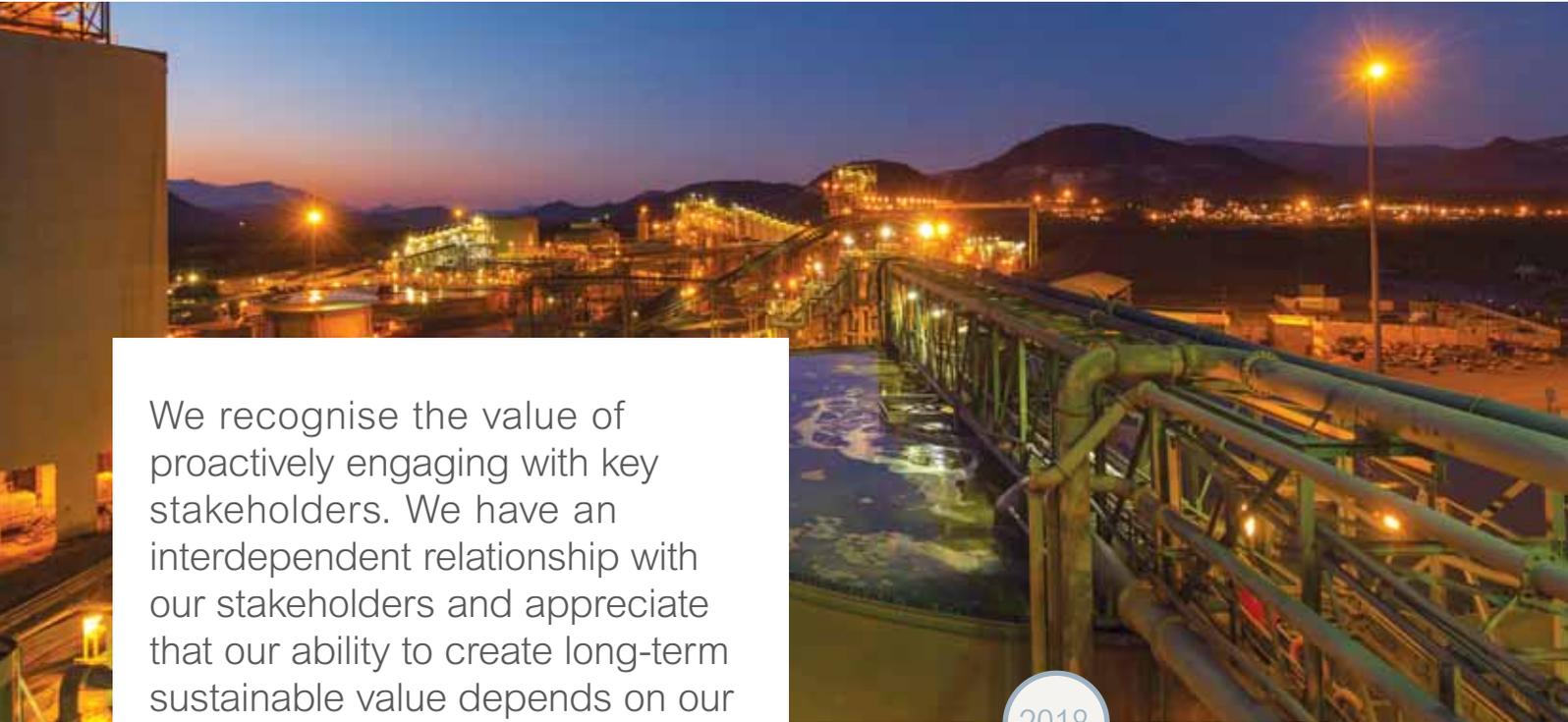


# KEY STAKEHOLDERS



We recognise the value of proactively engaging with key stakeholders. We have an interdependent relationship with our stakeholders and appreciate that our ability to create long-term sustainable value depends on our ability to create value for others.

