, these items have been incorporated under total spend, as volume data was not available - ARM will increase the proportion of emissions calculated using product-level data (volume-based approach) and engage with stakeholders on including supplier-specific emissions values for material sub-categories.
2	Capital goods	The spend-based emission factors previously applied were sourced from the Quantis scope 3 database, which was discontinued in 2023. These have now been replaced with CEDA spend-based emission factors, as above.
3	Fuel and energy-related activities	Calculations did not previously account for liquid petroleum gas well-to-tank emissions. These have now been included.
4	Upstream transport and distribution	Existing reporting is in line with guidance: no improvements made.
9	Downstream transport and distribution	Existing reporting on emissions associated with transporting product to customers in line with guidance: no improvements made.
10	Processing of sold products	Existing reporting on emissions associated with processing our ferrous division's product is in line with guidance: no improvements made.
15	Investments	Existing reporting is in line with guidance: no improvements made.

Metrics, performance and targets continued



Black Rock Mine

Future improvements to scope 3 emissions accounting

ARM is committed to continuously enhancing the quality and accuracy of its scope 3 emissions inventory in line with evolving reporting requirements, IFRS S2 expectations, and leading industry practices such as those promoted by the ICMM. As methodologies, technologies and collaborative initiatives advance, we aim to strengthen our ability to measure and manage value-chain emissions.

Key focus areas for improvement include:

- Shifting to more accurate calculation methods by increasing the share of supply-chain emissions derived from product-volume data rather than spend-based estimates, and ultimately moving toward supplier-specific reporting. Achieving this will require active supplier engagement and collaboration with industry partners (see Scope 3 emission targets on pages 56 and 57)
- Enhancing traceability across our supply chain (categories 1 and 2) and in transport and distribution emissions (categories 4 and 9) through the adoption of emerging digital tools and partnerships that enable better data sharing
- Improving comparability across years and with other businesses by aligning with ICMM-led initiatives and other global frameworks that support consistent and transparent scope 3 reporting
- Restating category 1 and 2 data for F2024 following a review of emission factors, replacing discontinued Quantis factors with CEDA spend-based factors.



Energy

Electricity and diesel consumption

The primary sources of energy consumed in our value chain are electricity and diesel. Electricity is mainly 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 used to power mobile equipment (trackless machines and vehicles used for mining, loading, hauling and logistics) and standby electricity generators. In addition, smelting at Cato Ridge Works requires a significant amount of energy for heating.

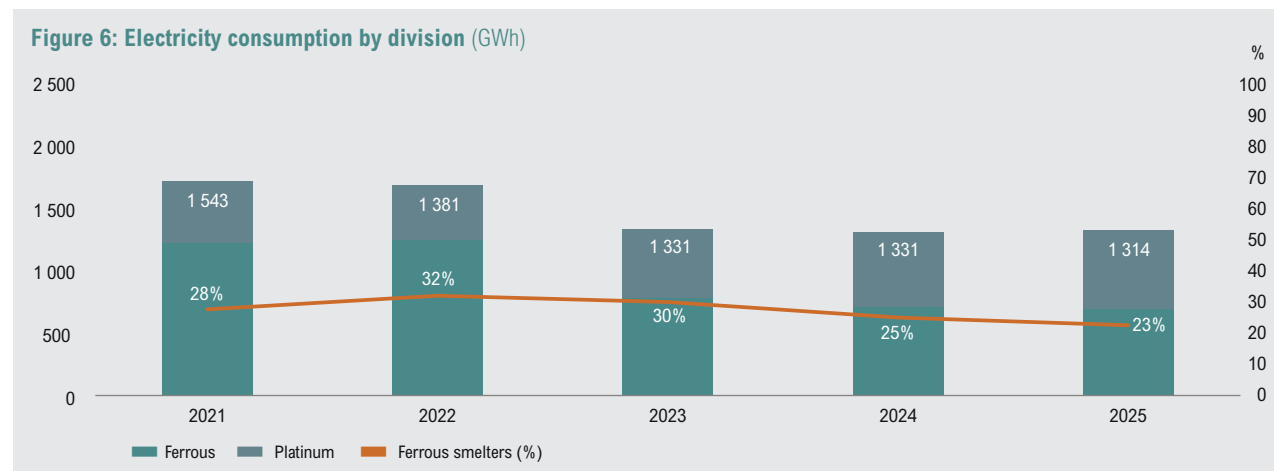
Total energy consumed in F2025 was 7 331 773GJ, a 0.2% reduction from 7 343 367 in F2024. Total electricity consumed by ARM operations was 1 314GWh (figure 6), a 1% decrease compared to F2024.

The ARM Ferrous division contributed 52% to total group electricity consumption: the three ARM Ferrous mines contributed 29%, Cato Ridge Works contributed 22%, and Machadodorp Works contributed less than 1%.

The ARM Platinum division accounted for 48% of total electricity consumption: Modikwa Mine accounted for 22%, Two Rivers Mine 20%, Bokoni 6%, and Nkomati less than 1%.

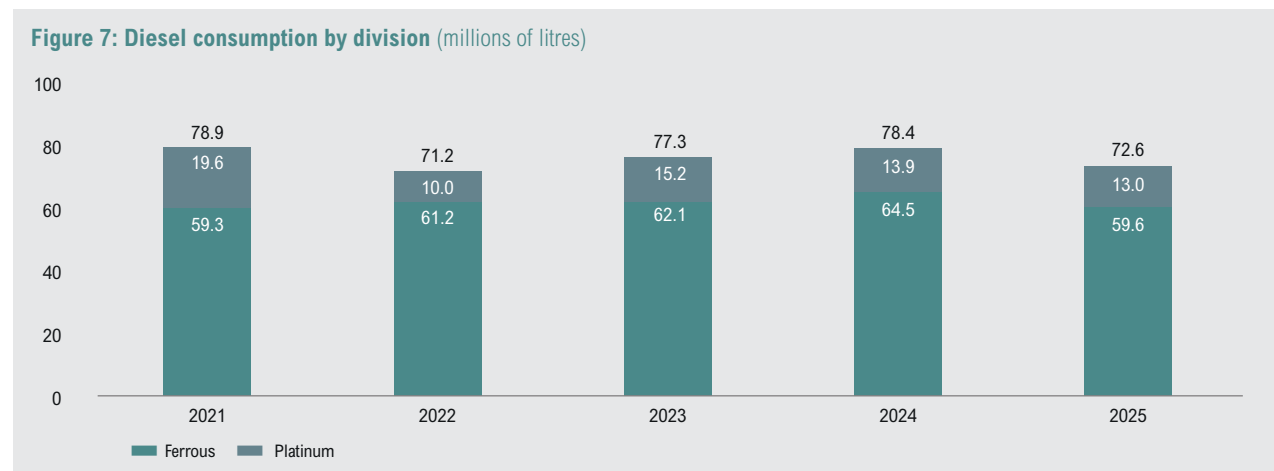
Corporate offices accounted for less than 1% of electricity consumption.

Metrics, performance and targets continued



Total group diesel consumption decreased by 8% to 72.6 million litres in F2025 (figure 7).

The most significant diesel consumers were Khumani Mine (58%) and Beeshoek Mine (15%). The increase in diesel consumption at Khumani is due to the strip ratio of the mine increasing every year; as such, more diesel is consumed to move material and to remove waste. At Two Rivers Mine, diesel consumption decreased by 31% due to new access to grid power and Merensky shaft care and maintenance. Diesel consumption is also monitored at our corporate offices, but this diesel use is minimal in comparison to our mining operations.



Energy consumption intensity

Changes in energy consumption have varied across ARM's operations based on unique production and life-of-mine contexts, as described overleaf under energy production.

Iron ore

Khumani and Beeshoek are mining at deeper levels each year and mine lower-quality ore, which increases stripping ratios. However, Beeshoek production has reduced, leading to a smaller fleet of trackless mobile machinery and, consequently, lower diesel and electricity demand (24% reduction compared to F2024).

Manganese ore

Black Rock recorded a 4% increase in production and 1% reduction in energy consumption, resulting in a slight reduction in energy intensity for manganese ore.

Manganese alloy

Cato Ridge Works had a 20% reduction in production and an associated 9% energy consumption reduction, but maintained its overall higher emission intensity.

PGMs

The emission intensity for PGMs has increased since F2024. As Bokoni Mine began operations in September 2022, there is an expected higher energy consumption (up 15% since F2024) due to the demands of startup operations and increased capacity over time.

The energy mix for ARM Platinum will change after the 100MW solar PV facility is commissioned in F2026. Once operational, the solar facility will supply around 30% of ARM Platinum's energy requirements, significantly reducing ARM's scope 2 carbon emissions over the long term.

Metrics, performance and targets continued

Table 11: Energy consumption per product type

Type	Metric	F2025	F2024
Iron ore	GJ/tonne iron ore	0.19	0.19
	GJ/tonne		
Manganese ore	manganese ore	0.20	0.21
Manganese alloy	GJ/tonne		
	ferromanganese	8.83	8.04
PGMs	GJ/tonne milled	0.42	0.39

Energy production

ARM currently produces and consumes less than 1% of its power requirements from renewable sources. This will change significantly as renewable energy plans in the platinum division (in F2026) are rolled out.

