

Integrated report

# 2024



ArcelorMittal



## About this report

This integrated report seeks to explain concisely but meaningfully how, in 2024, our leadership formulated and executed strategy to create value across the capitals for various stakeholders. The report also sets out to discuss when and how we eroded value.

Much of this discussion is about how our strategy has evolved and how we anticipate it will continue to evolve. As such, significant parts of the report are forward looking; we advise readers not to act upon any forward looking statements.

This report covers matters that are adjudged material to informing stakeholders' evaluation of our performance on creating value in the 12 months reported, and our prospects for continuing to do so. How we determined which material matters to report on is discussed briefly on page 6.

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# About this report continued

## Report content and boundary

Our 2024 integrated report is concerned with ArcelorMittal South Africa, which is listed on the Johannesburg Stock Exchange Limited (JSE), as well as its subsidiaries and their operations.

The international ArcelorMittal group is referenced insofar as its activities and interactions impact our company's policies, strategy, performance and its ability and prospects to create value.

This report primarily focuses on the period from 1 January to 31 December 2024, our financial year. Unless otherwise stated in this report, we consider "short term" to be the period to end-2025, "medium term" from 2026 to 2029 and "long term" beyond 2029.

ArcelorMittal South Africa is intricately integrated into the affairs and interests of its stakeholders. This report strives to give meaningful insight into how our activities, including ESG policies, actions and outcomes, affected these parties, and how their actions and interests affected, and will affect, our strategy.

## Board responsibility for this report

The board delegated responsibility to the chief executive officer (CEO) for briefing the reporting team on material matters and the report structure. All directors were given at least two opportunities to give input into the report.


The board acknowledges its responsibility for ensuring the report's integrity and is satisfied that it addresses the most material issues as conveyed on its behalf to the reporting team by the CEO; accurately presents the integrated performance of the company; and that it has been compiled in accordance with the International Integrated Reporting Framework.

The board applied its collective mind to the report and authorised it for release on 16 April 2025.

<b>Bonang Mohale</b> Chairman	<b>Kobus Verster</b> Chief executive officer	<b>Gavin Griffiths</b> Chief financial officer	<b>Zee Cele</b>	<b>Bradley Davey</b>
<b>Dawn Earp</b>	<b>Gert Gouws</b>	<b>Raman Karol</b>	<b>Neville Nicolau</b>	

## Assurance

We apply a combined assurance model to assess and assure our most important annual external reporting, including this integrated report. This assurance is provided by management, the board and Ernst and Young. A limited assurance report by Ernst and Young on key selected performance indicators is on page 80 of this report.



**Our reporting suite**

**The full 2024 financial statements provide comprehensive insight into the financial position and performance of the company for the year.**

These are available at <https://www.arcelormittalsa.com/InvestorRelations/AnnualFinancialStatements.aspx>

Our Decarbonisation Roadmap, published in January 2023, can be found online at <https://arcelormittalsa.com/Decarbonisation.aspx>

Our King IV statement can be found online at <https://www.arcelormittalsa.com/InvestorRelations/KingIVReport.aspx>

This year we have not produced a separate ESG Report, a reflection of the advances our leadership has made in terms of integrated thinking and decision-making.

# Navigating our report



## Strategic focus

Underpinning everything in this report – and every strategic decision taken by our leadership – **are our 3 Rs**. These three key considerations are essential to our ability to survive. They are:



### Restructure

Restructure to ensure international cost competitiveness.



### Reposition

Reposition as the champion of South Africa's manufacturing backbone.



### Revitalise

Revitalise the balance sheet to improve sustainability, enhance flexibility and agility.



## Strategic objectives

This report goes into detail about our three key strategic objectives:



### Zero harm

Workplace health and safety and our environmental impacts (page 42)



### Long-term sustainability

Transforming our business to create sustainable value (page 48)



### People first

Our impacts on the human and social and relationship capitals (page 52)

Delivering on our strategic objectives is measured against our 14 KPIs.

## Our capitals



Natural



Human



Intellectual



Social



Financial



Manufactured

## Our key stakeholders



Shareholders



Customers



Employees and trade unions



Lenders



Communities



Government



State-owned enterprises



Media



Suppliers

## Key performance indicators (KPIs)



Employee and contractor fatalities



Lost-time injury frequency rate (LTIFR)



Total injury frequency rate (TIFR)



EBITDA per tonne sold



Return on capital employed



Steel market share



Crude steel production



Cash generated from operations before working capital



Net cash/debt position



Preferential procurement spend



B-BBEE compliance score



Environmental spend



CO<sub>2</sub> emissions



Total cost of employment (TCOE)

We identified the following UN Sustainable Development Goals (SDGs) that are most relevant to our operations and our ambition to create value for our stakeholders



# About us

## Our vision

To add value to all stakeholders through our market leadership position by producing quality steel products safely while being an employer and supplier of choice and striving to be among the lowest-cost producers in the world.

## Our mission

We aim to achieve our vision by:

- Protecting the health and safety of our employees
- Pursuing operational excellence in all business processes
- Producing innovative high-quality steel solutions for our customers on time
- Protecting our environment and caring for the communities in which we operate
- Being a fair employer as well as a career and skills developer
- Being a responsible corporate citizen.

## Our purpose

Championing Africa's industrial ambitions through sustainable steel.

## Our values

- Safety
- Leadership
- Sustainability
- Quality
- Smarter steels for people and planet

ArcelorMittal South Africa is the largest steel producer in sub-Saharan Africa. In 2024, we made 2.589 million tonnes of crude steel. This was 7% lower than the amount we produced in 2023 and 7% higher than our output of 2.408 million tonnes in 2022.

Our 8 816 employees and contractors (2023: 9 259) produced both flat and long steel in hundreds of grades and specifications for further value add by our customers – downstream manufacturers in southern, West and East Africa (and other markets).

We are part of the worldwide ArcelorMittal group, which employs approximately 127 000 people and produces 58 million tonnes of crude steel per year.

Our steel is manufactured primarily at large, capital-intensive facilities. These are in Vanderbijlpark (flat), in eMalahleni, Mpumalanga (structural), in Vereeniging (long) and in Newcastle (long) in northern KwaZulu-Natal. Our second integrated flat steel plant, Saldanha in the Western Cape, and our electric arc furnace in Vereeniging are under care

and maintenance. In January 2025, we announced the winding down of our Longs business, including operations in Newcastle, eMalahleni and Vereeniging. This decision was confirmed on 28 February but on 31 March we announced that Longs business would continue to operate to, at least, 31 August 2025. This was enabled by funding support of R1 683 million from the Industrial Development Corporation, in the form of a facility, which, among other things, requires the parties to agree to its repayment.

The IDC facility is part of a comprehensive package of intended initiatives aimed at positioning the Longs business for future sustainability and profitability. The company will continue to consider various strategic alternatives, and includes the IDC being able to conduct a due diligence exercise on the company during the deferral period.

We employ traditional ironmaking and primary steelmaking methodologies but, from 2022, have begun actively pursuing new low-carbon practices and technologies.

Our coke batteries in Vanderbijlpark and Newcastle produced 964 000 tonnes of coke in 2024. Coke production in Newcastle will continue despite the Longs wind down.

By-products resulting from our ironmaking and steelmaking processes – primarily slag and tar – are important sources of revenue.

We strive to ensure that we remain the champion of innovative, export-driven steel-based industrialisation in South Africa, sub-Saharan Africa and other key geographies.

# What we do

## Ironmaking



Our company has blast furnaces in Vanderbijlpark (two) and Newcastle (one). These furnaces, which turn iron ore into liquid iron, have annual iron-making capacities as follows:

**Vanderbijlpark**  
 Blast Furnace C **1.3 million tonnes**  
 Blast Furnace D **1.9 million tonnes**

**Newcastle**  
 Blast Furnace N5 **1.8 million tonnes**

Both Vanderbijlpark and Newcastle have sinter plants. These plants agglomerate iron ore fines (dust) with other fine materials at high temperatures to create sinter that can be used in a blast furnace. These sinter plants have capacities of, respectively, 3.1 million and 2.2 million tonnes per annum.

Production KPIs

<p><b>Liquid iron production</b>  <b>2 706</b>                  (2023: 2 947; 2022: 2 406)                  ('000 tonnes per year)                  The amount of iron we make available for our own production of steel</p>	<p><b>Pulverised coal injection (PCI) rate</b>  <b>122</b>                  (2023: 136; 2022: 136)                  (kg/tonne)                  PCI is a very cost-effective blast furnace energy source</p>	<p><b>BF fuel rate</b>  <b>529</b>                  (2023: 541; 2022: 532)                  (kg/tonne)                  The amount of coke and coal used to produce a tonne of liquid iron is a key measure of productivity</p>
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## Steelmaking and rolling



At Vanderbijlpark and Newcastle, liquid iron is transformed into steel at basic oxygen furnaces (BOFs). It is then cast into slabs (at Vanderbijlpark) for flat rolling and, until the winding down of operations there, into blooms for long rolling (at Newcastle).

The Vaal Melt Shop in Vereeniging, with an annual capacity of 400 000 tonnes, is an electric arc furnace (EAF), which has been under care and maintenance since 2023. Our second integrated flat steel plant, Saldanha in the Western Cape, with an annual capacity of 1.3 million tonnes, has been under care and maintenance since 2020.

From the caster, steel slabs are cut into semi-finished products: blooms, slabs and billets. These are either reheated (hot rolling) or cold rolled, for very precise applications. Before we ship products to customers, we treat what will become our final products in many ways; these treatments include painting, annealing, galvanising and cutting and batching to specification.

Tubular Products is the sole producer of hot rolled and cold drawn seamless tube products in South Africa. Of 34 704 tonnes produced in 2024, 70% was exported.

Production KPIs

<p><b>Crude steel production</b>  <b>2 589</b>                  (2023: 2 767; 2022: 2 408)                  ('000 tonnes per year)                  The amount of crude steel we make available for our rolling operations</p>	<p><b>BOF mechanical yield</b>  <b>88.6</b>                  (2023: 88.8; 2022: 88.0)                  (%)                  How much iron is fed into our basic oxygen furnace relative to steel produced is an important indicator of BOF efficiency</p>	<p><b>Electricity</b>  <b>604</b>                  (2023: 566; 2022: 629)                  (MWh per tonne)                  Our production processes are electricity intensive</p>
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# What we do continued

## Metallurgical coke making

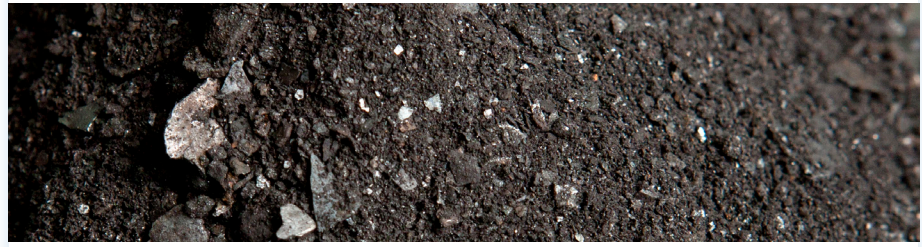


Metallurgical coke has been produced by five batteries at Vanderbijlpark and three in Newcastle for our own operations. Two batteries in Vanderbijlpark as well as one in Newcastle were shut down in H2 2024.

Production KPIs

<p><b>Metallurgical coke production</b> <b>832</b> (2023: 1 124; 2022: 844) <b>('000 tonnes)</b> How much coke we make for our own production of iron and steel</p>	<p><b>Coking time</b> <b>23.7</b> (2023: 25.3; 2022: 24.2) <b>(hours)</b> The average time one oven takes to produce one load of coke</p>	<p><b>Ovens out of operation</b> <b>146</b> (2023: 160; 2022: 124) <b>(average per month)</b> The number of times per year ovens are idled by unplanned events</p>
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## Coke and by-products



This operation produces, distributes and markets commercial (or market) coke for sale to customers, primarily in the ferro-alloys sector. It also markets by-products, including tar and BOF and blast furnace slag.

Production KPIs

<p><b>Commercial coke production</b> <b>132</b> (2023: 21; 2022: 78) <b>('000 tonnes)</b> How many tonnes of coke we make for external sale</p>
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# Materiality and our approach to reporting

We report our risks and opportunities, performance and prospects against three key strategic objectives, namely zero harm, long-term sustainability and people first.

We follow a "double materiality" approach, adopting inside-out and outside-in views. Our financial and non-financial impacts and interactions are closely integrated and determine how we create and erode value in terms of the six capitals as defined by the Integrated Reporting Framework.

Duly authorised by the board, the CEO instructs the integrated reporting team on material matters to be reported on – and their relative weighting. (In the year, there were no changes to our materiality determination process.)

## How we determine materiality

### 1. Intelligence gathering and observation

Information on external trends, including emerging issues, is gathered by the strategy team, which is assisted by various internal resources, including the ArcelorMittal group and our own (customer-facing) commercial department. Material information is also acquired through subscriptions to sectoral and economic information and intelligence portals, aggregators and media monitoring services as well as through affiliation to, and participation in, industry and cross-sector organisations. We continuously monitor and report internally on issues affecting, and of interest to, our stakeholders.

### 2. Stakeholder interests and concerns

We interact with our stakeholders through a variety of channels. Employees are regularly consulted through formal interpersonal structures and, increasingly, online surveys and feedback mechanisms. Customer feedback is constantly sought by our customer-facing representatives and the procurement function is in regular contact with suppliers. We gather the views of government, community leaders, regulators, trade unions, non-governmental organisations and funders through structured channels administered by our corporate affairs office. Shareholders and analysts are consulted regularly, including through results presentations and our annual general meeting (AGM). Shareholder interests are curated by our strategy function.

In line with the ArcelorMittal group's stakeholder engagement plan, we agree, internally, "ownership" of identified stakeholders and execute against documented annual engagement plans. The board is informed of stakeholder engagements and the quality of relationships through regular reports to the social and ethics committee.

Stakeholder concerns and views, and external information, are assessed internally.

### 3. Determination of priority material matters

Guided by directives from the board, the executive committee (Exco) reviews and prioritises issues facing our business. It then determines and delegates required actions.

### 4. Risk and opportunity management

External information is assessed and weighted by our risk and insurance function. Risks are mitigated and their materiality is disseminated throughout the company, including their incorporation into strategic decision-making.

After we have assessed, weighted, and acted on the information that we consider material, we explain our actions and the outcomes resulting from those actions.

# 2024 key performance indicators

Here we list our top KPIs over the past five years, including the change over the past year.

KPI number	KPI	Unit	Year-on-year change	2024	2023	2022	2021	2020
1	Employee and contractor fatalities	Number	🔻	1	1	2	6	1
2	Lost-time injury frequency rate (LTIFR)	Rate	🔺	1.13	0.77	0.87	0.98	0.58
3	Total injury frequency rate (TIFR)	Rate	🔻	7.16	7.69	5.69	7.80	7.21
4	EBITDA per tonne sold	R/t	🔻	(798)	23	1 977	3 465	17
5	Return on capital employed	%	🔻	(22.65)	(2.16)	20.32	53.9	(10.7)
6	Steel market share	%	🔻	46	46	46	47	52
7	Crude steel production	t/y '000	🔻	2 589	2 767	2 408	3 026	2 257
8	Cash (utilised in)/generated from operations before working capital	Rm	🔻	(1 973)	246	4 260	9 144	(1 029)
9	Net debt position	Rm	🔺	5 111	3 215	2 808	1 258	3 624
10	Preferential procurement spend	Rbn	🔺	20.0	19.7	16.8	15.4	10.5
11	B-BBEE compliance score	Rating	🔻	8	6	5	8	6
12	Environmental spend	Rm	🔻	237	269	301	64	44
13	CO <sub>2</sub> emissions	CO <sub>2</sub> eq/t liquid steel	🔻	3.35	3.38	3.39	2.72	2.91
14	Total cost of employment (TCOE)	Rm	🔻	4 961	5 053	4 959	4 875	3 970

## Key:

🔻 Decreased    🔺 Increased    🔻 Unchanged



# Material issues in our operating context

The following were the most material issues arising from our operating environment in 2024. Here we briefly explain how these issues impacted us, and how we are responding.

## Material issue

### Workplace safety

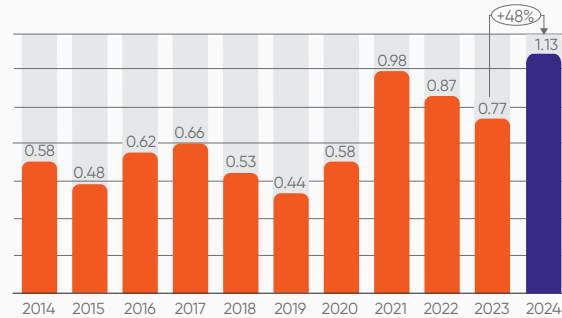


### How we responded

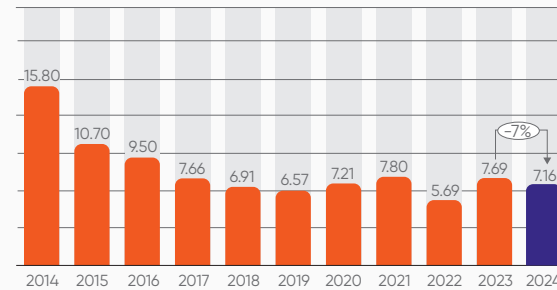
Our values commit us to do everything possible to eradicate workplace harm – safety takes precedence over every other consideration. In 2024, our safety performance worsened year on year; we suffered one fatality in the 12 months to December 2024.

From page 42, we explain how we implemented our 2024 safety roadmap, including laying the groundwork for a reinvigorated ArcelorMittal group strategic safety improvement initiative.

Lost-time injury frequency rate



Total injury frequency rate



# Material issues in our operating context continued

## Material issue

### Steel supply and pricing



### How we responded

World steel production dropped slightly in the year – by 0.9% after declining 1.7% in 2023 and contracting by almost 4% in 2022.

South African apparent steel consumption fell by 0.6% year on year. (Since 2018 demand has contracted by 16%.) This reflected the crisis facing the broader steel sector which, in 2024, faced its greatest set of challenges since the financial crisis of 2008/2009.

At 1.36 million tonnes, imports represented 33.6% of local consumption, up 3% on the levels witnessed in 2023. While flat steel imports increased by 1.5%, long imports rose by 108% to some 193 000 tonnes. Most imports are unfairly subsidised, a reality that has prompted a raft of meaningful trade remedies around the world.

With the surge in exports, particularly from China, our net realised prices fell to multi-year lows, last seen (apart from during the Covid-19 pandemic) in 2015/2016.

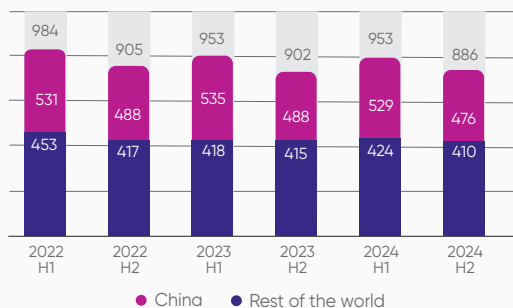
With the European Union, United Kingdom, United States, Japan and most other countries with primary steel industries expanding their tariff regimes, in 2024 the Southern African Customs Union was left very exposed to injury/dumping. We strove to raise government and market awareness of the damage posed by a surge in Chinese and other subsidised exports.

In response to our representations, a provisional safeguard on hot rolled products was introduced in July but lapsed in January 2025. The authorities also announced an anti-dumping duty on heavy sections.

We supported downstream industries in applying for tariff protection and intensified our cooperation with customers and industry bodies on combating tariff circumvention and illicit imports.

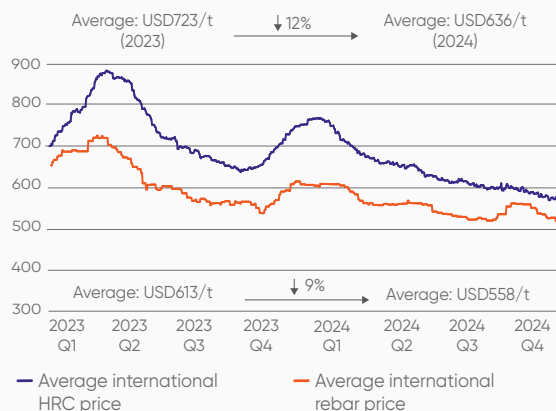
Using various platforms, including those focused on the automotive sector, we worked with stakeholders to advance steel localisation.

**Global crude steel production**  
(million tonnes)



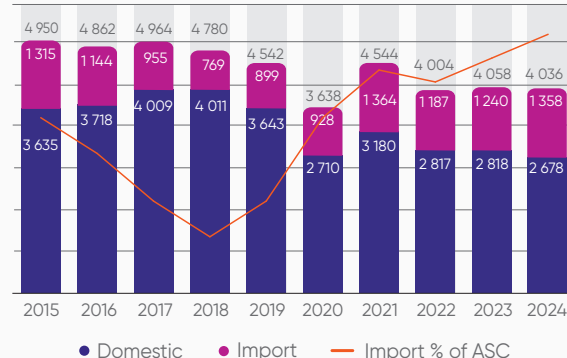
Source: World Steel Association

**International HRC<sup>1</sup> and rebar<sup>2</sup>**  
(USD/t)



<sup>1</sup> HRC: Hot rolled coil. Average domestic price between N. Europe, Japan, US, China, Turkey, India and Russia.  
<sup>2</sup> Rebar: Average price between China FOB and Turkey FOB.

**South African apparent steel consumption and imports**  
(‘000 tonnes)



# Material issues in our operating context continued

## Material issue

### Artificial support for scrap-based production



### How we responded

Duties on the export of scrap steel and a so-called pricing preference system (PPS) serve to keep scrap prices artificially low. These mechanisms favour electric arc furnace makers of, in particular, long steel, giving them an unfair advantage over integrated steelmakers such as ourselves. In 2024, we operated at a disadvantage relative to these producers (many of which are backed by public funding of some R8.5 billion per annum in subsidies). This reality was largely responsible for putting our Longs business at risk.

Throughout the year, leadership engaged with government and regulators, as well as with downstream stakeholders, on measures necessary to ensure a level playing field for long steel producers. In March 2025, we were able to announce that government had committed to expeditiously address structural problems including the PPS and scrap export taxes, as well as tariff measures including safeguards and others.

### Poor domestic economic growth



### How we responded

In contrast to most emerging markets where GDP growth has recently exceeded 3% annually, the South African economy grew by just 0.7% in 2024.

We maintained our focus on fostering various pockets of growth including import replacement and exports.

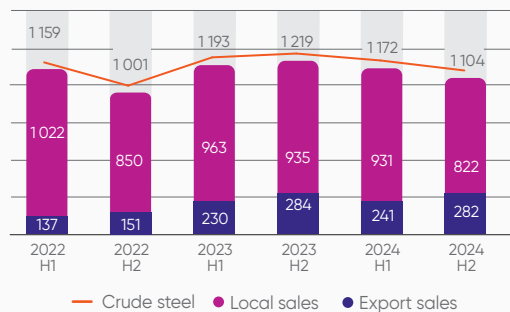
This year, apparent steel consumption (ASC) declined marginally to 4.036 million tonnes, reflecting poor manufacturing output and lacklustre investment in capital formation. (In the past seven years South African ASC has declined by 19%. In the second half of the year, ASC fell by 6%.) ASC has fallen by 33% or 2 million tonnes per annum since 2000.

The sales force was reorganised to better service the flat and long sectors while a turnaround strategy repositioned key staff to support important core market segments.

A number of products were developed and released to replace imported steels not previously available locally.

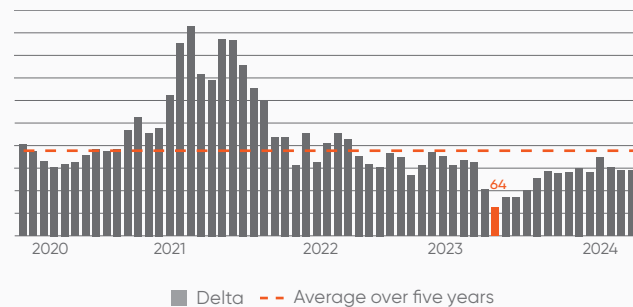
We grew our export focus, utilising the regimes introduced under the African Continental Free Trade Area, as a newly AfCFTA-certified exporter, to penetrate new markets in southern, East and West Africa.

**Our sales<sup>1</sup> and production volumes<sup>2</sup>**  
(<sup>1</sup>'000 tonnes)

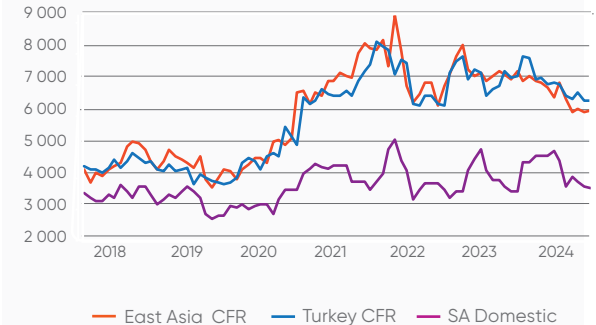


<sup>1</sup> Export sales volumes = Bluewater and Africa overland.  
<sup>2</sup> Based on crude steel production.

**International spread China HRC (FOB) vs International raw material basket (USD/t)**



**International scrap versus domestic (R/t)**



# Material issues in our operating context continued

## Material issue

### Raw material price competitiveness



### How we responded

Raw materials made up 46% of our cash costs in 2024. Given our high fixed cost base and strong competition from both domestic producers and imports, it is imperative that we buy raw materials at the most competitive prices possible.

On page 35, we explain how we achieved considerable success in containing and reducing variable costs.

Our locally sourced negotiated iron ore prices were 11% up relative to those of the previous year while international coal prices declined. International coal prices fell by 18.4% in 2024 compared to the previous year. International steel-to-raw material price spreads came under heightened pressure in 2024; this was also the case for us (see graph on page 10).

### Liquidity



### How we responded

In 2024, the performance of our Longs business translated into an operational EBITDA drain of R1 668 million (2023: R655 million loss).

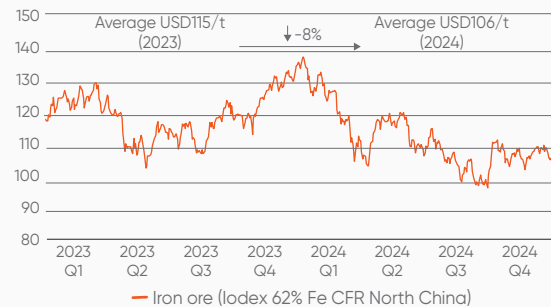
We implemented various assertive cash management actions (see page 49) as well as initiatives to rightsize our fixed costs (page 35). In 2025, we aim to remove USD100/t from the costs of our Flats business and reorganise our Corporate Service functions into a fit-for-purpose modern capability centre.

Process and raw material cost savings, together with stringent cash management and Value Plan savings, made it possible to maintain our net borrowing position at a level similar to that of the previous year. (Before the capitalisation of accrued interest and fees payable to the ArcelorMittal group.) Left unattended to, however, the issues that threatened the Longs business would have posed a serious threat to the viability of the company as a whole.

We also pursued several options to improve our balance-sheet resilience (page 37).

