

# HOW WE CREATE VALUE (BUSINESS MODEL)

## INPUTS >>>

### FINANCIAL CAPITAL

Financial capital refers to our assets (including cash balances), cash flow from operations and funding from shareholders and other providers of capital.

**IAR** **SR** Refer to the Financial review on pages 16 to 36 of this report for further information on financial capital.

### PEOPLE

Our people are crucial to achieving our strategic objectives and creating value for all stakeholders. We aim to maintain a safe, healthy and non-discriminatory work environment for all our employees and ensure that our operations are adequately resourced with skilled, engaged and motivated employees. The Board provides strategic direction and leadership, monitors the implementation of business and strategic plans and approves the capital funding for these plans to support a sustainable business.

**IAR** **SR** See the section on Ensuring a safe, healthy and appropriately skilled workforce in the Operational reviews and 2018 Sustainability Report for further information.

### RELATIONSHIPS

Relationships with all our stakeholders are key to the sustainability of our business. In particular, the relationships we have with our employees, host communities, regional and national governments, and regulators allow us our social licence to operate. We continue to engage and partner with these and other stakeholders consistent with our strategy.

**IAR** **SR** Refer to the section on Maintaining our social licence to operate in the Operational reviews and 2018 Sustainability Report for further information.

### NATURAL CAPITAL

The mineral resources and reserves in our portfolio represent the largest part of our natural capital. Other natural resources we use to extract and process the minerals that we mine include energy, water and land.

**IAR** **SR** Refer to the section on Ensuring responsible stewardship of natural resources in the Operational reviews and 2018 Sustainability Report for further information.

### INNOVATION

Access to and investment in innovation and technology allows ARM to continuously improve production processes. Mining is a technology intensive industry. The knowledge, experience and expertise that we have among our subject matter experts is key in differentiating ARM. Our innovation also includes information technology systems, risk management processes, research and development and our brand and reputation.

### MANUFACTURED ASSETS

Our operations rely on above and below ground infrastructure and specialised equipment to extract and process the minerals that we mine. Efficient use of this infrastructure and equipment is crucial to cost-effective extraction and processing of our minerals.



## BUSINESS PROCESS