Emissions associated with our investments

Sakura

Our emissions associated with Sakura are reported in proportion to ARM's 27% investment in the operation (table 12). Sakura includes two closed submerged arc furnaces producing high-carbon ferromanganese. The operation is highly mechanised and requires limited use of vehicles.

- Scope 1 emission sources include process emissions (calculated using a tier-3 approach), mobile diesel combustion and acetylene combustion
- Scope 2 emissions are calculated based on electricity sourced from the Sarawak Energy Company, which is largely generated by hydro (with an emission factor of 0.33tCO₂e per MWh).

Table 12: Sakura's emissions

Category (tCO ₂ e)	F2025	F2024
Scope 1	67 878	73 626
Scope 2	33 415	35 482
Total	101 293	109 108

ARM Coal

Our emissions associated with ARM Coal are reported in proportion to ARM's 20.2% investment in PCB (includes Impunzi and Tweefontein) and our effective 26.01% investment in GGV.

Glencore (GOSA) has operational control over these investments and reports its GHG emissions to the DFFE as part of regulatory reporting on all its operations in South Africa.

Glencore's emissions data is based on its financial year (1 January to 31 December 2024) but included in ARM's financial year for reporting (1 July to 30 June 2025). Table 13 presents our proportion of the emissions from PCB and GGV.

Table 13: Coal investment emissions

Operation (tCO ₂ e)	F2025	F2024
PCB		
Scope 1	38 352	40 804
Scope 2	41 429	40 300
Total	79 781	81 104
GGV		
Scope 1	30 469	31 437
Scope 2	17 328	17 851
Scope 3	3 954 065	17 851
Total	4 001 862	49 288
Grand total	4 081 643	130 392

Emissions include the following sources for each operation:

- Scope 1 emission sources include 1) fugitive methane production (underground) using an emission factor of 0.77m³ CH₄ per tonne; 2) fugitive methane – post-mining (underground) using an emission factor of 0.18m³ CH₄ per tonne; and 3) diesel (mobile) using an emission factor of 0.00315tCO₂e/litre for mobile combustion and 0.00268tCO₂e/litre for stationary combustion
- Scope 2 emissions are calculated based on purchased electricity using a grid emission factor of 900g CO₂/kWh
- Scope 3 emissions from coal investments are primarily attributable to GGV's emissions from purchased goods and services, capital goods, fuels and energy-related activities and use of sold products.

Emissions have been apportioned to ARM, based on our effective shareholding in each operation.

Harmony

Our emissions associated with Harmony Gold are reported in proportion to ARM's 12.12% investment (table 14). This includes Harmony's scopes 1, 2 and 3 emissions, which cover operations in South Africa and Papua New Guinea.

Table 14: Harmony Gold's emissions

Category (tCO ₂ e)	F2025	F2024
Scope 1	21 014	21 857
Scope 2	526 657	498 498
Scope 3	157 914	119 738
Total	705 585	640 093

Metrics, performance and targets continued

Harmony's scope 1 emission sources include diesel, petrol, explosives and fuel/heating oil, calculated using the annual Department of Environment, Food and Rural Affairs (DEFRA) conversion factors for Papua New Guinea.

Harmony's scope 2 emissions are calculated based on purchased electricity in South Africa (1.04kg CO₂/kWh) and in Papua New Guinea (0.68kg CO₂/kWh). Scope 2 emissions account for the bulk (77%) of Harmony's emissions. This is predominantly due to energy consumption in South Africa, where energy is sourced from the state power utility, Eskom.

Harmony's scope 3 emissions include those associated with a range of purchased goods and services (embodied emissions in explosives, cement, cyanide, caustic soda and lime), fuel and energy-related activities (transmission and distribution losses in South Africa and Papua New Guinea), and business travel (rental vehicles and domestic, international, commercial and charter air travel).

Harmony has a near-term target (2021 to 2036) that was approved by the Science-based Targets initiative (SBTi) in 2023. The target aligns with the SBTi business ambition for 1.5°C and aims to decrease Harmony's total emissions by 206ktCO₂e annually (a 4.2% reduction relative to the base year). This results in the following interim emission targets:

- 2026: 3.9MtCO₂e
- 2031: 2.8MtCO₂e
- 2036: 1.8MtCO₂e.

Harmony is committed to achieving net zero by 2045. Based on emissions forecasts, Harmony is projected to meet its 2026, 2031 and 2036 targets, provided that

South Africa's grid decarbonises as projected in the integrated resource plan, and the company successfully implements its planned initiatives.

As part of the transition to renewable energy, Harmony secured significant green funds that will boost its journey to net-zero. Its phased decarbonisation strategy linked to this funding includes constructing a 30MW solar power plant (Phase 1), a 137MW solar energy plant (Phase 2), and a 56MW solar power plant, with the possibility of 100MW through wheeling from renewable energy, predominantly wind and solar (Phase 3). Since 2016, Harmony has implemented over 240 energy-savings initiatives, yielding estimated savings of R1.7 billion, reduced GHG intensity by 42%, and produced 1.8MtCO₂e.

Harmony has engaged with its top 20 suppliers on their carbon and water footprints, with the intention of improving their processes and building their resilience to climate change.

Emission-reduction targets

ARM commits to reducing our scope 1 and 2 emissions by 15% by F2026 and 30% by F2030, both from an F2023 base year. In line with our commitment under the ICMM and in line with the Paris Agreement, we commit to net-zero emission by 2050.

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.

Scopes 1 and 2 targets

Table 15: ARM's scopes 1 and 2 emission targets

Short-term target	15% absolute reduction in scopes 1 and 2 GHG emissions by F2026, relative to F2023 base year
Medium-term target	30% absolute reduction in scopes 1 and 2 GHG emissions by F2030, relative to F2023 base year
Long-term target	Net-zero GHG emissions from mining by 2050

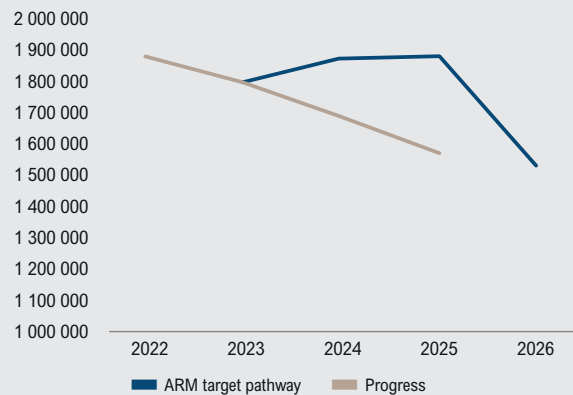
Our emission-reduction targets include ARM's scopes 1 and 2 emissions associated with operations under direct or joint direct operational control (excluding Nkomati Mine, Machadodorp Works and, going forward, Cato Ridge). As an ICMM member, we have committed to set scope 3 emission targets and developed qualitative scope 3 emission targets in F2025. In line with this commitment, we have further improved our scope 3 emissions inventory and we are working towards setting the quantitative scope 3 targets.

Performance relative to targets

We are on track to meet our short-term target of a 15% reduction in scopes 1 and 2 emissions by F2026, relative to F2023, as shown in figure 8.

The operations are implementing emission-reduction initiatives as part of their plans, in line with meeting their operation-specific targets, which aggregates to deliver the ARM group target. This includes ongoing investments in energy efficiency as well as progress on bringing in significant renewable energy in the platinum division. Additional measures, such as renewables in the ferrous division and introducing additional new-energy vehicles, are underway.

Figure 8: ARM's short-term scopes 1 and 2 emission targets (tCO₂e)



Scope 3 emission targets

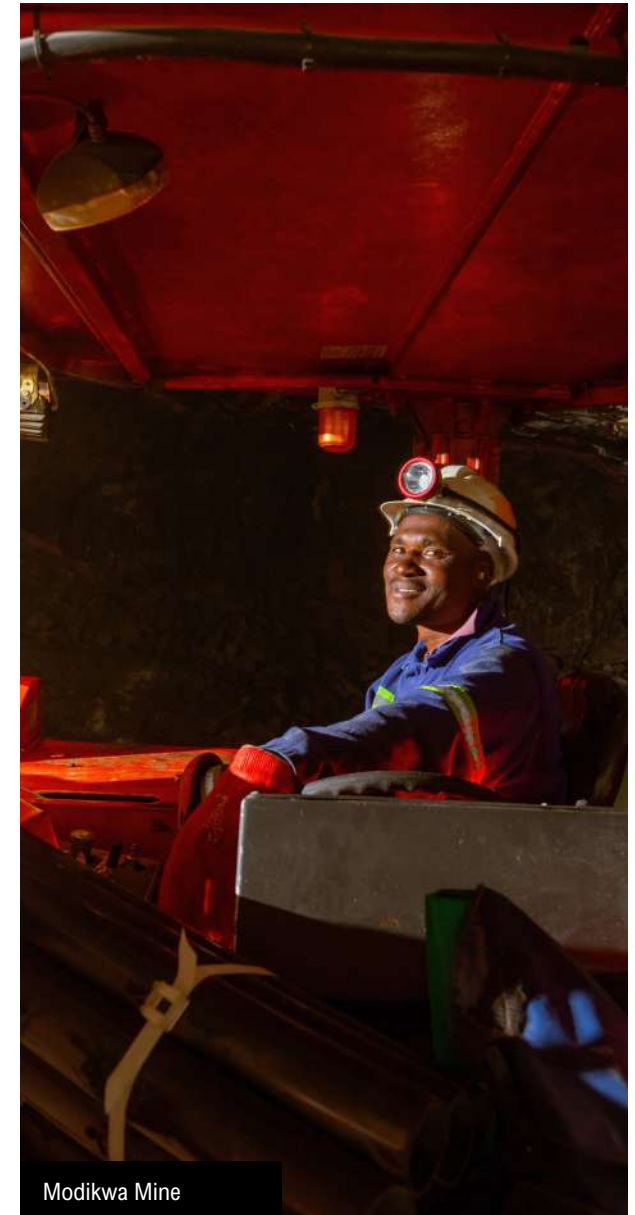
The ICMM and its members have committed to reaching net-zero scopes 1 and 2 GHG emissions by 2050 or sooner, in line with the ambitions of the Paris Agreement. Members have also committed to reporting on scope 3 emissions and setting reduction targets.