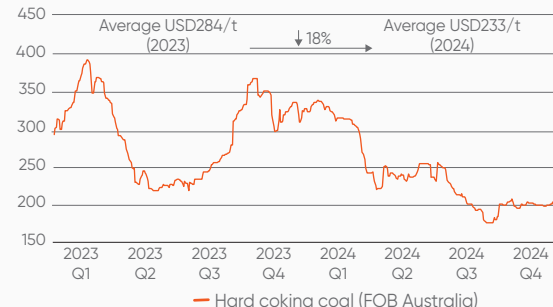
Poor operational reliability and variable output strain our liquidity, negatively impacting our performances on B-BBEE and carbon emissions while limiting our ability to spend on environmental controls.

**International iron ore (USD/t)**



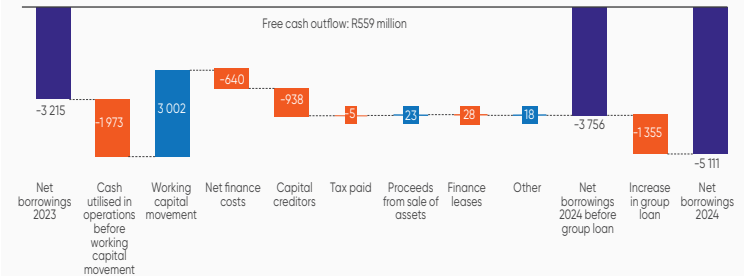
Source: S&P Platts

**International hard coking coal (USD/t)**



Source: S&P Platts

**Net borrowings bridge (Rm)**



Free cash outflow: R559 million



# Material issues in our operating context continued

## Material issue

### Parastatal performance and pricing



### How we responded

In 2024, poor performance by Transnet Freight Rail (TFR) resulted in considerable lost production and sales. Over the past three years, rail tariff increases outstripped inflation.

We discuss relationships with parastatals from page 17.

This year, we spent R3.2 billion on buying electricity from the state utility, Eskom, up 14% on 2023. Since 2007, electricity tariffs have increased by more than 800%.

### High employment costs

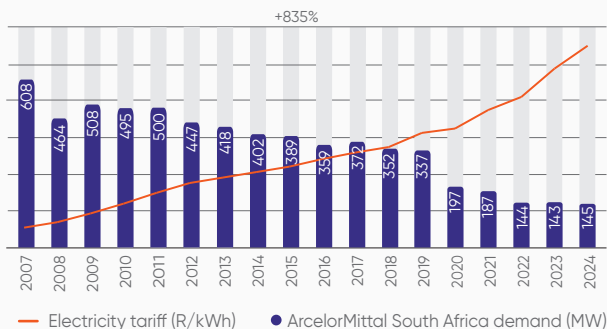


### How we responded

High employment costs undermine our competitiveness and sustainability. Our production and sales have traditionally been extremely variable, meaning that our total cost of employment per tonne of steel often has an excessive impact on gross margins.

On page 53, we explain our labour optimisation programme.

Electricity tariff increase (R/kWh)



# Our capitals and our most material trade-offs

In striving to ensure the sustainability of our business and in executing strategy, our leadership’s decision-making necessarily requires significant trade-offs between the capitals.

Here we list our most material trade-offs in 2024 and in 2025 (prior to publication of this report).

## MC Manufactured capital

	Positive impact	Negative impact
In January 2025, we announced that our Longs business would be wound down, to prevent ongoing, unsustainable, cash flow drains. We recognised impairments on the Longs business of R682 million (2023: R2 billion). (The winding-down decision was subsequently deferred.)	FC	HC SC IC MC
To preserve cash, we reduced total capital expenditure by almost a third, from R1.3 billion to R902 million. Expansionary capital expenditure declined, from R30 million to R11 million.	FC	MC

## FC Financial capital

	Positive impact	Negative impact
We incurred R1.5 billion of inventory disposal losses in support of improved liquidity. Working capital released rose to R3 billion (2023: R1.4 billion).	FC	
Net borrowings grew from R3.2 billion to R3.8 billion – and to R5.1 billion following an increase in the ArcelorMittal group loan.	SC	FC

## SC Social capital

	Positive impact	Negative impact
Despite our financial challenges, we maintained our socio-economic development expenditure at levels similar to those of the previous year (see page 54).	SC	FC
In support of our downstream customers, we increased the value of our export rebates from R144 million to R169 million.	SC	FC

## NC Natural capital

	Positive impact	Negative impact
At R237 million, our environmental capital expenditure was 12% down on that of 2023; this decline was less pronounced than the drop in our overall outlays on capital expenditure.	FC	NC
Expenditure on rehabilitating our Thabazimbi Iron Ore Mine rose year-on-year from R91 million to R115 million.	HC NC	FC



# Our capitals and our most material trade-offs continued

## HC Human capital

	Positive impact	Negative impact
As part of putting the Longs business into care and maintenance, we began a consultation process regarding the necessary large-scale retrenchment process. In March 2025, it became possible to suspend the consultation process.	FC	HC SC
Because of the challenges we face around recruiting and retaining skilled personnel (our #5 key strategic risk), this year we increased our skills development and training spend, from R84 million to R104 million.	HC IC	FC
At year end, we employed 8 816 people including contractor staff, 5% lower than the number employed 12 months earlier. This largely informed a small decrease in our total cost of employment and a muted (2%) rise in fixed costs.	FC	HC SC
At R30.8 million, we devoted 9% less to safety capital expenditure.	FC	HC
To enhance our competitiveness and improve security, we spent R268 million on automating and strengthening our IT systems (2023: R220 million).	HC IC MC	FC



# Our value creation model

## Inputs

FC Financial capital	2024	2023
Equity	<b>R1 963m</b>	R7 799m
Borrowings (subordinated)	<b>R5 055m</b>	R2 700m
Borrowings (total)	<b>R8 705m</b>	R6 700m

MC Manufactured capital	2024	2023
Non-current assets (PPE)	<b>R7 373m</b>	R7 974m
Current assets (inventories)	<b>R10 113m</b>	R12 441m

NC Natural capital	2023	2023
Iron ore consumed	<b>3 919 kt</b>	4 245 kt
Coal consumed	<b>1 782 kt</b>	2 562 kt
Electricity purchased	<b>1.79 TWh</b>	1.66 TWh

## Our working business model (see page 4 – What we do)

At large, capital-intensive plants, we transform iron ore and scrap into primary steel products for beneficiation by large and diverse domestic and export markets

As sub-Saharan Africa's only primary steel producer, our company is closely integrated into the economic and social fabric of South Africa while our products and our procurement of goods and services have far-reaching consequences. Our business model and our execution of strategy require us to demonstrate that we are creating meaningful value not only for investors but for multiple stakeholders.



We have four types of products: flat steel, long steel, coke and enriched products (by-products)



## Outputs

FC Financial capital	2024	2023
Revenue	<b>R38 596m</b>	R41 637m
EBITDA*	<b>(R1 816m)</b>	R56m
Loss from operations	<b>(R4 447m)</b>	(R2 937m)

MC Manufactured capital	2024	2023
Steel products sold	<b>2 276 kt</b>	2 412 kt
Domestic market	<b>1 753 kt</b>	1 898 kt
Export market	<b>523 kt</b>	514 kt

NC Natural capital	2024	2023
Total greenhouse gas (CO <sub>2</sub> equivalent scope 1 and scope 2)	<b>8.85 Mt</b>	9.52 Mt
Sulphur dioxides (SO <sub>2</sub> )	<b>8 898 t</b>	8 197 t
By-products generated	<b>1.80 Mt</b>	1.88 Mt

\* Before wind-down and severance package charges and impairments.

## Stakeholder outcomes

### Financial capital

Our losses widened in the year with our share price falling by some 15%. No dividends were paid. Shareholders (the ArcelorMittal group and the Industrial Development Corporation) increased their risk exposure by growing the quantum of their loans to our company. We paid lenders R720 million in interest.

# Our value creation model continued

## Inputs

HC Human capital	2024	2023
Employees*	6 108	6 449
Hired labour	456	361
Service contractors	2 252	2 449

\* Permanently employed (average) (including fixed-term contractors).

IC Intellectual capital*	2024	2023
Technical pipeline	907	600
Business pipeline	81	61

\* Number of learners.

## Our working business model

### Strategic objectives:



Zero harm



Long-term sustainability



People first



### Top risks:

- 1 Cash/liquidity
- 2 Asset reliability
- 3 Local demand
- 4 Cost competitiveness
- 5 Skills
- 6 Logistics and security of supply
- 7 Competitor landscape
- 8 Environmental compliance
- 9 Availability of energy
- 10 Cybersecurity

## Outputs

Human capital	2024	2023
Total cost of employment (TCOE)	R4 961m	R5 053m
Fatality	1	1
LTIFR	1.13	0.77

Intellectual capital	2024	2023
Training and skills development spend	R104m	R84m
Training – package category employees	17 958 hrs	9 947 hrs
Training – bargaining unit employees	214 978 hrs	251 619 hrs

Social capital	2024	2023
Socio-economic development	R16.3m	R16.5m
Procurement spend (excluding energy)	R27 552m	R30 181m
Taxes contributed	R1 610m	R1 754m

## Stakeholder outcomes

### Human capital

Our overall safety performance continued to be unsatisfactory (see page 42). We spent R31 million on safety capital expenditure.

In 2024, we paid R4 961 million in salaries, wages and benefits. This was almost 2% lower than in the previous year. Total employment, including contractors, declined slightly. Our poor financial performance in 2024 and concerns over the business's prospects resulted in the loss of some scarce, mostly technical skills, impairing our stocks of human and intellectual capital.

We grew our technical skills pipeline and the amount we spent on employee training and skills development.

### Social capital

Winding down our Longs business would have negatively affected many customers who would have been forced to import often inferior (and less traceable) grades of steel and with longer lead times. (Positively, we increased the amount we paid out in value-added export rebates.)

Suppliers, especially those supplying goods and services to Longs, will be negatively impacted, leading in some instances to the closure of businesses and the loss of jobs.



At R27.6 billion, total goods and services bought were 9% lower than in 2023. Sixty-four percent of local procurement was sourced from majority black-owned businesses.

Our corporate social investment spend decreased marginally in line with the need to preserve cash but, as we make clear on page 54, we increased our social impacts.

# Our stakeholders and value creation

We rely on multiple identifiable groups of stakeholders to create value – and to minimise its erosion. As the only primary steel producer in South Africa, we are embedded in various value chains and our operations have a material impact on communities, society, the environment – and multiple stakeholders.

In line with the ArcelorMittal group’s stakeholder engagement plan, we agree internally on “ownership” of identified stakeholders and execute against documented annual engagement plans. The board is informed of stakeholder engagements and the quality of relationships through regular reports to the social and ethics committee.

Stakeholders	Their interests	Our interests	Relationships in 2024 – key highlights	Our assessment of the quality of relationships
 <b>SHAREHOLDERS</b>	Shareholders are entitled to returns on their investment	Our share price affects the strength of our balance sheet and our ability to borrow	<p>Senior executives briefed shareholders around interim and full-year results as well as on other company announcements. Shareholders were advised, in Q4, of the possibility of a recapitalisation.</p> <p>The ArcelorMittal group continued to support us with its shareholder loan increasing from R3 700 million to R5 055 million.</p> <p>The Industrial Development Corporation (IDC) supported us with a R1 billion short-term loan, a R380 million loan and an additional R1 683 million shareholders’ loan (subject to, <i>inter alia</i>, the requirement that the parties must agree to any repayment), to enable extended operations of the Longs business.</p> <p><b>Value impact</b> Our share price declined by some 15% during the course of the year. We did not pay dividends.</p>	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <span style="background-color: #c00000; color: white; padding: 2px 5px;">01</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">02</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">03</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">04</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">05</span> </div> <div style="margin-left: 10px;">  </div> </div> <p><b>Comment</b> Major shareholders continued to support the company, as described alongside.</p> <p>Shareholders took an active interest in our fortunes and prospects, including the future of the Longs business and its employees, customers and suppliers.</p>

**Relationship indicator:**



<span style="background-color: #c00000; color: white; padding: 2px 5px;">01</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">02</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">03</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">04</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">05</span>	Strong relationship of transparency, trust and mutual understanding
<span style="background-color: #c00000; color: white; padding: 2px 5px;">01</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">02</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">03</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">04</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">05</span>	Good quality, value-adding relationship
<span style="background-color: #c00000; color: white; padding: 2px 5px;">01</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">02</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">03</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">04</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">05</span>	Good relationship but needs to improve to add value

<span style="background-color: #c00000; color: white; padding: 2px 5px;">01</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">02</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">03</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">04</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">05</span>	Functional, low-quality relationship
<span style="background-color: #c00000; color: white; padding: 2px 5px;">01</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">02</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">03</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">04</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">05</span>	Poor quality to no relationship



**Rating:**

▼ Deteriorated
 ▲ Improved
 ▬ Unchanged





# Our stakeholders and value creation continued

Stakeholders	Their interests	Our interests	Relationships in 2024 – key highlights	Our assessment of the quality of relationships
 <b>CUSTOMERS</b>	<p>Availability of quality, reliable products to market specifications</p> <p>Pricing</p> <p>On-time deliveries</p> <p>Security of (especially long steel) supply</p> <p>Ease of doing business</p> <p>Export assistance</p> <p>Development of new products</p> <p>Exceptional customer service</p> <p>Progressive nature of the company (including decarbonisation and digitalisation)</p>	<p>Sales</p> <p>Quantities</p> <p>Pricing</p> <p>Help in identifying new niche markets</p> <p>Partnerships to cement our sustainability and generate profitable revenue</p> <p>Brand ambassadors</p>	<p>Our development of innovative new products, in response to market demand and to replace imports, is detailed on page 51.</p> <p>We worked hard to win back long sales lost in the year to imports.</p> <p>We engaged extensively and indirectly with customers through a number of trade and sectoral organisations.</p> <p><b>Value impact</b> Customers' processes were disrupted by the operational interruptions experienced at our Vanderbijlpark blast furnaces.</p> <p>Customers also resorted to importing (often inferior) long steel products in anticipation of a possible winding down.</p> <p>In 2024, we gave customers R169 million in value-added export rebates (2023: R144 million, previously reported as R157 million).</p>	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">01</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">02</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">03</span> <span style="background-color: #ccc; padding: 2px 5px;">04</span> <span style="background-color: #ccc; padding: 2px 5px;">05</span> </div> <div style="margin-left: auto;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">-</span> </div> </div> <p><b>Comment</b> Several customers wrote to government urging them to help keep our Longs business open; customers even expressed their commitment to the Longs business in the media.</p>
 <b>EMPLOYEES AND TRADE UNIONS</b>	<p>Workplace safety</p> <p>Job security</p> <p>Remuneration</p> <p>Career advancement</p> <p>Transformation</p> <p>Training and skills development</p> <p>Information on company developments and prospects</p>	<p>Safety</p> <p>Quality work and productivity</p> <p>Preserving skills and intellectual property</p> <p>Industrial harmony</p>	<p>Employee engagement was ramped up in the year with regular "town hall" meetings between the CEO and employees and between managers and the workforce. Issues concerning the company's sustainability were discussed frankly and regularly.</p> <p>With the exception of a limited, two-week strike, labour relations were stable.</p> <p><b>Value impact</b> Both bargaining-unit and package category employees received salary increases this year (see page 52).</p> <p>A limited number of retrenchments were effected (page 53).</p>	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">01</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">02</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">03</span> <span style="background-color: #ccc; padding: 2px 5px;">04</span> <span style="background-color: #ccc; padding: 2px 5px;">05</span> </div> <div style="margin-left: auto;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">-</span> </div> </div> <p><b>Comment</b> Restructuring and the uncertainty around the potential closure of the Longs business negatively affected staff morale – and workplace safety. This was addressed through reinvigorated internal communications campaigns.</p> <p>In November, the National Union of Metalworkers of SA and our management issued a joint statement on the company's future, which represented a high-water mark in relations with organised labour.</p>

# Our stakeholders and value creation continued

Stakeholders	Their interests	Our interests	Relationships in 2024 – key highlights	Our assessment of the quality of relationships
 <b>SUPPLIERS (including contractors)</b>	<ul style="list-style-type: none"> <li>Contract security</li> <li>Business continuity</li> <li>Workplace safety</li> <li>Pricing</li> </ul>	<ul style="list-style-type: none"> <li>Workplace safety</li> <li>Product and service quality</li> <li>Reliable, predictable supply</li> <li>Pricing, price adjustments</li> <li>Payment terms</li> <li>B-BBEE compliance</li> </ul>	<p>Because of the need to preserve cash, we renegotiated multiple contracts.</p> <p><b>Value impact</b> This year, we procured goods and services worth R27.6 billion, 91% of the amount bought in 2023.</p>	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <span style="background-color: #c00000; color: white; padding: 2px 5px;">01</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">02</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">03</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">04</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">05</span> </div> <span style="font-size: 20px; margin-left: 10px;">⊖</span> </div> <p><b>Comment</b> Key suppliers continued to respond positively to requests for assistance in saving the Longs business. Inevitably, many suppliers expressed serious concerns about the effects of closing Longs on their own businesses.</p>
 <b>LENDERS</b>	<ul style="list-style-type: none"> <li>Business sustainability</li> <li>Liquidity</li> <li>Repayment of loans and interest</li> <li>Operating within agreed covenants</li> <li>Decarbonisation and green products</li> </ul>	<p>We require external funding to stay in business and to pay for necessary investments in expansion and new-product development.</p> <p>To further support our working capital requirements, we seek alternatives to assist us and our suppliers with their funding needs.</p>	<p>Extensive discussions were held throughout the year with all lenders supporting us through various facilities. The discussions were open and frank and related mostly to the impacts of a Longs closure.</p> <p>The IDC supported our company by providing a short-term loan facility of R1 billion, a R380 million loan and an additional R1 683 million shareholders' loan (subject to, <i>inter alia</i>, the requirement that the parties must agree to any repayment), to enable extended operations of the Longs business.</p> <p><b>Value impact</b> This year, we paid our lenders R720 million in interest. The ArcelorMittal group also provided funding.</p>	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <span style="background-color: #c00000; color: white; padding: 2px 5px;">01</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">02</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">03</span> <span style="background-color: #c00000; color: white; padding: 2px 5px;">04</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">05</span> </div> <span style="font-size: 20px; margin-left: 10px;">⊕</span> </div> <p><b>Comment</b> Our corporate banking lenders supported us this year by maintaining our facilities and fully acquainting themselves with the company's challenges.</p>

# Our stakeholders and value creation continued

Stakeholders	Their interests	Our interests	Relationships in 2024 – key highlights	Our assessment of the quality of relationships
 <b>COMMUNITIES</b>	<ul style="list-style-type: none"> <li>Corporate social investment</li> <li>Local procurement</li> <li>Local employment</li> <li>Environmental compliance</li> <li>Company's financial performance (community trust has shares in the business)</li> </ul>	<ul style="list-style-type: none"> <li>Local employment</li> <li>Local supply</li> <li>Harmonious relations with fenceline communities</li> </ul>	<p>Regular engagements with community leaders and senior executives were formalised this year.</p> <p>Relations with environmental organisations improved.</p> <p><b>Value impact</b> We have a substantial local impact through our CSI initiatives and as an employer and customer.</p>	<div style="display: flex; justify-content: space-between; align-items: center;"> <div> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">01</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">02</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">03</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">04</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">05</span> </div> <div> <span style="color: #e91e63;">-</span> </div> </div> <p><b>Comment</b> Our science centres are almost universally appreciated as valuable community assets.</p> <p>Our commitment to decarbonisation has elicited considerable goodwill from communities and NGOs. Relations with environmental NGOs improved with more frequent liaison and a closer alignment on environmental priorities.</p>
 <b>GOVERNMENT</b>	<ul style="list-style-type: none"> <li>Local economic development</li> <li>Job creation</li> <li>Social impact</li> <li>Local infrastructure</li> <li>Taxation</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory certainty</li> <li>Co-investment</li> <li>Longs business</li> </ul>	<p>Following elections in May and the formation of a government of national unity, we engaged more extensively at the ministerial and provincial-premier levels than had previously been the case.</p> <p>We continued to work with the governments of Gauteng and the Western Cape on various initiatives.</p>	<div style="display: flex; justify-content: space-between; align-items: center;"> <div> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">01</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">02</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">03</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">04</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">05</span> </div> <div> <span style="color: #e91e63;">^</span> </div> </div> <p><b>Comment</b> We engaged positively with government on measures to safeguard the Longs business and at the time of reporting, as is noted elsewhere in this report, were confident that government undertakings would materially and positively impact the prospects of Longs.</p>
 <b>STATE-OWNED ENTERPRISES</b>	<ul style="list-style-type: none"> <li>Revenue</li> <li>Load curtailment</li> <li>Protection of rail and electricity infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Reliable, predictable delivery of input raw materials</li> <li>Reliable and more affordable electricity supply</li> </ul>	<p>Leadership met regularly with leaders of Transnet and the ports authorities, and, through the shareholder (government), with Eskom.</p> <p><b>Value impact</b> We continued to pay SOEs what we maintain are excessively high tariffs for rail and electricity.</p>	<div style="display: flex; justify-content: space-between; align-items: center;"> <div> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">01</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">02</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">03</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">04</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">05</span> </div> <div> <span style="color: #e91e63;">-</span> </div> </div> <p><b>Comment</b> Discussions on measures needed to enhance the sustainability of, especially, our Longs business were ongoing at the time of publication.</p>
 <b>MEDIA</b>	<ul style="list-style-type: none"> <li>News including company performance and prospects</li> <li>Industry insights and expert opinions</li> <li>Business intelligence</li> </ul>	<ul style="list-style-type: none"> <li>Impartial and informed coverage</li> <li>Acknowledgement of our leadership in the steel industry and beneficial downstream impacts</li> </ul>	<p>We initiated a wide-ranging programme of media engagements, including interviews with senior executives, roundtables and site visits.</p> <p><b>Value impact</b> The media increasingly appreciate us as a source of news and value-added information; understanding of our positive impacts on steel and other value chains improved considerably.</p>	<div style="display: flex; justify-content: space-between; align-items: center;"> <div> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">01</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">02</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">03</span> <span style="background-color: #e91e63; color: white; padding: 2px 5px;">04</span> <span style="background-color: #ccc; color: #ccc; padding: 2px 5px;">05</span> </div> <div> <span style="color: #e91e63;">^</span> </div> </div> <p><b>Comment</b> The quality of coverage of our company improved noticeably in the year, based on journalists' better understanding of our operating context and material issues.</p>

# Our risks and opportunities

## A dynamic and complex risk landscape

In the 2024 mid-year review, our leadership highlighted risk factors that were most material to the company's sustainability. These included policy issues (for example, scrap); competition from mini mills which benefit from government subsidies; the high costs of rail and energy, operational and reliability issues; decreased sales volumes; lower steel prices and a weak global steel market, exacerbated by continuing large exports from China and other producers at low prices.

As has recently been the case, "Cash/liquidity", "Asset reliability", "Local demand" and "Cost competitiveness" continue to be among our very top risks.

Asset reliability was negatively impacted by Blast Furnace C and D cold conditions in April, putting the furnaces out of operation for three and five weeks respectively. This resulted in a combined production loss of 209 000 tonnes.

The risks the Longs business posed to the sustainability of the company were addressed by the decision to close Longs, subsequently deferred (see page 34).

## Structured risk process

ArcelorMittal South Africa follows local and international standards and guidelines in its application of risk management.

Continuous analysis/inputs from risk owners and various committees resulted in the following significant changes to the top risks:

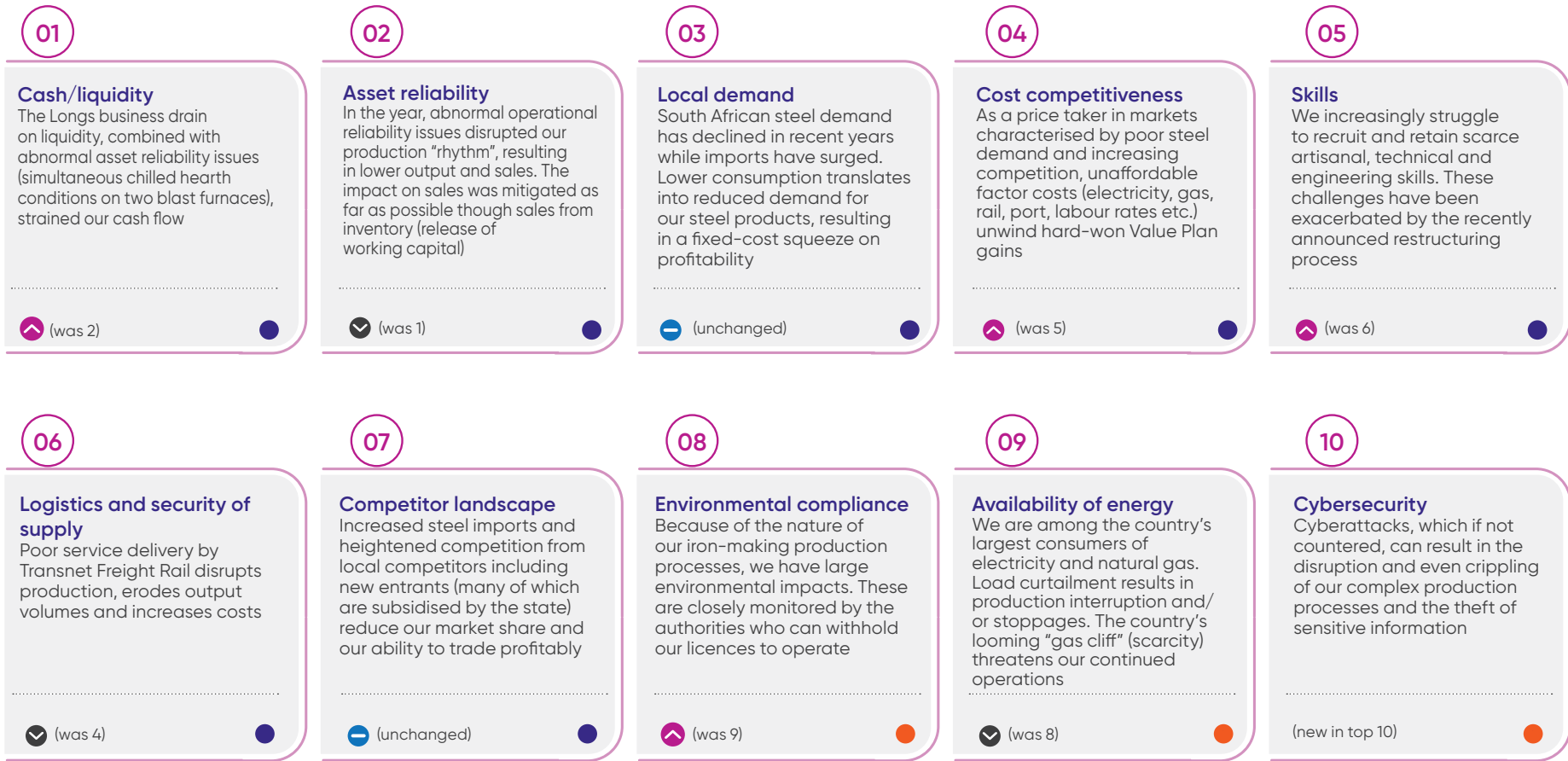
- The "Cash/liquidity" risk was assessed to be our number 1 risk (previously number 2) because of the impact that lower demand and contracting spreads have on the business
- The "Asset reliability" risk was reassessed as number 2 (in 2023, the top risk). Although risks such as the Blast Furnace D stove #4 and Blast Furnace C's hearth were addressed, reliability remains a key concern
- The "Cybersecurity" risk was introduced into our top risks because of continuous and mounting cyber threats being experienced by organisations globally.





