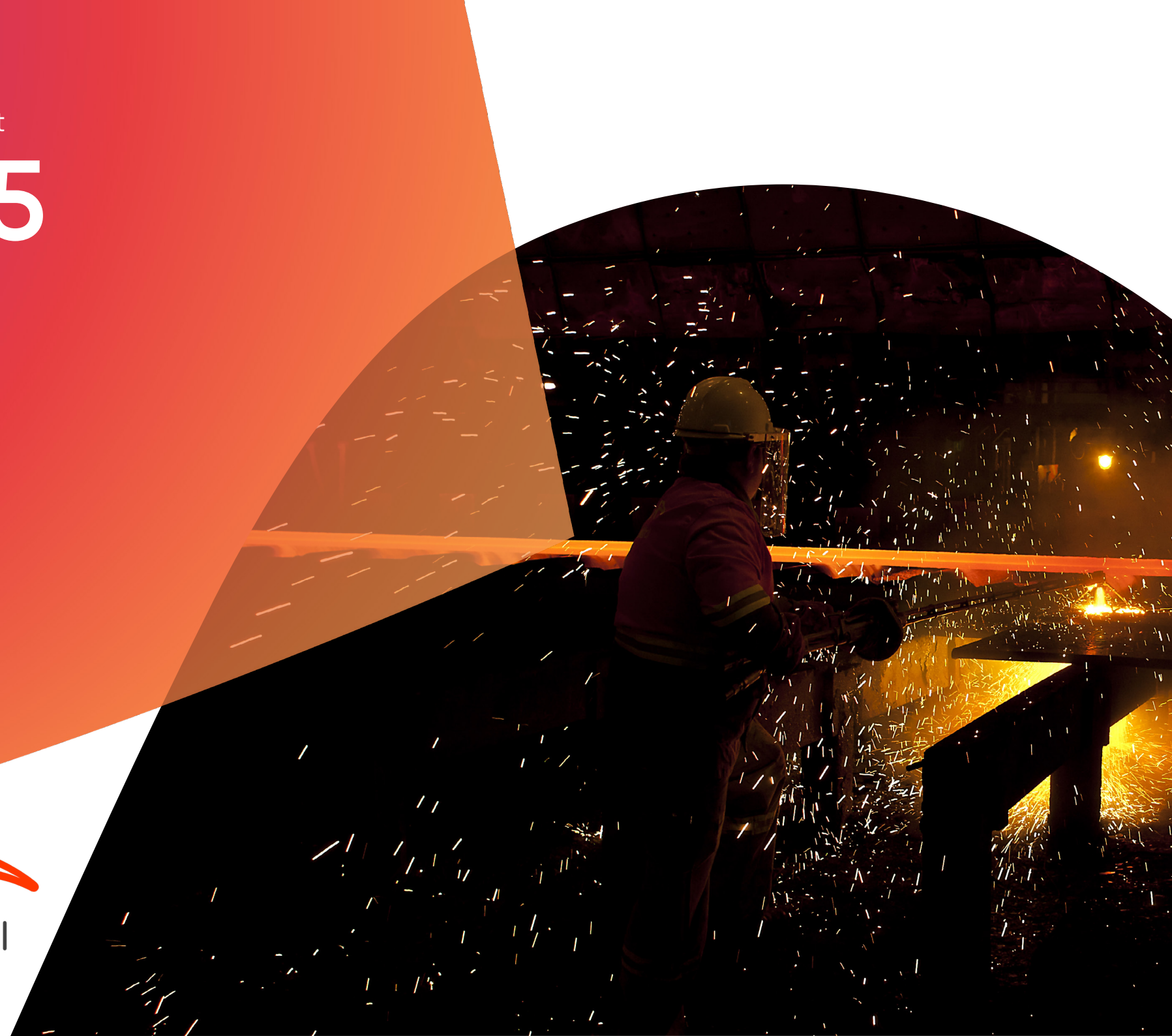


Integrated report

# 2025



ArcelorMittal



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This integrated report seeks to explain concisely but meaningfully how, in 2025, 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.

# About this report

## Report content and boundary

Our 2025 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 2025**, our financial year. Unless otherwise stated in this report, we consider "short term" to be the period to end-2026, "medium term" from 2027 to 2030 and "long term" beyond 2030.

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 environmental, social and governance (ESG) policies, actions and outcomes, affected these parties, and how their actions and interests affected, and will affect, our strategy.

## Our reporting suite

The full 2025 financial statements provide comprehensive insight into the financial position and performance of the ArcelorMittal South Africa group and 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>.

## 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 30 April 2026.

<b>Bonang Mohale</b> <i>Chairman</i>	<b>Kobus Verster</b> <i>Chief executive officer</i>	<b>Gavin Griffiths</b> <i>Chief financial officer</i>
<b>Zee Cele</b>	<b>Bradley Davey</b>	<b>Dawn Earp</b>
<b>Gert Gouws</b>	<b>Raman Karol</b>	<b>Mikhail Maasdorp</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 and the board. A limited assurance report by Ernst and Young on key selected performance indicators is on page 83 of this report.

## Our value creation process

Our leadership strives to consistently apply integrated thinking in its value-creation strategy formulation and implementation, and in the company's interactions with stakeholders.

In this report we describe how our business model uses and affects the six capitals while giving concise, objective and material insight into our risks and opportunities, governance, performance and prospects.

### About ArcelorMittal South Africa

Who we are, what we do and the most material issues impacting us and informing our strategy. Our operating context and key stakeholders. Our risks and opportunities. Our value creation model, capitals and most material trade-offs.

- 1 • Our operating context
- Key stakeholders
- Our risks and opportunities
- Our value creation model
- Capitals
- Most material trade-off

### Leadership reports to stakeholders

27 An overview of our board of directors with messages from our chairman, CEO and CFO in which they unpack our strategy in the year reported on and outline our prospects and strategic intent going forward.

### Detailed performance to date

37 An overview of:
 

- Key performance indicators
- Our financial performance in the year
- Key sustainability metrics

### Strategic execution

40 How we performed on achieving our key objectives:
 

- Zero Harm
- Long-term Sustainability
- People First

With views on our strategies to create value in the short, medium and long term.

### Corporate governance

58 How our directors provide ethical and effective leadership in driving our creation of value while working to minimise value erosion. With reports from our board committees, as well as how we remunerate.

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# Navigating our report

## Strategic objective

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



### Zero harm

Workplace health and safety and our environmental impacts (page 40)



### Long-term sustainability

Transforming our business to create sustainable value (page 46)

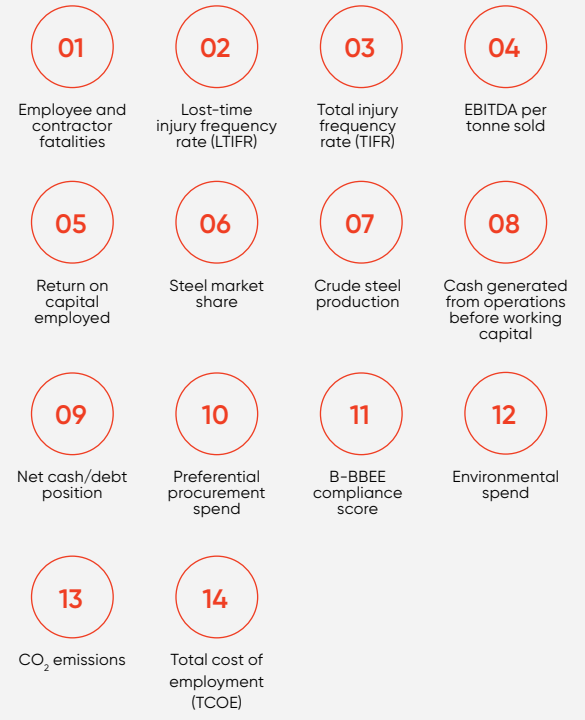


### People first

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

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

## Key performance indicators (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



Regulators

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 2025, we made 2.3 million tonnes of crude steel. This was 12% lower than the amount we produced in 2024.

Our 8 323 employees and contractors (2024: 8 816) produced both flat and long steel in hundreds of grades and specifications for further value add by downstream manufacturers and providers of infrastructure in southern, West and East Africa (and other markets).

We are part of the worldwide ArcelorMittal group, which employs approximately 125 000 people and produces almost 60 million tonnes of crude steel per year.

Our steel has traditionally been manufactured primarily at large, capital-intensive facilities. These were 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 and Vereeniging. This decision was confirmed on 28 February but on 31 March we announced that Longs would continue to operate to, at least, 31 August 2025. This was enabled by funding support of R2 063 million from the Industrial Development Corporation (IDC), in the form of a facility, which, among other considerations, requires the parties to agree to its repayment.

In September, we informed shareholders that a solution to avert the closure of the Longs business had not been found and that funding, over and above that provided by the IDC, to maintain Longs operations, had not been obtained. As a result, we reluctantly, began the process of putting Longs operations, including Newcastle, into care and maintenance. A due diligence process on the company, conducted by the IDC, remains ongoing.

AMRAS, our structural steel division and the Speciality Bar Mill (which produces specialised long steel focused on the mining industry) remain operational.

Our coke batteries in Vanderbijlpark and Newcastle produced 522 000 tonnes of coke in 2025 (2024: 964 000 tonnes). Metallurgical coke production ceased this year.

Our regional sourcing strategy means that we can obtain metallurgical coke at prices lower than the cost of our own production. We continue to produce fine coke for own consumption and limited amounts of commercial market coke.

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

Despite our recent restructuring, we continue to 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.

At the time of publication, we were progressing discussions with the IDC which, if successfully concluded, will shape the company's outlook for the rest of 2026 and beyond.

## 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 (under care and maintenance from October 2025) 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.

#### Liquid iron production

**2 403**

(2024: 2 706; 2023: 2 947)

('000 tonnes per year)

The amount of iron we make available for our own production of steel

#### Pulverised coal injection (PCI) rate

**111**

(2024: 122; 2023: 136)

(kg/tonne)

PCI is a very cost-effective blast furnace (BF) energy source

#### Blast Furnace fuel rate

**541**

(2024: 529; 2023: 541)

(kg/tonne)

The amount of coke and coal used to produce a tonne of liquid iron is a key measure of productivity

#### Production KPIs

### Steelmaking and rolling



At Vanderbijlpark and Newcastle, liquid iron has been 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).

Steel slabs are produced by the caster in Vanderbijlpark while the Newcastle caster produced blooms. These are re-worked (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 40 617 tonnes produced in 2025, 83% was exported. This plant will cease production in Q2 2026 following delivery against a large ArcelorMittal group order.

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.

#### Crude steel production

**2 270**

(2024: 2 589; 2023: 2 767)

('000 tonnes per year)

The amount of crude steel we make available for our rolling operations

#### BOF mechanical yield

**88.5**

(2024: 88; 2023: 88.8)

(%)

How much iron is fed into our basic oxygen furnace relative to steel produced is an important indicator of BOF efficiency

#### Electricity

**640**

(2024: 604; 2023: 566)

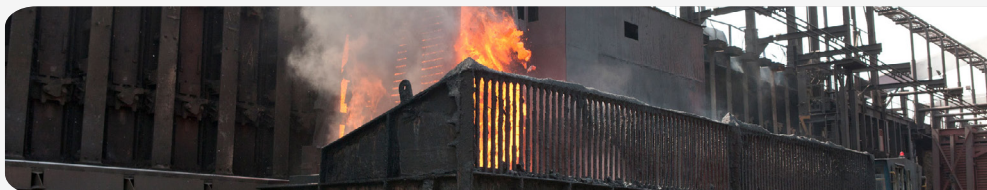
(MWh per tonne)

Our production processes are electricity intensive

#### Production KPIs

## What we do continued

### Metallurgical coke making



Until recently, metallurgical coke was 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. The remainder were shut down in 2025 with only a single battery in Vanderbijlpark remaining operational, producing limited amounts of market coke (for sale to third parties) and fine coke for own consumption.

#### Metallurgical coke production

**468**

(2024: 832; 2023: 1 124)

('000 tonnes)

How much coke we make for our own production of iron and steel

#### Coking time

**26.5**

(2024: 23.7; 2023: 25.3)

(hours)

The average time one oven takes to produce one load of coke

#### Production KPIs

### 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.

#### Commercial coke production

**60**

(2024: 132; 2023: 21)

('000 tonnes)

How many tonnes of coke we make for external sale

#### Production KPIs

## Determining materiality

The process we follow for determining materiality involves four key steps:

1. Intelligence gathering and observation
2. Considering stakeholder interests and concerns
3. Determining priority material matters
4. Risk and opportunity management

The company follows a double materiality approach, which includes adopting both inside-out and outside-in views and considering matters that affect our financial prospects, as well as those matters that create sustainable value for multiple stakeholders over time.

Step	Determining materiality	Key actions/information	Accountability and oversight
1. Intelligence gathering and observation	Analysing	Information on external trends and emerging issues is gathered by the strategy team, assisted by the ArcelorMittal group and our commercial department. Acquisition of material information through sectoral and economic information portals, aggregators, media monitoring services and affiliation to industry organisations.	Strategy team and various internal resources (including the commercial department).  The CEO instructs the integrated reporting team on material matters.
2. Considering stakeholder interests and concerns	Identifying	We continuously monitor and report internally on issues affecting, and of interest to, our stakeholders. Views are gathered from stakeholders (through various channels (surveys, meetings, reports, AGM)).	Corporate affairs office administers structured channels for government/community/funder views. Strategy function curates shareholder interests. The board is informed of engagements and relationship quality via reports to the social and ethics committee.
3. Determining priority material matters	Prioritising	Stakeholder concerns, views, and external information are assessed internally. Issues facing the business are reviewed and prioritised. Required actions are determined, ranked and delegated.	Executive committee (exco) reviews and prioritises, guided by directives from the board.
4. Risk and opportunity management	Managing and responding to our material matters	External information is assessed and weighted by the risk and insurance function. Risks are mitigated and their residual materiality is disseminated throughout the company, including being incorporated into strategic decision-making.	Risk and insurance function. Exco delegates required actions.
Final outcome	Monitoring/responding	The company explains its actions and the outcomes resulting from those actions. Performance is reported against three key strategic objectives: Zero Harm, Long-term Sustainability, and People First. Our strategy-derived impacts and interactions determine value creation/erosion in terms of the six capitals.	The integrated reporting team, instructed by the CEO, reports on material matters and their relative weighting.

## 2025 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	2025	2024	2023	2022	2021
1	Employee and contractor fatalities	Number	=	1	1	1	2	6
2	Lost-time injury frequency rate (LTIFR)	Rate	∨	0.62	1.13	0.77	0.87	0.98
3	Total injury frequency rate (TIFR)	Rate	∨	6.80	7.16	7.69	5.74	7.80
4	EBITDA per tonne sold	R/t	∧	(546)	(1 295)	23	1 977	3 465
5	Return on capital employed	%	∧	(16.07)	(22.65)	(2.16)	20.32	53.9
6	Steel market share	%	=	46*	46	46	46	47
7	Crude steel production	t/y '000	∨	2 270	2 589	2 817	2 465	3 096
8	Cash (utilised in)/generated from operations before working capital	Rm	∧	(1 966)	(1 973)	246	4 260	9 144
9	Net debt position	Rm	∧	6 763	5 111	3 215	2 808	1 258
10	Preferential procurement spend	Rbn	∧	22.1	20.0	19.7	16.8	15.4
11	B-BBEE compliance score (self-assessed for 2025)	Rate	∧	4	8	6	5	8
12	Environmental spend	Rm	∨	70	237	269	301	64
13	CO <sub>2</sub> emissions	CO <sub>2</sub> eq/t liquid steel	∨	3.26	3.35	3.38	3.39	2.72
14	Total cost of employment (TCOE)	Rm	∨	4 918	4 961	5 053	4 959	4 875

\* Flat steel.

### Key

∨ Decreased    ∧ Increased    = Unchanged

# Material issues in our operating context

The following were the most material issues arising from our operating environment in 2025. Here we briefly explain how these issues impacted us and our strategy formulation, and how we are responding.

## Material issue

### Poor domestic economic growth

At 1.3%, South African GDP growth, although improved year on year following a rise of 0.5% in 2024, remained slow in the primary and secondary steel-consuming sectors.

Low manufacturing output and lacklustre investment in, particularly, mining and construction, translated into depressed domestic apparent steel consumption (ASC). ASC was flat at a level of 4.2 million tonnes (mt), suggesting that demand has stabilised but not recovered meaningfully. At this level, 2025 ASC remained a third lower than the 2008 peak of 6.3mt and some 15% below the 2013 – 2019 average. Compounding weak demand this year were very high levels of stockholding by most buyers, including the large merchants who typically account for the majority of our sales.

### How it impacts our strategy

Poor demand translates into depressed pricing (see below) and intensified competition for stagnant or shrinking markets.

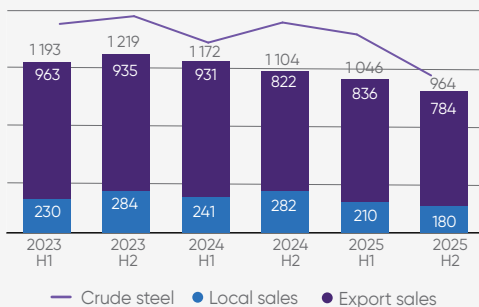
### How we responded

We consistently advocated against unfair imports, including giving detailed inputs into the International Trade Administration Commission's wide-ranging steel industry review (see page 47). We also engaged extensively with industry associations, government and other parties to encourage the consumption of locally produced steel. Advocating for the realisation of the African Continental Free Trade Area's objectives, including trade liberalisation, was a major priority.

Internally, we reorganised our sales teams to increase their focus on key, strategic, industries and regularly adjusted our supply mix and production levels in response to market demand.

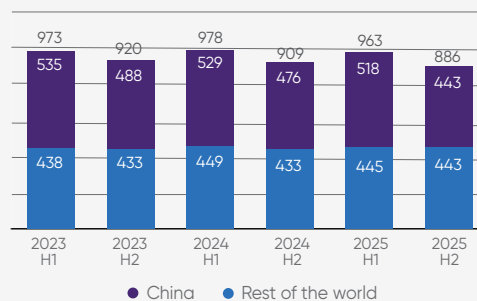


Our sales<sup>1</sup> and production volumes<sup>2</sup> ('000 tonnes)



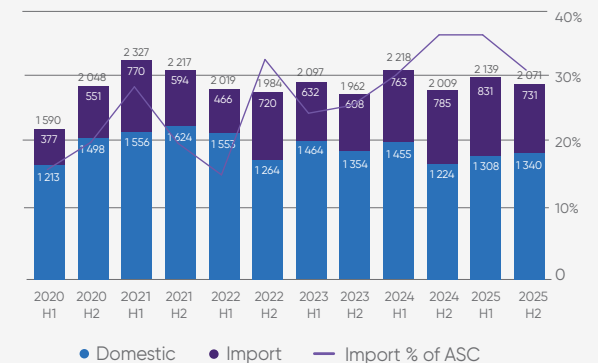
<sup>1</sup> Export sales volumes = Bluewater and Africa overland.  
<sup>2</sup> Based on crude steel production.

Global crude steel production (million tonnes)



Source: World Steel Association

South African apparent steel consumption and imports ('000 tonnes)



# Material issues in our operating context continued

## Material issue

### Steel supply and pricing

World steel production registered a 2% decrease in 2025, the third consecutive year of contraction following three consecutive years of contraction.

In the context of a prolonged, extremely negative steel cycle, international spreads (the difference between realised prices and the raw material basket, RMB) averaged USD130/tonne, well below the sustainable USD200 – USD220/tonne range. At current spreads, only 54% of Chinese steel mills are profitable.

Despite China's output being at a seven-year low, at 199 mt, exports from that country were at historical highs, recording a 7.5% rise year on year. Inevitably, much of the Chinese exports were directed at (the few) markets with very low barriers to entry, among them South Africa. This year imports represented 33% of domestic consumption – 17% higher than in 2018. The surge in dumped imports largely informed the fall in our net realised prices.

Domestic steel production capacity, at approximately 8.8 mt, exceeded ASC demand by 110% or 4.6 mt. This was particularly pronounced in the long steel segment.

### How it impacts our strategy

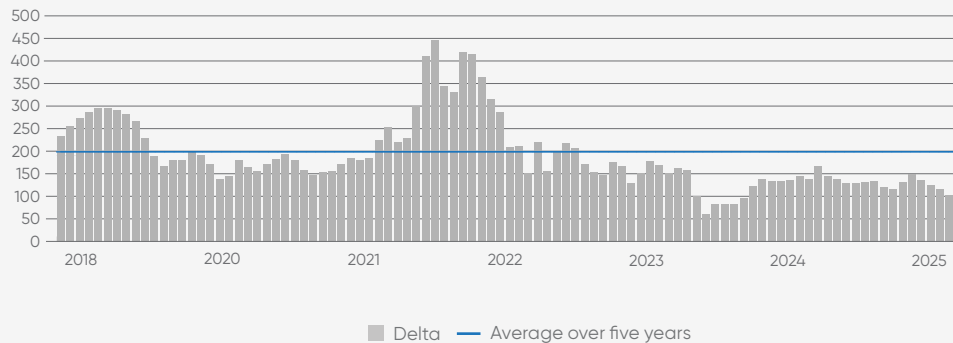
Depressed, and declining pricing on lower volumes threaten the sustainability of, particularly, primary steel producers such as ourselves. In this context, directors were obliged to authorise difficult strategic actions (restructuring) that were in the best interests of the company.

### How we responded

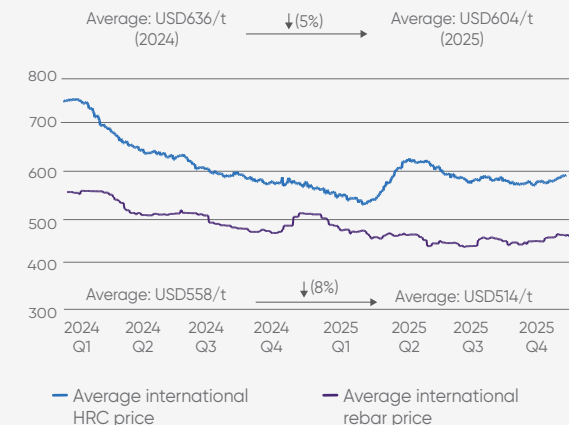
This reality (and issues around artificial support for scrap-based producers) drove our much-regretted decision to close most of our Longs business and effect retrenchments elsewhere in the company, in addition to taking other stringent measures to preserve cash.



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



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.