The ICMM is facilitating work to better understand the mining sector's scope 3 emissions challenges, progress and opportunities for coordinated or collective action. ARM is actively involved in these processes through the ICMM climate-change working group. Our further-developed scope 3 emissions inventory, in line with ICMM guidelines, appears on page 50 and Our scope 3 emission targets in table 16.

Our approach to developing scope 3 targets has been to set three initial qualitative targets that outline our value-chain decarbonisation ambitions and detail our steps to deliver on those ambitions. This enables flexibility in responding to evolving requirements and expectations, technology developments, changes in the market, and other variables driving value-chain emissions risks and opportunities.

In line with our scope 3 emissions inventory and materiality assessment, our qualitative targets cover the seven material categories of scope 3 emissions. For each target, we include a series of commitments to specific actions we plan to undertake to achieve our scope 3 targets (table 16). We aim to set quantitative targets by F2027.

The detailed actions we will undertake to deliver on our targets are also included in the value-chain decarbonisation component of our climate-change strategy framework. The framework includes enablers necessary to deliver those actions, including resourcing, capacity building, establishing governance structures, engagement and partnering.



Modikwa Mine

Table 16: ARM's qualitative scope 3 targets and commitments

	Targets	Commitments
Upstream: Supply chain (1 and 2) and transport (4 and 9)	Target 1: reduce supply-chain and transport emissions (indirectly controllable). Partner/engage with key suppliers to identify and implement reduction pathways.	• Complete supplier profiling to identify key contributors to scope 3 emissions • Assess decarbonisation targets and transition plans of priority suppliers and transport service providers • Engage with partners to align on emissions reduction opportunities and expectations • Refine qualitative commitments into more actionable and measurable targets • Develop formal agreements with key suppliers and across priority product categories • Integrate emission requirements into procurement contracts for high-spend categories, considering performance incentives and penalties • Assess and pursue opportunities to reduce transport demand and explore lower-emission transport alternatives • Set quantitative scope 3 targets by F2027.
Downstream: End users	Target 2: contribute to collective actions to reduce customer emissions (limited influence). Alignment of customer decarbonisation targets with ARM's ambition.	• Gain a comprehensive understanding of customer decarbonisation targets and timelines to ensure our commitments align • Incorporate customer commitments into ARM's evolving scope 3 emission targets • Develop and implement decarbonisation road maps for Assmang's iron ore (currently in progress) and manganese operations • Monitor and contribute to ongoing ICMM decarbonisation efforts • Set quantitative scope 3 emission targets by F2027.
Downstream: Investments (15)	Target 3: align current and future investments with ARM's decarbonisation ambition.	• Develop Paris Agreement-aligned emissions reduction targets for existing investments by F2027, where such alignment has not yet been assessed • Create a decision-making framework to ensure all future investments are consistent with ARM's long-term decarbonisation goals.

Metrics, performance and targets continued



Two Rivers Mine

Scope 3 target challenges and enablers

As ARM does not have direct control over emissions across our value chain, achieving our decarbonisation targets will depend on:

- Strong partnerships and collaborative initiatives
- Reliable and equitable access to international markets
- Financial, technical and capacity-building support for governments and communities in developing countries where our value chains operate.

There are challenges associated with measuring and reducing our value-chain emissions due to diverse stakeholders, varying levels of maturity and availability of technologies that enable us to measure and trace those emissions through the value chain. Additionally, we have limited direct control over many of our scope 3 emissions, most significantly for processing our ferrous products, which is our largest source of emissions. This is due to metals processing requiring high-temperature heat and, in the case of iron and steel, for example, carbon-intensive process inputs.

Currently, there are limited viable, alternative technologies for these applications, making these energy and process emissions “hard to abate”, requiring significant capital investment. Heavy-duty transport modes, including shipping, aviation and heavy-duty trucking, remain among the most difficult sectors to decarbonise. Many low-carbon solutions are either not yet commercially viable or have not reached the necessary scale or competitive cost levels. In the absence of widespread cost reductions, or willingness from buyers to pay a green premium, emissions-reduction opportunities in these segments remain limited. Addressing these challenges will require

systemic and technological interventions, underpinned by collective action and strong partnerships across the value chain.

In terms of levers within our control, ARM has made the strategic choice not to invest in new coal assets and to operate existing coal operations only until the end of their current economic lives. In addition, we are actively including commodities in our portfolio that support the energy transition. Our investment in Surge Copper Corporation, for example, is informed by strong demand-and-supply dynamics associated with the global shift toward net-zero GHG emissions.

To mitigate risks in our value chain and capitalise on opportunities associated with the transition to net-zero and its impact on our value chains, ARM engages with the industry and current climate-related developments. This is being driven in large part through the ICM where work is focused on collective actions through advocacy, supplier engagement, downstream partnerships, product development and other forms of collaboration, which we actively support.

ARM recognises that decarbonising our value chains must be guided by principles of fairness and equity, consistent with the Paris Agreement. The transition to a low-carbon economy must not only reduce emissions but contribute to reducing inequality and advancing sustainable development. A just and equitable transition requires coordinated, collective action across all stakeholders.

Emission-reduction initiatives

Additional savings and carbon emission-reduction initiatives were implemented in F2025. The most significant initiative was compressed air management at Modikwa. Other initiatives include LED lighting

Metrics, performance and targets continued

installation, efficiency measures (eg energy management systems), BEVs, aircon replacement and solar light for accommodation near Khumani. However, Bokoni Mine will no longer be implementing ventilation optimisation (which involved the periodic shutdown of ventilation fans) due to moisture and flammable gas recirculation risks. As detailed in table 17, new initiatives implemented in F2025 resulted in a reduction of 13 067CO₂e.

No new renewable energy was deployed or consumed during the year. However, significant progress has been made in leveraging renewable energy for the ARM Platinum and ARM Ferrous divisions. For example, at Two Rivers Platinum (TRP), a shared off-site solar farm is scheduled to enter service in the first half of F2026 and expected to offset roughly 20% of TRP's electricity-related emissions.

Table 17: Emission reductions from new initiatives

Operation	Initiatives	2025 (tCO ₂ e)	2024 (tCO ₂ e)
Khumani	• Solar guest house (Uitkoms)	25	–
Modikwa	• Reduce compressed air supply by 10%	12 734	–
Bokoni	• Switching off surface main ventilation fans	308	–
	• LED Lights	–	47
Beeshoek	• LED lighting	–	267
	• Aircon replacement		
	• Efficiency measures		
Total		13 067	314

New smelting technology: SmeltDirect

While renewable energy is a critical part of the solution, renewables alone will not solve the climate challenge. Energy efficiency represents the other half of the equation – reducing the energy required for production processes while cutting costs and emissions.

Recognising this urgent need, ARM has developed SmeltDirect, a groundbreaking smelting technology that enables the sustainable production of critical metals. This technology has been fully demonstrated and proven through a demonstration plant and various demonstration-level production runs. It is fully developed and ready for commercialisation.

Unlike conventional smelting technologies, which consume vast amounts of electricity to generate the thermal energy required for ferroalloy production, SmeltDirect leverages thermal energy from a proprietary chemical-reduction process. This innovation avoids reliance on expensive, carbon-intensive electrical energy, resulting in a step-change in both cost-efficiency and environmental performance.

SmeltDirect produces ferrochrome, ferromanganese, and pig iron – all vital inputs to steelmaking – positioning it as a key decarbonisation enabler for the global steel industry.

Performance advantages compared to conventional smelting technologies include:

- Production efficiency: ~300% higher
- Electricity consumption: 60% lower
- Production cost: 20% lower
- Metal recovery: 30% higher
- Carbon emissions: 30% lower, with further reductions achievable through renewable energy and bio-carbon inputs.

By combining lower costs with substantial emissions reductions, SmeltDirect represents a true step-change in the production of ferroalloys and pig iron. It has the potential to become the new global benchmark for sustainable metal production, supporting both industrial competitiveness and climate goals.

Improving our sustainability data management system

ARM continues to invest in improving its sustainability data management system to streamline carbon and energy data, meet stricter reporting requirements, and drive continuous improvement in greenhouse gas performance.

The sustainability data management system serves a more proactive function, enabling planning, assigning clear roles and responsibilities for implementation, tracking progress and performance, and facilitating reporting.