# Our risks and opportunities continued

The top enterprise risks we were exposed to in 2024 are highlighted below compared to their rankings in 2023, with safety performance being a top priority focus area for the company:



*Our climate-related risks are discussed on pages 24 and 25.*

**Risk movement:**

▼ Decreased ▲ Increased ▬ Unchanged

**Risk impact:**

● Negligible ● Minor ● Moderate ● Major ● Critical

# Our risks and opportunities continued

## Opportunities

The following strategic initiatives and opportunities were pursued this year:

- **Longs reprieve**

The funding received from the IDC in March 2025, along with commitments made by government, enabled us to continue operating the Longs business without risking the sustainability of the company as a whole. A future recapitalisation (or similar) of the company will allow us to continue investing in the development of new flat steel markets, the expansion of others and an increased focus on localisation.

- **Plant reliability**

Considerable investments in recent years, including in 2024, will improve stability, cut costs and equip us to improve our levels of production and capacity utilisation, thereby boosting sales.

- **Recapitalisation**

Recapitalising the company will strengthen our balance sheet and enable us to invest in strategically important high-payback projects.

- **Rail logistics**

The logistics control tower function, supplied by a third-party service provider to manage in- and outbound flows, realised some R200 million in direct cost savings.

We are engaging rail and logistics management specialists to assist in rail optimisation, focusing on

improving efficiencies. This will translate into cost reductions and improved service levels.

- **Strategic raw materials**

This year, we optimised our purchase of coal and coke from various other sources. This initiative will ensure that the company saves on material and logistics costs and reduces inventory values.

The development of junior iron ore miners to diversify supply also continued. Thabazimbi Iron Ore Mine supplied Vanderbijlpark with some 273 000 tonnes of iron ore in 2024, using beneficiated stockpiles. This will continue in 2025 with a budgeted supply of 180 000 tonnes.



# Our risks and opportunities continued

## Climate-related risks

We assess climate-related risks on an ongoing basis. Our climate-related financial risks, described below, are aligned with those of the ArcelorMittal group.

Risk	Nature of risk	How we mitigate these risks
<b>TRANSITION RISKS</b>		
<b>POLICY RISK</b>	<p>Our most substantial climate-related risk will arise should we be unable to make the necessary investments to decarbonise and reach our 25% reduction target by 2030 because of how South African policy is and will be designed.</p> <p>Challenges we face include:</p> <ul style="list-style-type: none"> <li>• Accessing funding including concessional finance</li> <li>• The lack of a fair and competitive landscape in South Africa</li> <li>• Carbon taxes – hard-to-abate industries such as the primary steel industry being disadvantaged relative to other industries</li> <li>• No differentiation on how integrated producers such as ourselves are treated in terms of carbon taxes</li> </ul>	<p>Our decarbonisation strategy to achieve a 25% CO<sub>2</sub> intensity reduction by 2030 compared to our 2018 baseline and a net zero ambition towards 2050 includes the following levers:</p> <ul style="list-style-type: none"> <li>• Advocacy to influence the development of an effective policy framework for large emitters that accounts for economic realities facing South Africa</li> <li>• Engaging further with policymakers to ensure that carbon prices are not set at a pace that outstrips the deployment of technological advances, for us to remain sustainable within the context of a just transition</li> <li>• Continuing to advocate the ringfencing of carbon taxes and their redistribution in the form of grants to subsidise the very large costs of decarbonisation</li> <li>• Broadening understanding that a collective effort involving all role players is required to achieve the ultimate goal: Net zero by 2050.</li> </ul>
<b>REPUTATIONAL RISK</b>	<p>The credibility of our decarbonisation plans will affect the ratings we receive from customers, investors, and other entities. The quality of our disclosures on these plans and the extent to which we have engaged stakeholders to understand our intent will also be key factors.</p>	<p>We engage widely and continuously with government, non-governmental organisations (eg. VEJA, CER), government departments, labour and investors on climate change and other sustainable development topics.</p>
<b>TECHNOLOGY RISK</b>	<p>The risk of breakthrough technologies failing is dependent on the availability of innovation funding to test and develop these appropriately (eg, the viability of carbon capture and utilisation (CCU) technology and required funding mechanisms).</p>	<p>We continuously explore opportunities with local and international funders, engage Treasury and other government departments on carbon taxation, carbon budgets and related policies in support of low-carbon development and implementation.</p>



# Our risks and opportunities continued

Risk	Nature of risk	How we mitigate these risks
<b>TRANSITION RISKS</b> continued		
<b>MARKET RISK</b>	<p>Inability to access markets: premiums are unlikely to be sustainable, exacerbated by further policy-induced trade barriers such as subsidies and carbon border adjustments.</p> <p>Inability to remain product competitive: The concept that climate actions must be affordable to be achievable. Many decarbonisation initiatives are currently technology unproven and cost prohibitive.</p>	<ul style="list-style-type: none"> <li>• Advocacy to influence the development of an effective policy framework for large emitters that accounts for economic realities facing South Africa.</li> <li>• Engaging with policymakers to ensure that carbon prices are not set at a pace that outstrips the deployment of technological advances, for us to remain sustainable within the context of a just transition.</li> </ul>
<b>PHYSICAL RISKS</b>		
<b>ACUTE</b>	Adverse weather events may hamper our supply and distribution routes. This can translate into increased operating costs, higher raw material costs, reduced production and sales.	Our risk management process enables interventions, including a well-diversified supply chain for critical raw materials, emergency and fire-fighting services, and management of areas adjacent to our sites.
<b>CHRONIC</b>	Although water is recycled many times in a steel plant, its regular supply is crucial to our steelmaking processes. Some areas in South Africa are at higher risk of suffering long periods of drought conditions. If licences are not obtained to secure water from other sources, operational costs could increase and production volumes may be reduced, resulting in lower revenues.	Many of our production processes will require replacement or reconfiguration as part of our decarbonisation strategy, presenting opportunities to substantially reduce our water intake.

# Our risks and opportunities continued

## Alignment with Task Force on Climate-Related Financial Disclosures (TCFD)

PARTIAL ALIGNMENT WITH TCFD RECOMMENDATIONS			
TCFD recommended disclosures	Reference	TCFD recommended disclosures	Reference
<b>GOVERNANCE</b>		<b>RISK MANAGEMENT</b>	
A) Describe the board's oversight of climate-related risks and opportunities.	Decarbonisation section (page 44)	A) Describe the organisation's processes for identifying and assessing climate-related risks.	Our risks and opportunities section (page 24)
B) Describe management's role in assessing and managing risks and opportunities.	Our risks and opportunities section (page 21)	B) Describe the organisation's processes for managing climate-related risks.	Our risks and opportunities section (page 24)
		C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Our risks and opportunities section (page 24)
<b>STRATEGY</b>		<b>METRICS AND TARGETS</b>	
A) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Our risks and opportunities section (page 24)	A) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Key sustainability indicators (page 40) Our risks and opportunities section (page 24)
B) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Decarbonisation section (page 44)	B) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	Key sustainability indicators (page 40) Carbon emissions and taxes – methodology used for GHG emission calculation notes below graph (page 45)
C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Decarbonisation section (page 44)	C) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Decarbonisation section (page 44)
<b>TCFD</b>			
TCFD was established in 2015 by the Financial Stability Board as a means of coordinating disclosures among companies impacted by climate change. It is a set of voluntary climate-related financial risk disclosures that can be adopted by companies to inform investors and other members of the public about the risks they face related to climate change.			



# Board of directors

These are the men and women who lead ArcelorMittal South Africa. (Board membership depicted here is as of the 2024 year end). From page 58, we describe how in 2024 our board oversaw our strategy to create value and worked to lead the company ethically and effectively.



### Bonang Mohale (62)

Chairman and independent non-executive director

Diploma Marketing Management, Advanced Diploma Marketing Management

Bonang is the chancellor of the University of the Free State and the president of Business Unity SA. He is the chairman of Bidvest Group and SBV Services, a best-selling business author and a professor at the Johannesburg Business School

Appointed: May 2022

Board HRC

8 <sup>▲</sup>	4
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### Kobus Verster (58)

Chief executive officer and executive director

BCom (Hons), MBL, Executive Management Programme

Kobus was previously the CEO of Aveng and, before that, chief financial officer of ArcelorMittal South Africa

Appointed: February 2018

Board	ARC	SSHEC	HRC	SEC
8	1 + 4 <sup>*</sup>	3	1 + 3 <sup>*</sup>	3



### Gavin Griffiths (52)

Chief financial officer

BCom, BAcc, MCom (cum laude), CA(SA)

Gavin was appointed chief strategy officer of ArcelorMittal South Africa in September 2018

Appointed: April 2024

Board	ARC
4 + 4 <sup>*</sup>	1 + 4 <sup>*</sup>



### Lungile (Zee) Cele (71)

Independent non-executive director

BCom, MAcc

Zee is the founder and former CEO of Tax Solutions cc and a director on various boards, including Harith General Partners and AVBOB

Appointed: January 2016

Board	ARC	SSHEC
8	4 + 1 <sup>●</sup>	3



### Bradley Davey (60)

Non-executive director

BEng

Bradley is the executive vice-president: corporate business optimisation at the ArcelorMittal group and previously the CEO of ArcelorMittal North America

Appointed: April 2021

Board	HRC	SEC
4 + 4 <sup>●</sup>	1 + 3 <sup>●</sup>	2 + 1 <sup>●</sup>



### Dawn Earp (63)

Independent non-executive director

BCom, BAcc, CA(SA), CD(SA)

Formerly the financial director of Rand Refinery, Aveng Moolmans and Impala Platinum Holdings. Dawn is also a non-executive director at Impala Platinum Holdings and Pan African Resources and Truworths International

Appointed: July 2021

Board	ARC	HRC	SEC	SSHEC
8	5 <sup>▲</sup>	4	3	3 <sup>*</sup>

#### Committee meeting attendance key

<b>Board</b>	<b>HRC</b>	Human resources committee
<b>ARC</b>	<b>SEC</b>	Social and ethics committee
<b>SSHEC</b>		Safety, security, health and environmental committee

#### Changes to the board of directors

- Ms Noluthando Gosa, an independent non-executive director of the board, retired on 24 May 2024.
- Mr Abram Thebyane, an independent non-executive director of the board, stepped down as director on 24 May 2024.
- Mr Gavin Griffiths was appointed as chief financial officer and executive director on 1 April 2024.
- Mr Mikhail Maasdorp was appointed as a non-executive director with effect from 1 March 2025.

● Apologies received ▲ Chairperson ★ Attendance by invitation

## Board of directors continued



### Gert Gouws (65)

Non-executive director

BCom (Law), BCom (Hons), CA(SA), FCMA CGMA, Advanced Management Programme

Gert is a previous chief financial officer and chief operating officer of the IDC. He is a director of various IDC investee companies

**Appointed:** November 2017

Board	SSHEC	HRC	SEC
8	3	3	2*



### Raman Karol (49)

Non-executive director

CA (India), MBA (Finance)

Raman is the vice-president and head of group accounting and performance management at ArcelorMittal group. He is a member of the group's corporate finance and tax committee

**Appointed:** December 2018

Board	ARC	HRC	SEC
5 + 3*	3 + 2*	2 + 2*	2 + 1*



### Neville Nicolau (65)

Independent non-executive director

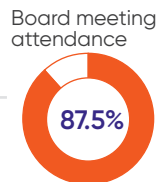
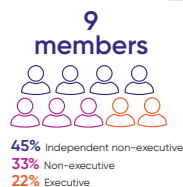
BTech, MBA

Neville was previously CEO of Basil Read Holdings and Anglo American Platinum and was the chief operating officer of AngloGold Ashanti

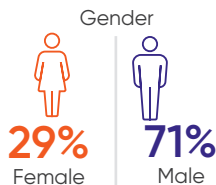
**Appointed:** September 2015

Board	ARC	SSHEC	HRC	SEC
8	5	3*	4	3

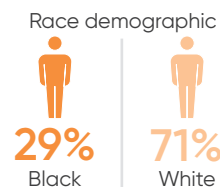
### Board membership as at year-end



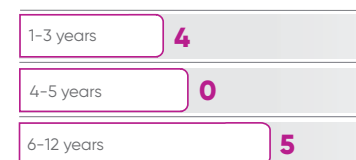
### Board diversity (excluding international directors)



### Board diversity (excluding international directors)



### Board tenure



# Message from our chairman



Moving forward, we as a country need five pieces of the national puzzle to fall into place: we need transformation, ethical leadership, good governance, service delivery and law and order.

The world was an unsettled place in 2024 with two wars dominating headlines and threatening to involve major powers at the same time that tensions were simmering elsewhere.

Internationally, economic conditions were challenging and global supply chains were still only beginning to get over the worst disruptions wrought by the Covid-19 pandemic. Meanwhile, the world's largest economy grappled with the many uncertainties surrounding a second Trump presidency as well as all the upheaval that came with a change in administration.

Once again, the Chinese economy affected most of the world, that country's unrelenting export of primary and finished steel impacting producers such as ourselves, particularly given our authorities' continuing reluctance to impose meaningful trade remedies.

It also became apparent this year that the Chinese had effectively prevailed in the battle for supremacy in the automotive sector.

Today that country is able to produce (steel-intensive) cars for a third of the price that other manufacturers are forced to charge, decimating the automotive industries of traditional vehicle makers such as Germany.

### Steel sector on its knees

Even though we are well accustomed to the cyclical nature of the steel industry, in 2024 it was clear that large parts of the domestic steel value chain had been effectively brought to their knees. Many of the challenges facing us and others with whom we compete – and do business – stemmed from inertia on the part of government. Notably, as is by now well known, we experienced regulations that should have been more responsive to realities on the ground; in particular, the lack of action on the burning issue of artificially low scrap pricing. Such is the prevailing scrap environment that it had the effect of unfairly subsidising our Longs business's competitors by more than R1 000 per tonne, an unfair advantage that is almost certainly without parallel anywhere else in the world.

# Message from our chairman continued

As you will read elsewhere in this report, including in the chief executive officer's message, in the year we had extensive, even exhaustive, engagements with state players. These included the Department of Trade, Industry and Competition, the Department of Public Enterprises and Transnet, as well as the Industrial Development Corporation (IDC), an ArcelorMittal South Africa shareholder.

We thank these key stakeholders (as well as our union representatives) for their willingness to engage with us in a fashion that was generally open-minded and focused on finding solutions that would benefit the greater economy. It was indeed gratifying that in March 2025 we were able to announce that additional support from the IDC, coupled with specific government undertakings, allowed us to continue operating Longs for at least a further six months.

Directors are acutely aware of the severe consequences that closing Longs and restructuring other parts of ArcelorMittal South Africa would have on our employees, customers, suppliers and whole communities.

Nobody disputes the central importance of the steel value chain to South Africa's industrialisation, economic growth and job creation. With their multiple cross-cutting links into other sectors, steel and engineering are better positioned than most sectors to help address our country's moribund GDP growth rates and frighteningly high unemployment.

As much as we have struggled to remain profitable in the recent past, the South African economy has barely limped along, GDP rarely growing by more than 2% per annum (apart from the post-Covid bounce-back). At the same time, the country's population has

grown at a rate approximating the paltry increases in GDP. In real terms, South Africans' purchasing power has gone backwards and our unemployment rates are worse even than some countries that are at war or facing serious civil strife. In our country, poverty and inequality are only getting worse.

## A rising tide that lifts all boats

Our challenges are many but we as a company can make a real difference in addressing these, even as a considerably smaller entity than we were five years ago. This is one of the realities that most excites me about our potential to not only contribute to economic growth but also to growth that is sustainable and redistributive. In this regard, I commend to you the section (on page 49) on the work that we are engaged in with various partners, including customers, in the automotive sector. A scaled-down, focused ArcelorMittal South Africa will be increasingly attuned to the need to deliver a rising tide of growth that redistributes economic benefits while lifting all boats.

Moving forward, we as a country need five pieces of the national puzzle to fall into place: we need transformation, ethical leadership, good governance, service delivery and law and order. It is my fervent hope that South Africa's new government of national unity – which has been hailed by the world and by the business community both locally and internationally – will spur the achievement of these goals. As a company, we are more than ready and willing to play our part. All we ask for is a level playing field and national policies that will enable us to realise our full potential to positively impact our communities, society and the value chains that can create substantial, redistributive growth.

Finally, I salute the thousands of our people who have given such loyal service to this great company over many years, and acknowledge the distress they have experienced as a result of ongoing uncertainty over the future of the Longs business.

**Bonang Mohale**  
*Chairman*

16 April 2025

# Message from our chief executive officer



This year saw both ArcelorMittal South Africa and the country's steel industry face their greatest challenges since the financial crisis in 2008.

The manufacturing, steel fabrication and the machinery and equipment sectors, as well as construction, all recorded negative growth in 2024. In most instances, this was after several preceding years of contracting output. Key steel-consuming sectors, agriculture and automotive, returned double-digit negative growth. The economy limped to growth of under one percent while there was little evidence of any large-scale infrastructural investment.

Domestic apparent steel consumption (ASC) once again contracted, to just 4 million tonnes while our net realised prices were the lowest (except for the Covid-19 period) since 2015/2016.

As the domestic steel industry struggled with stagnant demand (and excess capacity), imports grew once again, to account for a third of all of South Africa's ASC by year-end.

In this exceptionally challenging environment, we succeeded to a considerable extent in preserving cash and containing costs. Steel price to raw material cost spreads remained

unsustainable not only for ourselves but for steelmakers around the world (internationally, spreads were at seven-year lows).

### Disappointing operational and financial outcomes

Despite our best endeavours at cost containment (fixed costs rose by just 2% after accounting for additional maintenance and environmental spend, along with inflation), the business posted an EBITDA loss of R1 816 million (before providing for the costs associated with winding down our Longs business). The headline loss came to R5 102 million.

In 2024, sales volumes declined by 6% and net realised prices softened by 4%. Our chief financial officer unpacks in his message how our losses derived from a very weak trading environment combined with once-off costs associated with difficulties experienced at our Vanderbijlpark blast furnaces, inventory disposals and mounting losses from our Longs operations.

## Message from our chief executive officer continued

### Operating profitably and sustainably

It is absolutely essential, if we are to give effect to our strategy of championing steel-based industrialisation, that we return ArcelorMittal South Africa to profitability that is meaningful and, most importantly, sustainable, and that we do so safely.

Our values commit us to doing everything possible to eliminate harm at our workplaces, our utmost priority. In 2024, we redoubled our efforts to keep people safe but, regrettably, our performance on safety was decidedly mixed.

We must work even harder to keep everyone safe at ArcelorMittal South Africa.

### The future of the Longs business

As is by now very well known, since 2023 our management team and board have left no stone unturned in our determined effort to preserve the Longs business. By February 2025, discussions with government and key stakeholders had failed to avert the winding down of operations which, in the case of Newcastle, have a proud history dating back more than half a century.

Since the announcement to close Longs on 6 January 2025, we worked with an interministerial task team on investigating every possible option to prevent a full wind down. As a result of these discussions and a welcome intervention by the Industrial Development Corporation, it was possible to postpone plant stoppages by a month. This was done to fulfil outstanding orders, prioritising the automotive sector and vulnerable supply chains.

On 28 February 2025, we were forced to announce a final decision to wind down the Longs business. However, as we announced on 31 March, a welcome

intervention by the IDC (discussed in the chief financial officer's message on page 34) meant that Longs will continue to operate at least until the end of August 2025.

We have consistently pointed out that almost all jurisdictions, which regard their primary steel industries as being of strategic importance, have acted resolutely against unfair trade flows. These include the United States, European Union, Brazil and others.

Unfortunately, South Africa's response to this reality has been slow and insufficient. An interim 9% safeguard duty on hot rolled coil and plate (which we always insisted was insufficient) expired in January 2025. At the time of writing, we were extremely pleased to note that tariff measures, including safeguards, would be expeditiously addressed by government and that the introduction of safeguards was imminent. We look forward to engagements with government on using the deferral period to speedily address structural problems facing much of the steel value chain, including the scrap preferential pricing system and scrap export taxes.

For Longs, the highest priority, we argued, should have been given to urgently and decisively reviewing the scrap export tax, the scrap pricing system and its administration (which currently is easily manipulated by unscrupulous participants). Collectively, these aspects have unfairly prejudiced us as the only local company benefiting our country's wealth of iron ore. Our strong views on the unbearable burden of this scrap policy on grassroots scrap collectors, and the poorest of the poor in our society, in order to benefit a few selected steelmakers, are well known. We were, therefore, very encouraged by post-year-end indications that these matters were receiving priority government attention.

Fortunately, the consultation process entailed by the issuing of so-called section 189 retrenchment notices was suspended following the announcement of the IDC's R1 683 million loan facility, announced on 31 March 2025.

Management, the board and all at ArcelorMittal South Africa fully comprehend the distress this uncertainty has inflicted on those most affected, particularly our employees. We also acknowledge that many suppliers, customers and whole communities would be negatively impacted by a decision to close Longs.

Engagements with customers and suppliers will now be intensified to develop a more sustainable long-term supply relationship.

### A strategy for safety, sustainability and growth

While the Longs wind down occupied a great deal of management's attention, we retained our focus on the critical task of developing and fine-tuning a strategy to chart the future of the company towards sustainability and growth.

As we unpack from page 37, our new medium-term strategy focuses on strengthening our business model and rests upon four strategic pillars.

The first pillar is safety as we continue to pursue with renewed vigour our journey towards zero harm. Our safety performance in 2024 and into 2025 again disappointed, the period being marred by tragedy on two occasions. I extend my heartfelt condolences to the families and friends of Mr Image Mabowa and Mr Ezekiel Rakauwane.





# Message from our chief executive officer continued

We will do everything possible to avoid a repeat of these tragedies and so, from 2025 we have begun to implement a three-year ArcelorMittal group-wide strategic safety improvement roadmap (see page 43).

Of particular importance is ensuring that our contractors (as valued members of the ArcelorMittal family), put our safety standards into practice with impactful shopfloor monitoring – nothing beats “boots on the ground” when it comes to changing behaviour for the better. I trust that all who enter our premises will grasp this opportunity, every day, to support our drive to send everyone home, every day, without injury.

The second pillar is all about strengthening our business with a focus on the profitable Flats operations. Here we will work with multiple stakeholders, including government, to unlock the latent, underutilised potential of the full downstream value chain. To address balance sheet resilience, a recapitalisation of the company will be required.

Pillar 3 is largely concerned with realising a portfolio of high-payback investments while executing the first phase of our decarbonisation programme. In 2024, we continued to advance, with growing confidence, the bankability of these high-payback projects. I must stress, however, that these landmark investments could be threatened by extremely troubling changes to South Africa’s carbon tax framework, currently being proposed. (See page 54 for more detail.)

Finally, Pillar 4 will be all about downstream integration and forging longer-term partnerships to realise meaningful value for our company, shareholders, customers and employees.

## Outlook and appreciation

In the short term, we are doing everything we can to put our Flats business and market coke operations on a more sustainable footing. It is indeed gratifying that our Longs business will continue to operate for at least a further six months.

Our operational and financial performance in 2024 was disappointing but some encouraging signs of better things to come emerged in the second half of the year. In the last six months, crude steel production levels rose by 12% as asset utilisation in the Flats business improved markedly. (Capacity utilisation for Flats increased from 58% in the first half to 69% in the second six months.)

Reliability is absolutely at the core of our new strategy. At Blast Furnace C, a shotcrete and hearth repair were successfully completed in the second half. Our Plate Mill upgrade project, executed at a cost of more than R350 million to date, was successfully finalised shortly before publication of this report. This major upgrade will increase sales volumes and allow us to better service the renewable energy and mining sectors.

Our new strategy for sustainability is practical and achievable, and includes the likely reality of low economic growth for the foreseeable future. We will continue along the path of decarbonisation and are more determined than ever to champion innovative, export-driven steel-based industrialisation in South Africa and sub-Saharan Africa.

The global trade and tariff environment faces considerable uncertainty in the coming months, likely resulting in a new world trade order. Current trade flows are characterised by large low-cost imports

which are being addressed by almost all countries with the imposition of extraordinary measures.

South Africa has initiated a welcome and comprehensive tariff review. It is imperative that, in this review, the Department of Trade, Industry and Competition and the International Trade Administration Commission create a level playing field by implementing effective tariff and non-tariff remedies.

I thank all of those who work at ArcelorMittal South Africa for their dedicated service over many years.

To the investors and customers who have stood so resolutely with us, I thank them for their unwavering support and assure them that we will continue to produce great steel more cost effectively and more reliably.

I greatly appreciate government’s willingness to engage with us on the issues facing the company, in particular Minister Parks Tau for his leadership during these engagements.

I thank also my management and our board of directors, so ably led by Professor Mohale, for providing supportive leadership in these most trying of times.

**Kobus Verster**  
*Chief executive officer*

16 April 2025

## Message from our chief financial officer



I thank all of those within the company who responded so boldly to our calls to conserve cash, as well as our many suppliers who have tied their longer-term fortunes to the outcomes we are striving to achieve.

The year reported on was dominated by uncertainty over the future of our Longs business and, as we announced on 6 January 2025, the decision to put that substantial part of our operations under care and maintenance. On 31 March 2025 we were able to announce Longs' continued operations for at least six months. This was after the company's board accepted additional funding of R1 683 million from the Industrial Development Corporation (IDC). As was the case with the funding support of R380 million from the IDC (formally accepted in February 2025), the latest loan is subordinated, interest free with no fixed maturity date (requiring both parties to agree to its repayment) and is subject to the solvency and liquidity of the Longs business.

We have agreed to apply a grant received by the company in terms of the temporary employee relief scheme, to assist in funding employee costs, to reduce the draw-down required against the IDC facility.

We continue to consider various strategic alternatives and consequently have confirmed that the IDC may conduct a due diligence process on the company during the six-month deferral period.

As our financial results for the year (and those of previous years) make clear, however, without decisive action from stakeholders, in particular government and state-owned enterprises, the sustainability of the Longs business was brought into serious question.

### Results for the year

At R38 596 million, income in 2024 decreased 7% while an EBITDA loss of R1 818 million, compared to a R56 million profit in 2023.

As we have indicated to stakeholders, the EBITDA loss consisted, essentially, of two components. The first was the performance of the Longs business which represented a R1.1 billion drain, and the chilled hearth conditions experienced at the blast furnaces in Vanderbijlpark during Q2. The latter events reduced EBITDA by R670 million, of which R511 million derived from 136 000 tonnes in lost sales.

Steel operations incurred a R1 921 million loss, against a R373 million loss in 2023. Non-steel operations made a profit of R324 million (2023: R534 million).



