

# OUR KEY STAKEHOLDERS

Stakeholder engagement is a critical input into how we conduct our business. Stakeholders' legitimate concerns and expectations not only provide a broader context but also serve to refine our strategy and shape the long-term direction of the Group.

We define stakeholders as any individual or group that has a material interest in or is affected by ARM.

Engagements with stakeholders occur through both formal and informal interactions, and at corporate, divisional or operational level as appropriate to the stakeholder. Key stakeholder concerns are identified and appropriately addressed, with clear communication of our response and progress.

This section lists ARM's key stakeholders, their main concerns, how we address these and the channels through which we engage with particular stakeholder groups.

## SHAREHOLDERS, POTENTIAL SHAREHOLDERS, ANALYSTS AND OTHER INVESTORS

**Issues raised:** Growth, unit cost reductions, resource nationalism, labour relations, skills attraction, retention and development, transformation, dividends, share price performance, Mineral Rights conversions and mining licences, Loss making operations, Strategy

- > ARM communicates with its stakeholders in a transparent, comprehensive and objective manner.
- > ARM's Investor Relations Department communicates with institutional investors, analysts, the investment community and the media.
- > ARM holds discussions with JV partners and management to raise awareness of the concerns and expectations of analysts and fund managers.
- > Regular meetings, promoting open communication and transparency.
- > Summaries of the decisions taken at shareholders' meetings are disclosed on the Company's website following the meetings.

### How we engage

- > Annual General Meeting.
- > A comprehensive investor relations programme to communicate with domestic and international shareholders, fund managers and investment analysts.
- > One-on-one meetings with institutional investors in South Africa and internationally.
- > Roadshows after interim and provisional results.
- > Conferences.
- > ARM's website provides updates on the Company's operations, financial performance and other information.

## BANKERS, INSURERS AND FUNDERS

**Issues raised:** Liquidity, solvency, funding and insurance management

- > ARM manages its financial position responsibly to ensure that it continues to meet its financial needs.
- > A comprehensive insurance programme is in place.

### How we engage

- > Ongoing maintenance of relationships through meetings and general discussions with bankers and insurance managers.

## JOINT VENTURE PARTNERS

**Issues raised:** Sustainable development, financial performance, equitable treatment

- > ARM's strategy is to position itself as a partner of choice. ARM holds itself to the highest ethical and governance standards in dealings with all stakeholders, including joint venture partners.

### How we engage

- > Ongoing management interaction during the ordinary course of business.
- > Monthly executive management meetings.

## EMPLOYEES AND ORGANISED LABOUR

**Issues raised:** Remuneration, training, health and safety, transformation

- > ARM's Human Resources strategies aim to make ARM an employer of choice, including maintaining good relationships with unions.
- > ARM is committed to fair treatment and remuneration of its employees.
- > Skills development is a key focus area. Career-planning programmes assist employees to develop to their full potential.
- > ARM concludes recognition agreements with one or more unions where the required representation levels are reached.

### How we engage

- > Annual performance reviews.
- > Annual internal results presentation.
- > Regular internal roadshows.
- > Annual employee surveys.
- > Company intranet and website.
- > Monthly shop steward meetings.
- > Other meetings with unions as required.

COMMUNITIES, CIVIL SOCIETY AND NON-GOVERNMENTAL ORGANISATIONS

Issues raised: Community needs, including socio-economic development, infrastructure development and employment, status of social projects, operational changes and expansions, environmental issues affecting communities

- > ARM engages with communities at specialised discussions/meetings to understand their specific concerns.
> Attendance registers and minutes of these meetings are kept.
> Community open days support information sharing and relationship building.
> ARM's BBEE Trust invests in the upliftment of rural communities throughout South Africa by partnering with traditional and other community leaders.
> Changes or expansions to our current operations require engagement with interested and affected parties through stakeholder consultation processes as prescribed by the Regulations of the National Environmental Management Act (NEMA) and other relevant legislation.

How we engage

- > Social investment forums discuss investment in communities surrounding the operations.
> Monthly/quarterly meetings are held to discuss Local Economic Development (LED) and Corporate Social Investment (CSI) projects.
> Future forums.
> Specialised discussions/meetings.
> The ARM BBEE Trust.

GOVERNMENT

Issues raised: Social investment, health and safety, environmental management, transformation, compliance with the dti CoGP and Mining Charter, regular progress reports and updates

- > ARM engages local and provincial government with respect to LED projects, licences and compliance with the relevant safety and environmental legislation. ARM also engages with national government on matters of policy-making as required.
> Regular reports are submitted by the operations on socio-economic development (SED) projects.
> Annual Mining Charter Scorecard reports are submitted to the Department of Mineral Resources (DMR) by each mine.

How we engage

- > Engagements at the appropriate level as required.
> Representation on various industry bodies which engage with government.
> Continuous liaison, depending on the purpose of the engagement.

INDUSTRY ASSOCIATIONS

These include the Chamber of Mines, the International Council on Mining and Metals, Ferro-Alloy Producers' Association, Association of Mine Managers of South Africa, Association of Resident Engineers, Business Unity of South Africa, Water User Associations and the Energy Intensive Users Group.

Issues raised: Sustainable development, labour issues, financial sustainability, implementation of best practice, industry-specific issues

- > ARM is represented in various executive and other roles within industry associations to engage and give input on various industry issues and communicate with industry and government stakeholders.

How we engage

- > Regular scheduled association meetings.

CUSTOMERS

Issues raised: Product quality, timing of product delivery

- > Processes are in place to ensure consistency of product quality.
> ARM contracts with logistics and freight service providers including Transnet.

How we engage

- > Continual interactions in the ordinary course of business.
> Annual contractual negotiations.
> Regular service level agreement renewals.

SUPPLIERS AND LOCAL BUSINESS

Issues raised: Local economic development, industry issues, fair payment terms, fair treatment, valid BEE certification, ethics, sustainability issues

- > ARM supports local enterprise development through its CSR initiatives.
> ARM's payment terms are in line with industry standards.
> ARM operates on an ethical basis and does not tolerate unfair discrimination.
> ARM requires valid BEE certificates to support transformation in its supply chain.

How we engage

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

MEDIA

Issues raised: Topical issues as they arise

- > The Investor Relations Department communicates with the investment community and the media, and facilitates access to information and management where possible.

How we engage

- > One-on-one interviews.
> Press releases.
> SENS announcements.
> Media contact function on the Company website.
> Publications on the ARM website.