We started implementing an automated sustainability data management system in F2024. The system gathers data from the operations, automatically consolidates it, performs the required calculations, and reports on the outputs. This allows us to analyse trends and identify anomalies in a timely manner, improving the accuracy of our reporting. In F2025, we implemented the system at most of our operations, with the other operations planned to be completed in F2026. The system also includes an energy-savings module where our emission-reduction projects are captured into the system, enabling operations to track their performance against targets.

Value-chain decarbonisation

The decarbonisation of our value-chain emissions is linked to qualitative scope 3 emission targets that have been set, and we are continuously working on improving our scope 3 emissions inventory, in line with ICMM guidelines. For a detailed discussion of ARM's scope 3 emissions accounting, target setting and value-chain decarbonisation strategy, please refer to *Our strategy* (decarbonisation strategy and emission reduction levers sections) and *Metrics, performance and targets* (scope 3 emissions section).



Metrics, performance and targets continued

Stakeholder engagement plays a critical role in supporting data quality, closing reporting gaps, and aligning disclosure to external framework expectations. After establishing a comprehensive scope 3 emissions inventory, the next step will be to advance partnerships even further with stakeholders to enable credible target setting and emission reductions related to our value-chain emissions, as outlined in Our scope 3 qualitative targets and commitments, table 16.



To support our scope 3 decarbonisation pathway, we focus on collaborating across our full value chain to identify where ARM can contribute meaningfully to achieving net-zero scope 3 emissions.

We have identified several material categories within our scope 3 emissions profile that are closely tied to our value chain. These include emissions from the procurement of goods and capital equipment, emissions related to fuel and energy used by third parties to deliver energy to our sites, and those from upstream and downstream transportation of products. Significant emissions also stem from the processing of sold products (particularly in energy-intensive sectors such as iron and steel manufacturing) and from ARM's equity investments, including in ARM Coal, Sakura, Harmony and Surge Copper.

Measuring and reducing our value-chain emissions present several challenges due to the diversity of stakeholders involved, differing levels of technological maturity, and limited availability of tools that enable us to

measure and trace emissions throughout the value chain. We have limited direct control over many of these emission sources, most notably processing our ferrous products. This lack of direct control contributes to the challenge of addressing hard-to-abate emissions, as metals processing requires high-temperature heat and, in the case of iron and steel, involves carbon-intensive process inputs. There are few viable alternative technologies for such applications, which make these energy and process emissions hard to abate. Similarly, heavy-duty transportation, including shipping, aviation and heavy-duty trucks, is considered difficult to decarbonise and also falls into the category of hard-to-abate. Many decarbonisation technologies are not yet available at the necessary scale or at a cost that is competitive.

Due to these challenges, the ICMM facilitated work to better understand these hard-to-abate sectors and provided a framework to commit and report on scope 3 emissions. Following the new ICMM guidance on scope 3 accounting and target setting, which allows for either quantitative or qualitative targets, depending on the materiality and characteristics such as the ability to influence emissions, we have set scope 3 qualitative targets and aim to set quantitative targets by F2027. Refer to page 57.



These targets are shaped by both climate and water-related risks and opportunities arising across our value chain, such as policy developments, technological innovation, and collaboration with downstream and

upstream partners. While the majority of ARM's value-chain water risks are minimal, we continue to assess water-related vulnerabilities through our ERM processes. At corporate level, we are monitoring suppliers that could impact operational continuity, particularly those linked to the direct supply of water. Early findings indicate limited material water-related risks across the broader supply chain, with isolated cases, such as Khumani Mine, warranting closer attention (see Water-related risks and opportunities, page 36). These insights inform our supplier profiling and long-term resilience planning.



In line with our long-term decarbonisation goals, ARM intends to enhance the granularity and accuracy of scope 3 emissions accounting by increasing supplier-specific data collection, improving traceability of emissions across logistics and procurement nodes.

Future climate focus areas

Our progress on climate focus areas is detailed in our climate and water journey. Looking ahead to F2026, we will continue to advance our climate strategy, focusing on decarbonisation, resilience and portfolio diversification – with a focus on delivering measurable outcomes that strengthen operational performance, support a just transition, and align with investor expectations under IFRS S2.

Metrics, performance and targets continued

Diversification of our product portfolio

Aligning capital expenditure with our climate-change decarbonisation pathways

Just transition beyond mining

The Cato Ridge Works operation was closed by August 2025, following a structured section 189 consultation process. The closure follows prolonged financial underperformance despite extensive efforts to identify viable operational alternatives. While the site will be remediated, ARM, together with Assmang and its partners, is exploring a long-term redevelopment strategy to transform the site into a commercial and logistics hub, with the aim of stimulating future economic activity and job creation in the region.

Expanding emissions completeness for investments

Following our qualitative scope 3 emissions targets set in F2024, we aim to set quantitative targets by F2027.

Decarbonisation of our operations and value chain

Continued implementation of operation-specific decarbonisation action plans

We will continue to implement our decarbonisation plan, which includes formalising emission-reduction measures, assigning clear responsibilities, securing budget allocations, and identifying the resources needed to meet site-level targets.

Accelerating power and decarbonisation projects

We will continue to roll out our structured decarbonisation programmes, including renewable power-purchase agreements and pilot projects for battery-electric or alternative-fuel mobile equipment.

Deepening value-chain decarbonisation

Following our qualitative scope 3 emissions targets set in F2024, we aim to set the quantitative targets by F2024, we aim to set quantitative targets by F2027.

Water metrics, performance and targets

Our water metrics and performance reflect our ongoing commitment to responsible stewardship in line with ICMM's Water Accounting Framework. We have set context-based, operation-specific targets. These metrics provide the foundation for tracking our progress, refining our targets, and ensuring that our water use remains both operationally efficient and socially and environmentally responsible.

Water-related terminology

- Operational water withdrawal: water that is used to meet operational water demand
- Other managed water: water that is actively managed (eg physically pumped, actively treated or has material consumptive losses) without intent to supply operational water demand
- Output: includes flows to surface water and groundwater, and supply to third parties (volume of water removed from the operational facility after it has been through a task, treated or stored for use)
- Consumption: includes evaporation and transpiration, water incorporated into product and/or waste streams, and other operational losses
- Reuse efficiency: the volume of untreated water used in tasks that has already been worked on by the site as a percentage of total volume of all water used in tasks. Reuse efficiency varies across operations and is underreported as some operations do not measure flows of worked water back into tasks
- Discharge: refers to unauthorised flows into the natural environment, as defined by operation WULs
- Change in storage (delta storage): the net change (positive or negative) in the volume of water in storage (operational water and other managed water) in the reporting period.

Metrics, performance and targets continued

We report according to the new ICMM guidelines which require a breakdown of operational and other managed water withdrawals. The largest source of operational water withdrawal is groundwater via boreholes. Only four sites use municipal water, namely Beeshoek Mine, Khumani Mine, Black Rock Mine and Cato Ridge Works.

Table 18: ARM F2025 ICMM water-reporting metrics (all sites)

Metric	Source/destination	Volume of water by quality		
		High (ML)	Low (ML)	Total (ML)
All sites				
Operational water withdrawal	Surface water	3 152	2 671	5 823
	Groundwater	8 588	4 257	12 846
	Seawater	—	—	—
	Third-party water	5 384	—	5 384
	Total	17 124	6 928	24 053
Other managed water (OMW) withdrawal		384	10	394
Total output	Surface water	13	1 469	1 482
	Groundwater	—	1 818	1 818
	Seawater	—	—	—
	Third-party water	384	45	429
	Total	397	3 332	3 729
Total consumption				10 115
Operational water reuse/recycle				40 172
Operational water use				55 262
Change in storage (delta storage)				(66)

Table 19: ARM F2025 ICMM water-reporting metrics (water-stressed areas)

Metric	Source/destination	Volume of water by quality		
		High (ML)	Low (ML)	Total (ML)
Sites in water-stressed areas				
Operational water withdrawal	Surface water	3 152	2 671	5 823
	Groundwater	8 588	4 257	12 846
	Seawater	—	—	—
	Third-party water	5 238	—	5 238
	Total	16 978	6 928	23 907
Other managed water withdrawal		384	10	394
Total output	Surface water	—	1 469	1 469
	Groundwater	—	1 818	1 818
	Seawater	—	—	—
	Third-party water	384	45	429
	Total	384	3 332	3 716
Total consumption				9 983
Operational water reuse/recycle				40 119
Operational water use				55 074
Change in storage (delta storage)				(66)
Water-stress exposure				
Proportion of sites in water-stressed areas	Number of sites	8		

Metrics, performance and targets continued

Water withdrawal

Operations withdraw water from a range of sources defined in the terms of their WULs, which include rivers, boreholes and municipal supplies.

In F2025, total water withdrawals (including operational water and other managed water) stayed flat year-on-year. While total operational water increased slightly by 1% year-on-year.

Figure 9 represents the total water withdrawal by division, which includes other managed water, while figure 10 focuses on total operational water withdrawal, covering only the combined ground and surface water withdrawals, excluding other managed water.

Total operational water withdrawals at the platinum division (figure 11) increased by 4%.

Operational water withdrawals by the ferrous division (figure 12) increased 3% due to increased water withdrawal at Khumani Mine and Black Rock Mines. The mines source the bulk of its water from the VCWB pipeline, with additional supply from dewatering activities and limited borehole use.