## Message from our chief financial officer continued

In a context of depressed demand and lower net realised prices, local sales volumes declined by 144 000 tonnes with only a minor uptick in exports; R1 101 million was lost to lower sales prices.

Given these adverse market conditions, it is instructive to compare the previous year's R56 million EBITDA profit with our EBITDA potential. Stripped of the effects of the chilled hearth issues, our EBITDA loss for 2024 would have been R1 146 million. On top of this, we recognised losses of R1 514 million on inventory disposals – in our unremitting drive to improve liquidity. (Here I should commend all parts of our company, including the Finance and Procurement functions, on their extremely close focus on preserving cash, a focus that substantially reduced our ultimate losses.)

Variable costs decreased by R156 million in 2024, mainly due to lower raw material prices. As you can read on page 50, savings on procurement and logistics were a standout success this year, despite ongoing underperformance by Transnet Freight Rail. Electricity tariff increases (see page 12) were punitive in the extreme and, with rail costs, along with the input cost disadvantage relative to scrap-based producers, were largely responsible for the decision to wind down Longs (subsequently deferred).

Fixed costs increased by R164 million, mainly from higher maintenance and environmental costs. The extremely modest increase in fixed costs was informed by our labour optimisation programme, which was carried out with minimal impact on our human capital.

Included in our earnings, the Value Plan contributed R910 million in savings, down on the R2 093 million of the previous year because of operational stability issues.

Depreciation and amortisation reduced by R60 million to R818 million, mainly due to the impairment of property, plant and equipment relating to the Longs business.

### Abridged balance sheet

	2024 Rm	2023 Rm	2022 Rm
<b>Current assets</b>	<b>16 079</b>	19 651	18 931
Cash balance	3 594	3 485	3 392
Inventories	10 113	12 441	11 973
Trade and other receivables	2 246	3 552	3 486
Asset held-for-sale	126	134	80
Other current assets	–	39	–
<b>Non-current assets</b>	<b>8 862</b>	9 459	11 070
Property, plant and equipment	7 373	7 974	9 570
Investment properties	690	702	737
Equity-accounted investments	243	245	251
Investment held by environmental trust	486	438	408
Other non-current assets	70	100	104
<b>Total assets</b>	<b>24 941</b>	29 110	30 001
<b>Current liabilities</b>	<b>15 272</b>	16 250	12 779
Trade and other payables	9 708	11 020	8 184
Provisions	1 714	924	862
Borrowings	3 650	4 000	3 500
Other current liabilities	200	306	233
<b>Non-current liabilities</b>	<b>7 706</b>	5 061	5 547
Provisions	1 578	1 474	1 784
Borrowings	5 055	2 700	2 700
Other non-current liabilities	1 073	887	1 063
<b>Shareholders' equity</b>	<b>1 963</b>	7 799	11 675
<b>Total liabilities and equity</b>	<b>24 941</b>	29 110	30 001

### Abridged income statement

	2024 Rm	2023 Rm	2022 Rm
<b>Revenue</b>	<b>38 596</b>	41 637	40 771
Cost	(40 412)	(41 581)	(36 501)
<b>EBITDA</b>	<b>(1 816)</b>	56	4 270
Depreciation and amortisation	(818)	(878)	(771)
Exceptional items	(1 131)	–	–
Impairments of PPE and intangible assets	(682)	(2 096)	–
Impairment of equity-accounted investments	–	(19)	–
<b>(Loss)/profit from operations</b>	<b>(4 447)</b>	(2 937)	3 499
Net financing cost	(1 372)	(1 057)	(952)
Share of profit after tax from equity-accounted investments	5	17	30
Fair value adjustments on investment properties	37	93	57
(Loss)/gain on remeasurement of asset held-for-sale	(57)	9	–
Income tax charged	(5)	(45)	–
<b>(Loss)/profit for the year</b>	<b>(5 839)</b>	(3 920)	2 634
<b>Headline (loss)/earnings</b>	<b>(5 102)</b>	(1 890)	2 607
<b>Headline (loss)/earnings per share</b>	<b>(458)</b>	(170)	234

## Message from our chief financial officer continued

Our net finance cost was up 30% at R1 372 million on higher average borrowing levels. R1 131 million was recognised as an exceptional charge relating to the wind down of Longs, R497 million for severance packages, R244 million for onerous contract accruals and R392 million in inventory write-downs. Although not included in headline earnings, a further R682 million impairment charge was recognised for the Longs business.

These various costs and factors translated into a headline loss of R5 102 million (2023: R1 890 million).

### Free cash flow and net borrowings

With a free cash outflow of R559 million (R431 million), net borrowings increased to R5 111 million.

Operations generated some R1 billion in cash. This was composed of an outflow of R1 973 million, representing operational cash losses which were more than offset by a R3 002 million inflow released from working capital. We paid out R640 million in net finance costs and R938 million to our capital equipment suppliers.

Net borrowings prior to the capitalisation of the multi-year accrued fees and interest payable to the ArcelorMittal group were flat for the last three quarters of the year at R3 756 million. After capitalisation of R1 355 million of group loans, net borrowing rose to R5 111 million at year end.

In the year, the support of the group and its belief in our future sustainability were extremely gratifying. So too the support received from the IDC which enabled the continuation of the Longs business.

### Capital expenditure

Capital expenditure of R938 million was R551 million, or 58%, lower than in 2023. Fifty-one percent was spent on sustaining operations, 25% on environmental projects, 15% on mill rolls and 9% on expansion and other relines. Despite our extremely straitened circumstances in

### Abridged cash flow statement

	2024 Rm	2023 Rm	2022 Rm
<b>Cash utilised in operations before working capital</b>	<b>(1 973)</b>	246	4 260
Working capital	3 002	1 435	(3 086)
<b>Cash generated from operations</b>	<b>1 029</b>	1 681	1 174
Net financing cost	(640)	(658)	(758)
Income tax received	(5)	(45)	–
Capital expenditure	(938)	(1 489)	(1 912)
Finance lease obligations repaid	(28)	(20)	(33)
Borrowings raised	650	500	290
Other	23	100	(71)
<b>Increase/(decrease) in cash, cash equivalents and restricted cash</b>	<b>91</b>	69	(1 310)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	18	24	50
<b>Net increase/(decrease) in cash, cash equivalents and restricted cash</b>	<b>109</b>	93	(1 260)
Cash, cash equivalents and restricted cash	3 594	3 485	3 392
Borrowings (current and non-current)	(8 705)	(6 700)	(6 200)
<b>Net borrowings</b>	<b>(5 111)</b>	(3 215)	(2 808)

2024 it was pleasing that we were able to maintain environmental capital expenditure at similar levels to those of the previous year, to deliver on our commitment of seeking zero harm towards the environment and communities. (Although they had minimal impact on our results for 2024, this year we continued to invest considerable manpower in various projects to decarbonise our operations – see pages 44 to 46.)

### Outlook and appreciation

I need to thank all of those within the company who responded so boldly to our calls to conserve cash as well as our many suppliers who have tied their longer-term fortunes to the outcomes we are striving very hard to achieve. I also extend my thanks to our shareholders and lenders for the time and effort they have invested in understanding our particular circumstances, challenges, risks and opportunities and who have lent us every support.

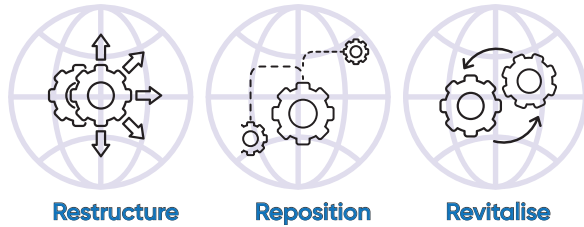
The resetting of global trade flows, news of steel mill failures from around the world, weak local demand and sky-high imports, point to a challenging financial year ahead.

While navigating the challenging conditions experienced in 2024, we have worked hard on developing a strategy that will return the company to sustainable profitability and ultimately reward our investors. To achieve these goals, a recapitalisation will be required.

**Gavin Griffiths**  
Chief financial officer

16 April 2025

# Our strategy for sustainability



While welcoming the opportunity to continue operating Longs until at least August 2025, our new strategy focuses on a reinvigorated Flats business. We envisage sustainably improving the quality of products and earnings while enhancing our positive economic and social impacts.

Our purpose, mission and values remain unchanged (see page 3).

Our new strategy consists of four pillars:

## Pillar 1: Safety

Pillar 1 relates to our overarching priority to achieve zero harm to people and planet.

Pillars 2 and 3 will build a fit-for-purpose “new” ArcelorMittal South Africa with Pillar 4 driving our longer-term upside potential and future-proofing the business.

Safety remains our number one priority and we will continue to focus on our journey to achieve zero harm. We will be using the inputs from a group-wide audit to improve our focus on Potentially Serious Injuries or Fatalities (PSIFs).

PILLAR 2: STRENGTHEN THE CORE BUSINESS	PILLAR 3: EXECUTE HIGH-PAYBACK PORTFOLIO	PILLAR 4: TARGET KEY LONGER-TERM INITIATIVES AND LEVERAGE STRATEGIC PARTNERSHIPS
<ul style="list-style-type: none"> <li>• Obviating the ongoing cash drain from the Longs business (see page 34)</li> <li>• Focus on Flats business through reliability, quality, cost competitiveness and customer service (2025 – 2026)</li> <li>• Working with key stakeholders to address decline in South African industry (2025 – 2030) and continue to pursue removal of structural impediments</li> <li>• Deliver the Value Plan by targeting critical cost reductions in raw materials, energy and logistics to reach the second quartile of the international steel cost curve (2025 – 2028)</li> <li>• Position for economic recovery in South Africa and GDP growth that will further enhance earnings through leveraging available capacity (2025 – 2027)</li> <li>• Address balance sheet resilience, through a recapitalisation (2025) to position the company to execute investments.</li> </ul>	<p>Advance the bankability of a high-payback investment portfolio (2028 – 2030):</p> <ul style="list-style-type: none"> <li>• 1.5 million tonne electric arc furnace</li> <li>• Gas recovery plan to increase electricity self-generation</li> <li>• New galvanising and Magnelis line to introduce superior coating technology for the southern African market, servicing automotive, appliances, and renewable sectors</li> <li>• Optigal® for organic coated products, targeting import replacement</li> <li>• Execute the first phase of the decarbonisation roadmap by reducing CO<sub>2</sub> by 25% (2025 – 2030)</li> <li>• Off-balance sheet investment in 200MW solar plant for Flats business</li> <li>• Pursue partnerships for some key rolling assets (2025 – 2026) under care and maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>• Secure volume uplift through downstream integration/commercial alliances (2026 – 2028)</li> <li>• Public-private partnership on key sections of Transnet rail network (2028)</li> <li>• Thabazimbi Iron Ore Mine redevelopment (2027)</li> <li>• Resuscitation of Saldanha Works producing green direct reduced iron for export/greener steel (2030).</li> </ul>

# Our strategy for sustainability continued

## High-payback projects

The high-payback projects detailed on the previous page will boost volumes, save on capital expenditure and support our decarbonisation drive, all underscoring the company's sustainability.

As of Q1 2025, advancing our high-payback investment portfolio was well on track. Investment in these projects will achieve incremental earnings and cash flow benefits derived from cost savings and growth in sales volumes. They will also progress our decarbonisation project (which will be boosted by improved operational efficiencies). Detailed analysis – undertaken in conjunction with experts in the ArcelorMittal group – confirms our belief that all projects will result in positive net present values and high internal rates of return, and payback periods of not more than eight years. We anticipate rapidly improving returns on capital employment to double-digit levels.

The projects will create downstream opportunities, boost employment and, it is envisaged, move our company into the second quartile of the international steel cost curve – buttressing our competitiveness and long-term sustainability. However, investment in these projects is threatened by an excessively steep increase in the carbon tax rate in 2026, as well as other measures that are currently being proposed. Deterring such vital industrial investments in the domestic steel sector, in particular, is just one unintended but extremely damaging consequence that such developments could have.

## Recapitalisation

Recapitalisation will be essential to implementing the high-payback projects. Equity raised will be committed to capital expenditure and not be used for funding working capital.

At the time of reporting, details on the form and quantum of the required recapitalisation were being finalised by management for consideration by the board.



# 2024 financial performance

		2024	2023	2022	2021	2020
<b>Revenue</b>	Rm	<b>38 596</b>	41 637	40 771	39 708	24 643
<b>EBITDA</b>	Rm	<b>(1 816)</b>	56	4 270	8 569	37
By segment:						
Steel operations	Rm	<b>(1 921)</b>	(373)	3 745	8 147	(272)
Non-steel operations	Rm	<b>324</b>	534	614	820	385
Other	Rm	<b>(219)</b>	(105)	(89)	(398)	(76)
<b>EBITDA per tonne sold</b>	R/t	<b>(798)</b>	23	1 977	3 465	17
<b>EBITDA margin</b>	%	<b>(4.7)</b>	0.1	10.5	21.6	0.2
<b>Headline (loss)/earnings</b>	Rm	<b>(5 102)</b>	(1 890)	2 607	6 860	(2 033)
<b>Production (tonnes of crude)</b>	'000 tonnes	<b>2 589</b>	2 767	2 408	3 026	2 257
Steel operations		<b>2 589</b>	2 767	2 408	3 026	2 257
<b>Sales by segment</b>	'000 tonnes	<b>2 276</b>	2 412	2 160	2 473	2 189
Steel operations		<b>2 276</b>	2 412	2 160	2 473	2 189
<b>Sales by market</b>						
Domestic	'000 tonnes	<b>1 753</b>	1 898	1 872	2 171	1 871
Africa overland	'000 tonnes	<b>238</b>	272	156	218	148
Blue-water exports	'000 tonnes	<b>285</b>	242	132	84	170
<b>Net borrowings</b>	Rm	<b>(5 111)</b>	(3 215)	(2 808)	(1 258)	(3 624)
<b>Capacity utilisation (liquid steel)</b>	%	<b>62.9**</b>	53.9	47.2*	60.0*	35.5*
<b>Productivity – tonnes of HRC equivalent/total FTE</b>	t/FTE	<b>385</b>	403	349	444	361

\* Saldanha included.

\*\* Excludes all mothballed operations.



# Key sustainability indicators

As a company, we have always taken our social and environmental impacts extremely seriously. Here we list our performance against various key natural and social capital metrics.

Key sustainability indicators	Unit	Limited assurance provided for 2024	Year-on-year change	2024	2023	2022	Definitions
<b>Making steel more sustainable</b>							
Percentage of operations certified to the ISO 14001 standard	%		➔	100	100	100	ISO 14001 is an international standard for environmental management systems
<b>Greenhouse gases</b>							
Direct carbon dioxide (CO <sub>2</sub> ) – scope 1	t/t liquid steel	✓	⬇️	2.69	2.77	2.67	Direct CO <sub>2</sub> emissions
Indirect carbon dioxide (CO <sub>2</sub> ) – scope 2	t/t liquid steel	✓	⬆️	0.67	0.61	0.72	Indirect CO <sub>2</sub> emissions due to electricity consumption
Total greenhouse gas (CO <sub>2</sub> equivalent scope 1 and scope 2)	t/t liquid steel	✓	⬇️	3.35	3.38	3.39	IPCC methodology as prescribed in National GHG Reporting Regulations
Total greenhouse gas (CO <sub>2</sub> equivalent scope 1 and scope 2)	Mt	✓	⬇️	8.85	9.52	8.35	
<b>Atmospheric emissions</b>							
Sulphur dioxides (SO <sub>2</sub> )	Tonnes		⬆️	8 898	8 197	3 925	
Particulates from point sources	Tonnes		⬆️	1 882	1 831	1 571	
<b>By-products</b>							
By-products generated	Mt		⬇️	1.80	1.88	2.18	
By-products recycled (% of total)	%		⬇️	11	16	23	
By-products sold (% of total)	%		➔	57	57	65	
By-products disposed (% of total)	%		⬇️	12	27	26	
<b>Energy use</b>							
Electricity (purchased)	TWh		⬆️	1.79	1.66	1.69	
Total energy consumption	PJ		⬇️	82	86	83	
Electricity self-generated	MWh		⬇️	115 774	128 387	109 016	
<b>Material purchased</b>							
Iron ore	Tonnes		⬇️	3 918 969	4 245 420	3 574 873	
Coal	Tonnes		⬇️	1 781 571	2 561 555	2 274 740	
Dolomite	Tonnes		⬆️	296 906	267 371	200 802	
Limestone	Tonnes		⬆️	692 085	689 010	628 488	
Scrap	Tonnes		⬆️	113 587	90 747	150 407	
<b>Water</b>							
Total freshwater intake	kl		⬆️	11 613 459	10 862 243	11 418 318	
Fresh water intake per tonne of liquid steel	kl		⬆️	4.19	3.79	4.56	



## Key sustainability indicators continued

Key sustainability indicators	Unit	Limited assurance provided for 2024	Year-on-year change	2024	2023	2022	Definitions
<b>Investing in our people</b>							
Employee numbers – permanently employed (average) (including fixed-term contractors)	Number	✓	↘	6 108	6 449	6 450	Average number of permanently employed employees for the year, including fixed-term contractors
Employee and contractor fatalities	Number	✓	↔	1	1	2	Total number of fatalities from all employees and contractor categories occurring during the reporting period
Lost-time injury frequency rate (LTIFR)	per million hours worked	✓	↗	1.13	0.77	0.87	LTIFR is the number of fatalities and injuries that have resulted in an employee or contractor being away from work for at least one day after the day the accident occurred, per million hours worked
Disabling injury frequency rate (DIFR)	per million hours worked		↗	1.80	1.31	1.07	DIFR is the number of fatalities, lost-time injuries (LTIs) and restricted workday case injuries per million hours worked. Restricted workday case injuries are recorded when the injured employee returns to work by their next shift and can complete meaningful tasks, but a restriction placed on them by a medical practitioner limits their ability to perform all of the tasks required of them
Total injury frequency rate (TIFR)	per million hours worked		↘	7.16	7.69	5.69	All injuries (fatalities, disabling injuries, LTIs, medical aid and first aid injuries) per million hours worked
Occupational disease frequency rate (ODFR)	per million hours worked		↗	0.11	0.0	0.0	Occupational diseases (work-related ailments) per million hours worked
Percentage of operations certified to the health and safety management system standard, ISO 45001	%		↔	100	100	100	ISO 45001 is an international standard for health and safety management systems
Number of hours of full-time package category employee training	Number		↗	17 958	9 947	6 334	Number of hours of full-time package category employee training (includes health and safety training)
Number of hours of full-time bargaining unit category employee training	Number		↘	214 978	251 619	193 639	Number of hours of full-time bargaining unit category employee training (includes health and safety training and on-the-job training)
Investment in employee training and development	Rm		↗	104	84	88	
Proportion of above focused on black employees	%		↗	96	93	94	
Investment in bursary scheme	Rm	✓	↗	38	19	29	
Graduates in training	Number	✓	↘	11	13	13	
Production learners	Number	✓	↗	366	258	226	
Apprentices	Number	✓	↗	385	208	228	

### Key:

↘ Decreased   ↗ Increased   ↔ Unchanged

# Strategic objective 1: Zero Harm

We are committed to keeping our people – staff and contractors – safe at all times. We also strive to minimise our negative environmental impacts, and impacts on our neighbouring communities

## Workplace safety

### A disappointing safety performance

In 2024, our workplace safety performance gave serious cause for concern.



Almost all safety indicators were either worse than those of the previous year or compared unfavourably with recent outcomes.

In summary, we suffered:

- One fatality (and one subsequent to the year-end)
- 30 lost-time injuries
- 18 restricted workday cases
- A total of 157 recordable injuries.

On 8 September, contractor employee, 31-year-old Mr Image Mabowa, was killed while attending to an unscheduled drop in water pressure at Vanderbijlpark iron-making's sinter plant. He is survived by his parents and sister. We suffered another fatality on 25 January 2025 when Mr Ezekiel Rakauoane (49), a scrap cutter, was reportedly struck by a mobile magnet while taking a break in a makeshift area.

In the year a group-wide, externally facilitated, comprehensive audit of safety-related topics found that all practices, policies and measures employed by our group sister plants were in force at ArcelorMittal South Africa. However, it is clear from our disappointing performance this year that the root cause of some two-thirds of recordable injuries could be ascribed to our safety culture.

In particular, employees and contractors were, in 2024, more likely to not follow set procedures and to take shortcuts, which contributed to an overall lack of safety discipline.

## Three-year KPIs

<b>01</b>	<b>Employee and contractor fatalities</b>			
		<b>1</b>	1	2
		2024	2023	2022

<b>02</b>	<b>Lost-time injury frequency rate (LTIFR)</b>			
		<b>1.13</b>	0.77	0.87
		2024	2023	2022

<b>03</b>	<b>Total injury frequency rate (TIFR)</b>			
		<b>7.16</b>	7.69	5.69
		2024	2023	2022

<b>12</b>	<b>Environmental spend (Rm)</b>			
		<b>237</b>	269	301
		2024	2023	2022

<b>13</b>	<b>CO<sub>2</sub> emissions (CO<sub>2</sub> eq/t liquid steel)</b>			
		<b>3.35</b>	3.38	3.39
		2024	2023	2022



# Strategic objective 1: Zero Harm continued



## Interventions on the shopfloor

This year, we continued with a reinvigorated occupational safety programme that prioritised all levels of the workforce and contractor employees taking responsibility for their own safety and that of their colleagues. The 2024 roadmap focused on risk management, emotional connection and training. In particular, shopfloor risk-management interactions were prioritised:

- Leadership plant audits exceeded demanding targets of one per manager per week by 7%
- Some 47 000 leadership behaviour interactions were executed, 134% of target
- Managers identified 305 potential serious injuries or fatalities (PSIFs) which were registered on our “return on experience” system.

Training interventions focused on reinforcing the importance of fatality prevention standards (FPSs) and standard operating procedures as well as hazard identification and risk assessments.

FPS training increased markedly in 2024 with 10 422 employees participating in training events. Relative to 2023, the training focus on critical FPS standards showed a 46% growth in total FPS training.

Following an electrical safety audit carried out for the first time in 2023, an FPS related specifically to electrical hazards was developed and followed in 2024. Some 808 individuals (2023: 609) received electrical safety awareness training.

This year, we significantly ramped up implementation of our quarantine regulations in terms of which plant sections and whole departments are quarantined for 40 days when serious incidents occur, or the chief operating officer identifies a troubling safety performance. At year-end, 35 sites had been placed under quarantine (2023: 21), of which eight were still under quarantine at year end.

In 2024, a detailed audit of FPSs and their application was undertaken. This work was carried out to ensure that all business units complied with group FPSs. Another key objective was to implement lessons learnt from work carried out by external consultants dss+ and to meet results expected following a group audit.

## Safety priorities

Other key safety interventions carried out in the year were:

- Requiring all employees to complete questionnaires on the group’s 10 Life-saving Golden Rules and communicating the rules’ importance as well as the need to immediately stop all work when the rules are not applied
- Training 156 individuals to work as “red scorpions” whose responsibilities include advising management, employees and contractors on safety issues, halting jobs if conditions are deemed to be unsafe and issuing safety citations.

Family connection days were held at Newcastle, Vanderbijlpark, eMalahleni and Vereeniging. These are full-day events in which families visit our sites, including the areas where their loved ones work. The family connection days aim to “bring home” safety messaging communicated at work. In total, more than 750 employees and their relatives attended such events in 2024.

Communication and awareness-raising exercises in the year included weekly plant safety stops when key safety messages are communicated and a culture of caring about safety is inculcated. Regular safety toolbox talks were held throughout the year.

For the second year, consequence management was a major focus for our health and safety professionals. Some 273 individuals received written warnings for safety infractions and 45 were dismissed.

In 2024, we spent R31 million on safety capital expenditure. Since 2015, we have disbursed almost R510 million on safety capex. Two additional safety technicians were appointed.

## Workplace and occupational health

We recorded a company-wide occupational disease rate of close to zero in 2024 with health interventions continuing to be implemented at recent elevated levels. The only case recorded in the year was one of noise-induced hearing loss (another case of hearing loss, from 2023, was subsequently recorded).

For the full year, 21 872 medical surveillance examinations were conducted (2023: 20 896). In addition, 151 occupational health inspections (2023: 137) were undertaken, in accordance with the Occupational Health and Safety Act.

## Environmental safety

In 2024, gross capital expenditure (capex) on environmental projects decreased from R235 million in the previous year to R224 million and legacy provisions of R13.7 million. A total of R130 million was spent on legacy environmental rehabilitation provisions (2023: R171 million).



Large capex projects included:

- Vanderbijlpark coke gas-cleaning plant (on which we have spent R723 million to date)
- Consolidated residue facility area in Vanderbijlpark
- Dams 1 to 4 remediation – water treatment in Vanderbijlpark
- Newcastle gas-cleaning project
- Water treatment upgrades in Vanderbijlpark
- Disposal of brine salts in Saldanha
- Newcastle stormwater treatment facility
- Construction of a waste disposal site in Vanderbijlpark.

# Strategic objective 1: Zero Harm continued



## Emissions to air

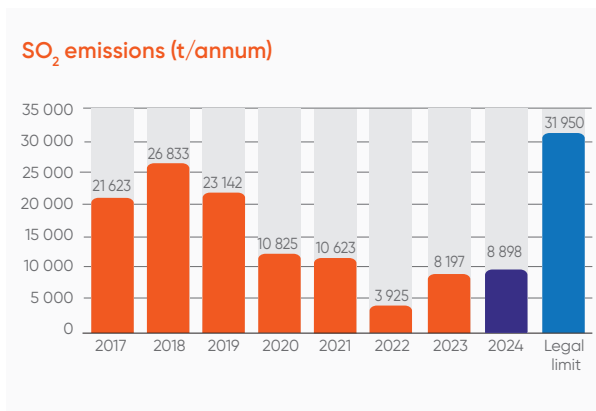
In 2023, all atmospheric emissions licences were renewed for five years.

There were substantial improvements in air quality management in 2024 with notable reductions in sulphur dioxide emissions and particulates at Vanderbijlpark's sinter plant. Nitrogen oxide emissions also reduced.

This year, there were no major upset conditions, and site inspections by the Green Scorpions did not result in any major findings. Two observations were made but, as of March 2025, we had not received responses to our submissions on these.

Sulphur dioxide emissions increased by 7.8%, largely because of deteriorating production efficiencies, including unplanned interruptions.

Particulate emissions increased by some 2.7% on lower production in Vanderbijlpark, aided by stable (and lower) production in Newcastle.



Per tonne of liquid steel produced, water intake was higher, at 4.19 kilolitres (2023: 3.79). Even at this elevated level, our performance on water management compared favourably with the industry average.

## Legacy land and water

Major rehabilitation projects in 2024 were the relining of the Basic Oxygen Furnace dams in Newcastle. Over the past five years, more than 13 hectares of land and over 50 hectares of contaminated soil in legacy dams have been remediated.



## Thabazimbi rehabilitation

This year, rehabilitation of the Thabazimbi Iron Ore Mine continued at a cost of R115 million (2023: R91 million), with the following being achieved:

- 15.79 hectares reshaped (2023: 14 hectares), bringing to 492 hectares the area reshaped to date (57% of the required total)
- 29.26 hectares planted (2023: 31 hectares)
- 6 762 trees and a similar number of tufts of grass planted (2023: 10 700 trees and 11 600 tufts).