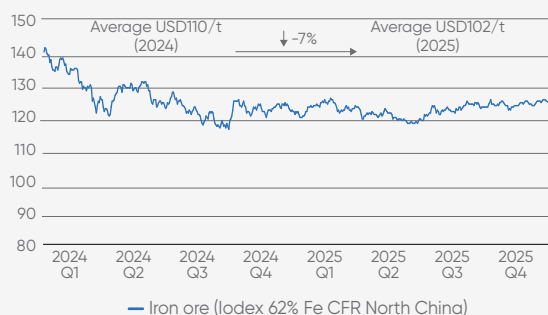
<sup>2</sup> Rebar: Average price between China FOB and Turkey FOB.

# Material issues in our operating context continued

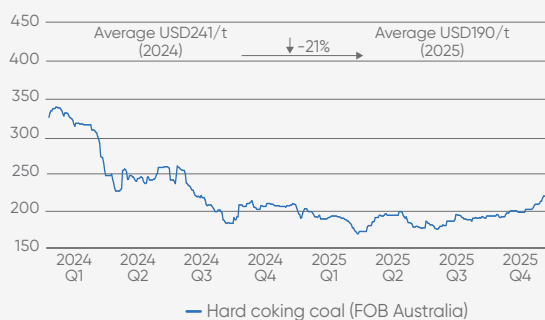
## Material issue

Artificial support for scrap-based production	How it impacts our strategy	How we responded
<p>Duties on the export of scrap steel and the pricing preference system (PPS) 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. As we indicated in our previous report, we operate at a disadvantage relative to these producers (many of whom are backed by public funding) of some R8.5 billion.</p>	<p>The PPS and export duties were very significant factors undermining our strategy to keep the Longs business open.</p>	<p>On page 51, we unpack our response to unfair scrap regulations.</p> 
Raw material price competitiveness	How it impacts our strategy	How we responded
<p>Raw materials represented 39% of our cash costs in 2025 (2024: 46%). In line with international trends, the average spread between our raw material basket (RMB) and net realised hot rolled coil (HRC) prices continued to come under extreme pressure.</p>	<p>It is imperative that we do everything possible to minimise raw material costs. We thus work closely with suppliers to achieve mutually beneficial outcomes while diversifying our sources of supply.</p>	<p>We detail our raw material sourcing strategy and achievements in the year on page 49. We also addressed high coking coal costs by shutting down all but one of our coke batteries (page 49).</p> 

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

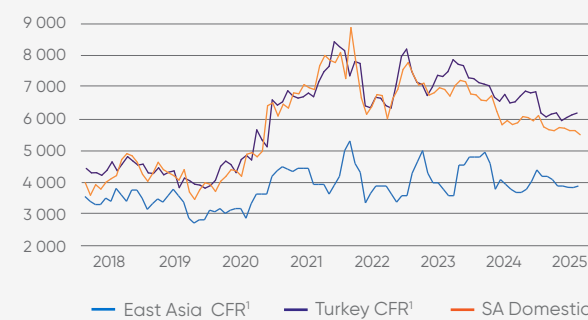


**International hard coking coal (USD/t)**



Source: Fastmarkets

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



<sup>1</sup> Cost and freight.

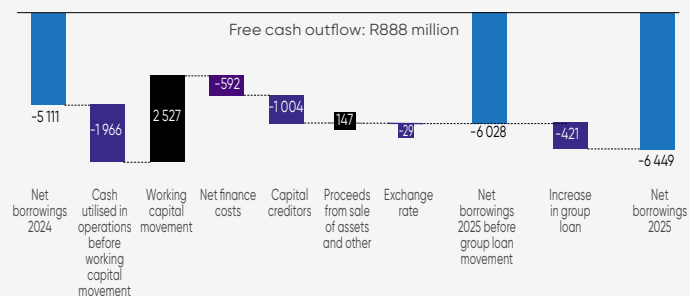
# Material issues in our operating context continued

## Material issue

Liquidity	How it impacts our strategy	How we responded
<p>This year, we effectively took measures to neutralise the Longs business's drain on EBITDA (2024: R1 668 million loss). Depressed pricing on both long and flat steel and persistently high fixed costs undermined our business's liquidity.</p>	<p>For several years we have identified "Liquidity/cash" as our top strategic risk. Much of our strategy is concerned with minimising costs, enhancing cash flow and winning market share in areas in which we can sell our steel and other products at sustainable prices.</p>	<p>Our board this year reluctantly authorised the closure of most of our Longs business after concerted efforts involving multiple partners and stakeholders failed to avert such an outcome (page 69). We also implemented wide-ranging measures to right-size our fixed-cost base (page 48).</p>



### Net borrowings bridge (Rm)



# Material issues in our operating context continued

## Material issue

### Parastatal performance and pricing

Persistently poor delivery performance by Transnet Freight Rail (TFR) adds considerably to our cost base and results in lost production and sales. This year, we received, on average, 275 loads of raw materials by road per day and dispatched an average of 170 daily truckloads of final product to customers. In 2025 we spent R3.4 billion on buying electricity from state utility, Eskom. This was 5.9% higher than in 2024.

### How it impacts our strategy

We are compelled to implement strategies to lessen our dependence on both TFR and Eskom while working to improve the energy efficiency of our plants.

### How we responded

On page 49 we report on how we increasingly used road transport to bring raw materials to our facilities. Energy-efficiency measures implemented are discussed on page 49. We continue planning to increase the contribution of renewable electricity to our energy mix. In addition, we sought to obtain a negotiated price agreement with Eskom – without success up to the time of publication.



### High employment costs

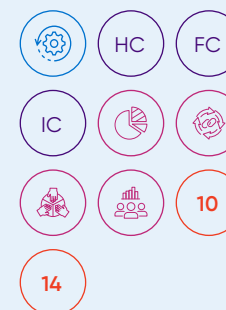
High employment costs undermine our competitiveness and sustainability.

### How it impacts our strategy

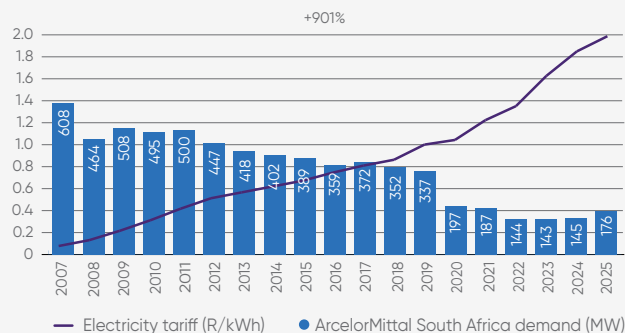
Our production and sales traditionally were extremely variable, meaning that our total cost of employment per tonne of steel often has an excessive impact on gross margins. The decision to close Newcastle forced us to downsize headcount at that plant and across the company.

### How we responded

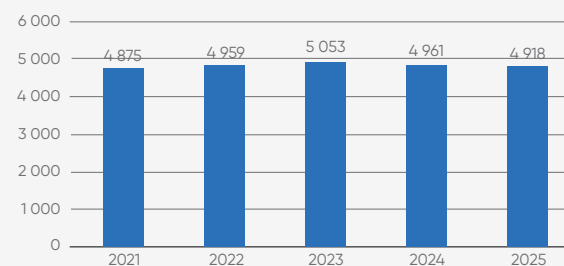
See page 52 on how we worked this year to address unsustainably high employment costs that were inappropriate for a considerably smaller company, particularly following the Longs closure.



Electricity tariff increase (R/kWh)



Total cost of employment (Rm)



## Our capitals and our most material trade-offs

*In executing strategy and working to ensure the sustainability of the company, our leaders have to make decisions that require significant trade-offs between the capitals at our disposal.*

Here we list our most material trade-offs in 2025.

FC Financial capital		
	Positive impact	Negative impact
Net borrowings grew from R5.1 billion to R6.8 billion, further weakening our balance sheet but enabling us to fund operations.		FC
We raised cash of R1.2 billion by selling surplus metallics and by-products despite this having a R470 million negative impact on EBITDA.		FC
At year-end, we were technically insolvent. The total liabilities exceeded total assets by R429 million. Included in the total liabilities was the subordinated loan from AM Group to the amount of R5.5 billion. The BBF lenders waived the event of default, but in terms of the IDC loan provided in June 2024, this event is a cross default and the loan of R750 million was reclassified as a current liability.		FC

NC Natural capital		
	Positive impact	Negative impact
At R70 million, our environmental capex reduced sharply from the R237 million allocated in 2024. This was as a result of projects no longer being required because of the Longs closure.	FC	NC
Expenditure on rehabilitating our Thabazimbi Iron Ore Mine fell year on year from R115 million to R85 million. This was as a result of efforts to unlock additional ore.	FC	NC

HC Human capital		
	Positive impact	Negative impact
At year-end, we employed 6 323 people including contractor staff. This was 39% lower than the number employed at the end of 2024. Contractor numbers declined by 75% in the year to December.	FC	HC IC
We face serious challenges in recruiting and retaining skilled technical personnel (our #6 risk). Because of this risk to our business, at R92 million, we maintained skills development and training spend at approximately 2024 levels.	HC IC	FC
At R29 million, safety capital expenditure was similar to that of 2024, despite our liquidity challenges.	HC MC	FC

SC Social capital		
	Positive impact	Negative impact
Our decision to close the Longs business had a negative impact on many customers who had come to rely on us for particular steel products at a quality that cannot be matched by other domestic producers or by imports.	FC	SC HC MC

# Our value creation model

## Inputs

FC Financial capital	2025	2024
Equity	(R429m)	R1 963m
Borrowings	R9 126m	R8 705m

NC Natural capital	2025	2024
Iron ore consumed	3 387 kt	4 056 kt
Coal consumed	1 384 kt	2 386 kt
Purchased scrap consumed	113 kt	122 kt
Fluxes consumed	780 kt	989 kt







## 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)**

-  Flat steel
-  Long steel
-  Coke
-  Enriched products (by-products)

## Outputs

FC Financial capital	2025	2024
Revenue	R32 291m	R38 596m
EBITDA	(R1 098m)	(R2 947m)
Loss from operations	(R2 006m)	(R4 447m)
EBITDA margin	(3,4%)	(7,6%)
Headline loss per share	(301c)	(458c)
Headline loss	(R3 355m)	(R5 102m)

MC Manufactured capital	2025	2024
Steel products sold	2 010 kt	2 276 kt
Domestic market	1 620 kt	1 753 kt
Export market	390 kt	523 kt
Coke and Chemicals		
Commercial Market coke	75 kt	140 kt
Tar	31 kt	36 kt

## Our value creation model continued

### Inputs

HC Human capital	2025	2024
Employees*	5 569	6 108
Hired labour	470	456
Service contractors	2 284	2 252

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

IC Intellectual capital*	2025	2024
Technical pipeline	1 012	907
Business pipeline	137	81

\* Number of learners

### Stakeholder outcomes

#### Financial capital




The negative equity of R429 million, caused by the widening of our losses in the year placed immense constraints on our liquidity and agreement with our lenders. Our share price fell by some 18%. No dividends were paid. ArcelorMittal group increased their investment by growing the quantum of their loans to our company. We paid lenders R682 million in interest.

#### Human capital

Although still unsatisfactory, our overall safety performance improved this year (see page 40). We spent R29 million on safety capital expenditure.

### Our working business model

#### Strategic objectives:

-  Zero harm
-  Long-term sustainability
-  People first

#### Top risks:

- |  |                                     |
|--|-------------------------------------|
| 1. Cash/liquidity                            | 6. Skills                           |
| 2. Local demand                              | 7. Logistics and security of supply |
| 3. Asset reliability                         | 8. Competitor landscape             |
| 4. Geopolitical trade and tariff environment | 9. Environmental compliance         |
| 5. Cost competitiveness                      | 10. Cybersecurity                   |

By year end, we had reduced our headcount by 39% to 6 323 positions including contractor staff. We paid R3 592 million in salaries, wages and benefits in the year. This was 21% lower than in the previous year.

Expenditure on training and skills development declined by 12% although there were modest increases in the number of candidates in both our technical and business pipelines.

#### Social capital

The closure of the Longs business has had negative impacts on suppliers, particularly those in that region. Customers will also be negatively affected by the unavailability of various steels at the prices and quality they were accustomed to receiving from us.

### Outputs

HC Human capital	2025	2024
Safety: LTIFR	0,62	1,13
Safety: Fatalities	1	1

IC Intellectual capital	2025	2024
Training and skills development spend	R92m	R104m
Training – package category employees	16 266 hrs	17 985 hrs
Training – bargaining unit employees	297 048 hrs	214 978 hrs

SC Social capital	2025	2024
Corporate social investment spend	R16,3m	R16,3m
Procurement spend (excluding energy)	R17 367m	R27 552m
Taxes contributed	R624m	R541m
Procurement – QSE and EME	R2 677m	R2 051m

At R17.4 billion, total goods and services bought were 37% lower than in 2024. In all, 54% percent of local procurement was sourced from majority black-owned businesses.



Our corporate social investment spend remained unchanged year on year, but as we make clear on page 54, we substantially increased the number of individuals reached by the three science centres we sponsor.

## Our stakeholders and value creation

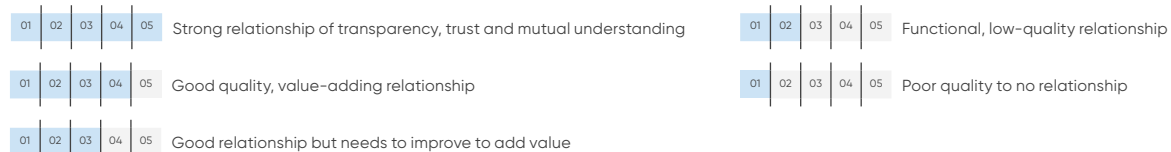
Our ability to create and sustain value – while minimising its erosion – relies on the quality of our relationships with a broad range of stakeholders. As the only primary steel producer in South Africa, we are deeply embedded in various value chains, and our operations have material impacts on the economy, communities, society and the environment.

Aligned with the ArcelorMittal group’s stakeholder engagement plan, we prioritise structured and meaningful engagement. Internally, we assign clear “ownership” of identified stakeholders, ensuring accountability and focus. These relationships are managed through documented annual engagement plans, which guide our interactions and ensure alignment with our strategic priorities.

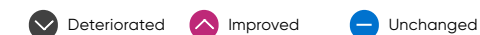
The board plays a vital role in overseeing stakeholder engagement, Regular reports to the board’s social and ethics committee provide insight into the quality of these relationships and the extent to which management practises stakeholder inclusivity. Employee-related matters are similarly addressed through the human resources committee, reflecting our commitment to fostering a culture of inclusivity and transparency.

Stakeholders	Their interests	Our interests	How we responded	How they impact our strategy	Our assessment of the quality of relationships
 <b>Shareholders</b>	Shareholders seek returns on their investments	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 in other company announcements.</p> <p>Additional funding of R2 063 million from the IDC allowed us to keep operating our Longs division until end-September.</p> <p><b>Value impact</b> Our share price declined by 18% in the year.</p> <p>We did not pay dividends.</p>	Preserving shareholders’ interests informed our ultimate decision to close Longs.	 <p>Major shareholders, notably the ArcelorMittal group and the IDC, again provided valued support throughout the year. All institutional shareholders took an active interest in company developments, particularly restructuring measures.</p>



### Relationship indicator





### Rating





## Our stakeholders and value creation continued

Stakeholders	Their interests	Our interests	How we responded	How they impact our strategy	Our assessment of the quality of relationships
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>• Availability of quality, reliable products to market specifications</li> <li>• Pricing</li> <li>• Security of supply</li> <li>• Ease of doing business</li> <li>• Export assistance</li> <li>• Development of new products</li> <li>• Exceptional customer service</li> <li>• On-time deliveries</li> <li>• Progressive nature of the company (including decarbonisation and digitalisation)</li> </ul>	<ul style="list-style-type: none"> <li>• Sales</li> <li>• Quantities</li> <li>• Pricing</li> <li>• Help in identifying new niche markets</li> <li>• Partnerships help us to cement our sustainability and generate profitable revenue</li> <li>• Brand ambassadors</li> <li>• Import duties</li> </ul>	<p>Our development of innovative new products, in response to market demand and to replace imports, is detailed on page 50.</p> <p>In H2 we worked extremely hard to fulfil as many Longs steel orders as possible ahead of, and subsequent to, the closure of Newcastle.</p> <p><b>Value impact</b> The closure of Longs has already negatively impacted many customers who have had to resort to often inferior and more costly locally produced, and imported, products.</p> <p>In 2025 we gave customers R145 million in value-added export rebates (2024: R168 million).</p>	<p>Customer interests were a major reason for our reluctance to close Longs.</p>	<p>01   02   03   04   05</p> <p>Customers overwhelmingly expressed their understanding of the challenges facing us – and our reasons for closing Longs.</p>
 <p><b>Employees and trade unions</b></p>	<ul style="list-style-type: none"> <li>• Workplace safety</li> <li>• Job security</li> <li>• Remuneration</li> <li>• Career advancement</li> <li>• Transformation</li> <li>• Training and skills development</li> </ul>	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Quality work and productivity</li> <li>• Preserving skills and intellectual property</li> <li>• Industrial harmony</li> </ul>	<p>Management increased engagement with employees given uncertainty over the company's future. Issues concerning our sustainability were discussed frankly and consistently.</p> <p>Union representatives were regularly and fully briefed on key developments.</p> <p><b>Value impact</b> Adverse effects on our human capital are discussed in detail on page 52.</p>	<p>Our leadership devotes considerable time and financial resources to ensuring the highest possible safety standards.</p> <p>The imperative to preserve jobs as far as possible has figured prominently in various facets of our strategy formulation.</p>	<p>01   02   03   04   05</p> <p>The inevitable job losses entailed by the Longs closure and the need to preserve cash have been deeply regretted by directors, management and all levels of the company.</p>




## Our stakeholders and value creation continued

Stakeholders	Their interests	Our interests	How we responded	How they impact our strategy	Our assessment of the quality of relationships
 <p><b>Suppliers including contractors</b></p>	<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>Pricing, price adjustments</li> <li>Payment terms</li> <li>B-BBEE compliance</li> </ul>	<p>Because of the extreme need to preserve cash, we renegotiated and downsized multiple contracts.</p> <p>In most cases, payment periods were increased.</p> <p><b>Value impact</b> This year we procured raw materials, goods and services worth R17.4 billion, sharply down on 2024.</p>	<p>The need to reduce supplier and input costs were important considerations of our strategy to preserve cash.</p>	<p>01   02   03   04   05</p> <p>Suppliers inevitably regretted the loss of business entailed by the Longs closure and our cost containment measures.</p>
 <p><b>Lenders</b></p>	<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>	<ul style="list-style-type: none"> <li>External funding to stay in business and to pay for necessary investments</li> <li>To support our working capital requirements, we seek alternatives to assist us and our suppliers with their funding needs</li> </ul>	<p>We held ongoing, open and frank discussions with lenders throughout the year. These discussions focused on the prospects of the Longs business and the company's liquidity.</p> <p>The IDC again supported the company by extending an additional R2 063 million financial support to enable extended Longs operations.</p> <p>Because of the closure of Longs, our borrowing-based facility reduced from R4.5 billion to R3 billion.</p> <p>We successfully completed the payment of the supplier finance agreement to the IFC and ABSA. Most suppliers are on 60-day payment terms.</p> <p><b>Value impact</b> This year we paid our lenders R682 million in interest</p>	<p>We were compelled to enter into new loans this year, primarily to keep operating Longs. Because of our ongoing balance sheet weakness – particularly the quantum of borrowings – recapitalisation figured prominently in our strategy formulation.</p>	<p>01   02   03   04   05</p> <p>Our corporate banking lenders supported us 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	How we responded	How they impact our strategy	Our assessment of the quality of relationships
 <p><b>Communities and NGOs</b></p>	<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 company)</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>Relations with environmental organisations improved as a structured series of roundtable meetings was instituted.</p> <p><b>Value impact</b> We have a substantial local impact through our CSI initiatives and as an employer and customer.</p> <p>We were able to maintain CSI expenditure at the same levels as that of 2024 (see page 54).</p>	<p>As was the case with suppliers and customers, the interests of communities strongly influenced our efforts to keep the Newcastle business open.</p>	<p>01   02   03   04   05</p> <p>Communities deeply regretted the decision to close the Longs business.</p> <p>The science centres we sponsor are almost universally appreciated as valuable community assets.</p> <p>Our commitment to decarbonisation has elicited considerable goodwill from communities and NGOs.</p>
 <p><b>Government</b></p>	<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>• Assistance in supporting our sustainability</li> <li>• Regulatory certainty</li> <li>• Co-investment</li> <li>• Policy issues impacting us including trade remedies and scrap</li> </ul>	<p>Executive leadership interacted consistently with senior government ministers and officials on the Longs business and the company’s sustainability.</p> <p>We repeatedly raised our concerns that the high levels of carbon tax applied threatened our sustainability.</p> <p>We continued to work with the governments of Gauteng and the Western Cape on various initiatives.</p>	<p>Government interventions on issues including regulations and state-owned companies, as well as support for our Longs business, could have had wide-ranging, positive, effects on our sustainability.</p>	<p>01   02   03   04   05</p> <p>We remain confident that government undertakings to support the steel industry including localisation, fair trade tariffs and tighter controls on illegal trade activities and tariff violations will bear fruit.</p>

## Our stakeholders and value creation continued

Stakeholders	Their interests	Our interests	How we responded	How they impact our strategy	Our assessment of the quality of relationships
 <p><b>State-owned enterprises</b></p>	<ul style="list-style-type: none"> <li>• Revenue</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>We were disappointed with the outcomes of repeated representations made to Transnet and Eskom (see page 49).</p>	<p>Unaffordable electricity tariffs squeeze profitability, spurring our strategies to preserve cash.</p> <p>A new logistics strategy (see page 49) stemmed from under-performance by Transnet.</p>	<p>01   02   03   04   05</p> <p>(see Regulators on page 21)</p> 
 <p><b>Media</b></p>	<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, informed coverage</li> <li>• Acknowledgement of our leadership in the steel industry</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.</p>	<p>Media coverage influences government and investor perceptions of our company and its importance to the economy.</p>	<p>01   02   03   04   05</p> <p>The quality of coverage of our company continued to improve in the year, based on journalists' better understanding of our operating context and material issues.</p> 

## Our stakeholders and value creation continued

Stakeholders	Their interests	Our interests	How we responded	How they impact our strategy	Our assessment of the quality of relationships
 <p><b>Regulators</b></p>	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Revenue for state-owned enterprises</li> <li>• Competitive economic environment</li> </ul>	<p>A level playing field in which we are able to compete fairly.</p>	<p>We made numerous applications to regulators on issues including unfair imports, electricity pricing and the scrap pricing regime.</p>	<p>Decisions on unfair imports and, particularly, inflated energy pricing, affect our ability to compete and trade.</p>	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <span style="border: 1px solid black; padding: 2px 5px;">01</span> <span style="border: 1px solid black; padding: 2px 5px;">02</span> <span style="border: 1px solid black; padding: 2px 5px;">03</span> <span style="border: 1px solid black; padding: 2px 5px;">04</span> <span style="border: 1px solid black; padding: 2px 5px;">05</span> </div> <div style="margin-left: 10px;">  </div> </div> <p>While a wide-ranging steel tariff review was welcomed, and additional tariffs granted in March, more is required on the continuing proliferation of unfair imports.</p> <p>Nersa directed Eskom to engage in further talks with us but, again, no concrete outcomes had been achieved by the time of publication.</p> <p>A complaint of predatory pricing against us was dismissed by the Competition Tribunal.</p>

In 2025, to improve the quality of stakeholder dialogue and to further enhance the protection of stakeholder interests, we instituted a grievance committee for the company. This committee provides a formal platform on which stakeholders – including suppliers, employees and environmental interest groups – can raise concerns requiring non-forensic investigation and action. This initiative ensures that issues are addressed promptly and transparently, reinforcing trust and accountability in our stakeholder relationships.

