

KUMBA IRON ORE GROUP POLICY

MINERAL RESIDUE FACILITIES AND WATER MANAGEMENT STRUCTURES POLICY

REFERENCE NUMBER: GLD-A701-POL-0002

Version	00
Replaces	N/A
Author	Elvis Mabasa
Review Date	25/03/2022
Valid Until	25/03/2024
Reviewed Date	N/A
Reviewed By	N/A
Approved Date	07/02/2022
Approved By	Kumba EXCO
Policy Owner	Glen Mc Gavigan
Related Documents	N/A
Key Contact(s)	Elvis Mabasa
Brief Description	This Policy declares Kumba's commitment to safe and responsible management of Mineral Residue Facilities and Water Management Structures

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1. CONTEXT

At Kumba Iron Ore we own and manage several Mineral Residue Facilities (MRFs) and Water Management Structures (WMSs). MRFs include tailings dams, waste dumps and stockpiles, while WMSs includes water retaining dams and diversion structures. We recognise there is an inherent physical risk associated with these structures if not managed to the highest standards.

Tailings dams and water retaining dam failures may result in potentially catastrophic consequences, impacting people, property, and/or the surrounding environment in which we operate. Tailings dams' failures are listed as a principal catastrophic risk within Kumba Iron Ore.

Kumba Iron Ore is committed to implementing all activities that are necessary for the safe and responsible management of the MRFs and WMSs under the control of our operations, over the life of each facility, from concept and early studies, through design, operation, closure and into post-closure. Kumba Iron Ore is committed to:

- the protection of public health and safety
- responsible management of MRFs and WMSs towards the Zero Harm objective
- allocation of appropriate resources to support MRFs and WMSs risk management activities
- working with the directors, employees, contractors, and consultants of relevant companies across our operations to implement the risk management systems

2. DOES THIS POLICY APPLY TO ME?

This Policy applies to all managed operations across Kumba.

This Policy applies to all employees involved in the management, operation, and surveillance of processed MRFs and WMSs, as well as contractors, consultants, and external advisers when they are acting on behalf of the Kumba.

This is a Kumba Policy that applies to all our operations unless any aspect of the Policy is not permitted by local law or regulation. It is intended to work in parallel with, and complement, the local regulatory requirements and applicable legislation.

The Policy sets out minimum requirements across our operations. Site management personnel is responsible for the day-to-day implementation, oversight monitoring and reporting. Site management may need to adapt, where necessary, the required procedures and standards of practice, when and if appropriate to reflect local conditions and legal requirements where they exceed the company standards. Any changes required to ensure compliance with local legal requirements will be promptly notified to Anglo American Global Head of the MRF Practice Area for their input.

Where Kumba does not manage a site, but it is associated with a site through a business relationship (such as a joint venture or other business partnership), it should diligently seek to influence the relevant site to adopt a framework commensurate with the requirements of this Policy and, at a minimum, to comply with local laws and requirements.

3. WHAT DO I NEED TO KNOW?

This Policy aligns with leading practices worldwide, including but not limited to those outlined in documents prepared by the International Council on Mining and Metals (ICMM), the International Commission on Large Dams (ICOLD), the Mining Association of Canada (MAC), and the requirements of the Global Industry Standard on Tailings Management (GISTM), among many others.

This Policy refers to, and is applied in conjunction with:-

- the minimum technical requirements set in the Anglo-American technical standard on Mineral Residue Facilities and Water Management Structures (AA TS 602 001), and its associated Technical Specifications.
- The minimum requirements set under the various other internal policies and associated standards, as presented in the List of References.

3.1 Overall Principles in the Safe Management of MRFs

- **Multi-Disciplinary** – We approach safe processed MRFs and WMSs management in a multi-disciplinary approach, with input from the Social Performance; Safety, Health, and Environment; including but not limited to, Emergency Management functions, in line with the Social Way 3.0 Policy and Toolkit, the SHE Way Policy, and the Emergency Management Standard.
- **Zero Harm Mindset** – We apply best available practices (BAP), best available technologies (BAT) to eliminate, avoid, minimize, mitigate,

remediate, rehabilitate, and offset the potential impacts and risks associated with the processed MRFs and WMSs on people, property, and the environment.

- **Zero Repeats** – We learn from past incidents, mistakes, poor decisions, and unwanted events, and implement those learnings such that a repeat of the same event should not occur.
- **Non-negotiable Standards** – We implement, simple, non-negotiable, Business Technical Standards, Technical Specifications, and procedures throughout our Business as absolute minimum requirements.
- **Governance and Compliance** – We fully understand and monitor the commitments made to our communities where we operate, our stakeholders, regional governments, and investors, and to other organizations. We uphold clear and transparent processes that demonstrate compliance to permits and ensure conformance to standards.
- **Leadership** – We shall ensure that roles, responsibilities and accountabilities for each and every MRF in our Business is defined and signed-off at Corporate and Operational levels, and that reporting protocols are clearly defined to enable effective risk identification, evaluation, mitigation, and transparent reporting for swift, effective and immediate decision-making processes.