## Decarbonisation

The substance of our decarbonisation roadmap (see page 47) remains relevant as of the date of this report and we have not changed any of the timeline detail.



## Carbon capture and utilisation (CCU)

A year previously, we reported that we were working with Sasol and "a number of other parties" on the potential of the CCU opportunity. Detailed studies were concluded in 2024, confirming that the required technology is not readily viable in terms of cost and existing legislation. A joint development agreement with Sasol came to its natural end of term in September with both parties agreeing to not extend it.

## Waste

Construction of a new waste site in Vanderbijlpark proceeded according to plan in the year. The site, being built at a cost of R25 million, is expected to be operational in Q2 2025.

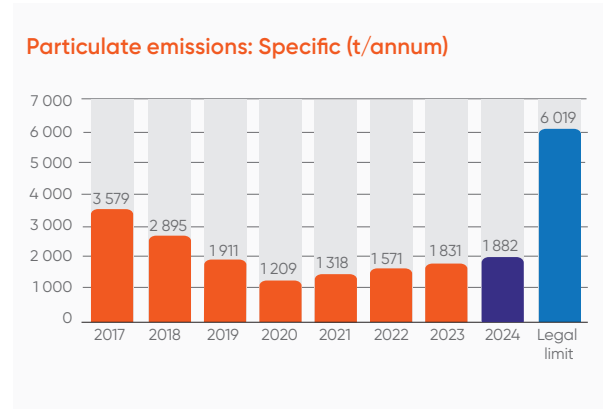
This year, residual waste produced fell by 12.3% while sales were flat. Waste disposed was 469 713 tonnes, 8.7% lower than the previous year. We achieved an improvement of 17.3% on material reused.



## Water

In 2024, R24.2 million was spent on regaining Vanderbijlpark's zero effluent discharge (ZED) status. As of February 2025, the works had maintained this status for six months. Newcastle remained ZED compliant throughout the year.

Our total potable water abstraction rose 7% as the result of a number of leaks and because Vanderbijlpark was not ZED compliant for much of the first half of the year.





# Strategic objective 1: Zero Harm continued

However, we are engaging with various parties to build on our understanding of the economic and technical challenges which were explored in the initial CCU studies to find solutions and improve techno-economic viability.

## Vanderbijlpark self-generation of renewable energy

A year previously, we reported that we envisaged commissioning 200 MW of embedded solar power at Vanderbijlpark Works by the end of 2025. This project would meet some 43% of Vanderbijlpark’s electricity requirements.

Regrettably, progress on developing this large renewable energy project was held up in the year by uncertainties surrounding the interim grid capacity allocation rules initiated by Eskom.

We submitted various concession requests based on the bespoke technical and commercial aspects of the facility and its associated fit within the current grid code. These concession requests had not been resolved at the time of publication and talks are continuing with Eskom and at the ministerial level. We believe that a mutually beneficial solution will be found.

This year, we remained on track to deliver the first (15 MW) of electricity from our initial renewable energy private power purchase agreement (PPA), concluded in 2023, by Q3 2025. Other PPAs, including potentially, both solar and wind, are being pursued.

## Electric arc furnace in Vanderbijlpark

As is illustrated in the graphic on page 47, we plan to commission an electric arc furnace (EAF) in Vanderbijlpark by 2029. In terms of this plan, Blast Furnace C will be decommissioned and Blast Furnace D returned to service, following a reline, as a low-carbon enabled furnace.

This process maintained its momentum in 2024. In August, we completed the request-for-proposals process. We are on course to achieve a final investment decision in Q2 2025, with initial orders expected to be placed in Q4 2025.

## Carbon emissions and taxes

In absolute terms, scope 1 emissions fell by 9%. The main causes of the decline were a 6% decrease in liquid steel production, the impact of capital investments (stoves repair), considerable downtime at the blast furnaces and continuous improvement in process-related energy efficiencies.

Scope 2 emissions increased by 3% in absolute terms. This was mainly due to challenges experienced at our Vanderbijlpark power-generation plant as well as a higher CO<sub>2</sub> emission factor from Eskom.

Weighing on our carbon-emissions performance in 2024 were lower throughput and higher natural gas consumption. Towards the year end a number of energy-efficiency measures were implemented (see page 50).

We paid R135 million in carbon taxes in 2024 (2023: R104 million).

The Climate Change Act came into operation on 17 March 2025 but with some deferrals. The Act provides for climate change-related plans, policies and regulations including sectoral emissions targets. Regulations are still under development and are expected to be published for public comment around Q2 2025; the implications and severity of such regulations, particularly for large emitters, is unknown.

We are concerned about the proposed increase in carbon offset allowances as there is a shortage of eligible offsets and those that do come to the market are often priced at levels higher than the effective tax rate.

The proposals include a drastic phasing down of tax-free allowances while increasing the use of carbon offsets. After considering stakeholder comments, the 2025 Budget Review, published on 12 March 2025, reduced the decrease in tax-free allowances until 2030. However, the increase in annual tax rates on its own will still entail a significant increase in our carbon tax liability. The carbon tax rate will increase from R236/tCO<sub>2</sub> to R308/tCO<sub>2</sub> in 2026.

Excessive carbon tax liabilities that are mismatched with organisations’ readiness to decarbonise could undermine not only investments in new job-creating capacity but the entire viability of the South African steel value chain. At the same time that we are facing debilitating increases in carbon taxes, the sector enjoys little to no protection from steel imported from countries with no carbon pricing.

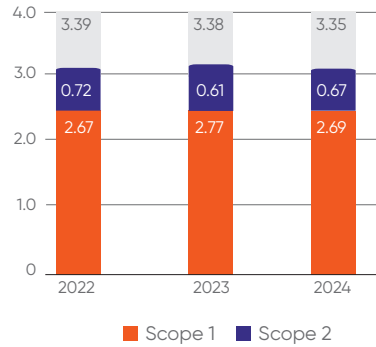
A higher tax rate of R640 per tonne of CO<sub>2</sub>e for emissions exceeding allocated carbon budgets (which will be applied as a penalty) could increase our liability to unaffordable levels.

The imminent implementation (in 2026) of the European Union carbon border adjustment mechanism (CBAM) also has important implications for our company. While we export limited quantities to Europe, many of our customers face serious CBAM repercussions. As the only integrated steelmaker in South Africa, we stand to be disadvantaged in terms of embedded carbon emissions relative to EAF producers. Our response will be to accelerate implementation of our decarbonisation strategy as well as driving energy efficiency initiatives.

# Strategic objective 1: Zero Harm continued



## CO<sub>2</sub> emissions (CO<sub>2</sub>eq/t liquid steel)



In arriving at our calculations of scope 2 emissions, we used the following Eskom factors (tCO<sub>2</sub>eq/MWh) 2022: 1.04 tCO<sub>2</sub>eq/MWh; 2023: 1.01 tCO<sub>2</sub>eq/MWh; 2024: 1.06 tCO<sub>2</sub>eq/MWh.

Our figure does not include CO<sub>2</sub>eq emissions from the usage of diesel and electricity at the Thabazimbi Iron Ore Mine. However, these emissions amounted to 4 233 tCO<sub>2</sub>e (scope 1) and 9 254 tCO<sub>2</sub>eq (8 729.85 MWh\*1.06) (scope 2) respectively.

## Outlook

In 2024, we laid the groundwork for a three-year reinvigorated ArcelorMittal strategic safety improvement roadmap, which we are following with group companies around the world. The new roadmap will run until 2027 and will focus on company-wide culture and risk management enhancements as well as improved contractor safety management.

In 2025, environmental priorities will include:

- Completing construction of a new waste site in Vanderbijlpark
- Rehabilitation and lining of various maturation and leachate dams in Vanderbijlpark
- Remediation of slag dumps in Vanderbijlpark
- A focus on fugitive emission reductions.

Decarbonisation initiatives include continuing to finetune and roll out short- and medium-term objectives under our decarbonisation roadmap, advancing plans for an EAF in Vanderbijlpark and working with various stakeholders on realising our ambition to commission a 200MW embedded solar project.

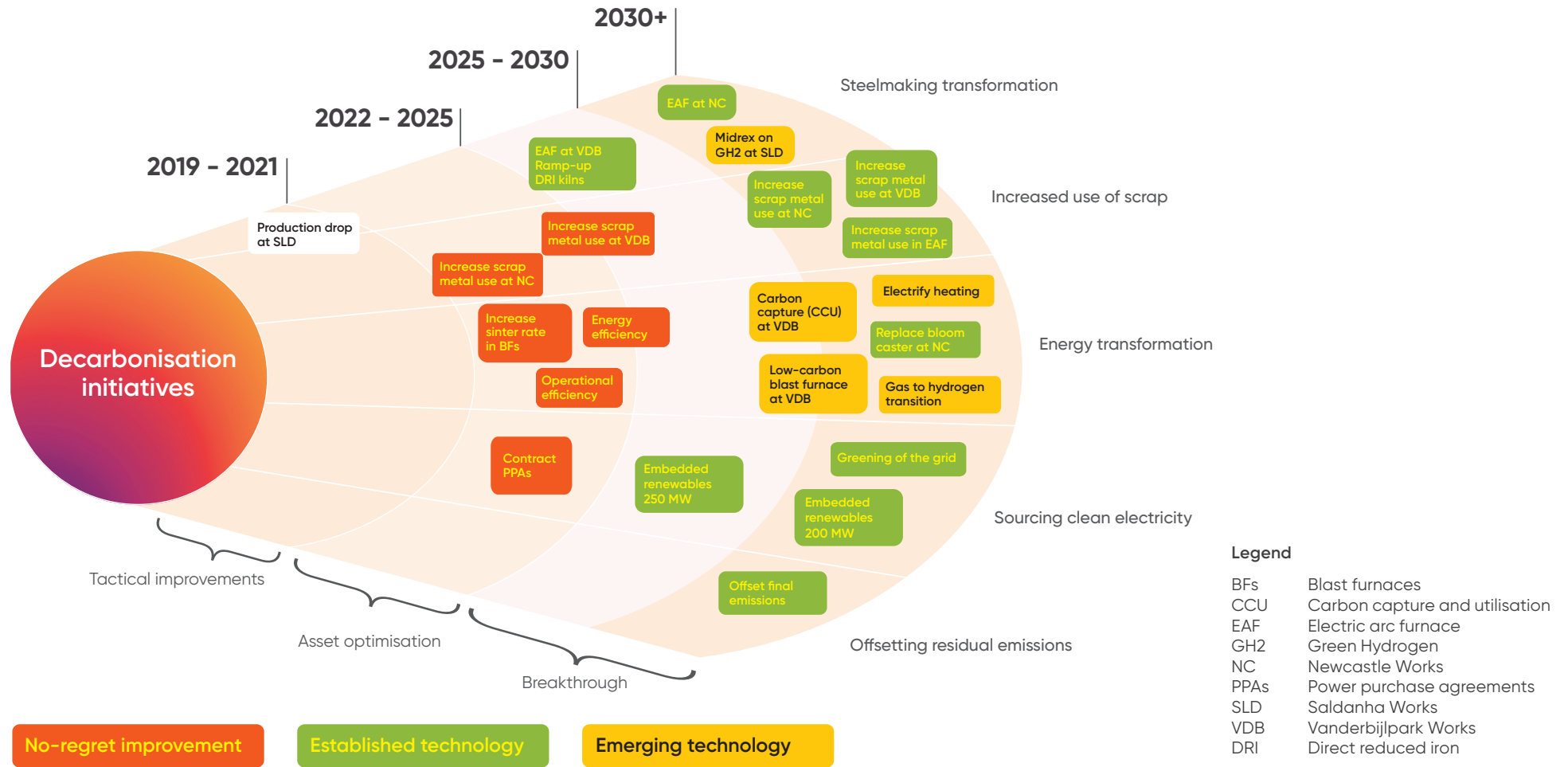


# Strategic objective 1: Zero Harm continued



## Our roadmap

The graphic below captures decarbonisation initiatives and opportunities available to us and which we plan to utilise. Starting with “no-regret” options, over which we have considerable control and predictability, the graphic indicates time horizons and the current status of key technologies.





## Strategic objective 2: Long-term sustainability

We need to consistently produce and sell quality products in quantities and at prices that allow us to operate sustainably. We also need to work to ensure our various licences to operate.

We were forced to announce the closure of our Longs business because of that part of the company's large drain on profitability and cash. Winding down Longs was subsequently deferred without jeopardising our short-term sustainability.

In 2024, revenue decreased by 7% to R38 596 million (2023: R41 637 million). This was mainly due to a decline in both steel sales volumes and a drop in net realised sales prices.

Representing 46% of our cash cost per tonne, the company's raw material basket was flat in rand terms. Spreads between the basket and our average net realised prices remained at multi-year lows. Other variable conversion cash costs (36% of our variable costs per tonne) were 7% higher than those of the preceding year. This was largely on the back of higher energy costs with electricity tariffs rising by 14%.

### Sales

At 2.3 million tonnes, steel sales were 6% down on those of 2023. Export sales volumes, at 523 000 tonnes, were similar to those of the previous year. Domestic sales (1.8 million tonnes) showed an 8% year-on-year decrease. Flat steel sales declined to 1.45 million tonnes (from 1.48 million tonnes) while long steel sales fell to 822 000 tonnes (from 936 000 tonnes).

Net realised prices were, on average, down 3% in dollar terms (4% in rand terms).

With GDP growth in the region of only 0.7% in 2024, South Africa experienced very constrained steel demand. The first three quarters of the year witnessed excessive overstocking, including among the large merchants that traditionally account for a combined 60% to 70% of sales.

International (and domestic) pricing was depressed throughout the year. Major economies continue to tighten import restrictions: The European Union and the United Kingdom have extended steel safeguard measures until June 2026 while the United States raised steel tariffs to 25%. Australia has imposed anti-dumping duties on structural steel sections from Japan, Korea, Taiwan and Thailand and Japan introduced anti-dumping duties on steel wire from China and South Korea. Dumping from mostly Asian countries, particularly China, remained a global concern; as more markets were closed off, the risk of trade diversion to our traditional markets grew.

### Three-year KPIs

<b>04</b>	EBITDA per tonne sold (R/t)	<b>(798)</b>	23	1 977
		2024	2023	2022
<b>05</b>	Return on capital employed (%)	<b>(22.65)</b>	(2.16)	20.32
		2024	2023	2022
<b>06</b>	Steel market share (%)	<b>46</b>	46	46
		2024	2023	2022
<b>07</b>	Crude steel production ('000 tonnes per year)	<b>2 589</b>	2 767	2 408
		2024	2023	2022
<b>08</b>	Cash (utilised in)/generated from operations before working capital (Rm)	<b>(1 973)</b>	246	4 260
		2024	2023	2022
<b>09</b>	Net debt position at year-end (Rm)	<b>5 111</b>	3 215	2 808
		2024	2023	2022

## Strategic objective 2: Long-term sustainability continued



This year we applied for safeguards on hot rolled products (coil and plate) as well as anti-dumping measures on heavy sections imported from China and Taiwan. A provisional safeguard of 9% was imposed on hot rolled products as were provisional anti-dumping duties on heavy sections of 52.81% and 9.2% against China and Taiwan, respectively. (The 9% provisional safeguard on hot rolled products lapsed in January 2025. This will negatively impact ourselves and much of the domestic steel value chain). We remain steadfast in arguing that, to be effective, safeguards on hot rolled products should be in the region of 25%, in line with those applied by most countries. An application was also made for anti-dumping duties on heavy sections, targeting, in particular, imports from China and Thailand.

Unlike most imports, our products conform to stringent international quality standards and we implement best practice in terms of traceability of process and products while applying considerable in-house expertise in the application of our products.

This year, we commissioned, with an interested third party, a study into the potential to replace imported automotive OEM parts with locally manufactured equivalents. Initial findings were positive, indicating that such localisation should be pursued and that it would benefit ourselves and almost all parts of the domestic steel value chain. Such a development would also support vehicle manufacturers' requirements to increase local content.

### Cash management

The company continued to assertively manage its cash and net borrowings position by targeting working capital optimisation, incremental cash initiatives (for example the sale of non-core properties and sale of pool iron) and by optimising the timing of receipts and payments in managing peak funding requirements. A short-term loan facility of R1 000 million was also

targeted and received in June 2024. Net borrowing levels continue to remain within tolerable levels.

As a non-adjusting subsequent event, the outstanding R950 million of the R1 000 million secured short-term loan from the IDC in June 2024 was restructured, with final settlement extended from 1 June 2025 to 1 September 2026. This excludes the IDC's R1 683 million and R380 million shareholder loans.

Our Value Plan programme recorded EBITDA improvements of R910 million in the year (2023: R2 093 million). This brought to more than R10 billion the amount this key initiative has achieved since its inception in 2018. Savings in 2024 were mostly achieved through raw material procurement and savings on road logistics.

### Capital expenditure

In 2024, we reduced capital expenditure (from R1 299 million to R902 million). Sustaining and environmental capex accounted for three-quarters of this amount. Stay-in-business capex will have the effect of improving reliability and asset capacity of, particularly, our Flat steel business. Our environmental capex remained little changed year on year.

Non-environmental capex was overwhelmingly committed towards plant and equipment, large capex items including:

- Vanderbijlpark Blast Furnace C taphole and hearth restoration
- Newcastle coke oven battery through-wall repair (total investment to date amounting to R155 million)
- Vanderbijlpark Blast Furnace D stove 4 campaign extension (R142 million to date)
- Replacement of the Vanderbijlpark continuous pickle line drive systems
- Upgrades to the Vanderbijlpark plate mill's main drive.

### Plant reliability

In Q2, chilled hearth conditions at the blast furnaces in Vanderbijlpark resulted in lost production of some 209 000 tonnes and an EBITDA loss of R670 million. Water ingress was the major cause of the chilled hearth conditions. Repairs at both blast furnaces were successfully carried out. Planned maintenance stops later in the year (to prevent a recurrence) translated into further lost production. These substantial restoration projects will result in significantly improved reliability, particularly at Blast Furnace C.

Despite these challenges, Vanderbijlpark's upstream operations returned an excellent result in H2. Crude steel production in H2 rose by 12% compared to the first half on improved asset utilisation in the Flats business.

In 2024, we began laying the groundwork for a 2025 – 2030 reinvigorated reliability strategy deriving from lessons learnt and strategies developed by the ArcelorMittal group. At a most basic level, this strategy consists of two elements. These are a maintenance transformation roadmap and a process transformation roadmap. Focuses will include skills development, process and maintenance discipline, improving asset condition and leadership responsibility for reliability.

The new strategy, which incorporates discrete targets and accountabilities, is being implemented in response to the need for cost competitiveness, heightened competitive market dynamics and increasingly scarce skills.

To drive the new reliability strategy, a number of new positions were created in the company's asset management department.



# Strategic objective 2: Long-term sustainability continued



## Coke production and sales

We produce metallurgical coke for consumption in our own blast furnaces, and commercial (or market) coke for sale to external customers.

In 2024, we produced 832 000 tonnes of coke. Commercial coke sales amounted to 132 000 tonnes (2023: 21 000 tonnes).

In the year, batteries 6 and 7 in Vanderbijlpark were effectively shut down, as was battery 4 in Newcastle. This was because of the age of the batteries and to avoid very costly capital expenditure to keep them operational. Newcastle will continue to supply metallurgical coke to Vanderbijlpark as well as producing a projected 240 000 tonnes per annum of market coke. Work continued on the development of two new coke batteries in Vanderbijlpark, with a combined output of some 750 000 tonnes a year, slated to begin supplying in 2028.

## By-products

Our by-products business unit processes and sells blast furnace slag, steel slag, mill scale, tar and other products generated by our production of iron, steel and coke.

This year, we produced 1.8 million tonnes of by-products (2023: 1.88 million tonnes).

At 57% (excluding tar), the percentage of by-products sold was similar to that of the previous year. Recycled by-products were 11% of the total (16% in the previous year). By-products disposed of were 12% of the total against the 27% of 2023. Stored by-products were 17% (2023: 21%). We experienced a decrease in by-product disposal and improved recycling as a result of product and market development.

During the year, our by-products sales team embarked on a concerted campaign to market the environmental benefits of slag in, particularly, roadbuilding and landfill, as opposed to using virgin aggregate.

## Procurement and logistics

Record year-on-year procurement and logistics cost savings of R1.8 billion were achieved.



ArcelorMittal South Africa is almost unique among primary steel producers in the heavy reliance it is forced to place on (costly) road transport, particularly for inbound logistics. This stems from the poor performance of Transnet Freight Rail (TFR). In 2024, TFR's performance showed few signs of improving, with more than 40% of delivery targets not being met.

Efforts to secure third-party access to the national rail network gained traction in 2024. However, a network access fee proposed by the Transnet Rail Infrastructure Management function in the year would render such operations by our appointed operator economically unfeasible.

One area of improvement in the year was the performance, as we experienced it, of the Transnet National Ports Authority. Berthing of incoming vessels improved significantly, saving us demurrage charges (for the first time, we incurred no such charges).

Inbound logistics costs reduced by 21% from last year. Outbound logistics, principally for steel deliveries to domestic and Africa Overland customers, recorded savings in the order of 7%.

Although the international RMB (in US dollar terms) was more than 10% lower against that of 2023, our RMB remained flat due to higher-than-anticipated inflation increases, increased coal prices which lagged international prices, and punitive local rail costs.

Iron ore accounted for 41% of our RMB in 2024, our success in sourcing from domestic emerging miners largely informing the relatively muted rise in these costs.

Another way in which we create socio-economic value is in our recent development of a number of emerging iron ore miners, mostly in the Northern Cape. In the year, these accounted for 29% of our total iron ore requirement.

Reducing stockholding for raw materials resulted in a cash flow impact of R1.5 billion.

## Energy efficiency



The decrease in liquid steel production at both Vanderbijlpark and Newcastle (driven by plant reliability issues) resulted in a year-on-year reduction in electricity purchases. Lower electricity purchases also derived from a 4% improvement in our own power generation over 2023.

The successful implementation of the second phase of variable speed drive projects in the year resulted in sustainable energy savings of 91 gigawatt hours (GWh) per year. This initiative has achieved total cumulative savings of R332 million (773 GWh) since 2017.

Internal gas production remained constrained as anticipated throughout 2024 with ongoing battery rebuilds and blast furnace stoppages aligned with fluctuations in steel demand. Consequently, there was a 7% increase in the purchase of natural gas.

Sasol recently announced the suspension of gas supplies from its Pande/Temane gas fields in Mozambique and its Secunda operations, effective June 2027. To mitigate this, Sasol is undertaking a technical programme to potentially extend gas supply until June 2028. Beyond this, a viable alternative will be to import liquefied natural gas (LNG) via the Matola Port in Mozambique.

# Strategic objective 2: Long-term sustainability continued



We have been a member of the Industrial Gas Users Association of South Africa (IGUA-SA) since 2018. IGUA-SA advocates for industrial gas users on energy security, policy, and pricing. To address gas supply challenges beyond 2028, IGUA-SA is leading efforts to establish a gas aggregator entity, aiming to secure third-party investment in LNG infrastructure and long-term supply contracts. Ongoing commercial negotiations with LNG suppliers and service providers are aimed at ensuring a reliable and sustainable gas supply. We are actively exploring alternative supply options, including strategic storage solutions and, potentially, other local sources.

## New product development

Our outputs, derived from both manufactured and intellectual capital inputs, find application in a very large number of industries and sectors. These include automotive, mining, general manufacturing, renewable energy, construction and infrastructure.



To support these sectors and in pursuit of our ambition to produce smarter steels for people and the planet, in 2024 we released 12 new products and specifications.

Focuses included new steels for the automotive and solar sectors as well as piping and heavy earthmoving equipment for the mining industry. Advances in the year encompassed the release of environmentally friendly and stronger but thinner steels, among them plate, hot strip and cold rolled steels. A priority was working with customers to support their own localisation drives.

This year, technical specialists from the Industrial Minerals and Metals Research Institute (IMMRI), based at the University of Pretoria, undertook some

9 000 hours of work analysing and reporting on various product parameters. Some 30% of the IMMRI staff's hours were dedicated to working directly with our customers to optimise our products for their direct benefit. This year, IMMRI experts performed independent, external quality audits at 13 of our plants.

## Information technology

This year, we continued to spend significant amounts on automating and strengthening our IT and enterprise systems, with expenditure amounting to R268 million, compared to R220 million in 2023.



## Scrap strategy

Scrap steel is an integral part of our strategic decision-making and our decarbonisation drive. Scrap is a factor that will grow in importance as we continue to decarbonise and build an electric arc furnace in Vanderbijlpark (scheduled for commissioning by 2029). Using greater amounts of scrap improves the "green" credentials of our steel.



In 2024, we consumed 521 000 tonnes of scrap (2023: 550 000 tonnes).

## Outlook

At the time of reporting, we were encouraged by emerging signs of demand growth in the South African economy. Such developments would benefit the steel industry with opportunities emerging in a number of sectors.

In early 2025, there were also some signs that business confidence was improving slightly. Driving this improved sentiment were government commitments to improve the business environment and hopes of more stable inflation and improved GDP growth. There was also growing optimism that infrastructural investment flows would increase.

During the deferral period, made possible by the IDC's R1 683 million facility, we will focus on implementing further improvements to optimise Longs operations, enhance our product offering and supply chain reliability for customers, and advance our commitment to localisation.

Taphole and hearth restoration of Blast Furnace C (carried out in 2024) are expected to support production stability and reduce operating costs in 2025. So too will other items of stay-in-business capital expenditure; notably an amount of more than R350 million was spent on a wide-ranging plate mill upgrade. The benefits of the R1.3 billion spent on operational reliability and maintenance in 2024 will be felt in the new year.

The funding committed to by the IDC in March 2025 means that operations of our Longs business will continue until at least August 2025 without impinging on the sustainability of the business as a whole.

# Strategic objective 3: People first

We rely on relationships with individuals and groups of people to achieve our strategic objectives and sustainably create value for multiple stakeholders.

## Employment

This year, we employed an average of 8 816 individuals including contractor staff (2023: 9 259).



A breakdown by category of employment is given on page 55. Total employment declined by 4.8% over 2023.

In 2024, we appointed 97 new employees; 17 in operations, 42 in engineering and technical fields and the rest in various corporate and support functions. Forty of the newly appointed employees were employed in management positions. Of new recruits, 77% were African, Coloured and Indian (ACI) individuals.

## Cost of employment

This year was the second in which a three-year wage agreement with trade unions representing 3 853 bargaining unit employees was in effect. In terms of the agreement, affected employees received an average 5.6% increase; the same percentage applied to package category staff. No annual bonuses were paid.

Employee costs represent 56% of our fixed costs and 10% of all costs. Total cost of employment (TCOE) for the year was R4 961 million, 1.8% lower than 2023 when TCOE grew by 1.9%.

In our 2023 integrated report, we noted how the average wage paid to South African manufacturing workers was 54% of the average remuneration received by an ArcelorMittal South Africa bargaining unit employee. We recorded at the time that "our TCOE is a very real threat to our competitiveness". In 2024, we began a labour optimisation programme aimed at reducing our TCOE to better align with the rest of industry and international norms for the steel industry.