## Our risks and opportunities

Global conflicts continued to disrupt supply chains in the year; the United States implemented a raft of new tariffs, domestic economic growth remained subdued and the steel sector faced persistent structural constraints including high electricity costs, logistics bottlenecks and scrap policy-related challenges. At the same time, imports increased and local demand was saturated. These dynamics informed our most material risks.

In such an unstable operating environment, the identification of risks and the execution of mitigation actions are ongoing priorities. In 2025, we modelled various business scenarios and engaged extensively with government, financial partners and other key stakeholders to reduce risk exposure. Despite significant effort and support from the IDC and others, the decision to close our Longs business was ultimately unavoidable to ensure the company's long-term viability. This decision has had a direct impact on several key risk areas including cash and liquidity, local demand and skills retention.

### Structured risk process

We follow local and international standards and guidelines in our application of risk management. We practise a bottom-up and top-down approach in identifying risks and opportunities across all areas of the business. Top risks identified through these processes are reported via a tiered meeting structure up to the audit and risk committee and board.

Adherence to best-practice frameworks and a structured risk management process provided stability amidst volatile micro-economics and macro-economic conditions.

Ongoing analysis and inputs from risk owners and governance committees led to notable changes in our top risks during the year:

- **Local demand** was reassessed as our second-highest risk (previously third) due to continued market saturation and increased imports.
- A new risk, **geopolitical trade and tariff environment**, was elevated into our top risks, reflecting the impact of heightened United States tariff regimes and the consequent effects on global trade flows and imports.



# Our risks and opportunities continued

The top enterprise risks we were exposed to in 2025 are highlighted below compared to their rankings in 2024, with safety performance being a top priority focus area for the company

<p><b>01</b> Cash/liquidity</p> <p>Subdued steel demand driven by weak economic growth and rising import volumes, placed significant pressure on cash flow during the period</p> <p>⬇️ (unchanged) <span style="color: red;">■</span></p>	<p><b>02</b> Local demand</p> <p>South Africa's apparent steel consumption has declined by 11% since 2018 while imports increased by 71% over the same period. This subdued demand trend is expected to persist into 2026, placing continued pressure on industry profitability</p> <p>⬆️ (was 3) <span style="color: red;">■</span></p>	<p><b>03</b> Asset reliability</p> <p>Operational reliability challenges during the first half of the year placed significant strain on production capacity, leading to a negative impact on sales performance. Support from our group technology team subsequently contributed to meaningful improvements in asset reliability, helping to stabilise operations and enhance overall performance</p> <p>⬇️ (was 2) <span style="color: red;">■</span></p>	<p><b>04</b> Geopolitical trade and tariff environment</p> <p>More stringent tariff regimes implemented by the United States continued to disrupt global trade flows and constrain import activity. The limited tariff protections afforded to the South African steel industry further intensified these pressures, contributing to an increasingly adverse operating environment</p> <p>(new in top 10) <span style="color: red;">■</span></p>	<p><b>05</b> Cost competitiveness</p> <p>Operating in markets characterised by weak steel demand and intensifying competition, the business continues to face unaffordable factor costs including electricity, gas, rail, port and labour. These rising input costs are eroding previously secured gains achieved through the Value Plan</p> <p>⬇️ (was 4) <span style="color: red;">■</span></p>
<p><b>06</b> Skills</p> <p>South Africa is experiencing a significant skills shortage, particularly within engineering and technical disciplines. Recruitment in these areas has become increasingly challenging. The closure of the Longs business did, however, provide an opportunity to redeploy talent internally</p> <p>⬇️ (was 5) <span style="color: red;">■</span></p>	<p><b>07</b> Logistics and security of supply</p> <p>Due to poor rail service, we were compelled to transition our supply chain operations to road transport. This change has introduced significant logistical challenges, including increased transportation costs, additional handling requirements and accelerated road deterioration</p> <p>⬇️ (was 6) <span style="color: red;">■</span></p>	<p><b>08</b> Competitor landscape</p> <p>The increase in steel imports, coupled with intensified competition from local producers – including new market entrants – has negatively impacted our market share and constrained our ability to trade profitably</p> <p>⬇️ (was 7) <span style="color: orange;">■</span></p>	<p><b>09</b> Environmental compliance</p> <p>Given the nature of our ironmaking and coke-making processes, our operations historically had significant environmental impacts. These impacts were mitigated during the year through the closure of our metallurgical coke batteries, resulting in a notable reduction in emissions and related environmental effects</p> <p>⬇️ (was 8) <span style="color: grey;">■</span></p>	<p><b>10</b> Cybersecurity</p> <p>Cyberattacks pose a significant risk to our operations, as failure to effectively counter them could lead to severe disruptions or even the complete shutdown of our operations, as well as the potential theft of sensitive information</p> <p>⬅️ (unchanged) <span style="color: grey;">■</span></p>

Our climate-related risks are discussed on page 25.

### Risk movement

⬇️ Decreased   ⬆️ Increased   ⬅️ Unchanged

### Risk impact

⬛ Negligible   🟡 Minor   🟠 Moderate   🟡 Major   🔴 Critical

## Our risks and opportunities continued

### Opportunities

Despite a challenging operating landscape, several strategic initiatives and opportunities were actively pursued during the year.

#### Footprint optimisation

The closure of our Longs business and metallurgical coke batteries created an opportunity to consolidate our focus on, and investment in, the Flats business. A future recapitalisation (or similar strategic intervention) will enable continued development of new flat steel markets, expansion of existing ones and enhanced localisation efforts.

#### Plant reliability

With continuous support from the group technology office, dedicated initiatives to improve plant reliability yielded measurable improvements, reflected in a significant enhancement of our key working ratio (see page 48). Increased investment in operational maintenance has strengthened plant stability and reinforced our ability to consistently meet and exceed customer expectations.

#### Recapitalisation

A possible recapitalisation will substantially reshape the company's outlook.

#### Road logistics

Given ongoing underperformance by Transnet Freight Rail, we advanced our strategic shift towards increased use of road transport. To support higher road volumes, we initiated stockyard redesigns and optimised the use of road fleets, improving both cost efficiency and logistics reliability.

### Strategic raw materials

We further diversified and optimised our procurement of coal, coke and iron ore, including increased sourcing from junior miners and regional suppliers. This initiative enhances supply security, reduces material and logistics costs and contributes to lower inventory holdings.

The Thabazimbi Iron Ore Mine (Thabazimbi) supplied Vanderbijlpark with 227 940 tonnes of beneficiated iron ore in 2025. Supply from Thabazimbi will continue in 2026, with a planned volume of 240 000 tonnes.

### Trade remedies

In 2024 and 2025, we applied for some 25 remedy measures against unfair imports covering a large part of our product range. As at the time of publication, only a few had been granted, leaving a large portion of our product range unprotected. On 18 March 2026, the commission published two anti-dumping measures:

- Against hot rolled products (HRC and plates) from China (47.92%), Japan (57.23%) and Taiwan (24.20%)
- Against heavy sections from China (74.98%) and Thailand (20.32%).

While we welcomed these as being steps in the right direction, we continue to urge government to implement trade measures similar to those put in place by almost all countries with primary steel sectors.



# 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 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>Based on decisions taken to date and expected production levels, the ArcelorMittal group now expects to achieve up to a 10% reduction in scope 1 and 2 emissions intensity by 2030, reflecting updated market and policy conditions since the 25% target was set in 2021. This trajectory is based on projects that have reached, or are expected to reach, final investment decision, ensuring emissions reductions are rooted in real-world implementation rather than theoretical assumptions about future policy or technology developments. The target framework is reviewed when material changes in policy, market or implementation conditions affect the feasibility or timing of our decarbonisation plans.</p> <p>Our decarbonisation strategy, including a net zero ambition towards 2050, encompasses 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 for the retention of current tax-free allowances and 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 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>
<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>

## 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 strategy (page 43)	A) Describe the organisation’s processes for identifying and assessing climate-related risks.	Enterprise risk management section (page 22)
B) Describe management’s role in assessing and managing risks and opportunities.	Enterprise risk management section (page 22) Audit and risk committee report (page 63)	B) Describe the organisation’s processes for managing climate-related risks.	Enterprise risk management section (page 22)
		C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	Enterprise risk management section (page 22)
<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.	Enterprise risk management section (page 22)	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 38) Enterprise risk management section (page 22)
B) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning.	Decarbonisation strategy (page 43)	B) Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks.	Key sustainability indicators (page 38) 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 strategy (page 43)	C) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Decarbonisation strategy (page 43)
<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 2025 year-end. From page 58, we describe how in 2025 our board oversaw our strategy to create value and worked to lead the company ethically and effectively.



**Bonang Mohale (64)**  
**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

<b>Board</b>	9 <sup>▲</sup>	<b>Appointed:</b> May 2022
<b>HRC</b>	4	
<b>ARC</b>		




**Kobus Verster (59)**  
**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

<b>Board</b>	9	<b>Appointed:</b> February 2018
<b>ARC</b>	5 <sup>★</sup>	
<b>HRC</b>	3 <sup>★</sup> + 1 <sup>●</sup>	
<b>SEC</b>	2	
<b>SSHEC</b>	2 + 1 <sup>★</sup>	




**Gavin Griffiths (53)**  
**Chief financial officer and executive director**  
*BCom, BAcc, MCom (cum laude), CA(SA)*  
 Gavin was appointed chief strategy officer of ArcelorMittal South Africa in September 2018

<b>Board</b>	9	<b>Appointed:</b> April 2024
<b>ARC</b>	5 <sup>★</sup>	
<b>HRC</b>	4 <sup>●</sup>	




**Lungile (Zee) Cele (72)**  
**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

<b>Board</b>	9	<b>Appointed:</b> January 2016
<b>ARC</b>	4 + 1 <sup>●</sup>	
<b>HRC</b>	4 <sup>▲</sup>	
<b>SSHEC</b>	3	



**Bradley Davey (61)**  
**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

<b>Board</b>	6 + 3 <sup>●</sup>	<b>Appointed:</b> April 2021
<b>HRC</b>	3 + 1 <sup>●</sup>	
<b>SEC</b>	1 + 1 <sup>●</sup>	
<b>ARC</b>		



**Dawn Earp (64)**  
**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

<b>Board</b>	9	<b>Appointed:</b> July 2021
<b>ARC</b>	5 <sup>▲</sup>	
<b>HRC</b>	4	
<b>SEC</b>	2	

## Committee meeting attendance key

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

## Changes to the board of directors

- 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 (66)

**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

Board	9
HRC	4
SEC	2 <sup>▲</sup>
SSHEC	3

**Appointed:**  
November 2017



### Raman Karol (50)

**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

Board	6 + 3 <sup>●</sup>
ARC	1 + 2* + 2 <sup>●</sup>
HRC	1 + 3 <sup>●</sup>
SEC	2 <sup>●</sup>

**Appointed:**  
December 2018



### Neville Nicalau (66)

**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

Board	9
ARC	5
HRC	4
SEC	2
SSHEC	3 <sup>▲</sup>

**Appointed:**  
September 2015



### Mikhail Maasdorp (37)

**Non-executive director**

BCom (HONS) (FAPM), CFA, CAIA

Mikhail is an executive director of Yard  
Investment Holdings and a non-executive  
director at Likamva Resources. He is also  
a director of a number of Yard investee  
businesses

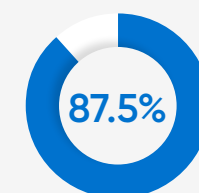
Board	7
ARC	2*

**Appointed:**  
March 2025

### Board membership as at year-end

Board meeting  
attendance

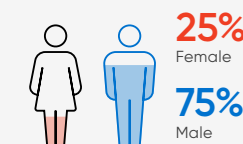
10 members



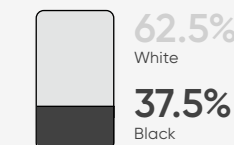
- 40% Independent non-executive
- 40% Non-executive
- 20% Executive

### Board diversity (excluding international directors)

Gender



Race demographic



### Board tenure



## Message from our chairman

“*There are growing signs of recovery and growth. Any improvement in South Africa's economic outcomes will translate into investment, higher employment and greater demand for steel.*”



As I write, the world is an extremely uncertain, even dangerous, place. Wars have been raging for some time in Ukraine, Gaza and Sudan and, latterly, in Iran and across the Middle East.

Geopolitical tensions have an inevitable impact on businesses operating not just in the vicinity of the theatres of conflict but worldwide, even in seemingly faraway countries like South Africa. For instance, in February our minister of finance and the South African Reserve Bank made pronouncements on the economic outlook for this country. Many of the assumptions on which those views were based now need to be revised, particularly those based on the assumption of a global petrol price in the region of USD70/barrel. Today we have the reality of prices that are already north of three figures per barrel.

### Technology driving change

Rapid advances in technology throw up more areas of uncertainty, most notably the development of generative artificial intelligence and the prospect that most of us may well soon become redundant. The challenge – and it is a daunting one – which we as business leaders face is to chart a path that harnesses AI using people, not replacing them at every opportunity.

Technology is also driving a seismic shift in the automotive industry where today fully 30% of all new vehicles being sold in South Africa are either Chinese or Indian in origin. These countries have harnessed a decade and more of intensive investment in technology (including AI) to decimate large swathes of the traditional vehicle manufacturing sector. The fallout from this seismic shift is all too evident locally as

assembly and allied factories in the Eastern Cape are being shut down and a Chinese concern has even bought Nissan's assets in Rosslyn, Pretoria.

For decades, the South African automotive sector has supported hundreds of thousands of jobs but much of that is now under threat. Yet it has always remained a curious anomaly that less than 2% of the steel used in the cars and trucks that roll off our assembly lines has been South African in origin.

Simply stated, our automotive and the steel and broader engineering sectors have struggled on without meaningful support from government against a flood of imports, many of which have been developed and produced with targeted, active support from the Chinese government in particular. As we have continuously argued, primary steel – and by extension many industries including automotive – look to government for protections that will only foster domestic competition and job creation. It is a sad fact that such public-sector support that was forthcoming has been too little and, invariably, came too late. It is another sad and even baffling reality that this country is almost alone among countries possessing a primary steel industry in not putting in place effective measures against a flood of unfair imports.

### Longs closure

A case in point concerns the most unfortunate demise of our Longs business, which we battled for several years to keep open in the face of subsidised local production and imports. The ultimate and unavoidable decision, which we reluctantly took in 2025, to shut Newcastle, had everything to do with unfair competition and runaway increases in already extortionate administered costs.

## Message from our chairman continued

I join our CEO and CFO in commiserating with those most affected by the restructuring of our business and with the upheaval and heartsore this has occasioned. We thank those, especially our employees, who have borne the effects of these inevitable and painful developments with great fortitude.

It was thanks to the closure of most of Longs that we were able to confirm in February 2026 that the company had finally put behind it the considerable drain on profitability deriving from this part of the business.

### Better performance

When announcing our full-year results, we could also point to tangible signs of improvement in the overall performance of the company. These included reduced losses and much better operational performances at our Flats business. I have every confidence that the restructured ArcelorMittal South Africa will continue to cement these gains and position us for an upturn in the economy and growing demand for the exceptional steels that only we can produce.

There are certainly growing signs that green shoots of recovery and even growth are beginning to emerge. These signs include a strengthening of our currency against the US dollar; stable, reliable and predictable electricity supplies; improved business confidence; interest-rate cuts; and a surge in new vehicle sales. There is also renewed hope that our longstanding logistics challenges might finally be addressed with Transnet allowing greater private-sector participation in our country's rail infrastructure. Any and every improvement in South Africa's economic outcomes will translate into investment, higher employment and, at last, greater demand for steel.

### Potential transaction

A great challenge which the board and management have wrestled with in recent years and notably in 2025, is our enduring balance-sheet weakness. Clearly this will need to be addressed if we are to put the company on a firm, sustainable footing. Consequently, as we have consistently reported to stakeholders through SENS announcements, we continue to be engaged in detailed and now advanced discussions with the IDC regarding a potential transaction. It is our hope that these discussions will soon bear fruit, to the benefit of our company and all affected stakeholders.

In closing, I thank my board, Kobus Verster and his management team, as well as employees, for the herculean efforts they have put into not only saving ArcelorMittal South Africa but steering it towards a brighter future.

I also thank our partners in government, business, including customers and suppliers, civil society and trade unions for their support in what were very trying times.

### Bonang Mohale

*Chairman*

30 April 2026

## Message from our chief executive officer

*“Rather than dwelling on the past, we should look to the future with renewed confidence.”*



In my message a year ago, I observed that 2024 witnessed the greatest challenges our company and South Africa’s steel industry had faced since the global financial crisis of 2008. That assessment remained true in the year reported on, as domestic and worldwide steel demand continued to be lacklustre, as extreme overcapacity only grew and prices softened almost across the board – except in those geographies that took strong and decisive action to protect their local steel industries.

Certainly, 2025 will be remembered as a watershed year for ArcelorMittal South Africa. Chief among the headlines that historians will one day write about this great company will be the deeply sad closure of most of our Longs business, and the enormous effort that has gone into a possible recapitalisation.

### Renewed confidence and a more resilient business

In sketching what happened to the business in these 12 months, I do not intend to dwell on a year that, once again, was extremely challenging. Rather I believe we should look to the future with renewed confidence. This confidence stems from the multiple ways in which we as a company demonstrated our resilience in the face of overwhelming adversity, by acting decisively on implementing often very difficult decisions.

We weathered what we hope will be the worst of the inevitable steel cycle this year but there were multiple solid reasons to believe that the ArcelorMittal South Africa that is emerging from these testing times is, indeed, more resilient and better positioned to exploit an expected upturn in our external fortunes.

Importantly, we cannot do this on our own. We need an appropriately enabling environment to be created by government. To date, no relief has been forthcoming on onerous rail and electricity costs and such relief against unfair steel imports as was implemented remains woefully inadequate and out of step with measures implemented across the world.

### Improved safety performance

I must highlight the encouraging trend in the overall improvement in our headline workplace safety statistics. This is something we have worked long and hard to achieve.

The latest numbers are pleasing but they are still very far from being satisfactory. We have successfully reinvigorated our Belief in Zero – in zero harm to all who come to our premises every day.

But only zero will ever be good enough.

### Headline statistics

The headline statistics (which our chief financial officer unpacks in his message) reflect a reduction in our headline loss from R5.1 billion in the previous year to R3.4 billion. Also encouraging was a narrowing of our EBITDA loss by almost two-thirds, from R2.9 billion to R1.1 billion. This year we fully neutralised Longs’ negative impact on the company, which represented a R1 billion burden in the previous year.

## Message from our chief executive officer continued

As you can read elsewhere in this report, price pressures were again a defining feature of our markets; net realised rand prices fell by 5% – a 3% decline in dollar terms. Providing a measure of relief, our raw materials basket decreased by 15%, also in rand terms. However, the all-important spread between this basket and average sales prices remained perilously narrow – for ourselves and most of the world’s primary steel producers.

At 2 million tonnes, our sales were 12% down on those of 2024 – a symptom of poor demand, overcapacity in the market, the ongoing prevalence of illicit trade practices, and the closure of Longs.

Our Value Plan again achieved significant savings of some R1.1 billion, bringing to R11 billion the amount this key initiative has saved the company since its inception in 2018. At R6.8 billion, fixed costs remained unchanged year on year, demonstrating the rigorous cost discipline we continue to apply across the business. (Of course, fixed costs can be expected to decline further in the near future when the restructuring measures implemented in 2025 are fully bedded down.)

While sales and realised prices fell, crude steel production painted a much more positive picture as capacity utilisation reached 68% – its highest level for several years. Total Flats production grew 8% to 1.8 million tonnes – reflecting a considerably improved, more reliable performance which we have worked long and hard to achieve.

### A level playing field

Our own performance aside, there are several encouraging signs that point to a potential turnaround in our performance in 2026 and beyond.

As I described, we were ultimately disappointed with the outcomes from innumerable engagements with government and state-owned enterprises on interventions that, if implemented, could have substantially boosted our performance and prospects, to the extent of saving Newcastle from what became the inevitable mothballing of this proud facility.

We must accept that these missed opportunities are water under the bridge. We now look with renewed confidence to the government following through on its stated intentions to prioritise localisation, import control and combat illicit trade and to ensure a fair and competitive playing field for all.

As I recently told investors and other stakeholders, we fully expect that trade remedies and localisation initiatives will support our volumes, reinforce our market position and bolster the downstream that relies on the quality and variety of locally produced steel products that only ArcelorMittal South Africa can provide. In addition, we have kept our AMRAS facility open, utilising slabs sourced from Vanderbijlpark, and the Vereeniging Speciality Bar Mill has now resumed production, focusing on specialised automotive bars and hollow-drill steels for the mining industry.

Apart from closing much of Longs, we are implementing some R740 million in other structural footprint adjustments. These are designed to strengthen our operational foundation, reduce costs and drive sustainable growth.

Aside from reconfiguring our footprint, our performance in 2025 can be captured in three key themes:

- Operational reliability, which strengthened, particularly in the Flats business
- Commercial resilience in the face of declining demand and pricing pressure
- Financial discipline, reflected in targeted cost actions and tighter working capital management.

