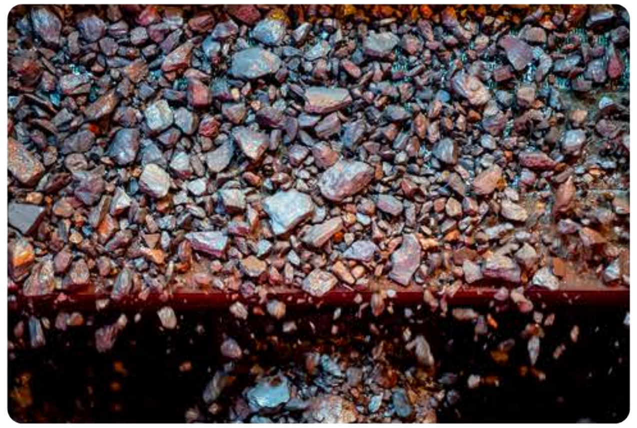
Integrated Report 2024

AngloAmerican

KUMBA IRON ORE LIMITED

Kumba's history



Kumba is a supplier of high-quality iron ore (64.1% average Fe) to the global steel industry. We primarily operate in South Africa, with mining operations in the Northern Cape, a corporate office in Johannesburg (Rosebank), Gauteng, and a port operation in Saldanha Bay, Western Cape.

Aligned with Anglo American, our purpose is to "re-imagine mining to improve people's lives", using innovative thinking, enabling technologies and collaborative partnerships to shape an industry that is safer, more sustainable, and better aligned with the needs of host communities and society.

AngloAmerican

1931

Iscor's first mine established at Thabazimbi in the Limpopo province

1942

Open-pit operations commenced at Thabazimbi

1953

Sishen, our flagship operation, established in the Northern Cape province

1976

The South African government invested in infrastructure to facilitate the export of iron ore from Sishen mine via the Sishen-Saldanha rail link and port facility

1989

Iscor privatised

2001

Iscor unbundled into two separate companies, namely Kumba Resources and Iscor

2002

Sishen achieved ISO 14001 certification for its Environmental Management System and OHSAS 18001 certification for its Health and Safety Management System

2006

The unbundling of Kumba Resources' iron ore assets led to the relisting of Kumba Resources as Exxaro Resources and the establishment of a new company, Kumba Iron Ore Limited, fully empowered with black economic empowerment (BEE) ownership of 26%

2008

The Sishen Jig plant formally opened in November 2008

Construction started on Kolomela

2011

Kolomela produced its first ore five months ahead of schedule and within budget

Maturity of the first phase of Envision (a broad-based employee plan), with 6,209 employees each receiving R576,045 (pre-tax)

2013

Finalised the new supply agreement with ArcelorMittal SA

Commissioned the ultra-high dense media separation (UHDMS) pilot plant at Sishen in the fourth quarter of 2013

Approval of the Dingleton relocation project

2014

Kumba granted the mining right for the rail properties at Sishen

2015

Revised strategy from a volume-based approach to a value-based (cash-generating) strategy, dividends suspended, and head office and support services at the mines restructured

Slope failure at Thabazimbi; Board approved closure of the mine

Achieved A-listing on the Carbon Disclosure Project (CDP) climate change and water security programmes

2016

Sishen's 21.4% residual mining right awarded to Sishen Iron Ore Company Proprietary Limited (SIOC)

Agreement reached to transfer ownership of Thabazimbi to ArcelorMittal SA

Restructuring of Sishen and significant reconfiguration of the Sishen pit, coincided with the bottoming out of the iron ore price

Maturity of Envision II; paid R75,000 per employee (after tax) in dividends; no capital payout due to the decline in the Kumba share price

2017

Kumba, the best-performing share on the Johannesburg Stock Exchange (JSE), reinstated dividends

Kolomela achieved ISO 14001 Environmental Management and OHSAS 18001 Health and Safety system certifications

2018

Approved the Tswelelopele strategy with three horizons

Transfer of Thabazimbi, including employees, assets, liabilities and mining rights, to ArcelorMittal SA, effective 1 November 2018

Kolomela mining right amended to include Heuningkranz prospecting right

2020

Covid-19 pandemic impacts not only Kumba but the entire world. Our WeCare response programme was implemented as a comprehensive set of risk-based prevention and control measures

Approved the Kapstevel South project

2021

Resettlement of the Dingleton community (which began in 2014) successfully concluded

2022

Introduced a new hybrid employee share option scheme with a vesting component and an evergreen component

Initiated the 63 MW solar photovoltaic (PV) plant at Sishen, the first major project in our decarbonisation strategy, and one of the first projects in Anglo American's regional renewable energy ecosystem (RREE)

2023

Following continued disruptions at Transnet's rail and port operations, Kumba announced in December 2023 that it would reconfigure its business to a lower production profile for the period from 2024 to 2026, in line with prevailing logistics capacity

2024

Resumed UHDMS investment following Board approval of an additional R7.6 billion

Working closely with Transnet as part of the Ore User's Forum to convert the outcomes of the independent technical assessment into a multi-year programme to restore the capacity of the Ore Export Corridor (OEC). Kumba continues to be a strong advocate of private sector participation (PSP) to improve the performance of the OEC through concession

Achieved a total recordable injury frequency rate (TRIFR) of 0.76 at the end of 2024, the lowest TRIFR recorded since the inception of Kumba

Provided 17,526 ML of water to the surrounding communities

Contents

External benchmarking and accreditation acknowledging our commitments and transparent reporting

FTSE / Russell confirms that Kumba has been independently assessed according to the FTSE4Good criteria, with an ESG rating of 4.3 out of 5 (2023: 4.3), and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index providers, FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices.

For more information visit www.lseg.com/en/ftse-russell/indices/ftse4good

EY / Kumba was awarded fifth place (2023: third) in a survey of integrated reports from South Africa's 100 top JSE-listed companies.

For more information visit www.ey.com/en_za/assurance/excellence-in-integrated-reporting

ISS / Awarded to companies that meet specific minimum requirements in corporate ratings and achieve the best ESG scores among their sector peers.

For more information visit www.issgovernance.com/esg/ratings/corporate-rating/

MSCI / Kumba Iron Ore Limited received a rating of AA (2023: AA), on a scale of AAA-CCC in the MSCI ESG Rating assessment.

For more information visit www.msci.com/esg-ratings

Future of Sustainability

Awarded to companies that demonstrate leading ESG performance among their South African sector peers, with Kumba recognised as the top-performing ESG company in the mining sector.

For more information visit www.futureofsustainability.co.za

This integrated report, written primarily for current and prospective investors, lenders and other creditors, seeks to demonstrate that Kumba has the right strategy to deliver value to all our stakeholders in a responsible and sustainable manner, as well as the capacity to deliver effectively on this strategy.

As outlined throughout this report, our strategy and management practices are informed by a sound appreciation of the critical relationships and resources ("capitals") that Kumba depends on to create value.

The Kumba Board approved this report on 25 March 2025.

Terence Goodlace
Chairperson and independent non-executive director
Chairperson of the Safety, Health and Sustainable Development Committee
Chairperson of the Nominations and Governance Committee

Bothwell Mazarura
Chief Financial Officer and executive director

Sango Ntsaluba
Independent non-executive director
Chairperson of the Audit Committee

Aman Jeawon
Independent non-executive director

Michelle Jenkins
Independent non-executive director

Josephine Tsele
Non-executive director

Mpumi Zikalala
Chief Executive and executive director
Chairperson of the Executive Committee

Ntombi Langa-Royds
Independent non-executive director
Chairperson of the Human Resources and Remuneration Committee

Mary Bomela
Lead Independent director
Chairperson of the Strategy and Investment Committee
Chairperson of the Social, Ethics and Transformation Committee

Neo Mokhesi
Independent non-executive director

Themba Mkhwanazi
Non-executive director

Matthew Walker
Non-executive director

Directors' declaration

As members of the Kumba Board, supported by the Audit Committee, we acknowledge our responsibility for ensuring the integrity of this report. Executive management, assisted by a dedicated reporting team, was responsible for drafting this report. As members of the Board, we have applied our collective mind to the preparation and presentation of the information contained in Kumba's 2024 integrated report. We believe that the report is presented in accordance with the Value Reporting Foundation's Integrated Reporting Framework and that it provides a balanced and appropriate presentation of those matters that have or could have a material effect on Kumba's ability to create value over time.

The report presents Kumba's strategic framework for creating value and provides a concise review of the Company's performance and governance over the past year in creating, preserving or eroding value; we believe this review will enable report users to make an informed assessment of Kumba's ability to create value in an integrated manner over the short, medium and long term.

We invite Kumba's stakeholders to review this report and to provide feedback (for future consideration) on the Company's performance, strategy and disclosure on delivering stakeholder value.

Our integrated reporting suite comprises the following reports:

Integrated report (IR)
Targeted primarily at current and prospective investors, lenders and other creditors, it provides a succinct review of our strategy and business model, operating context, governance and operational performance, and of our response to managing the material risks and opportunities that could reasonably be expected to affect Kumba's prospects. (Financial materiality)

Sustainability report (SR)
Reviews our approach to managing our most significant economic, social and environmental impacts, risks and opportunities, and to addressing those sustainability and environmental, social and governance (ESG) issues of interest to a broad range of stakeholders. (Double materiality)

Climate change report (CCR)
Provides a balanced and appropriate presentation of our climate-related impacts, risks and opportunities, and of our response to managing these risks and opportunities and to mitigating our climate-related impacts. (Double materiality)

Annual financial statements (AFS)*
Provides a detailed analysis of our financial results, with audited financial statements, prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards). (Financial materiality)

Ore Reserve (and Saleable Product) and Mineral Resource report (ORMR)*
Reported in accordance with The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code – 2016 Edition) as required by section 12.13 of the Listings Requirements of the Johannesburg Stock Exchange (JSE). (Financial materiality)

Cover image:
Memory Serathi, a Fitter, working on a haul truck in the work bay at the Sishen workshop.

Each of these reports, with additional updated information, is available on our website: **www.angloamericankumba.com**

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* Published on 18 February 2025.

About this report

Reporting scope and boundary

This report presents Kumba's strategic framework for creating value over the short, medium and long term. It provides a concise review of how the Company's performance and governance over the past year are delivering on this strategy, and includes a candid reflection on how we have created, preserved or eroded value over time.

The report provides information relating to Kumba's business model, operating context, material risks and opportunities, and governance and operational performance for the period from 1 January 2024 to 31 December 2024. It also outlines our response to managing the material risks and opportunities (including sustainability-related risks and opportunities) that could reasonably be expected to affect Kumba's prospects.

The report covers the activities and impacts of the following operations over which we have direct control: our Sishen and Kolomela operations, the Northern Cape hub, our corporate office in Johannesburg (Rosebank), our operation at Saldanha Bay port, and our marketing division. We also consider the risks, opportunities and outcomes of our business activities on the various stakeholders who are affected by what we do.

These stakeholders and their interests are described on pages 45 to 46 and an overview of the principal outcomes of our activities is provided on pages 15 to 17.

In addition to this report, we have published the AFS, SR, CCR and ORMR. The reporting process for all our reports has been guided by the principles and requirements in IFRS, the Integrated Reporting Framework, the GRI Sustainability Reporting Standards, the King IV* Report on Corporate Governance for South Africa 2016 (King IV^{TM}), the JSE Listings Requirements, the JSE Sustainability and Climate Disclosure Guidance, and the Companies Act No 71 of 2008, as amended (Companies Act).

Our approach to materiality

Informed by recent developments in global disclosure standards and frameworks, we have adopted "double materiality" across our suite of annual reports.

- **Financial materiality:** Our IR provides information on those matters – including relevant ESG risks and opportunities – that are likely to influence report users' assessments of the value, timing and certainty of Kumba's future cash flows over the short term (one to three years), medium term (three to five years) and long term (beyond five years). Our AFS reflects the effects on company value and cash flow that have already taken place at the time of the financial year end, or that are included in future cash flow projections.
- **Impact materiality:** Our SR provides disclosure on our most significant impacts on people, society and the environment. Provision is also made in the SR for financially material ESG risks and opportunities impacting the business. Our CCR similarly adopts a double materiality perspective, addressing our most significant climate-related impacts, as well as reviewing the financial implications of climate-related risks and opportunities.

Our IR provides information that we believe is of relevance to current and prospective investors, lenders and other creditors, as well as any other stakeholder who wishes to make an informed assessment of Kumba's ability to generate value over the short, medium and long term.

We have sought to ensure that all the information in this report relates to matters that are likely to influence a report user's assessment of value creation at Kumba. The key trends in our operating context and the specific risks and opportunities that impact value, which together are often seen as a discrete set of "material matters", are listed on pages 48 and 54, respectively, but these alone are not sufficient to inform report users' assessments.

Understanding our business (pages 5 to 11), our business model (pages 12 to 13), including our activities and impacts on the capitals across our value chain (page 14), form the basis for appreciating how Kumba creates, preserves or erodes value, and for identifying those issues impacting value. Our ability to create value is determined by the quality of our response to our operating context (pages 36 to 44), the most significant risks and opportunities facing our business (page 47), and the priority interests of key stakeholders (page 46).

Contributing to the United Nations Sustainable Development Goals (UNSDGs) through our purpose

Kumba's purpose is to "re-imagine mining to improve people's lives", using innovative thinking, enabling technologies and collaborative partnerships to shape an industry that is safer, more sustainable, and better harmonised with the needs of host communities and society.

We are delivering on this purpose through our active engagement in Anglo American's FutureSmart Mining^{TM} programme and Sustainable mine plan (SMP).

Developed through extensive internal and external engagement, and informed by an analysis of opportunities and risks, the strategy includes ambitious long-term targets aligned with the UNSDGs, which relate to three global sustainability pillars: being a trusted corporate leader, building thriving communities, and maintaining a safe and healthy environment.

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About this report cont.

Making an informed assessment of the quality of our strategic response requires an appreciation of our strategy (pages 62 to 63), our operational performance (page 11), our leadership team (pages 20 to 22), and our governance (page 29) and remuneration practices (pages 80 to 108).

Our materiality process

To identify the material matters for inclusion in our IR and SR, each year Kumba's management run an independently facilitated materiality discussion with around 19 members of our executive and senior management teams. Through this process, we identify all those matters that have a significant bearing on Kumba's prospects (financial materiality), as well as our most significant impacts on people, society and the environment (impact materiality). This annual materiality review includes a detailed consideration of our business model, the most significant impacts of our activities on the six capitals across our value chain, the risks and opportunities in our operating environment that have the greatest impact on Kumba's potential value creation, the material interests of our stakeholders, and the implications of this analysis on our business strategy (see diagram below).

Informed by this materiality analysis, the team prioritised these matters based on their relative importance. The results of this materiality process inform our annual reports. A separate report of the outcomes of the materiality process is available on request.

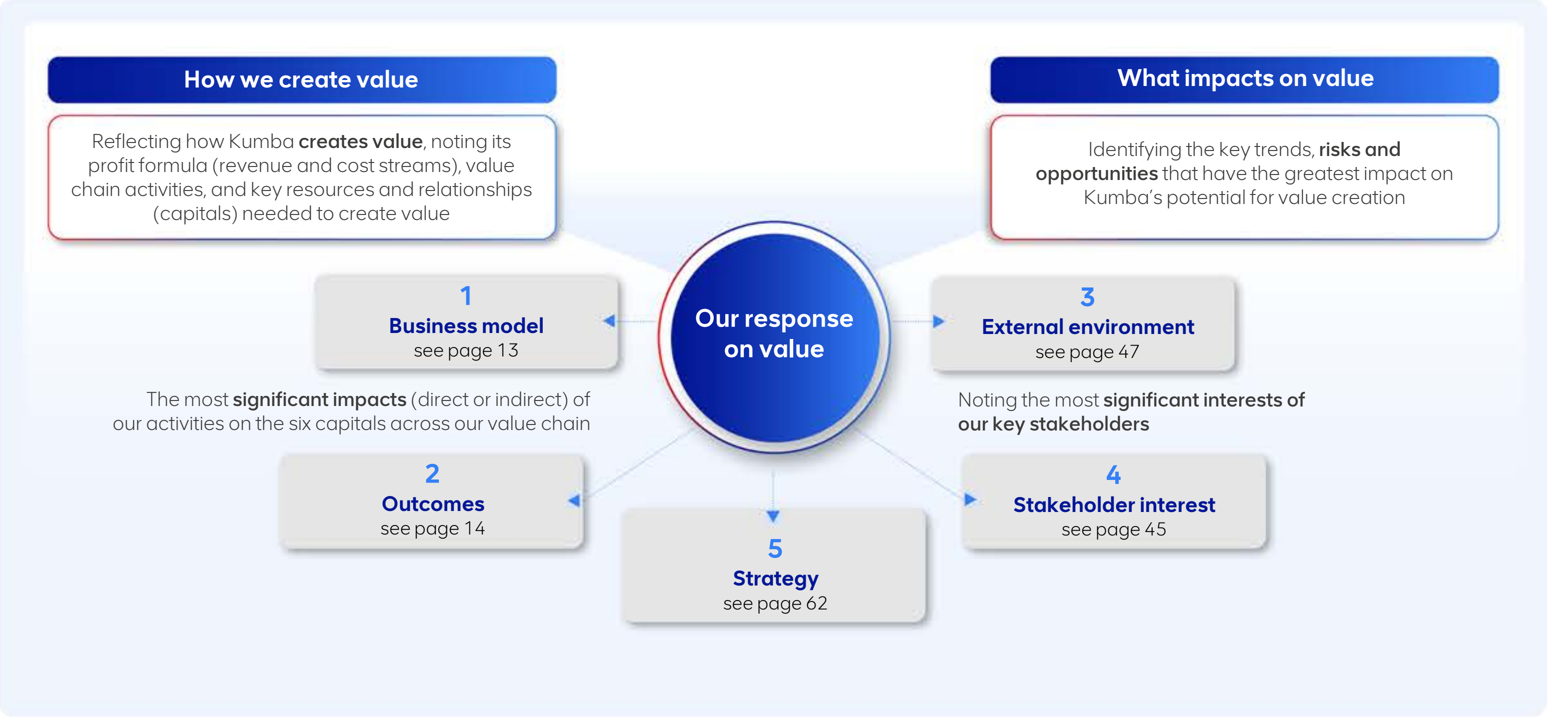
Assurance

We use a combined assurance model that includes assurance obtained from management and from our internal and external assurance providers. This year, PricewaterhouseCoopers Inc (PwC) assured our 2024 AFS (see page 26 of the AFS), while Nexia SAB&T assured key sustainability information in our 2024 SR (see page 89 of the SR). All of those processes inform our 2024 IR, which contains both financial and non-financial indicators.

Kumba follows a structured internal and external review programme to verify representative Ore Reserves (and Saleable Product) as well as Mineral Resources estimation.

Our Audit Committee provides assurance to the Board on an annual basis on the execution of the combined assurance plan. The group's financial, operating, compliance and risk management controls are assessed by the group's internal audit function, overseen by the Audit Committee. The Audit Committee report is on pages 23 to 25 of the AFS.

Komatsu haul truck at Kolomela.



How we create value

Reflecting how Kumba **creates value**, noting its profit formula (revenue and cost streams), value chain activities, and key resources and relationships (capitals) needed to create value

What impacts on value

Identifying the key trends, **risks and opportunities** that have the greatest impact on Kumba's potential for value creation

Our response on value

1 **Business model** see page 13

3 **External environment** see page 47

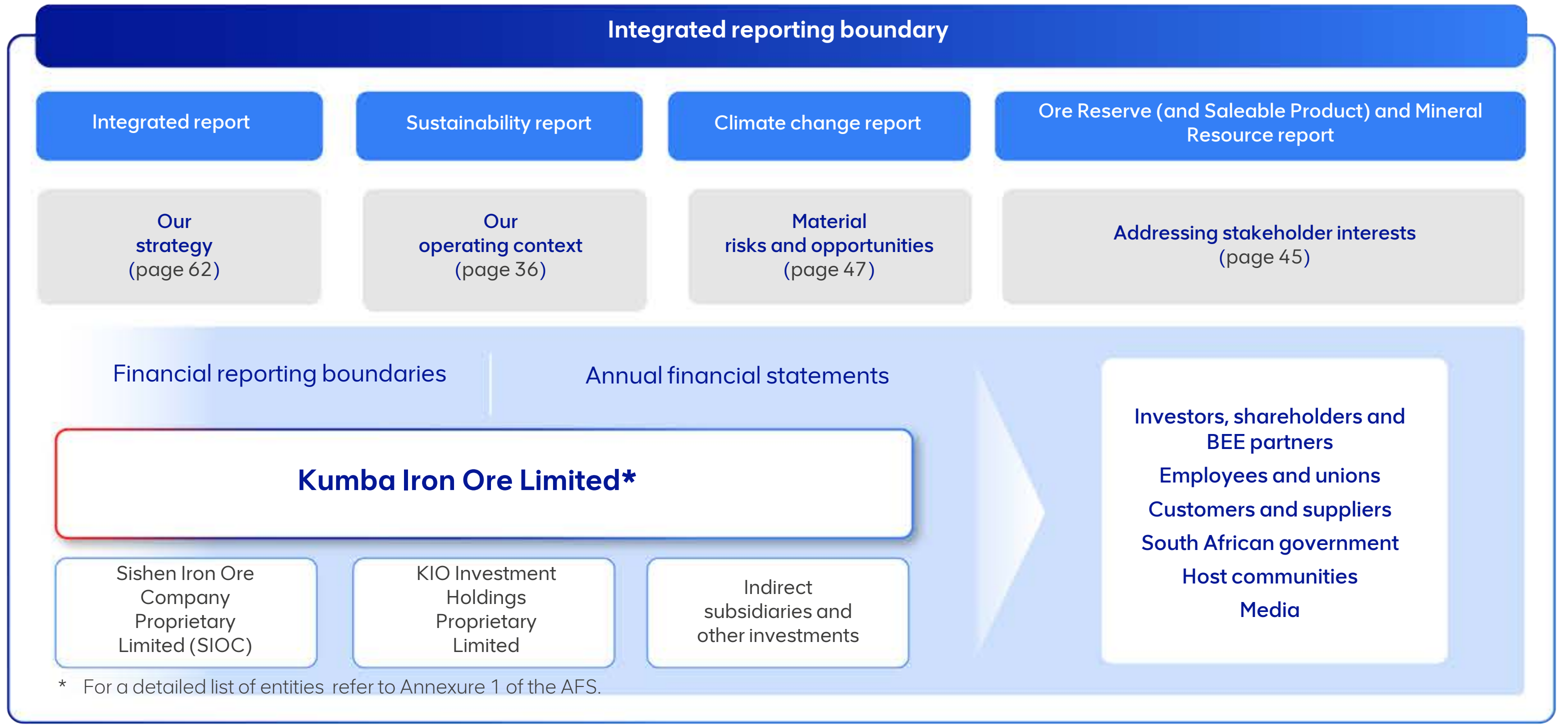
The most **significant impacts** (direct or indirect) of our activities on the six capitals across our value chain

Noting the most **significant interests of our key stakeholders**

2 **Outcomes** see page 14

5 **Strategy** see page 62

4 **Stakeholder interest** see page 45



Integrated reporting boundary

Integrated report | Sustainability report | Climate change report | Ore Reserve (and Saleable Product) and Mineral Resource report

Our strategy (page 62)

Our operating context (page 36)

Material risks and opportunities (page 47)

Addressing stakeholder interests (page 45)

Financial reporting boundaries | Annual financial statements

Kumba Iron Ore Limited*

Sishen Iron Ore Company Proprietary Limited (SIOC)

KIO Investment Holdings Proprietary Limited

Indirect subsidiaries and other investments

Investors, shareholders and BEE partners
Employees and unions
Customers and suppliers
South African government
Host communities
Media

* For a detailed list of entities refer to Annexure 1 of the AFS.

Our business

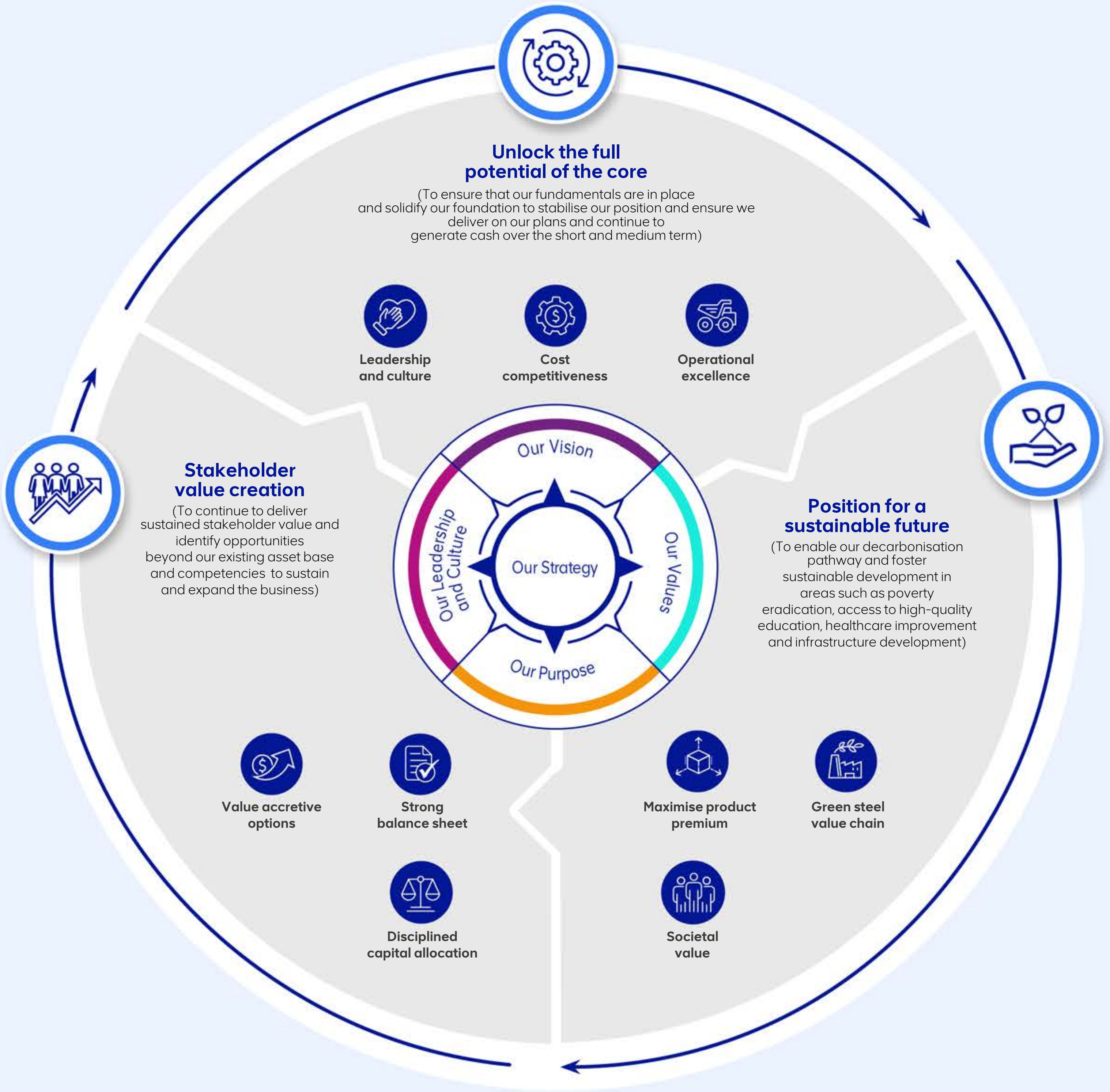
Kumba is 69.7% owned by Anglo South Africa Proprietary Limited and listed on the JSE in South Africa, with a market cap of R105.1 billion as at 31 December 2024.

Material topics covered in this section:

View of the conveyor belt at Sishen mine.

Our purpose, vision, strategy and values

Our strategy wheel



Unlock the full potential of the core

(To ensure that our fundamentals are in place and solidify our foundation to stabilise our position and ensure we deliver on our plans and continue to generate cash over the short and medium term)

- **Leadership and culture**
- **Cost competitiveness**
- **Operational excellence**

Stakeholder value creation

(To continue to deliver sustained stakeholder value and identify opportunities beyond our existing asset base and competencies to sustain and expand the business)

- **Value accretive options**
- **Strong balance sheet**
- **Disciplined capital allocation**

Position for a sustainable future

(To enable our decarbonisation pathway and foster sustainable development in areas such as poverty eradication, access to high-quality education, healthcare improvement and infrastructure development)

- **Maximise product premium**
- **Green steel value chain**
- **Societal value**

Our Purpose

Re-imagine mining to improve people's lives

Our Leadership and Culture

Driven and empowered through our Leadership Code

Our Vision

Create enduring value by sustainably supplying quality iron materials

Our Values

Safety

We give our all to eliminating injuries because we value life and are unconditional about safety, health and wellbeing at work and at home.

Care and respect

We believe in humanity and therefore show care and respect for all people and will not turn a blind eye to what is wrong.

Accountability

We own our decisions, actions and performance, and are empowered to make choices and learn from our experiences.

Integrity

We always act honestly, fairly, ethically and transparently.

Innovation

We challenge assumptions, seek other perspectives and pursue innovative opportunities to transform our business.

Collaboration

We collaborate with colleagues and stakeholders towards a common purpose and to achieve exceptional outcomes.

Who we are

Kumba competes in the global iron ore market through its premium product delivery, with its business structured around its two open-pit mines in the Northern Cape province of South Africa:

- Kolomela is a predominantly direct shipping ore (DSO) operation with a crushing and screening plant treating high-grade (Fe ≥ 61%) run-of-mine. The operation of a small-scale UHDMS facility, treating medium-grade (50% ≤ Fe < 61%) run-of-mine, was halted as part of the business reconfiguration to rightsize the Company in line with logistical constraints.
- Sishen beneficiates its run-of-mine through large-scale beneficiation facilities, utilising dense media separation (DMS) and Jigging technologies, with a portion of the Jig plant's discard being treated through two small-scale UHDMS modules.

Both Kolomela and Sishen are conventional drill and blast, and truck and shovel, open-pit operations. At Kolomela, ex-pit ore is hauled to designated finger stockpiles from which a run-of-mine blend is delivered. At Sishen, the run-of-mine originates directly from the pit as well as from designated buffer stockpiles.

At a glance

Production –

35.7 Mt

(2023: 35.7 Mt)

Export sales ▼

36.3 Mt

(2023: 37.2 Mt)

Customers

Customers in South Africa, China, Japan, Korea and EU/MENA/Americas region

Total tonnes mined* ▼

197.7 Mt

(2023: 271.4 Mt)

Total waste stripping ▼

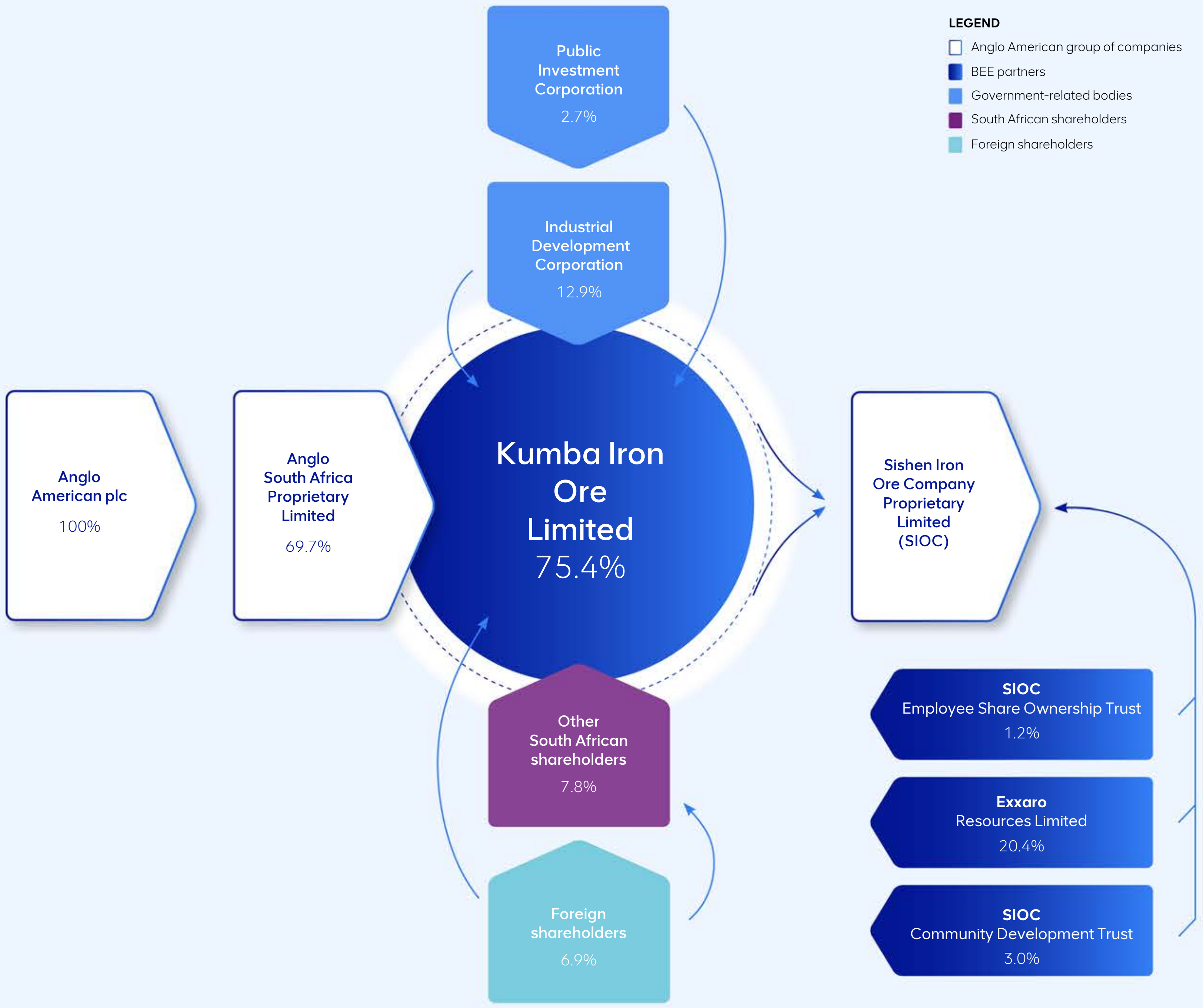
155.7 Mt

(2023: 216.8 Mt)

Employees** ▼

14,766

(2023: 18,334)



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* Includes waste mined. The comparative number was restated to include C-grade ore mined.
** 2023 numbers restated to include non-mining contractors of 3,086 (2023: 6,722).

Where we operate

Sishen

Life-of-asset

16 years

Location - **Kathu**

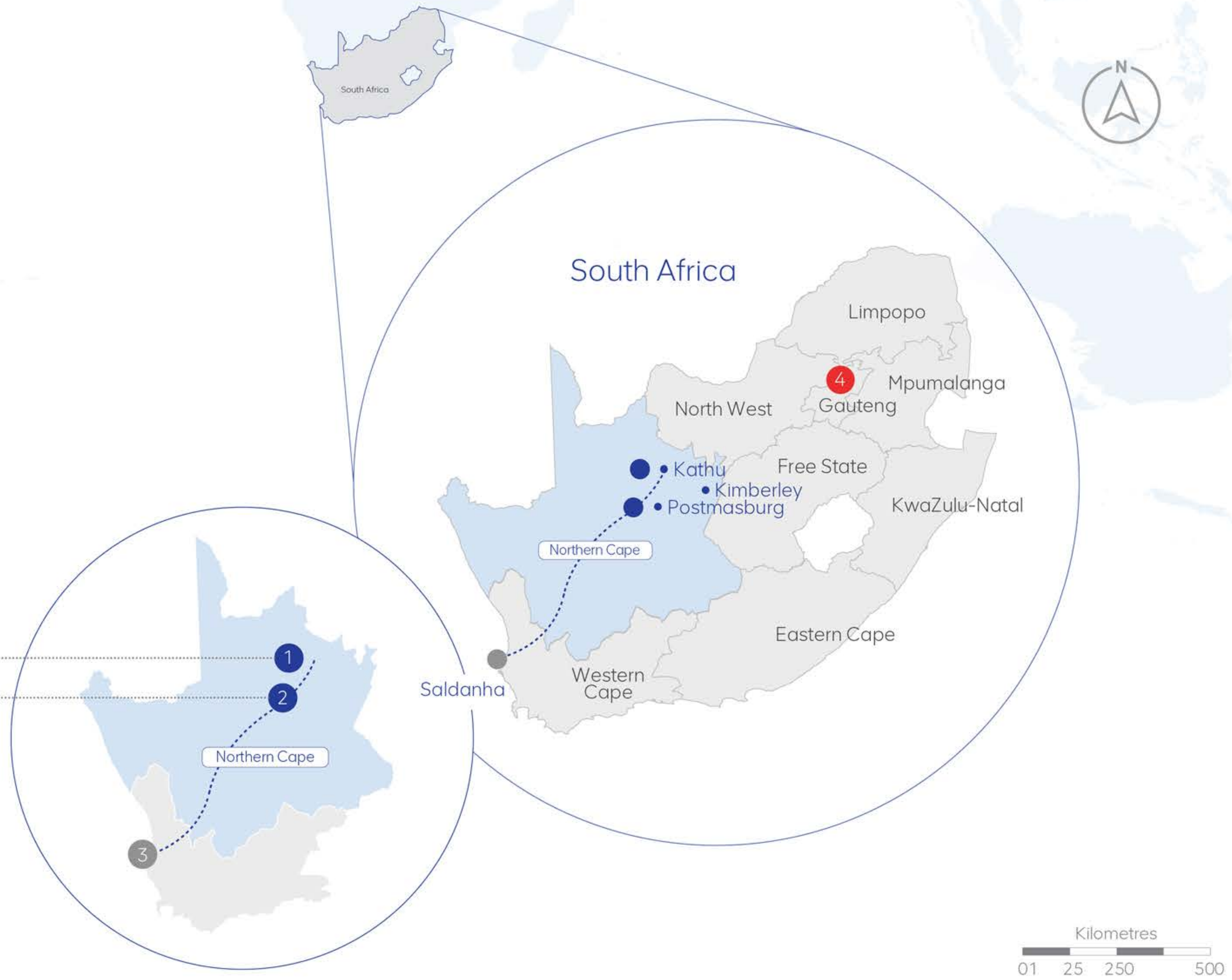
Kolomela

Life-of-asset

16 years

Location **near Postmasburg**

- 1 Sishen
- 2 Kolomela
- 3 Saldanha Bay port
- 4 Corporate office
- Export rail line



▶ For more information see **www.angloamericankumba.com**

Where we operate cont.

1 Sishen

Our largest operation

- Commissioned in 1953
- Located in Kathu
- Life-of-asset: 16 years
- Bulk of Kumba's production
- One of the largest open-pit mines in the world
- All mining is done by opencast methods
- Sishen is the only haematite ore producer in the world that beneficiates all its product

▶ For more information **see page 77**

2024 performance at Sishen

Zero fatalities; lost-time injury frequency rate (LTIFR) of 0.56
Production of 25.7 Mt
Lump: Fine ratio of 71:29
164.0 Mt total tonnes mined, including ex-pit ore of 30.1 Mt and waste of 133.9 Mt
25.4 Mt railed on the Sishen/Kolomela-Saldanha OEC
Unit cash cost: R531/dry metric tonne (dmt)
Stripping ratio: 4.4
3,713 permanent full-time employees and 3,555 mining contractors
R134.4 million invested in social and community projects
ISO 14001, ISO 9001, and OHSAS 18001 certified

2 Kolomela

Our second operation

- Commissioned in 2011
- Situated near the town of Postmasburg
- Life-of-asset: 16 years
- Produces primarily high-grade DSO
- DMS modular plant commissioned in 2017

▶ For more information **see page 78**

2024 performance at Kolomela

Zero fatalities; LTIFR of 0.36
Production of 10.1 Mt
Lump:Fine ratio of 54:46
33.7 Mt total tonnes mined including ex-pit ore of 11.9 Mt and waste of 21.8 Mt
10.2 Mt railed on the OEC
Unit cash cost: R404/dmt
Stripping ratio: 1.8
1,007 permanent full-time employees and 1,410 mining contractors
R103.9 million invested in social and community projects
ISO 14001, ISO 9001, and OHSAS 18001 certified

3 Saldanha Bay port

Iron ore export facility, from where our high-quality iron ore is exported to markets in the Asia-Pacific region, Europe and the Middle East

- All Kumba export volumes exported through Saldanha Bay port operations, the only iron ore export facility in South Africa
- Operated by Transnet, a South African state-owned enterprise (SOE)

▶ For more information **see page 79**

2024 performance at Saldanha Bay port

Zero fatalities; LTIFR of 0.00
Total volumes railed to Saldanha Bay: 35.6 Mt
Total shipped volumes: 36.3 Mt
Export sales: 36.3 Mt
Total cost and freight (CFR) volumes: 23.6 Mt
26 permanent full-time employees
ISO/IEC 17025 accredited QC laboratory

Our value impact 2024

As part of our commitment to being a responsible and successful corporate citizen, we need to continue to deliver value to the broader society we operate in. How we share the value we create with our key stakeholders remains a longstanding commitment. Deliberate actions are taken to ensure we create or preserve long-term value within our operating context.

