

Business model

Impacts of operating environment

- Macro-economic factors
- Regulatory environment
- Commodity pricing, supply and demand
- Environmental stewardship
- Technology and information
- Stakeholders

 See pages 12 to 15.

What differentiates ARM

Diversified portfolio of key commodities

Strategic pillars

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

 See page 32.

Inputs – our capitals

People (human)

- Experienced leadership
- Skilled workforce
- Training and development
- Employee relations
- Ethical, equitable practices and fair pay

Financial

- Operating cash flow
- Debt funding
- Equity funding

Manufactured

- Mining rights and exploration
- Mineral Reserves
- Plant, property and equipment
- Utilities

Social and relationship

- Social licence to operate
- Human rights and ethics
- Organised labour
- Community relations
- Regulatory relations

Natural

- Natural resources (energy, water, land and biodiversity)
- Mineral Resources and Mineral Reserves

Innovation (intellectual)

- Knowledge, experience and expertise
- IT systems
- Risk management processes
- Research and development

EXPLORE

EXTRACT

PROCESS

SELL

REHABILITATE

Operating environment

 See pages 12 to 15.

Risk

 See pages 34 to 37.

Outputs

Sales volumes

619 071 6E PGM ounces
16.4Mt iron ore
4.0Mt manganese ore
363 000t manganese alloys
17.4Mt thermal coal
359 243t chrome concentrate
8 016t nickel
4 409t copper
500t cobalt

Environmental outputs

5 227t waste recycled
995 901t CO₂ scope 1 and scope 2 emissions
20.0 million m³ water withdrawn

Safety outcomes

LTIFR down **9%** to **0.41**
 Two fatalities at Modikwa Mine
Safety turnaround plan implemented

Outcomes – stakeholder value

People (human)

- R3.9 billion in salaries and wages
- R240 million on skills development training
- Safety turnaround plan completed
- 20 928 people employed
- Stable and constructive relationship with employees and representative unions

Financial

- Segmental EBITDA of R24.3 billion
- Dividends of R6 733 billion declared
- Return on capital employed 42%

Manufactured

- Segmental capital expenditure of R4 105 million

Social and relationship

- R170 million in CSI and LED spend
- R8.9 billion taxes and royalties paid
- Good partnerships with host communities

Natural

- 1.83% decrease in scope 1 and 2 emissions relative to F2018 from emission-reduction initiatives
- Water withdrawn down 1% to 20.0 million m³
- Water reuse efficiency improved to 78%

Innovation (intellectual)

- Progress on research into developing energy-efficient smelting technology

Trade offs

Financial capital is prudently allocated to maintain the appropriate balance between sustainability and stakeholder benefit. Prudent capital allocation ensures our continued growth and supports our ability to add value to all our other capitals.

Health, safety and skills development underpin productivity, so while our key priority is to keep our people safe, healthy and reaching their full potential, ARM benefits from higher productivity.

Our **communities** grant our social licence to operate. We invest significantly to address community needs and contribute to improving the lives of those living in the communities neighbouring our operations.

Innovation and efficiency underpin the profitability/financial viability of modern mining operations and attract investment that, in turn, ensures sustainability.

Financial capital is invested in natural capital which is essential to the sustainability of our business and protection of resources for future generations.

Strategy and
resource allocation

 See page 32.

Commitment to
good governance

 See pages 16 to 21.