### Strategy for recovery and growth

In executing against these themes, the overarching strategic tasks we have now set ourselves consist of three key elements:

- Achieving balance sheet resilience through recapitalisation and the sale of non-core and, potentially, non-operating businesses. With proceeds being applied to reduce our debt levels (which reached R6.4 billion at year-end), allowing us to invest in our Flats business to achieve improvements in our earnings and cash flows.
- Strengthening the core (Flats) business by further enhancing reliability, quality, cost efficiency and customer service while collaborating with key stakeholders to tackle industry decline and remove structural barriers to investment and growth
- Positioning for economic recovery by utilising all available capacity and strengthening our investment portfolio by implementing strategic projects that will unlock significant industrial opportunities.

## Message from our chief executive officer continued

In looking to the future, and reflecting on the past year, I must briefly discuss those most critically important stakeholders – our customers. In winding down Longs, we worked extremely hard to meet all outstanding orders and to satisfy as many of our customers' needs as was humanly possible. I am proud of the way in which our operations and commercial teams went out of their way to make sure that we kept our promises.

To the customers who continue to depend on Vanderbijlpark, our Vereeniging Speciality Bar Mill and AMRAS to produce the finest, competitively priced products, I would point to the second of the strategic tasks mentioned above. This places the customer front and centre of our drive to create a more sustainable, even thriving, ArcelorMittal South Africa.

I fully appreciate that there is a great deal of interest in our discussions with the IDC. You will appreciate that, given the sensitivity around such negotiations, I am not at liberty to disclose more detail than what has already been communicated through the appropriate channels to the market. I can, however, assure stakeholders that these talks are progressing well and to expectations, and that the outcomes will be vital in shaping our outlook and prospects.

### Appreciation

I and my management team owe debts of gratitude to multiple parties. These include the thousands of employees, trade union partners, suppliers and communities who were so adversely affected by our putting Longs into care and maintenance.

I gratefully acknowledge the forbearance and professionalism with which they engaged with us in this most difficult process.

I also thank our shareholders, the ArcelorMittal group chief among them, for the keen interest and support they demonstrated.

Further, I thank the many government politicians and officials, including Minister Parks Tau, who worked diligently with us to find solutions that would benefit, most profoundly, the wider steel and manufacturing value chain.

Lastly, I thank Professor Mohale and our board for their unstinting support and wise counsel.

**Kobus Verster**

*Chief executive officer*

30 April 2026



## Message from our chief financial officer

*“I thank the thousands of stakeholders who shared with us the pain that accompanies fundamental but unavoidable change.”*



An analysis of our overall performance in 2025 will reveal the extent to which the business displayed exceptional resilience and exemplary financial discipline throughout the year. This in the extremely challenging context which the chief executive officer has sketched in his message – of poor demand and soft prices.

The year began with great uncertainty over the future of the Longs business with the company announcing in January that this once key part of our operations would, in fact, have to be put into care and maintenance. It was thanks to additional funding of R2 063 million from the IDC, that we were able to operate Longs to 30 September 2025. As is by now only too well known, however, despite the IDC’s most welcome intervention and the great amount of work done by management, our board and government, we were again unable to bear any further financial risk, and closing Longs became unavoidable.

This decision, confirmed and communicated in September, was deeply regrettable but was taken because Longs’ continued operation threatened the sustainability of the entire company.

As our results for the year show, from a negative R1 668 million drain in 2024, Longs’ substantially negative impact has now been neutralised with our overall financial performance pointing to a smaller but more resilient, more competitive and ultimately sustainable ArcelorMittal South Africa.

### Results for the year

In 2025, revenue decreased 16% to R32 291 million (2024: R38 596 million) with a 12% drop in steel sales volumes and a 5% fall in net realised prices.

Our raw material basket – 39% of cash cost per tonne (2024: 46%) – fell by 15% per tonne of steel. In total, raw material and consumable costs were down 22%, of which 12% was attributable to lower production. Our strategy to diversify supplies of iron ore, in particular, was a standout success. Also contributing to the 22% decrease was our smaller coke-making footprint and improved, lower cost sourcing of coking coal and other inputs.

Other variable conversion costs represented 40% of the cash cost per tonne (2024: 36%) and rose 10%. This was despite the rise in energy costs being limited to just 3% in the face of steep tariff increases of some 15%, an outcome that can be ascribed to improved efficiencies and reliability.

The total variable cash cost of steel dropped 6% and fixed costs were little changed, moving from R6 801 million to R6 783 million year on year. Employee costs were 17% down as the total headcount fell by 21%.

Depreciation and amortisation rose by R221 million to just over R1 billion with accelerated depreciation charges for two Vanderbijlpark coke batteries that had reached the end of their production lives.

## Message from our chief financial officer continued

As the chief executive has noted, this year's EBITDA loss narrowed by some two-thirds from R2 947 million in the previous year to R1 135 million. Within that EBITDA figure were R410 million of negative incidents for which we have put in place corrective measures to prevent a recurrence. Also, a loss of some R470 million was recognised on the sale of metallics and by-products to support liquidity (which raised Incremental cash of approximately R1.2 billion). Steel operations accounted for a R1 339 million loss – fully 56% lower than in 2024.

The Value Plan achieved savings of R1 101 million, a 21% year-on-year increase. Here the major contributors were procurement and logistics.

At R1 200 million, the net finance cost was 10% lower on a reduction in the average level of net borrowings, as well as foreign exchange gains.

This year we booked impairment charge reversals of R245 million, against an impairment charge for property, plant and equipment of R112 million for 2025 and R682 million in the previous year. The reversals stemmed from a reassessment of the recoverable amount of Longs.

Positive fair value adjustments of R198 million derived mostly from investment properties.

The headline loss per share improved by a third from 458 cps to 301 cps per share.

At year-end, we were technically insolvent. The total liabilities exceeded total assets by R429 million. Included in the total liabilities was the subordinated loan from AM Group to the amount of R5,5 billion. The BBF lenders waived the event of default, but in terms of the IDC loan provided in June 2024, this event is a cross default and the loan of R750 million was reclassified as a current liability.

### Abridged balance sheet

	2025 Rm	2024* Rm	2023* Rm
<b>Current assets</b>	<b>11 036</b>	16 079	19 651
Cash balance	2 363	3 594	3 485
Inventories	6 682	10 113	12 441
Trade and other receivables	1 921	2 246	3 552
Other current assets	–	–	39
Asset held-for-sale	70	126	134
<b>Non-current assets</b>	<b>9 978</b>	9 197	9 794
Property, plant and equipment	7 717	7 708	8 309
Intangible assets	60	58	62
Investment properties	1 090	690	702
Equity-accounted investments	217	243	245
Investment held by environmental trust	576	486	438
Other receivables	3	12	27
Other non-current assets	315	–	11
<b>Total assets</b>	<b>21 014</b>	25 276	29 445
<b>Current liabilities</b>	<b>13 221</b>	15 272	16 250
Trade and other payables	8 515	9 708	11 020
Provisions	803	1 714	924
Borrowings	3 650	3 650	4 000
Other current liabilities	253	200	306
<b>Non-current liabilities</b>	<b>8 222</b>	7 706	5 061
Provisions	1 560	1 578	1 474
Borrowings	5 476	5 055	2 700
Other non-current liabilities	1 186	1 073	887
<b>Shareholders' equity</b>	<b>(429)</b>	2 298	8 134
<b>Total liabilities and equity</b>	<b>21 014</b>	25 276	29 445

\* Balances have been restated. The restatement relates to the reversal of impairment of the Saldanha property, plant and equipment of R335 million. Details are in the annual financial statements.

### Abridged income statement

	2025 Rm	2024* Rm	2023 Rm
<b>Revenue</b>	<b>32 291</b>	38 596	41 637
Cost	(33 426)	(41 543)	(41 581)
<b>EBITDA</b>	<b>(1 135)</b>	(2 947)	56
Depreciation and amortisation	(1 039)	(818)	(878)
Reversal of impairment	245	–	–
Impairment of PPE and Intangible assets	(112)	(682)	(2 096)
Impairment of equity-accounted investments	(2)	–	(19)
<b>Loss from operations</b>	<b>(2 043)</b>	(4 447)	(2 937)
Net financing cost	(1 200)	(1 372)	(1 057)
Share of profit after tax from equity-accounted investments	16	5	17
Fair value adjustments on investment properties	198	37	93
Gain/(loss) on remeasurement of asset held-for-sale	8	(57)	9
Gain on bargain purchase	1	–	–
Income tax credit/(expense)	8	(5)	(45)
<b>Loss for the year</b>	<b>(3 012)</b>	(5 839)	(3 920)
<b>Headline loss</b>	<b>(3 355)</b>	(5 102)	(1 890)
<b>Headline loss per share</b>	<b>(301)</b>	(458)	(170)

\* Exceptional items have been removed in 2024 and EBITDA updated. The items removed were:  
 - Longs Business wind down charge – R244 million  
 - Restructuring charge for severance packages – R495 million  
 - Longs Business write down of inventory including plant spares and consumables – R392 million

## Message from our chief financial officer continued

### Free cash flow and net borrowings

With a free cash outflow of R1 202 million (2024: R91 million), net borrowings increased from R5 111 to R6 763 million. In H2, we experienced an outflow of R1 812 million, reflecting the utilisation of the IDC funding (total funding R2 063 million less H1 utilisation of R251 million) as well as weaker EBITDA, cash flows associated with the winding down of Longs and cash being tied up in higher working capital investment because of poorer market conditions.

Cash utilised in operations, after the IDC funding, stood at R1 966 million. Conversely, there was a R2 527 million cash release from working capital, supplemented by R148 million from the sale of investment properties and other assets. This year we paid out R592 million in net finance costs and R1 004 million to capital equipment suppliers.

While R421 million of accrued interest and fees was capitalised, the total shareholder loan remains subordinated.

Following the Longs closure, our borrowing-based facility reduced from R4.5 billion to R3 billion. An outstanding amount of R750 million of the R1 billion June 2024 secured short-term IDC loan was restructured with final settlement extended from 1 September 2026 to 1 August 2028 (as per last paragraph on page 35).

### Capital expenditure

This year, gross capital expenditure (before taking into account movement of capital creditors) increased by R66 million to R1 004 million. Positively, we were able to grow expenditure on sustaining operations (including capacity improvements) by almost 20% to R690 million, these outlays accounting for the bulk of capex.

While environmental capex fell, it should be noted that this year we stopped work on the costly Vanderbijlpark coke gas-cleaning plant project (on which we had spent R840 million). We will continue to spend considerable amounts delivering on our duty of environmental stewardship at Newcastle, as we have done in Saldanha.

### Abridged cash flow statement

	2025 Rm	2024 Rm	2023 Rm
<b>Cash (utilised in)/ generated from operations before working capital</b>	<b>(1 966)</b>	(1 973)	246
Working capital	2 527	3 002	1 435
<b>Cash generated from operations</b>	<b>561</b>	1 029	1 681
Net financing cost	(592)	(640)	(658)
Income tax received	8	(5)	(45)
Capital expenditure	(1 004)	(938)	(1 489)
Finance lease obligations repaid	(40)	(28)	(20)
Borrowings raised	-	650	500
Other	(135)	23	100
<b>Increase/(decrease) in cash, cash equivalents and restricted cash</b>	<b>(1 202)</b>	91	69
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(29)	18	24
<b>Net increase/(decrease) in cash, cash equivalents and restricted cash</b>	<b>(1 231)</b>	109	93
Cash, cash equivalents and restricted cash	2 363	3 594	3 485
Borrowings (current and non-current)	(9 126)	(8 705)	(6 700)
<b>Net borrowings</b>	<b>(6 763)</b>	(5 111)	(3 215)

### Appreciation and outlook

We enter 2026 bearing the scars of a harsh 2025, with the closure of Newcastle chief among them.

I thank all of the many thousands of employees, suppliers, customers and other stakeholders who shared with company management the pain that necessarily accompanies such fundamental but unavoidable change.

In particular, I thank our chief executive officer, Kobus Verster, our executive committee and our board for their decisive leadership. I also thank my finance team along with our procurement and information technology cluster who worked so hard to formulate and carry out the strategic reorientation that will ready our company for the next stage of its journey – to not only survive but to, once again, thrive.

That reorientation will entail restoring our remaining business, Flats in particular, to operating profitably. At the same time, we focus anew on achieving greater relevance in the markets we serve. Already, as I described, we are investing in improving our product availability, quality, service and pricing.

As much as we have restructured our physical manufacturing footprint, our balance sheet requires similarly fundamental restructuring; our levels of borrowing are unsustainable and the company will need to be recapitalised.

We continue to pursue discussions between the ArcelorMittal group and the IDC. If successful, the outcomes of these discussions will positively position us for growth and sustainability in the medium and long term.

**Gavin Griffiths**

Chief financial officer

30 April 2026

## 2025 financial performance

		2025	2024	2023	2022	2021
<b>Revenue</b>	Rm	<b>32 291</b>	38 596	41 637	40 771	39 708
<b>EBITDA*</b>	Rm	<b>(1 135)</b>	(2 947)	56	4 270	8 569
By segment:						
Steel operations	Rm	<b>(1 302)</b>	(3 052)	(373)	3 745	8 147
Non-steel operations	Rm	<b>236</b>	324	534	614	820
Other	Rm	<b>(32)</b>	(219)	(105)	(89)	(398)
<b>EBITDA per tonne sold</b>	R/t	<b>(565)</b>	(1 295)	23	1 977	3 465
<b>EBITDA margin</b>	%	<b>(3,4)</b>	(7,6)	0.1	10.5	21.6
<b>Headline earnings/(loss)</b>	Rm	<b>(3 355)</b>	(5 102)	(1 890)	2 607	6 860
<b>Production (tonnes of crude)</b>	'000 tonnes	<b>2 270</b>	2 589	2 767	2 408	3 026
Steel operations		<b>2 270</b>	2 589	2 767	2 408	3 026
<b>Sales by segment</b>	'000 tonnes	<b>2 010</b>	2 276	2 412	2 160	2 473
Steel operations		<b>2 010</b>	2 276	2 412	2 160	2 473
<b>Sales by market</b>						
Domestic	'000 tonnes	<b>1 620</b>	1 753	1 898	1 872	2 171
Africa overland	'000 tonnes	<b>199</b>	238	272	156	218
Blue-water exports	'000 tonnes	<b>192</b>	285	242	132	84
<b>Net borrowings</b>	Rm	<b>(6 763)</b>	(5 111)	(3 215)	(2 808)	(1 258)
<b>Liquid steel capacity utilisation</b>	%	<b>54.8**</b>	62.9**	53.9	47.2***	60.0***
<b>Productivity – tonnes of HRC equivalent/total FTE</b>	t/FTE	<b>340</b>	385	403	349	444

\* EBITDA definition updated to exclude exceptional items.

\*\* Excludes all mothballed operations.


\*\*\* Saldanha included.

## 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 indicator	Unit	Limited assurance provided for 2025	Year-on-year change	2025	2024	2023	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	✓	∨	2.52	2.69	2.77	Direct CO <sub>2</sub> emissions
Indirect carbon dioxide (CO <sub>2</sub> ) – scope 2*	t/t liquid steel	✓	∧	0.74	0.67	0.61	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	✓	∨	3.26	3.35	3.38	IPCC methodology as prescribed in National GHG Reporting Regulations used for reporting purposes
Total greenhouse gas (CO <sub>2</sub> equivalent scope 1 and scope 2)*	Mt	✓	∨	7.51	8.85	9.52	
<b>Atmospheric emissions</b>							
Sulphur dioxides (SO <sub>2</sub> )	Tonnes		∨	3 011	8 898	8 197	
Particulates from point sources	Tonnes		∨	618	1 882	1 831	
<b>By-products</b>							
By-products generated	Mt		∨	1.70	1.80	1.88	
By-products recycled (% of total)	%		∧	17	11	16	
By-products sold (% of total)	%		∧	61	57	57	
By-products disposed (% of total)	%		∧	20	12	27	
<b>Energy use</b>							
Electricity (purchased)	TWh		∨	1.69	1.79	1.66	
Total energy consumption	PJ		∨	70	82	86	
Electricity self-generated	MWh		∨	98 100	115 774	128 387	
<b>Material purchased</b>							
Iron ore	Tonnes		∨	3 252 240	3 918 969	4 245 420	
Coal	Tonnes		∨	1 064 769	1 781 571	2 561 555	
Coke	Tonnes		∧	735 733	604 349	488 702	
Dolomite	Tonnes		∨	287 062	296 906	267 371	
Limestone	Tonnes		∨	493 326	692 085	689 010	
Scrap	Tonnes		∨	105 565	113 587	90 747	
<b>Water</b>							
Total freshwater intake	kl		∧	12 622 339	11 613 459	10 862 243	
Fresh water intake per tonne of liquid steel	kl		∧	4.43	4.19	3.79	

## Key sustainability indicators continued

Key sustainability indicator	Unit	Limited assurance provided for 2025 	Year-on-year change	2025	2024	2023	Definitions
<b>Investing in our people</b>							
Employee numbers – permanently employed (average) (including fixed-term contractors)	Number	✓	∨	5 569	6 108	6 449	Average number of permanently employed employees for the year, including fixed-term contractors
Employee and contractor fatalities	Number	✓	=	1	1	1	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	✓	∨	0.62	1.13	0.77	LTIFR is the number of fatalities and injuries that 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		∨	1.32	1.80	1.31	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		∨	6.80	7.16	7.69	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		∨	0.04	0.11	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		∨	16 266	17 958	9 947	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		∧	297 048	214 978	251 619	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		∨	92	104	84	
Proportion of above focused on black employees	%		∨	90	96	93	
Investment in bursary scheme	Rm		∨	33	38	19	
Graduates in training	Number		∧	13	11	13	
Production learners	Number		∧	435	366	258	
Apprentices	Number		∧	404	385	208	

### Key

∨ Decreased   ∧ Increased   = Unchanged



## Strategic objective 1: Zero Harm

*Keeping our people safe at all times is the company's utmost priority. We also strive to minimise negative impacts on the environment and on our neighbouring communities.*

### Workplace safety

In 2025, we experienced a much improved overall safety performance, the result, we believe, of a more focused, more concerted drive to prevent workplace harm, which efforts are described below. Leadership accountability and safety visibility were particular priorities.



This year the company experienced:

- One fatality (2024: one)
- 16 lost-time injuries (2024: 30)
- 19 restricted workday cases (2024: 18)
- 155 recordable injuries (2024: 157)

On 25 January 2025, 49-year-old Mr Ezekiel Rakauoane (a contractor employee in Vanderbijlpark) was killed after being struck by a mobile magnet while taking a break in a makeshift area.

Our "headline" safety indicators, lost-time injury frequency rate (LTIFR) and total injury frequency rate (TIFR), both declined – overall an encouraging 47% improvement.

The LTIFR fell from the previous year's 1.13 to 0.62 and the TIFR decreased from 7.16 to 6.8. The LTIFR outcome derived from the total number of lost-time injuries almost

halving year on year, despite fewer hours being worked as a result of the Newcastle closure. The disconcerting LTIFR figure for 2024 was ascribed to a poor safety culture which, it was believed, stemmed from heightened uncertainty over the company's future. At year-end, a five-year record of 79 days without a lost-time injury was achieved. (2025's number of all injuries was half that of the previous decade.)

### New safety transformation strategy

This year we laid the groundwork locally for a new ArcelorMittal group-wide safety transformation strategy. In terms of this new strategy, a three-year roadmap has been developed with explicit expected outcomes, all guided by the ultimate goal of achieving zero fatalities and zero serious injuries.

In tandem with the safety transformation strategy, for the second year, we carried out "Believe in Zero", a near ubiquitous communications and motivational campaign to raise safety awareness and drive culture change.

The transformation strategy was developed following an exhaustive audit of the group's safety practices, policies, standards and assurance, conducted by external consultants, dss+ (who in 2024 undertook a similar audit of ArcelorMittal South Africa).

Under the roadmap, we (and other group businesses) are rolling out an integrated safety culture and risk management framework that will include enhanced training and coaching for managers. In strengthening the safety culture, leadership and accountability are stressed, requiring leaders at all levels to be visible safety champions who foster a supportive and empowering team culture.

### Three-year KPIs

01	Employee and contractor fatalities		
	1	1	1
	2025	2024	2023

02	Lost-time injury frequency rate (LTIFR)		
	0.62	1.13	0.77
	2025	2024	2023

03	Total injury frequency rate (TIFR)		
	6.80	7.16	7.69
	2025	2024	2023

12	Environmental spend (Rm)		
	70	237	269
	2025	2024	2023

13	CO <sub>2</sub> emissions (CO <sub>2</sub> eq/t liquid steel)		
	3.26	3.35	3.38
	2025	2024	2023



## Strategic objective 1: Zero Harm continued

The second pillar of the roadmap is concerned with improving risk management and assurance. Specific outcomes expected are enhanced risk identification and upgrading existing fatality prevention standards (FPSs) for high-risk activities such as working at heights, people/vehicle interactions and isolation and lockout measures. (Isolation refers to physically switching off devices to make them safe while lockout is the action of switching off or closing a device so that it cannot be turned back on).

In improving risk management, all operations are expected to adopt industry best practices for process safety management (PSM). Improving contractor safety management is a key focus with discrete requirements in terms of selection, onboarding, execution and review.

### Safety transformation on the ground

This year, we as ArcelorMittal South Africa, began implementing a new health and safety management system manual outlined in the roadmap's timelines. These include instituting three lines of assurance consisting of:

- **First line** – assures internal stakeholders that the safety management system (SMS) aligns with group policies, fosters an interdependent safety culture, and effectively manages risks within the local SMS framework
- **Second line** – provides assurance to the CEO and leadership team that sites are fully implementing the ArcelorMittal health and safety programme and governance actions, while auditing the completeness and effectiveness of first-line assurance activities
- **Third line** – assures top management and the board that each segment is fully executing the global health and safety programme and governance plans, while auditing the effectiveness of second-line (and first-line) assurance activities.

We also began implementing the roadmap at a plant level, with Vanderbijlpark's Blast Furnace D being identified for a pilot PSM study that will be rolled out across the company. Senior leadership require all plants, upstream and downstream, to be included in the PSM rollout. Upstream assets, referred to as non-pilot plants, will have PSM implemented in parallel with Blast Furnace D – by Q1 2027. In 2026, downstream assets will be prepared for PSM implementation.

In June, a level 2 health and safety audit carried out by the group verified the high standard of systems employed by ArcelorMittal South Africa. The audit also confirmed senior management's unwavering commitment towards safety.

### Shopfloor interventions

As was the case in the previous year, we prioritised shopfloor risk-management interactions with the following being achieved:

- Managers identified 374 instances of potential serious injury or fatality (PSIF) (2024: 305)
- Leadership plant audits (one per week required): 1 040 against a target of 1 089
- A total of 42 208 leadership behaviour interactions were undertaken, 124% of target.