ARM's success and the sustainability of its operations rely on balancing the needs, interests and expectations of its stakeholders with those of the group in a dynamic and ongoing process. Interactions with our stakeholders provide a broader context, inform our most material matters, risks and opportunities and provide input into the strategy and long-term direction of ARM.

We define stakeholders as those individuals or groups that have a material interest in, or are affected by our operations. The Board is responsible for identifying stakeholders and developing appropriate strategies. The Social and Ethics Committee has the responsibility for monitoring stakeholder relationships.

We engage with stakeholders through both formal and informal interactions, at the corporate, divisional and operational level as appropriate to the stakeholder. The Stakeholder Communication Policy, contained in the Code of Conduct, includes measurable outcomes for all engagements. The content of engagements is recorded in operational engagement reports to ensure that learnings are documented and shared effectively. Stakeholder and community engagement are agenda items at operational, divisional and Board meetings.

Senior executives responsible for stakeholder engagement include the CEO, Executive: Business Development, Executive: Corporate Affairs, Head of Investor Relations, Executive: Compliance and Stakeholder Relations and divisional senior management.

2018

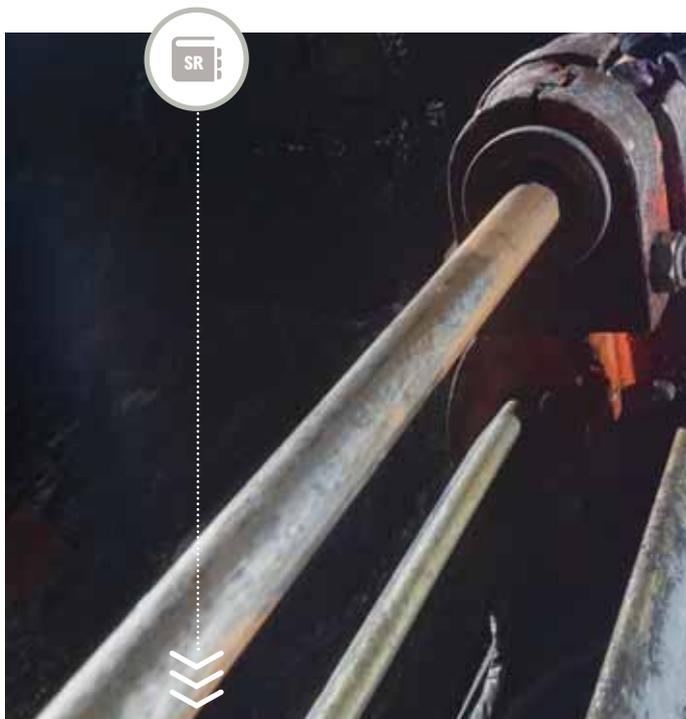
**During F2018, significant engagements with stakeholders included those with:**

- Regulators regarding health, safety, environmental compliance and socio-economic development.
- Employee representatives and labour unions across all operations.
- Communities to understand their needs and concerns so as to assess to what degree we can meet their needs. Regular meetings are held with community representatives regarding infrastructure and socio-economic development through our Local Economic Development (LED) commitments in terms of the Social and Labour Plans (SLPs).
- Non-governmental organisations, primarily around environmental matters.
- Joint venture partners and providers of capital.
- Shareholders and investors at the 84th Annual General Meeting, roadshows and *ad hoc* investor meetings.
- Employees and contractors through Safety and Health/Wellness Committees.

## KEY STAKEHOLDERS AND THEIR MATERIAL CONCERNS

The table below summarises our key stakeholders and how we engage with them.