### Three-year KPIs

10	Preferential procurement spend (Rbn)		
	20.0	19.7	16.8
	2024	2023	2022

11	B-BBEE compliance score (Rating)		
	8	6	5
	2024	2023	2022

14	Total cost of employment (TCOE) (Rm)		
	4 961	5 053	4 959
	2024	2023	2022



# Strategic objective 3: People first continued



The labour optimisation programme did not entail retrenchments but did incorporate a number of initiatives which aimed to reduce costs and improve productivity. In particular, the programme included:

- Changing the responsibilities and reporting structures of the chief operating officers to improve reliability and customer service
- Reconfiguring certain shifts
- Redeployment of staff to areas with the greatest needs
- Making greater use of short time
- Restructuring leave pay arrangements
- Rebasing the salaries of new hires.

In November, it became necessary to issue retrenchment notices to 107 employees because of the retirement of two coke batteries in Vanderbijlpark, which had reached the end of their lifespans. In response to this, the National Union of Metalworkers of South Africa (Numsa) embarked on a two-week strike. We agreed with Numsa that voluntary separation packages would be made available to accommodate those affected, and that certain employees would be able to apply for vacancies created by the voluntary separation packages, as well as other measures.

Following the termination of the industrial action, Numsa and company management issued a joint media statement in which the union's leadership called on government and other interested parties to do everything possible to safeguard the future of the domestic steel sector, including our company.

## Workplace culture

To measure how engaged employees are, we conduct "Speak Up+" surveys of our package category staff twice a year.

The surveys are an ArcelorMittal group initiative that is focused on "white-collar" workers. One such survey, in November 2024, achieved a 72% participation rate – similar to that of the same survey undertaken a year previously. However, the engagement rate – the extent to which employees feel passionate about their jobs, are committed to the organisation, and are willing to go the extra mile – showed a year-on-year decline from 5.9 (out of 10) to 5.5. (The average for the ArcelorMittal group, also in November, was 7.4.) Management believes that workplace culture has suffered from the effects of various restructuring measures and related uncertainties.

This year, management intensified engagement with the workforce through various forms, including digital and face-to-face contacts between the CEO and employees and between staff and their managers.

## Female employment

The ArcelorMittal group requires all operations to have women representing a quarter of all employees by 2030, and have 30% female representation in senior positions by the same year. At the end of 2024, our figures were 13% and 1.0%, respectively.

In 2024, we grew the number of representatives on our Women of Steel initiative from 105 to 115 high-potential individuals (2022: 53 individuals).

## Training and skills development

This year, we grew expenditure on training and skills development by almost a quarter.

In 2023, we reached an agreement with the Manufacturing, Engineering and Related SETA in terms of which MerSETA would fully fund the training, at

our premises and using our skilled personnel, of 300 production learners and 200 apprentices. The initiative is fully aligned with skills development elements of the Steel Master Plan and is being executed over a 30-month period and at a cost of R62 million (to MerSETA).

During 2024, the candidate artisans were duly recruited and, by the end of the year, 254 production learners and 202 apprentices remained on the project.

In 2024, ArcelorMittal and SA Business School Limited entered into an agreement to support our B-BBEE disabled youth development goals. The 80 recruited learners received contact centre training.

At R104 million, our training and skills development expenditure was up on that of R84 million in 2023.

This year, headcount in most of our talent pipeline categories increased (see page 54), mainly due to the skills development initiatives of the Steel Master Plan and the subsequent agreement with MerSETA.

Investment in bursaries increased from R19 million to R38 million. The number of bursars for 2024 was 60 – which included employees furthering their studies, of whom 44 are employees and 34 are women. We plan to increase the number of engineering bursars and candidate engineers in 2025.

We continued to work with the Majuba TVET College by providing workplace exposure to 248 apprentices, 40 production learners and nine National Certificate Vocational (NCV) candidates at Newcastle Works, plus nine apprentices at AMRAS.



# Strategic objective 3: People first continued



## Corporate social investment (CSI)

Despite the financial difficulties in 2024, we invested R16.3 million in various community upliftment programmes, down from R17.4 million in 2023.

In 2024, we invested R9.2 million in our longstanding science centre programme and reached 27 756 learners, 929 teachers, and 369 schools.

The GetOn Skills Development Centre, in which the company invested R1.3 million in the year, trained 648 students in various skills sets including advanced computing, point of sale, professional baking and digital marketing. Of the 455 students who completed skills training, 68% became economically active.

Municipal infrastructure maintenance remained a priority, with R2 million being allocated to maintaining infrastructure around Vanderbijlpark Works. This includes road repairs, stormwater cleaning and grass-cutting across 12km while empowering three local small and medium enterprises (SMEs) and providing employment to 32 individuals.

The company's community support extends to operating soup kitchens with a R500 000 investment in Thusong Projects, which served over 550 000 meals in 2024. We also sponsor a Newcastle facility serving approximately 500 meals weekly.

Thabazimbi allocated R5 million towards relocating a school on the mine's grounds to the Regorogile township, where the majority of learners live.



## Technical pipeline

	Planned 2025	2024	2023	2022	2021	2020
Production learners	425	366	258	226	270	424
Apprentices	406	385	208	228	249	358
Administration learnerships*	30	21	27	30	30	-
Learnerships for people with disabilities*	80	80	70	80	80	-
Learner technicians	31	31	21	30	7	25
Candidate technicians	30	24	16	17	20	19

\* Additional programme.

## Business pipeline

	Planned 2025	2024	2023	2022	2021	2020
Graduates in training	6	11	13	13	7	13
Administration internships	-	-	-	17	-	-
University engineering bursars	30	17	16	33	55	77
Candidate engineers	42	37	32	38	14	47
Candidate artisans*	20	12	-	-	-	-
Internships*	4	4	-	-	-	-
Bursary investments (Rm)	51	38	19	29	24	43
Total in technical and business pipelines	1 104	988	661	712	732	963

\* Additional programme.

# Strategic objective 3: People first continued



## Enterprise and supplier development

In 2024, our Matlafatso incubation hub in Vanderbijlpark actively supported eight start-up businesses. These enterprises were exposed to more than 6 780 requests for quotation in the year, with purchase orders worth approximately R18.2 million being secured.

In 2024, we placed business with these entities and previous incubatees R197 million (2023: R272 million and 2022: R159 million).

## Employment equity

While we have substantially transformed those parts of our (mostly non-mining) supply chains that are within our control (see page 57) and our skills development and training expenditure (page 54), the same can still not be said of our employment equity profile. This is particularly the case with our top and senior management (see table alongside) whose ranks remain predominantly white and male.



Our locations, outside of the major urban centres, militate against our recruitment of black talent, as does the scarcity of specialist black skills in the steel sector.

There were, however, some successes. In particular:

- In the “professionally qualified and experienced specialists and mid-management” category, six (including one female) appointees were ACI individuals
- Fifty-five of 75 appointments made in the “skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents” went to ACI candidates. These included 15 African females
- Twenty-two of 33 promotions into the latter category went to ACI employees, of whom, encouragingly, five were women.

These gains were in accordance with commitments made in our latest three-year employment equity plan submitted to the authorities to target middle management for transformation and to encourage female ACI candidates.

### Workforce profile (2024 actuals) for all employees, including people with disabilities

Occupational levels	Male				Female				Foreign national		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	1	1	5	-	-	-	-	2	-	10
Senior management	9	3	7	37	2	-	1	11	11	1	82
Professionally qualified and experienced specialists and mid-management	101	9	21	177	49	2	15	76	14	3	467
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1 714	28	111	965	173	8	11	94	35	4	3 143
Semi-skilled and discretionary decision-making	1 503	13	11	130	126	1	6	36	3	1	1 830
<b>Total permanent</b>	<b>3 328</b>	<b>54</b>	<b>151</b>	<b>1 314</b>	<b>350</b>	<b>11</b>	<b>33</b>	<b>217</b>	<b>65</b>	<b>9</b>	<b>5 532</b>
<b>Temporary employees</b>	<b>77</b>	<b>2</b>	<b>6</b>	<b>41</b>	<b>11</b>	<b>1</b>	<b>4</b>	<b>13</b>	<b>2</b>	<b>1</b>	<b>158</b>
<b>Grand total</b>	<b>3 405</b>	<b>56</b>	<b>157</b>	<b>1 355</b>	<b>361</b>	<b>12</b>	<b>37</b>	<b>230</b>	<b>67</b>	<b>10</b>	<b>5 690</b>
<b>Percentage</b>	<b>59.8</b>	<b>1.0</b>	<b>2.8</b>	<b>23.8</b>	<b>6.3</b>	<b>0.2</b>	<b>0.7</b>	<b>4.0</b>	<b>1.2</b>	<b>0.2</b>	

### Workforce profile (2024 actuals) for people with disabilities only

Occupational levels	Male				Female				Foreign national		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	-	-	-	-	-	-	-	-	-	-	-
Senior management	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	1	-	-	2	-	-	-	1	-	-	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3	-	-	8	1	-	-	1	-	-	13
Semi-skilled and discretionary decision-making	1	-	-	1	-	-	-	-	-	-	2
Unskilled and defined decision-making	-	-	-	-	-	-	-	-	-	-	-
<b>Total permanent</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>19</b>
<b>Temporary employees</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Grand total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>21</b>
<b>Percentage</b>	<b>28.6</b>	<b>-</b>	<b>-</b>	<b>52.4</b>	<b>9.5</b>	<b>-</b>	<b>-</b>	<b>9.5</b>	<b>-</b>	<b>-</b>	

A = African C = Coloured I = Indian W = White

Workforce statistics as at end September 2024 as reported in October to the Department of Employment and Labour.



# Strategic objective 3: People first continued



## Broad-based black economic empowerment

In our 2023 integrated report, we stated that we expected to be externally certified, in 2024, as having achieved Level 6 B-BBEE compliance; this was, in fact, the case.

We have now self-assessed our overall B-BBEE for the 2024 year at Level 8, the lowest level since 2021.

The deterioration is principally ascribable to the company's weakened financial performance in the year and our inability to progress a planned ownership transaction.

According to our assessment, in 2024 we achieved 66.2 points in total out of a maximum 118 (2023: 78.4).

### Ownership

2024	2023
16.4	16.4

In 2016, Likamva Resources acquired 17% of our ordinary shares, transferring 5% of its holding to entities representing local communities, and 5% to employees. At the time, shares were issued at R7.20 each with the expectation that the transaction would achieve breakeven when the share price reached R27.

It was subsequently (2023) planned to ask shareholders to approve a revised B-BBEE ownership structure which it was envisaged would enhance the potential for meaningful value creation. By the time of reporting, and given the uncertainties around the Longs business and an envisaged recapitalisation, no such proposals had been put to shareholders and the matter remained in abeyance.

With no change in our B-BBEE equity profile, in 2024 our Ownership score remained, similarly, unchanged. Realising value from our B-BBEE shareholding remains a board priority and a key element in our strategy going forward (see page 37).

## Management control

2024	2023
4.7	5.7

In the year, two black non-executive directors (one female) resigned from the board, diluting our Management control score. Subsequent to the year-end we appointed a black male, Mr Mikhail Masdorp, as a non-executive director.

As was previously communicated, the board remains focused on Management control with a particular interest in black female executive management and black female employees in senior management. At the time of publication, we were assessing how the closure of our Longs business would impact this element.

### Skills development

2024	2023
13.1	14.3

Our skills development expenditure increased this year (see page 54).

We again did well on providing learnerships (6 out of 6 points) and expenditure on disabled black employees (4 out of 4 points). We enjoyed less success, however, in awarding bursaries to black students (0.06 out of 4 available points) and in absorbing black learners.

### Procurement

2024	2023
18.1	21.9

In 2024, we embarked on a drive to sign up B-BBEE Level 4 or better suppliers; 76 such vendors were onboarded.

Our Procurement score fell from 21.9 points in 2023 to a self-assessed 18.1 by year end – out of a maximum 27. This deterioration was mainly related to a significant mining supplier losing a black women-owned shareholder. We anticipate achieving – and maintaining – a procurement score of 18.2 going forward. We believe this is close to the maximum we can achieve given our reliance on imports and companies registered under the Mining Charter.

## Socio-economic development

2024	2023
5.0	3.0

Despite a slight decrease in our corporate social investment expenditure this year, the losses sustained by the company meant that this spend nevertheless translated into a full five points for this category.

## Enterprise development

2024	2023
0.0	5.0

Financial restraints resulted in the curtailment of Enterprise development investments.

## Supplier development

2024	2023
6.5	10.0

Our financial fortunes in the year negatively impacted our Supplier development performance.

We assess that we obtained two ESD bonus points for 2024.

# Strategic objective 3: People first continued



## Local procurement

The significant extent to which we have transformed our supply chains in recent years is not reflected in our B-BBEE Procurement and Supplier development scores – and is little appreciated outside of the company. The closure of our Longs business means that our ability to add to the real value we create through our buying of goods and services in the northern KwaZulu-Natal region will be all but eliminated.

In 2024, vendors based around our plants supplied us with goods and services worth R3.2 billion (2022: R3.6 billion). Almost two-thirds (64.9%) of this amount was spent with majority black-owned businesses. At R3.2 billion, goods and services bought from nearby (local) businesses represented 47% (2023: 49%) of all non-mining procurement.

### >50% black owned for local (<50km) as a percentage of local spend

B-BBEE class	2024		2023	
	Rand	%	Rand	%
Exempted Micro Enterprises (EMEs)	169 872 657	5.3	208 998 899	5.8
Generic	1 322 776 892	41.5	1 333 059 263	36.8
Qualifying Small Enterprises (QSEs)	573 557 597	18.0	651 827 476	18.0
Total	2 066 207 146	64.9	2 193 885 638	60.6
<b>Total spend (excluding raw materials)</b>	<b>3 185 656 178</b>		<b>3 619 262 573</b>	

## Tax transparency

In 2024, we paid R541 million in various taxes (2023: R149 million). Most taxes are paid to authorities in South Africa; in 2024 a foreign subsidiary operating in Mozambique paid R5.1 million in taxes on the sale of property.

The company and its subsidiaries paid R795 million in PAYE taxes in the year (2023: R789 million), income tax of R5.2 million (2023: R45 million), R135 million in carbon taxes (2023: R104 million) and R1.5 million in mineral royalties (2023: R788 000). In addition, we paid R107 million in municipal assessment rates (2023: R98 million). In 2024, we received net VAT refunds of R505 million (2023: a refund of R900 million and not a payment of R1 754 million was reported).



# Leadership – how the board directs our company’s value creation

## Introduction

The board of directors of ArcelorMittal South Africa (the board) is responsible for the overall strategic direction and leadership of the company towards the achievement of an ethical culture, good performance, effective control and legitimacy. The company is committed to adhering to good corporate governance principles and practices and to following the principles of fairness, accountability, responsibility and transparency, as advocated in the King IV™\* report.

The board met on eight occasions in 2024.

## Leadership and value creation

Led by an independent non-executive chairman, the board reports in a transparent and balanced manner to all stakeholders regarding the performance of the company and how it has fulfilled its responsibilities.

The governance structure and process provide the framework within which decisions are taken. Once strategy and annual budgets are approved, the CEO and management are empowered to deliver on the performance required. Such performance is monitored by the board on a regular basis.

In 2024, the board focused extensively on ensuring the sustainability of the company. In particular, directors:

- Focused on the Longs business and the decision around the winding down of the business including engagements with government and other stakeholders
- Interrogated management’s determination of financial and non-financial (sustainability) material matters and monitored the execution of strategy. (Further information on the company’s three key strategic objectives can be found from page 42 of this report.)

- Focused on compliance matters across the different areas of the business including newly promulgated legislation
- Interrogated management closely on workplace safety and health performance and the execution of the safety roadmap
- Focused on financial performance (earnings, funding and a recapitalisation), sustainability and operational reliability
- Reviewed the risks facing the organisation (as discussed from page 21) with an emphasis on actions to address cash and liquidity, reliability and competitor risks
- Interrogated management on B-BBEE and employment equity strategy and performance
- Received regular reports on stakeholder interactions and considered the company’s impacts on stakeholders, including investors and customers
- Considered management’s environmental policies, practices and investments
- Oversaw processes for the filling of vacant board positions including the appointment of a CFO
- Determined our external annual reports’ most material matters and duly authorised the CEO to instruct the team responsible for compiling our integrated reporting on these matters.

The most challenging issue that the board faced during 2024 related to the closure of the Longs business. After making its decision regarding the wind-down of Longs operations in November 2023, various stakeholders expressed concern regarding the impact of the closure and the company embarked on an intensive process with stakeholders, including government, to explore options to reverse the decision regarding the Longs business.

During February 2024, shareholders were advised that the board and management had decided to defer the wind-down of the Longs business, enabling it to continue to operate for up to six months, to allow time to progress, conclude and secure identified short-term interventions, while progressing the development of additional medium- and longer-term interventions focused on business sustainability.

Consequently, during June 2024, the company reported that despite progress being slower than anticipated and with some instances of disappointment, the board and management had decided that the Longs business would continue to operate to allow an opportunity for the identified initiatives aimed at securing its sustainability, to be fully explored.

It was further reported in October 2024 that while the company enjoyed the commitment and support of government and other stakeholders, and having made some progress with the identified initiatives, these had not been sufficient. The company therefore once again approached government in October 2024 and requested urgent intervention. This was necessary to find a solution for the Longs business to prevent it posing any further risk to the overall sustainability of the company.

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# Leadership – how the board directs our company's value creation continued

During December 2024, the company continued engagements with government and other stakeholders in a last-ditch attempt to avoid the closure of the Longs business. By this time, ArcelorMittal South Africa had been working intensively on this issue for over a year. The company was at a point where any further delay could affect the sustainability of the company and therefore, on 6 January 2025, and with deep regret, the board and management had no option but to take the difficult decision to proceed with the wind-down of the Longs business.

However, as is detailed elsewhere in this report, a funding commitment received from the IDC in March made it possible to continue Longs' operations until at least August 2025.

## Safety

The board is the ultimate custodian of workplace safety – which remains our utmost priority. In discharging its responsibilities to keep everyone safe, the board is supported by the safety, security, health and environmental (SSHE) committee and the executive committee.

The SSHE committee makes key decisions on safety policy and investments and regularly interrogates management on safety performance and plans to make ArcelorMittal South Africa a safer place to work.

Major incidents are discussed at the SSHE committee to understand their root causes, remedial action and ongoing risks.

## Environmental management

Key board focuses include our decarbonisation journey, large environmental capital expenditure projects and the drive to generate renewable power by ourselves and through third-party power purchase agreements. Environmental compliance is also a key board focus.

Stakeholder engagement regarding environmental matters is an area of focus for the board and management and a programme of improved engagement will continue.

## Social and transformation

The board undertook a deep dive into progress against the B-BBEE strategy goals, focusing on areas where these were not achieved. The board was also informed of the revised Employment Equity Act (EEA) regulations regarding sector targets and the impact these might have on the company.

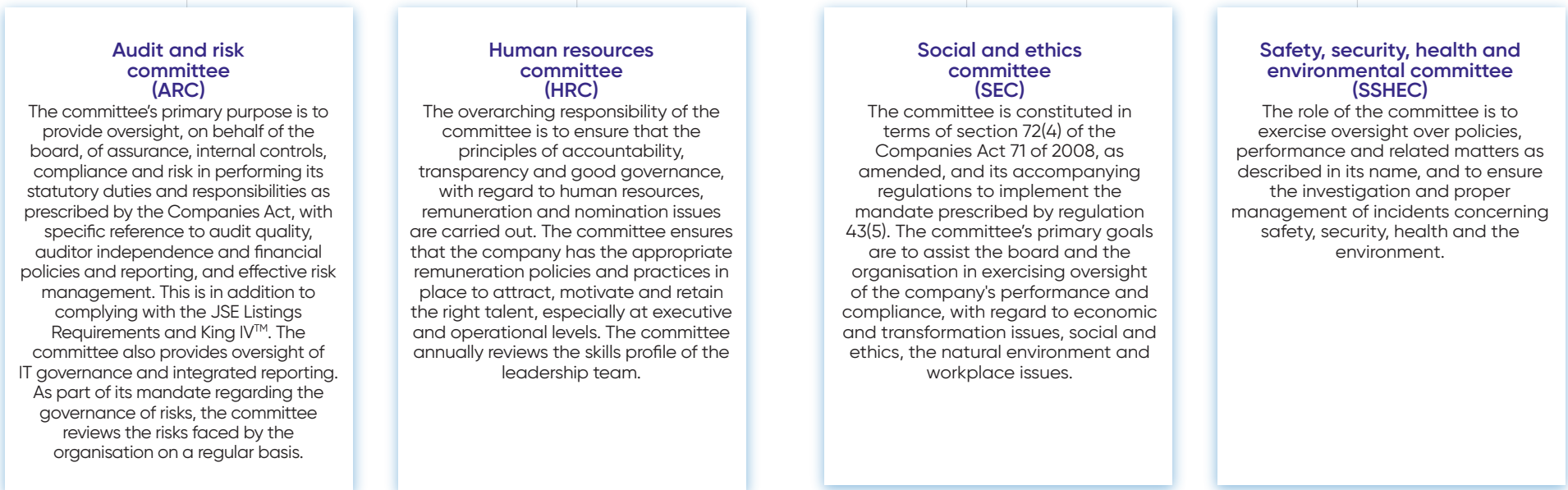
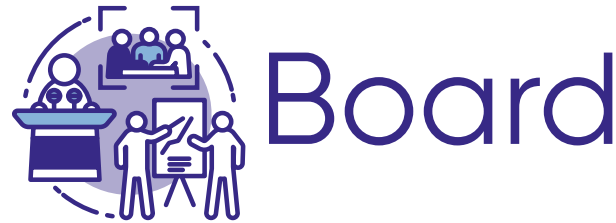
Further information on our transformation and social impacts and strategy can be found on pages 52 to 57.



# Leadership – how the board directs our company’s value creation continued

## Board committees

The board has four subcommittees, including statutory committees, which operate within formally adopted terms of reference, which are approved by the board and detail the committees’ duties and responsibilities. Each has a minimum of three members to ensure sufficient capability and capacity to function effectively. Committee terms of reference determine, inter alia, the constitution, purpose, powers and authority of a committee, its governance, the scope of its mandate and its relationship to the board in accordance with King IV™, the Companies Act and the JSE Listings Requirements, where applicable.



# Leadership – how the board directs our company's value creation continued

## Board charter

The primary responsibilities of the board are to:

- Retain full and effective control of the company
- Give strategic direction
- Monitor management on its implementation of plans and strategies, as approved by the board
- Appoint the chief executive officer and executive directors
- Identify and regularly monitor key risk areas and key performance indicators
- Oversee the quality of stakeholder relationships and ensure that these relationships create broad-based value for the company, for society, the environment and for stakeholders
- Ensure the company complies with relevant laws, regulations and codes of business practice
- Maintain oversight of succession planning and management
- Ensure that the company communicates with shareholders and all relevant stakeholders openly and promptly
- Monitor integrated performance
- Establish a formal and transparent procedure for appointments to the board as well as a formal orientation programme for incoming directors
- Regularly review processes and procedures to ensure the effectiveness of internal systems of control, including IT management, and accept responsibility for the total process of risk management
- Assess the performance of the board, its committees and its individual members on a regular basis
- Address the retirement and re-election of directors.

The board charter and terms of references for all committees, including the annual work plan, will be reviewed in 2025/26.

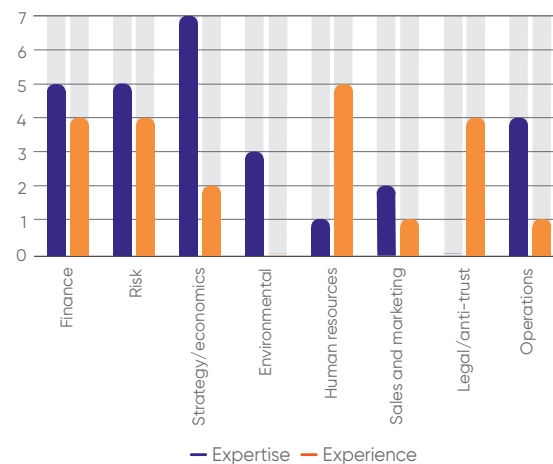
## Board composition

At year-end, the board comprised nine directors of whom four were independent non-executive directors, three non-executive directors and two executive directors, being the chief executive officer and chief financial officer. Ms Noluthando Gosa and Mr Abram Thebyane stepped down as directors on 23 May 2024. Mr Gavin Griffiths was appointed on 1 April 2024 as the chief financial officer and an executive director on the board. Board membership, diversity and tenure are reported on pages 27 and 28 of this report.

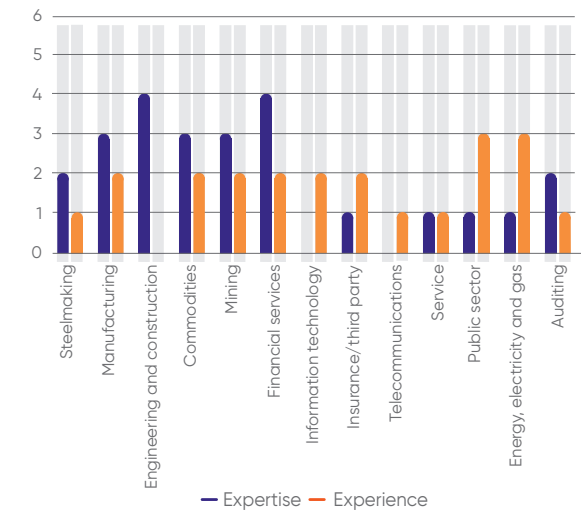
On 10 February 2025, the company announced the appointment of Mr Mikhail Maasdorp as a non-executive director with effect from 1 March 2025.

## Board expertise

### Functional expertise and experience



### Industry expertise and experience



The board has identified certain additional skills and expertise, including steelmaking, engineering, environmental and IT, that it needs to strengthen. The appointment of new directors will take these identified areas for improvement into account.

# Leadership – how the board directs our company's value creation continued

## Delegation

The board is acutely aware of its responsibility to provide leadership and direction and to empower the chief executive officer and the management team to execute the strategy of the board. There is a clear delegation of authority framework (DOA). The DOA was last reviewed in 2023 and will be reviewed again in 2026.

## Policy

The board regularly reviews its policies and procedures to ensure ongoing adherence with the JSE Listings Requirements, current legislation, international best practice and King IV™. Application of the principles of King IV™ was assessed and is disclosed online (see page 1).

In 2024, the following policies were reviewed by the ARC:

- Diversity and employment equity policy
- Dividend policy
- Enterprise risk management policy
- Procedures on due diligence
- Procedure for anti-money laundering.

The board ensures that corporate governance is appropriate and relevant to the size, nature and complexity of the organisation.

## Ethics

Directors are mindful of the outcomes they need to achieve as set out in King IV™ and in doing so apply the code's principles as well as its practices, as appropriate for the company. Directors acknowledge that their fundamental responsibility is to lead and direct the organisation in an ethical and effective manner.

The ArcelorMittal South Africa whistleblowing programme is enforced through the group whistleblowing policy and anti-fraud policy, which should be read in conjunction with each other. The whistleblowing policy was reviewed and aligned with the group policy in terms of matters related to human rights, labour relations and the environment.