Delivering shareholder returns

How value is created or preserved for our shareholders:

- Increased net asset value, dividends and the share price
- Disciplined capital allocation
- Strong balance sheet
- Positioning the business for a sustainable future

Value created for the current year

Dividend policy, target payout ratio range of between 50% and 75% of headline earnings	✓

Dividends declared

R12.5 billion to owners of Kumba (2023: R15.1 billion)	✓
R4.0 billion to empowerment partners (2023: R4.9 billion)	✓
Total dividends paid to BEE shareholders since Kumba's inception in 2006: R63.3 billion (2023: R58.8 billion)	✓

Contributing to South Africa

How value is created or preserved for the government:

- Contributions through corporate taxes and mineral royalties
- Contributions through employees paying personal taxes

Total capital investment of R9.0 billion (2023: R9.9 billion)	✓
Total tax contribution	✓

R million	2024	2023
Corporate income tax	**5,878**	8,857
Mineral royalties	**1,384**	1,952
Payroll tax	**1,863**	1,815
Skills levy	**64**	64
Unemployment Insurance Fund (UIF)	**26**	28
Total	**9,215**	12,715

Building communities

How value is created or preserved for communities:

- Localised procurement strategy that supports suppliers within host communities
- Employing people from local communities
- Direct social investment that supports those in need, focusing on health, education and community development
- Pursuing collaborative regional development through an integrated regional vision and shared value strategy

Value created for the current year

R3.9 billion spent directly on suppliers within host communities (2023: R6.6 billion)	✓
80% of our employees are from local mine communities in the Northern Cape (2023: 77%)	✓
R468.6 million spent on direct social investment (2023: R376.2 million)	✓
Kumba's training centre at Kathu and Kolomela, providing training skills outside the mining sector, such as welding, plumbing and carpentry. In 2024, 1,389 community members were trained (2023: 888)	✓
Kumba currently supports 125 schools and approximately 87,000 learners (phase 1 and 2) as part of the Anglo American education programme	✓
During 2024, Kumba facilitated 3,048 jobs across a number of sectors outside the mining industry, including agriculture, livestock development, hospitality, manufacturing and tourism	✓
The Northern Cape Impact Catalyst will facilitate implementation of the shared value strategy and integrated collaborative regional development	✓

Value is:

✓ Created — Preserved ✗ Eroded

Our value impact 2024 cont.

Providing safe employment

How value is created or preserved for our employees

- Maintaining safety, health and wellbeing of our employees and service partners as our highest priority
- Innovation in technology to help to protect the health and safety of our employees, reduce exposure to hazards and provide early warning
- Our employee assistance programmes provide counselling, mentoring and practical support to our employees
- We provide employment opportunities in the communities we operate in
- We reward our employees with fair and responsible remuneration
- We embrace flexible work practices
- We are committed to embedding a culture of inclusivity and diversity
- We have zero tolerance for acts of BHV, as well as GBV
- Our Living with Dignity Hub provides support for dealing with GBV and harassment at work, at home, in our schools and in the communities

Value created for the current year

TRIFR of 0.76 (2023: 0.98), the lowest TRIFR recorded since the inception of Kumba	✓
R6.7 billion paid to employees, including salaries, benefits, bonuses and share-based payment expenses (2023: R7.0 billion)	✓

Female representation

27% of total workforce (2023: 26%)	✓
57% of bursars (2023: 66%)	✓
68% of professionals in training (2023: 63%)	✓

Customers

How value is created for our customers:

- Our high-quality premium products reduce scope 3 emissions
- We collaborate with our customers on low-carbon steelmaking technologies

Value created for the current year

ValuTrax^{TM} , a proprietary digital traceability solution, is designed to provide customers with greater assurance about the provenance of our products	✓
Product quality – average Fe content: 64.1% (2023: 63.7%)	✓
Lump:Fine ratio 66:34 (2023: 66:34)	✓

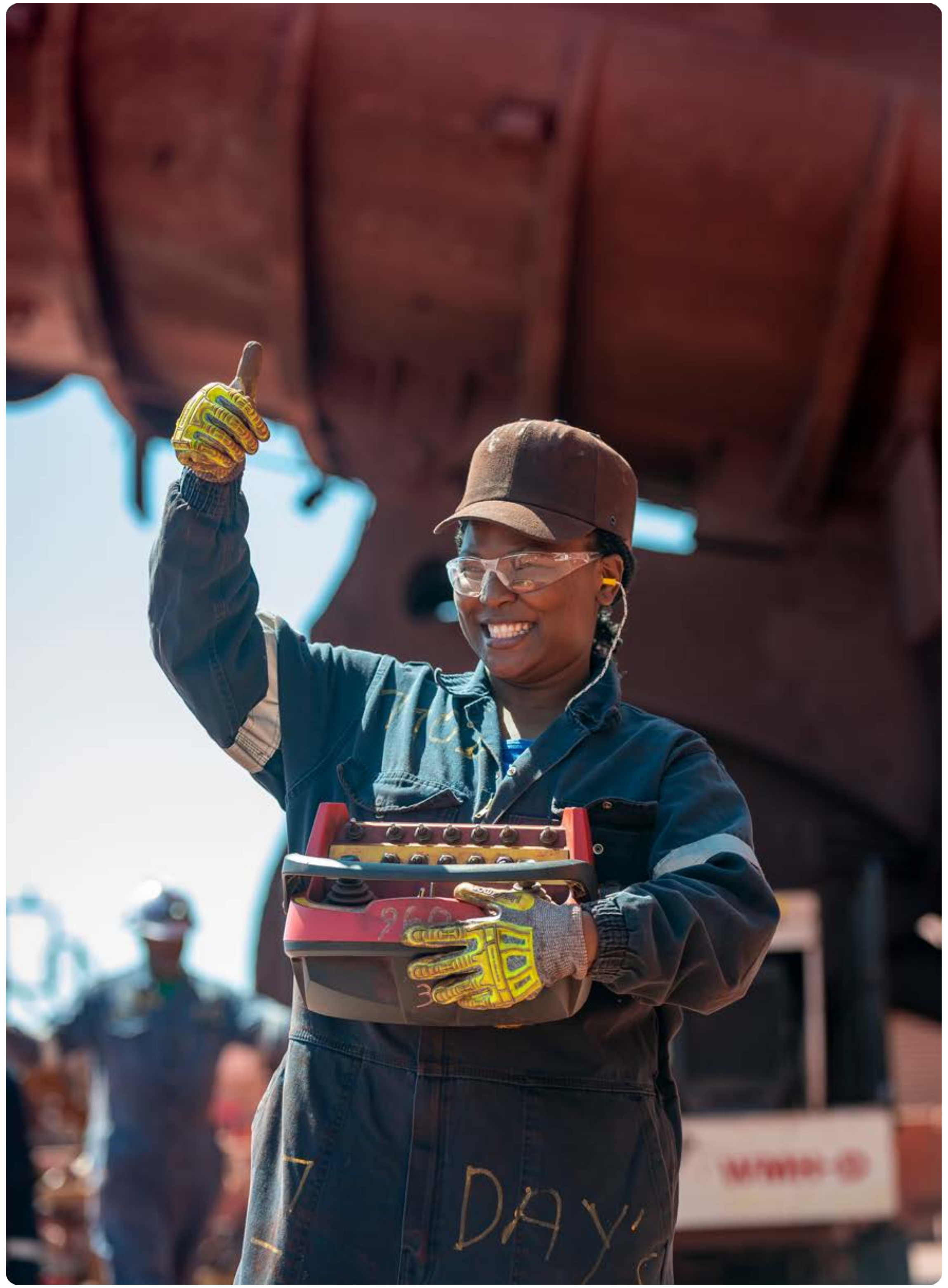
Environment

How value it created or preserved for the environment

- Our environmental policy supports our long-term sustainability by ensuring we effectively manage our resources, reduce our impact on the environment and local mine communities, and comply with legal requirements
- We identify environmental focus areas at the beginning of each year to address material issues. These focus areas are:
  - permitting and environmental awareness
  - pollution prevention and remediation
  - energy and greenhouse gas (GHG) emissions management
  - water stewardship
  - nature-based solutions: rehabilitation, mine closure and biodiversity
- We adhere to Anglo American technical standards that define the minimum requirements for our operations to manage a range of specific issues
- We drive continuous improvement through environmental management systems
- Environmental risk management is integrated into our operational risk management (ORM) processes and Operating Model
- We implement critical control improvement plans across our operations to mitigate risks, for example, dust suppression
- We include leading and lagging environmental indicators in our employees' key performance indicators (KPIs) and all business unit scorecards
- We engage regularly with our key stakeholders to identify and address environmental issues and impacts timeously

Value created for the current year

No serious (level 3 to 5) environmental incidents for the ninth consecutive year	✓
No water source or habitat materially negatively affected by our extraction and water use	✓
Fresh water supplied to our surrounding communities totalling 17,526 ML (2023: 18,075 ML)	✓
Reduction in fresh water withdrawals of 7% to 7,230 ML (2023: 7,772 ML)	✓
0.839 MtCO$_2$e GHG emissions – scope 1 and 2 (2023: 0.968 MtCO$_2$e), reduction in emissions working towards carbon neutrality	✓
17,178.0 hectares disturbed by mining, processing and mineral waste disposal since commencement of operations (2023: 16,873.6 hectares)	X
Sishen reshaped 34.4 hectares (2023: 60.2 hectares) and seeded 39.4 hectares (2023: 75.5 hectares), above targets for 2024	✓
Kolomela reshaped 33.6 hectares (2023: 32.3 hectares) and seeded 30.0 hectares (2023: 40.0 hectares), above targets for 2024	✓



Welder, Chantal Agosi, at the Sishen workshop

Summary of key performance data

for the year ended 31 December 2024

Measuring delivery of our strategy

We track our strategic progress holistically, covering non-financial and financial performance using KPIs based on our seven pillars of value.

KPIs	Assurance		2024	2023	2022
Safety and health (Link to strategy)					
Fatal injury frequency rate (FIFR)**	EA & IA	✓	**0**	0.03	0
Total recordable case frequency rate (TRCFR)	EA & IA	✓	**0.76**	0.98	1.55
New cases of occupational disease	EA & IA	–	**2**	2	1
Environment (Link to strategy)					
Energy consumption (million GJ)	EA	✓	**7.08**	8.88	8.97
GHG emissions – scope 1 and 2 (Mt CO_2e)**	EA	✓	**0.84**	0.97	0.99
Total water withdrawals (ML)** $	EA	✓	**9.2**	9.9	11.4
Number of level 3, 4 or 5 environmental incidents	EA & IA	✓	**0**	0	0
Socio-political (Link to strategy)					
Compliance with Social Way 3.0 (%)	MO	✓	**100**	97	69
Host community procurement (including spend with sub-contractors)**	EA	X	**3.9**	6.6	5.4
People (Link to strategy)					
Voluntary labour turnover (%)	MO	✓	**1.9**	4.3	3.6
Women in senior management (%)	MO	✓	**31**	30	30
Women in the workforce (%)	MO	✓	**27**	26	26
Historically disadvantaged South Africans (HDSAs) in management (%)	MO	✓	**80**	78	78

Type of assurance **EA** – external assurance (reasonable and limited) on selected sustainability KPIs (for more detail refer to pages 89 to 91 in the SR) **MO** – management and Board oversight through our internal governance processes **IA** – subjected to internal audits **FI** – financial information sourced from the audited Annual Financial Statements

KPIs	Assurance		2024	2023	2022
Production (Link to strategy)					
Sishen (Mt) (for detail refer to page 77)	MO & IA	✓	**25.7**	25.4	27.0
Kolomela (Mt) (for detail refer to page 78)	MO & IA	–	**10.1**	10.3	10.7
Cost (Link to strategy)					
Sishen free-on-rail (FOR) cash unit cost					
Rand/tonne (for detail refer to page 68)	MO & IA	✓	**531.3**	589.1	479.3
US$/tonne (for detail refer to page 68)	MO & IA	✓	**29.0**	31.9	29.3
Kolomela FOR cash unit cost					
Rand/tonne (for detail refer to page 68)	MO & IA	✓	**404.0**	482.4	489.6
US$/tonne (for detail refer to page 68)	MO & IA	✓	**22.0**	26.1	29.9
Financial (Link to strategy)					
Return on capital employed (ROCE) (%) **	FI & IA	X	**41**	82	76
Earnings per share (EPS) (Rand per share)	FI & IA	X	**45.81**	70.80	46.64
Attributable free cash flow (Rm)**	FI & IA	X	**14,467**	14,875	10,368

✓ Positive trend (year-on-year) – Neutral trend X Negative trend

** Linked to executive remuneration.

$ The water data (2022 – 2023) has been restated to align with the International Council of Mining and Metals (ICMM) water reporting definitions. This is to ensure greater transparency and wider understanding of our water use metrics.

Our business model

Our value proposition

Operational excellence

Strong leadership to ensure safe and sustainable business, support thriving communities, and remain a trusted corporate leader to deliver the mine plan in line with our values

Improving cost competitiveness

Reconfigured our business to stay globally competitive and to adapt to the operating and market environment. When logistics capacity improves, we keep the flexibility to ramp back up

High-quality assets attracting above-market premia

Benefit from strong global prices to grow value through operational excellence and improved cost efficiencies, achieving full value for our premium product

Disciplined value creation

A resilient balance sheet and disciplined capital allocation, delivering attractive and sustainable shareholder returns

Our value chain activities

- **Exploration**: Identifying potential new resources, primarily in the Northern Cape and Africa
- **Mining**: Extracting iron ore in the Northern Cape
- **Beneficiation**: Improving the final product quality, using DMS, jig technology and UHDMS
- **Blending and outbound logistics**: Producing and transporting niche products
- **Shipping, marketing and selling**: Servicing markets globally
- **Sustainability and ESG**: Contributing to sustainable development and managing ESG impacts across all stages of the value chain

- Access to natural resources (including iron ore, land, energy and water)
- Prospecting and mining rights
- Regulatory permits and licences
- Social licence to operate
- Financial capital
- Infrastructure and support services, including especially rail and port services
- Reliable, cost-efficient and representative supplier base
- Technical, commercial and managerial skills and experience
- FutureSmart Mining™ – integrating new technologies to enable safe mining
- Exploration, mining and processing technology and techniques
- High levels of customer satisfaction and loyal customer base
- Positive engagement with industry peers
- Well-established reputation

Key relationships

- Utilities suppliers (especially Eskom), service providers (including Transnet), and contractors
- National, provincial and local government
- Department of Mineral Resources and Energy (DMRE), Department of Forestry, Fisheries and the Environment, Department of Water and Sanitation, Department of Public Enterprises and Department of Finance
- Communities, their representatives, and non governmental organisations (NGOs)
- Employees and organised labour
- Equity investors (including Anglo American plc) and loans from financial institutions
- Management and leadership teams
- Technical teams and contractors
- Customers
- Mining company peers and industry bodies
- Media, analysts and institutions
- Academia providing technical insights and expertise

Sensitivity analysis

Change per unit of key operational drivers, each tested independently

Operational driver	1% change	2024 impact
Currency (R/US$)	R0.10/US$	R338m
Export price (US$1.00/t)	US$1.00/t	R637m
Export volume (kt)	100kt	R117m

	1% change	Break-even price impact
Currency (R/US$)	R0.10/US$	US$3.00/t

Sensitivity analysis

1% change to key operational drivers, each tested independently – earnings before interest, taxes, depreciation and amortisation (EBITDA) impact (R million)

EBITDA impact

Export volume	Export price	Currency
+/- R420 million	+/- R587 million	+/- R620 million

Our business model cont.

Revenue drivers

Iron ore prices

We secure a Lump and Fe premium and marketing premium for higher-quality ore

Iron ore sales

Sales volumes were slightly lower than the prior year, impacted by logistics constraints

Rand/US$ exchange rate

A slightly stronger Rand for US$-based iron ore prices

Potential for revenue differentiation

Ability to achieve quality and Lump premia for superior ore quality (64.1% Fe versus 62% Fe benchmark), the demand for which continues to strengthen in response to more stringent environmental standards globally	✓
Price differential potential due to higher Lump:Fine ratio (66:34 versus global average of 20:80)	✓
Ability to diversify customer portfolio with sales in regions utilising direct-charge materials	✓
Stronger price realisation, driven by effective marketing activities	✓
Continued poor logistics performance by Transnet, including derailments and logistics infrastructure and equipment failures and lower iron ore prices, led to reconfiguration of the business and job losses	✗
Beneficiation using UHDMS technology will increase product quality	✓

Cost drivers

To maintain the current value proposition:

- Labour
- Mining and non-mining contractors
- Drilling, blasting and hauling
- Beneficiation
- Distribution (rail, port and freight)
- Marketing
- Rehabilitation
- Energy (liquid fuel and electricity)
- Maintenance
- Consumables
- Corporate overheads
- Capital expenditure
- Social investments

To expand the current value proposition:

- Exploration
- Marketing
- Capital expenditure

Potential for cost differentiation

Scope for differentiation through UHDMS technology	✓
Further leverage in operating costs through enhanced operating efficiencies	✓
Cost savings programme delivered R4.4 billion of savings in 2024	✓
Higher stripping ratio, due to the inherent characteristics of the ore body, results in higher mining costs; however, with the implementation of the UHDMS project, the stripping ratio is expected to reduce	✗
Higher rail costs from mine to port, compared to global peers	✗
Higher freight costs due to distance to the Chinese and Japan/Korea/Taiwan markets	✗

Material risks

- Kumba's competitive position *(transformation of the business)*
- Socio-economic and political challenges in South Africa
- Ability to attract and retain critical skills
- Cyber risks and information security
- Reserve depletion and securing our growth
- Third-party infrastructure *(OEC operating efficiency)*
- Commodity markets and currency fluctuations
- Safety performance
- Licence to operate: authorisations, legislation and regulatory changes
- Procurement threats: extortion and intimidation

Material opportunities

- Safety, health and wellness initiatives to encourage healthy behaviours and promote mental wellbeing
- Innovations and partnerships to improve the resilience of South Africa's rail and port logistics
- Advanced analytics and processing in operations to improve efficiencies
- Partnerships with donor organisations and implementing agencies to benefit surrounding communities
- Renewable energy and other "green" initiatives to drive decarbonisation across our value chain
- Automation and roll-out of safety technology to ensure safe and efficient production of iron ore
- Initiatives to ensure a future-enabled workforce
- Utilise the UHDMS technology across our mines, currently in implementation phase
- Marketing and supply of Lump product, accompanied by diversification of our customer profile
- Innovations in the circular economy and agribusiness

Output

35.7 Mt (2023: 35.7 Mt) of safely mined high-quality haematite iron ore, with a Lump:Fine ratio (for production) of 66:34 (2023: 65:35)

This year, Sishen produced products with an average Fe content of **64.0%**, and Kolomela averaged **63.0%**

Our product portfolio includes niche Lump products, as well as Standard Fines and Standard Lump

In terms of waste outputs, we produce rock, tailings and process water which is largely recycled

▶ For more information see **page 47**

Output context:

Issues impacting value

- Continuing underperformance on the Transnet OEC
- Sustained cost pressures and ongoing volatility in global iron ore prices
- Challenging macro-economic operating environment in South Africa
- Optimising Kumba's life-of-assets
- Climate change and the global decarbonisation imperative
- Digital technologies driving change in business models
- Regulatory and stakeholder focus on sustainability/ESG

▶ For more information see **pages 36 to 44**

Our value chain activities and impacts

	Exploration	Mining	Beneficiation	Blending and outbound logistics	Shipping, marketing and selling	Sustainability and ESG management
Activities across the full value chain	Exploration is focused mainly in the Northern Cape, close to our existing operations at Sishen and Kolomela. We are conducting on-mine and near-mine exploration and resource-definition drilling to increase confidence in our geological models. We are also investigating potential opportunities elsewhere in Africa.	We extract iron ore by mining ore bodies within our mining leases using open-pit methods. We are implementing a technology roadmap to accelerate the adoption of technology to improve safety, quality, efficiency and resource utilisation, underpinned by a strong Operating Model, sustainability practices and a commitment to FutureSmart Mining™.	We support the South African government's objectives to maximise the developmental impact of the minerals sector, progressing beneficiation opportunities in concentrates, agglomeration and iron making. We use DMS and UHDMS technologies to improve the quality of the finished product.	Blending allows us to use products from our operations to provide niche specification products to our markets. Products are screened and sized to match customer requirements, before being transported through our outbound logistics chain.	We sell iron ore domestically and internationally. Our export customers are in China, Japan, India, South Korea and countries in Europe and the Middle East and North Africa (MENA) region.	The life-cycle of the mine needs responsible sustainability and ESG management practices to ensure the long-term availability of our key capital inputs, both during and after our operations.
Key outcomes Implications of our activities on value in each stage of the value chain ✓ Positive outcome 🟧 Neutral outcome ☒ Negative outcome HC – Human capital SC – Social capital FC – Financial capital IC – Intellectual capital NC – Natural capital MC – Manufactured capital	✓ Drilling on near-mine properties that have been identified as potential iron ore mineralisation targets (NC and MC) ✓ Various growth opportunities identified in South Africa, and potential exploration opportunities being investigated elsewhere in Africa (NC and SC) ✓ Maintaining generally positive stakeholder relationships in the Northern Cape (SC) ✓ Contributing to tax base throughout the value chain (SC) ☒ Comparatively minor (level 1 and 2), well-managed environmental impacts (NC)	✓ Embedding an integrated approach to workplace safety, including launching our Stop for Safety programme and the My Daily Safety Rhythm and Routine initiative (SC and HC) ✓ Implementing innovative technologies to improve efficiencies and keep our people safe (IC and HC) ☒ Performance continues to be negatively impacted by logistical challenges in the OEC (FC and MC) ✓ A roadmap is in place for carbon neutrality in scope 1 and 2 GHG emissions (NC) ☒ Dust emissions (HC) (NC)	✓ Contributing to government beneficiation and developmental objectives through significant investment in Sishen's UHDMS project (SC and FC) ✓ Enhanced intellectual capital and technology development (IC) ✓ Securing market premium and building financial capital through enhanced quality product (FC) ☒ Dust emissions (HC) (NC)	☒ Continuing challenges with Transnet-run OEC, resulting in finished stock situated at the mines (FC) ✓ Working closely with Transnet to convert the outcomes of the independent technical assessment into a multi-year programme of focused projects to restore the capacity of the OEC ✓ Optimising value from the resource investment in technologies and techniques (FC) ✓ Direct blending that improves operational efficiency (FC)	✓ Continue to be a strong advocate for PSP to improve the rail and port performance (FC) ✓ Integrated sales and operational teams jointly managed production, logistics and sales, including coordinating stock buffers along the value chain to leverage every opportunity to increase export sales volumes (FC) ✓ Strengthening the geographic diversity of our customer portfolio to gain further market share outside of China (FC) ✓ Engaging with our customers on Scope 3 GHG emissions reduction commitments, with approximately 30% of our iron ore sales now covered by decarbonisation memoranda of understanding (MoUs) (NC) ☒ Continuing pressure on export sales due to poor logistics performance	✓ Continuing progress in securing government permits (SC and FC) ✓ Improved mine rehabilitation and responsible mine closure. Detailed mine rehabilitation programme managed by a multidisciplinary steering committee to oversee progress (NC) ✓ Sishen solar PV project on track for commissioning in 2026 (NC) ✓ Regular engagement with our key stakeholders to identify and address environmental issues and impacts timeously ☒ GHG emissions generated, but programmes in place to meet ambitious reduction targets (NC)
Relevant UNSDGs Implications for our prioritised Sustainable Development Goals	8 Decent work and economic growth 9 Industry, innovation and infrastructure 15 Life on land	1 No poverty 3 Good health 8 Decent work and economic growth 9 Industry, innovation and infrastructure 6 Clean water and sanitation 13 Climate action 15 Life on land 17 Partnerships for the goals	3 Good health 8 Decent work and economic growth 9 Industry, innovation and infrastructure 12 Responsible consumption and production	8 Decent work and economic growth 9 Industry, innovation and infrastructure	8 Decent work and economic growth 9 Industry, innovation and infrastructure 12 Responsible consumption and production	1 No poverty 3 Good health 8 Decent work and economic growth 9 Industry, innovation and infrastructure 6 Clean water and sanitation 13 Climate action 15 Life on land 17 Partnerships for the goals
	Output	**35.7 Mt (2023: 35.7 Mt) of safely mined high-quality haematite iron ore, with a Lump:Fine ratio of 66:34 (2023: 65:35). This year, Sishen produced products with an average Fe content of 64.0%, and Kolomela averaged 63.0%. Our range of high-grade products includes premium Lump products, as well as Standard Fines and Standard Lump. In terms of waste outputs, we produce rock, tailings and process water which is largely recycled.**				
Strategic focus areas	Value creative options Operational excellence Leadership and culture Strong balance sheet	Leadership and culture Operational excellence Cost competitiveness Maximise product premium Societal value Disciplined capital allocation	Maximise product premium Green steel value chain Value creative options Societal value Leadership and culture	Maximise product premium Operational excellence Leadership and culture	Maximise product premium Green steel value chain Cost competitiveness Leadership and culture	Societal value Green steel value chain Leadership and culture Maximise product premium

Creating value: capitals and interdependencies

Our ability to create value over time – and any assessment of the value we have created, undermined, and/or shared – is determined by how we interact with the resources and relationships that our business model depends on.

Capitals

People

Everything we do depends on the safety and wellbeing, skills, expertise, productivity, motivation and behaviour of our employees, the leadership team, contractors and service providers.

Necessary inputs*

- Employees and contractors operating within an environment that fosters a zero-harm, performance-based culture (2024: 5,649 permanent employees, 8,076 contractors and 1,041 learnerships)
- An experienced and sufficiently diverse leadership team, demonstrating values-driven behaviour
- Service providers delivering on agreed terms and conditions and facilitating our drive for safety, local development, sustainability and transformation

Challenges in securing these inputs

There are ongoing competitive pressures in attracting and retaining top skills and diverse talent. This pressure has been heightened by various issues, including reduced general attractiveness of the mining sector as a career opportunity, the changing skill sets needed for the increasingly digitised mine of the future, new workplace dynamics associated with the shift to remote and hybrid working, and the decreasing availability of certain skills in South Africa compounded by a recent increase in emigration of talent from the country and visa-related challenges in accessing foreign skills.

Action to enhance capital

We continue to resource the Company with a capable, engaged and productive workforce and are committed to ensuring no harm comes to any of those who work with us. Our activities and investments in attracting and retaining talent, providing a safe, healthy and engaged working environment, promoting employee training and development, ensuring fair labour and contracting practices, and encouraging local employment opportunities provide the foundation for optimising value creation. A review of our activities in these areas is provided in the following sections of our 2024 reports:

▶ Leadership and culture **IR – page 64**
▶ Our people **SR – page 30**
▶ Building social capital **SR – page 48**

Impacts of our activities on the capitals

Key trends in our activities to enhance employee value

✓ **Further enhanced employee skill sets, wellbeing and diversity commitment:**
- R6.7 billion spent on employee salaries and benefits (2023: R7.0 billion)
- R260.6 million invested in training and development (2023: R284.5 million)
- Ongoing leadership and culture initiatives to support employees through the changing work environment
- Diversity: 80% of HDSAs in management (2023: 78%); 27% women in total workforce (2023: 26%)

✓ **Sustained strong occupational health performance:**
- 100% of HIV positive employees are on antiretroviral therapy
- 71% of employees screened for TB
- 95% of employees with chronic conditions (that are monitored) are controlled with treatment

✓ **Resilient improvement in safety indicators:**
- We recorded a total of 17 recordable injuries, resulting in a TRCFR of 0.76, a 22% improvement on the previous year (2023: 0.98)
- Total lost-time injuries (LTIs) recorded decreased to 11 compared to 17 in the previous year

X **Continuing challenges impacting employee value in certain areas:**
- Approximately 35% of our workforce (employees and contractors) have chronic medical conditions – 43% classified as obese

— 48 employee grievances referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) (2023: 54)

Capitals

Intellectual capital

Delivering on our strategy requires a strong performance-based ethical culture, effective management systems and continuous innovation in technology and processes to produce the most efficient and effective outcomes.

Necessary inputs*

- Our substantial financial investment in the purchase, development and maintenance of property, plant and equipment has given us the capacity to generate longer-term returns.

Challenges in securing these inputs

Protecting and enhancing intellectual capital is linked to our investment in research and development and skills development, in an effort to maintain our ability to attract and retain top skills and diverse talent, and our effectiveness in instilling a performance-based ethical culture that drives innovation. Potential material constraints include increasing competition for talent (both within and external to the mining sector - see above on human capital), as well as competing interests for the investment of financial capital.

Action to enhance capital

A review of our activities aimed at enhancing intellectual capital is provided in the following sections of our 2024 reports:

▶ Delivering on our strategy **IR – page 64**
▶ Our people: Workforce culture and capability **SR – page 41**

Impacts of our activities on the capitals

The effect of our activities on intellectual capital

✓ **Sustained growth in the Company's intellectual capital through various investments and activities:**
- Investment in skills development: R261 million
- Investment in technical studies: R216 million
- Successful roll-out of innovation in technologies and processes in both our operations
- Integrating technologies to enable safe mining, removing people from harm's way, and to more precisely target metal and mineral with less waste, water and energy (see page 36 of the SR)
- Using digitalisation to create a truly smart, connected mine, transforming vast quantities of data into predictive intelligence with the ultimate aim of creating a self-learning operation that offers new levels of safety, stability and predictability

* Note: Quantitative details on capital inputs reflect the status as at 31 December 2024 – unless otherwise stated.

Creating value: capitals and interdependencies cont.

Capitals

Relationships

Trusted relationships with our stakeholders are essential for developing and maintaining shared value , which enables us to deliver on our strategy.

Necessary inputs*

- Positive engagement with unionised and non-unionised workforce
- Constructive relationship with representatives from government and regulators, including Transnet
- Continued confidence from our shareholders, investment community and customer base
- Diversified customer portfolio, with the quality of our products supporting our competitive advantage
- Trusted reputation with host communities, civil society bodies, NGOs and media
- Effective service delivery and engagement from suppliers and contractors
- Conducive local, national and global operating environment, founded on mutual trust

Challenges in securing these inputs

Increasing expectations from stakeholders for businesses to show leadership in addressing sustainability challenges, coupled with declining levels of trust in government in many countries, highlight the importance of developing strong relationships. The need to foster strong relationships with host communities has been heightened by persistent inequality and poverty in South Africa and growing frustration over the lack of service delivery by government. Managing the sometimes competing interests of different stakeholder groups can necessitate some difficult trade-offs.

Action to enhance capital

A review of our activities aimed at strengthening stakeholder relations is provided in the following sections of our 2024 reports:

▶ Addressing stakeholder interests **IR – page 45**
▶ Provide leadership through responsible citizenship **IR – page 65**
▶ Building social capital: Making a positive social contribution **SR – page 48**
▶ Our people: Workforce culture and capability **SR – page 41**
▶ Stakeholder engagement **SR – page 26**

Impacts of our activities on the capitals

Key trends in our activities to enhance employee value

✓ **Continued to maintain strong employee relations:**
- 1.9% voluntary employee turnover rate, well below the industry benchmark
- Semela, new broad-based employee share ownership plan (ESOP) in place with a hybrid structure including an evergreen and a vesting component
- No industrial action since 2012

✓ **Maintained constructive relationships with national, provincial and local government through regular engagement, strong regulatory compliance and encouraging performance on transformation and developmental objectives:**
- Positive delivery in terms of National Development Plan expectations
- No fines for non-compliance during the year
- R9.2 billion total tax contribution (2023: R12.7 billion)

✓ **Generally encouraging relationships with communities, aided by active community engagement and provision of economic opportunities, infrastructure and services:**
- 80% of Kumba employees recruited from local areas
- R3.9 billion spent on more than 260 suppliers from host communities (2023: R6.6 billion)
- R11.2 billion spent on procurement from HDSA businesses (2023: R22.9 billion)
- R468.6 million social investment (2023: R376.2 million)

✗ **Some concerns remain in community relations:**
- 85 social complaints and grievances reported across our sites with no level 4 or 5 incidents recorded
- To ensure we provide adequate support to stakeholders in host communities, we review the grievance mechanism on an annual basis to ensure it remains fit-for-purpose, effective and responsive to the impacts of the business reconfiguration plan. This included reviewing our escalation processes.

Capitals

Natural resources

Our business model involves converting mineral resources and other natural resources into social and economic value; doing so has some unavoidable environmental impacts, including the generation of GHG emissions across our value chain.

Necessary inputs*

- Ore Reserves of 810.8 Mt and Exclusive Mineral Resources of 471.1 Mt
- Water: Total withdrawals of 9,246 ML (7% decrease year-on-year)
- Energy: Total consumption of 7.08 million GJ (20% decrease year-on-year)
- Diesel: 155.4 ML purchased (24% decrease year-on-year)
- Land: 56,146 hectares land under management; 2,500 hectares set aside for biodiversity offsets

Challenges in securing these inputs

We are working to decarbonise our mining operations and maximise our premium product offering as part of a drive to effect a just transition in the steelmaking value chain. We have adopted ambitious targets relating to our scope 1, 2 and 3 GHG emissions. Our mines are in the water-stressed Northern Cape, where arid conditions and municipal potable water supply constraints underscore the need for responsible water management. We take all reasonable steps to ensure that we do not degrade water quality or compromise the access rights of other users. Excess water created by dewatering activities are shared with the local communities. We continue to increase the water reuse rate at our operations with the aim of achieving an 85% reuse rate by 2030.

Action to enhance capital

In addition to mitigating the direct impacts of our activities across our value chain, we seek to offset any remaining impacts through the provision of energy and water services to the local community, the responsible sharing of socio-economic benefits deriving from our mining activities, and by using our influence to drive improved behaviour across our value chain. A review of our activities to reduce our environmental impacts is provided in the following sections of our 2024 reports:

▶ Provide leadership through responsible citizenship **IR – page 65**
▶ Environmental impacts **SR – page 59**
▶ Climate change risks **CCR – page 11**

Impacts of our activities on the capitals

Key trends in our activities to enhance employee value

✓ No serious (level 3 to 5) environmental incidents for the ninth consecutive year

✓ Ensured zero level 3 to 5 water discharge incidents for the eighth year consecutive year

✓ Progressed with site-specific energy and carbon projects to achieve ambitious emissions reduction targets

✓ Progressed with commissioning of a 63 MW solar PV plant at Sishen, due for completion in 2026

✓ 68.0 hectares reshaping completed and 69.4 hectares seeding completed for the current year, above the target for the year

✓ Progressed in developing a reporting metric to measure our contribution to internal and global biodiversity targets and nature positive outcomes, and worked with global NGO to pilot the TNFD's LEAP approach to assess nature-related risks, impacts and dependencies at our operations and supply chain

– Further progress in mitigating dust emissions at our mining operations

✗ Cumulative 17,178 hectares disturbed by mining, processing and mineral waste disposal since the commencement of operations

* Note: Quantitative details on capital inputs reflect the status as at 31 December 2024 – unless otherwise stated.

Creating value: capitals and interdependencies cont.

Capitals

Financial capital

Access to cost-effective financial capital – in the form of equity, debt, reinvestment and other financial instruments – is an essential basis for sustaining and creating further value across all capital stocks.

Necessary inputs*

- Market capitalisation: R198.0 billion at end of 2023
- Capital expenditure to execute growth projects: R1.3 billion
- Robust balance sheet
- Cash generated from operations: R34.8 billion
- Continued focus on margin enhancement and strong financial discipline
- Good track record of responsible financial management practices

Challenges in securing these inputs

Our ability to generate financial capital for reinvestment in the Company is a function of various internal and external factors reviewed in more detail throughout this report. Access to external financial capital is determined by Company fundamentals, investor sentiment, country risk levels, and the state of the global economy more generally. Exogenous issues, such as increased global geopolitical volatility, heightened supply chain vulnerabilities and continuing political uncertainty in South Africa, are impacting business fundamentals and investor sentiment.

Action to enhance capital

Through our Refreshed strategy, we are focusing on making Kumba more competitive by enhancing the performance and efficiency of our current assets, delivering a substantial improvement in margins and sustainably extending the life of our assets. In terms of our capital allocation framework, cash generated from operating activities will be used for our tax commitments, stay in business (SIB) capital, and the provision of dividends to shareholders in line with our dividend policy. Excess discretionary cash flow is deployed in the best long-term interests of shareholders with consideration of further investment in the business and incremental returns to shareholders. Through our purpose to re-imagine mining to improve people's lives, and our innovative thinking and enabling technologies, we are seeking to make a meaningful positive contribution to the country's socio-economic transformation.

A review of our activities is provided in the following sections of our 2024 annual reports:

▶ Chief Executive's review **IR – page 34**
▶ Provide leadership through responsible citizenship **IR – page 65**
▶ Building social capital: Making a positive social contribution **SR – page 51**

Impacts of our activities on the capitals

Key results from our actions to build financial capital

- ✓ Resilient and efficient balance sheet with strong cash flows
- X Decrease in ROCE from 82% in 2023 to 41% in 2024
- ✓ Ended the year with a net cash position of R14.7 billion
- X Adjusted EBITDA: R28.1 billion, 39% lower compared to the previous year
- ✓ Total cash dividend of R38.67 per share
- ✓ Realised a total price uplift of US$3 above the Platts 62 free-on-board (FOB) export price
- X 47% decrease in share price from R615 per share at end of 2023 to R326 per share at end of 2024
- ✓ Market capitalisation of R105.1 billion at end of 2024

Capitals

Manufactured assets

Our substantial financial investment in the purchase, development and maintenance of property, plant and equipment has given us the capacity to generate longer-term returns.

Necessary inputs*

- Well-maintained and functional property, plant and equipment: 2024 book value of R56.1 billion
- Maintaining opportunities for growth through our exploration and production operations in the Northern Cape province
- Reliable provision of services from service providers and contractors

Challenges in securing these inputs

Ensuring continued access to reliable manufactured assets at our operations requires targeted investment in the acquisition, maintenance and/or replacement of property, plant and equipment. Key challenges in securing necessary inputs include competing demands for access to financial capital, unexpected events contributing to equipment failure, and potential delivery and delays from service providers, including most significantly from Transnet.

Action to enhance capital

A review of our activities is provided in the following sections of our 2024 integrated report:

▶ Chief Executive's review **IR – page 34**
▶ Chief Financial Officer's review **IR – page 67**

Impacts of our activities on the capitals

Key trends from our activities to enhance manufactured capital

- ✓ Manufactured assets enhanced through R9.0 billion investment of capital expenditure in plant, equipment and deferred stripping costs capitalised
- ✓ Continued focus on improving operational efficiency through productivity improvements and various efficiency programmes at operations through the implementation of technology
- ✓ Resumed the UHDMS project, following the Board's approval of a further R7.6 billion investment in the project
- ✓ Kapstevel South pit at Kolomela, a high-grade DSO replacement project sustaining output of up to 10 Mtpa, was successfully completed with the first ore delivered in June 2024
- X Operational performance undermined by persistent logistics constraints resulting in the business reconfiguration

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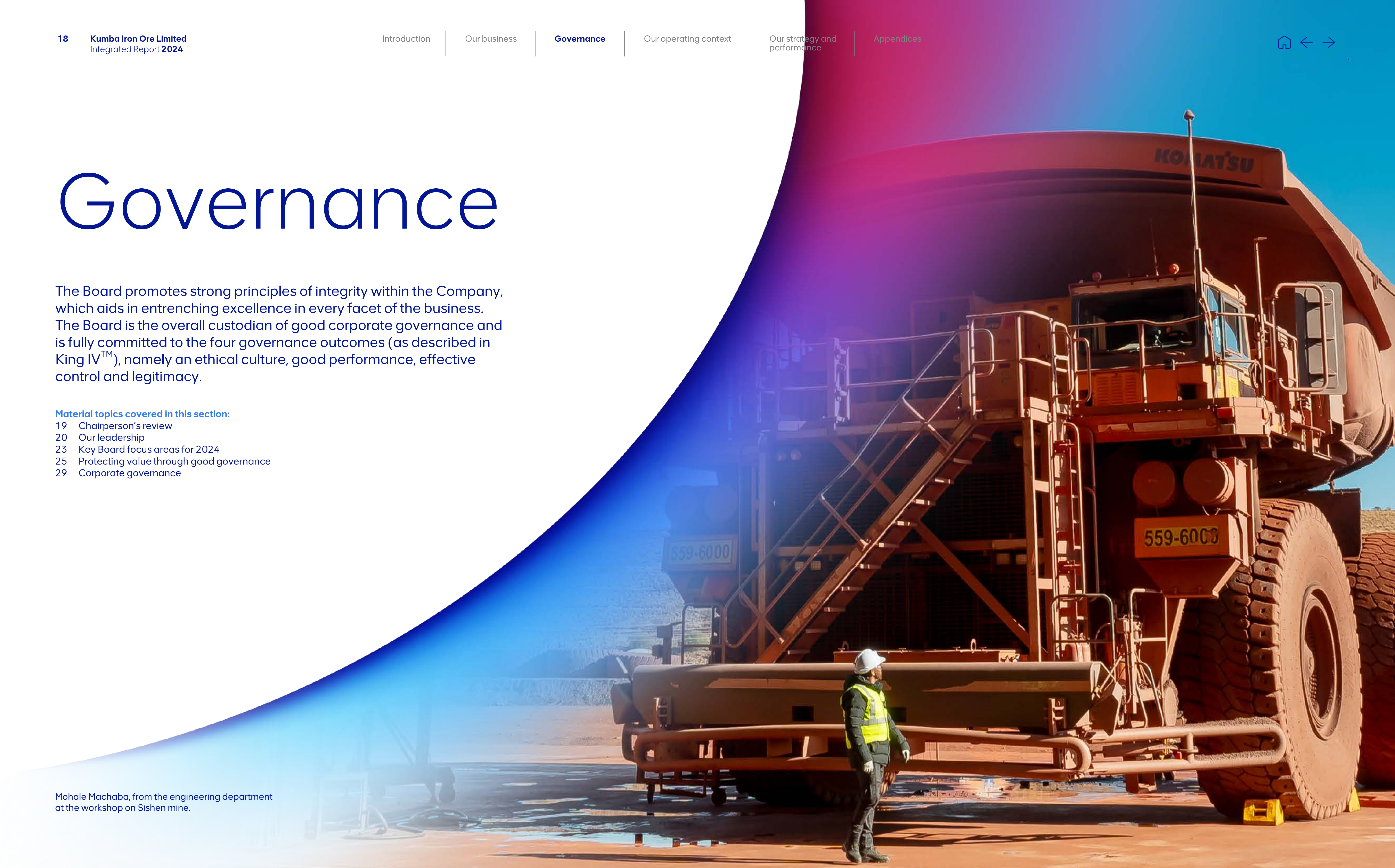
* Note: Quantitative details on capital inputs reflect the status as at 31 December 2024 – unless otherwise stated.