4. WHAT DO I NEED TO DO?

4.1 Kumba Management Level

The management at Kumba Corporate level will ensure the following governance of the policy:

- This Policy is adopted and endorsed by the Kumba Board of Directors.
- The Executive Head – Technical and Projects is the owner and Sponsor of this Policy and reports on this to the Chief Executive of Kumba Iron Ore.
- The Head of Engineering reporting to the Executive Head of Technical and Projects as custodian of the Policy and the Standard is responsible to ensure that both documents and associated specifications are up to date and reflect latest needs and leading practices, and that their implementation level is reported on a regular basis to the appropriate Management levels.

- The Principal Civil Engineer, as owner of the Standard, is responsible for setting and updating the Standards that support this Policy, providing guidance on quality implementation of Standard, the BAT and BAP, and supporting the risk management processes inclusive of training and monitoring adherence to the requirements of this Policy and the Standard.

4.2 Operations Managers, Competent Persons and Supervisors

The Operations Managers, Competent Persons and Supervisors must ensure that:

- Accountabilities, roles, and responsibilities matrices are signed off and kept up to date, inclusive of the Accountable Executive who is accountable for the safe design, construction, operation, and closure of processed MRFs and WMSs.
- Decisions are taken at the level of accountability, authority and competency for decision making that is appropriate to the level of risk
- Policy principles are adhered to throughout the organization.
- The stewardship of the processed MRFs and WMSs is maintained to a high standard, as per the requirements of this Policy and the Standard and inclusive of inspections, construction quality control, maintenance, surveillance, training, reporting, emergency response and preparedness plan.
- Adequate resources are allocated and in place to safely manage the processed MRF's and WMS's, development of emergency response and preparedness plans, and mechanisms for assistance and recovery after a potential failure.

5. MONITORING AND REPORTING

5.1 Monitoring and Reporting Protocols

The following monitoring and reporting activities need to take place:

1. Conformance with this Policy is verified and reported by the Principal Civil Engineer on a semi-annual basis to the Head of Engineering then the Executive Head of Technical and Projects, and the Chief Executive.
2. Conformance with the Standard and associated Technical Specifications, prepared by the operations, signed-off semi-annually by the Accountable Executive, verified and reported by the Principal Civil Engineer, to the

Executive Head of Technical and Projects, the Chief Executive, and the relevant Board Committee.

3. Conformance with the Global Industry Standard on Tailings Management (GISTM), signed-off by the Accountable Executive, prepared, verified, and reported annually both internally and externally (as required), verified by the Principal Civil Engineer, to Executive Head of Technical and Projects, Chief Executive, and the relevant Board Committee.
4. Level of implementation of the critical controls at each facility are prepared and collated semi-annually by the operations, signed-off by the Kumba Accountable Executive, reported semi-annually to Anglo Group Director – Technical and the Operating Committee (OpCo).

5.2 Assurance

Group Management, Business Unit Management, Operations Managers and Supervisors are required to ensure an effective “Three Lines” of defence model is implemented, in accordance with the following framework:

- **First Line Roles.** Kumba Corporate and Operations Management leaders are responsible for the identification, assessments, and management of risks associated with MRFs as per this Policy. They are responsible for setting effective control measures in construction, operational, and closure processes.
- **Second Line Roles.** Head of Engineering and the Head of Discipline (and respective team members or their designated support) are responsible for implementing an effective MRF risk management programme, consistent and aligned with the Standard to support the Business in consistent and effective risk management protocols and reporting. In addition, for post processing mineral residue, GISTM and the ICMM Position Statement on the subject matter apply.
- **Third Line Roles.** ABAS provides independent internal assurance in particular but not limited to the “system”, applying a risk-based approach, and using appropriately selected or nominated SMEs independent of the operation, as approved by the Principal Civil Engineer. Findings are to be reported to the Kumba Accountable Executive, the Operational Manager, the Principal Civil Engineer, the Group Director – Technical, and the Board Audit Committee.

Depending on MRF risk levels, additional independent reviews, using internal or external SMEs will be initiated by the Principal Civil Engineer to provide assurance functions, as required.

6. FURTHER INFORMATION

This Policy is made available and communicated across the organisation and is made publicly available on the Kumba Iron Ore external website.