In terms of the revised whistleblowing policy, complaints about inappropriate conduct and actions other than fraud and corruption are encouraged. A grievance committee has also been established to ensure all grievances and matters reported through the whistleblowing channels are evaluated independently and at a senior management level.

Global Assurance reports to management (the CEO and legal counsel) on matters that are investigated and finalised by forensic services (including non-forensic cases). All recommendations are driven and monitored monthly by Global Assurance to ensure timely follow-up and execution of the recommendations made to management.

In the past year, 53 ethics-related incidents were reported to forensic services (2023: 54). Of these, 21 were found to have been unsubstantiated or were referred back. One lacked sufficient information to warrant an investigation. Fourteen allegations were substantiated while 17 were still under investigation at the time of reporting. Corrective action taken this year resulted in four disciplinary hearings. One employee resigned as a result of a forensic investigation.

In the year, 801 employees and suppliers received training in fraud awareness and prevention. A fraud whistleblower line (0800 001 672) is operated by EthicsPoint on behalf of the company.

The board is satisfied that its practices and policies encourage ethical and effective leadership.



# Audit and risk committee report

The committee submits its report for the year ended 31 December 2024 to the shareholders, as required by section 94(7)(f) of the Companies Act 71 of 2008, as amended (Companies Act). The committee confirms that it has executed the responsibilities set out in section 3.84(g) of the JSE Listings Requirements and the King Report on Governance for South Africa 2016 (King IV™ Report).

## Membership of the committee, evaluation of members and attendance at meetings

In compliance with the Companies Act, the following committee members were elected by shareholders at the AGM of the company held in 2024 to serve until the next AGM to be held on 23 May 2025:

- LC Cele (independent non-executive director)
- D Earp (independent non-executive director and chairperson)
- NF Nicolau (independent non-executive director).

The committee comprises only independent non-executive directors who are all financially literate and have the adequate, relevant skills and experience to execute their duties and responsibilities effectively.

The experience and qualifications of the members and the details of committee meetings attended by each of the members are set out on pages 27 and 28 of the integrated report. The committee was found to be effective and to have served as a critical support structure of the board after its last evaluation and the review of its terms of reference during the year.

The committee held five meetings during the financial year. The chief executive officer and chief financial officer attended the committee meetings by invitation. The chairperson reports to the board on key matters arising after each of these meetings.

## Statutory duties

The committee is a statutory committee of the board in terms of the Companies Act and has an independent role. The committee aids the board in carrying out its oversight duties and responsibilities and has terms of reference in place which regulate both its statutory duties and responsibilities and those duties delegated to it by the board. The terms of reference were reviewed and updated in 2024. The committee's scope extends to all activities of the group and company.

## Executing on the statutory duties and other areas of responsibilities

### The committee evaluated the quality and integrity of the annual financial statements and integrated report

The committee carried out the following duties in overseeing the quality and integrity of the company's interim results, its annual financial statements and its integrated report:

- Considered the going concern assumptions by reviewing the assessment on solvency and liquidity, compliance with the conditions of loan covenants and arrangements held with financial institutions and testing the robustness of the deleveraging plans and confirmed the going concern as the basis for preparation of the annual financial statements
- Considered the appropriateness of the accounting policies adopted and changes thereto, accounting treatments, significant unusual transactions and accounting judgements and considered whether any concerns and/or risks had been identified regarding significant tax, legal and other matters that could have a material bearing on the financial statements

- Reviewed the JSE's reports on its proactive monitoring of financial statements in 2025 and the limited scope thematic review on cash flow, designed remedial actions, where necessary, and improved upon certain disclosures and presentations, where required. Where applicable, the actions to implement the recommendations made by the JSE are monitored by the committee
- Considered the adequacy and effectiveness of the internal financial controls relied upon by management in compiling the annual financial statements in order to discharge their obligations in terms of section 3.84(k) of the JSE Listings Requirements
- Reviewed the interim financial results and oversaw the preparation of the annual financial statements and satisfied itself that they fairly present the consolidated and separate results of the operations, cash flows and financial position of the group and company for the year ended 31 December 2024 and comply, in all material respects with the Companies Act, the International Financial Reporting Standards (IFRS) and the Financial Pronouncements as issued by the Financial Reporting Standards Council and applicable legislation
- Reviewed reports to shareholders and other announcements on the group's 2024 financial results and is satisfied that they comply, in all material respects, with IFRS Accounting Standards and other appropriate standards as required by the JSE
- Confirmed that it was satisfied with the quality and integrity of the integrated report and the annual financial statements, wishing to highlight the key audit matters and significant areas of judgement taken under consideration during the year.

## Audit and risk committee report continued

The committee reviewed the critical judgements and assumptions made by management together with the sensitivity analyses performed and the conclusions on the key financial statement reporting issues during the year. The key issues are:

- **Impairment of property, plant and equipment**

The committee concurs with management's decision that, following the announcement to place the Newcastle plant in care and maintenance, the previously long steel cash-generating unit (CGU) comprising Vereeniging, AMRAS and Newcastle plants has led to a re-determination of the CGUs. The AMRAS and Vereeniging plants will be accounted for as separate CGUs.

The committee supported management's recommendation that only the Newcastle CGUs should be impaired.

- **Environmental remediation provision and asset retirement obligation**

The committee reviewed the key assumptions and the discount rate used together with the movement in the provisions.

- **Going concern assessment**

The committee had oversight and monitored liquidity and cash management, including the covenants of the borrowing based facility (BBF). The committee is satisfied that the group and company have complied with all covenants as at year-end and that the liquidity position is adequate to support the going concern basis applied in preparing the annual financial statements.

### The committee reviewed compliance with legal and regulatory requirements to the extent that these might have an impact on the annual financial statements

The committee considered the views of internal and/or external counsel and management in considering legal and ethics matters that could have a material impact on the group.

The committee reviewed reports on the group's tax position, the status of tax litigation claims and the status of the group's tax compliance.

The committee reviewed the adequacy and effectiveness of the group's procedures to ensure compliance with financial, legal and regulatory responsibilities.

### The committee assessed the suitability of the appointment of the external auditors and designated individual partner

The committee nominated EY to serve as external auditor of the group, and the nomination was approved by shareholders on 24 May 2024. EY will serve as external auditor until the AGM to be held on 23 May 2025. The committee reviewed a presentation by EY and, after conducting its own review, is satisfied with the independence and objectivity of EY as external auditor. The committee is satisfied that the auditor has at all times acted with unimpaired independence. The committee is satisfied that EY is compliant with the relevant external audit partner's JSE qualification and rotation rules.

The committee approved the external audit plan, which was based on the principles of ISA600, the terms of the engagement and the audit fee.

Taking into consideration the criteria specified for independence by the Independent Regulatory Board for Auditors, EY confirmed in an annual written statement that its independence had not been impaired.

All non-audit services were approved by the committee in accordance with the board-approved policy on non-audit services performed by the external auditor.

The committee meets with the auditor independently of senior management. The committee agendas provide for confidential meetings between committee members and the internal and external auditors.

### The committee assessed the adequacy of the performance of the internal audit function and the adequacy of the available internal audit resources

The committee is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties. The committee oversees cooperation between internal and external auditors and serves as a link between the board of directors and these functions. The head of internal audit reports administratively to the CEO and functionally to the chairperson of the committee and head of group internal audit of the holding company, ArcelorMittal Holdings AG.

The committee reviewed the assurance services charter and approved the risk-based integrated internal audit plan. The committee evaluated the independence, effectiveness, skills and experience and performance of the internal audit function and compliance with its charter and concluded that these were satisfactory.

The committee is satisfied with the effectiveness of the head of internal audit.



# Audit and risk committee report continued

## The committee assists the board in carrying out its information and information technology responsibilities to ensure ethical and responsible use and compliance

The committee monitored the ethical and responsible use of information technology and information and compliance with relevant laws in order to assist the board in carrying out its information and information technology responsibilities.

The committee reviewed the appropriateness of the control environment in respect of the management of material information and communication technology risks.

## The committee assessed the internal controls over financial reporting as of 31 December 2024

The committee has oversight of the group and company systems of internal financial control.

The review of controls by the CEO and CFO comprised the identification and classification of risks, as well as the determination of materiality, testing of the design, and determining control implementation. The process was supported by utilisation of the internal audit function to test the operating effectiveness of controls.

The committee, the CEO and the CFO rely on the assurance provided by the internal audit function of the group on the system of internal financial controls. Management provides quarterly feedback on the status of the effectiveness of internal controls together with remediation action plans. The committee has discussed the impact of the internal control deficiencies together with compensating controls, including financial statement review controls with internal and external auditors as well as management.

## The committee assessed the risk management process

The committee has oversight of the enterprise risk management processes and development, and has recommended the review of a policy and plan for

risk management to the board. The committee has reviewed the integrity of overall risk exposure and the risk control systems, as well as the key risks and responses from management that the group had faced, and the committee is satisfied with the risk mitigation measures that are in place. The committee receives and reviews key risks faced by the group on a quarterly basis. These risks include the top strategic risks, operational risks and IT risks.

## The committee assessed the appropriateness of the combined assurance model and its effectiveness

The committee is responsible for monitoring the appropriateness of the group and company's combined assurance model and ensuring that significant risks facing the company are adequately addressed as well as monitoring the relationship between the external assurance providers and the company. The committee further ensured that the combined assurance provided by the internal and external assurance providers and management are sufficient to satisfy the committee that significant risk areas within the company have been adequately addressed and suitable controls exist to mitigate and reduce these risks.

## The committee assessed the finance function and the chief financial officer

The committee assessed the competence, skills and resourcing of the group's finance function, and was satisfied as to the overall adequacy and appropriateness of the finance function, and further ensured that the company had established appropriate financial reporting procedures and that these procedures are performed with due care.

The committee has satisfied itself that the chief financial officer, GA Griffiths CA(SA), has the appropriate expertise and experience to carry out his duties.

Based on an assessment performed annually, the committee is of the opinion that the finance function, as well as the chief financial officer, are experienced and operate effectively.

## The committee assessed the company secretary

The committee assessed the expertise and experience of the company secretary, FluidRock Co Sec (Pty) Ltd. The committee was satisfied that FluidRock Co Sec (Pty) Ltd has the appropriate competence and experience to serve as company secretary of the company.

## Discharge of responsibilities

The company continues to prepare group accounts that comply with IFRS, the statutory requirements of the Companies Act, the JSE Listings Requirements and King IV™, and these responsibilities are discharged within an acceptable timeframe.

The committee has decision-making authority with regard to its statutory duties and is accountable in this regard to both the board and the shareholders. On all responsibilities delegated to it by the board, apart from the statutory duties, the committee makes recommendations for approval by the board.

The committee determined that, during the financial year under review, it discharged its legal and other responsibilities as outlined in its terms of reference, details of which are included in the integrated report.

The chairperson of the committee attends the AGM and is available to answer any questions in relation to matters pertaining to the committee.

**Dawn Earp**  
*Chairperson*

16 April 2025



# Social and ethics committee report

## On behalf of the social and ethics committee (SEC), it is my pleasure to present the committee's 2024 report.

ArcelorMittal South Africa is committed to continuous growth in its contribution as a good corporate citizen for the benefit of all its stakeholders. The SEC ensures that good corporate citizenship is upheld. As a statutory committee, the SEC strives to ensure that the company is a compliant agent for positive change.

### Composition

The committee consists of a majority of non-executive directors and is chaired by a non-executive director. The chief executive officer is a member of the committee and the general manager, human resources attends all meetings.

The composition of the committee is:

- GS Gouws (non-executive director: chairperson from August 2024)
- N Gosa (non-executive director: chairperson until May 2024. Resigned from the board at the AGM)
- D Earp (independent non-executive director)
- NF Nicolau (independent non-executive director)
- R Karol (non-executive director)
- B Davey (non-executive director)
- HJ Verster (chief executive officer).

The qualifications of the members and details of committee meetings attended by each of the members are set out on pages 27 and 28 of this report.

### Meetings

The committee met three times in the year. The chairperson reports back to the board on any material matters arising from the meetings and recommendations that require the board's approval or action. The focus areas and the major items dealt with by the committee are detailed below.

### Responsibilities

The committee is an established board committee with a statutory mandate to monitor ArcelorMittal South Africa's ethical culture and social footprint as envisaged by the Companies Act. In addition, the SEC remit requires it to monitor activities across the company to ensure alignment with global best practice in relation to respecting human rights in the workplaces and the supply chains; embracing diversity in all forms; promoting ethical standards; and implementing measures to combat corruption and protect whistleblowers.

Beyond the specific social and ethics responsibilities of the committee, some overlapping matters relating to the legislative mandate of the SEC are dealt with by the human resources committee, safety, security, health and environmental committee and the audit and risk committee.

To avoid duplication but comply with its legislative mandate, appropriate reports must be submitted to the SEC on an annual basis, on the above matters, to ensure that the SEC fulfils its oversight role effectively.

The specific activities required to be monitored by the committee include the company's adherence to legislation, regulations and codes of best practice relating to:

#### Social and ethics responsibilities

- Transformation, social and economic development, including the company's standing relative to the United Nations Global Compact (UNGC) principles, the Organisation for Economic Cooperation and Development's (OECD) recommendations regarding the combating of corruption, and South Africa's Employment Equity (EE) Act and Broad-Based Black Economic Empowerment (B-BBEE) Act
- Overseeing the monitoring, assessment and measurement of activities relating to good corporate citizenship. This includes the promotion of equality;

prevention of unfair discrimination; contribution to the development of the communities in which its activities are predominantly conducted; and recording sponsorships, donations and charitable giving

- Determining clearly articulated ethical standards (code of ethics, conflict of interest, anti-fraud) to be adopted, thus achieving a sustainable ethical corporate culture. This includes management of potential and actual conflicts of interest and fraud and corruption
- Monitoring and overseeing reporting and the reduction of fraud and corruption
- Reviewing the adequacy and effectiveness of engagement and interaction with its stakeholders
- Overseeing monitoring of the company's labour and employment practices, including its standing in terms of the International Labour Organization protocol on decent work and working conditions, a clean, healthy and safe working environment, as well as employment relationships and its contribution to the educational development of its employees
- Monitoring and overseeing sustainability matters including environmental, social and governance (ESG) matters; and overseeing the implementation of King IV™ as it pertains to social and ethics issues.

#### Transformation responsibilities

- Researching, evaluating and making recommendations to the board regarding the appropriate nature, extent and methods of implementation of transformation at all levels
- Creating an enabling environment within the company which encourages and develops a new way of doing business and which embraces and celebrates diversity
- Reporting to the board on the transformation work undertaken, and the extent of any action taken by management to address areas identified for improvement.

# Social and ethics committee report continued

## Functions of the committee

The committee carried out its functions by considering, among others, the following matters:

- B-BBEE strategy
- Whistleblowing policy and strategy
- Fraud awareness and ethical culture
- Stakeholder engagements
- Talent management strategy
- Transformation and economic development
- Social responsibility
- Environmental responsibility
- Decarbonisation goals and progress
- Safety, security, occupational health and wellness, including fair labour practices
- Good corporate citizenship.

The committee's focuses included:

- Continued oversight and monitoring to cover the broad scope of its mandate as required by legislation, the King IV™ Report and the committee's terms of reference
- Monitoring the extent to which effective transformation is taking place within the company in respect of recruitment, retention, career development and succession planning, with a specific focus on female equity candidates
- Monitoring the implementation of the code of business conduct and other ethical standards and ensuring that management monitors and promotes compliance with such standards while monitoring the group's transformation progress against its B-BBEE plan and the internal employment equity plan. A deep-dive discussion was held on the company's B-BBEE strategy and performance against the B-BBEE Codes of Good Conduct scorecard with a specific focus on preferential procurement.

- Monitoring the implementation of the stakeholder engagement plan, with a specific focus on engagement with various governmental institutions, customers, communities and employees to improve the company's reputation and relationship across various sectors
- Assessing the company's actions in relation to the principles of the UNGC as well as the group's standing in terms of the International Labour Organization's protocol on decent work and working conditions
- Monitoring progress on safety, security, health and environmental improvement actions related to employees, contractors and the community
- Monitoring the implementation of human resources-related matters such as salary adjustments, executive appointments, incentives and labour optimisation/restructuring plans
- Monitoring and assessing the group's social and economic development, legislation (including the Companies Act), international best practices and ESG-related issues
- Assessing the group's activities related to the OECD recommendations regarding corruption and reviewing the group's ethics management programme
- Reviewing compliance with the regulatory frameworks applicable to the company and receiving reports on litigation matters relevant to the committee's mandate
- Reviewing the updated whistleblower policy and code of business conduct policies.

## Compliance

The social and ethics committee has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act and there is

no material non-compliance to disclose. Regular reporting at committee meetings by the compliance and forensic functions provides insight into the application of the policies and procedures in the organisation.

## Conclusion

The committee confirms that the company continues to meet its social, ethics and governance responsibilities. The performance in terms of the B-BBEE Codes of Good Conduct scorecard has been ineffective given specifically the financial challenges the company faced in 2024 (see page 56). Maintaining its ongoing investment in basic community support programmes and expanding this service to rural communities is important. Similarly, continuing investment in educational support to less fortunate community sectors through digital tools is also crucial to supporting affected communities.

The committee believes that the company is addressing the key matters required to be monitored in terms of the Companies Act and King IV™. Appropriate policies and programmes have been adopted to maintain high standards of corporate citizenship among internal and external stakeholders. Accordingly, the committee confirms that it has discharged its responsibilities appropriately during the year under review, in all material respects, and has achieved its objectives for the year under review.

**Gert Gouws**  
*Chairperson*

16 April 2025



# Safety, security, health and environmental committee report

## On behalf of the safety, security, health and environmental (SSHE) committee, it is my pleasure to present the committee's 2024 report.

ArcelorMittal South Africa is committed to continuous improvement in relation to the safety, security and wellbeing of employees and contractors as well as to the decarbonisation plans and targets that have been set.

### Composition

The committee consists of a majority of non-executive directors and is chaired by an independent non-executive director. The chief executive officer is a member of the committee and standing invitees to meetings include union representatives and management across the operational areas of the business.

The composition of the committee is:

- NF Nicolau (independent non-executive chairperson)
- LC Cele (independent non-executive director)
- GS Gouws (non-executive director)
- HJ Verster (chief executive officer).

The qualifications of the members and details of committee meetings attended by each of the members are set out on pages 27 and 28 of this report.

### Meetings

The committee met three times in the year. The chairperson reports back to the board and the social and ethics committee on any material matters arising that require board approval or action. The focus areas and the major items dealt with by the committee are detailed below.

### Responsibilities

The committee assists the board with monitoring and reporting on SSHE-related matters, including but not limited to:

- Ensuring that incidents related to SSHE are appropriately investigated and properly managed
- Ensuring that risks relevant to SSHE are identified and mitigated
- Assessing performance indicators which focus on the number of work-related injuries, ill health, number of security-related incidents and volumes of emissions
- Exercising oversight over SSHE policies and strategic performance with the exception of the following which fall within the ambit of the audit and risk committee:
  - Monitoring the budget and implementation of capital expenditure plans
  - Monitoring compliance with legislation, licence conditions and exemptions and any legal or litigation risks
- Bringing matters relating to these activities to the attention of the board as appropriate.

The committee's terms of reference record its role in SSHE-related matters and making appropriate recommendations to the board as well as compliance and adding value in its oversight function as recommended by the King IV™ Report.

### Functions of the committee

The committee considered, among others, the following matters:

- Specific high-impact incidents
- The management of SSHE matters in alignment with the company's strategy
- Corporate SSHE-related strategies and policies
- Major SSHE-related projects
- SSHE-related impacts on the company
- SSHE performance, progress and continuous improvement.

### Committee focuses for 2024 included:

#### Safety

Workplace safety remains the company's and the committee's primary focus area. The committee supports the board and management in managing safety performance and culture and considerable focus was placed on improvements.

Key decisions on safety policy are discussed at committee meetings, which include trade union representatives.

As part of the company's drive towards a zero-harm working environment, all safety and security-related incidents are recorded, and investigated and improvement actions are implemented and reported to the relevant authorities. Regular detailed analyses are performed to identify trends and management processes are put in place to address these trends. Statistics are reported to the committee, which discusses the actions taken and suggests improvement.

The fatal accident that occurred on 8 September 2024 was discussed in detail at the committee. Root cause analyses and mitigating actions to prevent future incidents were presented by management. The need to provide extended support to Mr Mabowa's family was emphasised.

The committee has overseen the implementation by the SSHE leadership of the safety culture, 10 Lifesaving Golden Rules and seven focus areas initiatives. It further received feedback on engagement by leadership at all levels within the company to strengthen the ownership of a safety culture driven by management.

# Safety, security, health and environmental committee report continued

Accordingly, the committee received detailed progress feedback on the following key safety initiatives:

- Safety roadmap including:
  1. Take Care safety culture change initiative
  2. Area transformation
  3. Risk management
  4. Emotional connection (family days)
  5. Process safety management (including identification of catastrophic risks)
  6. Changing behaviour and mindsets
- Seven safety focus areas programme (audited by dss+)
- Safety audits by "Red scorpions"
- Junior Manager "Safety Pride" project
- Fatality prevention standards audits
- Contractor management safety improvement
- The ArcelorMittal group's involvement (including audits) on process safety with guidance to improve efficiencies and effectiveness and a gap analysis on operating procedures

More information on safety can be found on pages 42 and 43 of this report.

## Security

The committee received detailed feedback and information on the implementation of an intelligent security roadmap, including:

- Appointment of a new security contractor
- Increasing camera technology to decrease theft
- Greater use of drones
- Protection of raw materials and products from source to plant
- Redesign of guarding and specialised services
- Internal management of emergency services
- Compliance and performance management.

## Health

The committee oversaw the promotion of health and wellbeing through a structured framework arising out of risk assessments and supported by robust reporting. Increased health and welfare awareness and health-related controls on specific topics were implemented. The following were focus areas:

- Implementation and use of the Serenity wellness and assistance programme
- Health screening and medical surveillance
- Occupational disease prevalence
- Mental health prevalence
- Sick leave and special leave trends.

Hygiene and general employee wellness were monitored.

More information on health can be found on page 43 of this report.

## Environment

The committee focused on the following during 2024:

- The company's sustainability data
- Green Scorpions inspection (no major findings)
- Licences (air and water)
- Social projects (including the upgrading of the Sedibeng environmental building)
- Environmental remediation strategies
- New waste site at Vanderbijlpark.

Air emissions reduction, water abstraction, waste hierarchy optimisation management and implementing technologies to improve environmental performance were addressed.

More information on environmental matters can be found on pages 43 to 47 of this report.

## Conclusion

The company's safety performance deteriorated in 2024. In-depth audits and analysis were conducted to determine the causes of this deterioration. The primary focus of the committee will remain on safety performance, while continuing to scrutinise outcomes in terms of health and the environment. It is expected that the continued focus at board, committee and management levels, along with enhanced communication, training and efforts to improve the safety culture will result in the desired level of safety performance being achieved.

Changing behaviour and mindsets through detailed and strategic initiatives under the auspices of the leader-led safety roadmap and process safety roadmap will continue.

The committee extends its condolences to the family and colleagues of Mr Image Mabowa, who was fatally injured on 8 September. Similarly, the committee extends its condolences to the family of Mr Ezekiel Rakauoane who succumbed to injuries sustained on 25 January 2025.

The committee believes that all key SSHE matters are being addressed by the company. Appropriate policies and programmes have been adopted to achieve high SSHE standards. Accordingly, the committee confirms that it has discharged its responsibilities appropriately during the year under review in all material respects and has achieved its objectives for the year under review.

**Neville Nicolau**  
Chairperson

16 April 2025





# Human resources committee report

## On behalf of the human resources committee (HRC), it is my pleasure to present the committee's 2024 report.

The HRC consists of a majority of independent non-executive directors and is chaired by an independent non-executive director. Standing invitees to meetings include the chief executive officer, chief human resources officer, general counsel, global (group) head of human resources and senior management.

The composition of the committee is:

- LC Cele (independent non-executive director: chairperson from August 2024)
- A Thebyane (independent non-executive director: chairperson until May 2024)
- BF Mohale (independent non-executive director)
- NF Nicolau (independent non-executive director)
- D Earp (independent non-executive director)
- GS Gouws (non-executive director)
- B Davey (non-executive director)
- R Karol (non-executive director)

The qualifications of members and details of the committee meetings attended by each of the members are set out on pages 27 and 28 of the integrated report. During the year under review, the committee met four times.

The HRC developed criteria to find suitable directors to ensure broader diversity. Amandla, the B-BBEE partner, was entitled to appoint a director to replace Ms Noluthando Gosa, who had resigned. Mr Mikhail Maasdorp was nominated by Amandla and he is from a designated group, while his appointment also addresses diversity in terms of age.

The chairperson reports back to the board and the social and ethics committee on any material matters arising and makes recommendations that require the board's approval or action.

The HRC is responsible for ensuring that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. The committee aims to give direction and assist and advise the board on remuneration-related matters for management.

In accordance with the recommendations of King IV™, resolutions on the remuneration policy, remuneration implementation report and non-executive directors' remuneration were presented for non-binding advisory voting by shareholders at the AGM held on 24 May 2024. The committee was pleased with these outcomes and thanks shareholders for their votes of support.

The results of these votes were as follows:

Annual general meeting resolutions	2024 %	2023 %	2022 %
Remuneration policy	91.94	92.72	99.79
Remuneration implementation report	91.94	92.71	99.74
Non-executive directors' fees	97.72	98.66	93.58

The HR strategy for 2024 and beyond is informed by:

- Group strategic themes
- Local emerging themes.

In developing the strategic HR direction for the short to medium term, specific focus areas were identified. These focus areas are aligned with group initiatives and are as follows:

- Execution of the company's labour optimisation programme
- Execution against the employment equity (EE) plan with a specific focus on middle management
- Technical training, supported by MerSETA, to recruit and train 500 candidates over a 30-month period
- Strategic focus on female representation/succession by 2030.

The EE plan adopts a multi-year approach to identify actionable measures to mitigate existing barriers to transformation. A one-year equity plan was submitted to the Department of Employment and Labour in January 2024, recognising that ArcelorMittal South Africa will be guided by proposed sectoral targets. The skills development pipeline has also been re-engineered to match the desired demographic profile.

The long-term incentive plan (LTIP) includes ESG elements which, in turn, include diversity and related sub-components. In 2024, the committee reviewed the LTIP scheme with return on capital employed replacing earnings per share as a KPI to align with the ArcelorMittal group's guidance, establishing the LTIP scheme as a non-dilutive scheme based on the rules of the current LTIP and increasing the allocation of share capital to 10%, subject to review by the HRC from time to time.

# Human resources committee report continued

This year, both bargaining unit and package category employees received an average 5.6% increase. This is in line with the three-year wage agreement concluded in 2023.

Our culture improvement programme continued throughout the year to concentrate on communication and engagement across various forums, covering different levels of the business.

The programme to train, at our premises, 200 apprentices and 300 production learners was successfully implemented. The 30-month programme, which is fully aligned with the skills development elements of the Steel Master Plan, is being funded, at a cost of some R62 million, by MerSETA .

The committee is pleased to note that the entire skills development pipeline has been re-engineered to match the required demographic profile. The pipeline plan includes graduates, internships and learnerships, aiming for a 55/45 male-to-female representation. Implementation of the second phase of our superintendent development project focused on more specific business skills sets.