Governance

The Board promotes strong principles of integrity within the Company, which aids in entrenching excellence in every facet of the business. The Board is the overall custodian of good corporate governance and is fully committed to the four governance outcomes (as described in King IV^{TM}), namely an ethical culture, good performance, effective control and legitimacy.

Material topics covered in this section:



Mohale Machaba, from the engineering department at the workshop on Sishen mine.

Chairperson's review

Terence Goodlace
Chairperson

The world is confronted with extensive challenges, including rapid shifting economic policies, increased national sovereignty and rising social division. Reflecting on 2024, Kumba has continued to demonstrate its resilience and strategic foresight in a tough operating environment. Despite challenging conditions associated with the declining performance of the Transnet rail and port services, and continued pressure on global iron ore prices, Kumba delivered on its objectives, with production and sales both within guidance, thus contributing to solid financial results. The new business reconfiguration plan, which aligns production volumes with Transnet's reduced logistics performance, has been executed effectively, with further value enhancements around operational and cost optimisation progressing as planned. An unwavering focus on operational safety, sustainability and value creation has also yielded very positive results. The Company's strong performance and positive outlook as a premium iron ore producer is reflected in Anglo American's decision this year to retain Kumba within its radically simplified portfolio of world-class assets.

Enduring stakeholder value

In delivering on its commitment to creating enduring stakeholder value and fostering a safe working environment, I am proud to announce that Kumba has achieved more than eight years of fatality-free production at Sishen and over two years at Kolomela. There have also been zero serious (level 3 to 5) environmental incidents. The TRIFR improved significantly this year, and is now at its lowest level since the Company's inception. During 2024, Sishen and Kolomela reported that they were the first African iron operations to be verified against the IRMA Standard for Responsible Mining, achieving the IRMA 75 level of performance. This reflects many years of planning and dedication to promote responsible mining practices at every stage of Kumba's operations.

Kumba continued to make positive progress its decarbonisation roadmap and its goal of collaborating with industry to create a green steel value chain. The site preparation work for the Sishen 63 MW solar plant was completed in 2024, and the Board is continuing to monitor the progress being made and the milestones set as we seek to introduce renewable energy at both mine sites.

In a significant development, the Board approved the recommencement of the construction of the R11.2 billion value-adding UHDMS processing technology at Sishen. A key focus area of the Board will be the active monitoring of the project's implementation for eventual commissioning in 2026. This major investment – which will enable Kumba to treble the proportion of premium iron ore product and contribute to reducing carbon emissions from the steelmaking process – demonstrates Kumba's long-term commitment to South African mining and host communities in the Northern Cape.

In line with the purpose of re-imagining mining to improve people's lives, Kumba this year generated a total of R57.3 billion in value for all its stakeholders (2023: R71.1 billion), contributing R7.3 billion (2023: R10.9 billion) to the national fiscus, R6.7 billion (2023: R7.0 billion) in direct value for employees, and a total BEE supplier spend of R17.3 billion (2023: R22.9 billion), including R3.9 billion spend on host community suppliers. Significantly, Kumba facilitated the creation of more than 3,000 jobs across various sectors beyond mining, including agriculture, hospitality, manufacturing and tourism.

Resilient financial performance

Kumba delivered resilient financial results in 2024 and achieved an average realised FOB price of US$92/wet metric tonnes (wmt) (2023: US$117/wmt), which was 3% above the equivalent benchmark iron ore price. Despite logistics and market challenges, Kumba achieved an adjusted EBITDA of R28.1 billion (2023: R45.7 billion), with an adjusted EBITDA margin of 41% (2023: 53%). The closing net cash position stands at R14.7 billion (2023: R13.2 billion). The Board declared a final cash dividend of R19.90 per share (2023: R24.20 per share), resulting in a total cash dividend of R12.5 billion for the year (2023: R15.1 billion) with a dividend yield of 12%.

Addressing Transnet's declining rail and port performance

Given the significant impact of Transnet's performance on Kumba's activities, the Board maintained a strong focus on monitoring the progress of Kumba's various interventions aimed at restoring the OEC to its nameplate capacity, thereby ensuring its longer-term viability. Transnet operated at around 80% of its contractual volumes, its worst level yet, which had a significant knock-on effect on our production and sales volumes.

Through our involvement in both the National Logistics Crisis Committee (NLCC) and the Ore User's Forum (OUF), Kumba has played an active role in seeking to address some of the underlying challenges with the OEC's performance. In addition to supporting Transnet during its annual maintenance rail and port shutdown in October 2024, Kumba contributed to the development of the Ore Corridor Restoration (OCR) programme, which presents a clear course of action to address the critical gaps identified in an independent technical assessment, completed during 2024. We have also been working to develop a proposed PSP concessionaire model, under which private sector parties would have operational and maintenance responsibilities for the OEC for a defined period, once approved by government. We also acknowledge the work done by Transnet in releasing its Network Statement, published in December 2024, which seeks to mobilise greater private sector investment by allowing third-party train operators to enter the provision of rail services to cargo owners. While we are encouraged by some of these recent regulatory developments to drive rail reform, significant work lies ahead before Transnet is back to full capacity.

Kumba's Refreshed strategy

A core responsibility of the Kumba Board is to regularly review and provide independent oversight of Kumba's strategic objectives. In addition to assessing progress on the strategy at the Board's quarterly meetings, the Board dedicates a full day each year to align the Board and management on the Company's strategic priorities and growth opportunities. At this year's annual strategy day, we endorsed Kumba's Refreshed strategy, acknowledged its alignment with the new Anglo American's strategic objectives, and prioritised various high-impact strategic initiatives. These include identifying opportunities for using artificial intelligence (AI) tools to improve mine safety and enhance efficiencies, integrating all aspects of our value chain, advancing Kumba's endowment and resource development strategy, and agreeing on specific opportunities in Kumba's growth portfolio that align with its premium product and green steel value chain ambitions.

Governance

From a governance perspective, I am fortunate to be supported by a professional board, with the right balance of skills, experience and diversity of views needed to fulfil our fiduciary and oversight responsibilities. Following the departures last year of Ms Buyelwa Sonjica and Ms Sarah Kuijlaars, we were pleased this year to welcome Mr Matthew (Matt) Walker and Ms Neo Mokhesi to the Board. Matt Walker was appointed as a Non-executive director, representing the Anglo American group and serving on the Strategy and Investment Committee and the Human Resources and Remuneration Committee with effect from 1 April 2024. Neo Mokhesi was appointed as an Independent non-executive director with effect from 1 July 2024, and serves on the Audit Committee, the Social, Ethics and Transformation Committee and the Safety, Health and Sustainable Development Committee.

Appreciation

I thank my colleagues on the Board for their valuable insights and performance. On the Board's behalf, I wish to extend our collective thanks to Mpumi Zikalala and her whole team for their leadership in what has been another challenging year, and I commend all of Kumba's employees for their commitment in enabling the Company to deliver safely on its objectives.

I remain confident that Kumba's strategic initiatives and operational excellence will continue to drive sustainable growth and value creation in the years ahead. I thank all our stakeholders for their continued support and trust .

Terence Goodlace
Chairperson
25 March 2025

Our leadership

Board of directors

Terence Goodlace (65)

**Chairperson,
Independent non-executive director**

BCom, MBA, NHD (Metalliferous mining)

Joined the Board on 24 March 2017

Value added to the Board
Mining strategy and operational experience, occupational safety, health and risk management

Nompumelelo "Mpumi" Zikalala (46)

**Chief Executive and Chairperson of Exco,
Executive director**

BSc (Chemical Engineering)

Joined the Board on 1 January 2022

Value added to the Board
Strategic leadership, mining, technical insight and stakeholder engagement

Bothwell Mazarura (51)

**Chief Financial Officer and member of Exco,
Executive director**

BCompt (Hons), CA(SA), ACA, CA(Z)

Joined the Board on 1 September 2017

Value added to the Board
Governance, financial acumen and leadership

Mary Bomela (51)

Lead independent non-executive director

BCom (Hons), CA(SA), MBA

Joined the Board on 1 December 2017

Value added to the Board
Strategy, financial acumen and governance

Ntombi Langa-Royds (62)

Independent non-executive director

BA (Law), LLB

Joined the Board on 1 December 2017

Value added to the Board
Human resources, legal and regulatory competence and governance

Michelle Jenkins (64)

Independent non-executive director

BSc Geology (Hons), BAcc (Hons), CA(SA)

Joined the Board on 1 November 2019

Value added to the Board
Resource industry risk management and strategic leadership

Sango Ntsaluba (64)

Independent non-executive director

BCompt (Hons), MCom (Dev Fin), HDip in Tax law, CA(SA)

Joined the Board on 5 June 2017

Value added to the Board
Governance, financial acumen and tax expertise

Neo Mokhesi (63)

Independent non-executive director

BCom, Advanced Management Programme certificates

Joined the Board on 1 July 2024

Value added to the Board
Corporate governance, strategy, development finance and corporate affairs

Aman Jeawon (55)

Independent non-executive director

BAcc, Postgraduate Diploma in Accountancy (Hons), CA(SA), CD(SA)

Joined the Board on 1 January 2023

Value added to the Board
Financial acumen, ESG insight (renewable energy) and capital structures

Josephine Tsele (55)

Non-executive director

BCom (Hons) Economics and Government, MBA

Joined the Board on 30 April 2021

Value added to the Board
Risk management, country risk management and structured trade and bank counterparty assessments

Themba Mkhwanazi (54)

Non-executive director

BEng (Chemical), BEng (Hons)

Joined the Board on 1 September 2016

Value added to the Board
Strategic leadership, mining and technical insight

Matthew Walker (43)

Non-executive director

BSc Hons (Economics and Economic History), Chartered Accountant

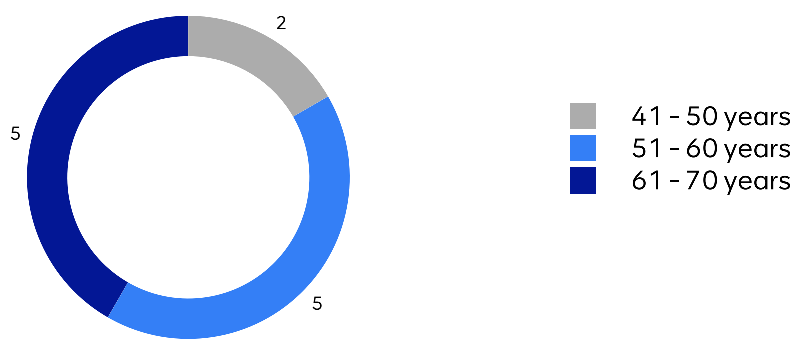
Joined the Board on 1 April 2024

Value added to the Board
Marketing, finance and integrated planning

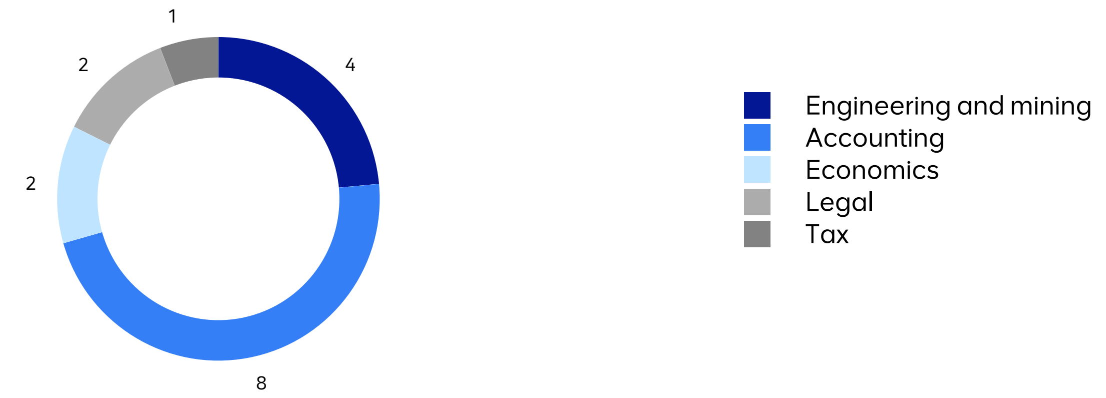
▶ For more information on the Board refer to: **www.angloamericankumba.com/about-us/internal-team**

Our leadership cont.

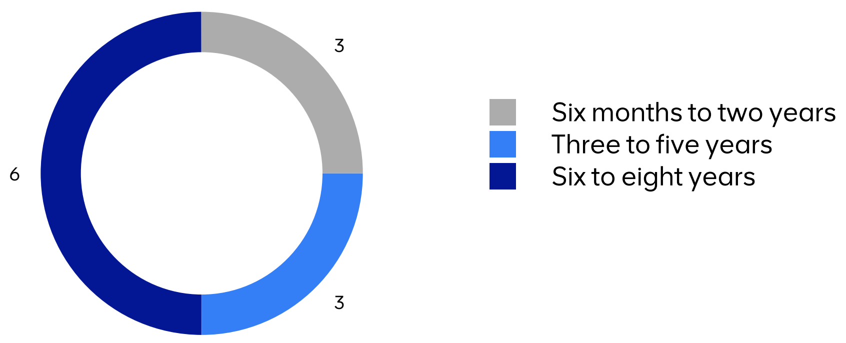
Board diversity - age



Board diversity - field of knowledge

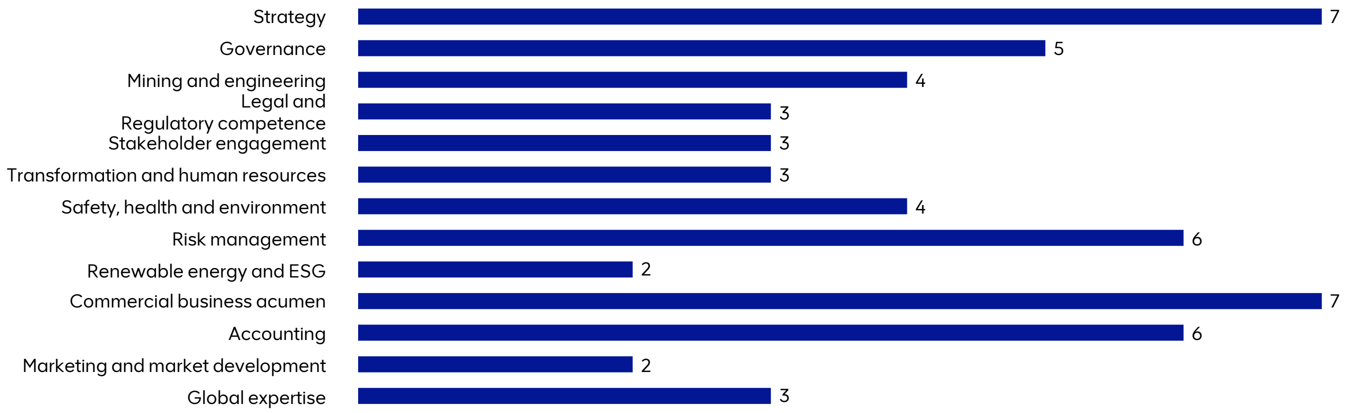


Board diversity - tenure



Board diversity - race

Board diversity - skills and experience



Our leadership cont.

Executive Committee (Exco)

Gerrie Nortje (45)

Executive Head of Technical and Strategy

MSc in Engineering; Bachelors in Engineering (Mining)

Joined Exco on 1 July 2023

Value added to the Exco
Technical expertise, engineering, strategy and mining

Dr Pranill Ramchander (54)

Executive Head of Corporate Affairs

BSoc Science (Hons), MA, MSc, PhD

Joined Exco on 1 September 2020

Value added to the Exco
Communication, stakeholder relations, social performance and governance, transformation, permitting and socio-economic development

Dr Simi Ramgoolam (47)

Executive Head of People and Organisation

MA (Organisational Psychology),
PhD (Organisational Psychology)

Joined Exco on 1 August 2022

Value added to the Exco
Organisational effectiveness strategy, change management and human resources best practice

Nandi Sibanyoni (43)

Executive Head of Safety and Sustainable Development

BA (Hons) Environmental Management

Joined Exco on 1 May 2021

Value added to the Exco
Health, safety and environmental management and regulatory knowledge (environmental)

Tumi Mbatha (46)

Chief Transformation Officer

BCom (Hons), PA (SA), MBA

Joined Exco on 1 July 2024

Value added to the Exco
Financial acumen, strategy and enterprise risk management

Andre Roux (48)

Senior General Manager: Northern Cape

MBA; Government Certificate of Competency - Mine Manager, Bachelors in Engineering (Mining)

Joined Exco on 1 July 2024

Value added to the Exco
Technical expertise, engineering and mining

Dr Timo Smit (56)

Executive Head of Marketing (participates by invitation)

MSc (Applied Physics), PhD (Materials Science and Engineering)

Joined Exco on 1 September 2007

Value added to the Exco
Marketing, logistics and macro-economic insight

Nompumelelo "Mpumi" Zikalala (46)

Chief Executive and Chairperson of Exco, Executive director

BSc (Chemical Engineering)

Joined Exco on 1 January 2022

Value added to the Exco
Strategic leadership, mining, technical insight and stakeholder engagement

Bothwell Mazarura (51)

Chief Financial Officer and member of Exco, Executive director

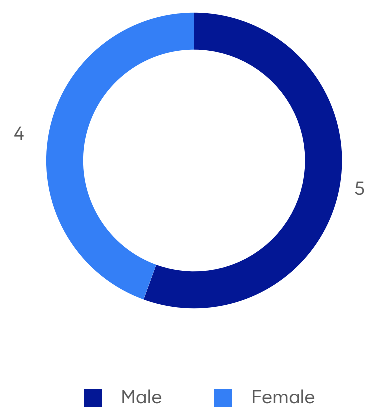
BCompt (Hons), CA(SA), ACA, CA(Z)

Joined Exco on 1 September 2017

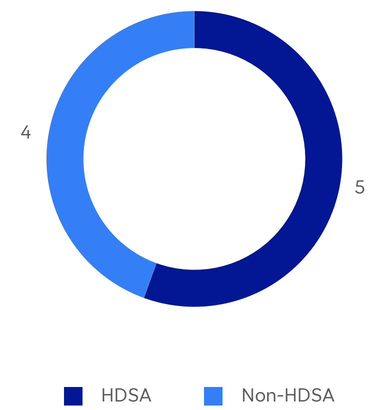
Value added to the Exco
Governance, financial acumen and leadership

▶ For more information on the Exco refer to: **www.angloamericankumba.com/about-us/internal-team**

Exco diversity – gender



Exco diversity – race



Skills and experience

Key Board focus areas for 2024

In fulfilling its independent oversight function in the context of a dynamic operating environment, the Kumba Board placed a heightened focus this year on the following five issues

1 Monitoring implementation of Kumba's Refreshed strategy

An important underlying responsibility of the Kumba Board is to review and provide independent oversight of Kumba's strategy. In addition to being a standing item at the quarterly Board meetings, the Board also dedicates a full day each year to reviewing the Company's strategy and aligning the Board and management on Kumba's strategic priorities and growth opportunities.

This year, the Board's annual strategy day took place in August 2024, as a collaborative session with members from both the Kumba and SIOC boards. Through facilitated discussions using a breakout room format, Board members considered the changing dynamics in the global iron ore industry and the implications of Anglo American's new overarching transformation strategy, reviewed the progress and prospects of each of Kumba's three strategic pillars, and identified and prioritised specific actions aimed at delivering on these strategic pillars. The Board endorsed Kumba's Refreshed strategy, acknowledged its alignment with Anglo American's strategic objectives and initiatives, and emphasised the need for ongoing prioritisation and effective execution to maintain momentum on the Company's strategic initiatives.

Following these discussions, the Board prioritised the following actions as high impact areas where there is clear strategic alignment within the current and emerging business context:

- Identifying opportunities to integrate AI tools and models to improve mining safety and enhance efficiencies across the business
- Integrating digitalisation initiatives into the ore channel restoration programme to ensure more targeted maintenance and investment and stabilise declining performance on the OEC
- Revisiting the current targets within the SMPs to prioritise initiatives through a cost-benefit lens
- Finalising Kumba's endowment and resource development strategy, with a focus on the Southern Hub, while integrating considerations from our emerging miner strategy
- Pursuing identified opportunities in Kumba's growth portfolio, aligned with Kumba's premium product and green steel value chain ambitions

Material risks | **Strategic focus areas**

All material risks (page 47)

2 Reviewing strategic projects to restore Transnet's rail and port performance

Transnet's rail and port performance, specifically in the OEC, operated at around 80% of our contractual volumes this year. In December 2024, Transnet published its Network Statement. Although this represents an important step forward by facilitating third-party access, there are concerns relating to the proposed rail access fees. Kumba continues to engage with Transnet through its active involvement in the Ore User's Forum and the National Logistics Crisis Committee.

Given the strategic significance of Transnet's performance, the Board has devoted considerable time to monitoring the progress of Kumba's various interventions, undertaken as part of a collective effort with other ore rail users aimed at restoring the OEC to its nameplate capacity to ensure its longer-term viability. Some of the key interventions reviewed by the Board are listed below.

- *The Ore Corridor Restoration (OCR) programme:* Following Transnet's acceptance of the findings of an Independent Technical Assessment (ITA) in August 2024 – which determined that approximately R16 billion is needed to restore the OEC to nameplate capacity – the technical gaps identified in the ITA have been curated into an OCR programme that defines an agreed course of action to address the critical gaps while minimising operational disruption. This will be implemented under the leadership of the newly appointed Transnet Group Chief Operating Officer.
- *Mutual collaboration agreement between the Ore User's Forum and Transnet:* During the year, a final draft agreement was developed and presented to the Transnet executives for their approval.
- *Progress on a private sector participation (PSP) model:* A significant focus this year has been on developing a potential industry-driven concessionaire model under which private sector parties will have operational and maintenance responsibilities for the OEC for a defined period. Kumba's executive has presented this model to various government departments, where feedback has been positive. A working team has been established to refine the proposal and to engage with government. While valuable progress has been made, there are significant challenges associated both with the complexity of such transactions and with the potential impact on the Transnet workforce.
- *Renegotiating the Sishen contract:* With the Sishen Main Agreement with Transnet scheduled to expire in December 2027, initial efforts to renegotiate this contract have commenced, and a dedicated working group has been formed to addresses the core commercial issues.

Material and sustainability-related risks | **Strategic focus areas**

① ② ④ I
Kumba's competitive position
Third-party infrastructure
Commodity markets and currency fluctuation
Labour relations

3 Realising a planned reconfiguration of the business

In February 2024, Kumba outlined the proposed rightsizing of its operations. This formed part of a broader business reconfiguration plan that aligns production volumes with Transnet's constrained logistics performance and seeks to improve cost competitiveness to Kumba's break-even price. This business reconfiguration included a detailed contractor/vendor review process.

Recognising the significant potential challenges associated with organisational restructuring, the Board maintained a strong focus this year on the Company's restructuring activities, which were concluded in Q3 of 2024. The Board's oversight sought to ensure that the restructuring process was conducted in a responsible and effective manner, minimising the impact on employees and the community, while embedding efficiency and productivity gains across the business.

The Social, Ethics and Transformation Committee (Setco) has been particularly engaged in monitoring the impact of the reconfiguration plan, reviewing the measures taken to support the 688 permanent employees directly affected by the restructuring and tracking the progress of the projects (on job support, business development, education and skills development) implemented as part of a social mitigation response plan. The Board and Setco were also briefed on the Company's activities to ensure the sustainability of the optimisation initiatives and to embed a new collaborative culture, reviewing the adaptation of remaining employees to the new business structure and assessing the progress in delivering savings aimed at meeting Kumba's competitiveness.

While the restructuring has met initial expectations, with no concerns raised by the CCMA, the process has delivered material cost savings. The Board will be maintaining its oversight on the continuing strategic workforce planning and engagement needed to foster a supportive culture aligned with Kumba's strategic ambitions.

Material risks | **Strategic focus areas**

② ① ③
Third-party infrastructure
Kumba's competitive position
Socio-economic and political challenges in South Africa

Key Board focus areas for 2024 cont.

4 Monitoring progress in the transition to renewable energy

Kumba acknowledges the climate change science as assessed by the United Nations' Intergovernmental Panel on Climate Change (IPCC), and supports the global climate goals aimed at limiting the increase in the global temperature. Believing that mining has a critical enabling role to play in providing the metals and minerals needed for a low-carbon world, we have committed to an ambitious set of targets to reduce our GHG emissions through an approach that considers the social impacts, aiming to ensure that the transition to a lower carbon future is just and equitable.

At a board level, responsibility for overseeing Kumba's approach to managing and monitoring its climate-related impacts, risks and opportunities have been delegated to the Safety, Health and Sustainable Development (SHSD) Committee. This year, the SHSD Committee considered the following climate-related matters:

- It reviewed the Company's performance and progress in delivering on commitments to improving energy intensity and reducing absolute GHG emissions (scope 1 and 2) by 30% by 2030 (compared to the 2016 baseline) and the pathway to carbon neutrality across Kumba's operations. This included monitoring progress including Kolomela's wheeling of 11MW and Sishen's 63 MW solar PV project, which is on track to commence construction in the first half of 2025, with commissioning anticipated by early 2026.
- It monitored Kumba's progress relating to reducing scope 3 emissions. The committee acknowledged the revisions made by Anglo American to the group's scope 3 emissions to align with the GHG Protocol and the International Council of Mining and Metals (ICMM) guidance, reviewed the status of recent Memorandums of Understanding (MoUs) with Kumba's steelmaking customers aimed at decarbonising steelmaking processes, and monitored progress on various initiatives aimed at reducing scope 3 emissions. These initiatives include exploring the potential for Kumba to produce and use Direct Reduction (DR) Lump as a suitable direct charge for a high-efficiency blast furnaces, and developing a Kumba briquette that offers significantly lower carbon dioxide (CO_2) emissions than sintering or pelletising.
- The committee approved updates to Kumba's Carbon Neutrality Roadmap that was first developed in 2020 to track our pathway to carbon neutrality. The roadmap was updated this year to provide for Kumba's latest life-of-asset plans. Key changes to the roadmap include extensions to Kolomela's life-of-asset resulting in no emissions ramp-down after 2028/2029, providing for the anticipated impact of the planned renewable energy projects as part of Anglo American's RREE, and considering additional projects required to meet the 2030 target, including behind-the-meter wind generation at Sishen, power storage solutions, wheeled power and carbon offsets.
- The committee also reviewed Kumba's progress in implementing the SMP, and provided oversight of environmental management issues generally, with a particular focus on energy and water usage. As an outcome of the Board strategy day, the Board recognised that Kumba's sustainability/ESG focus is one of our strengths that must be protected, and agreed to revisit the targets within the SMP, prioritising initiatives through a cost-benefit lens.
- On climate-related disclosure, the committee considered the quarterly internal reports on climate-related risks and opportunities, reviewed implementation of the Taskforce on Nature-related Financial Disclosure's (TNFD) Nature-Related Risk and Opportunity Management and Disclosure Framework at Kolomela, and approved Kumba's third annual climate change report.

Material and sustainability-related risks | **Strategic focus areas**

G M 1 8

Climate change: physical and transition risks
Energy security: sustained power disruption
Kumba's competitive position
Licence to operate

5 Monitoring progress of the UHDMS project

In one of its most significant recent capital investment decisions, this year the Board approved a proposal to recommence construction of an UHDMS processing technology at Sishen. Initially approved in March 2021, the project was paused in November 2022 due to insufficient detailed engineering prior to the commencement of bulk construction. Given the complexities associated with undertaking construction within an operational plant, the decision was made to suspend construction and initiate a full technical review of the project. Following resolution of the engineering and related matters, the Group Investment Assurance team reaffirmed their support for the project. This was subsequently approved both by the Anglo American board in July 2024 and the Kumba Board in August 2024. The approval included a commitment for a further R7.6 billion investment in the UHDMS project, in addition to the R3.6 billion approved in February 2021, bringing the total capital investment to R11.2 billion.

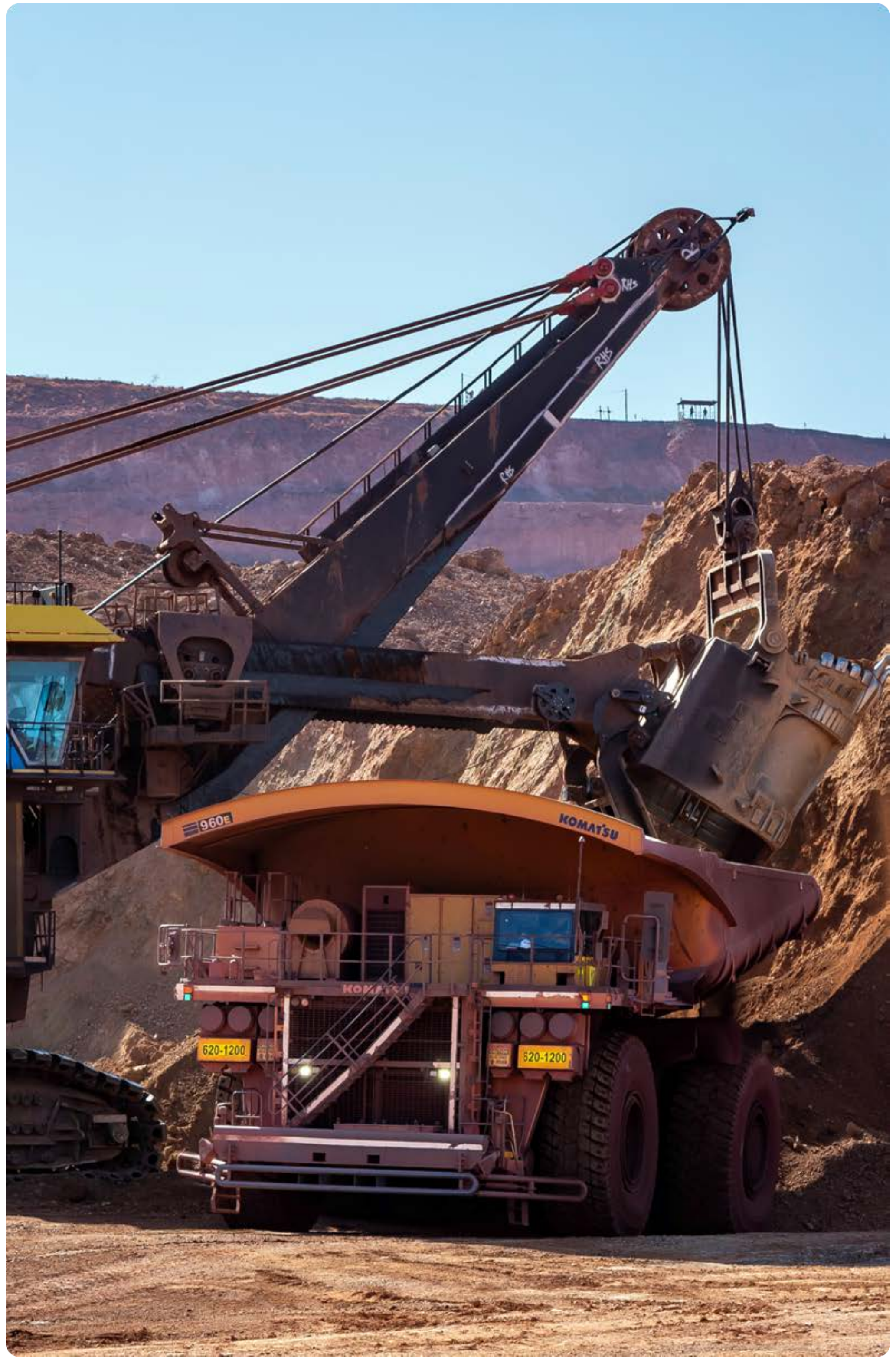
The project will convert the current DMS processing plant at Sishen to utilise UHDMS technology, enabling Kumba to treble the proportion of premium iron ore product from our world-class Sishen mine, while lowering the waste stripping ratio and maintaining the Lump:Fine ratio. Premium iron ore is increasingly valued by our customers as it reduces carbon emissions from the steelmaking process. The project is planned to deliver lower cut-offs which will support higher margins and a compelling return on investment, contribute to lowering both our scope 3 and scope 1 GHG emissions, as well as creating a new pathway to potentially extend Sishen's life to 2044.

This major investment is a demonstration of Kumba's long-term commitment to South African mining and to host communities in the Northern Cape. The Board approved the key project milestones, with construction due to commence in January 2025, and the handover and close-out targeted for completion in September 2029. During the implementation phase, the modules not under construction, as well as the Jig plant, will continue to operate, and production will be supplemented by finished product stock.

Material and sustainability-related risks | **Strategic focus areas**

1 9 G

Kumba's competitive position
Reserve depletion and securing our growth
Climate change: physical and transition risks



Load and haul operations in the pit at Sishen mine.

Protecting value through good governance

During the year, the Board and its various committees addressed the following issues, each of which has a material bearing on the Company's ability to create long-term value for its shareholders and other stakeholders.

Kumba Board

MS Bomela, A Jeawon, MA Jenkins, NB Langa-Royds, BA Mazarura, TM Mkhwanazi, NV Mokhesi#, SS Ntsaluba, MJ Tsele, MTS Walker$, ND Zikalala

Number of meetings: 7 **Board attendance: 91%**

Chairperson: **TP Goodlace**

Governance outcomes for 2024

- Approved the treatment of significant accounting matters
- Approved payment of the interim and final dividends
- Approved the interim and year-end financial statements
- Approved the integrated report, the climate change report and the sustainability report
- Approved the appointment of a Non-executive director and Independent non-executive director
- Approved amendments to the Delegation of Authority Framework
- Approved the amendments to the Bonus and Retention Plan Rules for recommendation to shareholders
- Approved the amendments to the Kumba Housing policy
- Approved the Future Focused Growth workplan and budget for 2024
- Approved the Surface Blasting contract award and the Geological Drilling Service contract
- Approved the Group compliance policy
- Approved Board policies on the recommendation of the Nominations and Governance Committee
- Approved the 2025 Budget
- Reviewed and approved additional capital funding and project milestones for the UHDMS project
- Monitored the implementation of the refreshed strategy
- Approved the implementation of Phase 2 of the restructuring process and approved additional funding for the social mitigation response plan
- Reviewed strategic projects to restore Transnet's rail and port performance
- Approved the funding request from the NLCC
- Approved the updated Kumba Global Industry Standard on Tailings Management (GISTM) disclosure report for publication on the website
- Approved the Resource and Reserve Statement
- Undertook virtual roadshows and engagements with shareholders and investors ahead of the 2024 annual general meeting (AGM)
- Noted the reporting requirements in respect of IFRS S1 (Sustainability) and IFRS S2 (Climate Change), with first publication in February 2027 for the 2026 financial year
- Reviewed and assessed quarterly reports on risks and opportunities
- Reviewed and approved the terms of references of the committees and the Board charter and annual workplans

Actions for 2025

- Unlocking the full potential of the core
  - Realise and embed the targeted outcomes of the business reconfiguration
  - Navigate the business within the current geopolitical and inflationary environment
- Position for a sustainable future
  - Monitor and oversee of the implementation of the Refreshed strategy which includes ESG targets and strategies
  - Monitor the progress made and milestones set as it relates to the Transition to Renewable Energy project
  - Focus on the port and rail performance of Transnet and develop new operating models
  - Integrity of disclosed data and associated processes, as it relates to the new ESG IFRS reporting requirements
- Develop new avenues of growth
  - Monitor the progress of projects falling under each of the strategic pillars and as allocated to Board sub-committees
  - Continuously identify and monitor key risks and opportunities
  - Monitor, through the Strategy and Investment Committee, the implementation of the UHDMS project

Strategic focus areas

[#] Appointed as Independent Non-executive director on 1 July 2024.
[$] Appointed as Non-executive director, representing Anglo American plc, on 1 April 2024.

Audit Committee

MS Bomela, A Jeawon, MA Jenkins, NV Mokhesi#

Number of meetings: 6 **Committee attendance: 100%**

Chairperson: **SS Ntsaluba**

Governance outcomes for 2024

- Considered the JSE's guidance on proactive monitoring of annual financial statements and management's response thereto
- Evaluated the performance of the Chief Financial Officer and finance function and was satisfied with the appropriateness of the expertise and experience of the Chief Financial Officer in accordance with the JSE Listings Requirements and with the resources, expertise, succession and experience of Kumba's finance function
- Considered and satisfied itself with the independence and objectivity of PwC and Mr Sizwe Masondo in their capacities as the appointed external audit firm and lead audit partner, respectively
- Considered and satisfied itself with the independence and objectivity of PwC and Mr Bilal Laher in their respective capacities as the appointed external audit firm and lead audit partner. This followed the earlier rotation of audit partners within the Anglo American Group and Mr Bilal Laher was nominated by PwC to be the designated audit partner
- Reviewed the quality and effectiveness of the external audit process based on the Committee's own assessment, the views of management and PwC's own assessment, and found it to be satisfactory
- Considered the external auditor's suitability assessment in terms of paragraph 3.84(g)(ii) of the JSE Listings Requirements. Confirmation was obtained from PwC that no material matters had been raised in regulatory or internal reviews of the audit partners
- Recommended the approval of the Resource and Reserve statement to the Board
- Noted the outcomes of the year-end attestation process and controls review in support of the Executive directors' responsibility statement for inclusion in the annual financial statements
- Monitored the implementation of initiatives to contain costs identified under the business reconfiguration
- Reviewed the interim and final dividend recommendations as proposed by management and recommended the approval thereof to the Board
- Monitored the integrity of the Company's system of internal controls, internal financial controls and financial risk management systems to safeguard assets
- Considered the appropriateness of the key audit matters reported in the external audit opinion and considered the significant accounting judgements and estimates relating to the annual financial statements. The item requiring significant judgment was the impairment assessments on the cash-generating units (CGUs) for the year ended 31 December 2024.The Committee supported Management's conclusion that the remaining balance of the FY22 impairment charge on the Kolomela CGU be reversed in line with the principles of IAS 36 and that an impairment reversal of R3.9 billion be recognised in the FY2024 financial results.
- Reviewed the quarterly business performance, solvency and liquidity, and going concern assessments
- Ensured that appropriate financial reporting procedures have been established and are operating effectively. This consideration of all entities in the consolidated financial statements to ensure access to all financial information to allow for the effective preparation and reporting on the financial statements
- Confirmed the integrity and quality of, and signed off on, the group's integrated report and the interim and year-end financial statements and recommended these to the Board for approval
- Reviewed proposed amendments to the group's Delegation of Authority Framework and recommended these to the Board for approval
- Reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee
- Reviewed the terms of reference and annual workplan and recommended these to the Board for approval

Actions for 2025

- Unlock the full potential of the core
  - Continuously ensure that the group's balance sheet is strengthened
  - Monitor the implementation of initiatives to contain costs identified under the business reconfiguration
  - Review and recommend for approval the group's significant accounting matters
  - Oversee the adequacy of the Company's current approach to fraud risk management
- Position for a sustainable future
  - Consider the group's approach and responsiveness to manage the impact of the regulatory and other macro-environmental developments on the control environment and the financial statements
- Position for a sustainable future cont.
  - Review the quarterly business performance, solvency and liquidity and going concern assessments
  - Oversee the controls in place to prepare, protect, detect and respond to a cyberattack, including the management of the consequences of a cybersecurity incident
  - Ensure that an appropriate capital structure to sustain the business is maintained
  - Implement Sustainability (IFRS S1) and Climate (IFRS S2) disclosures, providing periodic updates on management's preparation, including gap analyses and materiality assessments

Strategic focus areas

[#] Appointed as a member of the Committee on 1 July 2024.

Protecting value through good governance cont.

Strategy and Investment Committee

A Jeawon, MA Jenkins, BA Mazarura, TM Mkhwanazi, SS Ntsaluba, MJ Tsele, MTS Walker[#], ND Zikalala

Number of meetings: 4 **Committee attendance: 91%**

Chairperson: **MS Bomela**

Governance outcomes for 2024

- Received updates on the progress of Kumba's strategic initiatives and business optimisation
- Considered and recommended the approval of the Resource and Reserve statement to the Board
- Received quarterly reports on capital expenditure and progress on board-approved capital projects, with specific focus on the UHDMS project
- Received updates on future focus growth initiatives and the critical deliverables
- Considered and recommended the approval of the 2024 Future Focused Growth workplan and budget to the Board
- Received updates on the logistics programme including the proposed mutual collaboration agreement with Transnet, PSP and the concession model, Network Statement and the Ore Corridor Restoration programme
- Considered life-of-asset updates
- Considered and recommended to the Board the approval of the Surface Blasting and Geological Drilling Service contract awards
- Considered the themes and action plans from the Board strategy session
- Reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee
- Reviewed the terms of reference and annual workplan and recommended these to the Board for approval

Actions for 2025

- Unlock the full potential of the core
  - Organic growth: successful execution of the UHDMS project, completed on time and within budget
  - Oversight on realising and embedding the targeted outcomes of the business reconfiguration
  - Monitor the implementation of the 10 integrated workstreams in sufficient detail, targeting US$25/tonne reduction/C1 costs averaging c. US$40/tonne. Ensure implementation is on a sustainable basis to deliver value beyond the initial years
- Position for a sustainable future
  - Continued focus on the role of innovation and technology in the Refreshed strategy, with a transition, where apt, to enable the ESG initiatives being targeted in the budget cycle
  - Continued focus on third-party infrastructure and operational efficiency, with the implementation of operational initiatives through the OUF (mutual collaboration agreement and Ore Corridor Restoration programme)
  - Logistics: successful conclusion of the PSP transaction (integrated concession) on the OEC
  - Renew the Sishen contract which expires in December 2027
- Develop new avenues of growth
  - Strategic scenario modelling: prioritise and rank all Northern Cape iron ore opportunities
  - Innovation and technology: explore and develop opportunities within the green steel value chain
  - Strategic growth into Africa focused on prioritised projects and definitive timelines
  - Monitor Kumba's exploration programmes in the Northern Cape and Africa

Strategic focus areas

[#] Appointed as a member of the Committee on 1 April 2024.