Figure 9: Total water withdrawal by division (100% basis) measured in m³ million

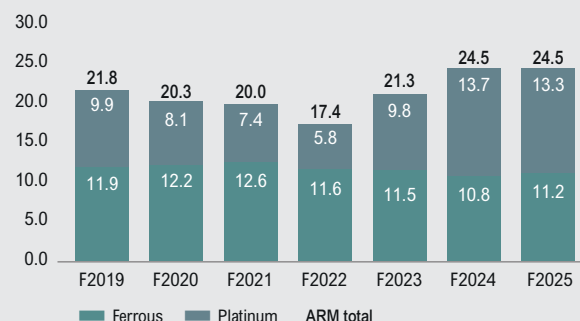


Figure 10: Total operational water withdrawal by division (100% basis) measured in m³ million

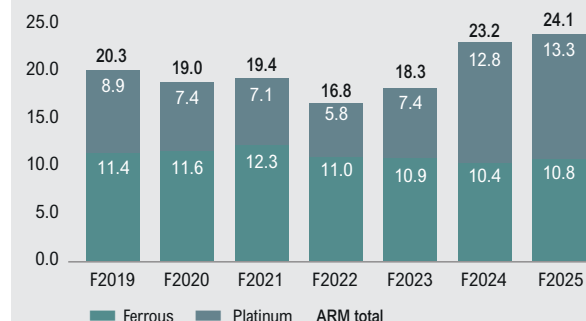


Figure 11: Operational water withdrawn (million m³) Platinum division

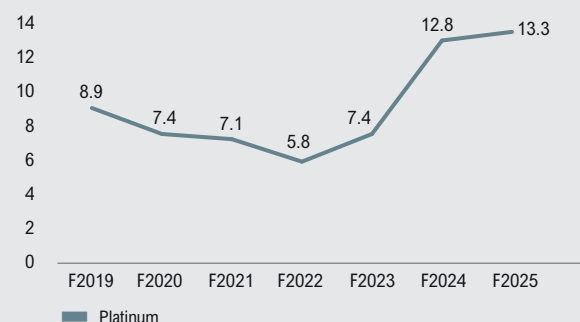


Figure 12: Operational water withdrawn (million m³) Ferrous division



Metrics, performance and targets continued

Table 20: ARM F2025 water-balance summary

		VOLUME OF WATER BY QUALITY								
		F2025			F2024			F2023		
Metric	Source/destination/type	High (ML)	Low (ML)	Total (ML)	High (ML)	Low (ML)	Total (ML)	High (ML)	Low (ML)	Total (ML)
Withdrawal	Operational surface water	5 700	2 671	8 370	4 712	2 455	7 167	5 940	2 527	8 467
	Operational groundwater	11 425	4 257	15 682	7 407	8 679	16 086	6 095	3 730	9 825
	Operational withdrawals	–	–	24 053	–	–	23 253	–	–	18 292
	Other managed water	384	10	394	547	703	1 250	550	2 433	2 983
	Total withdrawal	17 508	6 939	24 447	12 666	11 837	24 503	12 585	8 689	21 275
Output	Surface water	13	1 469	1 482	15	294	308	27	118	145
	Groundwater	–	1 818	1 818	–	1 079	1 079	–	24	24
	Supply to third party	384	45	429	547	575	1 122	550	15	564
	Total output	397	1 527	3 729	561	1 947	2 509	577	157	733
Consumption	Evaporation	159	3 708	3 866	209	5 227	5 436	266	4 087	4 353
	Entrainment	546	3 694	4 240	140	1 463	1 603	–	2 317	2 317
	Other	–	2 075	2 075	–	129	129	–	(69)	(69)
	Change in storage	–	(66)	(66)	–	151	1 090	–	2 598	2 598
	Total consumption	704	9 410	10 115	349	6 969	8 258	266	8 934	9 199
Reuse efficiency	Total of all flows to tasks (ML/a)	13 404	41 858	55 262	9 688	53 067	62 755	7 821	54 713	62 534
	Total worked water flows to tasks (ML/a)	n/a	40 172	40 172	n/a	48 669	48 669	n/a	48 979	48 979
	Reuse efficiency (%)	n/a	n/a	73	n/a	n/a	78	n/a	n/a	78
Diversions	Water diverted to neighbouring communities, farms and other users	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Water consumption includes evaporation from dams, TSFs, return-water dams, open pits and storage ponds. The water consumption due to evaporation figure almost doubled from 2024 to 2025 due to the completed installation of water meters and moving from desktop evaporation coefficients to accurate monitoring via water meters.

Metrics, performance and targets continued

Table 21: Water-balance summary for ARM operations in the Olifants WMA

		VOLUME OF WATER BY QUALITY								
		F2025			F2024			F2023		
Metric	Source/destination/type	High (ML)	Low (ML)	Total (ML)	High (ML)	Low (ML)	Total (ML)	High (ML)	Low (ML)	Total (ML)
Withdrawal	Operational surface water	3 152	1 912	5 064	2 609	2 128	4 737	2 777	2 026	4 804
	Operational groundwater	5 547	2 461	8 008	1 263	6 631	7 894	244	2 104	2 347
	Other managed water	–	–	–	215	586	800	–	–	–
	Total withdrawal	8 699	4 373	13 072	4 087	9 345	13 432	3 021	4 130	7 151
Output	Surface water	–	–	–	–	–	–	–	–	–
	Groundwater	–	1 805	1 805	–	1 060	1 060	–	–	–
	Supply to third party	–	–	–	215	574	789	–	–	–
	Total output	–	1 805	1 805	215	1 634	1 849	–	–	–
Consumption	Evaporation	79	2 353	2 432	–	2 874	2 874	–	1 851	1 851
	Entrainment	546	12	558	140	428	568	–	605	605
	Other	–	–	–	–	–	–	–	–	–
	Change in storage	–	–	–	–	158	1 098	–	50	50
	Total consumption	625	2 365	2 990	140	3 459	4 539	–	2 506	2 506
Reuse efficiency	Total of all flows to tasks (ML/a)	9 325	6 797	16 122	4 466	11 371	15 837	3 067	12 284	15 351
	Total worked water flows to tasks (ML/a)	n/a	8 320	8 320	–	10 072	10 072	n/a	9 989	9 989
	Reuse efficiency (%)	n/a	n/a	52	n/a	n/a	64	n/a	n/a	65
Diversions	Water diverted to neighbouring communities, farms and other users	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

* Includes Modikwa Mine, Two Rivers Platinum Mine and Bokoni Mine.

Metrics, performance and targets continued

Table 22: Water-balance summary for ARM operations in the Inkomati-Usuthu WMA

		VOLUME OF WATER BY QUALITY								
		F2025			F2024			F2023		
Metric	Source/destination/type	High (ML)	Low (ML)	Total (ML)	High (ML)	Low (ML)	Total (ML)	High (ML)	Low (ML)	Total (ML)
Withdrawal	Operational surface water	–	32	32	–	40	40	–	32	32
	Operational groundwater	37	203	241	42	176	218	48	218	266
	Other managed water	–	–	–	–	117	117	–	2 433	2 433
	Total withdrawal	37	235	273	42	332	375	48	2 683	2 731
Output	Surface water	–	–	–	–	222	222	–	–	–
	Groundwater	–	–	–	–	–	–	–	–	–
	Supply to third party	–	–	–	–	–	–	–	–	–
	Total output	–	–	–	–	222	222	–	–	–
Consumption	Evaporation	–	–	–	–	44	44	–	7	7
	Entrainment	–	–	–	–	–	–	–	27	27
	Other	–	–	–	–	–	–	–	–	–
	Change in storage	–	(66)	(66)	–	(8)	(8)	–	2 548	2 548
	Total consumption	–	(66)	(66)	–	36	36	–	2 582	2 582
Reuse efficiency	Total of all flows to tasks (ML/a)	37	–	37	42	–	42	48	53	101
	Total worked water flows to tasks (ML/a)	n/a	–	–	n/a	–	–	n/a	16	16
	Reuse efficiency (%)	n/a	n/a	–	n/a	n/a	–	n/a	n/a	16
Diversions	Water diverted to neighbouring communities, farms and other users	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

* Includes Nkomati Mine and Machadodorp Works.

Metrics, performance and targets continued

Table 23: Water-balance summary for ARM operations in the Vaal WMA

		VOLUME OF WATER BY QUALITY								
		F2025			F2024			F2023		
Metric	Source/destination/type	High (ML)	Low (ML)	Total (ML)	High (ML)	Low (ML)	Total (ML)	High (ML)	Low (ML)	Total (ML)
Withdrawal	Operational surface water	2 402	727	3 129	1 948	287	2 235	2 964	468	3 432
	Operational groundwater	5 841	1 593	7 433	6 102	1 872	7 974	5 803	1 408	7 212
	Other managed water	384	10	394	333	–	333	550	–	550
	Total withdrawal	8 626	2 330	10 956	8 383	2 159	10 542	9 317	1 877	11 194
Output	Surface water	–	1 469	1 469	–	71	71	–	118	118
	Groundwater	–	12	12	–	19	19	–	24	24
	Supply to third party	384	45	429	332	1	333	550	15	564
	Total output	384	1 527	1 911	332	91	423	550	157	706
Consumption	Evaporation	–	1 302	1 302	106	2 201	2 307	106	2 133	2 239
	Entrainment	–	3 682	3 682	–	1 035	1 035	–	1 685	1 685
	Other	–	2 075	2 075	–	129	129	–	-69	(69)
	Change in storage	–	–	–	–	–	–	–	–	–
	Total consumption	–	7 059	7 059	106	3 365	3 471	106	3 750	3 855
Reuse efficiency	Total of all flows to tasks (ML/a)	3 895	35 019	38 914	5 026	41 564	46 590	4 507	42 279	46 787
	Total worked water flows to tasks (ML/a)	n/a	31 799	31 799	n/a	38 466	38 466	n/a	38 878	38 878
	Reuse efficiency (%)	n/a	n/a	82	n/a	n/a	83	n/a	n/a	83
Diversions	Water diverted to neighbouring communities, farms and other users	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

* Includes Black Rock Mine, Khumani Mine and Beeshoek Mine.