STAKEHOLDER	PRIMARY ENGAGEMENT CHANNELS
COMMUNITIES AND NGOs	<ul style="list-style-type: none"> <li>Regular community meetings and forums; and</li> <li>Annual General Meeting.</li> </ul>
CUSTOMERS	<ul style="list-style-type: none"> <li>Interactions in the ordinary course of business.</li> </ul>
GOVERNMENT	<ul style="list-style-type: none"> <li>Regulatory submissions and inspections.</li> </ul>
INDUSTRY ASSOCIATIONS	<ul style="list-style-type: none"> <li>Regular scheduled meetings.</li> </ul>
JOINT VENTURE PARTNERS	<ul style="list-style-type: none"> <li>Ongoing interactions and monthly management meetings.</li> </ul>
LABOUR AND UNIONS	<ul style="list-style-type: none"> <li>Performance reviews, presentations and roadshows; and</li> <li>Monthly shop steward meetings.</li> </ul>
PROVIDERS OF CAPITAL	<ul style="list-style-type: none"> <li>Investor relations meetings;</li> <li>Roadshow meetings;</li> <li>Provisional results presentation;</li> <li>Integrated Annual Report and accompanying suite of reports; and</li> <li>Annual General Meeting.</li> </ul>
SUPPLIERS	<ul style="list-style-type: none"> <li>Interactions in the ordinary course of business.</li> </ul>



A full table detailing our stakeholders, how we engage with them and their primary concerns is available in the 2018 Sustainability Report.

**KEY STAKEHOLDERS** continued

The table below summarises the most material concerns of key stakeholders into three thematic areas which are linked to our most material matters and the initiatives we have in place to address these concerns.

STAKEHOLDER GROUPS	AREAS OF INTEREST	MATERIAL MATTERS	INITIATIVES IN RESPONSE
<b>Being a responsible employer</b>			
GOVERNMENT CUSTOMERS LABOUR AND UNIONS	Health and safety in the workforce		<ul style="list-style-type: none"> <li>Comprehensive wellness programme;</li> <li>Policies and management systems align with OHSAS 18001 (safety and health) and SANS 16001 (wellness and disease management) systems; and</li> <li>Regular internal and external assurance.</li> </ul>
LABOUR AND UNIONS COMMUNITIES AND NGOS	Skills development		<ul style="list-style-type: none"> <li>ARM's Human Resources (HR) strategy prioritises capacity building;</li> <li>Investment in skills development; and</li> <li>Benchmarking against industry good practice.</li> </ul>
<b>Corporate citizenship</b>			
GOVERNMENT CUSTOMERS COMMUNITIES AND NGOS INDUSTRY ASSOCIATIONS	Environmental responsibility		<ul style="list-style-type: none"> <li>Alignment with the ICMM Sustainable Development Framework;</li> <li>ISO 14001-aligned operational environmental management systems; and</li> <li>Regular internal and external assurance.</li> </ul>
GOVERNMENT COMMUNITIES AND NGOS INDUSTRY ASSOCIATIONS	Social responsibility		<ul style="list-style-type: none"> <li>Significant investments in building capacity in local communities through Corporate Social Investment and Local Economic Development initiatives.</li> </ul>
GOVERNMENT SUPPLIERS LABOUR AND UNIONS	Transformation		<ul style="list-style-type: none"> <li>Transformation is embedded into all business processes and particularly HR, Procurement and Corporate Social Responsibility; and</li> <li>Performance is assessed against the Mining Charter and dti Codes.</li> </ul>
<b>Financial sustainability</b>			
JOINT VENTURE PARTNERS PROVIDERS OF CAPITAL INDUSTRY ASSOCIATIONS LABOUR AND UNIONS	Financial performance		<ul style="list-style-type: none"> <li>Enterprise Risk Management incorporating elements of the COSO Framework, ISO 31000 and King IV™;</li> <li>Strong internal controls, compliance, governance and combined assurance framework;</li> <li>Various interventions to improve operational efficiencies and contain unit cost increases; and</li> <li>Regular internal and external assurance.</li> </ul>
LABOUR AND UNIONS COMMUNITIES AND NGOS PROVIDERS OF CAPITAL SUPPLIERS	Fair exchange of value	 	<ul style="list-style-type: none"> <li>Equitable remuneration practices;</li> <li>Significant investment in communities;</li> <li>Returns for shareholders and consistent dividend payer; and</li> <li>Fair payment terms.</li> </ul>