FPSs are central to our safety risk management framework. In June, a group audit (undertaken as part of the three-lines-of-assurance model) confirmed that ArcelorMittal South Africa was leading the group in terms of applying the FPS standards described above. An audit recommendation that senior managers chair FPS committee meetings was put into practice.

In 2025, attendance at FPS training sessions was 37 689, a slight decline on 2024 as the result of plant closures.

Consequence management was a top safety management focus for the third consecutive year. Some 214 (2024: 273) individuals received written warnings for safety infractions in the year, and 18 were dismissed (2024: 45).

Individual plant sections were also held to account when serious incidents occurred, or the chief operating officer identified a troubling safety performance. Our system of quarantining such sites for 40 days affected 29 sections or departments (2024: 35). At year-end, six were still under quarantine.

In 2025, we spent R29 million on safety capital expenditure. Since 2015, we disbursed R583 million on safety capex. Seven additional safety technicians were appointed.

### Workplace and occupational health

A company-wide occupational disease rate of 0.04 was recorded in 2025. There was one new claim of noise-induced hearing loss. The number of incapacity and disability cases reported decreased from 42 in 2024 to 30.

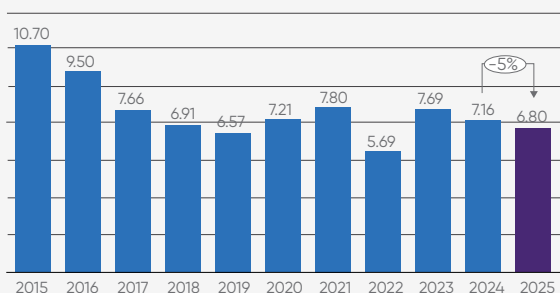
For the full year, 25 216 medical surveillance examinations were conducted (2024: 21 872). In addition, 120 occupational health inspections (2024: 151) were carried out, in accordance with the Occupational Health and Safety Act.

This year, 1 508 employees of the total affected by the restructuring process took advantage of a free psychological and life-skills counselling service operated by external consultants.

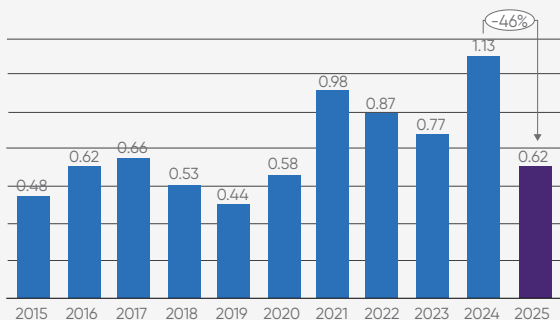


## Strategic objective 1: Zero Harm continued

Total injury frequency rate



Lost-time injury frequency rate



### Environmental safety

Gross capital expenditure (capex) on environmental projects was R70 million. R119 million was spent on legacy environmental rehabilitation provisions.

We made some important investments in driving our objective to minimise the erosion of natural capital. Directors noted that the company had now moved from a high-risk status to a more controlled, more defensible position.



Large capex projects in 2025 included:

- Phase 2 of a waste disposal site in Vanderbijlpark – R46 million (to date)
- A Newcastle stormwater treatment facility – R129 million (to date)

Four of the plant's five batteries were decommissioned (see page 49). The coke oven gas produced at Vanderbijlpark now falls below the gas-cleaning plant's design threshold, and thus this project has been halted.

### Emissions to air

All atmospheric emissions licences remained in force, having been recently renewed for five years.

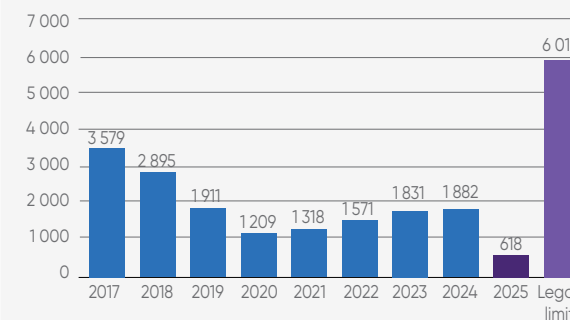
There were substantial improvements in air quality management in 2024 with notable reductions in sulphur dioxide emissions and particulates at Vanderbijlpark's sinter plant. Nitrogen oxide emissions also reduced.

Notwithstanding the beneficial environmental effects of Newcastle ceasing operations and the coke battery shutdowns, various emissions categories showed extremely positive reductions, the result of concerted work to improve our environmental impacts and considerable capital expenditure.

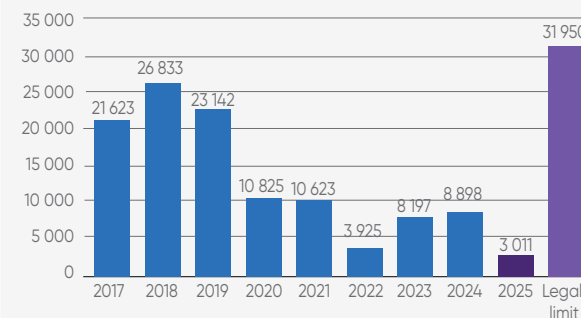
Overall, we continued to improve on air quality management with only three (minor) upset conditions being reported, at Vanderbijlpark. There were no major findings by the authorities.

Combined sulphur dioxide outputs at all sites fell by 53% year on year. Again, the factors mentioned above contributed to this reduction with Newcastle also benefiting from the use of dual scrubbers. At Vanderbijlpark, emissions declined by more than half, a result largely informed by increased maintenance on compressors at the sinter plant main stack.

Particulate emissions: Specific (t/annum)



SO<sub>2</sub> emissions (t/annum)



Combined nitrogen oxide emissions were also sharply down by 39% for the company as a whole. This can be ascribed to the increased availability of dual scrubbers on lower gas consumption. Slightly elevated levels were recorded at AMRAS following the introduction of higher sampling measurements.

Particulates (dust) recorded a 55% reduction on more stable operations, improved maintenance of abatement equipment and the coke batteries being switched off. (Since 2005, we have reduced dust emissions by close to 99%.)



## Strategic objective 1: Zero Harm continued

### Waste

A waste site which opened in Vanderbijlpark in 2024 at a cost of R42 million performed to expectations this year. The key metric of waste sent to internal landfill was 13% down on 2024. Conversely, waste disposed of to external landfill (a fraction of the internal landfill amount) rose threefold mainly because of legacy salts that were disposed of in Saldanha.

### Water

The closure of our coke batteries in Vanderbijlpark created a water imbalance (with more plants using water against those producing water). This resulted in challenges in maintaining the site's zero effluent discharge (ZED) status which stood at 58% against 81% in the previous year. Considerable progress was made by diverting and separating water to new water consumers.

Potable water intake fell by 10% and industrial water consumed declined by 8%.

### Legacy land and water

Ongoing care and maintenance was performed on remediated legacy areas. Work included capping a hazardous waste disposal site and continuous remedial actions undertaken at the Newcastle BOF leachate dams.



### Thabazimbi rehabilitation

Rehabilitation of the Thabazimbi Iron Ore Mine was pursued this year at a cost of R85 million (2024: R115 million).

Key achievements were:

- Four hectares reshaped (2024: 15.8 hectares), bringing to 491 hectares the area reshaped to date (57% of the required total)
- 32 hectares planted (2024: 29 hectares)
- 9 387 trees and 8 306 tufts of grass planted (2024: 6 762 trees and 6 700 tufts).

This year we also worked to rehabilitate two slimes dams to conform with the global industry standards on tailings management.

### Decarbonisation

This year, two significant studies analysed the South African iron and steel sector's decarbonisation potential, readiness and prospects. These studies were by the Organisation for Economic Co-operation and Development (OECD) and the South African Iron and Steel Institute (SAISI).

The OECD found that the production costs of "transformative" technologies (with which we as ArcelorMittal South Africa are engaging and scoping) would be 26% to 42% higher than the conventional blast furnace-basic oxygen furnace route (our traditional business model). "This viability gap is mainly due to high capital costs, insufficient access to low-cost renewable electricity, a lack of market incentives for low-emissions steel and low carbon prices," the organisation reported.



In a similar vein, a SAISI report stated that several "critical barriers" impede decarbonisation. "These include technological maturity and economic viability challenges, increasing cost burdens from carbon taxes, competition pressures from subsidised imports, and insufficient domestic incentives for investment in cleaner technologies."

More than any other domestic producer, we experience these barriers as we work to achieve our ambition of net zero by 2050 (see page 25). In detail we experience:

- No government or other incentives to invest in decarbonisation
- Mounting imports that threaten the continued existence of primary (iron-ore based) producers
- High capital cost with little to no access to concessional financing
- Carbon taxes that do not incentivise low-carbon investments
- The absence of financially practicable "breakthrough" technologies
- High electricity prices
- Limited access to low-cost renewable electricity and constrained transmission capacity.

We concur with recommendations made by the OECD and SAISI in communiques emanating from their detailed studies. These recommendations (which largely overlap) include (OECD):

- A co-ordinated policy framework underpinned by a sectoral roadmap
- Supportive infrastructure investment
- Green public procurement, quotas and mandates.



## Strategic objective 1: Zero Harm continued

And (SAISI):

- Implement mechanisms to “level the playing field” with imports from countries with an over-supply of steel, which they export at below-market prices in order to recoup their fixed costs
- Utilise government-led initiatives such as localisation and the Infrastructure Fund to increase demand for domestically produced steel
- Address financial barriers to capital investment, and policy misalignments between climate objectives and industrial competitiveness.

SAISI notes that: “Coordinated action and realistic, phased implementation across policy and technology investment is needed to ensure that the sector effectively contributes to South Africa’s climate objectives. Co-ordinated action can provide a supportive environment for technology adoption, facilitate meaningful investment in cleaner production methods and enhance the sector’s resilience and global competitiveness.”

At present, we and others in our sector wishing to invest in a low-carbon future do not experience any such co-ordination. Nor, as is reiterated in this report, do we enjoy any effective protection against the flood of cheap imports, which fact puts at risk any investments in decarbonisation. As does a context of sluggish economic growth and minimal growth in steel consumption. Under such circumstances, investors in “green” developments are disincentivised, regardless of how serious the intent to decarbonise may be.

In addition, we consistently argued that government efforts to raise the cost of carbon (through taxes) cannot achieve their stated objective of incentivising industry to decarbonise. This can only be achieved by ring-fencing such taxes to incentivise decarbonisation investments.

### Carbon emissions and taxation

We paid R149 million in carbon taxes this year (2024: R135 million).

In absolute terms, scope 1 emissions fell by 15% compared to 2024. There were various reasons for this decline including a 13% decrease in liquid steel production, the Longs wind-down entailing an end to blast furnace operations in Newcastle and shutting down coke batteries.

Scope 2 emissions in specific terms increased by 11% from 0.67 to 0.74 tCO<sub>2</sub>eq/tLS whereas in absolute terms scope 2 emissions fell by 3% primarily because of the Longs wind-down, and early halt to electricity generation in Newcastle due to cost considerations, the closure of coke-making operations, and more stable steelmaking processes throughout the year that enhanced energy efficiency.

The Climate Change Act was enacted in March with the commencement of certain provisions being deferred, pending finalisation of key regulations that include the National Greenhouse Gas Carbon Budget and Mitigation Plan regulations. The draft regulations, published in August and currently subject to public consultation, stipulate an additional carbon tax of R640 per tonne of CO<sub>2</sub>e on emissions that exceed an allocated carbon budget.

We are engaging with government to secure a carbon budget intensity that is both realistic and achievable while we implement our decarbonisation roadmap in a sustainable manner. The regulations specify that failure to meet requirements related to GHG mitigation plans may lead to fines and/or imprisonment and GHG reduction requirements becoming even more stringent.

There is yet no apparent intent, in the Climate Change Act, regulations or policy pronouncements, to “ring-fence” carbon taxes so as to incentivise low-carbon measures and investments. Instead, the proceeds of carbon taxation are still diverted to the general fiscus. This is a major shortcoming of the carbon tax regime, one that seriously threatens the viability of not just steel and engineering but the whole domestic manufacturing industry. At the same time, when we are facing debilitating increases in carbon taxes, the sector enjoys little to no protection from steel imported from countries with no carbon pricing.

The most recent amendments to the Carbon Tax Act, published in November 2025, reflect National Treasury’s response to stakeholder consultation and concerns regarding a proposed steep rise in carbon tax that was detailed in a discussion paper published in 2024.

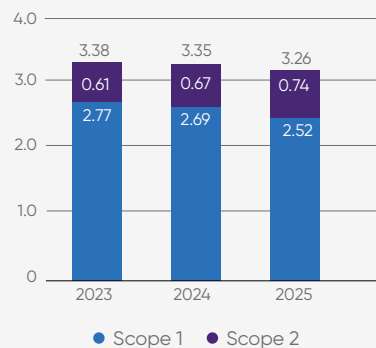
We joined with numerous industrial stakeholders, including those in the steel and engineering value chain, in arguing strongly for the retention of tax-free allowances. These are essential to give hard-to-abate producers, such as primary steel, sufficient scope to implement long-lead-time and costly carbon-abatement investments. Although the phase down of tax free allowances is more moderate in the short term and welcomed by the private sector, the envisaged trajectory nevertheless represents a very onerous financial burden. (In 2026, the standard carbon tax rate will increase from R236/tCO<sub>2</sub> to R308/tCO<sub>2</sub>.)



## Strategic objective 1: Zero Harm continued

The revised proposals introduce a 5% incremental increase in tax-free offset allowances, presenting an opportunity to reduce our carbon tax liability while simultaneously encouraging low-carbon initiatives. However, the carbon offset market in South Africa remains undersupplied and requires urgent reform to become more effective. We have not made use of offsets, primarily because of the limited availability of a domestic offset market (the result of restrictive eligibility criteria and administrative risks associated with offsets) and the high prices at which offsets are traded – often at levels higher than the effective tax rate.

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) 2023: 1.01 tCO<sub>2</sub>eq/MWh; 2024: 1.06 tCO<sub>2</sub>eq/MWh; 2025: 1.08 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 2 348 tCO<sub>2</sub>eq (scope 1) and 8 888 tCO<sub>2</sub>eq (scope 2) respectively.

### Safety strategy going forward

Work to execute on the accelerated safety transformation strategy roadmap will be ramped up in 2026.

Other areas for improvement will include:

- Clearly identifying and prioritising potentially lethal conditions in safety planning and resource allocation
- Improving PSIF reporting to grow the number of identified interventions and learnings per area
- Driving the effectiveness of FPS committees.

### Environmental management outlook

With Newcastle and Vereeniging under care and maintenance, a great deal of focus will be on safeguarding the disposal and dam areas there to limit impacts on the receiving environment. In addition, various remediation projects will be attended to in Pretoria, Vereeniging and Saldanha.

Regarding air quality emissions at Vanderbijlpark, we will strive to sustain the lower emissions achieved in 2025 while improving on materials handling activities.



## Strategic objective 2: Long-term sustainability

*We seek to produce the best steels safely and reliably and at the lowest cost. However, unfair trade practices and policies severely inhibit our ability to compete effectively and fairly.*

In September, we implemented the most far-reaching restructuring in our history – closing most of our Longs business, shutting down five coke batteries and rationalising various functions. These measures entailed the loss of 2 493 own employees and contractors. As much of this report makes clear, this course of action became unavoidable to ensure the survival of ArcelorMittal South Africa.

In 2025, revenue decreased by 16% to R32 291 million (2024: R38 596 million). This derived from a drop in sales volumes and lower net realised prices (see page 34).

Representing 39% of our cash cost per tonne, the raw material basket declined 15% in rand terms. Spreads between the basket and average net realised prices remained at multi-year lows (see page 9). Other variable conversion cash costs (40% of our cash costs per tonne) were 10% higher than those of 2024. This was largely on the back of higher energy costs. Fixed costs were 21% of our cash costs.

To ensure that we are able to compete fairly, this year we again urged government to implement trade measures similar to those put in place by almost all countries with primary steel sectors.

We also appealed to the authorities to:

- Act against illicit trade and tariff contraventions (page 47)
- Increase steel demand through infrastructure rollout and localisation (page 47)
- Urgently amend the scrap price preference system (PPS) and remove export taxes (page 51)
- Expedite policies on decarbonisation and create an enabling environment for investment (page 43)
- Grant a measure of relief from excessive electricity, rail and port tariffs (page 49).

If we are not financially sustainable, we are unable to invest sufficiently in new product development that is essential to downstream investment, job creation and growth in manufacturing. Unrestricted unfair imports bring into question our ability to achieve meaningful returns on costly investments in additional production capacity, such as the R350 million spent in 2024 on our plate mill upgrade.

### Sales

Total steel sales fell by 12% this year to 2 million tonnes. At 390 000 tonnes, export sales were a quarter down on those of the previous year.

Domestic sales (1.6 million tonnes) were 7.5% lower than in 2024. Flat steel sales registered a modest 4% decline from 1.45 million tonnes to 1.4 million. Long steel sales dropped from 822 000 tonnes in 2024 to 613 000 (Newcastle only produced for the first nine months of the year). In 2023, long sales stood at 936 000 tonnes.

At 75 000 tonnes, market coke sales were down 65 000 year on year at the same time that prices weakened by 23%.

### Three-year KPIs

04	<b>EBITDA per tonne sold (R/t)</b>		
	(565)	(1 295)	23
	2025	2024	2023
05	<b>Return on capital employed (%)</b>		
	(16.07)	(22.65)	(2.16)
	2025	2024	2023
06	<b>Steel market share (%)</b>		
	46*	46	46
	2025	2024	2023
	* Flat steel.		
07	<b>Crude steel production ('000 tonnes per year)</b>		
	2 270	2 589	2 767
	2025	2024	2023
08	<b>Cash (utilised in)/generated from operations before working capital (Rm)</b>		
	(1 966)	(1 973)	246
	2025	2024	2023
09	<b>Net debt position at year-end (Rm)</b>		
	6 763	5 111	3 215
	2025	2024	2023



## Strategic objective 2: Long-term sustainability continued

Net realised prices were 3% lower in dollar terms (5% in rand terms). This year the average international price of hot rolled coil declined by USD32/tonne to USD604/tonne.

In 2025, South Africa achieved minimal economic growth and key steel-consuming sectors struggled with limited demand and investment; many customers reported experiencing their worst trading conditions for several years.

Apart from weak apparent consumption, levels of imported steel remained elevated at 1.56 million tonnes. This was 37% of domestic ASC – a 46% share of flat steel markets. (A duty on heavy sections lapsed in May and was followed by an immediate surge in imports of such products.) The severe effects of these, often inferior, products on the domestic steel sector were exacerbated by poor, or non-existent, enforcement of designation and preferential procurement regulations by the public sector.

In contrast to South Africa's non-interventionist approach, by 2025 most markets implemented strong measures to protect their domestic steel industries. The European Union introduced a new safeguard regime, cutting tariff-free quotas by almost half and raising out-of-quota tariffs to 50%. The United States increased section 232 tariffs to 50% on most imported steel. The United Kingdom significantly tightened its steel safeguards, imposing stricter country-specific limits. In March 2026, it announced a doubling of tariffs on steel imports. Australia continued to apply and expand anti-dumping duties on multiple steel product categories from Asian producers.

Globally, more than 40 anti-dumping measures were implemented, mostly directed at Chinese steel.

In 2024, we applied for a 13% safeguard on hot rolled products (hot rolled coil and plates), which came into effect this year. It is apparent, however, that this rate has had only a moderate impact in stemming the inflow of unfairly subsidised imports as steel prices from China and elsewhere fell by more than 13% since the safeguard came into effect. Provisional safeguard duties of 52.34% were also imposed on thin alloy galvanised flat steel from China, enforcing the already existing but entirely ineffective anti-dumping measures imposed on thin galvanised material (the provisional duty expired in January 2026). These safeguards also proved to be less effective than expected because of widespread circumvention to thicker galvanised and strips.

The provisional anti-dumping duties imposed against the import of structural steel (China (52.34%) and Thailand (9.12%)) was a welcomed relief for our AMRAS operation and was found to be effective in curbing imports. This was allowed to lapse in May, however, without final measures being put in place. At the time of publication, we were awaiting the imposition of the final anti-dumping measures; our AMRAS facility (which we continue to operate with slabs sourced from Vanderbijlpark) remained at risk of closure because of the influx of imports.

In total, in 2024 and 2025, we applied to the International Trade Administration Commission (ITAC) for 15 tariff actions but by the time of publication, no substantive, lasting relief had been forthcoming, with the exception of the measures mentioned above. This was despite repeated representations to government on the dire consequences for the steel value chain of these imports.

### Steel tariff review

In March, the International Trade Administration Commission (ITAC) launched a wide-ranging review of South Africa's steel tariff framework. Inputs were sought on a wide-ranging set of measures aimed at correcting market distortions including surges in imports.

We welcomed the review as being a positive step to protect local industry and submitted input. Following stakeholder submissions, ITAC issued a first report in August 2025 and requested further comments, which we provided. In October, ITAC released a second preliminary report, on which we again gave detailed input; we are currently awaiting the final outcomes of the review process.

### Localisation

We undertook a wide range of initiatives, working with customers, to grow the local consumption of domestic steel by the downstream and key manufacturing sectors.

In particular, we:

- Extended our galvanised and colour-coated ranges for products that are used extensively in the roofing and cladding industries. This enabled us to further differentiate our products from imported steels
- Invested in improving the reliability, quality and service levels of our plate mill as well as undertaking trials on thinner-gauge plate products, developments that were well received by the market
- Maintained a close focus on automotive, supporting the sector with the release of new models from 2026

Following the successful completion of a plate mill renovation early in the year, plate performance improved strongly, registering an 81% increase in H2.



## Strategic objective 2: Long-term sustainability continued

### Cash management

As is described throughout this report, in 2025 we formally wound down most of Longs, by year-end averting the substantial drain on liquidity that this business had represented.

We actively managed our cash by targeting working capital optimisation, incremental cash initiatives (including the sale of non-core properties, which realised R149 million) and by negotiating payment terms with suppliers in order to manage peak funding requirements.

Our fixed cost base was right-sized this year to reflect our new operating reality with significant impacts on our cash flow. Similarly, in addition to the Longs closure, some R740 million of structural footprint adjustments were announced.

Including the expenses associated with closing Newcastle, fixed costs for the year were little changed at R6 801 million (2024: R6 783 million). To mitigate our liquidity challenges, retrenchment packages are being paid to employees affected by the restructuring on a monthly basis.

Sales of surplus metallics and by-products raised cash of approximately R1.2 billion but with a R470 million negative impact on EBITDA.

This year the Value Plan achieved savings of R1.1 billion. This brought to more than R11 billion the amount the programme has saved the company since its inception in 2018.