Social Ethics and Transformation Committee

TP Goodlace, NB Langa-Royds, NV Mokhesi[$], MJ Tsele, ND Zikalala, BA Mazarura

Number of meetings: 5 **Committee attendance: 91%**

Chairperson: **MS Bomela[#]**

- Received updates on Kumba's SMPs
- Approved the group compliance plan
- Reviewed the 2023 sustainability report and recommended this to the Board for approval
- Approved the Chairperson's letter for inclusion in the Sustainability report
- Reviewed the broad-based black economic empowerment (B-BBEE) verification outcomes together with the action improvement plans and timelines
- Received updates on Kumba's inclusion and diversity performance and talent management
- Received updates on the implementation of the social impact response plan and the progress made on initiatives to mitigate the impact of the restructuring on employees and contractors
- Considered and noted the outcomes of the audit results from the International Responsible Mining Assurance (IRMA) organisation
- Considered and recommended the approval of the compliance policy to the Board
- Considered and noted the outcomes of the permitting compliance audit which focused on the Mineral and Petroleum Resources Development Act No 28 of 2002 (MPRDA), National Environmental Management Act (NEMA) and the Minimum Wage Act (MWA)
- Received updates on inclusive procurement
- Approved the measures to be assured in the sustainability report and the scope of assurance
- Received a progress report on the activities of the SIOC Community Development Trust
- Received an update on employee learning and development
- Reviewed the Company's quarterly transformation and stakeholder engagement reports
- Received updates on intermediary risk management and conflicts of interest declarations
- Received whistleblowing reports and reports on the implementation of the business integrity plan
- Received reports from the Living with Dignity Hub
- Reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee
- Reviewed the terms of reference and annual workplan and recommended these to the Board for approval

Actions for 2025

- Unlock the full potential of the core
  - Monitor Kumba's response to the economic and social challenges experienced by employees, suppliers, customers and communities, while balancing these with the challenges faced by Kumba
  - Track initiatives in place to prevent bullying, harassment and victimisation (BHV) in the workplace
  - Monitor and have oversight of Sishen and Kolomela's social labour plans
- Position for a sustainable future
  - Protect and enhance our reputation and brand through corporate communications and stakeholder engagements
  - Monitor Kumba's contribution to creating sustainable communities beyond the life-of-asset
  - Oversee education and supplier and enterprise development initiatives
  - Track sustainability pillars and social performance
  - Monitor contractors' social spend ensuring contribution to the social and economic development of local communities

Strategic focus areas

[#] Appointed as a member and interim chairperson of the Committee on 1 January 2024.
[$] Appointed as a member of the Committee on 1 July 2024.

Protecting value through good governance cont.

Safety, Health and Sustainable Development Committee

A Jeawon, NV Mokhesi#, MJ Tsele, ND Zikalala
Number of meetings: 5 **Committee attendance: 91%**

Chairperson: **TP Goodlace**

Governance outcomes for 2024

- Considered the outcomes of the quarterly assessment of the Company's managed tailings storage facilities as well as the critical controls to manage geotechnical risks
- Received quarterly reports on safety, health and environmental performance
- Received quarterly updates on emissions and energy
- Received an update on Kumba's water management strategy
- Considered the fire prevention risk management compliance
- Received quarterly updates on permitting
- Considered and recommended the Kumba GISTM disclosure report to the Board for approval
- Reviewed the 2023 Climate Change and Sustainability reports and recommended these to the Board for approval
- Reviewed and approved the assurance indicators and level of assurance for the 2024 Climate Change and Sustainability reports
- Approved the Chairperson's letter for the Climate Change report
- Received an update on the implementation of the Sustainability (IFRS S1) and Climate Change (IFRS S2) reporting requirements and it was recommended to the Board that the responsibility to oversee the reporting process excluding the financial impact be delegated to the SHSD and Setco committees
- Reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee
- Reviewed the terms of reference and annual workplan and recommended these to the Board for approval

Actions for 2025

- Unlock the full potential of the core
  - Monitor fatal risk reduction programme which is aimed at having no fatalities and no serious injuries
  - Focus on the identification, reporting and prevention of repeat high potential incidents (HPIs)
  - Oversee management of risks related to competing and overlapping mining rights
  - Focus on health monitoring, particularly occupational diseases, TB, HIV/Aids and heart health
  - Develop and adopt of technology for safety solutions
- Position for a sustainable future
  - Implement IFRS S1 (Sustainability) and IFRS S2 (Climate) disclosure, ensuring integrity in data verification and reporting processes
  - Review progress made on the SMP
  - Close out and monitor GISTM actions of tailings facilities at both mining sites, including active and dormant facilities
  - Reduce fresh water withdrawal (consumption) and optimise and provide the excess supply of clean water to the operations, host communities and third parties
  - Collaborate with regional stakeholders to ensure effective, sustainable and beneficial distribution of Kumba's water resources to surrounding communities
- Develop new avenues of growth
  - Consider the risks and opportunities needed to deal with climate change, including the implementation of renewable energy projects for both mining sites
  - Investigate of options to reduce scope 3 emissions by improving product qualities and collaborating with Anglo American and key steel producers to support the decarbonisation of the steel value chain
  - Monitor progress in respect of the reduction of scope 1, 2 and 3 emissions related to decarbonisation

Strategic focus areas

Appointed as a member of the Committee on 1 July 2024.

Human Resources and Remuneration Committee

MS Bomela, TP Goodlace, MA Jenkins, TM Mkhwanazi, MTS Walker#
Number of meetings: 4 **Committee attendance: 91%**

Chairperson: **NB Langa-Royds**

Governance outcomes for 2024

- Considered material risks and mitigation measures related to the retention of skills
- Reviewed and approved the payment of short-term incentives for the 2023 performance year
- Reviewed and approved the performance conditions, weightings and targets for the 2024 long-term incentive plan (LTIP) share grant
- Approved the 2024 Team+ short-term incentive performance metrics and targets
- Approved vesting and deferred cash awards
- Considered and recommended the amendments to the Kumba Housing policy to the Board for approval
- Approved the 2023 Remuneration Report
- Reviewed and approved the 2024 Band 7 and below elimination of fatalities (EOF) operational reward framework short-term incentive performance objectives
- Approved the 2024 performance scorecard for the Chief Executive
- Approved the mandate for the bargaining category multi-year wage negotiation
- Received quarterly reports on employee relations, labour availability, talent management, employee engagement and inclusion and diversity
- Considered the remuneration issues raised by shareholders during the governance roadshow
- Approved the annual salary mandate for the Chief Executive, Executive Committee (Exco) and the non-bargaining category employees
- Considered and approved the benchmarking comparator group
- Received an update on talent and succession for key roles
- Considered the proposed amendments to the Companies Act and future remuneration disclosure requirements
- Considered and recommended the 2025 Non-executive director fee increases for submitting to the Board and for recommendation to shareholders at the AGM
- Considered and approved the supplementary benchmarking comparator group based on size and similar complexity to Kumba
- Reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee
- Reviewed the terms of reference and annual workplan and recommended these to the Board for approval

Actions for 2025

- Unlock the full potential of the core
  - Monitor the balance of incentivisation, and safe performance in alignment with the Refreshed strategy
  - Oversee the Company's initiatives to further improve diversity and inclusion and the retention and attraction of key technical skills
  - Ensure the successful completion of change management to mitigate the risks associated with all the structural changes in 2024
  - Assess the Company's culture, productivity and effectiveness of remote work
- Position for a sustainable future
  - Ensure that the Company's long-term strategy includes the management of material ESG risks or opportunities and that these have been incorporated into executive remuneration structures
  - Monitor the promulgation of the Companies amendments Act and its impact in respect of disclosures to be made in the Company's remuneration policy and implementation report
  - Interrogate and understand the implications of the Anglo American group's Future Fit initiative and understand the effect on Kumba's culture and decision-making
  - Consider Anglo American plc's proposed new directors' remuneration policy, which is due to be presented to plc shareholders for approval at the 2026 AGM. The plc representative is to keep the Committee abreast of thinking and direction incorporating the Committee's views as appropriate. The Committee will also consider any related changes to the Kumba remuneration policy
  - Assess a potential revised approach to incentives from 2026 onwards; Anglo American plc will be undertaking a review of the needs of the "New Anglo" following divestments and will develop an approach accordingly, in conjunction with Kumba and other reward teams across the group. The Committee will consider any proposed changes arising from this review

Strategic focus areas

Appointed as a member of the Committee on 1 April 2024.

Protecting value through good governance cont.

Nominations and Governance Committee

MS Bomela, NB Langa-Royds, SS Ntsaluba
Number of meetings: 3 **Committee attendance: 92%**

Chairperson: **TP Goodlace**

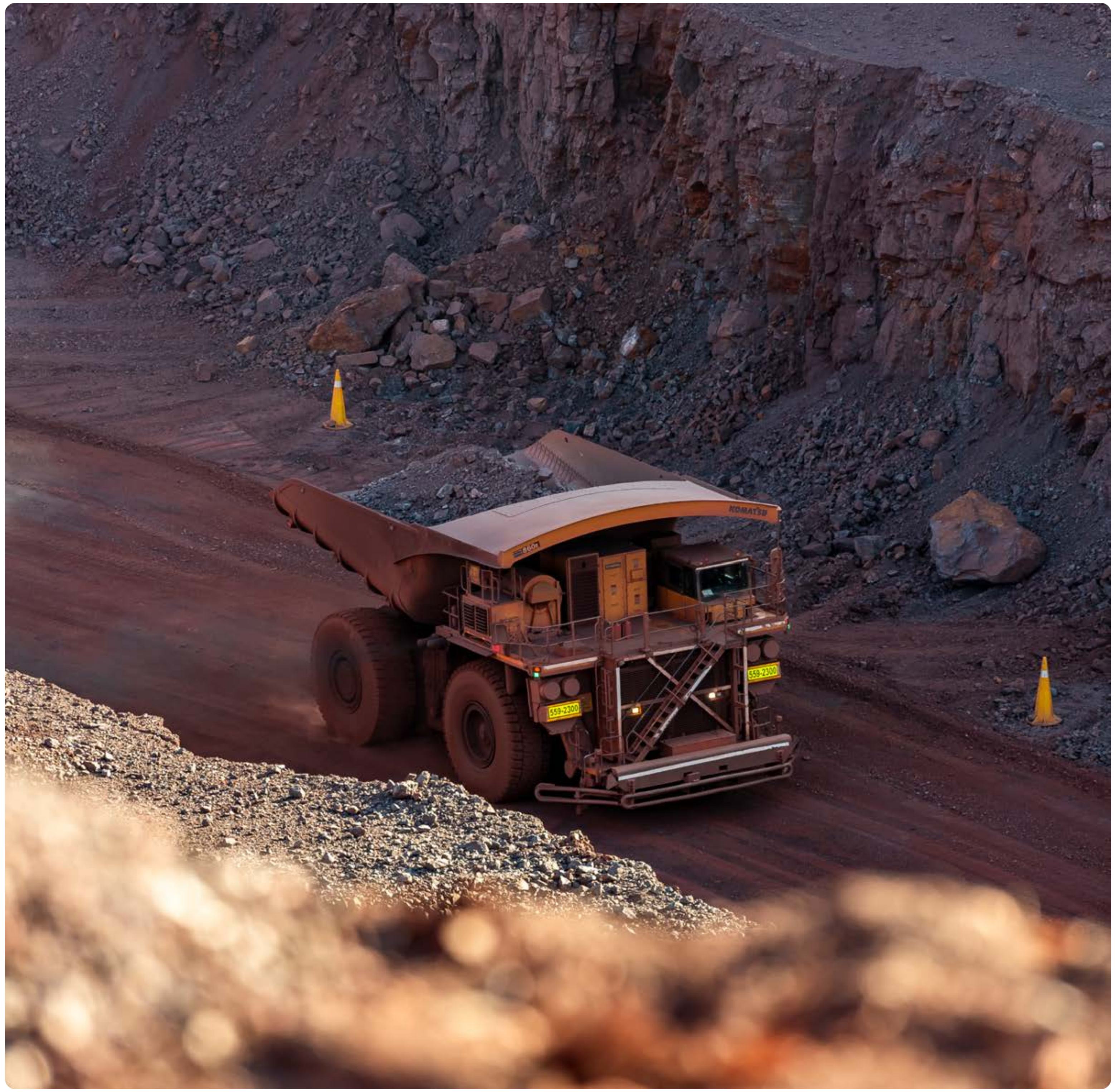
Governance outcomes for 2024

- Considered and recommended the revision of several Board policies to the Board for approval
- Considered and recommended the appointment of two Non-executive directors to the Board for approval
- Considered and approved applications by Board members to serve on other boards
- Determined the Board training themes for 2024
- Co-ordinated the AGM Governance roadshows
- Received progress updates on the asset reunification project (unclaimed dividends)
- Ensured the induction of new directors took place
- Considered the formal succession plans for the Board and for the Chairperson of the Board
- Reviewed and approved the process for the biennial external Board evaluation
- Received an update on the succession planning for the Chief Financial Officer
- Assessed the competence of the Company Secretary
- Reviewed the terms of reference and annual workplan and recommended these to the Board for approval

Actions for 2025

- Position for a sustainable future
  - Monitor the implementation of the actions identified as a result of the externally led Board and Committee's evaluations
  - Focus on Board succession planning and optimising the composition of the Board committees. This includes succession plans at the levels of the Chief Executive, Chief Financial Officer and executive management team
  - Explore opportunities for an information technology (IT) solution to conduct Board and Committee evaluations and skills assessments

Strategic focus areas



Komatsu truck transporting ore at Sishen mine.

Corporate governance

The Board's value creation lies in driving outcomes that support the Company's vision of re-imagining mining to improve people's lives

Governance framework

Our governance framework provides role clarity by clearly delineating roles and areas of accountability, and recognises the independent roles and duties required to govern the Company effectively.

The governance framework, practices and processes enabled the Board to create value through:

- a diverse and transformed Board – the Board approved and implemented the Board race and gender diversity policy and promoted broader diversity at Board level
- skills and experience for the future – developing and approving a Board succession plan
- independent thinking – as evidenced by the annual review of independence
- engaged and committed members – demonstrated through active participation and attendance at meetings
- focused and informed discussions – with dedicated committees operating under clear terms of reference and work plans

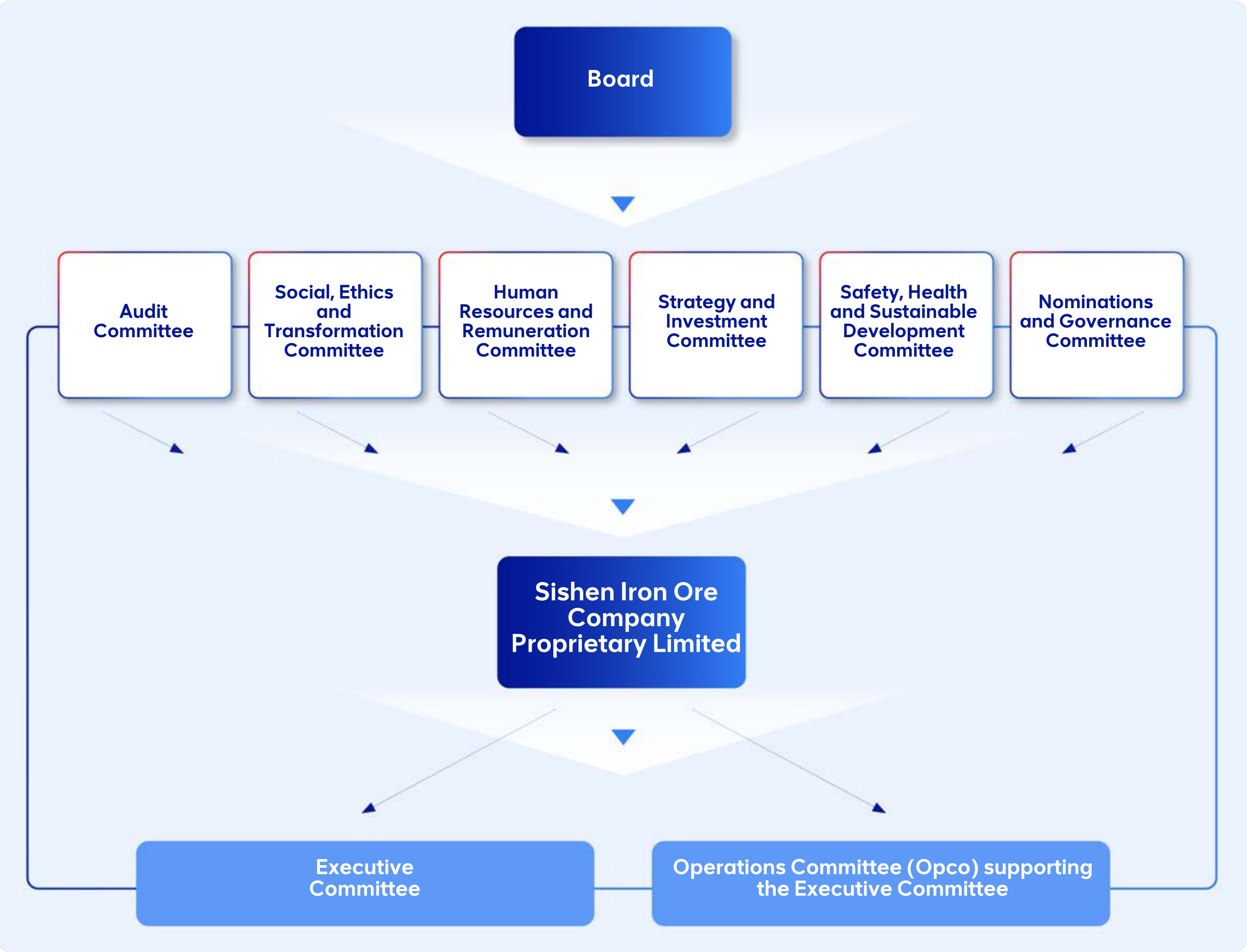
It is the Board's philosophy that authority and responsibility be delegated to the lowest prudent level and that management is expected to always act in accordance with the Company's values. The Board approved a Delegation of Authority Framework (DAF) to provide for the various authority levels across the Company and its subsidiaries.

Governance at Kumba takes into account that its main operating subsidiary, SIOC, has a shareholding structure that reflects the B-BBEE requirements of the Mining Charter and the MPRDA. Our governance framework is structured in a manner that ensures that these two entities are legally independent and have fully operational but separate boards, with clearly defined responsibilities and authority. The Company's DAF regulates the approval levels of each board.

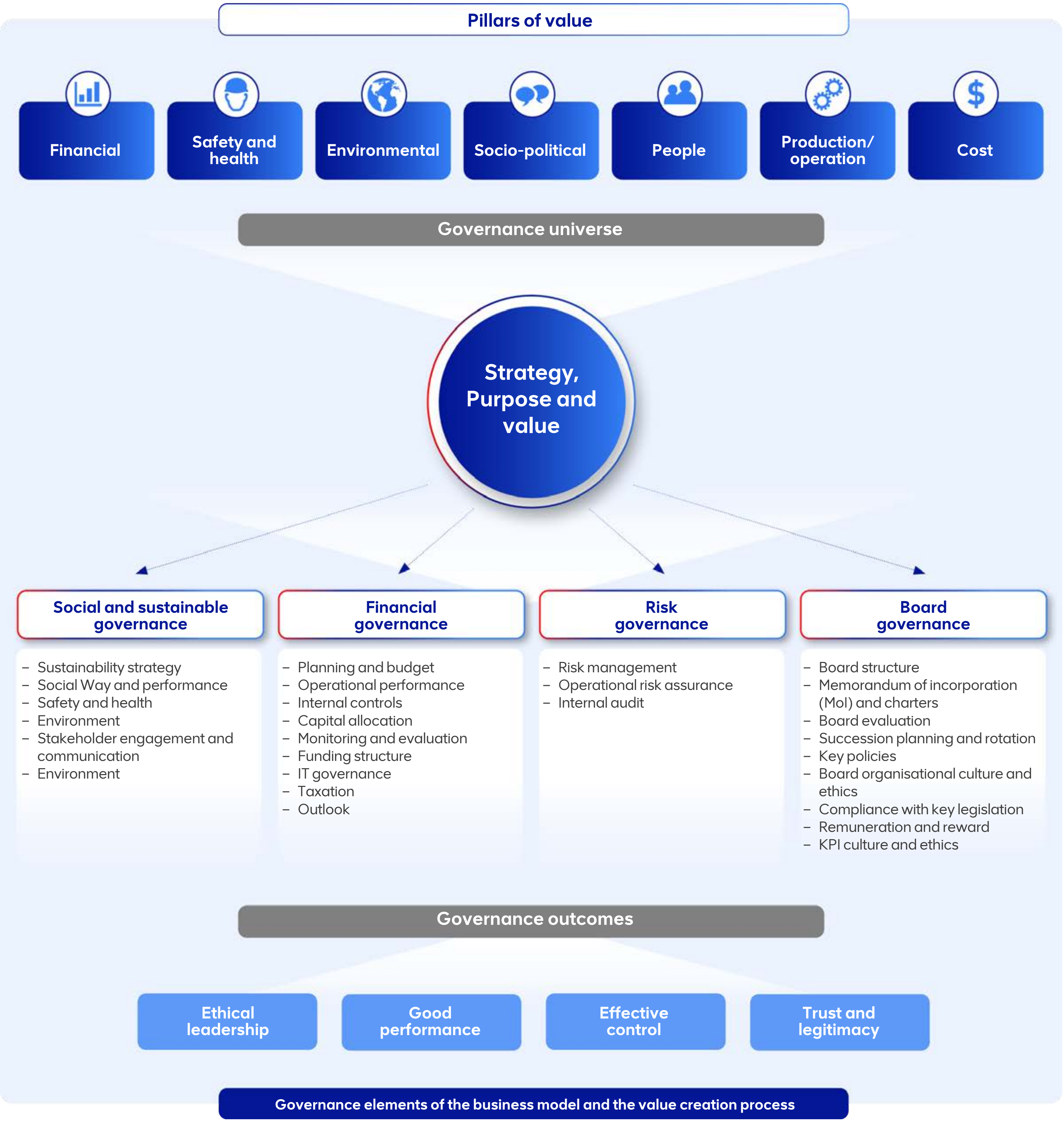
The SIOC Board comprises Non-executive directors representing the minority shareholders, executive directors from Kumba, and an Independent non-executive director.

The SIOC Board has full authority over matters pertaining to SIOC. In its governance of SIOC's operations, the SIOC Board is supported by Kumba's Board committees and feedback on deliberations of Board committee meetings are provided at each SIOC Board meeting.

Kenny Jansen, Training Officer, standing in front of group of employees, at Kolomela mine.



Corporate governance cont.



Pillars of value

- Financial
- Safety and health
- Environmental
- Socio-political
- People
- Production/operation
- Cost

Governance universe

Strategy, Purpose and value

Social and sustainable governance
- Sustainability strategy
- Social Way and performance
- Safety and health
- Environment
- Stakeholder engagement and communication
- Environment

Financial governance
- Planning and budget
- Operational performance
- Internal controls
- Capital allocation
- Monitoring and evaluation
- Funding structure
- IT governance
- Taxation
- Outlook

Risk governance
- Risk management
- Operational risk assurance
- Internal audit

Board governance
- Board structure
- Memorandum of incorporation (MoI) and charters
- Board evaluation
- Succession planning and rotation
- Key policies
- Board organisational culture and ethics
- Compliance with key legislation
- Remuneration and reward
- KPI culture and ethics

Governance outcomes

- Ethical leadership
- Good performance
- Effective control
- Trust and legitimacy

Governance elements of the business model and the value creation process

Our governance approach

Role of the Board

In keeping with the spirit of sound leadership, the Board promotes strong principles of integrity within the Company, which aids in entrenching excellence in every facet of the business. The Board is the overall custodian of good corporate governance and is fully committed to the four governance outcomes (as described in King IV$^{\text{TM}}$), namely an ethical culture, good performance, effective control and legitimacy.

The King V draft Code was published in February 2025 for public comment. The draft code is being assessed together with the implications that it may have for future reporting.

The Board plays a key role in setting the strategic direction of the Company. The Board also provides continuous oversight of material matters, acting as an independent check and balance for the executive management team, whose main responsibility remains the management of the business.

The directors are diverse in their academic qualifications, industry knowledge, experience, race and gender. This diversity encourages robust debate at the board and committee levels to ensure that appropriate and effective judgement and guidance are provided to management in delivering on the Company's strategic objectives.

The Board charter regulates the parameters within which the Board operates and ensures the application of the principles of good corporate governance in all its dealings. The charter sets out the roles and responsibilities of the Board and individual directors, including its composition and the relevant procedures of the Board. The charter is aligned with the provisions of the Companies Act, as amended (the Companies Act), the JSE Listings Requirements, King IV$^{\text{TM}}$ and the Company's MoI.

While retaining overall accountability, the Board has delegated authority to the Chief Executive to manage the day-to-day affairs of the Company. The Chief Executive and the Chief Financial Officer have monthly performance reviews with all executives to obtain feedback relating to key initiatives and agreed KPIs. The Exco meets bi-monthly to discuss the overall performance of the business, progress on strategic initiatives and top risks. Governance matters and approvals in line with the DAF are also dealt with.

The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

Power, control, support and appointments

Mr Terence Goodlace, an Independent non-executive director, is the Chairperson of the Board.

The responsibilities of the Chairperson and the Chief Executive are clearly defined and separated, as set out in the Board charter. While the Board may delegate authority to the Chief Executive in terms of the Board charter, the separation of responsibilities is designed to ensure that no single person or group can have unrestricted powers and that appropriate balances of power and authority exist on the Board. The Chairperson is responsible for leading the Board and for ensuring the integrity and effectiveness of the Board and its committees. In contrast, the Chief Executive is responsible for the effective management and running of the Company's business in terms of the strategies and objectives approved by the Board and is accountable to the Board through regular reports.

The Board considers whether there is an appropriate balance of knowledge, skills and expertise among the Non-executive directors. The Non-executive directors are considered to have the required skills and experience to have objective judgement on matters of strategy, resources, transformation, diversity and employment equity, financial and operational performance, and policies impacting the business.

The Board has adopted a policy in terms of which any director may take independent professional advice, at the expense of the Company, where there is doubt as to whether a proposed course of action is consistent with his/her statutory and/or fiduciary duties and responsibilities. All directors have access to the Company Secretary for advice and guidance on governance matters and compliance with applicable legislation and procedures. Directors also have direct access to Kumba's external and internal auditors and members of the executive management team, at all times.

In compliance with the JSE Listings Requirements, independent non-executive directors do not participate in any share incentive schemes of the Company.

Appointments and diversity

The Nominations and Governance Committee (NomGov) recommends the appointment of new directors for approval by the Board according to a strategy and succession plan adopted by the Board. The Board charter details the procedure for appointments to the Board. The Board's broader diversity policy also applies to the appointment of new directors. The NomGov, in applying the diversity policy, will make recommendations to the Board on prospective candidates based on merit and will consider candidates against objective criteria with due regard to the benefits of diversity, including gender, and the contribution that the candidate will bring to the Board. There is ongoing commitment from the Board to strengthen female representation.

Comprehensive induction programmes over a number of days are conducted for all newly appointed directors, which include site visits to the operations.

Changes to the Board of directors

Mr Matthew Walker, representing the Anglo American group, was appointed as a Non-executive director and member of the Human Resources and Remuneration Committee and the Strategy and Investment Committee, effective 1 April 2024. Ms Neo Mokhesi was appointed as an Independent non-executive director and member of the Social, Ethics and Transformation Committee, the Safety, Health and Sustainable Development Committee and the Audit Committee, effective 1 July 2024.

Corporate governance cont.

Appointments and diversity continued

Term of office, rotation and retirement

The capacity of each director is categorised in accordance with the guidelines set out in the JSE Listings Requirements and King IV™. The tenure of Non-executive directors reaching nine years may be extended for a further period subject to the assessment of such directors' independence as required by King IV™. Notwithstanding the aforementioned, a director shall cease to hold office should any event as contemplated in clause 26 of the Company's MoI occur.

The MoI further stipulates that one-third of the Board members will retire from office at the AGM and will be eligible for re-election. The directors to retire are those who have been in office the longest since their last election or who were appointed during the year. The Chief Executive and the Chief Financial Officer are excluded in determining the rotation of retiring members.

The Board has robustly tested, through an independent evaluation, the independence of the Independent non-executive directors standing for re-election or election. The following Non-executive directors are retiring and, being eligible, will be recommended for reappointment at the 2025 AGM: Mrs Mary Bomela, Mr Themba Mkhwanazi, Ms Neo Mokhesi, Ms Josephine Tsele and Mr Matthew Walker.

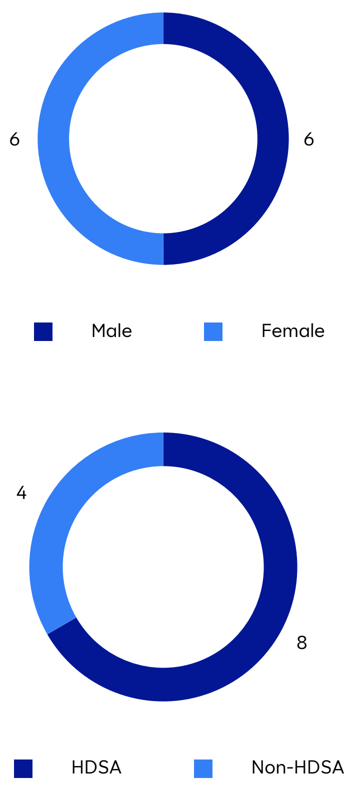
Skills and diversity

The Board approved a policy promoting broader diversity at Board level. Diversity at Board level is seen as an essential element in maintaining a competitive advantage. Robust discussions about challenging issues require deep insight, multiple angles and collective experience, which is where the value of having a diverse Board lies. The Board diversity profile encompasses variables such as gender, race, culture, age, field of knowledge, skills and experience, ethnicity, competencies, philosophies, accomplishments and religion. A diverse Board includes and makes good use of all the attributes of diversity among its members to encourage debate and make well-rounded decisions. These diversity attributes are considered when determining the optimal composition of the Board. The Board agreed not to set any voluntary targets for 2024, with the undertaking that the policy will be reviewed to assess whether or not to set voluntary targets. Currently, the Board has HDSA representation of 67%.

The policy promoting broader diversity was applied in the recruitment of Ms Neo Mokhesi as an Independent non-executive director.

Details of all Board members can be found on page 20. The Board, with the support and guidance of the NomGov, ensures that the promotion of broader diversity is given credence within the framework of the Board succession strategy.

Board composition



Directors' independence and conflicts of interest

The NomGov is responsible for assessing the independence of the directors. Independence is determined according to the Companies Act, the JSE Listings Requirements and the recommendations of King IV™, which takes into account, among others, the number of years a director has served on the Board.

The Board has adopted a policy dealing with directors' tenure that exceeds nine years. Best practice requires the Board to consider whether that director continues to be independent in executing his/her fiduciary duties. The Board, upon recommendation from its NomGov, has adopted the policy of annually reviewing directors' independence if their tenure has reached nine years or more.

Based on the results of the evaluation, the Board will consider whether there is any evidence of any circumstance and/or relationship that would impair their judgement to the extent that their independence is compromised.

The Board was satisfied that all its independent non-executive directors met its independence criteria for the 2024 financial year.

Directors are required to avoid a situation where they may have a direct or indirect interest that conflicts with the Company's interests. Directors disclose conflicts of interest at every meeting in terms of section 75 of the Companies Act. Directors present an updated list of their directorships and interests to the Company Secretary on a quarterly basis; the comprehensive list is tabled at each quarterly Board meeting. At the beginning of each Board meeting, Board members and Committee members are also required to disclose any conflict of interest in respect of a matter on the agenda. Any such conflicts are proactively managed as determined by the Board, subject to legal provisions.

The Board has approved policies governing the management of conflicts of interest, the protection of confidential information, and dealing in the Company's shares that provide relevant guidance to Board members.

Directors' induction and development programme

The Company's induction programme for new directors and training plan for existing Board members aim to holistically address all aspects of being a director, including an understanding of the JSE Listings Requirements, the legal and regulatory framework of the industry, Kumba operations, and other matters deemed important in ensuring that the directors are able to exercise their fiduciary duties adequately. Each newly appointed director is inducted through a tailor-made induction plan that specifically focuses on their individual needs and areas of interest.

The training programme is also designed to meet the existing and emerging needs of the Board. For the year under review, training was provided to the Audit Committee on price review management and updates on IFRS accounting standards. Externally facilitated training sessions were provided to the Board on the key to igniting economic growth through the power of public private partnerships and examining AI, machine learning, and how they are transforming industries, and navigating the future of AI-generated misinformation and disinformation and opportunities.

A Board site visit was conducted in October 2024 where Board members together with Management visited Sishen Mine and Kolomela Mine. Board members were provided with an opportunity to view the UHDMS project and the completed Kapstevel South project. The site visit also encompassed visits to the Siyathemba community and the Technical and Vocational Education and Training (TVET) College.

A Board risk workshop is held annually where political analysts are invited to provide views on the macro-political outlook. The global landscape and possible scenarios — navigating new opportunities as well as scenario planning and approach — were dealt with at the risk workshop. The Kumba risk management process, the comprehensive risk profile and the risks and opportunities comparison were tabled for consideration. The Board followed a robust process to identify new risks and opportunities, which will inform the risk profile for 2025.

Board and Executive Committee succession planning

Succession planning is important for ensuring continuity and strengthening the collective skill set and experience of the Board. The NomGov continually assesses the composition of the Board and its sub-committees. The Board is satisfied with the current compositions of both the Board and its sub-committees.

The NomGov reviewed the succession planning for the Chief Financial Officer. Similarly, the Human Resources and Remuneration Committee reviewed the succession planning for the executive management and senior management in the Company. These succession plans identified emergency successors, and development plans are in place for successors where readiness levels of three to five years were indicated. Emphasis was also placed on strengthening the pipeline for women. The committees will continue to monitor progress in this regard.

The NomGov initiated a formal Board succession process to ensure an orderly transition as directors reach a tenure of nine years. This process aims to maintain the Board's diversity, skills, knowledge, and experience base. The succession process will take place from the second half of 2025 through to the 2026 AGM. An independent service provider, in conjunction with the NomGov, will oversee the implementation of this process.

Board and Committee evaluations

An externally led Board evaluation was initiated in November 2024 and finalised in February 2025. The overall assessment was positive noting that the Kumba Board was a professional and effective Board which functioned well in challenging circumstances. The assessment of the Chairperson of the Board was positive and indicated that the Chairperson was seasoned, engaged and led the Board with balanced views. The Committees were effective in discharging their duties, applying the right level of detail, and sharing information to ensure overlap without duplication. The Chairpersons of the Committees are well-regarded, and the appropriate Non-executive directors serve on the Committees.

The Board will consider the recommendations from the externally led evaluation for implementation during 2025.

Company Secretary

The Company Secretary's primary role is to ensure that the Board is cognisant of its fiduciary duties and responsibilities. The Company Secretary plays a key role in providing guidance to the Board members on the execution of their duties, keeping the Board aware of relevant changes in legislation and corporate governance best practice. Other key performance areas of the Company Secretary include overseeing the induction of new directors, orientation and ongoing education of directors. The Company Secretary is also secretary to the Board committees, and Board members have unfettered access to the services of the Company Secretary. The Company Secretary is the Company's ethics officer.

Corporate governance cont.

The role has oversight of other areas, including risk management, insurance, business integrity, data privacy, management of the Company's intellectual property and regulatory compliance.

An assessment of the Company Secretary was conducted by the NomGov on behalf of the Board. The results confirmed that the Company Secretary had the requisite level of knowledge and experience to discharge her duties and maintains an arm's length relationship with the Board members.

The Board processes are managed by the Company Secretary with the support of the governance, risk, compliance and ethics functions. The team is adequately resourced and has the necessary skills, experience and attributes to effectively support the Board and its committees in discharging their duties.

Board committees

There are six Board committees, namely the Audit Committee; Social, Ethics and Transformation Committee (Setco); Safety, Health and Sustainable Development (SHSD) Committee; Human Resources and Remuneration Committee (Remco); Strategy and Investment Committee (Stratco) and Nominations and Governance Committee (NomGov). Each committee consists of a minimum of three members, as specified in the terms of reference.

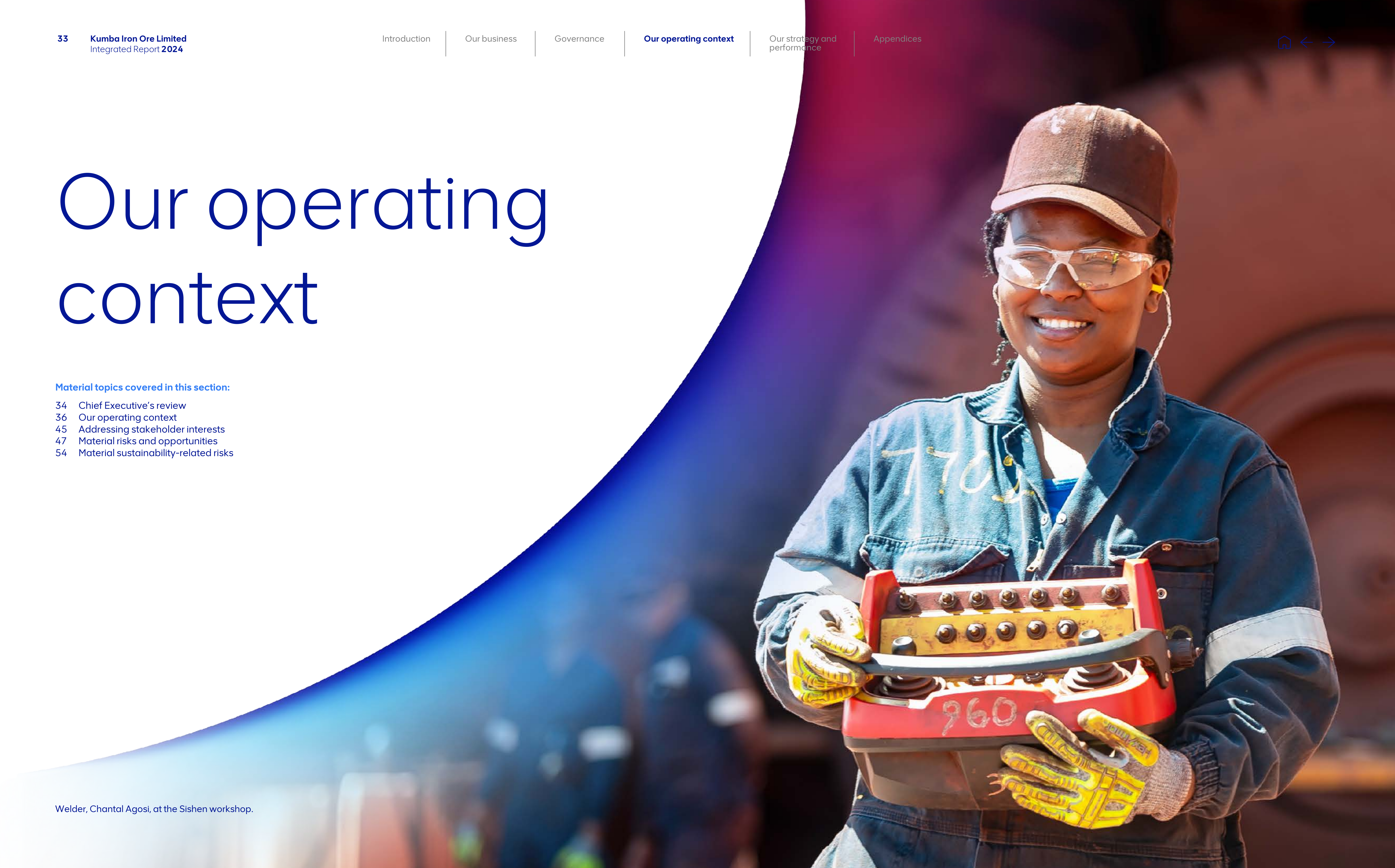
Each committee, including the Board, promotes strong principles of integrity within the Company and the Board remains the overall custodian of good corporate governance. Sound corporate governance provides a critical foundation, both for safeguarding stakeholder value and for achieving the Company's key strategic focus areas. Independent Board oversight and guidance in relation to the operations and activities are key in driving compliance and embedding the highest levels of integrity and transparency throughout the Company. Through the governance structures and committees, decisions are made and responses generated to ensure value is created for the Company and its stakeholders.