6.1 Glossary / list of definitions and abbreviations

Term	Explanation
“Anglo American”, the “Anglo American Group” and the “Group”.	<p>In this document references to "Anglo American", the "Anglo American Group" and the "Group". are to refer to either Anglo American plc and its subsidiaries and/or those who work for them generally, or where it is not necessary to refer to a particular entity, entities or persons. The use of those generic terms herein is for convenience only and is in no way indicative of how the Anglo American Group or any entity within it is structured, managed or controlled. Anglo American subsidiaries, and their management, are responsible for their own day-to-day operations, including but not limited to securing and maintaining all relevant licenses and permits, operational adaptation and implementation of Group policies, management, training and any applicable local grievance mechanisms. Anglo American produces group-wide policies and procedures to ensure best uniform practices and standardization across the Anglo American Group but is not responsible for the day to day implementation of such policies. Such policies and procedures constitute prescribed minimum standards only. Group operating subsidiaries are responsible for adapting those policies and procedures to reflect local conditions where appropriate, and for implementation, oversight and monitoring within their specific businesses.</p>
ABAS	<p>Anglo Business Assurance Services, acting through the local, regional or global representatives as appropriate.</p>
ALARP	<p>As Low As Reasonably Practicable requires that all reasonable measures be taken with respect to ‘tolerable’ or acceptable risks to reduce them even further until the cost and other impacts of additional risk reduction are grossly disproportionate to the benefit.</p>
BU	<p>Anglo American Business Unit.</p>

Compliance Obligations	Legal and other requirements that an organisation must comply with and other requirements that an organisation chooses to comply with. Compliance obligations can arise from mandatory requirements, such as applicable laws and regulations, or voluntary commitments, such as organisational and industry standards, contractual relationships, codes of practice and agreements with stakeholders such as community groups or non-governmental organisations.
GISTM	Global Industry Standard on Tailings Management. https://globaltailingsreview.org/global-industry-standard/
Principal Civil Engineer	The scope covered by this policy falls under the Principal Civil Engineer for pre-processed mineral residue and MRF and WM for post-processing mineral residue (i.e. tailings) and water dams
ICMM	The International Council on Mining and Metals, London,UK. www.icmm.com
ICOLD	International Commission on Large Dams, Paris, France. www.icold-cigb.org
MAC	Mining Association of Canada, Ottawa, ON, Canada. www.mining.ca
MRF or MRFs	Mineral Residue Facility(ies), as per Anglo American Technical Standard AA TS 602 001 and its Technical Specifications as defined below.
MRF & WM team	Mineral Residue Facilities and Water Management team, in Group Projects, Technical and Sustainability.
The “Standard”	AA TS 602 001 Mineral Residue Facilities and Water Management Structures Standard - Latest Revision.

“Technical Specifications”	<p>Documents that are to be read in conjunction with the technical standard AA 602 001, and they are:</p> <ul style="list-style-type: none"> • AA TS 602 101 Standard Applicability • AA TS 602 102 Classification, Design Criteria, and Surveillance Requirements • AA TS 602 103 Required Documents. • AA TS 602 104 Surface Flooding Risk Management Plan Development and implementation.
Processed Mineral Residue	<p>A by-product of mining, consisting of the processed rock or soil left over from the separation of the commodities of value from the rock or soil within which they occur. This includes tailings, treatment sludges and sediments, coarse and fine processed kimberlites, and smelter slag material (see also Technical Specification AA TS 602101).</p>
WMS	<p>Water Management Structure(s) includes applicable water retaining dams and diversion structures (see also Technical Specification AA TS 602 101).</p>

6.2 Internal references

- Social Way Policy and Toolkit
- Emergency Management Standard
- Integrated Risk Management
- Whistleblowing Policy
- Climate Change
- SHE Policy
- Human Rights and Government Relations Policies and associated standards

6.3 External references

Anglo American (2019): Anglo American Technical Standard AA TS 602 001 Mineral Residue Facilities and Water Management Structures Standard and Technical Specifications. Original version released February 2014.

Global Tailings Review (2020): “Global Industry Standard on Tailings Management”, August 2020.

International Council on Mining and Metals (2016): “Position Statement on Tailings Governance Framework”, ICMM, December 2016

The Institute of Internal Auditors (2020): “The IIAs New Three Lines Model: An Update of the Three Lines of Defence”, The IIA, Lake Mary, Fla., USA, July 20, 2020

7. REVIEW RESPONSIBILITIES

The Principal Engineer, Civil and Structural is responsible to review and revised this policy every 2 years (bi-annual) after the date of issue.

8. HISTORY OF CHANGES

Reason for Change - Index	
A. As a result of incidents	B. As a result of audit findings
C. Changes in Operating Procedures	D. Changes in Legislation
E. Changes in Technology	F. Changes in Machinery/Equipment
G. Results of risk assessments	H. Change in training requirements
I. New procedure format	J. Change due to spelling or grammatical error

Reason for Change - Index

K. To integrate a special instruction into the document control system
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Date of change	Revised Item (Paragraph number) - include a reference if it is applicable	Reason Code	Name of reviewer

9. APPROVALS RECORD

Activity	Name	Position	Signature	Date
APPROVED BY:	Glen Mc Gavigan	Executive Head of Technical and Projects		