### Plant reliability, maintenance and quality

Our Flats operations (Vanderbijlpark) achieved substantially better, more reliable operations than was the case in 2024 when both blast furnaces suffered chilled hearth conditions. This was achieved with significant and ongoing support from group technical experts.

Despite sporadic challenges associated with kiln and sinter plant reliability and adapting the blast furnaces to receive alternative (new) coke supplies, upstream performance improved during the course of the year. Overall blast furnace performance was much improved year on year, to the extent that there were no major incidents. From 40% in January, our key working ratio metric improved to 78% by October, although on reduced volumes. ("Working ratio" is a measure of plant uptime.)

Particular success was achieved on the steel plant, hot mill and pickling lines. This was despite a severe fire at the pickle plant in February, which resulted in lost sales of 20 000 tonnes. (In September, Vanderbijlpark's working ratio was the best on record following intensive support from ArcelorMittal group production and reliability experts).

In the second half of the year, we refocused our maintenance capability to improving performance at the Flats business. This focus, implemented under a revitalised asset management strategy, entailed the redeployment of specialist maintenance skills from Newcastle to Vanderbijlpark, as well as prioritising maintenance spend and channelling available resources to high impact reliability improvement work. Under this six-year initiative (to 2030), we are devoting additional operating expenditure to improving the reliability of both upstream and downstream plants.

Despite our cash constraints, in 2025 we increased maintenance expenditure and improved targeting, to enhance asset reliability across the Vanderbijlpark footprint.

As well as driving reliability improvements, we implemented a quality culture change programme, run on the same principles as our "Believe in Zero" safety campaign. This programme entailed managers undertaking regular quality "walkabouts" and weekly quality audits.

Our on-time readiness rate improved from under 40% in January to 74% in October as production volumes were adjusted to match market demand. (Reliability and on-time performance are reported to October to avoid skewing due to reduced year-end sales and production.). This year, market backlogs from previous years were eliminated and operations streamlined to improve order fulfilment.

### Capital expenditure

Capital expenditure in 2025 increased from R938 million in 2024 to R1 004 million. Some 68% of this amount was for stay-in-business capex at Vanderbijlpark, which will bolster the sustainability of our Flats operations.

Significant capex items at Vanderbijlpark included:

- Blast Furnace D stoves, repair and campaign extensions (R144 million)
- DRI product separation plant and kiln #3 control system upgrade (R33 million)
- Blast Furnace C taphole and hearth restoration (R16 million)
- Completion of upgrades to the plate mill main drive (R56 million).



## Strategic objective 2: Long-term sustainability continued

Although only slated for commencement in 2028, we were able to advance preparatory work on one of our planned strategic industrial development projects (see 2024 integrated report). This was investment in the Vanderbijlpark blast furnace gas holder. Another large capex item was converting the hot strip mill furnace to run on blast furnace gas.

In addition to these investments, we progressed plans to utilise basic oxygen furnace (BOF) gas internally for electricity generation. These plans call for the involvement of third-party investors, who will share in the expected cost savings.

### Procurement and logistics

Excluding the effects of the Newcastle closure and the costs of bought energy, we achieved year on year procurement and logistics savings of R922 million (2024: R1.8 billion).

The closure of Newcastle had multiple impacts on our sourcing and logistics strategies. In particular, lower volumes of raw materials bolstered our strategy of sourcing from smaller miners. Doing so moderates our costs as more senior producers charge higher prices (generally pegged to export parity). On the other hand, by sourcing less from more miners, our volume leverage is reduced. Despite this fact, and our inland locations and high transport costs, we have the lowest delivered price per tonne of iron ore in the ArcelorMittal group.

The closure of coke batteries will translate into a profound change in the composition of our raw material basket (RMB). Previously, coking coal made up 55% of the company's RMB. This year, iron ore comprised 39% of the RMB and coking coal 47%.



We continued this year to advance our regional sourcing strategy, growing our supplies of coal, coke, alloys and zinc from producers in Zimbabwe, Zambia and Botswana by 13% year on year. Iron ore supplies to Vanderbijlpark from our "captive" Thabazimbi mine, at 228 000 tonnes, fell short of budgeted levels because of unusually heavy rainfall and flooding, as well as reduced demand from our Vanderbijlpark sinter plant. We continue to explore opportunities to increase supply from Thabazimbi.

Regional sourcing is largely achieved by transporting inputs by road. In 2025, we ramped up our use of trucks versus rail to bring raw materials, including those from southern Africa, to our facilities to historical highs. This was a deliberate strategic choice given the continuing poor performance by rail parastatal Transnet Freight Rail, which only worsened during the course of the year.

We focused very strongly on reducing road transport costs this year. For several key commodities including iron ore from the Northern Cape and coal from the Lephalale region of Limpopo, road costs are today almost on a par with those of rail. For some other commodities, road is cheaper than rail.

Vanderbijlpark is configured to receive large deliveries of raw materials by rail; due to our growing reliance on road transport, we undertook considerable stockyard redesign and, with suppliers, pursued trials on increasing payloads per vehicle, which will translate into lower costs per tonne.

While we create widespread social value by sourcing from elsewhere in southern Africa and from junior miners, we are mindful that our growing use of road transport has negative impacts on South Africa's road network.

### Coke battery closures

During the course of this year, we decommissioned our coke batteries, with the exception of Battery 4 which continues to produce small amounts of commercial market coke for sale and fine coke for the Vanderbijlpark sinter plant.

The closure of our coke batteries was motivated by the availability of metallurgical coke from import sources that are cheaper than our own costs of production. The near collapse of the market for commercial coke was the other major contributing factor. As is well known, the ferrochrome industry recently effectively buckled under the burden of excessive electricity tariffs.

We have well diversified sources of metallurgical coke to mitigate any possible supply risks.

### Energy efficiency

We continued to pursue a negotiated pricing agreement (NPA) with Eskom, consistent with our longstanding efforts to secure a more sustainable electricity cost structure. Following limited progress with Eskom, we sought the intervention of the National Energy Regulator of South Africa (NERSA). In September, NERSA ruled in our favour and instructed Eskom to engage with us in formal negotiations. Despite this directive, Eskom has been slow to participate meaningfully in the process. As a result, we escalated the matter to the chief executive level to ensure that negotiations advance constructively and within reasonable timelines.





## Strategic objective 2: Long-term sustainability continued

Electricity purchased this year declined in absolute terms but increased in intensity (measured per tonne of steel produced). The values for these key measures were, respectively, 1.69 terawatt hours and 0.73 megawatt hours per tonne of steel.

These outcomes point to the growing effectiveness of our internal energy efficiency campaigns. They were achieved in the context of depressed capacity utilisation and the need to repeatedly idle and then restart plants, especially at Newcastle. Clearly, energy-efficiency investments at, particularly, Vanderbijlpark, are paying dividends. This has significantly positive impacts on our carbon footprint.

Using a “lighting-as-a-service” model, in terms of which a third-party supplier installs and maintains LED lighting, we achieved electricity savings in the year of some R12 million. Using the same model, variable speed drive savings amounted to R417 million since 2016.

Natural gas consumption reduced by 14% following a 7% rise in 2024. This reduction derived from the closure of Newcastle.

Although we pursued multiple initiatives to ensure long-term security of natural gas supply, the timing gap created by the impending cessation of current natural-gas flows remains a material operational risk. Sasol has proposed bridging this gap by supplying methane-rich gas (MRG) through to 2030, thereby providing the necessary runway for new liquefied natural gas (LNG) import and infrastructure initiatives to mature. The anticipated post-2026 pricing of MRG is, however, expected to align with future LNG pricing rather than current gas-supply levels. As a result, while the proposed MRG arrangement would secure continuity of supply to

2030, the risk of significantly higher gas prices – with consequential impacts on cost competitiveness – remains a key concern.

### 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.

We produced 1.7 million tonnes of by-products this year (2024: 1.8 million tonnes).

We are exploring opportunities to beneficiate granulated blast furnace slag into value-added products. This will enable the company, as a responsible corporate citizen, to contribute towards environmental compliance by supplying by-products as green products. In 2025, we also moved all stockpiled blast furnace slag to the market.

At 61% (excluding tar), the percentage of by-products sold was similar to that of 2024. Recycled by-products were 17% of the total (11% in the previous year). Most stored by-products were converted into sales due to growing interest in the use of by-products as “green products. Tar product sales continued to improve this year.

### New product development

Our outputs, derived from both manufactured and intellectual capital inputs, find application in a 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 2025 we released seven new products and specifications (2024: 12).

Notably, a new plate specification for bridges progressed from trials to industrial production; three products were released for automotive localisation. An additional three galvanised products with a new alloy system were developed and produced for the solar industry. Furthermore, technical approval was achieved for various other automotive products that were developed in 2024 as was the development of environmentally friendly chrome-plated galvanised products. In November, a new product for the truck and trailer sector was developed; it is currently being tested by customers.

Considerable research and development went into a number of bespoke products aimed at the wind-tower sector, in which local manufacturers were almost completely absent in recent years.

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 11 of our plants.



## Strategic objective 2: Long-term sustainability continued

### Information technology

Automating and strengthening our IT and enterprise systems remained a priority in 2025 with expenditure amounting to R284 million (2024: R268 million).

This year, greater focus was placed on cybersecurity and artificial intelligence, notably shopfloor automation and sales-decision inferencing.

Other priorities included ensuring that all systems remain SOx compliant while upgrading our enterprise resource planning system.



### Scrap

In 2025, we consumed 460 000 tonnes of scrap (2024: 521 000 tonnes). Three-quarters of this was steel collected internally.

This year, scrap constituted 19% of the material fed into our basic oxygen furnaces (2024: 20%). We also completed the outright purchase of recycling business, Collect-a-Can (previously a joint venture with Nampak). Through Collect-a-Can, we promote recycling and partially address our own scrap requirement.

Official policy and regulations on trading in scrap had for several years severely handicapped Newcastle, which competes against scrap-consuming electric arc furnace producers. Regrettably, hopes we entertained this year, that a more realistic scrap policy might prevail, were not realised. Post year-end proposals to slightly reduce the price preference system, we believe, are wholly inadequate.



### Our strategy going forward

Over the coming five years, we will concentrate on improving the quality and resilience of earnings and cash flow, and on positioning the company to benefit from a recovery in demand when market conditions improve. This approach will entail greater product differentiation, entering new value-added markets, and initiatives to future-proof the business model. This in pursuit of our stated ambition to be the “champion of South Africa’s manufacturing backbone”.

In strengthening the core Flats business, we intend improving reliability, quality, costs and customer service.

Utilising all available capacity and strengthening our investment portfolio, we will implement strategic projects including new galvanising lines to replace imports in the automotive and appliance sectors and producing best-in-class corrosion protection coatings. (Our key plate mill upgrade campaign was completed this year.)

At the time of publication, we and the IDC continue to be engaged in advanced discussions to find a sustainable solution based on a non-binding term sheet regarding a potential transaction. There is no certainty that any transaction will be concluded.

We were led to believe that commitments by government to implement fair steel trade policies will be implemented in 2026. Such a development will positively affect our prospects. While there has been no progress on achieving an NPA with Eskom, we believe that the recent granting of temporary tariff relief to two ferrochrome producers bodes well for our efforts to obtain a favourable NPA.

We also intend working with government to grow the beneficiation of local mineral resources by cultivating junior miners. Government is increasingly open to such initiatives, including, we believe, the imposition of local consumption quotas. Such quotas will boost raw material beneficiation and advance regional industrialisation. We also began working with government on strategies to support ferro-alloy manufacturers, who struggled to survive in a context of soaring electricity prices. Similarly, we are aligned with government on the need to support (often smaller) suppliers of specialised and high-tech services.

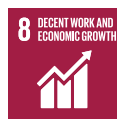


## Strategic objective 3: People first

*We rely on relationships with many 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 8 323 individuals including contractor staff (2024: 8 816).



Total employment declined by 39% by the end of the year. A breakdown by category of employment is given on page 15.

This year's painful restructuring process entailed retrenching 1 382 own employees at our Longs business, as well as 562 employees within our corporate office and operational areas within Flats.

By 31 December 2025, at 6 323 posts, our total headcount had declined by 2 337 positions. Of this latter figure, 1 008 positions were lost at contractors.

Despite the impacts of the restructuring, there remains an imperative to attract and retain skills and experience, particularly within operations. To this end, every effort was made to retain key skills during the reorganisation

processes and in accordance with the Section 189 process, whereafter some 164 individuals were transferred from Longs and other business sections to fill critical roles, largely in Vanderbijlpark. An additional 240 new business-critical appointments were made.

### Cost of employment

This year was the third in which a three-year wage agreement with trade unions representing 3 345 bargaining unit employees was in effect. In terms of the agreement, affected employees received an average 3.2% increase; the same percentage applied to package category staff. No annual bonuses were paid.

Employee costs represented 56.5% of our fixed costs and 12.7% of cash costs. Total cost of employment (TCOE) for the year was R4 918 million, 1.4% lower than 2024 when TCOE declined by 1.8%.

The costs associated with the Longs retrenchment process were fully accounted for in 2024. These were mostly benefits paid to employees due to the retrenchment processes – which exceeded payments stipulated by the Basic Conditions of Employment Act.

### Three-year KPIs

10	<b>Preferential procurement spend (Rbn)</b>		
	22.1	20.0	19.7
	2025	2024	2023

11	<b>B-BBEE compliance score (Rating)</b>		
	4*	7	6
	2025	2024	2023

\* Self-assessed

14	<b>Total cost of employment (TCOE) (Rm)</b>		
	4 918	4 961	5 053
	2025	2024	2023



## Strategic objective 3: People first continued

### Workplace culture

Employee morale and sentiment were inevitably affected by the reorganisation that took place this year. Management made concerted efforts to communicate and engage with the workforce, to ensure that employees remained well informed and could express themselves. A total of 10 engagement committees were instituted across the company to address employee concerns; staff responded positively to these committee sessions. In an effort to boost morale and foster a sense of collegiality, the CEO held regular “town hall” events with all staff.

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 package category staff. One such survey, in May, achieved a record 77% participation rate and a 4% slight improvement in the engagement rate of the previous survey, conducted in November 2024.

The second survey, in November 2025, showed a marked decrease in participation but an engagement score that was similar to that of May 2025.

To better address legitimate workplace concerns, this year we established a grievance committee (see page 62) that will impartially investigate issues of harassment, workplace safety and discrimination and others.

### 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 2025, our figures were 14% and 21%, respectively (2024: 13% and 10%).

In support of this objective, we grew the number of representatives on our Women of Steel initiative from 115 to 159 high-potential individuals and specifically focused on how to enable gender diversity through succession and development programmes.

### Training and skills development

Our leadership is acutely aware of how key our human and intellectual capital are to the company’s sustainability. This year, we lost, particularly, scarce technical skills as employees resigned over concerns surrounding the company’s sustainability.



Despite strained financial circumstances, however, our training and skills development expenditure remained little changed at R92 million (2024: R104 million). The modest decline related mostly to the closure of the Longs business and fast-tracking the training of production and apprenticeship learners who were due to finish their 18-month training programmes.

This year the number of university engineering bursars we funded grew to 28 from 17 in the previous year. Investment in bursaries was R33 million in 2025. The total number of bursars was 46 which included employees furthering their studies, of whom 21 are women. In 2026, we plan to roll over the number of engineering bursar students who are in our pipeline and reduce our pool of candidate engineers and candidate technicians.

In 2023, we reached an agreement with the Manufacturing, Engineering and Related Services SETA (MerSETA), in terms of which MerSETA would fully fund the training of 300 production learners and 200 apprentices at our premises and utilise our skilled personnel. The initiative is fully aligned with skills development elements of the Master Steel Plan. The training commenced in 2024 and is being executed over a 30-month period and at a cost of R62 million (to MerSETA).

In 2025, excluding premature exits due to resignations, 213 production learners completed their training programme. Some 196 apprentices are due to complete their courses in 2027. While we are able to employ only a minority of these apprentices, as has traditionally been the case, we create substantial social value by skilling mostly young artisans in numbers that exceed our needs and feed into the national skills pool.

We entered into an agreement with SA Business School Limited to support our B-BBEE disabled youth development goals in 2025. Altogether, 80 learners were recruited and received contact centre training. Upon completion of their training, 78 were absorbed by SA Business School for employment.

We continued to work with the Majuba TVET College by providing workplace experiential learning to 18 apprentices at AMRAS, 215 apprentices, 17 production learners and nine national vocational certificate candidates at the Newcastle Works. The training is hosted at no cost to ourselves.



## Strategic objective 3: People first continued

### Corporate social investment (CSI)

Despite the company's financial challenges this year, we were able to maintain expenditure on our CSI sponsorships at the same level (R16.3 million) as 2024.



Most of our CSI budget was devoted to three science centres in Vanderbijlpark, Newcastle and Saldanha. Between them, these key community assets reached 62 291 learners, 2 483 teachers and 714 schools in the year. This impact was significantly greater than that of 2024 when the comparable figures were 27 756 learners, 929 teachers, and 369 schools.



The GetOn Skills Development Centre, in which the company invested R1.4 million in the year, trained 630 students in various skills sets including advanced computing, point of sale, professional baking and digital marketing. Almost two-thirds of graduates were economically active by year-end.

Our spend on repairing and maintaining municipal infrastructure around Vanderbijlpark Works reduced this year because of financial constraints, from R2 million in 2024 to R1 million. Work includes road repairs, stormwater cleaning and grass cutting.

In 2025 we provided R500 000 in financial support to the Thusong Projects charity which served 530 485 meals to the indigent. We also supported a similar Newcastle initiative which served 400 meals a week.

### Technical pipeline

	2025	2024	2023	2022	2021
Production learners	435	366	258	226	270
Apprentices	404	385	208	228	249
Administration learnerships*	23	21	27	30	30
Learnerships for people with disabilities*	80	80	70	80	80
Learner technicians	31	31	21	30	7
Candidate technicians	39	24	16	17	20

\* Additional programme.

### Business pipeline

	2025	2024	2023	2022	2021
Graduates in training	13	11	13	13	7
Administration internships	0	0	0	17	0
University engineering bursars	28	17	16	33	55
Candidate engineers	58	37	32	38	14
Candidate artisans*	30	12	0	0	0
Internships*	8	4	0	0	0
Total number of employees within the technical and business pipeline	1 149	988	661	712	732
Bursary investments (Rm)	33	38	19	29	24

\* Additional programme, discontinued in 2025.



## Strategic objective 3: People first continued

Under Thabazimbi’s social and labour plan, two community investments were pursued: a R1.5 million potable water project in the Regorogile township and the provision of a one kilometre road in Ipeleng township. The relocation of a school from the mine’s property to Regorogile, for which we allocated R5 million was not pursued because of a lack of third-party funding.

Newcastle Works supplied steel to local technical colleges and schools offering welding courses.

### Employment equity

Worldwide, the primary steel sector has traditionally been dominated by males and long tenures, the skills and expertise required to achieve leadership in this unique industry requiring lengthy periods of steel-specific service.



We acknowledge that we have some way to go in terms of transforming the upper echelons of our leadership teams. To this end, we have made specific undertakings in our latest three-year employment equity plan, submitted to the authorities in 2024. In 2025, incremental progress was made on this score; this had a great deal to do with the uncertainty and restructuring within the company and the difficulty experienced in recruiting suitably qualified individuals for top positions.

Our board and executive committee remain committed to transformation at ArcelorMittal and to delivering on the undertakings made in our employment equity plan.

### Workforce profile (2025 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	6	-	-	-	-	2	-	11
Senior management	8	3	8	38	2	-	1	13	8	1	82
Professionally qualified and experienced specialists and mid-management	100	8	19	154	49	2	16	69	15	3	435
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1 683	27	97	854	186	7	14	84	32	4	2 988
Semi-skilled and discretionary decision-making	1 410	14	10	120	123	2	5	30	3	1	1 718
Unskilled and defined decision-making	1	-	-	-	-	-	-	-	-	-	1
<b>Total permanent</b>	<b>3 203</b>	<b>53</b>	<b>135</b>	<b>1 172</b>	<b>360</b>	<b>11</b>	<b>36</b>	<b>196</b>	<b>60</b>	<b>9</b>	<b>5 235</b>
<b>Temporary employees</b>	<b>72</b>	<b>4</b>	<b>6</b>	<b>54</b>	<b>30</b>	<b>3</b>	<b>3</b>	<b>16</b>	<b>9</b>	<b>3</b>	<b>200</b>
<b>Grand total</b>	<b>3 275</b>	<b>57</b>	<b>141</b>	<b>1 226</b>	<b>390</b>	<b>14</b>	<b>39</b>	<b>212</b>	<b>69</b>	<b>12</b>	<b>5 435</b>
<b>Percentage</b>	<b>60.3</b>	<b>1.0</b>	<b>2.6</b>	<b>22.6</b>	<b>7.2</b>	<b>0.3</b>	<b>0.7</b>	<b>3.9</b>	<b>1.3</b>	<b>0.2</b>	

### Workforce profile (2025 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 2025 as reported in October to the Department of Employment and Labour.



## Strategic objective 3: People first continued

### Broad-based black economic empowerment

In 2024, we reported a self-assessed Level 8 B-BBEE rating, primarily influenced by financial performance constraints. The final rating for 2024 was verified at a Level 7, slightly better than the Level 8 that had been anticipated.

This year, we made significant progress on advancing various transformation initiatives and anticipate achieving a Level 4 B-BBEE status for the financial year with verification commencing in April 2026. This is expected to be our best outcome since 2017.

This projected improvement is the result of a strengthened, integrated transformation strategy overseen by a transformation steering committee which was established in 2025 to ensure alignment across all B-BBEE scorecard elements, the ArcelorMittal Foundation, Vesco, and the Bessemer Private Equity Fund. The steering committee consists of top management including the CEO and CFO. We also appointed a fully experienced B-BBEE manager (Isak Mtolo) and engaged expert external consultants.

### Overall B-BBEE performance

Our 2025 self-assessment projects an overall score of approximately 78 points (out of 120 – against 72.98 points in the previous year), reflecting steady progress across priority elements and a more efficient utilisation of transformation spend. This achievement will be complemented by a two-level enhancement as a consequence of our commitment to the Youth Employment Service (YES) in 2025, resulting in the Level 4 B-BBEE outcome. This level of improvement is consistent with the company's strategic commitment to sustainable transformation and stakeholder expectations.

### Ownership

2025	2024
16.4	16.4

Our B-BBEE ownership remains at 21.75% with shareholding by Likamva Resources, the ArcelorMittal Community Trust, and the Isabelo Employee Share Scheme.