The following applies to Board committees:

- The Chairperson attends all Board committee meetings, either as a member or as an invitee
- The Chief Executive has a standing invitation to attend all committee meetings where she is not a member
- Other Company executives attend meetings where appropriate and by invitation
- At the discretion of the committee chairpersons, in-committee discussions are occasionally conducted without invitees and where items of potential conflict of interest are considered, affected directors are excused from decision-making
- An independent sub-committee which consists solely of independent non-executive directors is convened to consider and assess any related party matters
- All members of Board committees are directors of the Company
- Where committee membership is prescribed by the Companies Act or the JSE Listings Requirements, or is recommended by King IV^{TM}, Board committees are constituted in accordance with such requirements or recommendations
- Committee chairpersons report on proceedings of committee meetings to the Board, and minutes of all Board and committee meetings are included in Board papers

▶ For more on our corporate governance compliance refer to **page 116**

Lebona Phakeli, Fitter ; Monique Nero, Plater; Tshepo Ratshikana, Fitter; and Aobakwe Molokwane, Diesel Mechanic, performing a visible felt leadership (VFL) outside the Sishen mine workshop.



Our operating context

Material topics covered in this section:

Welder, Chantal Agosi, at the Sishen workshop.

Chief Executive's review

Kumba delivered another year of resilient performance. We successfully completed our business reconfiguration as we align our production with the logistics performance, ensured exceptional levels of operational safety, realised significant cost savings of R4.4 billion and continued to deliver on our three strategic objectives: unlocking the full potential of our core business, positioning for a sustainable future, and creating enduring stakeholder value. This strong performance was achieved in the context of a sharp decrease in iron ore price and continuing profound challenges with the Transnet OEC.

Mpumi Zikalala
Chief Executive

Unlocking value through business reconfiguration and operational excellence

Last year, in response to the significant challenges with Transnet's rail and port performance, we took the decision to reconfigure the business to align production more closely with the existing and anticipated logistics capacity. This year, as we integrated the reset of our mine plans across the business, we maintained our primary focus on safety as our highest priority, while optimising our mine plans in line with logistics performance.

It is pleasing to report that as a result of our ongoing safety interventions, we secured our lowest ever total recordable injury frequency rate of 0.76, as well as a marked reduction in total lost time injuries and high potential incidents, with Sishen achieving nine years of fatality-free performance. At the same time, we unlocked R4.4 billion of extra value through internal cost savings, significantly ahead of target.

This outstanding safety and operational performance – achieved amid some unsettling change associated with our business reconfiguration – is testament to the quality and resilience of Kumba's people, who have been exceptional in demonstrating their commitment.

In line with our business reconfiguration plan, total tonnes mined this year decreased by 27% to 197.7 Mt, while total waste was down 28% to 155.7 Mt. Total production for the year was in line with 2023 at 35.7 Mt; production at Sishen increased 1% to 25.7 Mt and reduced at Kolomela by 2% to10.1 Mt. Production and sales were within guidance of 35 to 37 Mt and 36 to 38 Mt, respectively. Consistent with our strategy of aligning production with Transnet's logistics performance, production of 35.7 Mt matched ore railed to Saldanha Bay port of 35.6 Mt, while sales of 36.3 Mt* reflect the impact of logistics capacity constraints on finished stock levels at port.

The reconfiguration of our operations, coupled with our focus on operational excellence, unlocked R4.4 billion of value through cost savings, exceeding our full-year 2024 target of R2.5 to 3.0 billion. This contributed to our operating expenses increasing by just 2%, well below the 4.6% increase in the consumer price index (CPI).

Our C1 unit cost improved by 5% to US$39/wmt. These cost reductions have been essential in ensuring our financial resilience, particularly given the sharp decrease in iron ore prices, which were at US$100/tonne by the end of December 2024, down from a high US$143/tonne in January 2024.

As a result of the fall in iron ore prices, Kumba's average realised price decreased by 21% to US$92/wmt. The combined premium achieved for Fe, lump and marketing was US$11/wmt, which was partly offset by an unfavourable timing effect of declining prices on provisionally priced sales volumes. This led to a total product premium of US$3/wmt, underpinning a 3% gain in Kumba's realised price, ahead of the benchmark FOB export price of US$89/wmt.

Our financial performance for the year reflects our decision to reconfigure our business to a lower production profile, as well as the impact of the lower iron ore prices, resulting in our adjusted EBITDA decreasing 39% to R28.1 billion and an adjusted EBITDA margin of 41%. The significant progress in reducing costs proved beneficial as lower sales and a stronger ZAR/US$ exchange rate further tested our financial resilience. For the full year, our net cash position of R14.7 billion increased by 11%, supporting the Board's decision to declare a total cash dividend of R38.67, representing a payout ratio of 100% of headline earnings.

Positioning for a sustainable future

Last year we launched our Refreshed strategy, which focuses on delivering value over volume as we unlock the full potential of our core. Informed by a thorough analysis of the global geopolitical environment and aligned with the Anglo American group strategy and SMP, the strategy is designed to ensure Kumba's continued resilience in the context of a highly uncertain operating environment, as well as delivering on our vision and purpose by positioning the Company as an important player in developing a green steel value chain.

We have achieved pleasing performance this year on each of our three strategic objectives.

Unlocking the full potential of the core

This is our immediate priority and refers to our drive for operational excellence through safety and the elimination of fatalities, driving for operational and cost efficiencies and reducing our break-even price. This year, we made significant progress in reconfiguring and reorganising the business to ensure the most appropriate production profile and mining sequence, given Transnet's reduced capacity. Additionally, we delivered substantial additional cost savings through our structural cost review process. We successfully concluded our organisational redesign in the third quarter, which pleasingly resulted in zero forced retrenchments.

Our ability to unlock our full potential is contingent on restoring the OEC's performance to its nameplate capacity. With Transnet's rail volumes this year at 80% against contract, there is heightened urgency in our work with Transnet and other parties to address the underlying technical and strategic issues impacting rail and port performance. Although there was an initial improvement in rail performance following Transnet's annual maintenance shutdown in October 2024, this was impacted by a series of derailments late in the year, highlighting the scale of the challenge.

To address these challenges, we have been working closely with Transnet, through the Ore Users Forum and our participation on the National Logistics Crisis Committee. A key focus has been to convert the outcomes of the recent independent technical assessment into a multi-year Ore Corridor Restoration programme to restore the OEC's capacity. We have been encouraged by Transnet's Network Statement, issued in December 2024, and we are continuing to engage actively with Transnet and government to explore opportunities for a PSP concessionaire model. While there are positive signs of progress, significant work remains to deliver a high-performance rail and port system in the country.

Positioning for a sustainable future

Our second strategic pillar seeks to position Kumba for the future by ensuring our relevance in a dynamic operating environment, where social pressures and climate change risks are becoming increasingly material. Our focus here is on maximising the product premium through improved product quality, realising our ambitions in terms of carbon neutrality and a green steel value chain, and generating societal value by delivering on our SMP.

We have made good progress in increasing the proportion of Premium Lump and Premium Fines produced at Sishen and Kolomela, with two important capital projects. At Kolomela, we successfully completed our Kapstevel South project, with the first high-grade direct-shipping ore delivered in June 2024. At Sishen, following the Board's approval in August, we recommenced construction of the R11.2 billion UHDMS processing project, which will enable us to treble the proportion of premium iron ore product from the mine, a critical input to lower-carbon steelmaking processes; this investment will also extend the lifespan of Sishen from 2023 to 2044, with significant economic benefits for local communities.

As part of our commitment to developing a green steel value chain, we are working with an Anglo American team – and with industry bodies, suppliers and academia – to research and pilot suitable feed strategies for lower-carbon steel technologies and to develop a portfolio of innovative solutions to support businesses in reducing their emissions. Together with the valuable work we are doing to decarbonise our own activities, minimise our environmental footprint and invest in thriving host communities (reviewed further below), I believe these activities will strengthen our resilience, and position us well for a sustainable future.

Developing new avenues for growth

Our third pillar speaks to our longer-term ambition of transitioning the Northern Cape from its current mining hub to a potential future processing hub. We are continuing to explore exciting growth opportunities, both in developing various "close to core" adjacencies through new technologies, such as downstream beneficiation aimed at making green iron ore products from our Northern Cape ore, as well as ensuring an ongoing pipeline by conducting focused opportunity scanning more broadly across Africa.

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* Including sales from third parties.

Chief Executive's review cont.

Delivering on our purpose: Re-imagining mining to improve people's lives

Kumba shares the Anglo American group's commitment to operational excellence, technology and an innovation-led approach to sustainable mining that is realised through our SMPs. The SMPs has ambitious stretch goals in three areas – building thriving communities, maintaining a safe and healthy environment, and being a trusted corporate leader – designed to support the global UNSDGs. Our progress in meeting these commitments, and in managing our sustainability-related impacts, risks and opportunities, is reviewed in our 2024 sustainability report, with additional detail specifically on our climate change performance in our 2024 climate change report. It is pleasing to report that this year our sites were once again both rated as over 90% compliant with the roll-out of the SMP.

In addition to being core to our purpose, our commitment to promoting societal value is integral to our strategic commitment of positioning ourselves for a sustainable future. In meeting this commitment, the Company has a longstanding track record of investing in host communities, acting as a catalyst for economic wellbeing by providing employment opportunities, fostering an inclusive supply chain, and adopting a collaborative approach to regional development in partnership with government and other stakeholders.

Although we continued to make a significant investment in host communities this year – through direct job creation at our mines, our R3.9 billion spend in host community businesses, and our R468.6 million social investments in health, education and community development - these investments have been negatively impacted by the business reconfiguration plan necessitated by Transnet's challenges. We have sought to offset these impacts through our Social Response Plan, developed specifically to offset the immediate impact of the rightsizing of our business, focusing on job creation, business development, and training and skills development.

We continued to show good performance in our environmental stewardship, with no significant environmental incidents reported since 2015. We made further progress in our ambitious decarbonisation roadmap, with a key development being the completion of the pre-development work of our 63 MW solar PV plant at Sishen; we anticipate commissioning the plant by early 2026, resulting in an expected 33% reduction in Sishen's scope 2 emissions. At Kolomela, we finalised an 11 MW wheeled renewable electricity offtake agreement with Envusa Energy, which is due for completion in 2026, reducing the site's scope 2 emissions by around 85%.

We are continuing to work on reducing our scope 3 emissions by encouraging the adoption of less carbon-intensive steelmaking technologies that use our premium iron ore products, while at the same time increasing the proportion of Premium Lump and Premium Fines produced at our mines.

This year, Kumba had no level 3 water discharge incidents, with our water-positive mines supplying 17,526 ML of fresh water to the broader Northern Cape region for domestic and industrial consumption; we are continuing to work with government and other parties to address pipeline capacity constraints with the Vaal Gamagara Water Supply Scheme. On biodiversity, we aim to achieve a net positive impact on biodiversity by 2030; our operations have completed detailed biodiversity assessments and developed site-specific biodiversity management plans.

Our people- and performance-based culture is instrumental in delivering on our purpose. While this year's business reconfiguration process was challenging, it created an opportunity to review our employee value proposition. This includes embedding a "OneKumba" mindset to build business stability, instil a sense of belonging and inspire a high-performance culture. Supporting this, we reweighted our performance indicators in line with planned business outcomes and expanded the focus to include individual and team contributions.

We are seeing continuing progress in our commitment to promoting diversity. This year, we extended our management level to a broader segment of our employees, ensuring increased inclusivity. Including this new definition, women in management increased to 31% while historically disadvantaged South Africans increased to 80% of total management. As a proportion of our total workforce, the number of women and historically disadvantaged South Africans remains stable at 27% and 91%, respectively.

Outlook

Although we have delivered pleasing results this year, we have our work cut out as we continue our drive for operational excellence and zero harm, realise our ambitious cost-savings targets, and seek to address the country's substantial logistics capacity constraints in the context of potentially challenging market conditions. Our high-quality products and ability to generate cash ensures that Kumba is well positioned within the simplified Anglo American portfolio of copper, premium iron ore and crop nutrients.

Looking ahead to 2025, forecasts suggest that iron ore prices will continue to face downward pressure, driven primarily by weak steel demand from China's slow economic recovery, likelihood of steel production cuts and increasing supply from major producers. The anticipated increase in supply from new mining projects, such as Simandou in Guinea, is expected to exert further pressure on prices, without significant stimulus measures aimed at revitalising the Chinese economy.

Despite these challenges, I am excited about the progress we are making and about the prospects that lie ahead and remain confident that we will continue to deliver on our strategic ambitions. The Company has a strong resources and reserves endowment with access to high-quality iron ore, and we have an exceptional team who has the ability to deliver on our strategy.

Appreciation

Our performance this year – in the context of challenging external headwinds and internal change – is testament to the strength of the Company culture and the commitment and dedication of Kumba's employees and leadership teams. I wish to thank everyone within the Company, as well as our contractors, service providers, investors and other stakeholders, for their contribution in ensuring sustained production and, most importantly, for their commitment in keeping our safety covenant that all our colleagues shall go home safely every day to their loved ones.

I am privileged to be a member of this team, and look forward to working with them and our stakeholders to deliver on our vision and purpose.

Mpumi Zikalala
Chief Executive

25 March 2025

Our operating context

Material trends impacting value

This year we prioritised the following seven material trends in our operating environment that are having a material impact on Kumba's value creation, preservation and erosion. Almost all of these trends are interrelated in some manner, highlighting both the complexity of our operating context and the inherent challenges in finding sustainable solutions. A considered review and assessment of the implications of these trends on our activities informs our regular strategic review processes.

- Continuing underperformance of the Transnet OEC 1
- Sustained cost pressure and ongoing volatility in global iron ore prices 2
- Challenging macro-economic environment in South Africa 3
- Optimising Kumba's life-of-assets 4
- Climate change and the global decarbonisation imperative 5
- Digital technologies driving change in business models 6
- Regulatory and stakeholder focus on sustainability / ESG 7

1 Continuing underperformance of the Transnet OEC

Production and sales volumes impacted by significant operational challenges at Transnet

We have continued to face profound challenges this year with the reliability of the OEC, the essential rail line, port infrastructure and supporting services needed to move our product to market. Operated by Transnet, an SOE, the OEC has experienced significant operational difficulties in recent years, with its performance well below its design capacity of 67 Mt.

This underperformance is a result of poor operating practices, years of underinvestment in equipment and maintenance, financial irregularities, and corruption. These internal challenges have been compounded by various external headwinds, including vandalism and theft, inclement weather conditions, cyberattacks and a shortage of spares.

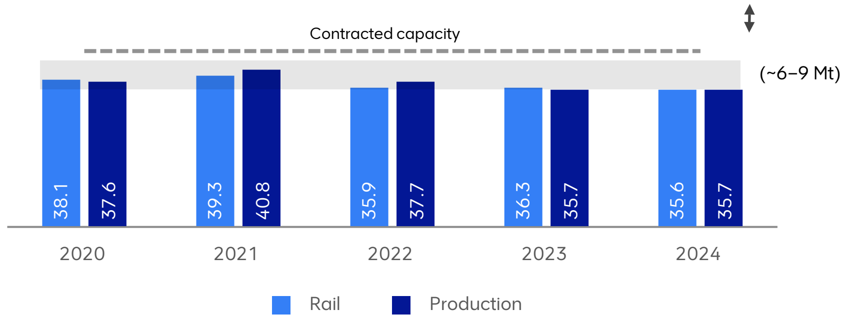
With the aim of revitalising the SOE, in July 2023 the Minister of Public Enterprises, Pravin Gordhan, announced a newly reconstituted Transnet board of directors, with nine new non-executive directors and the reappointment of two others, each for a three-year term. Mr Andile Sangqu, the former Vice-President of the Minerals Council South Africa and former Executive Head for Anglo American South Africa, was appointed as the new chairperson of the board. In September 2023, various executive changes to Transnet were announced, with the departure of the Chief Executive, Ms Portia Derby, and Chief Financial Officer, Ms Nonkululeko Dlamini. The Chief Executive of Transnet Freight Rail, Ms Siza Mzimela, later resigned with effect from 1 November 2023. Michelle Phillips was appointed as Chief Executive on 1 March 2024 and Solly Letsoalo was appointed as Chief Operating Officer on 1 July 2024.

Transnet has committed to partnering with the NLCC to enhance operational effectiveness in its ports, rail and port terminals. This includes streamlining procurement procedures, improving maintenance planning and adhering to plans to resolve operational bottlenecks and equipment shortages, maintaining safety, and achieving specific performance metrics through dedicated workstreams.

The plan includes provisions for stringent accountability and oversight mechanisms, collaborating with the Department of Public Enterprises and the NLCC to ensure detailed reporting on implementing the turnaround strategy. Transnet intends to collaborate with the private sector to enhance operational and investment capabilities. The focus remains on using private sector partnerships to spur growth and operational delivery in key market segments. Additionally, the Company will divest non-core assets.

To aid in Transnet's recovery, in December 2023 the Minister of Finance, in agreement with the Minister of Public Enterprises, approved a R47 billion guarantee facility. Although this facility does not fully address the Company's almost R130 billion debt, this measure will help Transnet meet immediate debt obligations and support its recovery plan. Transnet is exploring other initiatives alongside the bailout, including the divestment of non-core assets, restructuring its cost framework, and various funding models for infrastructure and maintenance. These funding models may include project financing, third-party access, concessions, and joint ventures.

Logistics and production volumes (Mt)



Strategic focus area

Leadership and culture
(Page 64)

Operational excellence
(Page 64)

Capitals materially impacted

Implications for value

According to budget data, rail inefficiencies in 2023 cost South Africa's economy R411 billion, and significantly worsened the government's tax shortfall. The Minerals Council of South Africa estimates that it cost mining companies R150 billion in 2022, while the South African Association of Freight Forwarders has calculated that Transnet's failure to fulfil its duties currently costs the country's economy around R96 million each day.

For Kumba, rail constraints throughout the year led to a significant build-up of iron ore stockpiles at our mines, necessitating a material decrease in production given the lack of available storage space. These rail constraints were compounded by unexpected instability at Saldanha Bay port as a result of equipment failures and weather challenges. For the year, rail performance was 80% and port performance was 83% against contract.

As a result of these logistical challenges, we ended the year with production of 35.7 Mt (down from 37.7 Mt in 2022) and sales at 36.3 Mt (down from 36.6 Mt in 2022).

Strategic response

To address these significant infrastructure challenges, Kumba has been working directly with Transnet – as well as collaboratively with three other major users of the OEC in the OUF – to identify opportunities to stabilise performance and improve some of the underlying technical and strategic issues facing the iron ore and manganese logistics network. We have also provided operational and technical collaboration support for Transnet, as well as ad hoc interventions in the areas of security and crime prevention.

Our Chief Executive's participation in the newly established NLCC is aimed at improving operational performance at a corridor level and participating in security interventions. Strategic initiatives include the development of a PSP model and a high-level investment case, and evaluating options for alternative export channels.

The mining sector has also developed a comprehensive partnership proposal aimed at bringing the country's rail and port infrastructure to global standards, providing access to urgently needed capital to fix the deteriorating rail and port network, improving the infrastructure decay on our roads, and accelerating the introduction of emerging miners to the rail network.

The OUF and Transnet completed the scope of work for a joint independent technical assessment of the OEC to verify the physical condition of all rail and port assets and infrastructure.

We look forward to working with the new leadership at Transnet and are encouraged by the constructive efforts of the NLCC in developing a solutions-based PSP model. We continue to work on understanding the capital requirements and have produced preliminary insights, which at present are being tested with the group corporate finance division. Given these persistent logistics challenges, we have conducted a strategic business review to reconfigure our business and align production more closely with the prevailing logistics capacity. As a result, in 2025 production is expected to be between 35 - 37Mt. In 2026, due to the main shutdown of the DMS plant and tie-in of the UHDMS plant, production has been revised to 31 - 33 Mt, with the balance of the saleable product expected to be supplemented by finished stock at Sishen. Thereafter, in 2027, production is expected to increase to 35 - 37 Mt.

Based on our production outlook, we are targeting a cost optimisation benefits of R2.5 to R3.0 billion for the full year 2025. This underpins our C1 unit cost guidance of U$39/tonne. In 2026, due to the decrease in production to accommodate the UHDMS tie-in, the C1 unit cost is expected to increase to US$40/wmt. With the increase in production to 35 – 37 Mt in 2027, the C1 unit cost is expected to remain at US$40/wmt.

Our operating context cont.

2 Sustained cost pressures and ongoing volatility in global iron ore prices

In the context of a volatile global iron ore market, there is sustained pressure to be cost competitive

In 2024, global iron ore prices continued to show volatility, fluctuating between US$88 and US$144/tonne, averaging US$109/dmt compared to US$120/dmt in the prior year. Although this was an increase from some earlier forecasts – reflecting an initial rebound following Chinese stimulus measures aimed at revitalising its struggling economy – prices faced downward pressure throughout the year, dropping over 20% from January levels. This downward trend was primarily due to reduced demand from China's sluggish property sector, high port inventories and strong supply. China's crude steel production is estimated to have dipped by 1.2% to 1,001 Mt in 2024. However, as strong exports partially offset the fall in domestic demand, with finished steel exports rising by 22% to 111 Mt for the year.

Looking ahead to 2025, forecasts suggest that iron ore prices will continue to face downward pressure, averaging around US$95 to US$100/tonne. Analysts cite weak steel demand stemming from China's slow economic recovery and elevated port stocks as key drivers. The anticipated increase in supply from new mining projects, particularly the Simandou mine in Guinea, is expected to further reduce ore prices as it comes online later in 2025. The longer-term outlook for iron ore pricing remains cautious, with some analysts emphasising that unless substantial fiscal support measures are implemented by China, prices could potentially drop below US$80/tonne by 2033.

The incoming US administration's "America first" policy could have a significant impact on global trade and foreign direct investment, as well as influencing global policy agendas such as climate change.

Due to steel mill losses and a focus on cost reduction rather than productivity, high-grade premiums were under pressure while Lump premium remained relatively stable. In 2024, the Platts 65-62 differential – the price difference between 65% iron ore fines and the benchmark 62% iron ore fines – averaged US$14/dmt compared to US$12/dmt in 2023, while Lump premium averaged US$0.1413 per dry metric tonne units (dmtu) compared to US$0.1543/dmtu for 2023. Looking ahead, we believe that a widening differential is expected to continue, driven by sustained demand for high-quality iron ore and potential supply constraints in lower-grade ores. The market's focus on quality amid an increased drive to decarbonise the steel sector is anticipated to maintain premiums for higher-grade products.

From a price perspective, in 2024 we achieved a Lump premium of US$6/wmt, an Fe premium of US$4/wmt and a marketing premium of US$1/wmt. As a result of the sharp decrease in iron ore prices, Kumba's average realised price decreased by 21% to US$92/wmt, compared to US$117/wmt achieved for the comparative period in 2023. The combined Fe, Lump and marketing premium was US$11/wmt, which was partly offset by an unfavourable timing effect due to declining prices on provisionally priced sales volumes. This led to a total product premium of US$3/wmt, underpinning a 3% gain in Kumba's realised price, ahead of the benchmark free-on-board (FOB) export price of US$89/wmt.

Implications for value

As a price-taker in the iron ore commodity market, Kumba is impacted by continuing price volatility, and faces particular vulnerability being in the fourth quartile of the margin curve.

Our ability to stay cost competitive relative to our peers is challenging due to our constrained export channel, our comparative distance from major markets, and our higher mining strip ratios resulting in higher geological inflation.

In recent years, we have faced particular cost challenges arising from Transnet's profound logistics bottlenecks, product quality inconsistency at Kolomela, and increasing cost inflation.

Given this context, there is a heightened need to realise further cost-savings opportunities, and to seize on the potential premium for higher-quality iron ore as an important positive differentiator for the Company. This premium is being driven by more stringent environmental regulations amid global efforts to decarbonise economies.

Strategic response

With production costs currently rising faster than inflation – and given our current low volumes and ongoing concerns with Transnet – cost competitiveness remains a critical component of our Refreshed strategy. Our aim is to restore the margin to competitive levels.

In striving to deliver on these commitments, this year we secured R4.4 billion in cost savings, contributing to a total of R10.5 billion in cumulative savings since 2021.

We have identified additional cost-saving opportunities ranging R2.5 to R3.0 billion for 2025. These opportunities are centred around optimising our mine plan and use the of contractors, improving our efficiencies, extracting further supply chain savings, and streamlining overhead costs.

We are also continuing to realise opportunities to optimise our product portfolio, secure the price premium associated with our higher-quality iron ore, and diversify our markets beyond China. We believe that demand for our high-quality products will continue to grow and serve as an important driver for sales in Europe and elsewhere as steel producers move toward more efficient, decarbonised production systems.

Strategic focus area

Cost competitiveness **(Chief Financial Officer's review)**

Maximise product premium **(Chief Financial Officer's review)**

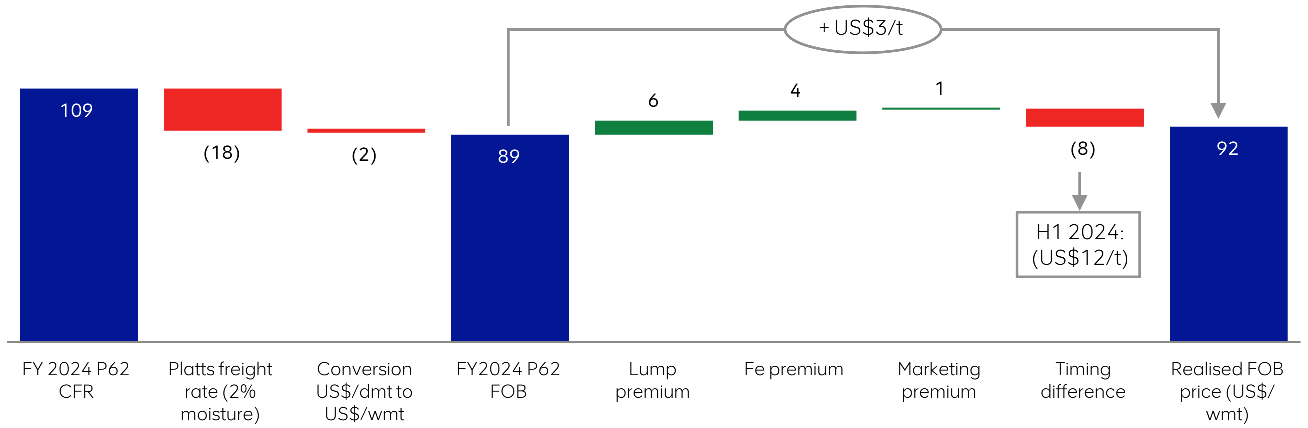
Operational excellence **(Page 64)**

Disciplined capital allocation **(Chief Financial Officer's review)**

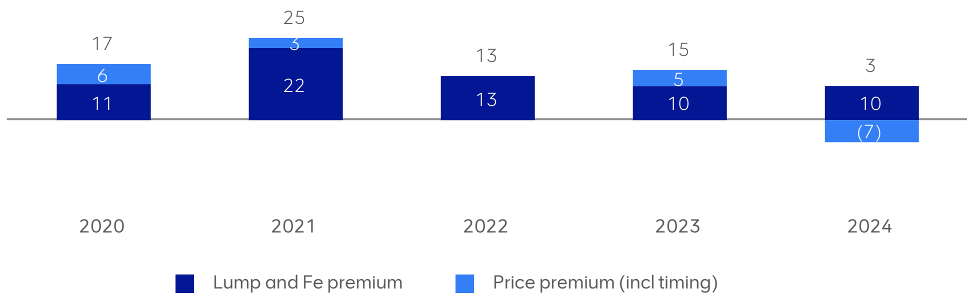
Capitals materially impacted

Our operating context cont.

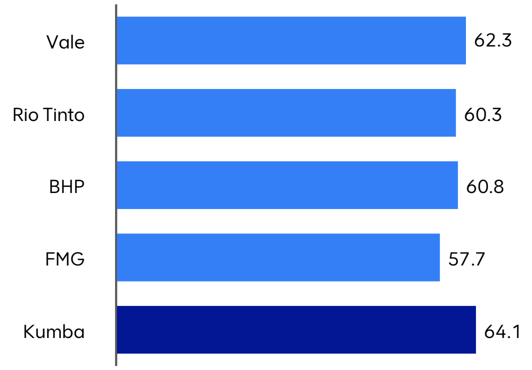
Kumba 2024 average realised FOB price



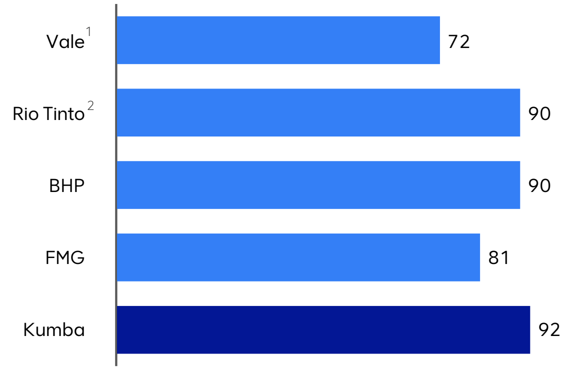
Price premium over Platts 62 FOB (US$/wmt)



Fe qualities (%)



Realised price FOB (US$/wmt)

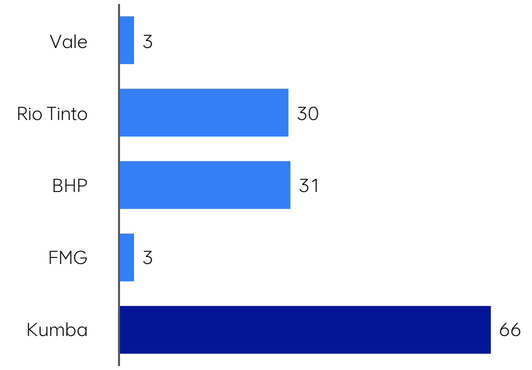


[1] Vale excludes pellets, realised price calculation basis reported CFR China price – C3 freight rate

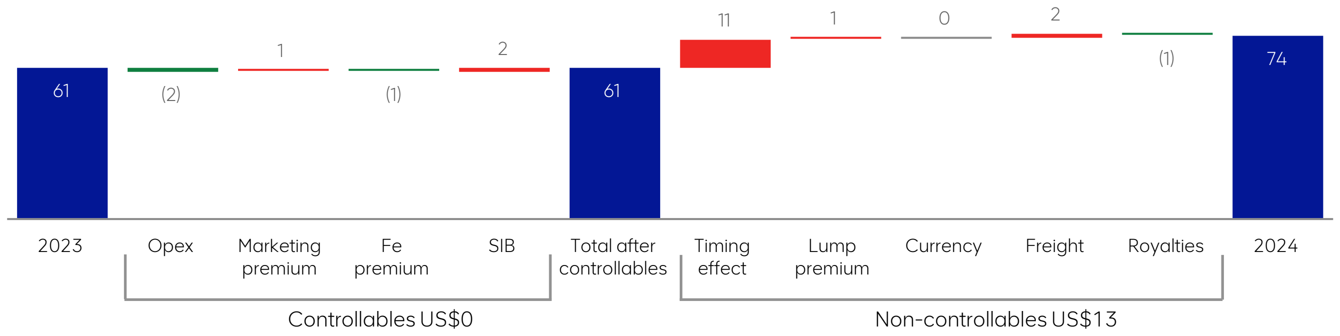
[2] Rio Tinto excludes Iron Ore Company of Canada Pellets

Source: Kumba Iron Ore Marketing

Lump:Fine ratio (%)

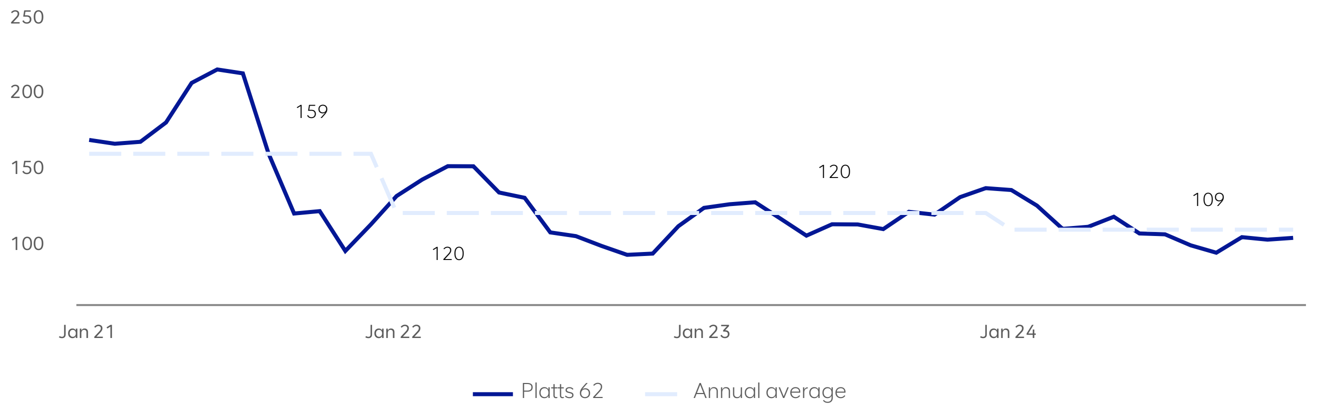


Break-even price (US$/wmt)



Platts 62 US$/dmt

Iron ore prices fluctuating ~ US$100/dmt



Our operating context cont.

3 Challenging macro-economic environment in South Africa

Political uncertainty, deteriorating infrastructure, and the country's profound social challenges impacting the business context

The South African economy experienced modest growth of 1.1% in 2024, up from earlier projections of 0.6%. This growth was supported by a reduction in load shedding, declining inflation and interest rates, and improved business and investor sentiment following the smooth transition to a new government of national unity after the 2024 national elections. Inflation fell significantly towards year end, allowing the South African Reserve Bank to initiate a rate-cutting cycle to stimulate economic activity.

Despite these positive developments, the country continues to face significant socio-political challenges, with high rates of inequality, unemployment and poverty contributing to growing disenchantment and potential social unrest. The official unemployment rate is around 32%, while nearly 50% of the population relies on social grants. The government's ability to address the country's socio-economic challenges has been undermined by poor governance practices, persistent corruption and an increasingly failing public service, with most state institutions undermined by a decade of state capture. The country's high levels of public debt are further limiting the government's ability to invest in much-needed infrastructure and social programmes.

While the new coalition government has prompted optimism in the business and investor community – boosted by the prospect of new economic policy and signs of greater private sector investment in critical infrastructure – the longer-term stability of the coalition government remains uncertain. With the coalition comprising parties with strongly differing ideologies and previously strained relationships, as well as evidence of ongoing divisions within the ANC, there are concerns this could constrain the pace of economic and social reform. The high levels of uncertainty in the global macro-economic environment pose further risks, with the recent slump in the Rand/US$ exchange rate since mid-December 2024 highlighting the potential volatility.

Notwithstanding this uncertainty, the immediate outlook remains cautiously optimistic, with the South African Reserve Bank forecasting gross domestic product growth of 1.7%, while National Treasury projects an average of 1.8% over the medium term, supported by declining inflation and interest rates, improved consumer confidence, strengthened energy supply, and increased public and private sector investment.

Implications for value

Despite the significant benefit of the reduced load shedding through much of the year, the South African mining sector has continued to feel the impact of the country's constrained economy, the ongoing structural challenges with its energy, water and transport infrastructure, and the continuing concerns around inequality and unemployment.

The most significant direct impact on our performance has been the ongoing logistical inefficiencies associated with Transnet's continued failure to meet its contractual obligations (see page 36),

The impacts of an underperforming economy and the continuing challenges of poor service delivery by government are being particularly felt in host communities, where growing frustrations are placing heightened pressure on our mines to play a greater role in sustaining essential government services and providing employment opportunities.

Strategic response

Recognising the deep social and economic challenges facing the country, we are working toward harness our collective resources and skills – as Kumba, the Anglo American group, and as part of the local mining and business sector more broadly – to partner with government and other stakeholders to find sustainable solutions.

We are continuing to work with relevant government ministries in developing a regional renewable energy ecosystem, and more recently have been engaging with government to explore the development of a PSP concessionaire model to address challenges with Transnet's rail and port infrastructure.

We are also working with government, community stakeholders and other parties to encourage positive social and economic transformation in the country. As part of our SMP, we have adopted a collaborative regional development approach, identifying development opportunities that have the most enduring potential impact in each region, and undertaking various activities aimed at strengthening capacity at a municipal level, including providing funding and other support to municipal operations and maintenance in critical service areas. These and other activities in this area are reviewed in more detail in our separate Sustainability report.

www.angloamericankumba.com/investors/annual-reporting/reports-archive/2024

Strategic focus area

Leadership and culture **(Page 64)**

Societal value **(Page 65)**

Operational excellence **(Page 64)**

Capitals materially impacted

Our operating context cont.

4 Optimising Kumba's life-of-assets

Extending our iron ore reserves and life-of-asset remains a top priority

Maintaining the longevity of our existing reserves, and identifying potential new reserves, is the foundation of our ability to create long-term value for stakeholders. As of 31 December 2024, Kumba, from a 100% ownership reporting perspective, had access to an estimated haematite Ore Reserve of 810.8 Mt at an average unbeneficiated ore feed grade of 55.0 % Fe from our two mining operations: Kolomela (115.9 Mt at an average 63.0 % Fe, against a 50.0% Fe cut-off grade) and Sishen (694.9 Mt at 53.7% Fe, against a value-based cut-off).

Having commenced production in 1953, Sishen is now facing the typical structural challenges associated with a 70-year-old asset, with declining grade and increasing stripping ratios as the ore body gets deeper. Sishen's longevity has been underpinned by investment in beneficiation technologies that enabled the mine to sustainably produce premium quality product, convert waste to ore (lowering the cut-off grade and reducing strip ratio), and extending the life-of-asset.

This year, there was an 11% year-on-year net increase of 79.4 Mt in our Ore Reserves, primarily as a result of an enlargement of the Sishen pit layout. The average Fe content of the Ore Reserves decreased from 55.6% in 2023 to 55.0% in 2024, due to less high-grade Ore Reserves scheduled for direct shipping at Kolomela and more low-grade Ore Reserves scheduled for beneficiation at Sishen compared to 2023. Further details are provided in the separately available ORMR report, summarised on pages 10 to 16.

Implications for value

Our ability to generate stakeholder value depends entirely on having reliable and cost-effective access to quality iron ore reserves.

To sustain our capacity to generate value over the long term, we need to realise new opportunities to extend production beyond the current life-of-assets. In addition to maintaining the quality of our iron reserves, extending the life of our existing assets, and identifying new opportunities through exploration, it is essential that we ensure the continued availability of a stable and reliable rail and port infrastructure over the life of our mining and mineral resource assets.

Strategic response

Kumba concluded its Ore Reserve replenishment drive in support of the Company's Tswelelopele strategy in 2022, with a cumulative gain of 332.3 Mt (before depletion), against a target of 200 Mt set at the end of 2017.

In 2023, the Company strategy was updated to align with the capability of the dominant value chain constraint, the OEC. The strategy looks to ensure that the business is sustainable through the commodity cycles at these more realistic rail/port assumptions by focusing on reducing controllable costs, preserving margins, and prioritising value over volume.

To align with refreshed business expectations, the revenue factor cut-off used to derive the Sishen pit layouts and therefore Reserves was reduced from 0.8 to 0.66. Similarly, the resource shell revenue factor has been reduced from 1.3 in 2023 to 1.1 in 2024.

We are continuing to prioritise value over volume and ensuring optimal production is achieved between Sishen and Kolomela to improve cost efficiency and organisational effectiveness.

Strategic focus area

Value accretive options
(Page 66)

Green steel value chain
(Page 65)

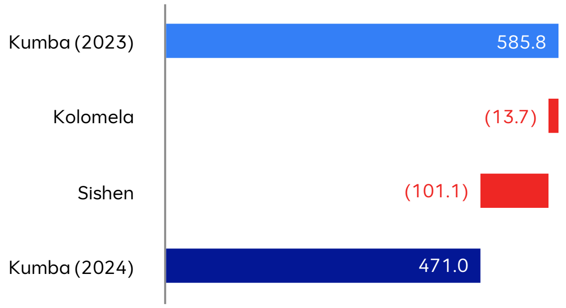
Operational excellence
(Page 64)

Maximise product premium
(Chief Financial Officer's review)

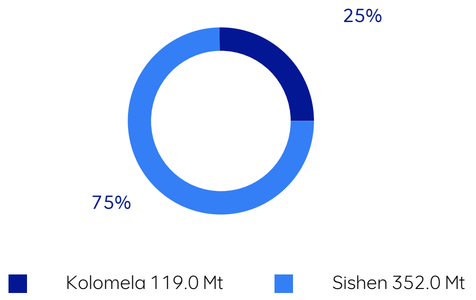
Capitals materially impacted

Our operating context cont.

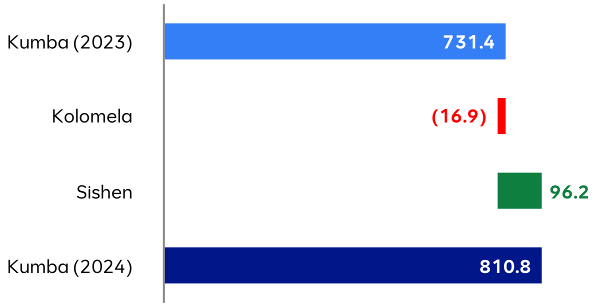
Exclusive Mineral Resource movement from 2023 to 2024 (per site) (million tonnes)



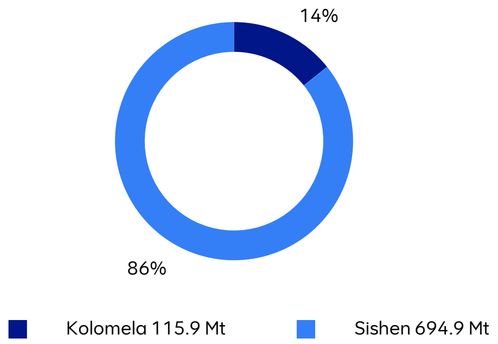
Kumba 2024 exclusive Mineral Resource portfolio (per site)



Kumba Ore Reserve movement from 2023 to 2024 (per site)



Kumba 2024 Ore Reserve portfolio (per site)



Kumba's value-in-use facility, used to research green steelmaking. Featured here: Botipe Motau, Lab Technician measuring a piece of briquette in the lab.