Formalising partnerships with local tertiary institutions to target graduate development and research progressed well in the year.

**Lungile Cele**  
*Chairperson*

16 April 2025



# Remuneration report

## Background statement

In January 2025, the company began a Section 189 process for the Longs business. This was likely to affect some 3 500 direct and indirect employees. In March it became possible to suspend the Section 189 consultation process. A limited number of retrenchments and redeployments were effected in the year at our Vanderbijlpark coke-making plants and at the Thabazimbi Iron Ore Mine.

In recent years, the company's sustainability has been threatened by high employment costs which far exceeded those paid by our competitors and similar industrial companies; a labour optimisation programme (discussed elsewhere in this report) largely succeeded in achieving its key objective of curtailing fixed costs.

A three-year wage agreement for bargaining unit employees, guaranteeing annual remuneration increases, was in its second year of operation in 2024.

## HR strategy and policy

- Determine the policy rules and amendments for retirement fund arrangements and oversee major changes to employee benefit structures
- Review and determine rules and targets for short- and long-term incentives and approve amendments as well as implementation
- Review the long-term incentive plan to ensure continued contribution to shareholder value while ensuring the application of the plan in line with rules
- Review the outcomes of the remuneration policy implementation and oversee any major changes
- Review annual benchmarking results for non-executive directors and the senior management team in line with the company remuneration policy.

The HR committee is responsible for ensuring a proper system of succession planning for the chief executive officer and management while monitoring their achievements.

The committee also has to consider the steps and responses needed, from a remuneration perspective, to support business sustainability.

## Remuneration design structure

Our remuneration policy and implementation remains principally informed by performance-based remuneration aligned with key business objectives.

We further continue to maintain the King IV™ principle of strengthening alignment between reward and the tangible achievement of short-term and strategic objectives as manifested in our remuneration practice, notably in the case of the management and package category in the setting of short- and long-term incentive performance conditions, as well as remuneration adjustments.

ArcelorMittal South Africa's remuneration philosophy aims to attract and retain motivated, high-calibre employees whose interests are aligned with those of our stakeholders and shareholders. In our attempt to achieve this, we believe we have designed a system comprising a competitive but affordable remuneration mix of fixed and variable pay that provides for differentiation between high, on-target and below-target performance. The pay mix differs according to job-family categories; generally, the more senior the employee, the higher the proportion of variable pay as part of his or her total reward package.

Our remuneration policy comprises the following pay elements:

- Cost to company (CTC)
- Basic salary plus fixed allowances
- Short-term incentive plan
- Long-term incentive plan
- Various benefit plans with company contributions
- Recognition programmes
- Retention and sign-on incentives.

## Key changes to our remuneration policy

There were no key changes to our remuneration policy in 2024.

# Remuneration report continued

## Key components of our remuneration policy

### Remuneration mix

Remuneration component	Policy principle	Policy execution
<b>GUARANTEED PAY</b>		
<b>Guaranteed pay:</b> <b>Cost to company (CTC) and basic salary plus guaranteed allowances</b>	<ul style="list-style-type: none"> <li>• Non-bargaining: Basic cash plus employer contributions to retirement (including disability and death risk insurance) – CTC</li> <li>• Bargaining unit: Basic salary plus guaranteed allowances</li> <li>• Market-related broad salary bands differentiated by job family with six levels of grading</li> <li>• Internal remuneration parity modelling and external benchmarking</li> <li>• Increase factors: Governance process, external comparable market, inflation, performance, and affordability</li> <li>• Benchmarking relative to comparable market.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-bargaining: An adjustment of 5.6% was implemented, effective 1 April 2024</li> <li>• Bargaining unit: An adjustment of 5.6% was implemented, effective 1 April 2024.</li> </ul>
<b>Employee benefits and allowances</b>	<ul style="list-style-type: none"> <li>• Retirement fund membership is a condition of employment for permanent full-time employees. Retirement funds are defined contribution</li> <li>• Medical scheme membership for full-time employees with an option to join any of four medical schemes</li> <li>• Leave benefits and allowances which include statutory allowances, housing, overtime, retention, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Company contribution to retirement funds are 10% of pensionable salary</li> <li>• Medical aid company subsidy is 60% of total contribution, subject to a monthly cap of R3 973.</li> </ul>
<b>VARIABLE PAY</b>		
<b>Non-bargaining unit: Short-term incentive plans (STIP)</b>	<ul style="list-style-type: none"> <li>• Annual bonus plan with performance measures and targets based on financial and operational strategy. Targets are set in advance.</li> </ul>	<ul style="list-style-type: none"> <li>• No short-term incentive was disbursed in 2024.</li> </ul>
<b>Bargaining unit:</b> <b>Key performance indicator bonus scheme</b>	<ul style="list-style-type: none"> <li>• Self-funded monthly bonus based on three broad performance themes: productivity, cost, and safety. Gatekeepers are positive EBITDA and safety, team-based with absenteeism penalties. Targets are set monthly.</li> </ul>	<ul style="list-style-type: none"> <li>• The KPI scheme allocation was made in 2023 as per policy.</li> </ul>
<b>Long-term incentive plan (LTIP)</b>	<ul style="list-style-type: none"> <li>• Equity-settled share-based payment transaction. Employees will receive shares when the transaction vests and performance conditions are met. Performance conditions can be market-based or non-market-based</li> <li>• No dividend or voting rights</li> <li>• Three-year performance plan with annual allocations based on service conditions including ongoing employment, role and individual performance. Vesting is dependent on achievement of performance targets</li> <li>• 2019 LTIP allocation split into performance stock units (PSUs) and restricted stock units (RSUs).</li> </ul>	<ul style="list-style-type: none"> <li>• An LTIP allocation was made in 2024. Vesting of the 2021 LTIPs took place in 2024</li> <li>• 50/50 PSU/RSU split for the senior management cadre</li> <li>• 30/70 PSU/RSU split for the executive management cadre</li> <li>• The vertical vesting scale ranges from 100% to 150%.</li> </ul>



# Remuneration report continued

## Implementation report

### Guaranteed pay in 2024

Non-bargaining employees are remunerated according to a CTC pay structure, which includes a basic cash component as well as employer contributions to retirement. Increased contributions to retirement funding are permitted although these changes are cost neutral to the company and impact the individual's net income.

Bargaining unit employees are covered by collective bargaining and term agreements, which provide for the principles of basic salary and fixed allowance increases. Salary increases are not subject to performance management. However, pay progression intervals from pay scale minima to maxima are achieved through a structured competency improvement process. Engagement on the collective labour agreement with the two recognised trade unions, National Union of Metalworkers of South Africa and Solidarity, commenced in the first quarter of 2024 in a challenging economic environment. A 5.6% increase was awarded for this category, effective 1 April 2024.

### Bargaining unit agreement features and execution

	2024	2023	2022
Salary and medical aid subsidy cap adjustment implemented	5.6%	6.5%	6.5%
Additional 0.5% once-off bonus based on achievement of liquid steel targets	N/A	N/A	N/A

# Remuneration report continued

The following tables summarises the fixed remuneration of executive directors, prescribed officers and highest-paid employees for services rendered.

	Cash salary <sup>1</sup> 2024 R	Retirement funding <sup>2</sup> 2024 R	Other <sup>3</sup> 2024 R	Total 2024 R	Total 2023 R
<b>Executive directors</b>					
HJ Verster	10 197 854	628 938	395 219	11 222 011	10 593 200
GA Griffiths <sup>4</sup>	4 361 483	356 404	310 509	5 028 396	3 707 119
SK Mthethwa <sup>5</sup>	–	–	–	–	652 985
<b>Sub-total</b>	<b>14 559 337</b>	<b>985 342</b>	<b>705 728</b>	<b>16 250 407</b>	<b>14 953 304</b>
<b>Prescribed officers and highest-paid employees</b>					
M Adam	3 733 907	309 754	71 807	4 115 468	3 851 597
TS Didiza <sup>6</sup>	–	–	–	–	1 453 988
J Kotze	3 179 806	270 313	179 853	3 629 972	3 906 924
JM Lotter <sup>7</sup>	–	–	–	–	904 573
D Mocke <sup>8</sup>	570 000	30 000	1 922	601 922	–
G Nagpal <sup>9</sup>	4 312 142	357 753	136 571	4 806 466	1 813 193
VA Sampula <sup>10</sup>	3 464 651	182 269	58 559	3 705 479	2 078 551
JF Swart <sup>11</sup>	–	–	–	–	3 482 082
SM van Wyk <sup>12</sup>	–	–	–	–	956 648
W Venter	3 112 240	258 204	79 487	3 449 931	3 249 303
<b>Sub-total</b>	<b>18 372 746</b>	<b>1 408 293</b>	<b>528 199</b>	<b>20 309 238</b>	<b>21 696 859</b>
<b>Total</b>	<b>32 932 083</b>	<b>2 393 635</b>	<b>1 233 927</b>	<b>36 559 645</b>	<b>36 650 163</b>

<sup>1</sup> Cash salary includes basic salary (cash component) and acting allowance.

<sup>2</sup> Consists of employer contributions towards the Retirement Fund.

<sup>3</sup> Other includes UIF, COID, monthly leave structuring, leave encashment, travel claims, telephone costs, ad hoc payments, death benefit, employer contribution to medical aid and travel allowance.

<sup>4</sup> GA Griffiths was appointed interim CFO from 18 July 2023 to 31 March 2024 and appointed as CFO and executive director with effect from 1 April 2024.

<sup>5</sup> SK Mthethwa appointed as CFO effective 1 June 2023 and resigned 17 July 2023.

<sup>6</sup> Due to organisational changes, TS Didiza as senior manager communication reports to chief human resources officer effective 1 September 2023.

<sup>7</sup> JM Lotter was appointed as interim chief human resources officer effective 1 July 2022 to 31 May 2023.

<sup>8</sup> D Mocke appointed as chief procurement officer effective 1 November 2024.

<sup>9</sup> G Nagpal resigned as chief marketing officer on 31 May 2023 and reappointed on 1 January 2024.

<sup>10</sup> VA Sampula appointed as chief human resources officer effective 1 June 2023.

<sup>11</sup> JF Swart retired effective 31 August 2023 as chief procurement officer.

<sup>12</sup> SM van Wyk appointed as interim chief financial officer, effective 1 October 2021 to 31 May 2023.



# Remuneration report continued

The following table reflects the remuneration of non-executive directors:

	Directors' fees 2024 R	Committee fees 2024 R	Total remuneration 2024 R	Total remuneration 2023 R
<b>Non-executive directors<sup>1</sup></b>				
BF Mohale	1 711 704	–	1 711 704	1 800 440
AM Thebyane <sup>2</sup>	96 374	167 995	264 369	517 064
LC Cele <sup>3</sup>	231 296	435 144	666 440	485 136
KM Musonda <sup>4</sup>	–	–	–	187 763
GS Gouws <sup>5</sup>	231 296	404 147	635 443	495 412
NF Nicolau	231 296	641 530	872 826	859 665
NP Gosa <sup>6</sup>	96 374	83 994	180 368	473 775
D Earp	231 296	559 423	790 719	734 560
<b>Total</b>	<b>2 829 636</b>	<b>2 292 233</b>	<b>5 121 869</b>	<b>5 553 815</b>

<sup>1</sup> Director's fees include fees paid to directors for services rendered to or on behalf of the company. Payments based on invoices considering rounding differences. There were no increases in directors' fees or meeting fees in 2024.

<sup>2</sup> AM Thebyane resigned effective 24 May 2024.

<sup>3</sup> LC Cele appointed as chairperson of the HRC effective 23 July 2024.

<sup>4</sup> KM Musonda resigned 25 May 2023.

<sup>5</sup> GS Gouws appointed as chairperson of SEC effective 23 July 2024.

<sup>6</sup> NP Gosa resigned effective 24 May 2024.

## Variable pay – short-term incentive plan (STIP)

The STIP is applicable to non-bargaining employees. Annual performance bonus payments are linked to specific organisational annual targets and objectives and individual performance is a moderating factor in the final bonus value. Targets were not achieved with no payments made.

### 2024 STIP measures, weighting and targets

Measures	Weighting (%)	Target	Condition
Safety – potential serious injury or fatality frequency rate	15	10	
Managerial EBITDA (USD'm)*	40	103	Fatality rate gatekeeper
Managerial free cash flow (USD'm)**	25	(12)	
Value plan programme savings (Rm)	20	1 854	

\* Managerial EBITDA excludes group management and R&D and adjustments on inventories to net realised price.

\*\* Managerial free cash flow excludes finance cost, forex movements, true sales of receivables facility, share option cost, unrealised profit of joint ventures and group management and R&D fees.



# Remuneration report continued

## Variable remuneration – STIP

No payment was made for executive directors, prescribed officers and highest-paid employees in 2023 and 2024.

## Variable pay – productivity and KPI bonus scheme

The KPI bonus scheme is a negotiated incentive scheme for bargaining unit employees. The incentive scheme is based on line of sight, with clear objectives related to safety, output and cost. No payment was made in 2023 and 2024.

## Employee retention scheme

The company deploys a retention scheme in the interest of retaining critical and scarce skills that are vital to the business. The principles of the retention scheme include individual performance requirements, fixed calculation methodologies and a mutual contractual lock-in period. For executive management, the three-year retention payment is calculated and paid annually as 33% of annual CTC at the time of payment. For the senior management cadre, the three-tranche payments are calculated at 25% of current annual CTC. For professional/middle management, the three-tranche payments are calculated at 16.7% of current annual CTC.

The following table reflects the employee retention for executive directors, prescribed officers and highest-paid employees.

	2024 R	2023 R
<b>Executive directors</b>		
HJ Verster	1 870 000	1 700 000
<b>Sub-total</b>	<b>1 870 000</b>	1 700 000
<b>Prescribed officers and highest-paid employees</b>		
G Nagpal <sup>1</sup>	1 577 600	1 493 940
VA Sampula <sup>2</sup>	818 182	2 818 182
<b>Sub-total</b>	<b>2 395 782</b>	4 312 122
<b>Total</b>	<b>4 265 782</b>	6 012 122

<sup>1</sup> G Nagpal resigned as chief marketing officer on 31 May 2023 and was reappointed on 1 January 2024.

<sup>2</sup> VA Sampula appointed as chief human resources officer, effective 1 June 2023.

## Variable pay – long-term incentive plan (LTIP)

- It is a three-year performance plan
- LTIPs are equity-settled share-based payment transactions
- Employees receive shares when the transaction vests and conditions are met
- Conditions are performance and retention-related
- Allocations are made annually based on HRC and board's approval
- Allocations are calculated on CTC, times applicable percentage per grade, times individual performance, divided by the prevailing share price at the time of the grant
- The audited financial year's performance is used for measurement purposes.

Eligible participants must remain employed to qualify for an award. There is provision for proportional awards when there is a change in the effective control of the company or when an employee is retrenched, retires or dies while in service.



# Remuneration report continued

The following table reflects the status of long-term incentive plans (LTIPs) for executive directors, prescribed officers and highest-paid employees:

	Award date	Number of allocations outstanding at the start of the year	Number of allocations made during the year	Adjustment of number of units not expected to vest	Number of allocations vested during the year	Number of allocations forfeited during the year	Number of allocations at the end of the year	Present value of invested share units at the end of the year <sup>1</sup> R
<b>Executive directors</b>								
HJ Verster	27/05/2021	1 635 269	-	-	(850 340)	(784 929)	-	-
	02/08/2022	1 059 816	-	(473 384)	-	-	586 432	785 818
	04/09/2023	3 216 390	-	(718 327)	-	-	2 498 063	3 347 404
	18/08/2024	-	5 910 486	-	-	-	5 910 486	7 920 051
		5 911 475	5 910 486	(1 191 711)	(850 340)	(784 929)	8 994 981	12 053 273
GA Griffiths	27/05/2021	180 361	-	-	(108 217)	(72 144)	-	-
	02/08/2022	182 926	-	(40 244)	-	-	142 682	191 194
	04/09/2023	1 465 272	-	(244 212)	-	-	1 221 060	1 636 220
	18/08/2024	-	2 947 133	-	-	-	2 947 133	3 949 158
		1 828 559	2 947 133	(284 456)	(108 217)	(72 144)	4 310 875	5 776 572
<b>Prescribed officers and highest-paid employees</b>								
M Adam	27/05/2021	539 058	-	-	(280 310)	(258 748)	-	-
	02/08/2022	354 238	-	(118 079)	-	-	236 159	316 453
	04/09/2023	1 035 967	-	(172 661)	-	-	863 306	1 156 830
	18/08/2024	-	2 366 392	-	-	-	2 366 392	3 170 965
		1 929 263	2 366 392	(290 740)	(280 310)	(258 748)	3 465 857	4 644 248
J Kotze	27/05/2021	384 258	-	-	(199 814)	(184 444)	-	-
	02/08/2022	270 915	-	(90 305)	-	-	180 610	242 017
	04/09/2023	911 136	-	(151 856)	-	-	759 280	1 017 435
	18/08/2024	-	1 716 497	-	-	-	1 716 497	2 300 106
		1 566 309	1 716 497	(242 161)	(199 814)	(184 444)	2 656 387	3 559 558
G Nagpal	27/05/2021	581 819	-	-	(302 546)	(279 273)	-	-
	02/08/2022	489 262	-	(163 087)	-	-	326 175	437 074
	18/08/2024	-	3 718 789	-	-	-	3 718 789	4 983 177
		1 071 081	3 718 789	(163 087)	(302 546)	(279 273)	4 044 964	5 420 251

<sup>1</sup> Based on the closing price as at 31 December 2024 of R1.34.

# Remuneration report continued

	Award date	Number of allocations outstanding at the start of the year	Number of allocations made during the year	Adjustment of number of units not expected to vest	Number of allocations vested during the year	Number of allocations forfeited during the year	Number of allocations at the end of the year	Present value of invested share units at the end of the year <sup>1</sup> R
VA Sampula	04/09/2023	863 230	-	(143 872)	-	-	719 358	963 940
	18/08/2024	-	2 128 896	-	-	-	2 128 896	2 852 721
		863 230	2 128 896	(143 872)	-	-	2 848 254	3 816 661
W Venter	27/05/2021	370 533	-	-	(192 677)	(177 856)	-	-
	02/08/2022	297 597	-	(99 199)	-	-	198 398	265 853
	04/09/2023	870 322	-	(145 054)	-	-	725 268	971 860
	18/08/2024	-	1 639 607	-	-	-	1 639 607	2 197 073
		1 538 452	1 639 607	(244 253)	(192 677)	(177 856)	2 563 273	3 434 786

LTIP shares vest within three years.

<sup>1</sup> Based on the closing price as at 31 December 2024 of R1.34.

The following table reflects the LTIP units for the executive directors, prescribed officers and highest-paid employees that vested and the amounts applicable:

	2024 R	2023* R
<b>Executive directors</b>		
HJ Verster	1 062 925	-
GA Griffiths	135 271	-
<b>Sub-total</b>	<b>1 198 196</b>	-
<b>Prescribed officers and highest-paid employees</b>		
M Adam	350 388	-
J Kotze	249 768	-
G Nagpal	378 183	-
W Venter	240 846	-
<b>Sub-total</b>	<b>1 219 185</b>	-
<b>Total</b>	<b>2 417 381</b>	-

\* No LTIP units vested during 2023.



# Independent limited assurance report

## INDEPENDENT ASSURANCE PRACTITIONER'S LIMITED ASSURANCE REPORT ON SELECTED SUSTAINABILITY PERFORMANCE INFORMATION REPORTED IN ARCELORMITTAL SOUTH AFRICA LTD'S INTEGRATED REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

### TO THE DIRECTORS OF ARCELORMITTAL SOUTH AFRICA LTD

We have undertaken a limited assurance engagement on selected sustainability performance information (the "subject matter"), as described below, and presented in the ArcelorMittal South Africa Ltd integrated report for the year ended 31 December 2024. This engagement was conducted by a multidisciplinary team with experience in assurance, sustainability performance and carbon emissions.

#### Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained (and subject to the inherent limitations outlined elsewhere in this report), nothing has come to our attention that causes us to believe that the selected sustainability performance information as set out in the Subject Matter paragraph below, for the year ended 31 December 2024, is not prepared, in all material respects, in accordance with management's measurement and reporting criteria.

#### Subject matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected sustainability performance information identified and selected by ArcelorMittal South Africa's management as requiring independent external assurance:

No	Selected sustainability performance information	Location disclosed in the integrated report	Location of description of measurement and reporting criteria in the integrated report
<b>Social</b>			
1	Lost-time injury frequency rate (LTIFR)	Page 41	Page 41
2	Employee and contractor fatalities	Page 41	Page 41
3	Employee numbers - Permanently employed (including fixed term contractors)	Page 41	Page 41
4	Corporate social investment spend	Page 54	Accumulated CSI spend at all operational units
5	Total number of employees within the technical and business pipeline	Page 54	Total number of employees trained in the Technical pipeline and Business pipeline
<b>Environmental</b>			
6	Direct carbon dioxide (CO <sub>2</sub> ) – scope 1 (t/t liquid steel)	Page 40	Page 40
7	Indirect carbon dioxide (CO <sub>2</sub> ) – scope 2 (t/t liquid steel)	Page 40	Page 40
8	Total greenhouse gas (CO <sub>2</sub> equivalent scope 1 and scope 2) (t/t liquid steel)	Page 40	Page 40
9	Total greenhouse gas (CO <sub>2</sub> equivalent scope 1 and scope 2) (Mt)	Page 40	Page 40
<b>Economic</b>			
10	Liquid steel capacity utilisation	Page 39	Actual liquid steel production tons divided by the achievable production capacity

# Independent limited assurance report continued



The selected sustainability performance information prepared and presented in accordance with management's criteria are marked with the symbol LA (Limited Assurance) to indicate that we have provided limited assurance over the selected sustainability performance information.

Other than as described in the preceding paragraphs, which set out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the integrated report, and accordingly, we do not express a conclusion on this information.

## ArcelorMittal South Africa's responsibilities

The Directors of ArcelorMittal South Africa are responsible for the selection, preparation, and presentation of the selected sustainability performance information in accordance with management's measurement and reporting criteria as set out in the table above. These responsibilities include the identification of stakeholders and stakeholder requirements, key issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control and maintaining adequate records and making estimates that are relevant to the preparation of the integrated report and any references or statements of compliance with reporting frameworks applied, such that it is free from material misstatement, whether due to fraud or error.

The Directors of ArcelorMittal South Africa are responsible for, in relation to application of the reporting standards used in the preparation of the integrated report, this report being prepared in accordance with the reporting principles as per those standards.

The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability performance information and for ensuring that those criteria are publicly available to the integrated report users.

## Inherent limitations

Where ArcelorMittal South Africa's reporting of the selected sustainability performance information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third-party information.

The scope of work was limited to the selected sustainability performance information disclosed in the integrated report and did not include coverage of data sets or information unrelated to the selected information, nor did it include information reported outside of ArcelorMittal South Africa's integrated report, information relating to prior periods or comparisons against historical data.

Our assurance report does not extend to any disclosures or assertions relating to management's future performance plans, forward-looking statements or strategies disclosed in the integrated report.

## Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality, and professional behaviour.

The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Our responsibilities

Our responsibility is to express a limited assurance conclusion on the selected sustainability performance information as set out in the Subject Matter paragraph, based on the procedures we have performed and the evidence we have obtained.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and, in respect of the greenhouse gas emissions, in accordance with ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. Those Standards require that we plan and perform our engagement to obtain the appropriate level of assurance about whether the selected sustainability performance information is free from material misstatement.

# Independent limited assurance report continued

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

## Summary of work performed

### Limited assurance

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of ArcelorMittal South Africa's use of its measurement and reporting criteria as the basis of preparation for the selected sustainability performance information, assessing the risks of material misstatement of the selected sustainability performance information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability performance information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement. A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the sustainability performance information subject matter and related information and applying analytical and other appropriate procedures.

For the selected sustainability performance information, we:

- Evaluated management's basis for calculating the reported performance, with reference to relevant best practice guidelines and standards including the

JSE Sustainability and Climate Disclosure Guidance and Task Force on Climate-Related Financial Disclosures (TCFD)

- Performed analytical procedures to evaluate the relevant data generation and reporting processes against management's criteria
- Obtained explanations from management in response to our analytical procedures and assessed the reasonability in the context of our understanding of the business
- Performed tests of detail on the selected performance information on a selective basis where considered necessary to supplement our analytical assurance procedures
- We also performed such other procedures as we considered necessary in the circumstances.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

### Other matters

Apart from what was reported in our assurance report for the prior period (2023), no further assurance procedures were performed on prior periods

### Restriction of liability

Our report, including our conclusions, has been prepared solely for the Board of Directors of ArcelorMittal South Africa in accordance with the agreement between us and for no other purpose. We permit this report to be published in ArcelorMittal South Africa's integrated report to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the selected sustainability performance information.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of ArcelorMittal South Africa

for our work or for our report and the conclusion contained therein. We agree to publication of our assurance report within ArcelorMittal South Africa's integrated report provided it is clearly understood by recipients or readers of the Report and that we accept no duty of care to them whatsoever in respect of our independent assurance report.

Maintenance and integrity of ArcelorMittal South Africa's website is the responsibility of ArcelorMittal South Africa management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the selected sustainability performance information as reported, or our independent assurance report that may occur subsequent to the initial date of publication of the Report on ArcelorMittal South Africa's website.

### Ernst & Young Inc.

Associate Partner – Mohsin Yahya Nana  
Registered Auditor  
Chartered Accountant (SA)

102 Rivonia Road, Sandton  
Johannesburg  
South Africa

16 April 2025

# Corporate information

## Company registration

ArcelorMittal South Africa Limited  
Registration number: 1989/002164/06  
Share code: ACL  
ISIN: ZAE000134961

## Registered office

Vanderbijlpark Works  
Main Building  
Delfos Boulevard  
Vanderbijlpark, 1911

## Postal address

PO Box 2  
Vanderbijlpark, 1900  
Telephone: +27 (0) 16 889 9111

## Internet address

<https://www.arcelormittalsa.com>

## Company secretary

FluidRock Co Sec Proprietary Limited  
Registration number: 2016/093836/07  
Unit 5 First Floor Right  
Berkley Office Park  
8 Bauhinia Street  
Highveld Technopark  
Centurion, 0169

## Sponsor

Absa Bank Limited (acting through its corporate and investment banking division)  
1<sup>st</sup> floor North Campus  
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Email: [IBDJSESponsor@absa.africa](mailto:IBDJSESponsor@absa.africa)

## Auditors

Ernst & Young Inc.  
102 Rivonia Road  
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Telephone: +27 (0) 11 772 3000

## Transfer secretaries

Computershare Investor Services Proprietary Limited  
Rosebank Towers, 15 Biermann Avenue, Rosebank  
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Telephone: +27 0861 100 950  
Email: [web.queries@computershare.co.za](mailto:web.queries@computershare.co.za)

A copy of the ArcelorMittal South Africa integrated report can be requested by sending an email to: [veronique.fernandes@arcelormittal.com](mailto:veronique.fernandes@arcelormittal.com)



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<https://www.arcelormittalsa.com/InvestorRelations/IntegratedAnnualReports.aspx>

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