### Management control

2025	2024
6.9	4.7

During 2025, a new employment equity tracking system was initiated to assist with implementation of the amended employment equity regulations against sectoral targets. This also brings alignment of B-BBEE and employment equity reporting and enables real-time monitoring of demographic performance against sector and economically active population targets. Management control remains a key structural focus area for the company.

### Skills development

2025	2024
15.0	13.1

Skills development is a high-impact but cost-sensitive element. Our self-assessment maintains 2024 achievements in 2025 while optimising spend efficiency.

Training initiatives were rationalised to align with operational needs and MerSETA commitments while ensuring the continued inclusion of persons with disabilities and unemployed youth. (See page 54.) Implementation of certain initiatives was deferred to 2026 to align with post-restructure employment levels, ensuring sustainable integration. This year, training programmes delivered by the ArcelorMittal Foundation, such as GetOn Skills, and initiatives implemented by Thabazimbi Iron Ore Mine were included in recognition under this element.

### Preferential procurement

2025	2024
20.4	18.1

We continue to make meaningful progress in enhancing procurement from empowered suppliers. The 2025 self-assessed score of 20.4 points reflects a more than two-point improvement on 2024. The preferential procurement outcome is informed by the onboarding of additional Level 1 to 4 suppliers and improved tracking of suppliers' B-BBEE credentials. Further initiatives will be taken forward in 2026 to support suppliers with 30% to 50% black ownership to transition to majority black ownership through targeted enterprise and supplier development (ESD) interventions. Procurement exclusions (imports and regulated categories) were formally analysed to inform an ESD plan for imported goods, enhancing recognition and efficiency. In this way, we anticipate creating significant social value for entities that are able to supply goods that were previously imported.



## Strategic objective 3: People first continued

### Enterprise and supplier development (ESD)

2025	2024
10.0	6.5

In 2025, a new enterprise and supplier development special purpose vehicle (BS3) was launched under the Bessemer Private Equity Fund structure. The special purpose vehicle manages historical ESD funds, redeployed to drive strategic supplier and enterprise initiatives aligned with the company's localisation and industrialisation goals. The fund is almost wholly owned by ourselves.

Further work was concluded to regularise historical ESD loans and convert recoverable amounts to active development funding. The legacy incubator structure is in the process of being responsibly unwound to reduce fixed costs. These initiatives will strengthen our long-term ESD impact, improve governance, and contribute towards more strategic and sustainable ESD initiatives. They move ESD from fragmented support mechanisms to a disciplined portfolio-based model focused on commercially viable enterprises, longer-term funding, and defined graduation pathways. By consolidating ESD activity and allocating capital to high-potential suppliers aligned with our value chain, the new strategy aims to drive durable economic participation and sustainable transformation outcomes. Consequently, this year we began winding down our Matlafatso small-business incubation hub in Vanderbijlpark.

### Socio-economic development (SED)

2025	2024
5.0	5.0

SED activities continued to be implemented through the ArcelorMittal Foundation, focusing on education, technical skills, career guidance and community upliftment (see page 54). While total CSI spend decreased slightly, optimised allocation and alignment to B-BBEE criteria meant that we retained full SED points for 2025. The foundation's strategic realignment and cost rationalisation continue into 2026, to redirect resources toward higher-impact initiatives.

### Youth Employment Service (YES) initiative

In September, we entered the presidential YES programme, supporting employment in 2025 and 2026, which will yield a two-level enhancement of our B-BBEE rating for 2025, further strengthening the company's social impact credentials.

### B-BBEE outlook

The transformation journey embarked on in 2025 has been defined by integration, efficiency and sustainability. The transformation steering committee now provides unified governance across all scorecard elements, ensuring alignment of policy, cost and impact outcomes. The Level 4 target remains on track for 2026, driven by the combination of strategic ESD deployment, focused skills development investment, tracking and, where possible, improving employment equity outcomes, and driving meaningful SED initiatives.

### Tax transparency

This year we paid R624 million in various taxes (2024: R541 million). All taxes were paid to South African authorities.

The company and its subsidiaries paid R806 million in PAYE taxes in the year (2024: R795 million), R149 million in carbon taxes (2024: R135 million) and R1.2 million in mineral royalties (2024: R1.5 million). In addition, we paid R100 million in municipal assessment rates (2024: R107 million). In 2025, we received net VAT refunds of R427 million (2024: R505 million).

We maintain that carbon taxes do not incentivise low-carbon investments and unfairly penalise primary steel producers such as ourselves, who are committed to realistic but costly decarbonisation.

### Outlook

With a smaller staff complement, our employment costs are expected to more accurately reflect the size of the restructured company. We do not envisage reducing training and skills development per employee but will instead seek to compete more aggressively for scarce, mostly technical, skills, an undertaking that we believe will be facilitated by greater certainty over the sustainability of the business.

As described, we also plan to keep funding the three science centres we traditionally supported, despite the closure of Newcastle Works.

Maintaining and even improving on the gains made on our B-BBEE performance will be a key management concern, spearheaded by the board's social, ethics and human resources and nominations (SEHRNom) committee and the new transformation steering committee. After our existing B-BBEE transactions mature in 2026, it will become necessary to implement a revised ownership structure.

## 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 requirements of the King V™ report, including the Disclosure Framework, will be applied in the next Integrated Report.

The board met on nine occasions in 2025.

### 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.

The sustainability of the company and the status of the Longs business were directors' overarching concerns in 2025. Management consistently briefed the board on efforts to prevent a Longs shutdown and achieve outcomes that would enable ArcelorMittal South Africa to operate sustainably while minimising the erosion of human and social capital. Between scheduled and

special board meetings, the chairman and directors involved themselves in discussions and negotiations with interested third parties including government and funders.

Key decisions regarding the future of Longs were made by the board after taking into consideration all material information and possible eventualities.

In 2025, the board also:

- Interrogated management's determination of financial and non-financial (sustainability) material matters and monitored the execution of strategy
- Engaged management closely on workplace safety performance and execution of the safety roadmap, and considered adjustments to safety key performance indicators
- Reviewed the risks facing the organisation with an emphasis on actions to address cash and liquidity constraints, matters relating to going concern, and poor domestic steel demand
- Considered detailed reports on operational performance and investments and efforts to improve reliability including senior management and other appointments
- Received reports on the restructuring of the Flats business and corporate shared services and the impacts thereof on employees
- Monitored the fair and equitable treatment of employees affected by restructuring measures
- Took an active role in advancing measures to improve the company's B-BBEE and diversity performance
- Regularly reviewed matters relating to the company's liquidity, covenant headroom and going concern

- Focused on financial performance (earnings, funding and a potential recapitalisation)
- Received regular reports on stakeholder interactions and considered the company's impacts on stakeholders, including investors, customers and communities
- Considered management's environmental policies, practices and investments
- Focused on compliance matters across the different areas of the business including newly promulgated legislation
- Approved numerous communications to the market on the company's challenges and prospects
- Interrogated and approved corporate actions including investments
- Approved external reports to stakeholders including this integrated report and the interim and full-year financial results announcements and statements.

### 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.

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

### Environmental management

Key board focus includes 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

Transformation and the social contribution of the organisation continued to be a focus during 2025. Building on discussions in 2024, the board once again considered the B-BBEE strategy and goals, focusing on areas where these were not achieved. It was recognised that there was a need to balance the social and transformation commitments with what was realistically achievable based on affordability. It is anticipated that better progress will be made through contributions made to the Private Equity Fund and its investments into appropriate transformation projects.

Further information on our transformation and social impacts and strategy can be found on pages 56 and 57.

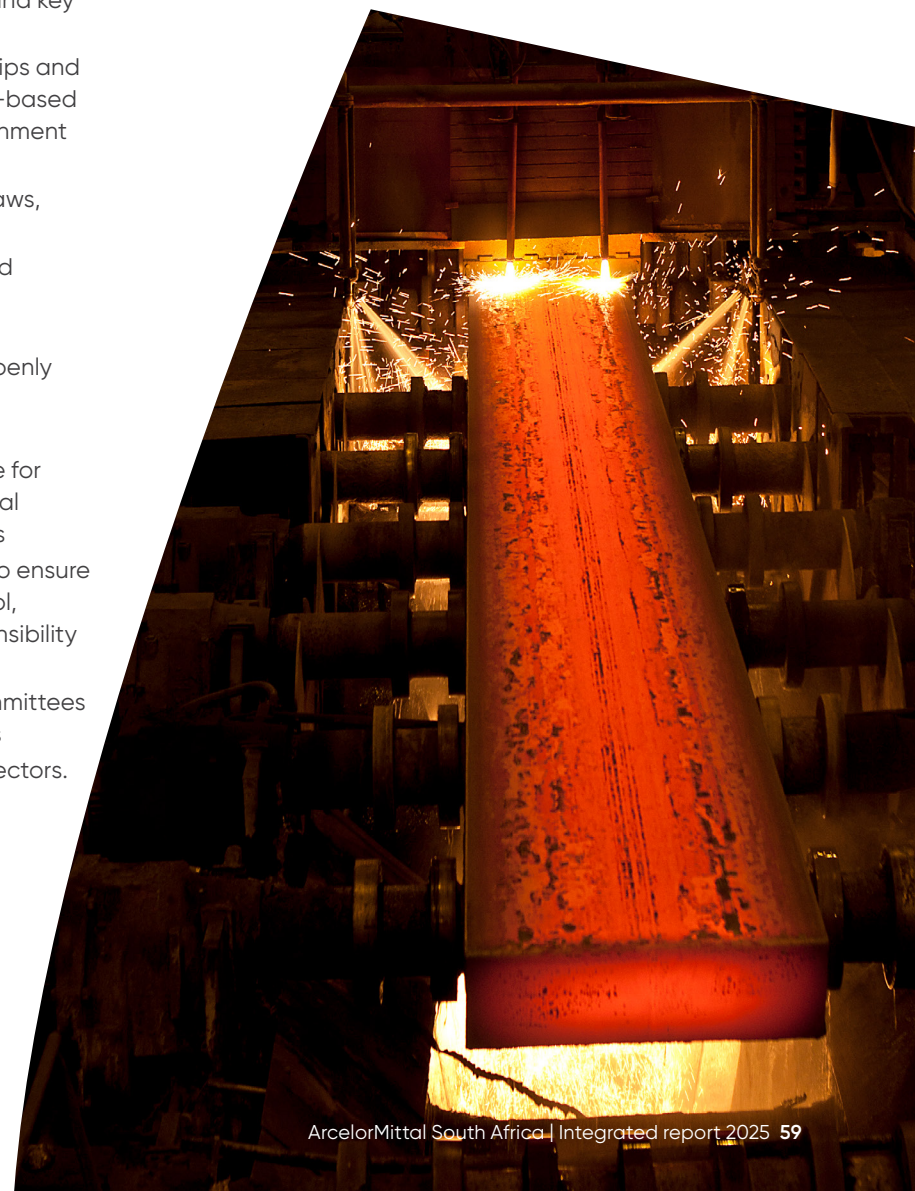
### Board charter

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.

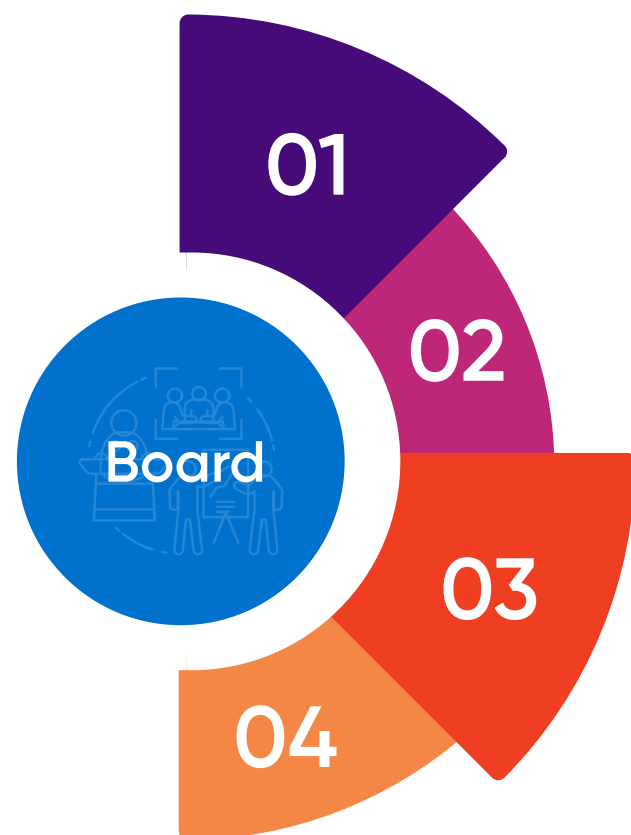
The Board conducted a review of the terms of reference (ToR) for all sub-committees in 2025 except for the ARC whose ToR will be reviewed in 2026. All reviews are on a three-year cycle.



## 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, 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.



#### Audit and risk committee (ARC)



The committee's primary purpose is to provide oversight, on behalf of the board, of assurance, internal controls, compliance and risk in performing its statutory duties and responsibilities as prescribed by the Companies Act, with specific reference to audit quality, auditor independence and financial policies and reporting, and effective risk management. This is in addition to complying with the JSE Listings Requirements and King IV™. The committee also provides oversight of IT governance and integrated reporting. As part of its mandate regarding the governance of risks, the committee reviews the risks faced by the organisation on a regular basis.

#### Human resources committee (HRC)



The overarching responsibility of the committee is to ensure that the principles of accountability, transparency and good governance, with regard to human resources, remuneration and nomination issues, are carried out. The committee ensures that the company has the appropriate remuneration policies and practices in place to attract, motivate and retain the right talent, especially at executive and operational levels. The committee annually reviews the skills profile of the leadership team.

#### Social and ethics committee (SEC)



The committee is constituted in terms of section 72(4) of the Companies Act 71 of 2008, as amended, and its accompanying regulations, to implement the mandate prescribed by regulation 43(5). The committee's primary goals are to assist the board and the organisation in exercising oversight of the company's performance and compliance, with regard to economic and transformation issues, social and ethics, the natural environment and workplace issues.

#### Safety, security, health and environmental committee (SSHEC)



The role of the committee is to exercise oversight over policies, performance and related matters as described in its name, and to ensure the investigation and proper management of incidents concerning safety, security, health and the environment.

Due to overlap between some of the committees, the board decided towards the latter part of the year to combine the SEC and HRC into a single committee. A revised terms of reference is being finalised in this regard. It was noted that in light of the revised requirements related to remuneration committees, the efficiency and effectiveness of the combined committee would be assessed on an ongoing basis during 2026.

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

## Board composition

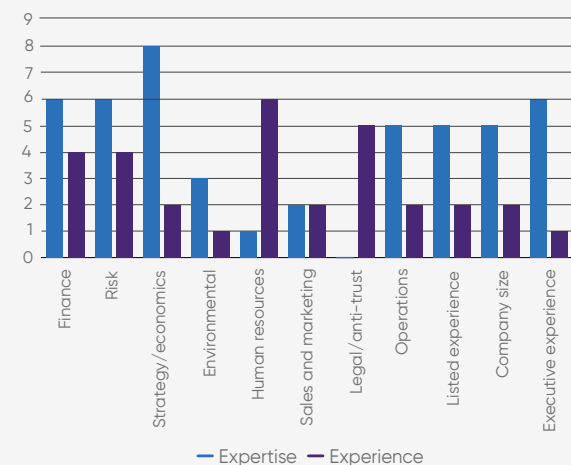
On 10 February 2025, the company announced the appointment of Mr Mikhail Maasdorp as a non-executive director with effect from 1 March 2025.

At year-end, the board comprised 10 directors, of whom four were independent non-executive directors, four non-executive directors and two executive directors, being the chief executive officer and chief financial officer. Board membership, diversity and tenure are reported on pages 27 and 28 of this report.

The King IV™ report recommends that a majority of the non-executive directors be independent non-executive directors and this is not the case at present, with there being an equal number of non-executive and independent non-executive directors on the board. The reason for this is that in light of the uncertainty in the steel industry, which led to the closure of the Longs Business, and engagement with the IDC, it was felt prudent not to appoint additional directors at this stage. This matter will be addressed in due course.

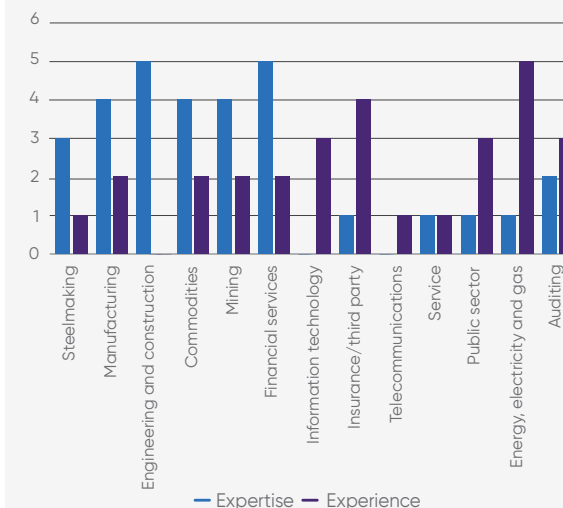
## Board expertise

Functional 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 into account these identified areas for improvement.

Industry expertise and experience



## Delegation

The board is mindful 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.

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

### 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.

In 2025, the following policies were reviewed:

- Diversity policy for directors – submitted to the HRC
- Terms of reference for board committees – submitted to the ARC
- Internal audit charter – submitted to the ARC
- Grievance procedure – submitted to the SEC
- Employment equity plan – submitted to the HRC
- Harassment policy – submitted to the HRC.

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.

In Q4 2024, a new group grievance policy came into force; broadening the scope of issues to be addressed in terms thereof from fraud and corruption issues to include environment, affected communities, health and safety, human rights, labour rights, and business ethics and governance. This resulted in the creation of additional investigative functions, in addition to our company's forensic services focusing on ethics- and fraud-related incidents.

In 2025, there were 46 forensic-related cases reported (2024: 30). In addition, eight cases from 2024 were carried over. Of a total of 54 reports, 42 were investigated in 2025. Twenty-four were found to be unsubstantiated; 15 were substantiated, and three lacked sufficient information to warrant an investigation.

A total of 860 employees and suppliers received training in fraud awareness and prevention in 2025, compared to 801 in 2024.

Thirty-three non-forensic cases were also reported with one assessed as high risk. Of these, 32 were closed with one still in process of being investigated.

A fraud whistleblower line (0800 001 672) is operated by EthicsPoint on behalf of the company.



## Audit and risk committee report

The committee submits its report for the year ended 31 December 2025 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 and the King Report on Corporate 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 2025 to serve until the next AGM to be held on 26 June 2026:

- 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 the committee meetings attended by each of the members is set out on pages 27 and 28 respectively of the IR. The committee was found to be effective and to have served as 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 (CEO) and chief financial officer (CFO) 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 2023. 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 evaluates the quality and integrity of the 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 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 were 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
- Reviewed the interim financial results and oversaw the preparation of the annual financial statements and is satisfied 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 2025 and comply, in all material respects with the Companies Act, the International Financial Reporting Standards (IFRS) accounting standards and the Financial Pronouncements as issued by the Financial Reporting Standards Council and applicable legislation
- Reviewed the change statement notice following the adjustments made to the audited financial statements and the condensed financial statement issued on 5 February 2026. The changes relate to the balance sheet whereas cash, cash equivalents and restricted cash was reduced by R315 million that had to be disclosed as non-current assets. The loan repayable to the IDC is immediately repayable following the cross default to the BBF agreement noted an event of default due to total liabilities exceeded total assets and the impairment of a plant disclosed as property, plant and equipment of R112 million, and the reclassification of R37 million from finance cost to other operating expenses. These had not impact on headline earnings per share, but basic loss per share increased from 260 cents per share to 270 cents per share. These changes did not change the audit opinion previously issued
- Reviewed reports to shareholders and other announcements on the group's 2025 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

## Audit and risk committee report continued

- Confirmed that it is satisfied with the quality and integrity of the integrated report and the annual financial statements and wish to highlight the following key audit matters and significant areas of judgement taken under consideration during the year.

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, the Coke and Chemicals Business unit, previously assessed as a separate CGU, is included in the Vanderbijlpark CGU following restructuring initiatives caused by changing market conditions and the wind down of the Longs business into care and maintenance.

The impairment of a plant currently recognised as an asset under construction was considered and concluded that based on the current circumstances, the technical design and utilisation of the plant will have to be reconsidered.

The committee supported management's recommendation that the plant under construction should be partially impaired. No impairment should be recognised for the Vanderbijlpark and ArcelorMittal Rail and Structures (AMRAS) CGUs.

- **Reversal of impairment of property, plant and equipment**

The committee concurs with management's impairment assessment resulting in the reversal of impairment on the Vereeniging, AMRAS, Saldanha and Newcastle plant on the basis of these plants' recoverable amounts exceeding the respective carrying amounts at year-end.

- **Prior period error**

The committee reviewed and assessed management's correction and presentation of a prior year error for the reversal of impairment on the Saldanha plant, following the impairment assessment on the group as a whole triggering a reassessment of the plant previously impaired to Rnil in 2020.

- **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.

- **Revaluation of investment property**

The committee reviewed the key assumptions and judgements applied in the revaluation of the group's investment property.

- **Property, plant and equipment transferred to investment property**

The committee concurs with management's impairment assessment resulting in the reversal of impairment on the Vereeniging, AMRAS, Saldanha and Newcastle plant on the basis that these plants' recoverable amounts exceeding the respective carrying amounts at year-end.

- **Going concern assumption**

The committee 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.

Though these evaluations indicate the existence of a material uncertainty related to going concern, the committee have considered the viability of their reasonable plans as noted above and believe that the group has viable plans and therefore sufficient liquidity to

pay the group and company's debts as they become due over the next 12 months and as a result support the preparation of the group and company's financial statements on a going concern basis.

### 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, 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 auditor and designated individual partner

The committee nominated EY to serve as external auditor of the group, and the nomination was approved by the shareholders on 23 May 2025. EY will serve as external auditor, with PD Grobbelaar as designated audit partner, until the AGM to be held on 26 June 2026. 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 the rotation rules.

## Audit and risk committee report continued

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 their independence has not been impaired.

All non-audit services were approved by the committee in accordance with the 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 chairman of the committee and head of group internal audit of the holding company, ArcelorMittal Holdings AG.

The committee reviewed the assurance services charter in 2023 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 these to be satisfactory.

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

### **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 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 2025**

The committee has oversight of the group and company system 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 over the enterprise risk management processes, development and has recommended the review of a policy and plan for risk management to the board. The committee has reviewed the integrity of the 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 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 (including credit risk, liquidity risk, market risk, human resources risks and compliance risks), the operation risks and the information technology (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.