Lump ore - post reduction (in the furnace) tumbled and sieved to different sizes.

Our operating context cont.

5 Climate change and the global decarbonisation imperative

Decarbonisation of the steel and iron ore sectors presents significant risks and opportunities

The production of steel from iron ore is highly energy-intensive and traditionally relies heavily on fossil fuels, making the steel sector being one of the largest industrial sources of CO_2 emissions globally. Transitioning the sector to renewable energy sources remains a challenge due to the high heat requirements of current steelmaking processes. Although there are new technologies for cleaner steel production – such as hydrogen-based steelmaking – these technologies are difficult to implement due to high costs and technical complexities. As higher-grade ore becomes scarcer, more energy will be needed to extract and process lower-grade ores, further increasing emissions.

Most major mining companies have committed to emissions reduction targets, with the global leaders – including Anglo American – setting out roadmaps to reach their goal of carbon neutrality. Upstream, many companies have committed to carbon-neutral sourcing and supply chains, including some large consumers of steel products, heightening pressure on steelmakers to adopt greener steelmaking technologies and driving decarbonisation in iron ore production.

There have been regulatory calls for standardised climate risk disclosure, including the release of the IFRS S2 Sustainability Disclosure Standard on Climate-related Disclosures, and new mandatory climate-related financial disclosure requirements in the UK. These developments reflect growing calls on companies to disclose and reduce their scope 3 emissions, with pressure to define and monitor levels, set reduction targets and work with partners to mitigate their emissions across the value chain.

Most G20 markets now have carbon pricing in place, or scheduled, and the EU's Carbon Border Adjustment Mechanism (CBAM) will impose a carbon tax on metals or minerals imported from countries where there is no carbon tax. South Africa – the most emission-intense economy in the G20, and the 14th most intense economy globally – has expressed its intention of moving towards a goal of net-zero emissions by 2050. The country's recent introduction of the Climate Change Act No 22 of 2024 is expected to have significant long-term implications, introducing potentially stringent sectoral emission targets.

This changing policy environment has been accompanied by an increase in the incidence and impact of natural disasters, including heatwaves, bushfires, and flooding, highlighting the widespread impact of the climate crisis on production, supply chains and prices.

A challenge facing energy-intensive companies in South Africa is the high carbon intensity of the country's electricity supply, with scope 2 GHG emissions representing around 85% of mining emissions in South Africa, roughly 50% more than global mining peers. Given South Africa's profound social challenges, such as joblessness and inequality, there is a particular need to ensure a just transition to a lower-carbon economy that contributes to the goals of decent work, social inclusion and the eradication of poverty for all South Africans.

Strategic focus area

Green steel value chain
(Page 65)

Societal value
(Page 65)

Maximise product premium
(Chief Financial Officer's review)

Leadership and culture
(Page 64)

Capitals materially impacted

Implications for value

Climate change is anticipated to impact the mining industry in general, and Kumba specifically, through risks and opportunities in two broad areas:

- **Physical impacts:** The anticipated increase in the incidence and severity of acute extreme weather events and chronic shifts in climate patterns could have an increasingly material impact on our operations, value chain and communities.
- **Transition impacts:** New regulatory, technological and behavioural changes, associated with the transition to a decarbonising global economy, will affect demand for key commodities, including iron ore and steel, as well as impacting costs of production across our value chain.

We believe that the mining sector has a critical role to play in enabling the transition to a net-zero economy by providing the metals and minerals fundamental to this transition. This presents some valuable opportunities, with steel providing a critical foundational material for infrastructure and the backbone for a low-carbon economy, while stimulating socio-economic development.

Although steelmaking is currently highly carbon-intensive, Kumba's higher-quality iron ore supports more efficient steelmaking now and leaves us well positioned to facilitate the sector's transition to lower-carbon production methods. As steel production shifts to lower-carbon processes, demand for higher-quality iron ore pellet feed is likely to grow, leading to a higher premium for Lump and pellet products which is to our advantage.

We remain confident that the transition risks for Kumba are comparatively low, given that our iron ore content is above the 62% benchmark and considering the Lump premium earned by our operations.

The EU has introduced the CBAM, a tax on embedded GHG emissions of carbon-intensive products imported into the EU. For the first phase of the EU's CBAM, there is no impact due to our product type within the ferrous metals category and the product beneficiation utilises less electricity than pelletised products. We are continuing to monitor this.

Strategic response

At a company level, we have committed to reducing our scope 1 and 2 GHG emissions and energy usage by 30% by 2030. We have set operational site-specific targets aligned with our mine plans and energy usage forecasts, and we recently updated our roadmap that tracks our pathway to carbon neutrality. We have linked our energy and carbon-intensity targets to LTIP share awards over a three-year period.

We are decarbonising our mining operations by reducing the carbon and energy intensity of our processes, replacing fossil fuels with less carbon-intensive alternatives where feasible, and removing any remaining carbon emissions through credible offset projects. To increase renewable energy use, Kumba is participating in Anglo American's RREE initiative that seeks to harness South Africa's abundant solar and wind resources to supply renewable energy into the country's carbon-intensive electricity grid.

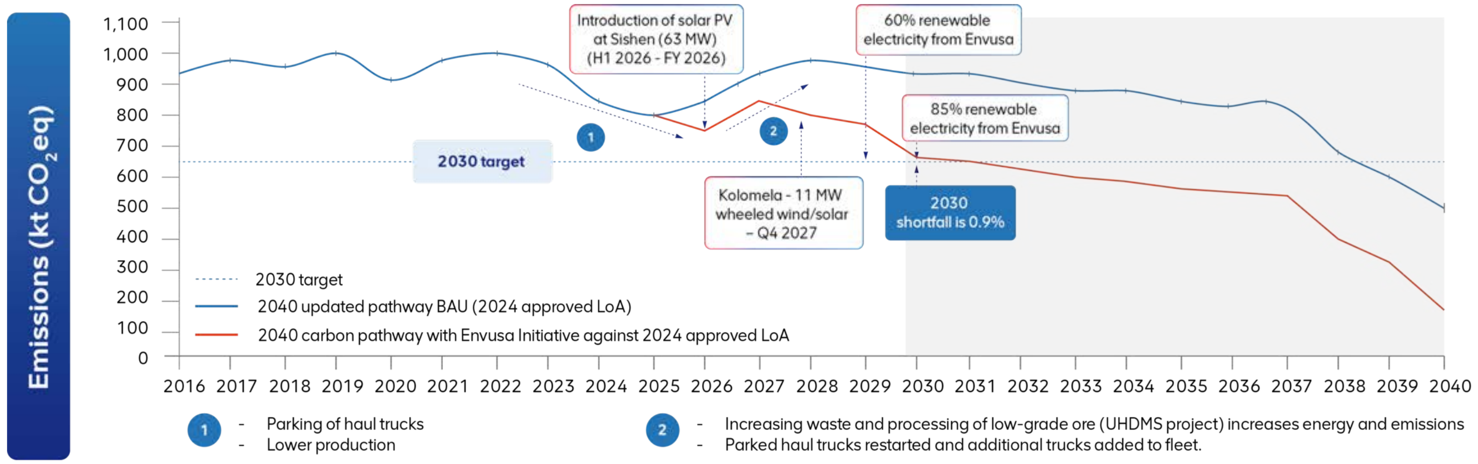
To reduce our scope 3 emissions, we are maximising our premium product offering – suitable for lower carbon, direct reduction processes of iron in steelmaking – to reduce both steelmakers' process emissions and our scope 3 emissions. Through Anglo American, we have entered into MoUs with our steelmaking customers aimed at decarbonising steelmaking processes, and we are assessing various initiatives to reduce scope 3 emissions, including producing DR Lump and developing a Kumba briquette that offers significantly lower CO_2 emissions than sintering or pelletising.

In terms of managing any social impacts associated with our decarbonisation activities, and promoting an energy transition that is just and equitable, our approach is to ensure that delivery of these activities is aligned with the ambitious stretch goals, milestones and targets outlined in the Thriving Communities pillar of our SMP.

Further details on our climate change response activities are provided in Kumba's 2024 Climate change report.

www.angloamericankumba.com/investors/annual-reporting/reports-archive/2024

Following the business reconfiguration, we updated our decarbonisation pathway to account for changes in the revised mine plans, updated business plans that deferred certain capital expenditure, and the Transnet rail constraints. These changes are indicated in the revised graph below.



Our operating context cont.

6 Digital technologies driving change in business models

Digital innovation offers significant productivity improvements, and new opportunities in ways of working

There has been an accelerated focus recently across the mining sector to harness the full potential of emerging digital technologies – such as robotics and automation, AI, big data and advanced analytics, the Internet of Things (IoT), cloud technologies and smart drones – to enhance exploration and extraction, improve predictive maintenance, increase productivity and efficiency, and deliver safer, more sustainable mining practice.

Many mining companies have introduced innovative integrated remote operations centres that are supported by AI and data analytics, and are increasingly becoming fully virtual, distributed and autonomous, delivering substantial productivity and efficiency gains. Automation and autonomous systems are transforming mining operations, through the use of self-driving vehicles in mining operations and smart drones for aerial surveys and predictive maintenance, while IoT is enabling real-time data collection and analysis, monitoring of equipment and optimisation of operations.

Developments in materials science and nanotechnology are contributing to more efficient processing techniques, while virtual and augmented reality technologies are being used for training, remote operations and visualisation of mine layouts. New technologies in water management, carbon capture and waste reduction are being used to address environmental regulations and societal pressures for more sustainable practices.

As mining becomes more digital, the sector faces heightened cybersecurity risks, requiring significant investment in cybersecurity technologies to ensure operational integrity and protect sensitive data.

Digital and technology innovation is also impacting the future of work, changing employees' required skill sets, and transforming traditional ways of working, prompting a shift to hybrid working and resulting in many traditional tasks being replaced by automation and robotics. The increase in more flexible and remote ways of working, coupled with the changing skill sets needed for the mine of the future, is heightening competition for scarce digital talent, while at the same time providing mining companies with more ready access to global talent.

Implications for value

Recent technological innovations are reshaping mining, fundamentally changing how the sector mines, processes, moves and markets its products.

These developments have the potential to drive substantial productivity and efficiency gains, enhance access to talent, reduce risk exposure and deliver significant improvements in our sustainability performance.

Digital technologies have already provided material productivity and efficiency improvements in our operations. Recent interventions – for example, in truck and shovel payload management, slope optimisation, drill automation, and UHDMS processing technologies – are delivering substantial value in terms of enhanced efficiencies, added reserves, and life-of-asset extension.

While digital innovation brings new opportunities, it also requires significant investment in new technologies and skills, adaptation in traditional practices, and management of risks associated with cybersecurity.

Strategic response

Our vision within the Anglo American group and at Kumba, is to create truly smart, connected mines, transforming vast quantities of data into predictive intelligence, with the ultimate goal of creating a self-learning operation that offers new levels of safety, stability and predictability. We are continuing to build, manage and incentivise a workforce that has the skill set, culture and diversity required for mines of the future, meeting the rapidly evolving expectations and demands of the workforce of the future.

In rolling out our technology initiatives, we will be building further on these successes to drive carbon neutrality, deliver autonomous and waterless mines, and further strengthen our safety performance.

Through the group's digital platform (Voxel), we are bringing the full mining value chain together in a digital form to help make more informed data-driven decisions to boost productivity and efficiency, and deliver further improvement in our safety, health and environment (SHE) performance.

The mining integrated operations centre is a control room where the primary and secondary fleet gets dispatched from using the Modular (Komatsu) Fleet Management System. This hosts the drill automation centre, whereby our 10 autonomous PV351 drills are operated from and it contains the drill fleet management and communication centre. This integrated control room is where the short interval control decisions take place and the fleet is managed in real-time. Includes the safety fleet management, including fatigue monitoring, berm compliance, and other safety systems.

Strategic focus area

Operational excellence **(Page 64)**

Cost competitiveness **(Chief Financial Officer's review)**

Value accretive options **(Page 66)**

Leadership and culture **(Page 64)**

Capitals materially impacted


Andrew Senzo Nkosi, Lab Technician, checking a batch of ore to make briquettes.


Johannes Kgaxise, Lab Technician, preparing the roller to make briquettes.

Our operating context cont.

7 Regulatory and stakeholder focus on sustainability/ESG

Shifting expectation on companies to show leadership in addressing societal challenges

In recent years, there has been increased regulatory, stakeholder and investor engagement regarding companies' performance and disclosures on sustainability and ESG issues, with growing calls for companies to play an active role in addressing challenges such as climate change, biodiversity loss, human rights, and fair labour and supply chain practices.

This shift is evidenced by recent developments relating to sustainability disclosure standards – such as the EU's Corporate Sustainability Reporting Directive and the IFRS Sustainability Disclosure Standards – as well as the rise of investor ESG ratings, new financial instruments including green bonds, new methodologies such as green taxonomies, and new regulatory requirements on a range of social and environmental issues.

From an investor perspective, there has recently been a pushback against ESG engagement, accompanied by heightened politicisation of the issue, with some arguing that ESG considerations distract from maximising shareholder returns. Following the recent US election, some companies have pulled back on their ESG commitments, with six of the largest US banks, for example, recently withdrawing from the UN Net-Zero Banking Alliance, a coalition aimed at aligning financial practices with climate goals.

Despite the recent investor pullback, stakeholder and regulatory interest in sustainability issues remains strong, and has strengthened in some quarters due to growing concerns about the extent of social and environmental challenges. While companies across all sectors have been subjected to increased scrutiny, there are particularly strong expectations for the mining sector. This is understandable, given the nature of mining's impacts and its contribution to many economies.

In South Africa, continuing challenges relating to government service delivery, corruption, weak governance of SOEs, and high levels of unemployment and inequality have underscored the role and responsibility of the mining sector in promoting inclusive and environmentally responsible economic development.

Implications for value

Heightened stakeholder expectations, with sometimes competing interests across stakeholder groups, underline the importance of proactive engagement in ensuring balanced response measures to stakeholder interests.

If not appropriately addressed, poor stakeholder relations can threaten our operations, constrain access to our mines, increase safety risks for employees, and result in a negative reputation and a loss of our social licence to operate.

Coupled with growing focus from regulators and stakeholders, it is crucial to incorporate a situational assessment regarding the advancements in regulatory developments and their potential impact on our operating context, particularly in import and export markets.

Strategic response

Kumba's purpose is to re-imagine mining to improve people's lives.

We are delivering on our purpose through our SMPs, which has three sustainability pillars designed to support the UNSDGs. Each of these pillars has three global stretch goals and milestone targets through to 2030, underpinned by a set of critical foundations and standards that apply across our business.

By delivering on our SMP and technology commitments, we are leveraging innovative mining methods and community engagement practices to drive safe, responsible production and create thriving communities beyond the life of our mines. The SMP is enabled by the Anglo American Social Way and underpinned by our collaborative stakeholder approach, which "at community level" includes stakeholder days, Chief Executive roadshows, business forum meetings, and a community engagement forum.

ESG-related objectives comprise 20% of executive performance measures for LTIP awards.

Further details on our strategy and performance for creating broader societal value are provided in our 2024 Sustainability report.

www.angloamericankumba.com/investors/annual-reporting/reports-archive/2024

Strategic focus area

Leadership and culture
(Page 64)

Green steel value chain
(Page 65)

Societal value
(Page 65)

Value accretive options
(Page 66)

Capitals materially impacted

Addressing stakeholder interests

Building strong and transparent relationships with our stakeholders is essential to delivering on our goal of creating and sharing enduring stakeholder value

Our stakeholder strategy is based on regular, proactive and meaningful engagement with our stakeholders to identify their priority interests, concerns and expectations, and to ensure that we address issues affecting our business and their interests in a collaborative manner that is aligned with society's wider goals. We are committed to implementing an integrated approach to engaging stakeholders that promotes a shared vision amid dynamically changing stakeholder positions, and that maintains Kumba's reputation as a trusted corporate leader in creating long-term value.

Our improved stakeholder engagement planning allows for structured and constructive engagements at appropriate levels of the organisation, and leads to increased levels of trust between Kumba and our stakeholders. Kumba's operating sites host regular stakeholder days where we bring together government representatives, labour unions, host community groups, civil society representatives, suppliers, and business and development partners to discuss the Company's performance on sustainability. Feedback received through these events and other engagement platforms informs our strategic response.

Identifying our priority stakeholders

We use the following criteria to prioritise the many individuals and organisations that have a stake in Kumba:

- The degree to which we depend on the stakeholder's support in achieving our strategic goals
- The degree to which the stakeholder can influence organisational performance
- The significance of the issues linking the stakeholder to Kumba and how the stakeholder is impacted by such
- The risks that we are exposed to should we not deliberately plan our interventions to address stakeholder issues

Investment community, shareholders, BEE partners

Stakeholder	Engagement channels	Key interests, concerns or expectations
– Shareholders and investors, including strategic shareholders (Anglo American plc and IDC) and – SIOC shareholders, our BEE partners (Exxaro and SIOC Community Development Trust) – Sell-side and buy-side analysts – Other shareholders	– Stock Exchange News Service (SENS) announcements – Quarterly production reports – Investor presentations – Analyst round tables – Roadshows – Business update – Conference calls – Capital markets day – Conferences – Virtual/in-person meetings – Panel discussions and fire-side discussions – Social media and company website	– Transnet – actions and strategy to improve logistics performance in the short term and the long term – Operational performance and business reconfiguration – potential impact on production and sales – Cost and capital expenditure – UHDMS project value unlock – Capital allocation approach and dividend policy – Market price and premium outlook – Dividend payout policy and prospects – Good governance practices, with transparent and fair remuneration – Management of ESG risks such as climate change and social impact – Quality of stakeholder relationships

Impact on capitals

Employees and trade unions

Stakeholder	Engagement channels	Key interests, concerns or expectations
– All Kumba employees – Kumba trade union bodies: National Union of Mineworkers (NUM), Association of Mineworkers and Construction Union (AMCU), Solidarity – Contractors	– Ongoing dialogue through established channels – Operational leadership teams – VFL – Tripartite health and safety initiative – Future forums – Managers/team dialogues – Surveys and employee presentations – Focus groups – Company intranet and newsletters – Electronic notice boards/public display – Engage app – Stakeholder days – Executive roadshows – Training shifts – Team meetings	– Conditions of employment – Wages and benefits – Housing and living conditions – Changes in shift patterns – Safety and health – Employee share ownership plan – Job grading and career progression – Productivity, production and performance – Life-of-asset and/or strategic direction – Transformation – The future of work – Organisational reconfiguration – Job security – Mental wellness – Inclusion and diversity – Training and development

Impact on capitals

Engaging our key stakeholders

Informed by the criteria, we have grouped our stakeholders as outlined in the table on pages 45 to 46. Through our interactions, we identified their priority interests, concerns and expectations. We carefully review the associated impacts on the capitals to identify the most effective trade-offs to ensure that we reach our common goals in a sustainable manner.

▶ **For more information on how Kumba responds to material stakeholders' interests, refer to page 26 in our SR.**

South African government

Stakeholder	Engagement channels	Key interests, concerns or expectations
– National departments: Mineral Resources and Energy, Water and Sanitation, Environmental Affairs and Nature Conservation, Cooperative Governance and Traditional Affairs, Public Works, Public Enterprises, National Treasury Finance and the South African Revenue Service (SARS) – Northern Cape provincial governments – District municipalities (DM) and local municipalities (LM) where Sishen and Kolomela operate: John Taolo Gaetsewe DM, Gamagara LM, Tsantsabane LM, Ga-Segonyana LM and Joe Morolong LM, ZF Mgcawu DM	– Mine visits – Stakeholder days and roadshows – Meetings – Presentations – Workshops – Press releases – Annual reports – Website – Rehabilitation trust – Regulatory audits and inspections – Integrated development programme forums – Working groups – Council presentations – Local economic development forums – Stakeholder events	– Legal compliance, especially on safety, health and environmental performance – Transformation and B-BBEE delivery – Community development and progress on the implementation of social and labour plans – Legacy initiatives beyond the life-of-asset – Licensing authorisations – Creating jobs through growth – Sustained contribution to national tax base – Contribution to local infrastructure and service delivery – Ensuring responsible governance practices and respect for human rights – Progress of the NLCC to pursue interventions to address rail, port and road crises in South Africa – Transnet operational issues – Municipal capacity development – Timely resolution of tax-related matters – Local employment (women, youth and people with disabilities) – Local procurement – Public-private partnerships – Renewable energy initiatives – Dingleton renters housing solution

Impact on capitals

Addressing stakeholder interests cont.

Host communities

Stakeholder	Engagement channels	Key interests, concerns or expectations
– ZF Mgcawu and John Taolo Gaetsewe community groups, and our labour-sending communities	– Complaints and grievance procedure – Socio-Economic Assessment Toolbox and other community engagement sessions – Website, Facebook and Twitter – Workshops for Small, medium and micro enterprises (SMME) and Chief Executive engagements with business forums – Stakeholder day – Advertorials, radio interviews, flyers and notices – Annual reports – Direct engagement: face-to-face meetings with various community forums	– Localised preferential procurement and employment opportunities – Community strategy – Social and labour plans – Enterprise development – Community investment initiatives, to last beyond life-of-asset – Nature of engagement structures – Management of environmental impact – Transparency and engagement measures – Financial compensation for the resettled community – Education – Hosting regular stakeholder days

Impact on capitals

Media

Stakeholder	Engagement channels	Key interests, concerns or expectations
– National and local media	– Holding statement – Press releases – Mine visits and media days – Interviews – Advertorials – Press conferences – Media roundtable	– Company performance – Transnet logistics constraints – Resettlement and sustainability – Good corporate citizenship – Mining rights and regulatory issues – Refreshed strategy and company sustainability – Labour relations – Transformation – Technology roadmap – Markets and products – Business reconfiguration – Business strategy

Impact on capitals

NGOs

Stakeholder	Engagement channels	Key interests, concerns or expectations
– ActionAid Family South Africa – Raising Leaders Foundation – LoveLife – Family and Marriage Society of South Africa (FAMSA)	– Mine visits – Stakeholder days – Annual reports – Website – Meetings – Round tables	– Funding for community development – Collaboration on community projects – Human rights – Resettlement – Transparency in environmental disclosures – Responsible mining

Impact on capitals

Suppliers

Stakeholder	Engagement channels	Key interests, concerns or expectations
– Suppliers – Service providers	– Direct supplier engagements – Annual reports and website – Meetings with local community business forums – Workshops – Contractor days	– Procurement opportunities, even beyond Kumba – Life-of-asset extension – Contract terms and performance – Implications of further cost optimisation – Promoting localised procurement – Development of an industrial park in Kathu – OEC tariffs and penalties and efficiencies/optimisation – Collaboration with junior miners – Safety, health and environment

Impact on capitals

Political parties

Stakeholder	Engagement channels	Key interests, concerns or expectations
– African National Congress – Democratic Alliance – Economic Freedom Front – New parties in local communities where we operate	– Annual reports – Website	– Similar to South African government issues above

Impact on capitals

Business peers

Stakeholder	Engagement channels	Key interests, concerns or expectations
– Minerals Council of South Africa – Neighbouring mining companies (Northern Cape mining leadership forum) – Other businesses operating in local municipalities	– Meetings and presentations – Leadership forums – Annual reports – Website – Safety tripartite sessions – Webinars	– Mining Charter review and its impact on the industry – Local preferential procurement – Education and career development and critical skills – General knowledge sharing on our approach to managing material issues – A joint socio-economic development strategy for the Northern Cape – collaborative regional development – the Impact Catalyst – Safety, health and the environment – Transnet logistics constraints – Eskom and the impact of load shedding – NLCC

Impact on capitals

Customers

Stakeholder	Engagement channels	Key interests, concerns or expectations
– Export customers	– Regular meetings – Website – Technical conferences – Mine visits – Industry conferences – Annual reports	– Product/service quality and consistency – Security of supply – Contracts/price – Performance reliability – IRMA certification – ESG – Reduction of GHG emissions

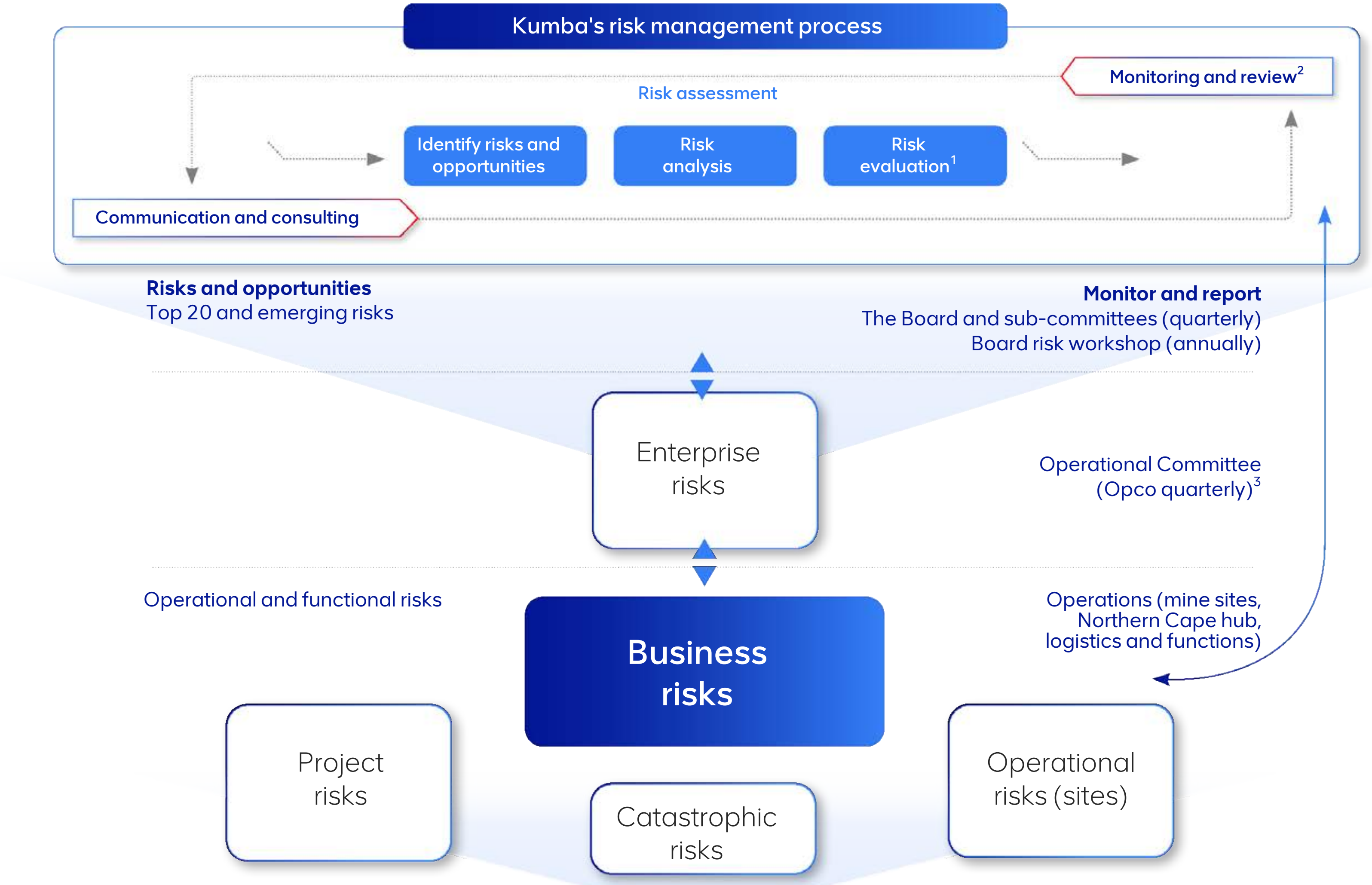
Impact on capitals

Material risks and opportunities

The mining industry faces numerous risks, many of which are volatile and uncertain, requiring agile decision-making and effective risk management strategies that mitigate exposure and harness available opportunities

Kumba's Board sub-committees oversee the integrated risk management process and receive regular feedback from management on all risk-related activities. The Board sub-committees regularly assess all risk governance structures and lines of defence to ensure that roles, responsibilities and accountabilities for identifying, managing, mitigating, reporting and escalating risks and opportunities within the Company are appropriately defined and responded to.

The Board sub-committees and Kumba's management team promote a culture of risk governance and awareness throughout the organisation.



[1] Ensure that appropriate controls and responses are in place to mitigate the risks and manage identified opportunities (recorded in risk registers)

[2] Regularly analysing and monitoring the effectiveness of current controls (three lines of defence).
Regular and timely reporting to Exco, the Board sub-committees and the Kumba Board.
Risk management is integrated within management's everyday agenda to ensure that mitigation actions for identified risks are implemented

[3] The Opco is a sub-committee of Exco, responsible for managing risks

Risk appetite and tolerance

Kumba defines risk appetite as the nature and extent of the risk the Company is willing to accept in the pursuit of its objectives; risk tolerance refers to the organisation's strategic capacity to accept or absorb risk.

Risk appetite and tolerance are high on the Board's agenda and are a core consideration of our enterprise risk management approach. Risk appetite and tolerance consider the relationship between the potential consequences of key risks and the actual condition of the controls or management actions that mitigate those consequences. The Board reviews and approves the risk tolerance and appetite on a quarterly basis to ensure effective delivery of the Company's strategy in the context of a continuously changing operating environment.

To measure risk appetite, we have developed a matrix that combines an assessment of the consequences of our risks with the status of management actions and/or internal controls that prevent or mitigate that risk. Risks that have significant consequences will be within appetite if controls or management actions are in place. Risks can only exceed appetite if a significant consequence is not sufficiently controlled or management actions have not yet been implemented to an extent that the risks can be described as being effectively managed.

Pursuing opportunities

Our risk management process includes specific provision for identifying and realising business opportunities. We define an opportunity as a set of exploitable circumstances with uncertain outcomes that require the commitment of resources and may involve exposure to risk.

In alignment with our Refreshed strategy aimed at unlocking Kumba's full potential and positioning us for a sustainable future, we have committed resources to realise the following opportunities:

Opportunities	**Value pillar**
Safety, health and wellness initiatives to encourage healthy behaviours and promote mental wellbeing	⛑
Automation and roll-out of safety technology to ensure safe and efficient production of iron ore	⛑
Advanced analytics and processing in operations to improve productivity performance	📊 $
Utilise UHDMS technology across our mines , currently in implementation phase	📊 $
Renewable energy and other "green" initiatives to drive decarbonisation across our value chain	📊 💬 🌍
Innovations and partnerships to improve the resilience of South Africa's rail and port logistics	$ 📊 ⚙
Initiatives to ensure a future-enabled workforce	👥
Partnerships with donor organisations and implementing agencies to benefit surrounding communities	💬
Marketing and supply of Lump product, accompanied by diversification of our customer profile	📊 ⚙
Innovations in the circular economy and agribusiness	🌍 📊

▶ For glossary of icons, refer to **page 123.**

Material risks and opportunities cont.

Catastrophic events/risks

These are high-severity, low-likelihood events that could result in multiple fatalities or injuries, cause an unplanned fundamental change to our strategy or the way we operate, and have significant financial consequences. We do not consider likelihood when evaluating these risks, as the potential impacts classify these risks as a priority.

Catastrophic events/risks	Mitigation
Unavailability of rail or port activities Prolonged rail or port unavailability — due to infrastructure failure, vessel failure at our single exit channel in Saldanha, industrial action or financial instability at Transnet — would result in loss of production and financial costs	NLCC formed to assist Transnet in dealing with operational performance risks; Ore Corridor Restoration programme Business continuity plan Contingent business interruption insurance cover
Electricity grid failure A major failure of the Eskom electricity grid would lead to significant loss of production, financial costs, potential worker health and safety risks, and environmental damage	Emergency blackout response plan Significant power failure communication protocol Engagement with Eskom on current electricity crisis
Slope failure or dump failure A sudden and unexpected failure of a slope could lead to loss of life, injuries, environmental damage, reputational damage, financial costs and loss of production	Geotechnical design and inspections Slope stability monitoring Emergency response plans and emergency preparedness plans
Tailings storage facility failure A release of waste material leading to loss of life, injuries, environmental damage, reputational damage, financial costs and production impacts with potential loss of licence to operate	Inspections and regular audits Automated warning system Emergency response plans and emergency preparedness plans
Fire and/or explosion Fire and explosion risks are present at all mining operations and processing facilities	Fire prevention and detection measures Event risk reviews to identify key risks and mitigation measures Emergency response plans and emergency preparedness plans

Emerging risks

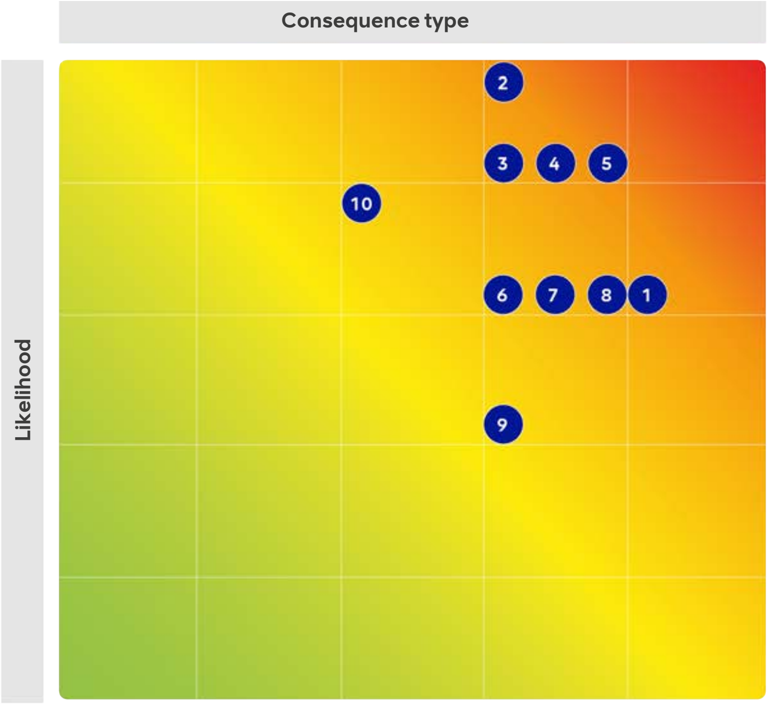
Emerging risks are risks that should be monitored as they may become significant risks in due course.
Below are some of the emerging risks that Kumba has identified:

Macro-economic shifts

The escalating trade tensions between the United States of America (USA) and other countries, particularly China, present growing macro-economic uncertainty , especially regarding global trade, supply chains, and industrial policies. These geopolitical uncertainties could lead to increased tariffs, regulatory shifts, and supply chain disruptions, potentially impacting market stability and long-term strategic planning. Additionally, the decarbonisation agenda faces growing uncertainty, with some institutions and stakeholders retreating from previous commitments. This shift introduces risks related to regulatory uncertainty, investment volatility, and potential reputational exposure for our business, which is navigating sustainability commitments aimed at advancing our Refreshed strategy. A proactive risk management approach is essential, ensuring that our business continuously assesses macro-economic trends, scenario plans for geopolitical disruptions, and adapts our strategies to maintain resilience in a volatile global environment.

Our top 10 material risks

The following heat map shows the residual rating for the key material risks facing Kumba in 2024. A residual risk refers to the remaining risk exposure after all identified mitigation measures have been applied. The impact of external factors beyond management's control are key contributors to the current high residual risk ratings.



Material risks*

1	Kumba's competitive position (transformation of the business)	←
2	Third-party infrastructure (OEC operating efficiency)	←
3	Socio-economic and political challenges in South Africa	←
4	Commodity markets and currency fluctuations	←
5	Ability to attract and retain critical skills	←
6	Safety performance	←
7	Cyber risk/information security	↑
8	Licence to operate: authorisations, legislation and regulatory changes	↑
9	Reserve depletion and securing our growth	↑
10	Procurement threats: extortion and intimidation	↓

* Risks are shown and compared per risk ranking and not per risk rating

Material risks and opportunities cont.

The following table presents the material risks that we have identified as having a potential impact on our ability to mine safely and achieve our strategic imperatives. In prioritising these risks, we have considered both internal and external impacts. We have designed and implemented appropriate mitigation strategies depending on the severity of the impact and the likelihood of the occurrence of each risk.

1 Kumba's competitive position *(transformation of the business)*

No change in risk (2023: 1)

Root causes

Kumba's ability to remain competitive in the global seaborne iron ore industry is at risk over the medium to long term due to various factors:

- **Uncertain iron ore price outlook**
- **Potential market downturn**
- **Increases in cost inflation**
- **Competitive disadvantages from higher comparative stripping ratio and transport costs, with Kumba in the fourth quartile of the global cost curve**
- **Peak production reducing from 2034**
- **Inability to drive change and rapidly adapt to the external environment to achieve the targeted break-even price**
- **Competitors increasing production of iron ore with a higher Lump ratio**

Mitigating actions

- Partnership agreements signed with more than 30% of our customers to develop low-carbon production technology
- Multi-year programme to sustainably increase our margin, touching every part of our business from exploration to marketing and sales
- Exploration activities and low-grade opportunities to extend the life-of-asset for both operations in the Northern Cape
- Continued focus on improving safety through EOF and risk-reduction initiatives
- Continuous alignment of strategic ambitions with the business plan
- Reconfiguration of the business and cost-saving programme (refer to the Chief Financial Officer's review)

Impact on value

$ 📊

- Potentially unprofitable business in the short to medium term
- Declining asset/market value impacting future cash flow
- Reduced future ability to acquire new footprint due to capital-intensive nature of iron ore operations

Strategic focus areas

Cost competitiveness

Operational excellence

Leadership and culture

Outlook

Maintaining a committed focus to improving margins, extending the life of our Northern Cape operations beyond 2040, and achieving zero fatalities

2 Third-party infrastructure *(OEC operating efficiency)*

No change in risk (2023: 2)

Root causes

We export our ore through the Sishen/Kolomela-Saldanha OEC, owned and operated by Transnet.

Ageing infrastructure and inadequate maintenance practices impact the reliability and efficiency of the logistics channel, particularly as we extend our life-of-asset.

Any incidents on the OEC (such as derailments) can affect business continuity.

There is pressure from new market entrants, including manganese producers, to gain access to the OEC, as well as requests from Transnet to allow BEE miners access to the OEC. This could reduce our contractual capacity and increase rates following the expiry of our current contract in 2027.

Mitigating actions

- An Ore Users Forum, representing all iron ore rail users, has been formed to engage with Transnet on operational and strategic interventions
- Maintaining ongoing engagement with Transnet to optimise the channel throughput, including participation in the recently established National Logistics Crisis Committee
- Proactively seeking solutions to introduce BEE miners on the OEC to limit operational risk
- Continued negotiations on tariff escalations with a view to achieving no or reduced escalation on OEC tariffs
- Implementing the outcomes of an independent technical assessment of the OEC
- Private sector participating model is being developed and led by Anglo Finance and Anglo Group Legal
- Improving on-mine operating parameters, including optimised loading, reduced loading variability and improved turnaround times

Impact on value

$ 📊

- An adverse impact on logistical capabilities and failure to obtain supporting facilities may pose a business continuity risk
- Unavailability of key infrastructure affects delivery of products to customers and impacts revenue
- OEC challenges can also increase freight costs

Strategic focus area

Operational excellence

Outlook

Continue strengthening the relationship with Transnet to further explore opportunities to improve the stability of the network and deliver enhanced efficiencies to achieve the contracted throughput

Material risks and opportunities cont.

3 Socio-economic and political challenges in South Africa

No change in risk (2023: 3)

Root causes

Low levels of economic growth in South Africa and ongoing political and governance concerns, exacerbate socio-economic challenges of poverty, inequality, food insecurity, indebtedness and unemployment prevalent in host communities.

Poor socio-economic conditions in these communities increase expectations for employment and other socio-economic benefits.

Governance and political challenges could impact key stakeholders on whom we depend, including Eskom, Transnet and key government departments.

A failure to resolve critical country-specific issues such as economic growth, land reform, quality of education, healthcare, infrastructure development and corruption will continue to impact our operations.

Mitigating actions

- Implement Sustainable mining plan, corporate social investment, supplier and enterprise development initiatives, and municipal capability and partnership programme
- "Yes Programme" to put more local graduates at Kumba for work exposure
- Localised preferential procurement opportunities
- Pursue partnerships with like-minded organisations
- Anglo American SA education programme
- Impact Catalyst initiative in the Northern Cape to drive sustainable economic growth
- Implement Social Way 3.0 at both sites to avoid and mitigate potential social impacts and business risks
- Kumba leadership engagement with government and regulators in collaboration with Anglo American, and develop a social compact
- Monthly business and SMME forums and Quarterly engagements at business forums
- Proactive community engagement initiatives
- Health programmes, including GBV, based on the district health model
- Community training on portable skills through our training colleges
- Active participants in Business for South Africa platform to address challenges relating to energy, logistics, and crime and
- Government-led National Energy Crisis Committee (NECOM), National Logistics Crisis Committee (NLCC), and Joint Initiative to Fight Crime and Corruption (JICC)

Impact on value

- Community activism and lack of local service delivery may cause disruptions at operations
- Negative impact on investor confidence in South Africa and higher cost of doing business
- Increased reliance and growing expectations on mining companies by local government and communities
- Instability within municipalities in host communities and lack of municipal capacity

Strategic focus areas

Leadership and culture

Societal value

SMP
Thriving communities

Outlook

Structural challenges in the South African economy and broader political environment are likely to persist in the short to medium term, impacting business and investor confidence and further raising community expectations

To mitigate the impact of our reconfiguration on the communities we operate in, we will continue to focus on our social response programme

4 Commodity markets and currency fluctuations

No change in risk (2023: 4)

Root causes

Iron ore demand is strongly influenced by world economic growth, particularly in Europe and Asia (notably China). The anticipated ramp-up in low-cost iron ore supply, and the shift in the Chinese economy to consumer-led growth, is expected to maintain downward pressure on price levels. Increased environmental restrictions in China are shifting demand toward direct-charge input products, such as pellets and Lump ore, resulting in favourable Lump premiums.