Metrics, performance and targets continued

Table 24: Water-balance summary for ARM operations in the Pongola-Umzimkhulu WMA

		VOLUME OF WATER BY QUALITY								
		F2025			F2024			F2023		
Metric	Source/destination/type	High (ML)	Low (ML)	Total (ML)	High (ML)	Low (ML)	Total (ML)	High (ML)	Low (ML)	Total (ML)
Withdrawal	Operational surface water	146	–	146	154	–	154	199	–	199
	Operational groundwater	–	–	–	–	–	–	–	–	–
	Other managed water	–	–	–	–	–	–	–	–	–
	Total withdrawal	146	–	146	154	–	154	199	–	199
Output	Surface water	13	–	13	15	–	15	27	–	27
	Groundwater	–	–	–	–	–	–	–	–	–
	Supply to third party	–	–	–	–	–	–	–	–	–
	Total output	13	–	13	15	–	15	27	–	27
Consumption	Evaporation	79	53	132	103	109	211	160	96	256
	Entrainment	–	–	–	–	–	–	–	–	–
	Other	–	–	–	–	–	–	–	–	–
	Change in storage	–	–	–	–	–	–	–	–	–
	Total consumption	79	53	132	103	109	211	160	96	256
Reuse efficiency	Total of all flows to tasks (ML/a)	146	42	188	154	132	286	199	96	296
	Total worked water flows to tasks (ML/a)	n/a	53	53	n/a	132	132	n/a	96	96
	Reuse efficiency (%)	n/a	n/a	28	n/a	n/a	46	n/a	n/a	33
Diversions	Water diverted to neighbouring communities, farms and other users	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

* Includes only Cato Ridge Works.

Metrics, performance and targets continued

Progress on operational water targets

As a member of the ICMC, ARM is committed to setting water-related targets that are in line with the relevant ICMC guidance. Given that our operations are based in diverse water contexts in various water catchment areas, we have focused on setting water-reduction targets and measures at the operational level that can rather address the specific needs of that context and operation, as opposed to targets set at company level. While facilitating tailored action and mitigation, collectively, these context-based targets and measures ultimately contribute to company-level reductions in water use and reduced exposure to water-related risks.

Table 25: Progress on operational water targets

Mine	Target	Status	Details
Beeshoek Mine	1.15m ³ water/tonne run-of-mine fed to the crushing plants. 1.75m ³ water/tonne product. 0.6m ³ make-up water/tonne run-of-mine. 1.0m ³ make-up water/tonne product. Not to exceed volumes as per agreement to receive water from Kolomela via Sedibeng Water. To maintain the good relationships and agreement with Kolomela.	● ● ● ● ● ●	0.94m ³ water used. 1.57m ³ water used. 0.48m ³ water used. 0.87m ³ water used. The installation of auto valves ensures that Beeshoek Mine does not exceed its allocated volumes. The relationship with Kolomela remains positive.
Khumani Mine	0.064m ³ water/tonne mined (including waste/stockpiled material). 0.22m ³ water/tonne run-of-mine fed to the crushing plants. 0.319m ³ water/tonne product. To continue supporting collective actions to help the Vaal Central Water Board manage water supply more effectively.	● ● ● ●	0.065m ³ water used. 0.24m ³ water used. 0.343m ³ water used. On 1 July 2025 consulting engineers were appointed by the Vaal Gamagara Water User Association to conduct specialist studies and execute the engineering design of key component projects in the Phase 2 Vaal Gamagara pipeline project (Phase 2 project). Preliminary funding structure and related market sounding for the Phase 2 project began in H2 F2025 and are expected to be completed in H1 F2026.
Black Rock Mine	Not to exceed groundwater dewatering and abstraction volumes as per WUL (1 126 486m ³ /year). The baseline for dam balances was set in F2025. To set a quantitative target in F2026.	● ● ●	Groundwater dewatering and abstraction volumes maintained as per the WUL. Completed. After one year, data has been recorded and, compared to the baseline, it will be possible to develop a quantitative target in F2026.

Key: ● Target met ● On track ● Target not met ● Target set in F2025

Metrics, performance and targets continued

Mine	Target	Status	Details
Nkomati Mine	Monitor water quality over time to understand longer-term impact of water in pits on salts. Undertake progressive rehabilitation. Water treatment plant.	• • •	Ongoing monitoring of water quality on monthly (surface water) and quarterly (boreholes) intervals. The contractor was appointed and initial works have begun as part of the phased rehabilitation plan of waste-rock dump area 13. The mine's water-treatment plant treats excess mine water to a quality suitable for discharge back into the Gladdespruit. Treated water is also reused internally for non-potable purposes. The mine's network of pollution-control dams and return-water dams allows for the separation of clean and dirty water, as well as maximising recycling, with priority given to compliance-critical facilities.
Two Rivers Mine	Implement water-management measures to prevent water leakages and unnecessary water use. Implement improved water management, monitoring and reporting by F2025, with the aim to develop a plan to reduce water importation. 0.5m³ water/tonne milled.	• • •	Water-management measures such as early detection of leaks and curtailing unnecessary water use are controlled through ongoing maintenance and inspection as well as encouraging stewardship through monthly water-saving champions. Stormwater management measures are in place, which ensure the separation of clean and dirty water. The mine currently uses a push-pull pumping system between certain facilities and pumps excess water from shafts to the plant, which then sends overflow to return-water dams at the tailings facility. The installation of water meters is complete. These meters monitor the water balance which will aid with achieving water targets. 0.35m³ water/tonne milled.
Modikwa Mine	Re-evaluate target and qualitative commitments including contributions to collective actions in the catchment by F2025. 0.75m³ water/tonne milled.	• •	Complete. The target was re-evaluated and the overall water intensity to be achieved by 2027 was increased from 0.5m³ water/tonne to 0.75m³ water/tonne.
Machadodorp Works	Not to exceed abstraction levels of 195 000m³/annum from the Leeuspruit and 225 000m³/annum from the boreholes as per the WUL condition. Endeavour to minimise water consumption with technologies employed for future production expansions.	• •	Abstraction levels have not been exceeded in F2025. Measures to minimise water consumption have been considered in future plans, to be implemented when the plant becomes operational.

Metrics, performance and targets continued

Mine	Target	Status	Details
Cato Ridge Works	Commission a reverse osmosis plant by the end of the first quarter of F2025 and measure its effectiveness at reducing municipal water consumption. Reduce reliance on the municipal source (Umgeni Water via eThekweni municipality).	• •	Commissioned a reverse osmosis plant at the end of Q1 F2025, reducing municipal water consumption. F2024 = 154 380m³, F2025 = 146 192m³. Realised a 5% reduction.
Bokoni Mine	Upgrade flow meters and complete hydrogeological baseline studies to inform a baseline by F2025, then set appropriate quantitative target by F2026. Line return-water dam (dam 10) and pollution-control dam (dam 11) by F2025. Develop a rehabilitation plan to mitigate erosion affecting the Rapholo stream. Have two reverse osmosis plants approved and operational by F2025. Undertake audits and studies to determine opportunities to improve operational water management. Contribute to improved understanding and collective management of catchment risks, through the Olifants Catchment Forum.	• • • • • •	The hydrogeological baseline studies have been completed and flow meters upgraded. Relining of return-water dam and pollution-control dam is underway to reduce seepage losses and protect groundwater quality. Both tailings dams will be moving to care and maintenance in F2026. The development of a rehabilitation plan to mitigate erosion affecting the Rapholo stream is underway. A 0.5ML/day reverse osmosis plant is already operational with an expansion to 1.5ML/day scheduled for commissioning in November 2025. The mine has assessed opportunities to use treated water from its wastewater treatment works, which could provide a cost-effective supplementary source while supporting regional water reuse goals. Ongoing.

Future water focus areas

Our progress on water-related focus areas is detailed in section 1: our climate and water journey. In F2026, our focus will be on both operational performance and the catchment context in which our mines operate:

- Continuing CMA collaboration to secure water for our operations and to achieve context-based water targets for each operation, driving continuous improvement in water management
- Further rolling out the ICMM's water stewardship maturity framework to improve governance, transparency and performance measurement
- Leveraging LED and CSI spending to enhance community resilience to climate change and associated water impacts, with an emphasis on catchment-level solutions.