## Audit and risk committee report continued

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

The committee assessed the competency, 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 CFO, 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 CFO, is experienced and operate effectively.

### The committee assessed the company secretary

The committee assessed the expertise and experience of the company secretary, FluidRock Co Sec Proprietary Limited. The committee was satisfied that FluidRock Co Sec Proprietary Limited 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 and King IV™ Report, 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 had discharged its legal and other responsibilities as outlined in its terms of reference, details of which are included in the IR.

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

**D Earp**  
Chairperson

30 April 2026



## Social and ethics committee report

### On behalf of the social and ethics committee (SEC), it is my pleasure to present the committee's 2025 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)
- 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 the integrated report.

### Meetings

The committee met twice 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 stakeholders

## Social and ethics committee report continued

- 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 the organisation's 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.

### 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 in the year 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. It was agreed that transformation of the workforce, including top and senior management, remained a priority but that identifying and developing black general managers would be focused on in the short term. This given the broader challenges currently facing the company. The formation of a management transformation steering committee was welcomed
- Considering reports on 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.

It was agreed that a standalone B-BBEE policy be drawn up with reporting on progress being considered by the committee on a regular basis and the committee in turn making appropriate recommendations to the board. This policy was subsequently adopted by the committee and approved by the board. Members discussed each element of the company's B-BBEE scorecard in considerable detail, unpacking areas for improvement and three to five areas of achievable and affordable short-term gains. Directors were briefed by, and questioned, a representative of a specialist B-BBEE consultancy which is advising the company on fundamentally overhauling, and improving, its B-BBEE performance. These improvements are discussed in some detail in the 2025 integrated report.

- Scrutinising reports from the other board committees (audit and risk, safety, security, health and environment, and human resources) and noting areas of progress on, particularly those relating to social and ethics matters, as well as matters of concern and requiring further actions by management
- 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 relationships across various sectors. Members acknowledged the considerable investment in management time that had gone into communicating with employees given restructuring measures and the future path of the company.

## Social and ethics committee report continued

- Receive reports on safety, security, health and environmental improvement actions related to employees, contractors and the community
- Receive reports on 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
- Considering detailed reports on stakeholder engagement with the committee noting that the general image of the company was more positive than had previously been believed
- Assessing the group's activities related to the OECD recommendations regarding corruption and reviewing the group's ethics management programme. Ethics awareness and fraud investigations were considered in detail. The board commended management on the efforts and close scrutiny devoted to these issues. It was agreed that ArcelorMittal South Africa was by no means unique in terms of the nature and volume of reported incidents and allegations. It was noted that allegations requiring forensic investigation would henceforth be pursued by global assurance and that other matters would be under the purview of the general counsel
- Approving the company's new grievance procedure with members noting that its provisions were stricter than those of current South African regulations.

### 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. Performance in terms of the B-BBEE Codes of Good Conduct scorecard in the year was particularly encouraging (see page 56). It was also encouraging that the company was in a position to maintain its ongoing investment in basic community support programmes, especially education, and substantially increase the impact of these investments.

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*

30 April 2026



# 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 2025 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. Responsible environmental stewardship is a key concern of both management and the board.

### 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 and other material environmental impacts
- 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 2025 included:

#### Safety

Workplace safety remains the company's and the committee's utmost priority. The committee supports the board and management in managing safety performance, management and culture.

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

## Safety, security, health and environmental committee report continued

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, performance and outcomes are reported to the committee, which discusses the actions taken and suggests improvement.

The fatal accident that occurred on 25 January was discussed in detail by the committee. In that incident, a contractor scrap cutter, Mr Ezekiel Rakauoane (49), was killed by a mobile magnet.

The committee extends its condolences to the family and colleagues of Mr Rakauoane. Directors were satisfied that the company's response to the tragedy, including trauma counselling, was commendable and that Mr Rakauoane's family had been treated with all due empathy, funeral and financial support.

Root cause analyses and mitigating actions taken to prevent a recurrence of this event were submitted by management and interrogated in depth by the committee.

The committee was briefed on the group-wide safety transformation strategy and its implementation locally. In particular, members discussed with management the three-year roadmap compiled in terms of the new strategy and the new integrated safety culture and risk management framework.

Directors noted improvements in key safety indicators – which progress was confirmed at year-end, subsequent to the last of the committee's meeting.

The committee questioned SSHE leadership on root cause analysis and gaps identified in managing contractor safety performance, as well as efforts to cement the role of managers at all levels in visibly leading the maintenance of a robust safety culture. Moves to involve the HR function in this endeavour were welcomed.

Members questioned management on outcomes from the recent group safety audit and how internal audits would translate into tangible and immediate improvements in risk identification.

Reports on shopfloor safety leadership were received and approved of. While noting that considerable room for improvement remained towards the achievement of zero harm, directors congratulated safety managers on their concerted efforts to improve the company's safety performance.

More information on safety can be found on pages 40 and 41 of this integrated report.

### Security

The committee received detailed reports on the ongoing implementation of an intelligent security roadmap. It was noted that, for most of the year, there had been a decline in incidents and an increase in arrests. Increased arrests did not, however, translate into higher conviction rates and specialist, external, skills had been hired to assist in this regard. In addition, collaboration with the police had improved.

Heightened measures taken to improve technology including the use of polygraph tests, as well as the deployment of copper-detecting dogs, were welcomed.

### Health

The committee oversaw the promotion of health and wellbeing through a structured framework derived from risk assessments and supported by robust reporting.

Committee members were briefed on elevated levels of anxiety and mental stress among the workforce. They were assured that counselling and other support measures had been put in place for those affected by the retrenchment process. They satisfied themselves that the company's management of health and welfare awareness, as well as controls, remained exemplary although they noted a paucity of impact assessments. This concern was being attended to.

The development of a bespoke roadmap covering occupational health, mental wellbeing, financial wellness and work/life balance was welcomed.

## Safety, security, health and environmental committee report continued

### Environment

Management reports on an overall and significant improvement in environmental performance, as well as considerable ongoing structural/legacy and sporadic challenges, were received.

Committee members commended the environmental team on a much improved, more detailed reporting process. Emissions had improved considerably although much work on fugitive emissions remained to be done. The company, it was noted, had moved from a high-risk status to a more controlled, more defensible position.

Other key environmental matters considered by the committee were:

- Water abstraction and Vanderbijlpark's zero effluent discharge status
- Work on a new Vanderbijlpark waste site for hazardous waste originating from Mooiplaas
- A 12A minimum emission standard application in terms of Vanderbijlpark's sulphur dioxide emissions
- Ongoing monitoring and compliance.

A major achievement in the year was the successful delivery of a project to capture a very large amount of data needed to comply with the oversight and reporting requirements of the European Union's corporate sustainability reporting directive (CSRD).

More information on environmental matters is on pages 42 to 45 of this report.

### Conclusion

The company's safety performance improved significantly in the year following a disconcerting deterioration in the previous year. Committee members are cautiously optimistic that the new group-led safety strategies, and a renewed commitment by this company's leadership, will cement the strides made in 2025.

Similar to our overall safety outcomes, the new security roadmap achieved significant improvements, as detailed above. Also, there was considerable progress to be reported on minimising our deleterious environmental impacts.

The committee believes that all key SSHE matters are being effectively addressed by the company and that management of these key areas only improved in the year. Appropriate policies and programmes have been adopted to achieve high SSHE standards. Accordingly, the committee confirms that it discharged its responsibilities appropriately in all material respects in 2025 and achieved its objectives for the year under review.

**Neville Nicolau**  
Chairperson

30 April 2026



# Human resources committee report

## On behalf of the human resources committee (HRC), it is my pleasure to present the committee's 2025 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 members of the committee are:

- LC Cele (independent non-executive director: chairperson)
- 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 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.

## Remuneration

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 23 May 2025. The committee was extremely pleased with these outcomes and thanks shareholders for their votes of support.

The results of the votes were as follows:

Annual general meeting resolutions	2025 %	2024 %	2023 %
Remuneration policy	99.81	91.94	92.72
Remuneration implementation report	99.81	91.94	92.72
Non-executive directors' fees	99.99	97.72	98.66

While no short-term incentives (STIs) were awarded in the current year, the committee remained open to management proposals on other incentives to retain key personnel. Directors concurred that, in line with ArcelorMittal group policy, the STI plan's health and safety key performance indicator of potential serious injury or fatality (PSIF) be replaced with total recordable injuries.

The committee approved the 2022 long-term incentive plan (LTIP) vesting. Directors also noted a management proposal that an evaluation, into whether all appropriate personnel were included in the LTIP scheme and the programme's overall effectiveness, be undertaken.

Members considered the 2024 performance review for package category employees and observed that efforts to actively recruit technical skills and women were ongoing, such efforts including engagement with bursary holders and visits to universities. A proactive recruitment strategy extended to senior management roles, as required.

## Human resources committee report *continued*

### HR strategy

The HR strategy for 2025 and beyond has been informed by group strategic themes, as well as by local emerging themes with a strong focus on the restructuring process. While ensuring, to the greatest extent possible, the wellbeing of all employees, especially those directly affected by corporate downsizing. In the year, the committee was kept abreast of developments around the future of, particularly, Newcastle Works and the effects of restructuring on employment.

The committee endorsed HR strategies aimed at cost reduction while embracing measures put in place to actively support employees affected by organisational changes. Members acknowledged the unfortunate imperative to reduce headcount in response to the company's challenges, notably the loss of some 40% of business activity.

### Employment equity

The committee noted that the new employment equity plan would be in force from September 2025 to August 2030 and that new manufacturing sectoral targets had been set. Directors further noted that the plan might need to be revised next year to align with the new company structure.

It was submitted to the committee that the plan committed the company to deliver several actions to accelerate affirmative action including working towards meeting a group target of having 30% female representation at senior management level by 2030. (Members requested that all meaningful measures taken to address gender disparities and the lagging representation of African, Indian and coloured individuals at senior levels be shared with the committee.)

Management was commended for putting in place succession planning that affirmatively addressed these gaps.

In addition to the employment equity plan undertakings, directors approved of the establishment of 10 company-wide committees which, inter alia, are addressing diversity and inclusion (as well as health and wellbeing, reward and employee engagement). Also, the skills development pipeline had been re-engineered to match the desired demographic profile.

Voluntary employee turnover remained within acceptable parameters, supported by a robust talent pipeline of over 900 learners and 28 bursars enrolled at various universities. Many pipeline learners from Newcastle had been transferred to Vanderbijlpark to complete their training.

### Other matters

On board composition and succession, members deliberated on challenges in terms of rotation and King IV™ requirements regarding the representation of independent non-executive directors. Other than Mr Mikhael Maasdorp, who joined the board in March 2025, members felt that, in light of the challenges facing the company, it was not advisable to consider the appointment of new directors before 2026.

Progress on an ongoing governance review, including board proposals that certain committees, including the HRC and social and ethics committee, be combined, was noted. A harassment policy for the company was approved.

**Lungile Cele**  
*Chairperson*

30 April 2026



# Remuneration report

## Background statement

In 2025, the organisation navigated one of the most challenging periods in its recent history, marked by significant restructuring driven by persistent macro-economic pressures and market realities. These dynamics necessitated a substantial reduction in the workforce, including both employees and contractors. While these decisions were difficult, they were taken to support long-term business sustainability and to protect value for all stakeholders. Throughout the restructuring process, management remained focused on retaining critical skills essential to advancing the company's strategic objectives, transferring key employees into business critical functions and making targeted new appointments where capabilities were required.

Against this backdrop, employee-related costs remained a central component of the company's expenditure profile. The year under review marked the final period of a three-year wage agreement, under which bargaining unit and package category employees received an average increase of 3.2% aligned to negotiated terms. Although no annual bonuses were paid, the company maintained its commitment to fair and responsible remuneration practices, while also fully accounting for costs associated with restructuring and employee support measures.

The organisation recognised the significant effect that these developments had on morale and workplace culture. To address this, leadership intensified communication and engagement efforts, creating

structured platforms for dialogue and support, while continuing to monitor employee sentiment through established engagement surveys. This remuneration review is therefore presented in the context of both financial realities and the company's ongoing commitment to transparency, fairness, and long-term workforce sustainability.

## 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.

# 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 subsidy to retirement and medical aid (including disability and death risk insurance) – CTC</li> <li>• Bargaining unit: Basic salary plus guaranteed allowances (housing and thirteen cheque) and employer subsidy to pension and medical aid</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> </ul>	<ul style="list-style-type: none"> <li>• Non-bargaining: An adjustment of 3.2% was implemented, effective 1 April 2025</li> <li>• Bargaining unit: An adjustment of 3.2% was implemented, effective 1 April 2025.</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 that 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 R4 100.</li> </ul>
<b>Variable pay</b>		
<b>Non-bargaining unit:</b> <b>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 or 2025.</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. No allocation made in 2025. Vesting of the 2021 LTIPs took place in 2024. 2022 allocation vested in 2025 but was not settled due to the current ongoing closed period</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>
<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 allocation is made as stipulated in the wage agreement and executed when targets are met.</li> </ul>

# Remuneration report continued

## Key changes to our remuneration policy

There were no key changes to our remuneration policy in 2025.

## Implementation report

### Guaranteed pay in 2025

Non-bargaining employees are remunerated according to a CTC pay structure, which includes a basic cash component, as well as employer subsidy to retirement and medical aid. 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. This year was the third in which a three-year wage agreement with trade unions representing bargaining unit employees was in effect. A 3.2% increase was awarded for this category, effective 1 April 2025.

Bargaining unit agreement features and execution	2025	2024	2023
Salary and medical aid subsidy cap adjustment implemented	3.2%	5.6%	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> 2025 R	Retirement funding <sup>2</sup> 2025 R	Other <sup>3</sup> 2025 R	Total 2025 R	Total 2024 R
<b>Executive directors</b>					
HJ Verster	10 559 165	650 378	64 939	11 274 482	11 222 011
GA Griffiths <sup>4</sup>	4 720 145	396 134	114 576	5 230 855	5 028 396
<b>Sub-total</b>	<b>15 279 310</b>	<b>1 046 512</b>	<b>179 515</b>	<b>16 505 337</b>	<b>16 250 407</b>
<b>Prescribed officers and highest-paid employees</b>					
M Adam	3 884 647	322 431	251 613	4 458 691	4 115 468
J Kotze	3 302 856	280 647	301 637	3 885 140	3 629 972
D Mocke <sup>5</sup>	3 535 425	186 075	12 316	3 733 816	601 922
G Nagpal <sup>6</sup>	4 475 136	371 442	450 466	5 297 044	4 806 466
VA Sampula <sup>7</sup>	3 595 990	189 263	63 078	3 848 331	3 705 479
W Venter	3 229 996	268 094	61 900	3 559 990	3 449 931
<b>Sub-total</b>	<b>22 024 050</b>	<b>1 617 952</b>	<b>1 141 010</b>	<b>24 783 012</b>	<b>20 309 238</b>
<b>Total</b>	<b>37 303 360</b>	<b>2 664 464</b>	<b>1 320 525</b>	<b>41 288 349</b>	<b>36 559 645</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, short-term incentives and ex-gratia payments.

<sup>4</sup> GA Griffiths was appointed as chief financial officer and executive director with effect from 1 April 2024.

<sup>5</sup> D Mocke appointed as chief procurement officer effective 1 November 2024.

<sup>6</sup> G Nagpal appointed as chief marketing officer on 1 January 2024.

<sup>10</sup> VA Sampula appointed as chief human resources officer effective 1 June 2023 and resigned effective 31 December 2025.

## Remuneration report continued

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

	Directors' fees 2025 R	Committee fees 2025 R	Total remuneration 2025 R	Total remuneration 2024 R
<b>Non-executive directors<sup>1</sup></b>				
BF Mohale	1 752 657	–	1 752 657	1 711 704
AM Thebyane <sup>2</sup>	–	–	–	264 369
LC Cele <sup>3</sup>	235 616	512 576	748 192	666 440
GS Gouws <sup>4</sup>	235 616	411 087	646 703	635 443
NF Nicolau	235 616	594 075	829 691	872 826
NP Gosa <sup>5</sup>	–	–	–	180 368
D Earp	235 616	544 609	780 225	790 719
M Maasdorp <sup>6</sup>	177 792	117 477	295 269	–
<b>Total</b>	<b>2 872 913</b>	<b>2 179 824</b>	<b>5 052 737</b>	<b>5 121 869</b>

<sup>1</sup> Directors' fees include fees paid to directors for services rendered to or on behalf of the company. Payments based on invoices considering rounding differences.

<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> G Gouws appointed as chairperson of Social and Ethics Committee (SEC) effective 23 July 2024.

<sup>5</sup> NP Gosa resigned effective 24 May 2024.

<sup>6</sup> M Maasdorp appointed as a non-executive director effective 1 March 2025.

### 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.

### 2025 STIP measures, weighting and targets

Measures	Weighting (%)	Target	Condition
Safety – total injury frequency rate	15	6.43	
Managerial EBITDA (USD'm)*	40	60	Fatality rate gatekeeper
Managerial free cash flow (USD'm)**	25	(12)	
Value plan programme savings (Rm)	20	1 207	

\* 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, 2024 and 2025.

### 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, 2024 and 2025.

### 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.

	2025 R	2024 R
<b>Executive directors</b>		
HJ Verster	1 870 000	1 870 000
<b>Sub-total</b>	<b>1 870 000</b>	1 870 000
<b>Prescribed officers and highest-paid employees</b>		
G Nagpal <sup>1</sup>	1 628 168	1 493 940
VA Sampula <sup>2</sup>	–	2 818 182
<b>Sub-total</b>	<b>1 628 168</b>	4 312 122
<b>Total</b>	<b>3 498 168</b>	6 012 122

<sup>1</sup> G Nagpal appointed as chief marketing officer on 1 January 2024.

<sup>2</sup> VA Sampula appointed as chief human resources officer effective 1 June 2023 and resigned effective 31 December 2025.

### Variable pay – 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 SEHRNom committee 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 LTIPs for executive directors, prescribed officers and highest-paid employees. No awards were issued in 2025 due to the closed period after the cautionary announcements.

	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 <sup>1</sup>	Number of allocations vested during the year <sup>2</sup>	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>3</sup> R
<b>Executive directors</b>								
HJ Verster	02/08/2022	1 059 816	–	(473 384)	–	–	586 432	744 769
	04/09/2023	3 216 390	–	(718 327)	–	–	2 498 063	3 172 540
	18/08/2024	5 910 486	–	–	–	–	5 910 486	7 506 317
		10 186 692	–	(1 191 711)	–	–	8 994 981	11 423 626
GA Griffiths	02/08/2022	182 926	–	(40 244)	–	–	142 682	181 206
	04/09/2023	1 465 272	–	(244 212)	–	–	1 221 060	1 550 746
	18/08/2024	2 947 133	–	–	–	–	2 947 133	3 742 859
		4 595 331	–	(284 456)	–	–	4 310 875	5 474 811
<b>Prescribed officers and highest-paid employees</b>								
M Adam	02/08/2022	354 238	–	(118 079)	–	–	236 159	299 922
	04/09/2023	1 035 967	–	(172 661)	–	–	863 306	1 096 399
	18/08/2024	2 366 392	–	–	–	–	2 366 392	3 005 318
		3 756 597	–	(290 740)	–	–	3 465 857	4 401 639
J Kotze	02/08/2022	270 915	–	(90 305)	–	–	180 610	229 375
	04/09/2023	911 136	–	(151 856)	–	–	759 280	964 286
	18/08/2024	1 716 497	–	–	–	–	1 716 497	2 179 951
		2 898 548	–	(242 161)	–	–	2 656 387	3 373 612
G Nagpal	02/08/2022	489 262	–	(163 087)	–	–	326 175	414 242
	18/08/2024	3 718 789	–	–	–	–	3 718 789	4 722 862
		4 208 051	–	(163 087)	–	–	4 044 964	5 137 104
VA Sampula	04/09/2023	863 230	–	(143 872)	–	–	719 358	913 585
	18/08/2024	2 128 896	–	–	–	–	2 128 896	2 703 698
		2 992 126	–	(143 872)	–	–	2 848 254	3 617 283

## 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 <sup>1</sup>	Number of allocations vested during the year <sup>2</sup>	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>3</sup> R
W Venter	02/08/2022	297 597	–	(99 199)	–	–	198 398	251 965
	04/09/2023	870 322	–	(145 054)	–	–	725 268	921 090
	18/08/2024	1 639 607	–	–	–	–	1 639 607	2 082 301
		2 807 526	–	(244 253)	–	–	2 563 273	3 255 356

<sup>1</sup> The approval by the HRC for the units not to vest was delayed pending the lift of the closed period following the cautionary announcement.

<sup>2</sup> The 2022 award vested during the 2025 financial year, however, was not exercised by the participants due to the company entering into a closed period after the cautionary announcements.

<sup>3</sup> Based on the closing price as at 31 December 2025 of R1.27.

### Vested LTIP units for the directors and prescribed officers

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

	2025* R	2024 R
<b>Executive directors</b>		
HJ Verster	–	1 062 925
GA Griffiths	–	135 271
<b>Sub-total</b>	–	1 198 196
<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>	–	1 219 185
<b>Total</b>	–	2 417 381

\* No LTIP units vested during 2025. The LTIP units granted in 2022 vested in 2025, but could not be settled due to the cautionary period under which the company traded.

# 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 2025

### 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 2025 (the Integrated Report). 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 2025, 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 39	Page 39
2	Employee and contractor fatalities	Page 39	Page 39
3	Employee numbers - Permanently employed (including fixed term contractors)	Page 39	Page 39
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 38	Page 38
7	Indirect carbon dioxide (CO <sub>2</sub> ) – scope 2 (t/t liquid steel)	Page 38	Page 38
8	Total greenhouse gas (CO <sub>2</sub> equivalent scope 1 and scope 2) (t/t liquid steel)	Page 38	Page 38
9	Total greenhouse gas (CO <sub>2</sub> equivalent scope 1 and scope 2) (Mt)	Page 38	Page 38
<b>Economic</b>			
10	Liquid steel capacity utilisation	Page 37	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 sets 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 Reports 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.

## Independent limited assurance report continued

### 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.

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.

## Independent limited assurance report continued

### Other matters

Apart from what was reported in our assurance report for the prior period (2024), 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)

30 April 2026

102 Rivonia Road, Sandton  
Johannesburg  
South Africa

## 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

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8 Bauhinia Street  
Highveld Technopark  
Centurion, 0169

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### Auditors

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### Transfer secretaries

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ArcelorMittal

## ArcelorMittal South Africa Corporate Office

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GPS coordinates: E 27° 48' 19.6" S 26° 40' 22.3"

<https://www.arcelormittalsa.com>

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

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