We negotiate iron ore prices in US Dollars with customers; by contrast, almost all our costs are incurred in Rand.

Mitigating actions

- Key iron ore market indicators and trends are constantly monitored, providing real-time and robust market insights to support agile decision-making and actions from production to market
- Employing price-risk management mechanisms to mitigate our exposure to, and the impact of price volatility
- Maximising the Fe units of product sold to customers to take advantage of the higher index prices for high-grade products
- Implementing the Kumba Full Potential Transformation programme
- Continue to develop customers and market penetration in regions that value premium products, such as Europe, Japan and South Korea
- Our continuous focus on cost stewardship and production efficiency improvements helps protect margins and improve cash flow
- Our policy is not to hedge currency risk; a natural hedge is achieved through our foreign sales that are denominated in US Dollars
- Our currency risk is managed by ensuring that foreign exchange movements do not materially increase our foreign exchange capital cost

Impact on value

- As a price-taker, changes in iron ore prices significantly impact Kumba's revenues, profitability and cash flow
- Revenue is in US Dollars; while some capital and other expenditures are incurred in US Dollar, the majority of our costs are denominated in Rand
- A fluctuating currency can have both positive and negative impacts on our revenue and cash position

Strategic focus areas

Cost competitiveness

Operational excellence

Maximise product premium

Outlook

Market fundamentals for iron ore remain uncertain, compounded by recent geopolitical events. Although current iron ore prices remain within a reasonable range, the shift in Chinese market drivers and additional supply from low-cost producers create further price uncertainty

The Rand/US$ exchange rate is anticipated to remain volatile due to its sensitivity to global markets and continuing macro-economic challenges in South Africa

Ongoing geopolitical events could further impact the iron prices and exchange rate

Material risks and opportunities cont.

5 Ability to attract and retain critical skills

No change in risk (2023: 5)

Root cause

Heightened competition for limited existing skills, particularly in specialised technical mining, is placing pressure on our ability to attract and retain the skills required for the Kumba of the future.

Mitigating actions

- Regularly updated recruitment and retention schemes
- Young Talent pipeline initiative
- Flexi-time and flexi-work programmes
- Viable and robust succession planning
- Local recruitment from surrounding areas and mines
- Investment in leadership development
- Investment in undergraduate and postgraduate development
- Implementation of critical skills retention strategy

Impact on value

- Inability to meet strategic growth targets due to limited technical and leadership skills
- Heightened management recruitment and retention costs
- Higher mining costs due to additional contractor and consulting costs

Strategic focus area

Leadership and culture

Outlook

Potential to remain a challenging area given the dynamic nature of changing skills needs, heightened competition, changing employee expectations, and generally reduced graduate intake to the mining sector

6 Safety performance

No change in risk (2023: 6)

Root cause

There are inherent safety (including psychological safety) and health risks associated with mining across its value chain. Priority unwanted events with the potential to cause harm to employees and contractors include transportation risks, release of uncontrollable energy (including electricity and other forms of energy), interaction between moving machinery and people, working at heights, and the uncontrolled ignition of combustible materials like explosives.

Mitigating actions

- Sacred covenant code with employees and families to do our utmost to minimise harm
- Implement safety improvement plans and a framework for preventing fatalities
- Risk and change management systems are in place
- Focus on priority unwanted events and critical controls
- Prevent repeat incidents through effective learning from incidents
- Drive disciplined and consistent execution of the basics and compliance with safety standards
- Schedule VFL interventions with employees
- Implement and monitor controls to reduce exposure to occupational hazards

Impact on value

- Can impact health of employees and host communities
- May result in additional costs, such as liabilities, legal costs, reputational damage, and disease outbreaks
- Apart from physical harm to employees and contractors, may also negatively impact on employee morale, the achievement of production targets and our licence to operate

Strategic focus areas

Leadership and culture

SMP
Zero Harm

Outlook

We will maintain our strong focus on reinforcing safety practices that eliminate harm and fatalities, and harness a culture of heartfelt leadership to influence and entrench the right safety culture and continue to provide health and mental health support to our employees

Material risks and opportunities cont.

7 Cyber risk / information security

Increase in risk (2023: 8)

Root causes

Increased use of technology, greater integration of operating technology platforms, and working from home have enhanced exposure to cyberattacks.

These attacks have become increasingly frequent and sophisticated globally, with attractive returns for criminals.

Mitigating actions

- Identify IT assets and understand vulnerabilities
- Protective measures in place include restricting access to servers and personal computers, reducing the use of portable media, and extending awareness
- Network discovery software and Privileged Access Management in place
- Increased deployment of CrowdStrike (anti-virus) and Qualys (vulnerability management)
- Information Management (IM) Security structure implemented based on the National institute of Standards and Technology Cyber Security Framework
- Building a best-in-class detection and respond capability, using a risk-based, cost-effective approach
- Building a world-class threat intelligence capability and aligning IT and operational technology security capabilities with emerging threats
- Simulating cybersecurity attacks and response plans
- Ongoing security training and awareness campaigns to raise appreciation of information security threats

Impact on value

- Cyberattacks can lead to a loss of commercially sensitive information, theft of intellectual property, disruption to operations, financial loss, and negative impacts on reputation
- Safety risk, as a result of loss of control of operating systems due to cyberattacks

Strategic focus area

Operational excellence

Outlook

Cybercrime is an ever-evolving and increasingly sophisticated threat requiring increased monitoring and investment in security capability

8 Licence to operate: authorisations, legislation and regulatory changes

Increase in risk (2023: 9)

Root causes

There are extensive regulatory and policy measures at local, national and international levels covering our mining and business activities.

Changes in policy, legislation and permitting requirements can have a direct impact on our activities, and significant regulatory and policy uncertainty can constrain investment decisions.

There can be challenges and uncertainty with the timing of authorisations and the approval of permits, as well as potentially competing applications for mining rights in areas at our operations.

Mitigating actions

- Committee established to ensure compliance with mining licences and safety regulations
- Collaborate with other business units across the Anglo American group to share knowledge and ensure better alignment with legislative developments
- Actively monitor regulatory developments and updates of applicable policies and procedures to ensure compliance
- Monitor compliance with social and labour plans and commitments related to all empowerment matters
- Work with project and site teams on permit acquisitions, tracked against regulatory timeframes
- Proactive engagement with regulatory authorities
- Various interventions on competing rights including meeting with Director-General and Deputy Director-General of the DMRE, lodging objections and appeals, collaborating with Group Legal, progressing the litigation strategy, and internal monitoring, risk and impact identification.
- Annual permitting and regulatory compliance audits
- Annual B-BBEE audits

Impact on value

- Legislative changes and/or non-compliance with legislation could impact our licence to operate and result in directives, fines, regulatory scrutiny, suspension of rights and reputational risks
- Delays in issuing permits and authorisations can impact production

Strategic focus areas

Leadership and culture

Societal value

Green steel value chain

SMP

Thriving communities
Healthy Environment
Trusted Corporate Leader

Outlook

We will continue to closely monitor regulatory and policy developments and engage, as appropriate, with government officials and regulators to promote regulatory certainty, and encourage the timely issuing and approval of permits and authorisations.

Material risks and opportunities cont.

9 Reserve depletion and securing our growth

Increase in risk (2023: 10)

Root causes

As peak production tapers off by 2035, we may face constraints in replacing Mineral Resources and Ore Reserves.

A failure to grow our reserves or develop new operations to maintain our current levels of production beyond the remaining life-of-mine, will undermine our ability to generate long-term value.

There may be a potential challenge regarding general affordability and the availability of capital over the next three years.

Mitigating actions

- Resuming the UHDMS project
- Executing the Kapstevel South project
- Developing alternative technologies to beneficiate low-grade ore (concentration)
- Investigating options for downstream beneficiation
- Exploring new mining opportunities in Northern Cape and elsewhere in Africa

Impact on value

- Our ability to generate value depends entirely on having reliable and cost-effective access to quality iron ore reserves
- Maintaining this capacity requires identifying and realising new opportunities to extend production beyond the current life-of-asset

Strategic focus area

Value accretive options

Cost competitiveness

Maximise product premium

Green steel value chain

Outlook

Continue with the Northern Cape exploration programme, having secured access to explore neighbouring properties close to Kolomela, with the option to take up shareholding in the deposits should the exploration activities prove successful

Exploring opportunities in Africa

10 Procurement threats: extortion and intimidation

Decrease in risk (2023: 7)

Root cause

There are increasing incidents of activities relating to unprecedented contractual demands, with extortion, intimidation and threats of violence that may lead to business interruptions.

Mitigating actions

- Policies and frameworks are in place, including a fraud and risk management framework, an inclusive procurement standard, and a supply chain policy
- Continuous compliance awareness programmes for our procurement teams
- Development of appropriate costs models

Impact on value

- Potential for business interruptions
- Threats to safety and wellbeing of employees and contractors
- Potential for reduced productivity

Strategic focus area

Leadership and culture

Societal value

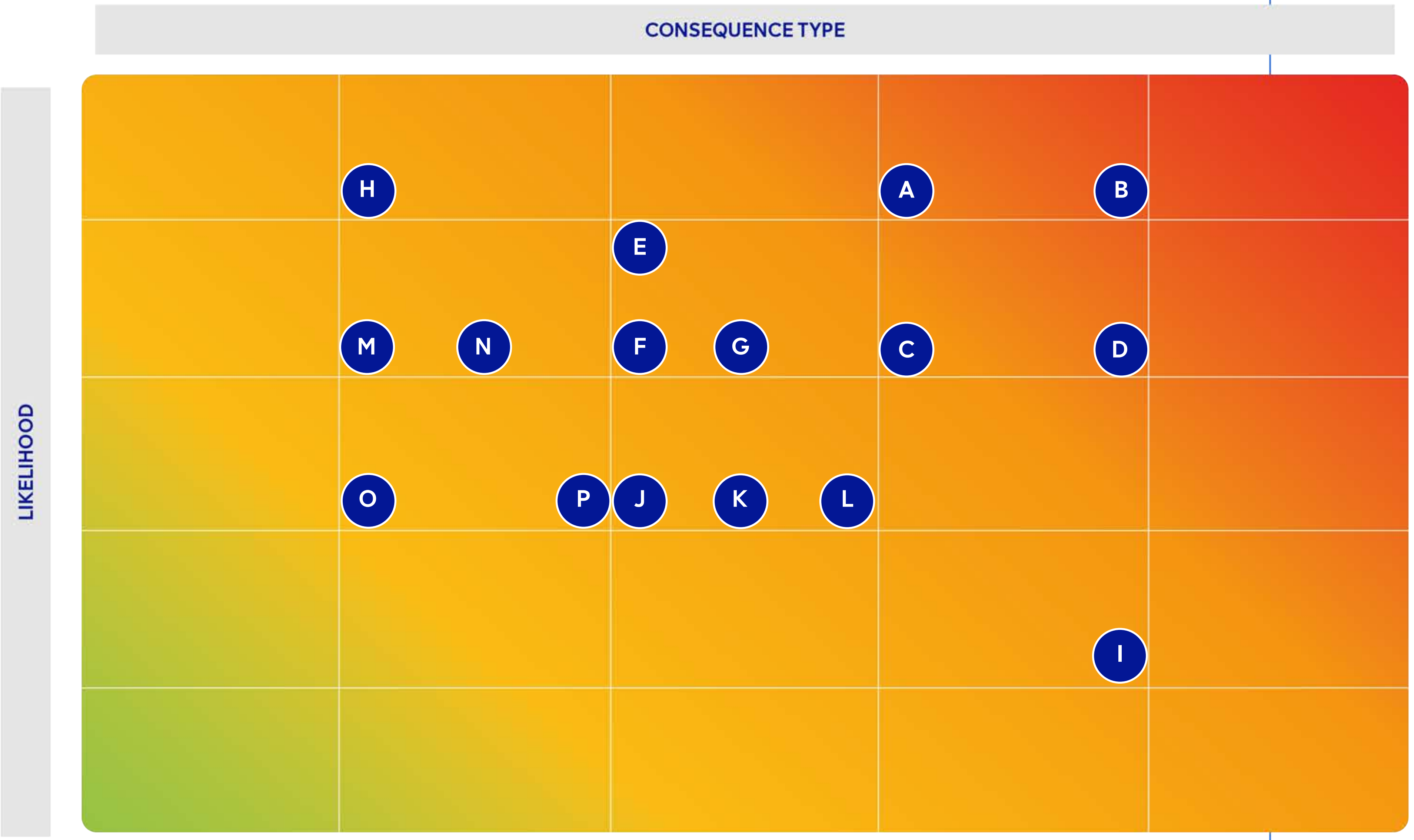
Outlook

We will continue our activities to combat the incidence of procurement-related threats through our compliance awareness initiatives, implementing our inclusive procurement programmes, and ensuring appropriate levels of mine safety and security

Material sustainability-related risks

The following table presents Kumba's material sustainability-related risks that we believe could reasonably be expected to affect our cash flows, access to finance and cost of capital over the short, medium and long term. We have designed and are implementing appropriate mitigation strategies depending on the severity of impact and likelihood of occurrence of each risk.

	Sustainability-related risks**	
A	Socio-economic and political challenges in South Africa[1]	←
B	Ability to attract and retain skills[2]	←
C	Safety performance[3]	←
D	Licence to operate: authorisation and regulatory changes[4]	←
E	Procurement threats: extortion and intimidation[5]	↓
F	Water management	↑
G	Climate change: physical and transition risks*	←
H	High unemployment fuelling crime	↑
I	Labour relations	↓
J	Environmental performance*	↑
K	Community and occupational health risks	↓
L	Fraud and corruption	←
M	Energy security: sustained power disruptions	↓
N	Supply chain disruptions	↓
O	Decarbonisation - scope 1 and 2 ambitions*	↓
P	Dingleton resettlement	↓



[1] See risk review on page 50
[2] See risk review on page 51
[3] See risk review on page 51
[4] See risk review on page 52
[5] See risk review on page 53

* For 2023 these risks were combined, but due to changes in the risk rankings these are now shown separately

** Risks are shown and compared per risk ranking and not per risk rating

Material sustainability-related risks cont.

F Water management

Increase in risk

Root cause

Despite our mines being in the water-stressed Northern Cape, our operations are water-positive and require active dewatering to ensure a safe and productive operating environment. As a result, our operations are not exposed to water security risks and are positioned as a net water provider in the catchments where we operate. Our principal water-related risk relates to our dewatering activities, resulting in the depletion of groundwater resources, as well as potential incidents that could contaminate groundwater, impacting either the quantity or quality of available water for neighbouring communities and farmers. The surplus fresh water from the dewatering activities is diverted through third-party-owned infrastructure for beneficial use. Delays in implementing the phase 2 upgrades of the Vaal Gamagara Water Supply Scheme are affecting reliability of third-party infrastructure and the magnitude of non-revenue water due to leaks which affect the water security of host communities.

Mitigating actions

- Groundwater studies to determine the impact of dewatering and zone of influence
- Water Supply Agreement with the Water Authority
- Extensive network of groundwater monitoring boreholes, with quarterly reporting to regulators
- Continuous engagements with affected farmers and compensation provided if needed
- Risk-based approach to water management within our own operations and on a regional level
- Hydrocarbon management plan, analysing incidents, and putting mitigation measures in place
- Finalised adaptive water management plan
- Quarterly reports submitted to the Department of Water and Sanitation

Impact on value

- Regulatory penalties
- Reputational damage
- Possible litigation

Strategic focus areas

Societal value

SMP

Healthy environment

Outlook

We are committed to further reducing our fresh water withdrawal, optimally supplying excess clean water from our operations to host communities and third parties, and maintaining zero level 3 to 5 water discharge incidents. We continually collaborate with regional stakeholders to ensure the sustainable distribution of Kumba's water resources to the surrounding communities.

G Climate change: physical and transition risks

No change in risk

Root cause

Climate change will affect the mining industry in general, and Kumba specifically, through risks and opportunities in two broad areas: an anticipated increase in the incidence of acute extreme weather events and chronic shifts in climate patterns that are likely to impact our operations, value chain and communities ("physical impacts"); and new regulatory, technological and behavioural changes associated with the transition to a low-carbon economy that will affect demand for key commodities, including iron ore and steel, as well as impacting costs of production across our value chain ("transition impacts").

Mitigating actions

- Evaluate and understand the full impact of the physical and transition risks of climate change on our business and ensuring we are strategically and physically resilient
- Ambitious targets to reduce absolute GHG emissions (scope 1 and 2) and total energy usage by 30% by 2030 (2016 baseline) and to contribute to the group's goal of operational carbon neutrality
- Reducing carbon and energy intensity of our processes, replacing fossil fuels with less carbon-intensive alternatives where feasible, and offsetting any remaining emissions through credible offsets
- Through Anglo American group, entered into MoUs with steelmaking customers to accelerate the adoption of less carbon-intensive production technologies
- Updated and enhanced the high rainfall readiness plans and infrastructure to enable quicker recovery from heavy rainfall events

Impact on value

- Long-term demand for iron ore may differ from current assumptions due to GHG reduction needs
- Operational disruption in the event of extreme weather events
- Potential loss of stakeholder confidence
- May fail to achieve GHG reduction targets if new technologies are not effective

Strategic focus area

Green steel value chain

Maximise product premium

Societal value

SMP

Healthy environment

Outlook

The immediate phase of our decarbonisation journey is on driving energy efficiency and uptake of renewable energy. With Anglo American, we have assessed the evolution of the steel industry in the coming decades and believe there is a significant opportunity to reduce our scope 3 emissions. Together, we are working in industry forums, and with customers and technology partners, on low-carbon steelmaking technologies; we will be growing our share of high-quality pellet feed and Premium Lump ore to support the scaling of these technologies and lower emissions from the steelmaking industry.

Material sustainability-related risks cont.

H High unemployment fuelling crime

Increase in risk

Root cause	Mitigating actions
Noticeable increase in the number of criminal incidents near our operations and in host communities. The high unemployment rate leads to organised crime, which causes disruptions and impacts our operations.	– Deployment of additional security to patrol key assets – Partnering with law enforcement agencies in our communities – Use drones to detect criminal activities – Collaborate with key stakeholders near our operations – Continued engagement at both Sishen and Kolomela with union stakeholders to manage impact on employees and businesses

Impact on value	Strategic focus area	Outlook
– Operational disruption – Increased costs - monitoring costs	Leadership and culture SMP Trusted corporate leader	**The outlook in terms of criminal activities remains challenging.The high unemployment rate contributes to the surge in criminal activities.** **Kumba continues to focus on facilitating jobs in sectors outside of mining. To date, we have facilitated 3,048 jobs in agriculture, livestock development, hospitality, manufacturing and tourism.**

Kolomela - Thriving Communities: community members tending to the vegetable garden in the Boichoko community park.

Material sustainability-related risks cont.

I Labour relations

Decrease in risk

Root cause

Inability of the organisation to continue operations due to disruptions relating to industrial action, which may result in production loss and reputational damage. While Kumba has long had a stable industrial relations environment, there is a need for continued focus in the context of anticipated reconfiguring of the business, and the country's challenging socio-economic and political context.

Mitigating actions

- Rigorous employee engagement processes in place, including the Future Fit organisational restructuring process, with various individual and team support mechanisms
- Maintained constructive relationship with the CCMA, which included training for shop stewards and frontline supervisors
- Strike contingency plans agreed

Impact on value

- Production losses due to disrupted operations
- Potential threat to worker safety and plant integrity

Strategic focus areas

Leadership and culture

Outlook

We currently have a stable and productive industrial relations environment, with no work stoppages related to industrial action since 2012. Our low voluntary employee turnover rate of 1.9% is well below the 8.0% industry benchmark. Ongoing focus is necessary in the context of the anticipated reconfiguration of the business to a lower production profile due to issues with Transnet.

J Environmental performance

Increase in risk

Root cause

Failure to fully comply with relevant environmental laws and regulations linked to our licence to operate for water, air and biodiversity.

Ongoing climate changes experienced globally and in southern Africa may lead to operational disruptions impacting the delivery of production and financial targets.

Mitigating actions

- Identify environmental focus areas at the beginning of each year, which outline KPIs aimed at addressing material issues. We review and track progress throughout the year
- We focus on the following areas:
  - Climate change
  - Pollution prevention and remediation
  - Risk and reporting
  - Water management
  - Nature-based solutions: rehabilitation, mine closure and biodiversity
- Action plans for water, air and biodiversity
- Biodiversity offsetting strategy
- Compliance with technical standards

Impact on value

- Potential legal penalties, fines and possible litigation
- Reputational damage and potential lost business opportunities
- Risk of ongoing complaints and community concern

Strategic focus areas

Societal value

SMP
Healthy environment

Outlook

Continue to implement critical control improvement plans across operations. Some risk mitigation controls include: dust suppression; storage of hydrocarbons in properly designed areas and preventing hydrocarbon spillages by regularly maintaining equipment and through awareness; treating hydrocarbon-contaminated soil at bioremediation facilities; and diverting excess fresh water to communities. By building a culture of appropriate risk management, we continue to include leading and lagging indicators related to risk management in employees' KPIs and in all business unit scorecards.

Material sustainability-related risks cont.

K Community and occupational health risks

Decrease in risk

Root cause

Due to the nature of our operations, there is potential exposure to health impacts for employees, contractors and communities near Kumba operations. More broadly, the recent sustained increases in the cost of living and continued economic uncertainty are affecting employees' overall wellbeing, psychological and physical safety, often compounded by lifestyle challenges relating to diet and exercise. Additionally, there is a potential risk for outbreaks of contagious diseases in our communities caused by human-to- human transmission and could be exacerbated by poor water quality and infrastructure.

Mitigating actions

- Comprehensive occupational health policies and procedures in place to eliminate and mitigate occupational health hazards with appropriate health screening, testing, monitoring and case management
- Emergency preparedness and response systems
- Resources to help employees to manage personal health risks, including HIV/Aids, TB and non-communicable diseases
- Employee mental health and financial wellbeing initiatives and awareness campaigns
- Site-level strategies aimed at achieving relevant health targets of SDG 3 for these communities by 2030

Impact on value

- Impact on employee wellbeing
- Reduced levels of productivity
- Heightened community expectations on the Company for health services

Strategic focus area

Societal value

SMP

Thriving communities

Outlook

Priorities include: reducing workplace dust and noise exposure by a further 5%; continuing our chronic disease reduction programmes focusing on cardiovascular risk and obesity; using data analytics and proactive initiatives to reduce non communicable diseases; and implementing site-level community-based strategies to achieve SDG 3 health targets in host communities by 2030.

L Fraud and corruption

No change in risk

Root cause

Bribery or other forms of corruption committed or perceived to have been committed by an employee or agent of Kumba poses significant direct risks to the business. There are also the broader socio-economic costs associated with increasingly entrenched corruption that is undermining efforts to invest in infrastructure and stimulate economic growth, with rampant crime and corruption affecting basic service delivery, undermining employment opportunities, and contributing to widespread disillusionment among citizens.

Mitigating actions

- Code of conduct supported by online training and regular leadership engagement and communication
- Business integrity training provided every two years to all employees exposed to bribery and corruption risks
- Policies and procedures in place for key processes
- Continuous monitoring of critical controls
- Various fraud and corruption identification and reporting platforms and feedback mechanisms

Impact on value

- Potential legal penalties, fines and sanctions, and possible litigation
- Reputational damage and potential lost business opportunities
- Operational disruption
- Increased costs of capital
- Compliance and monitoring costs

Strategic focus area

Leadership and culture

SMP

Trusted corporate leader

Outlook

The outlook in terms of fraud and corruption remains challenging. South Africa's score on Transparency International's Corruption Perceptions Index has declined in recent years despite government's efforts to rebuild law enforcement agencies that were compromised under the previous administration. There is a heightened need to instil a strong ethical culture across the Company and our value chain.

Material sustainability-related risks cont.

M Energy security: sustained power disruptions

Decrease in risk

Root cause

Eskom, the state-owned energy utility in South Africa, has been facing chronic challenges relating to finances, sustainability, skills, maintenance of ageing infrastructure, and equipment design flaws in new power station units. The performance of the new-build power stations has been significantly below specifications. This has led to a shortage of power availability in the short to medium term, with load shedding having a significant impact on the country's economy.

Mitigating actions

- Load curtailment plan in place, optimally managed between the two sites based on safety and value loss
- Continuous improvement of efficiencies in the production process
- Anglo American agreement with EDF Renewables to develop an RREE in South Africa
- Sishen solar PV plant to be commissioned in 2025
- Generator capacity implemented in Kolomela that can shut down non-critical equipment

Impact on value

- Unplanned and short notice electricity supply outages leading to loss of production and logistic challenges
- Potential damage to plant and equipment

Strategic focus areas

Operational excellence

Societal value

SMP
Healthy environment

Outlook

Kumba continues to make valuable progress in driving uptake of renewable alternatives, and enhancing energy efficiency initiatives.

N Supply chain disruptions

Decrease in risk

Root cause

There are various potential drivers of disruption in global supply chains. These include geopolitical and economic instability, regional conflicts in important trade routes, natural disasters and extreme weather events, cyberattacks on critical infrastructure such as ports, supply chain software, and logistics networks, changes in regulations regarding environmental and labour standards in supply chains, and bottlenecks in transportation and logistics networks.

Mitigating actions

- Supply chain management working continuously to minimise material impact at the operations
- Operations increasing stock holding capacity
- Risk mitigation discussions with key original equipment manufacturers
- Continuous assessment of the impact on supply chains due to the recent geopolitical and extreme weather events
- Dedicated focus on inclusive procurement costs and mitigation plans

Impact on value

- Reduced availability of raw materials
- Production delays
- Increased costs of production

Strategic focus area

Operational excellence

SMP
Trusted corporate leader

Outlook

Given heightened levels of geopolitical instability and the increased incidence of extreme weather events, further supply chain disruptions are anticipated for at least the short- to medium-term. We are working to ensure appropriate diversity among suppliers, investing in digital technologies to enhance supply chain visibility, developing contingency planning, and fostering stronger relationships with key suppliers and logistics providers.

Material sustainability-related risks cont.

O Decarbonisation - scope 1 and 2 ambitions

Decrease in risk

Root cause

Failure to deliver on our scope 1 and 2 ambitions will lead to a loss of stakeholder confidence that can threaten our licence to operate, damage our reputation, and reduce our overall value.
Our scope 1 and 2 emissions constitute 2% and 1%, respectively, of Kumba's overall GHG emissions. Most of our scope 1 emissions (67%) comprise diesel consumption for load and haul, while the greatest contributor to our scope 2 emissions is electricity consumption in our processing plant.

From an energy perspective, in 2024, diesel consumption accounted for around 79% of our energy use, with the remaining 21% relating to electricity consumption. The unit cost of both diesel and electricity is expected to continue to increase, highlighting the strategic value of energy efficiency measures.

Mitigating actions

- Ambitious targets to reduce absolute GHG emissions (scope 1 and 2) and total energy usage by 30% by 2030 (2016 baseline)
- Reducing carbon and energy intensity of our processes, replacing fossil fuels with less carbon-intensive alternatives where feasible, and offsetting any remaining emissions through credible offsets
- Securing operational efficiencies and increasing electrification are both key drivers to improve our energy intensity
- Continuing to investigate opportunities to reduce and replace diesel for our heavy mobile equipment (HME) fleet, which currently consumes around 200 million litres of diesel per year
- Developing a 63 MW solar plant at Sishen and purchasing 11 MW wheeled wind and solar from Envusa at Kolomela

Impact on value

- Potential loss of stakeholder confidence
- May fail to achieve GHG reduction targets if new technologies are not effective
- Continued engagements with Eskom to resolve challenges

Strategic focus area

Green steel value chain

SMP
Healthy environment

Societal value

Outlook

The immediate phase of our decarbonisation journey is on driving energy efficiency and uptake of renewable energy. We are progressing with our work to support the development of low-carbon technologies through various partnerships, including with the Industrial Development Corporation, the South Africa government, and as an industry partner in university research projects. For the solar PV plant at Sishen, the preferred bidder was appointed for the engineering, procurement and construction, acquired all the necessary permits and completed all the site rehabilitation work. Construction can commence shortly after receiving an updated budget quote from Eskom, allowing 12 months to achieve mechanical completion after reaching financial close.

P Dingleton resettlement

Decrease in risk

Root cause

In 2021, Kumba relocated 3,400 people from the Dingleton community to a new host site area in Kathu through a seven-year, R3 billion relocation process undertaken to enable extension of Sishen to the Dingleton area. Delays in finally resettling a small number of community members, could impact production at Sishen. Access is required by 2028 to deliver on the latest business case and mine plans. A litigation risk remains in respect of renters not settled or if associated mediation is not resolved. This risk is being compounded by interference from third-party activists in the process, as well as delays in the RDP construction process by the government-appointed contractor.

Mitigating actions

- Resettlement planning follows global best practice and Anglo American's resettlement governance processes, with rigorous assurance and review by senior leaders, supported by subject matter experts
- Mediation process with renters to find resolution is ongoing and driving towards a conclusion
- Arbitration or a different litigation stream for cases not settled in mediation
- Implementation of housing solutions in collaboration with government
- Active management of the process with the aim to resolve issues before access is needed
- Ongoing engagement with community leadership, and attending to grievances and complaints raised.
- Community lawyer appointed, seeking to mediate compensation-specific dispute

Impact on value

- Delays in production if new area not able to be mined
- Risk of ongoing complaints and community concern, potentially impacting production and reputation
- Litigation risk

Strategic focus area

Leadership and culture

SMP
Thriving communities

Outlook

We have appointed a livelihood social impact service provider to identify socio-economic impacts, with a view to developing a five-year community livelihood enhancement programme. This programme will be informed by relevant findings from the resettlement close-out audit. We continue to monitor and strengthen our relationship with the community and invest with the goal of providing resettled families with improved livelihoods and opportunities.

Our strategy and performance

During 2024, our business reconfiguration was successfully completed while maintaining operational safety and delivering on our Refreshed strategy of unlocking value, positioning our business for a sustainable future, and creating enduring stakeholder value.

Material topics covered in this section:

Komatsu trucks loaded with ore at Sishen.

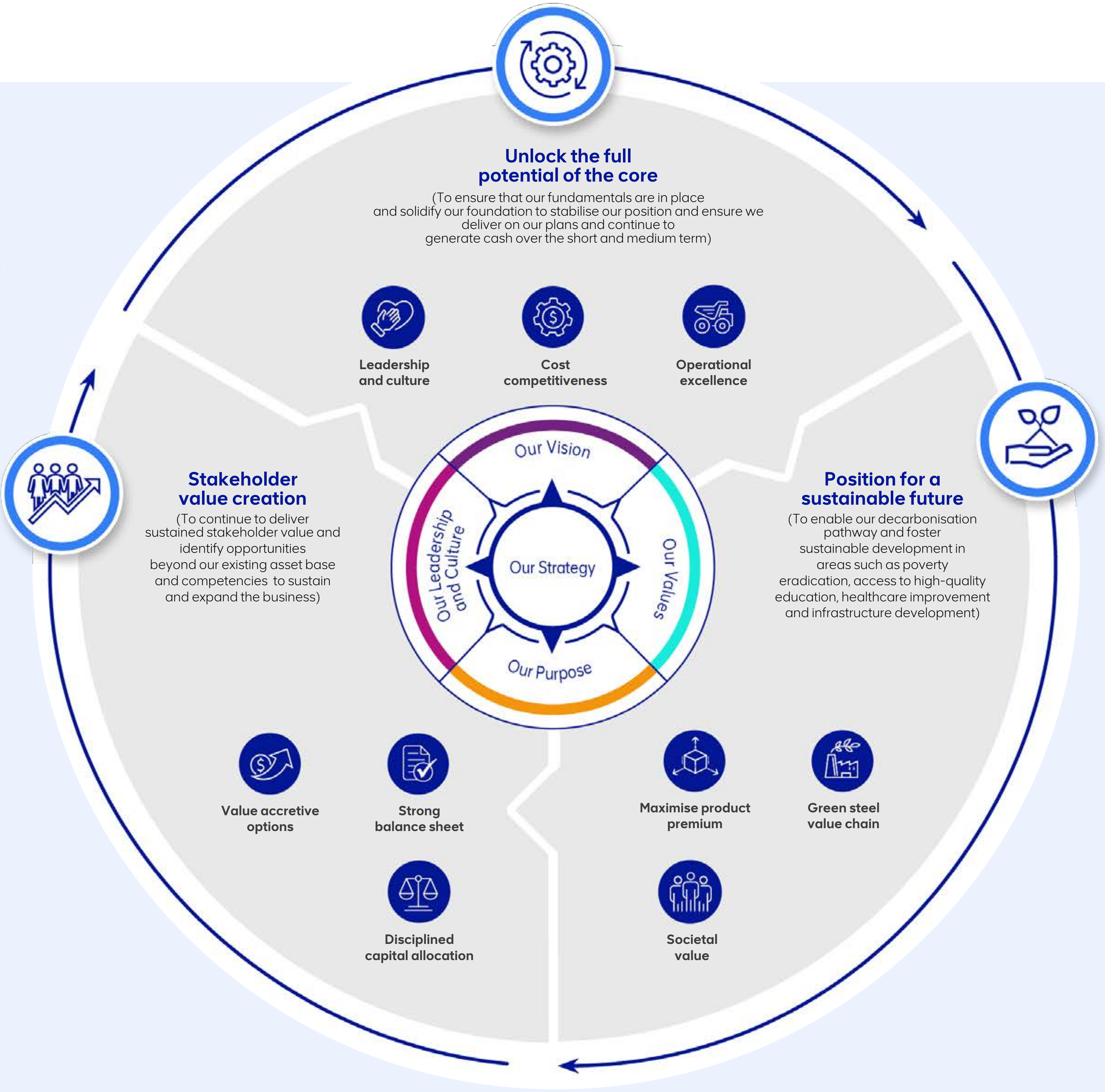
Our strategy

Our Refreshed strategy

The Refreshed strategy is informed by the following:

- A comprehensive review of the macro-environment and global mega trends, including geopolitical issues impacting iron ore prices and the steel value chain, developments in digital technologies, key trends in mining processes and production, recent trends in mining health and safety as well as sustainability and ESG, and the latest science on climate change
- The Anglo American group strategy, which strives to ensure that we are one of the most responsible producers of steelmaking materials and an active participant in the world's energy transition and green steel decarbonisation pathway
- Kumba's purpose: to re-imagine mining to improve people's lives
- Our vision: to create enduring value by sustainably supplying quality iron ore materials

Our Refreshed strategy aims to address four interconnected trends: the decarbonisation of the steel industry, technology, the future of work and society's changing expectations of big business. By responding to these trends, we remain alert to new business opportunities and ensure that we can thrive in a rapidly changing macro-environment. Our primary focus is on unlocking the full potential of our core, which starts with having strong leadership and culture. In turn, these drive operational excellence and cost competitiveness. Concurrent with this, we are positioning Kumba for a sustainable future and progressing our own decarbonisation journey. Key to this is the role we play in the green steel industry. Fundamentally, as GDP per capita grows, steel per capita also grows. The steel industry will increasingly pivot towards carbon-light steelmaking, resulting in a rise in direct reduced iron (DRI) production worldwide and creating further demand for high-quality iron ore products. At the same time, we continue to invest in social development programmes that are directly aligned with the UNSDGs. These include providing access to high-quality education, healthcare and infrastructure development.



Unlock the full potential of the core

(To ensure that our fundamentals are in place and solidify our foundation to stabilise our position and ensure we deliver on our plans and continue to generate cash over the short and medium term)

Stakeholder value creation

(To continue to deliver sustained stakeholder value and identify opportunities beyond our existing asset base and competencies to sustain and expand the business)

Position for a sustainable future

(To enable our decarbonisation pathway and foster sustainable development in areas such as poverty eradication, access to high-quality education, healthcare improvement and infrastructure development)

Our strategy cont.

Sustainability

Our far-reaching SMPs are built around the following global sustainability pillars that are aligned with 12 of the UNSDGs:

Governance	Social	Environment
Trusted corporate leader Developing trust as a corporate leader, providing ethical value chains and improved accountability to the communities we work with	**Thriving communities** Building thriving communities with better health, education and levels of employment	**Healthy environment** Creating a healthy environment by creating waterless, carbon-neutral mines and delivering positive biodiversity outcomes

Delivering on our Refreshed strategy: Performance summary

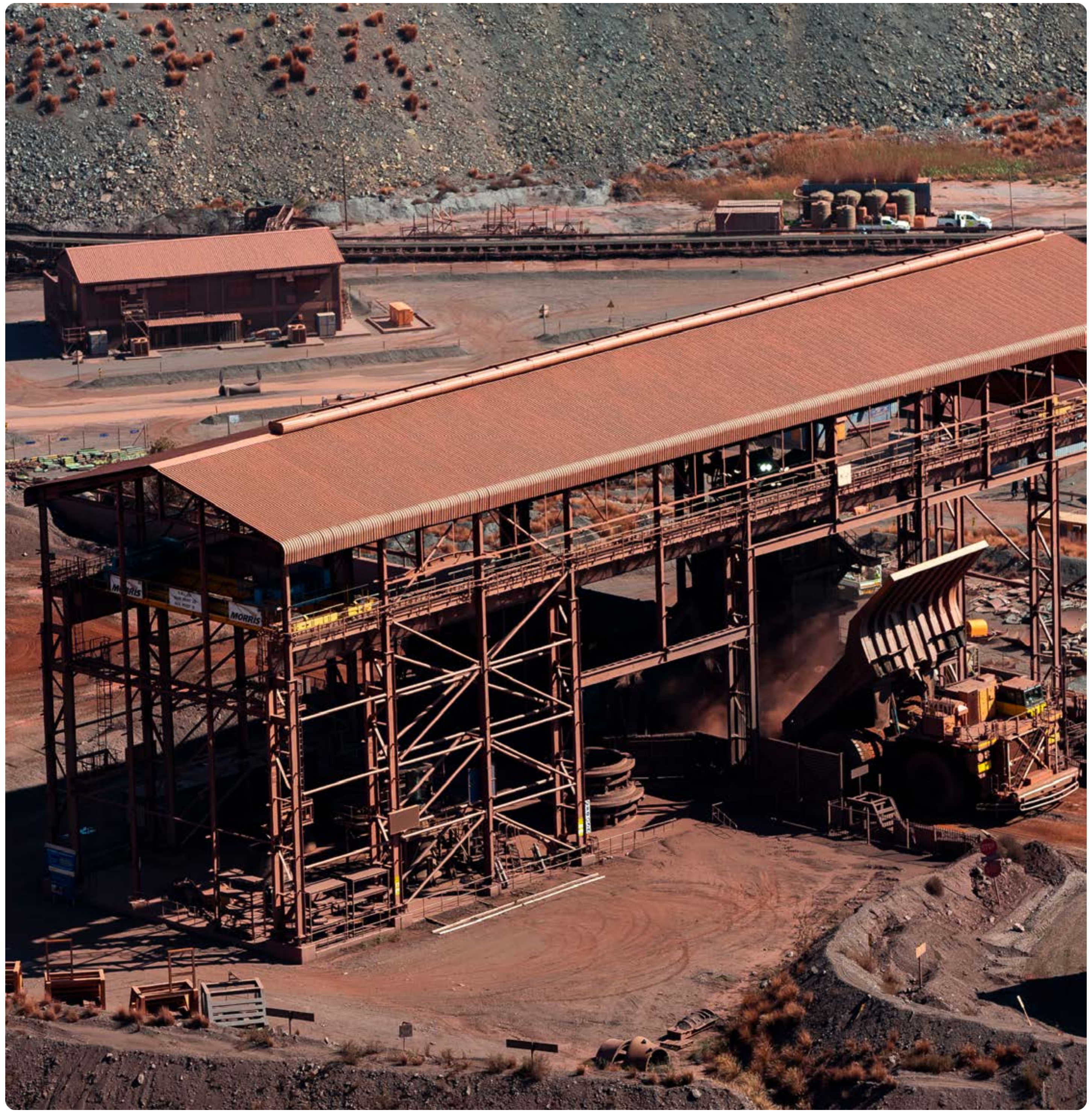
A high-level summary of Kumba's performance on each of its three strategic pillars is provided below. A more detailed review of our performance in terms of each of the strategic focus areas and key enablers is provided on pages 64 to 66.

Unlock the full potential of the core	**Position for a sustainable future**	**Stakeholder value creation**
✓ Total cost savings this year of R4.4 billion (exceeding our target of R2.5 to R3.0 billion), bringing the total cost savings since 2021 to R10.5 billion	✓ The average realised FOB export price of US$92/wmt was 3% above the benchmark price of US$89/wmt	✓ Kumba ended the year with a net cash position of R14.7 billion (2023: R13.2 billion)
✓ Sishen's unit costs improved by 10% to R531/dmt (2023: R589/dmt) Kolomela's unit costs improved by 16% to R404/dmt (2023: R482/dmt)	✓ Progress in promoting a green steel value chain, partnering with customers and technology partners on low-carbon steelmaking technologies; growing our share of high-quality pellet feed and Premium Lump ore to support scaling of low-carbon technologies in the steelmaking sector; and decarbonising our own operations to meet our ambitious climate targets	✗ Kumba delivered attributable and headline earnings per share for the year of R45.81 and R38.94 (2023: R70.80 and R70.81), respectively. The Board declared a final cash dividend of R19.90 per share (2023: R24.20), resulting in a total cash dividend for the year of R38.67 per share (2023: R46.80). This equates to 100% of headline earnings for 2024
✓ Our focus on operational excellence gave Kumba the foundation to deliver more efficient production. This resulted in a 5% improvement in C1 unit costs of US$39/wmt (2023:US$41/wmt), effectively resetting our cost profile to 2021 levels	✓ Local procurement spend of R3.9 billion , and R17.3 billion procurement on HDSA businesses, supported by R468.6 million in direct social investment	✓ Our total capital expenditure was R9.0 billion (2023: R9.9 billion). SIB capex relates to capital spares, plant and infrastructure upgrades and environmental compliance projects. Deferred stripping increased due to a higher stripping ratio in the areas that we mined. Expansion capex included spend on the Kapstevel South project and the UHDMS project

✓ Positive trend (year-on-year)

– Neutral trend

✗ Negative trend



View of the primary crusher at the Jig plant.