Value-chain and stakeholder engagement

Value-chain and stakeholder engagement

- 73 Community and social licence
- 74 Policy and industry collaboration
- 75 Investor and rating-agency dialogue



Value-chain and stakeholder engagement

As an ICMM member, we are committed to actively contributing to the decarbonisation of our value chain, aligning our actions with the goals of the Paris Agreement.

Community and social licence

In F2025, we reinforced our commitment to maintaining our social licence by deepening relationships with communities surrounding our operations. Through ongoing dialogue and partnerships, we supported initiatives that enhance water access, build local resilience and create socio-economic value. A key focus remains on strengthening water stewardship at catchment level, particularly in areas vulnerable to water scarcity. Working alongside our joint-venture partners and community organisations, we continued investing in rural water infrastructure in the past year, ensuring improved access to potable water for both schools and

households by investing in 31 new boreholes for the communities across our operations. These initiatives are largely supported through the ARM Rural Upliftment Trusts and are closely aligned with our broader goal of inclusive development and climate adaptation.

Building on the completed Monametsi-Mokgotho (Brakfontein) water project, which alleviates water scarcity for the surrounding communities, Bokoni Mine advanced with the rollout of 12 additional boreholes. This included equipping and reticulating boreholes across the Baroka ba Ga-Nkwana, Ga-Maisela-Manotwane and Ga-Selepe communities. In the F2025 reporting year, seven boreholes were nearing completion, reinforcing our contribution to improved water access and sustainable community infrastructure. Through the third-generation social and labour plan (SLP III), and following a section 102 process¹ of the South African MPRDA with the Department of Mineral and Petroleum Resources (DMPR), Assmang committed R6.5 million to support the Tsantsabane local municipality in constructing stormwater channels. This project was completed in September 2024, benefiting 18 248 community members and creating 20 temporary jobs during implementation. These targeted infrastructure projects address immediate service-delivery gaps and form part of our broader approach to sustainable water management. Beyond physical infrastructure, we also focus on behavioural change and operational efficiency to reduce water use across our operations.

Black Rock Mine supplied a 50Kℓ steel elevated tank, equipped a borehole, installed a chlorination unit at the storage facility and 300 metres of water reticulation with seven standpipes to provide clean running water to the Kruisaar community in Joe Morolong local municipality.

¹ A legal provision that allows a mining right or prospecting right holder to apply for an amendment to the terms and conditions of their mining or prospecting right.



Black Rock Mine

Value-chain and stakeholder engagement continued

The community previously had no access to clean water and relied on water-truck deliveries. The mine also refurbished six existing boreholes and valves and constructed dedicated pump mains to improve water supply for the 1 262 households in the Cassel community in Joe Morolong local municipality. Before refurbishment, the boreholes were non-functional, resulting in water shortages in the community.

Beeshoek Mine installed a 2km water pipeline in Postdene to improve water supply for the 9 839 households in the community and donated a honeysucker truck to assist with sewage collection. The mine also supported a project to install pre-paid water meters in the Tsantsabane local municipality to improve revenue collection so that the municipality can become self-sustainable and provide improved services. Two Rivers Mine repaired three boreholes, fixed a leaking water reservoir and replaced pipes to provide access to clean drinking water for 400 households in the Kalkfontein community.

At Khumani and Modikwa mines, several community infrastructure projects were progressed during the year. At Khumani Mine, a planned social and labour plan investment will see the installation of solar-powered streetlights in the Hamaka area. At Modikwa Mine, we implemented multiple water projects to support local communities, including drilling boreholes in six communities to provide access to running water. In addition, we fulfilled our commitment to supply electricity to a nearby village, improving local energy access.

Resilience of our business, communities and value chain

We are strengthening the resilience of our operations and host communities to ensure long-term sustainability. Our focus areas include protecting critical infrastructure from climate impacts, improving the quality and consistency of our sustainability data, and deepening our understanding of both physical and transition risks through scenario analysis. We are also working with communities to enhance water security, energy access and adaptive infrastructure, while preparing for South Africa's evolving carbon regulations. Looking ahead, we will continue to align our reporting with IFRS S2, including how climate-related risks and opportunities may influence our strategy and investment decisions.



Two Rivers Mine

Policy and industry collaboration

In F2025, ARM continued to engage with government, industry bodies and local stakeholders to support the development of coherent and effective policy frameworks related to climate change and water. These engagements form an important part of our climate-change strategy and help shape enabling conditions for decarbonisation, water security and just-transition outcomes. Through active participation in platforms such as the MCSA, ICMM and regional water forums, ARM contributes to collective dialogue and action on shared environmental challenges. We have adopted the ICMM's sustainable development framework and, since F2019, our operations and corporate office have completed self-assessments against the ICMM's 38 performance expectations.

Our operations actively participate in various regional water forums and stakeholder platforms that enable practical dialogue and coordination on local water-supply challenges. These platforms also provide space to explore how climate change and evolving regulations may impact the availability and cost of water. The forums in which our operations participate or engage include:

- Gladdespruit Forum
- Inkomati-Usuthu CMA
- Badirammogo Water Users Association (WUA)
- Kgalagadi Catchment Management Forum
- Northern Cape Mines Leadership Forum (engaging on the appropriate design of the Vaal Gamagara Water Supply Scheme (VGWSS))
- Olifants River Water Resources Development Project
- Tshiping WUA
- Tubatse Environmental Forum
- Vaal-Orange CMA.

Value-chain and stakeholder engagement continued

ARM actively participates in joint public-private collaboration initiatives to address infrastructure constraints and climate-related risks in the regions where we operate.

To proactively mitigate growing water risks in the Northern Cape, ARM has participated in a public-private collaboration initiative focused on the refurbishment of the VGWSS. This initiative involves collaboration between the DWS, the Vaal Central Water Board and industry. In the past year, important milestones included the formation of the Vaal Gamagara Water User Association, development of a funding model, and finalisation of a memorandum of agreement, pending approval. ARM's involvement, together with support from the Northern Cape Mines Leadership Forum and Assmang, has contributed to addressing pipeline failures and improving the pumping capacity of the system to 67% of its design capacity.

A second collaborative initiative involved ARM's Khumani Mine and neighbouring Kumba's Sishen Mine. Together, they are working to secure a transfer of 1.75 million m³ of water annually. Following the DWS's approval of a one-off transfer, 345 104m³ was delivered in early F2023. Phase 2 of the project, involving booster infrastructure and pipelines, has since progressed, with process water now being pumped at 125m³/hour. The long-term success of the initiative depends on the amendment of Sishen's WUL, but both parties remain committed.

Investor and rating-agency dialogue

ARM continued to engage proactively with investors, ESG rating agencies and other external stakeholders regarding climate and water-related risks, opportunities and strategic responses. These engagements support transparency and informed decision-making, while guiding improvements in how we report against evolving standards and expectations. While climate and water disclosures are the primary focus of this report, additional information on broader environmental, social and governance matters is disclosed in our annual ESG report.



From these dialogues in F2024 and F2025, several common themes have been identified. Investors and rating agencies have shown increased interest in the transparency of scope 3 emissions and the soundness of our decarbonisation pathways. Questions around how climate-related responsibilities are embedded into ARM's governance structures, and how water-related physical risks, particularly in high-stress catchments, are being assessed and mitigated, have emerged. The credibility of long-term net-zero commitments and the integration of just-transition principles are recurring points, alongside expectations for alignment, with evolving disclosure standards such as IFRS S2, TCFD, CDP and leading ESG benchmarks.

In response to these thematic concerns, ARM has continued to strengthen its scope 3 inventory and disclosure practices, detail board and executive oversight of climate matters, integrate water risk into enterprise risk management processes, and reaffirm its commitment to the Paris Agreement and just-transition principles. We have also worked to align our disclosures

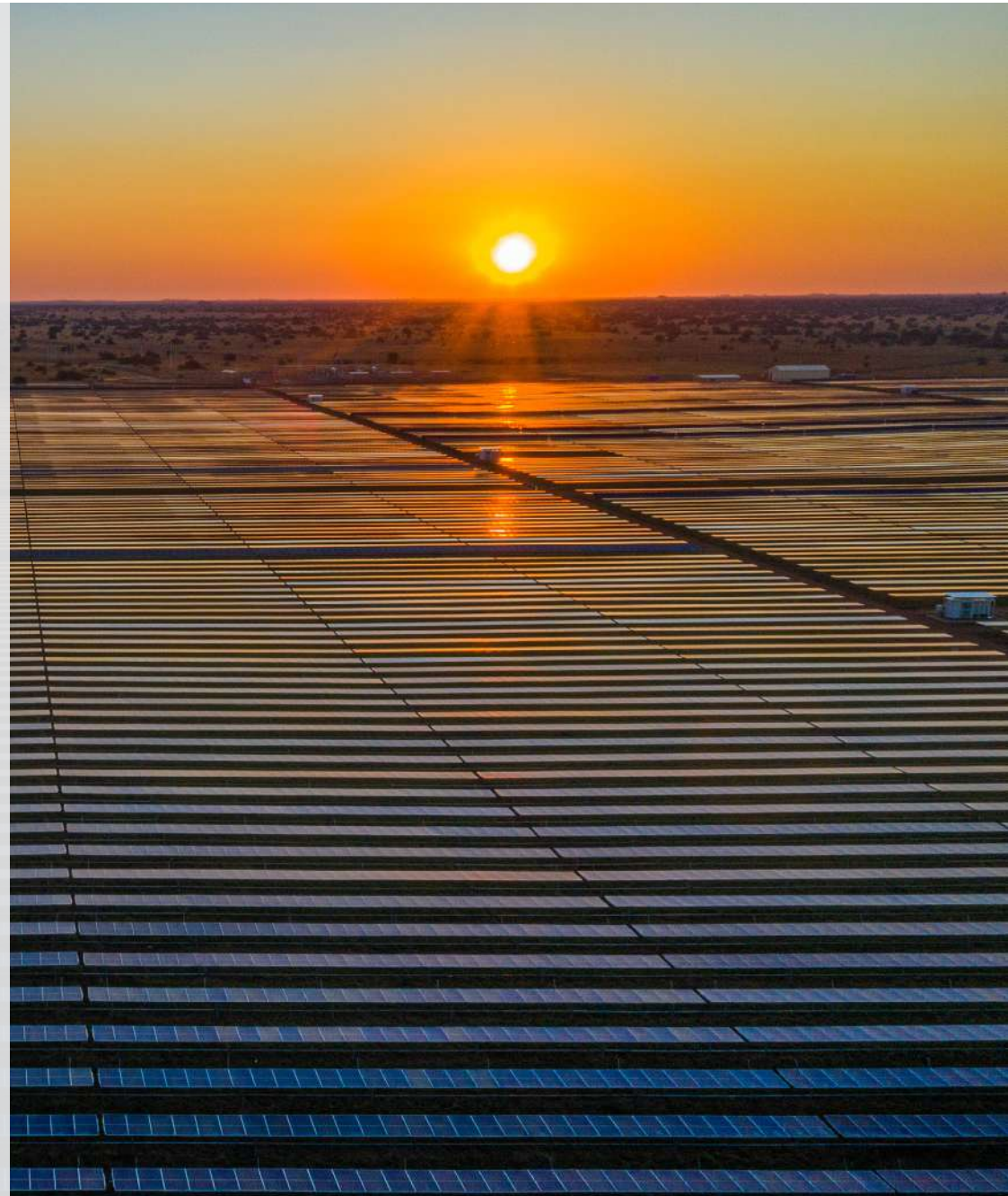
with IFRS S2 and other global benchmarks, while supplementing climate and water-related information in the broader ESG report. Our initiatives to improve transparency have been recognised through inclusion in indexes such as the FTSE4Good Index and FTSE/JSE Responsible Investment Top 30 Index. Selected climate and water-related metrics are subject to independent limited assurance, further reinforcing the reliability of our disclosures. Oversight is provided by the social and ethics committee, which reviews external feedback and uses it to inform enhancements to reporting, refine performance indicators, and support the periodic review of targets, including the planned update of our scope 3 targets in F2027.



Appendices

Appendices

- 77 Material climate change and water topics
- 78 TCFD/IFRS S2 matrix
- 79 Acronyms
- 80 Contact details



Appendices

Material climate change and water topics

The selection of topics included in this report is based on a double-materiality lens:

- **Financial materiality, as defined by IFRS S1 and S2:** assessing how climate and water-related risks and opportunities affect our business value and financial condition
- **Impact materiality, as informed by GRI and ICMM:** considering the actual and potential impacts of our operations on ecosystems, communities and water catchments.

The resulting material topics, including emissions reduction, water use and quality, climate adaptation, just transition and portfolio resilience, form the basis of the content structure and are cross-referenced across the frameworks listed above. The different material topics are presented in table 26 on the right, which highlights the alignment matrix across the different frameworks.

Table 26: Material topic alignment matrix

Topic	IFRS S2	ICMM PE	GRI	JSE guidance	UN SDG
GHG emissions (scopes 1 to 3)	Climate risk and metrics	PE3 and PE6	305	✓	
Water withdrawal and stress	Resilience metrics	PE6 and water position statement	303	✓	 
Climate-related risks and scenarios	Governance, strategy	PE3, PE6	102, 201	✓	 
Just transition and community impacts	Social risk disclosure	PE9, PE10, PE11	413, 203	✓	  
Transition strategy and low-carbon technology	Strategy and opportunity	PE6	302, 306	✓	  
Biodiversity and land rehabilitation	Risk and resilience	PE7	304	✓	

Appendices continued

TCFD/IFRS S2 matrix

	TCFD recommendation	Reference to disclosure	IFRS S2	Page number	
Governance Disclose the organisation's governance on climate-related risks and opportunities	(a) Describe the board's oversight of climate-related risks and opportunities	Board oversight and management's role under governance	6(a)	Pages 13 and 14	
	(b) Describe management's role in assessing and managing climate-related risks and opportunities	Board oversight and management's role under governance	6(b)	Pages 13 and 14	
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning, where such information is material	(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Risk management integration Risks and opportunities	9(a), 10(a), 10(b), 10(c), 10(d), 13(b)	Pages 31 and 33	
	(b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	Risk management integration The impact of risks and opportunities on business and financial planning	9(b), 9(c), 9(d), 13(a), 15(a), 15(b), 16(a), 16(d), 22(b)	Pages 41 to 43	
	(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower	Scenario analysis and resilience	9(e), 22(a)	Pages 31 and 32	
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks	(a) Describe the organisation's process for identifying and assessing climate-related risks	Scenario analysis and resilience Risk management integration	25(a)	Pages 31 and 32	
	(b) Describe the organisation's processes for managing climate-related risks	Risk management integration	25(a) 25(b) and 25(c)	Pages 31 to 35	
	(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Risk management integration	25(b), 25(c)	Pages 32 and 33	
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material	(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Metrics, performance, targets	29(b), 29(d), 29(f)	Pages 47 to 53	
	(b) Disclose scope 1, scope 2 and, if appropriate, scope 3 GHG emissions and the related risks	Metrics, performance, targets	29(a), 29(g)	Pages 47, 48 and 50	
	(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Metrics, performance, targets	14(c), 28(c), 33, 34, 35	Pages 55 to 58	

Acronyms

ARM	African Rainbow Minerals
BEV	Battery-electric vehicle
CBAM	Carbon border adjustment mechanism
CEO	Chief executive officer
CMA	Catchment management agency
ERM	Enterprise risk management
ESG	Environmental, social and governance
EV	Electric vehicle
F2025	Financial year 2025
GHG	Greenhouse gas
GISTM	Global Industry Standard on Tailings Management
GRI	Global Reporting Initiative
ICMM	International Council on Mining and Metals
IFRS	International Financial Reporting Standards
IPP	Independent power producer
IRR	Internal rate of return
JSE	JSE Limited, Johannesburg's stock exchange
KPI	Key performance indicator

LTIP	Long-term incentive plan
ML	Megalitre
MW	Megawatt
PCD	Pollution control dam
PE	Performance expectation
PGM	Platinum group metal
RO	Reverse osmosis
SDG	Sustainable Development Goal
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
TSF	Tailings storage facility
WASH	Water, sanitation and hygiene
WUA	Water users' association
WUL	Water-use licence

Contact details

African Rainbow Minerals Limited

Registration number: 1933/004580/06
 Incorporated in the Republic of South Africa
 JSE share code: ARI
 A2X share code: ARI
 ISIN: ZAE000054045

Registered and corporate office

ARM House
 29 Impala Road
 Chislehurst
 Sandton 2196

PO Box 786136, Sandton 2146
 Telephone: +27 11 779 1300
 Email: ir.admin@arm.co.za
 Website: www.arm.co.za

Group company secretary and governance officer

Alyson D'Oyley
 Telephone: +27 11 779 1300
 Email: cosec@arm.co.za

Investor relations

Thabang Thlaku
 Executive: Investor relations and new business development
 Telephone: +27 11 779 1300
 Email: ir.admin@arm.co.za

Sustainable development

Tshegofatso Tyira
 Executive: sustainable development
 Telephone: +27 11 779 1300
 Email: tshegofatso.tyira@arm.co.za

Auditors

External auditor: KPMG Inc.
 Internal auditor: Deloitte & Touche

External assurance provider over ESG reporting

KPMG Inc.

Bankers

Absa Bank Limited
 FirstRand Bank Limited
 The Standard Bank of South Africa Limited
 Nedbank Limited

Sponsor

Investec Bank Limited

Transfer secretaries

Computershare Investor Services Proprietary Limited
 Rosebank Towers
 15 Biermann Avenue,
 Rosebank 2196

Private Bag X9000, Saxonwold 2132
 Telephone: +27 11 370 5000
 Email: web.queries@computershare.co.za
 Website: www.computershare.co.za

Directors

Executive directors

Dr PT Motsepe (executive chairman)
 VP Tobias (chief executive officer)
 TTA Mhlana (finance director)

Independent non-executive directors

F Abbott
 TA Boardman
 AD Botha
 JA Chissano (Mozambican)
 B Kennedy
 PJ Mnisi
 DC Noko
 B Nqwababa
 TG Ramuthaga
 Dr RV Simelane
 JC Steenkamp
 PW Steenkamp

We appreciate your feedback

In the interests of continuous improvement and fulfilling the information and engagement needs of our stakeholders, we welcome any feedback on the content and format of our reports. Please direct these to the investor relations department (contact details above).



www.arm.co.za



Find us on LinkedIn **African Rainbow Minerals Limited**