Kumba's Refreshed strategy strives to ensure that we position the Company for growth and do more with what is within our control to improve our competitiveness and to fully realise the opportunities for our commodity in a decarbonising global environment

Delivering on our strategy

Unlock the full potential of the core

Strategic initiatives **Cost competitiveness**

Our performance on this strategic objective is reviewed in more detail in our Chief Financial Officer's review

Strategic initiatives **Leadership and culture**

▶ **www.angloamericankumba.com/investors/annual-reporting/2024**

Our leadership and culture guide how we show up and interact with each other as we work to improve and sustain our business. They are fundamental in creating a workspace where employees feel safe, engaged, and willing to give their best towards accomplishing our goals and strategy. To foster an organisational culture that enables safe, purpose-led, high-performing teams, and to deepen our leadership capabilities, we continue to implement various leadership and culture interventions, underpinned by our values and leadership code. Our focus remains on ensuring robust employee engagement, implementing tailored leadership development programmes and a 360-degree leadership capability assessment, and providing employee diversity workshops.

As safety is our number one value, we have a sacred covenant that outlines the mandated behaviours required to ensure a safe way of work. This year, we saw an overall improvement in safety indicators across our operations, with our TRIFR improving from 0.98 in 2023 to 0.76, our lowest TRIFR recorded since the inception of Kumba's operations. Our lost-time injuries reduced from 17 to 11, and our HPIs decreased from 16 to seven. There were no fatalities across the Company, with Sishen now recording more than eight years of fatality-free production. To further improve our safety performance, we are identifying opportunities to integrate AI tools and models to predict and prevent incidents and support our safety protocols, and we will be emphasising the adoption of leading indicators to proactively address and manage emerging safety trends.

We believe that a diverse and inclusive culture helps to provide access to the widest possible pool of talent and diversity of thought and perspectives, while providing equal opportunity for all to fulfil their potential. With the aim of creating an inclusive workforce, we are accelerating the recruitment, development and promotion of designated groups. At senior and top management levels, the African male demographic is at 27%, while the African female demographic increased to 17%. Overall, female representation has improved by 33% across Band 5 and Band 4 roles. Women currently account for 40% of our talent pool, of which 50% is represented by black women. Kumba is working towards a stretch target of 40% women representation in mining by 2040. By year end, women made up 27% of our overall workforce (2023: 26%), 22% of core disciplines (2023: 24%), and 31% of management positions (2023: 30%). (Employee statistics are calculated on permanent employees only)

Further information on our leadership and culture – including details on our safety and health initiatives, promoting diversity, managing talent, engaging employees and investing in skills development – is provided in our SR.

Strategic initiatives **Operational excellence**

▶ **See more detail in the Chief Executive's review**

Kumba's strong focus on operational excellence continued to deliver solid operational performance in the face of ongoing challenges with the reliability of Transnet's rail line, port infrastructure and supporting services.

In line with our business reconfiguration plan to align production with Transnet's logistics performance, production volumes were in line with the previous year at 35.7 Mt, while ore railed to port decreased by 2% compared to 2023. Sales decreased by 2% to 36.3 Mt with the benefit of the pro-active mini shutdown and port equipment repairs undertaken in April, offset by the impact of adverse weather conditions in July 2024 at Saldanha Bay port. As a result, we achieved our full-year production and sales guidance of 35 Mt to 37 Mt and 36 Mt to 38 Mt, respectively.

Our success in ensuring operational excellence, and in positioning Kumba effectively for a sustainable future (see page 65), is ultimately contingent on restoring the OEC's performance to its nameplate capacity. As outlined elsewhere in this report (see page 36), we have been working directly with Transnet, as well as collaboratively through the OUF and the NLCC, to identify opportunities to stabilise performance and improve some of the underlying technical and strategic issues, including through our contribution to the Ore Corridor Restoration (OCR) programme. In the longer term, we are developing a potential industry-driven concessionaire model under which private sector parties will have operational and maintenance responsibilities for the IOC for a defined period.

In February 2024, Kumba announced the rightsizing of its operations in line with declining mining volumes and production to more closely match Transnet's logistics performance and improve our cost competitiveness. In March 2024, we entered into a consultation period with trade unions and affected employees facilitated by the CCMA; the process was concluded and the new structure finalised in May 2024. This business reconfiguration process directly impacted 490 employees and approximately 160 service providers. We successfully placed all affected employees who remained at Kumba within the business, following terminations and transfers, with no forceful retrenchments required. To mitigate the impact on service providers and communities, we implemented a Social Response Plan focusing on job creation, business development, and training and skills development, with placement opportunities and individual support for beneficiaries.

This year, we successfully completed our Kapstevel South project at Kolomela, delivering the first ore in June 2024. In August, the Board approved a proposal to recommence construction of UHDMS processing technology at Sishen, which will enable us to treble the proportion of premium iron ore product from Sishen, reducing our scope 1 and 3 GHG emissions, and creating a new pathway to extend Sishen's life to 2044. The approval included a commitment for a further R7.6 billion investment in the UHDMS project, bringing the total capital investment to R11.2 billion, and demonstrating Kumba's long-term commitment to South African mining.

Technology innovation is key to delivering on our purpose of re-imagining mining to improve people's lives, and underpins our commitment to FutureSmart Mining$^{\text{TM}}$. We are continuing to investigate and implement various game-changing opportunities, using digitisation and innovative technologies to achieve our zero-harm target, maximise current and future resource utilisation with less waste, water and energy, and drive down costs by improving productivity and efficiencies.

Delivering on our strategy cont.

Position for a sustainable future

Strategic initiatives **Maximise product premium**

Our performance on this strategic objective is reviewed in more detail in our Chief Financial Officer's review

Strategic initiatives **Green steel value chain**

▶ **www.angloamericankumba.com/investors/annual-reporting/2024**

In positioning Kumba for a sustainable future, we are committed to being an active participant in the development of a green steel value chain. In delivering on this commitment, we are restructuring our operations towards carbon neutrality and pushing for decarbonisation across our sphere of influence, while striving to address the broader socio-economic implications as part of securing a 'just transition'.

At a company level, we have committed to reducing our scope 1 and 2 GHG emissions and energy usage by 30% by 2030. We are also working towards achieving carbon neutrality; this commitment will continue beyond any closure of our mines to include all post-production activities. We have set operational site-specific targets aligned with our mine plans and energy usage forecasts, and have linked progress on these targets to LTIP share awards over a three-year period. In 2020, we developed a carbon-neutral model that projects our energy intensity and carbon emissions over time to track our pathway to carbon neutrality. This year, we updated our roadmap to provide for our latest life-of-asset plan and for the most recent assessments of the emissions reduction feasibility of various projects.

The vast majority of Kumba's total GHG emissions (99%) are scope 3 emissions occurring outside our operations along the iron ore value chain. Of these emissions, 94% relate to the processing of sold products (iron and steelmaking). Reducing these emissions will require a focus on less carbon-intensive green steel that we are working to achieve by improving our quality product and helping our customers to decarbonise steel production.

Our premium, high-grade iron ore offers specific opportunities for lower carbon, direct reduction processes of iron in steelmaking, realising a 2.5% reduction in carbon emissions for every 1% increase in iron ore grade.

As Kumba's iron ore sales only account for around 1% of total global inputs to the global steel industry, to have any impact we need to partner with others across the sector. We are working in various industry forums and with customers and technology partners on low-carbon steelmaking technologies. Through Anglo American, we have entered into MoUs with our steelmaking customers aimed at decarbonising steelmaking processes. We are assessing a range of initiatives to promote green steel, including the production of DR Lump and the development of Kumba briquette that offers significantly lower CO_2 emissions compared to sintering or pelletising. In addition to these MoUs, we have recently partnered with the University of Birmingham and venture-builder Cambridge Future Tech to launch PeroCycle, a new venture aimed at developing and commercialising carbon recycling technology for implementation in steelmaking.

In terms of managing any social impacts associated with our decarbonisation activities, and promoting an energy transition that is just and equitable, our approach is to ensure that delivery of these activities is aligned with the ambitious stretch goals, milestones and targets outlined in the Thriving Communities pillar of our SMP.

A detailed review of our governance, strategy and performance on our material climate-related impacts, risks and opportunities is provided in our CCR.

Strategic initiatives **Societal value**

▶ **www.angloamericankumba.com/investors/annual-reporting/2024**

Promoting societal value by managing our most material sustainability-related impacts, risks and opportunities, while demonstrating leadership in ensuring responsible stewardship of our resources, delivers valuable competitive benefits for our business. It protects the safety, health and productivity of our employees; assists us in attracting and retaining talent; reduces potential legal liabilities; protects the natural resources we rely on; delivers valuable resource efficiencies; and is essential in maintaining our social licence to operate.

As part of the Anglo American group, our activities to protect and promote societal value are led by our commitment to technology and our SMP, which is linked the UNSDGs and our business strategy.

The following is a high-level summary of our 2024 performance on our most material sustainability-related impacts, risks and opportunities.

Social

- R17.3 billion procurement on B-BBEE businesses (2023: R22.9 billion), including R3.9 billion on more than 300 host community suppliers (down from R6.6 billion in 2023)
- Strong commitment to local employment, with 80% of our employees from our local communities
- R468.6 million direct social investment (2023: R376.2 million)
- Successful implementation of revised housing strategy at Sishen facilitating and incentivising home ownership; Kolomela to follow in 2025
- In education, we aim to have more than 80% of selected host community schools perform within either the top 20% or most improved state schools nationally by 2030. The second phase of the programme was launched in July 2022 bringing the total number of schools we support to 85
- 80% of management positions are held by HDSAs
- Women represent 31% of senior management (2023: 30%) and 27% of the total workforce (2023: 26%)

Environmental

- Total carbon emissions decreased by 13% compared to the prior year, due to lower mining volumes
- Progressed with site-specific energy and carbon projects towards our ambitious climate targets
- Further progress made with the commissioning of a 63 MW solar PV plant at Sishen, due for launch in the first half of 2025
- Finalised the 11 MW renewable electricity wheeling contract for Kolomela
- Ninth consecutive year with no level 3 to 5 environmental incidents
- Zero level 3 to 5 water discharge incidents for the eighth consecutive year
- 17,178.0 hectares disturbed by mining, processing and mineral waste disposal, since commencement of operations (2023: 16,873.6 hectares)
- Reshaped 68.0 hectares during the year (2023: 93.0 hectares) and seeded 69.4 hectares (2023: 115.5 hectares)
- Published our third standalone climate change report
- Working with the global NGO, Fauna & Flora, to pilot the TNFD's LEAP approach, which assesses nature-related risks, impacts and dependencies at our iron ore operations and some of the associated key supply chains
- Through the Anglo American group, we are developing a reporting metric to help us measure our contribution to internal and global biodiversity targets, and nature positive outcomes.

A brief review of our performance in terms of our financially material sustainability-related risks and opportunities is provided in the appendix on page 54. A detailed review of our sustainability governance, strategy and performance on our material sustainability-related impacts, risks and opportunities is provided in our comprehensive SR, while additional detail on our approach to managing our climate-related impacts, risks and opportunities is provided in our separate Climate change report. Both of these reports have been informed by global disclosure standards, including IFRS S1 and S2, the GRI Sustainability Reporting Standards and the Task Force on Climate-related Financial Disclosures (TCFD).

Delivering on our strategy cont.

Stakeholder value creation

Strategic initiatives Strong balance sheet

Our performance on this strategic objective is reviewed in more detail in our Chief Financial Officer's review

Strategic initiatives Disciplined capital allocation

Our performance on this strategic objective is reviewed in more detail in our Chief Financial Officer's review

Strategic initiatives Value accretive options

To enhance our potential for longer-term growth, we are identifying various growth opportunities that fit well with Kumba's current strategic direction, and that provide for global decarbonisation goals and operate within a circular economy. This includes investing in research and development work aimed at making green iron from our Northern Cape iron ore. These "close to core" opportunities seek to leverage our core capabilities and resources, including both our agility as a smaller mid-tier player and our access to the broader Anglo American group.

Our exploration programme has retained its focus on on-mine exploration, with the dual aims of improving confidence in the spatial definition of our Mineral Resources inside and outside current life-of-asset plans, and to generate appropriate spatial geometallurgical information to safeguard niche product generation. Through SIOC, we have continued our exploration activities in the Northern Cape, including drilling on near-mine properties that have been identified as potential iron ore mineralisation targets through our regional genetic geological model of the Northern Cape iron ore belt. Access for exploration has been achieved through option agreements with current third-party mineral right holders.

Kumba is actively pursuing additional stakeholder value creation by identifying new opportunities beyond its existing asset base to expand our business. Through strategic evaluation of African high-grade iron ore projects, Kumba aims to enhance its resource base and increase our support for the steel industry's decarbonisation initiatives.

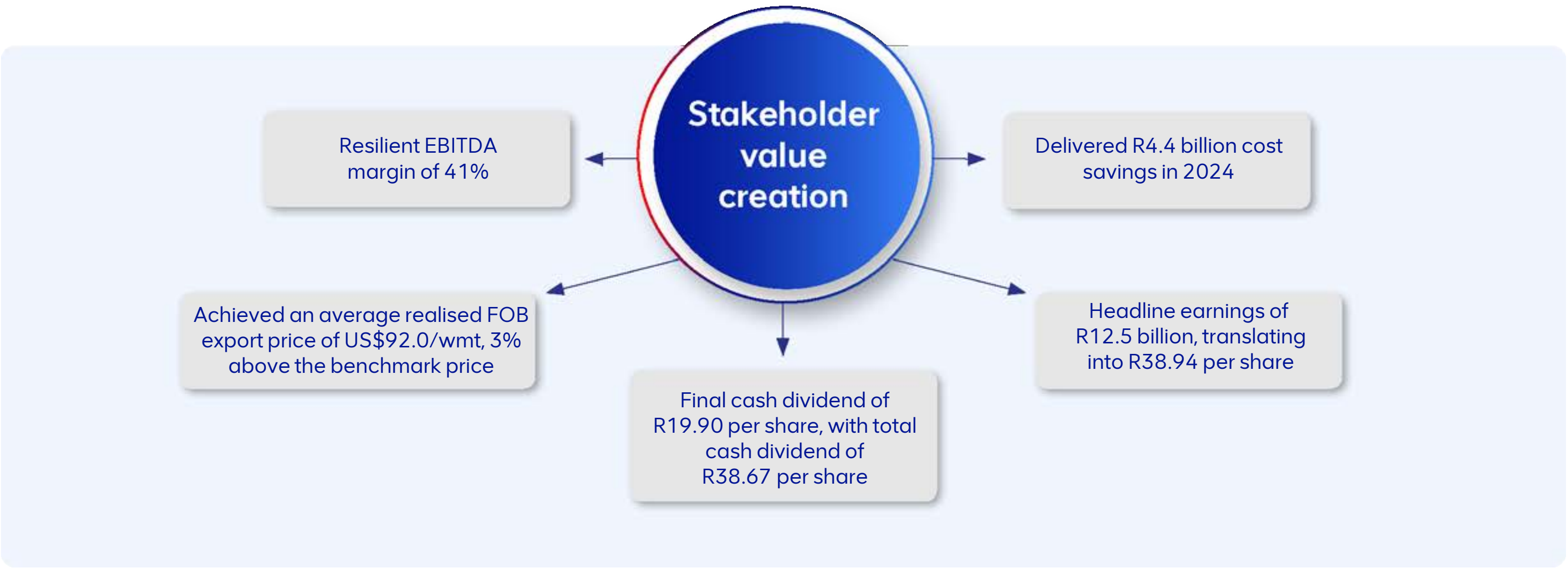
GroundProbe radars installed at both Sishen and Kolomela to continuously monitor slope stability and associated emergency evacuations triggers.

Komatsu haul trucks entering the pit for loading at Sishen mine.

Chief Financial Officer's review

Kumba's financial performance in 2024 reflects our decision to reconfigure our business to a lower production profile, which is more closely aligned to Transnet's logistics performance. We achieved this while maintaining our strategic focus on operational excellence, cost optimisation and capital discipline.

Bothwell Mazarura
Chief Financial Officer



Enhancing shareholder returns and maximising value

The progress made on cost performance proved beneficial as lower iron ore prices, a decrease in sales volumes due to rail constraints, as well as a stronger ZAR/US$ exchange rate further tested our financial resilience. Given these elements, we delivered an adjusted EBITDA of R28.1 billion (2023: R45.7 billion) and an adjusted EBITDA margin of 41% (2023: 53%). Iron ore prices remain the most significant driver of our adjusted EBITDA. As a result, our earnings for the year largely reflect the impact of lower iron ore prices combined with a decrease in sales volumes, higher freight rates and a stronger ZAR/US$ exchange rate.

Our cost optimisation initiatives achieved R4.4 billion of savings, exceeding our full year 2024 target of R2.5 billion to R3.0 billion. This, combined with lower rehabilitation costs, higher deferred stripping and lower mineral royalties largely offset higher WIP stock movements, freight and distribution costs, as well as an increase in depreciation. As a result, the increase in total operating expenses was just 2%, well below the 4.6% increase in the consumer price index (CPI). Our C1 unit cost improved by 5% to US$39/wmt from US$41/wmt in 2023.

Iron ore supply outpaced modest steel demand, leading to lower benchmark iron ore prices. Consequently, Kumba's average realised price decreased by 21% to US$92/wmt. The combined Fe, lump and marketing premium achieved of US$11/wmt was partly offset by an unfavourable timing effect of US$8/wmt (declining prices on provisionally priced sales volumes). This led to a total product premium of US$3/wmt, representing a 3% gain in Kumba's realised price, ahead of the benchmark FOB export price of US$89/wmt.

In the medium term, we continue to target a product premium of US$3/wmt above lump and Fe premia. Additionally, we are targeting a further US$2/tonne to US$3/tonne of product premium through our UHDMS technology project, which is expected to treble the proportion of premium-grade products from below 20% to more than 50% of total production at full production capacity.

We maintained our discipline on cost and capital leading to cash generated from operations of R34.8 billion (2023: R38.3 billion) and an attributable free cash flow of R14.5 billion (2023: R14.9 billion).

For the full year, our net cash position of R14.7 billion (2023: R13.2 billion) increased by 11% and this supported the Board's decision to declare a final cash dividend of R19.90 per share to our shareholders. Combined with our interim dividend of R18.77 per share, the total dividends for the year amount to R38.67 per share. We are returning 100% of headline earnings or R12.5 billion to our shareholders.

Our financial strength enables us to reinvest for a sustainable future, unlock further value, and continue to pay attractive dividends through the cycle, in line with our disciplined capital allocation framework.

▶ For analysis on our financial performance during 2024, see pages 72 to 75 and the business overview in the AFS on **pages 5 to 16.**

Chief Financial Officer's review cont.

Delivery against key pillars of our Refreshed strategy:

Strategic pillar: Unlock the full potential of the core

Strategic initiative: cost competitiveness: Response to logistics constraints, lower production and rising cost inflation

Iron ore prices have had the most significant impact on our EBITDA. We also sold lower volumes than last year, negatively impacting our EBITDA. Unlike previous years when currency movements have provided a partial offset, this year the Rand strengthened against the US Dollar. It is therefore pleasing to note that our cost savings provided a partial offset to the price and volume decline. Our delivery of this strategic priority is particularly pleasing when you consider that our C1 cost of US$39/wmt for 2024 has declined to levels last seen in 2021. Kumba's business reconfiguration to align production to Transnet's constrained logistics performance and reduce our cost profile was successfully executed.

As part of reconfiguring our business, we optimised our mine plan and reduced waste mining by 28% to 155.7 Mt in 2024. In parallel, we rightsized our HME fleet and reduced services provided by our service partners while utilising our consumables more efficiently.

This, coupled with a focus on operational excellence, has given Kumba a robust foundation for delivering more efficient production. Kumba's improved C1 unit cost of US$39/wmt has captured this benefit, as we effectively reset our cost profile to 2021 levels.

Total operating expenses increased by 2% to R46.1 billion (2023: R45.4 billion).

By delivering on our business reconfiguration initiatives, we achieved R4.4 billion of savings, exceeding our target of R2.5 to R3.0 billion. These savings have driven a reduction in the following cost lines:

- Contractor expenses, improved by 33% to R3.5 billion (2023: R5.2 billion)
- Repairs and maintenance, down 17% to R3.5 billion (2023: R4.2 billion)
- Petroleum products decreased by 22% to R2.9 billion (2023: R3.7 billion)
- Raw materials and consumables, 24% lower to R2.0 billion (2023: R2.6 billion)
- Staff costs decreased by 4% to R6.7 billion (2023: R7.0 billion)

However, the decrease in cash costs was offset by an increase in freight costs of 41% to R8.0 billion (2023: R5.7 billion) and a net increase in non-cash costs of R3.1 billion.

The cost savings achieved contributed to lower on-mine cash costs at Sishen and Kolomela.

Sishen's cash costs improved by 10% to R531/dmt (2023: R589/dmt), well within the full-year 2024 guidance of R520 to R550/dmt. In addition to cost savings, the cost of inflation and higher WIP utilisation were more than offset by the benefit of our optimised mine plan, higher deferred stripping and a 1% increase in production to 25.7 Mt (2023: 25.4 Mt).

Kolomela's cash cost improved by 16% to R404/dmt (2023: R482/dmt), below the guidance of R410 to R440/dmt. The cost of inflation, higher work-in-progress (WIP) utilisation and the impact of a 2% decrease in production to 10.1 Mt (2023: 10.3 Mt) were more than fully offset by the positive outcome of our optimised mine plan and higher deferred stripping.

Kumba's break-even price started the year at US$61/wmt. Operating costs reduced by US$2/wmt, driven by our focus on operational excellence. Our market-leading product qualities continued to capture Lump and Fe premium. However, market headwinds resulted in timing differences of US$11/wmt, and a lower marketing premium of US$1/wmt and Lump premium of US$1/wmt, which were partly offset by a higher Fe premium of US$1/wmt.

These elements combined with an increase in SIB capex of US$2/wmt, higher freight rates of US$2/wmt and lower mineral royalties of US$1/wmt, led to Kumba's break-even price increasing by US$13/wmt to US$74/wmt in 2024.

Strategic pillar: Position for a sustainable future

Strategic initiative: maximise product premium: Response to market demand for high-quality products

Kumba's premium product strategy targets more than US$3/wmt of product premium over the medium-term. Our strategy focuses on producing high-quality products and achieving between 45% to 55% of total sales outside of China.

We have the unique advantage of being primarily a Lump producer with a product that has a recognised exceptional chemical and metallurgical quality. The highest quality and most important iron ore for steelmaking are haematite (Fe_2O_3) and magnetite (Fe_3O_4). Haematite is the more sought-after ore and the preferred raw material in more efficient and climate-sensitive steelmaking mills. It accounts for approximately 95% of South Africa's iron ore production.

We build on this advantage. By understanding and responding to the specific technical needs of different customers, we are able to offer niche products. This reflects Kumba's ability to capture a product premium of US$3/wmt relative to our medium-term target of US$3/wmt above market levels.

With product quality being an important competitive differentiator for Kumba, we have been working since 2012 to consistently deliver a high-quality product and increase the Lump ratio to attract premium against the standard product sold in the market.

Our high average Fe content of 64.1% Fe, and our Lump:Fine ratio of 66:34, enable us to sell our product and to attract Fe and market premium relative to standard products. This year, we delivered an average realised FOB export price of US$92/wmt (US$94/dmt), 3% above the benchmark price.

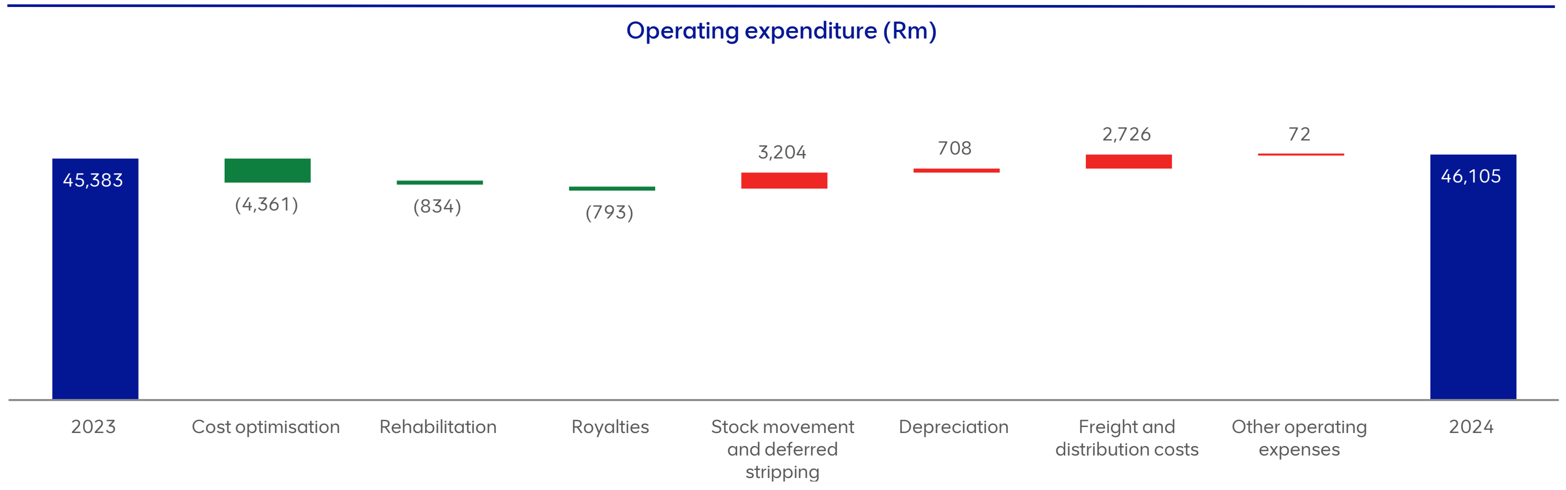
The share of China in total sales rose to 54%, reflecting demand pressure in traditional markets. As economic conditions improve, we expect this trend to gain momentum as we move up the range of our long-term target of 45% to 55% of our volume to markets outside of China.

▶ For more information refer to **page 37 and 38**

Total revenue of R68.5 billion (2023: R86.2 billion) was 21% lower than the prior period, primarily due to:

- A 21% decrease in the average realised FOB iron ore export price of US$92/wmt (2023: US$117/wmt), resulting in a R17.6 billion decrease in revenue
- A 2% decrease in total sales volumes of 36.3 Mt (2023: 37.2 Mt), resulting in a R2.0 billion decrease in revenue
- A 1% stronger average Rand/US$ exchange rate of R18.33/US$1 (2023: R18.45/US$1), leading to a R0.4 billion decrease in revenue

The decrease in revenue was partly offset by a 38% increase in shipping revenue to R8.2 billion (2023: R5.9 billion) due to higher freight rates and CFR volumes increasing to 65% of total sales volumes (2023: 59%).



Filled haul trucks leaving the pit at Sishen mine.

Chief Financial Officer's review cont.

Strategic pillar: Stakeholder value creation

Strategic initiative: disciplined capital allocation: Response to ensuring stakeholder value delivery and investing in our business

Consistent with our disciplined capital allocation framework, we remain committed to balancing sustaining capital expenditure (capex) with shareholder returns and providing growth optionality. Our balanced and disciplines approach to capital allocation remains unchanged with sustaining capex and high-returning expansion projects remaining a priority. Kumba's total (capex) of R9.0 billion decreased by 9% from R9.9 billion, within our full-year 2024 guidance of R8.0 to R9.0 billion. The decrease was driven by optimising our sustaining (SIB) capex and a lower expansion capex due to the completion of our Kapstevel South pit at Kolomela.

The total (capex) of R9.0 billion (2023: R9.9 billion) relates to R4.5 billion of SIB spend, R3.2 billion of deferred stripping, and R1.3 billion of expansion capex. The decrease in capital creditors of R0.7 billion (2023: increase of R81.0 million) relates to capex incurred during the year but not yet paid as at the reporting date, net of prior year capex paid during the year. The 2024 full-year cash capex net of capital creditors was R9.7 billion (2023: R9.9 billion).

SIB capex represents spend on capital spares, plant and infrastructure upgrades as well as environmental compliance projects to sustain our business. Deferred stripping capex increased due to a higher stripping ratio in the areas that we mined. Expansion capex included the Kapstevel South project of R0.4 billion and the detailed design engineering work related to our UHDMS project of R0.6 billion.

In August 2024, we announced the Board's approval of a further R7.6 billion investment in our UHDMS technology project, bringing the full investment to R11.2 billion. Over the next few years, we expect a disciplined increase in expansion capex to ~R2.0 billion per annum, as the investment in our UHDMS technology is phased in. The project is expected to deliver an EBITDA margin of more than 50% and provides the option to extend Sishen's life-of-asset to 2044, presenting an exciting opportunity to create further value for our stakeholders. SIB capex over the medium-term will remain in a range of between R4 billion to R4.5 billion per annum to ensure operational safety and stability, Deferred stripping capex is expected to be between RR4.0 billion to R4.5 billion per annum as we mine in areas with a higher than life-of-asset strip ratio.

For the year under review, we generated cash of R21.5 billion after paying for sustaining capital. This was supported by R7.7 billion of positive working capital movements as we focused on optimising our working capital position. Guided by our capital allocation framework, R17.2 billion was used to pay base dividends to shareholders, before allocating R2.8 billion to discretionary capital. This was largely focused on the completion of Kapstevel South and the restart of the UHDMS project, together with additional dividends paid over and above the base. Our dividend policy remains unchanged with a targeted payout ratio of 50% to 75% of headline earnings. We delivered a healthy ROCE of 41% (2023: 82%) and attributable free cash flow of R14.7 billion (2023: R22.7 billion).

For the full year, our net cash position of R14.7 billion (2023: R13.2 billion) increased by 11%, reflecting our resilient and capital-efficient balance sheet.

Kumba delivered attributable and headline earnings per share of R45.81 and R38.94 (2023: R70.81 and R70.80), respectively. This supported the Board's decision to declare a final cash dividend of R19.90 per share (2023: R24.20). Together with our interim cash dividend of R18.77 per share (2023: R22.60), the total cash dividend for the year decreased by 17% to R38.67 per share (2023: R46.80) and represents 100% of headline earnings for 2024.

View of the pit at Sishen mine.

Cash flow after sustaining capital
R21.5bn

Base dividends
R17.2bn

Discretionary capital
R2.8bn

Dividend payout ratio
100%
headline earnings

Net cash
R14.7bn
end of period

Final cash dividend declared[1]
R8.5bn

Future project options | **Portfolio upgrade** | **Additional shareholder return**

[1] Including R2.1 billion to minority shareholders

Strategic initiative: strong balance sheet: Response to market volatility and single commodity price risk

Kumba ended the year with a net cash position of R14.7 billion (2023: R13.2 billion) after cash flow from operations, tax paid, capex and dividends. Cash flow generated from operations of R34.8 billion (2023: R38.3 billion) includes adjusted EBITDA of R28.1 billion (2023: R45.7 billion). Net working capital decreased by 32% to R14.2 billion (2023: R20.8 billion). This was driven by an 11% decrease in inventory to R18.1 billion (2023: R20.4 billion) following a drawdown in WIP stockpiles due to the planned reduction in mined tonnes, as well as a reduction in the value of finished stock due to lower costs in 2024 (although finished stock levels increased). Trade and other receivables decreased by 44% to R5.8 billion (2023: R10.4 billion), due to lower sales volumes and earlier collection of receivables. This was partly offset by a 3% decrease in trade and other payables of R9.7 billion (2023: R10.0 billion).

Our liquidity position at 31 December 2024 consisted of R30.7 billion (2023: R29.2 billion) of net cash resources and debt facilities. Debt facilities consist of committed revolving credit facilities of R16 billion (2023: R16 billion). At 31 December 2024, R2 billion of the committed facility had been drawn down. Kumba's debt facilities also include undrawn uncommitted facilities of R8.2 billion (2023: R8.2 billion). Financial guarantees issued in favour of the DMRE in respect of environmental closure liabilities were R6.6 billion. The annual revision of closure costs reflected a surplus of R0.8 billion in respect of the rehabilitation of Sishen and Kolomela.

Chief Financial Officer's review cont.

Key Financial risk factors affecting performance

Commodity price: Exposure to future price movements occurs as the selling price is based on quoted market prices stipulated in the contract that is provisionally determined between 30 and 120 days after delivery to the customer. Risk is managed through iron ore swaps and futures contracts that enable closer alignment between sales prices and reference prices set by the group. For more detailed information on financial risk management, refer to the AFS (pages 86 to 94). Kumba is exposed to an EBITDA impact of R587 million per US$1/tonne change in export iron ore price.

Currency: For exposure to foreign currency movements, it is group policy to use only derivatives for hedging purposes and not to engage in speculative transactions. Hedging is only considered in very limited circumstances and in strict compliance with the Company's treasury risk policy. Kumba is exposed to an EBITDA impact of R620 million per R0.10/US$ change in the exchange rate.

Export sales volume: Export sales volumes are exposed to various operational risk factors that are mitigated on a case-by-case basis. Kumba is exposed to an EBITDA impact of R420 million per 100 kt change in sales volumes.

Liquidity: Adequate cash and credit facilities are maintained to meet all short-term obligations and to ensure that the group can meet all known forecast strategic commitments using the appropriate debt instruments.

Interest rate: Kumba's policy is to borrow at floating rates and minimise the after-tax cost of debt for the group. Board approval is required for fixed rate debt.

Counterparty credit: Counterparty credit risk exposure is diversified among high-quality financial institutions with acceptable daily settlement limits. Kumba also relies on letters of credit to limit the risk of financial loss from our customers.

▶ For more information, refer to **note 34 of AFS**

Other specific items and events during the year

Supreme Court of Appeal's judgment on the litigation matter

As reported in the AFS, the South African Revenue Services (SARS) issued the group with additional income tax assessments during 2018, covering the 2012 to 2014 years of assessment, relating to a tax audit on the deductibility of certain expenditure incurred. The group objected to these assessments after consultation with external tax and legal advisers. SARS disallowed the objection, leading to the group appealing to the Tax Court after Alternative Dispute Resolution (ADR) proceedings failed in 2020.

The trial at the Tax Court took place from May 2022 to June 2022 and the judgment was handed down on 31 March 2023, dismissing SIOC's appeal but conceded on certain tax deductions, and understatement penalties and interest. SIOC filed an appeal against the Tax Court judgment, to the extent that it was in SARS's favour, directly to the Supreme Court of Appeal (SCA). SARS opposed SIOC's appeal and filed a cross-appeal. The matter was heard by the SCA on 6 November 2024.

On 5 March 2025, the SCA handed down its judgment in favour of SIOC on deductibility of certain expenditure incurred, except for certain legal costs which the SCA has disallowed as deductions for income tax purposes.

Reversal of the impairment of Kolomela assets

At 31 December 2022, the Kolomela cash-generating unit was impaired by R5.4 billion, including an associated deferred tax of R1.5 billion, due to revisions to the forecast production volume profile and cost increases in the LoAP. At 31 December 2024, the group's assets and cash generating units were assessed for indicators of impairment or impairment reversal. Kolomela's forecast production volume profile was revised as part of the group's business reconfiguration plan to optimise value considering the current rail capacity. The changes to the production volume profile resulted in a significant change to the Kolomela LoAP (refer to accounting policy note 5.8 in the Kumba AFS). The changes to the LoAP were identified as a trigger for impairment reversal and thus an impairment assessment was performed to determine the recoverable amount for the cash-generating unit.

Changes in estimates to environmental rehabilitation and decommissioning provisions

The measurement of the environmental rehabilitation and decommissioning provisions is a key area for which management's judgement is required. Closure provisions are measured at the present value of the expected future cash flows required to perform the rehabilitation and decommissioning. This calculation requires the use of certain estimates and assumptions when determining the amount and timing of the future cash flows and the discount rate. Closure provisions are updated at each reporting date for changes in the estimates of the amount or timing of future cash flows, inflationary changes in the expected cash flows, utilisation of prior year provisions and changes in the discount rate. The life-of-asset plan for each mine, on which accounting estimates are based, only includes Proved and Probable Ore Reserves as disclosed in Kumba's annual Ore Reserves and Mineral Resources statement.

Kumba made significant progress towards determining the work required for conformance with all tailings dams in the highest priority rankings according to the GISTM. We continue to refine designs and costs of conformance with GISTM. The estimated costs to be incurred for conformance were recognised within the environmental restoration and decommissioning provisions at 31 December 2024.

▶ For more information on tailings storage facilities refer to **page 70 of the SR**

The discount rate for Sishen and Kolomela has remained unchanged at 5% (2023: 5%) in real terms.

The environmental rehabilitation provision decreased by R330 million, resulting from the revised closure cost estimates and changes in the remaining lives of both mines. The decrease of R222 million in the decommissioning provision was recognised within property, plant and equipment and R87 million was recorded within the statement of profit or loss. The movement in the rehabilitation provision was recognised within the statement of profit or loss, increasing profits attributable to the owners of Kumba by R233 million (2023: R232 million decrease). This movement resulted in an increase of R0.73 per share (2023: decrease of R0.72 per share) in profits attributable to the owners of Kumba.

The resultant changes in the provisions are summarised as follows:

Rand million	Environmental rehabilitation	Decommissioning	Total
Change in provision	**(330)**	**(309)**	**(639)**
Revised estimate of closure costs	**(142)**	**(247)**	**(389)**
Life-of-asset changes	**(188)**	**(62)**	**(250)**

National Environmental Management Act (NEMA)

The Minister of Forestry, Fisheries and the Environment has determined that requirements for making financial provision to manage, rehabilitate and remediate environmental impacts from mining operations will be regulated under NEMA and no longer under the current Mineral and Petroleum Resources Development Act. This agreement has been formalised by amending the relevant environmental, water and mining legislation. The financial provisioning regulations were published on 20 November 2015, and further proposed material amendments were gazetted on 10 November 2017, 17 May 2019 and 30 August 2021. The effective date for NEMA regulations has been extended to a date yet to be published. These amendments are expected to result in the provision of additional funding for the undiscounted closure costs.

▶ For more information, refer to **page 75 of the SR**

Taxation

Kumba contributes economic value to the government of South Africa and to the host communities in the Northern Cape with taxes paid through the life-cycle of our operations and across our value chain. Our tax contribution of R9.2 billion for 2024 reflects corporate income tax of R5.9 billion, mineral royalties of R1.4 billion and indirect taxes of R1.9 billion.

Tax risk management forms part of Kumba's overall risk management process and ensures that we comply with applicable tax legislation. It also enables the Company to timeously identify and respond to legislative amendments and new taxes. We seek to maintain a long-term, open, constructive relationship with tax authorities and the government in relation to tax matters.

▶ For more information, refer to **page 58 of the SR**

The Company's tax contribution represents a significant portion of the economic value delivered to the government and our host communities. The following cash payments were made to the jurisdictions in which the group operates:

Chief Financial Officer's review cont

Total tax contribution by category

Rand million	2024	2023
Corporate income tax	**5,879**	8,857
Mineral royalties	**1,384**	1,952
Payroll tax	**1,863**	1,815
Skills levy	**64**	64
UIF	**26**	28
Total	**9,216**	12,716

Outlook and guidance for 2025

The safety, health and wellbeing of our people remain paramount as we continue to focus on operational excellence and cost optimisation.

For the full-year 2025, our waste guidance is projected to be between166 and 182 Mt. Sishen's waste mining is expected to increase to between 140 and150 Mt while Kolomela's is anticipated to rise to between 26 and 32 Mt.

The outlook for Kumba's production for the period 2025 to 2027 has been updated, subject to Transnet's logistics performance. In 2025, the production guidance of between 35 to 37Mt is unchanged. In 2026, due to the main shutdown and tie-in of the UHDMS technology, production has been revised to 31 to 33 Mt, with the balance of the saleable product expected to be supplemented by finished stock at Sishen. In 2027, production is expected to increase to between 35 and 37 Mt.

Our sales guidance of 35 to 37 Mt for 2025 is in line with the production guidance. This takes into account the opening level of finished stock at Saldanha Bay port for the year and the demonstrated logistics performance of 79% on the OEC in 2024, compared to 83% in 2023.

Based on our production outlook, we are targeting a cost optimisation benefit of R2.5 to R3.0 billion for the full-year 2025. This underpins our unit cost guidance of R510 to R540/dmt for Sishen and R430 to R460/dmt for Kolomela, with our C1 unit cost guidance of U$39/tonne. In 2026, due to the decrease in production to accommodate the UHDMS tie-in, the C1 unit cost is expected to increase to US$40/wmt. With the increase in production from 35 to 37 Mt in 2027, the C1 unit cost is expected to remain at US$40/wmt.
Further cost savings and efficiency opportunities are being driven by our focus on operational excellence. These initiatives are focused on optimising outside services, further improvements to operational efficiencies and more efficient utilisation of consumables as well as supply chain savings.

We are committed to maintaining capital discipline and ensuring that our balance sheet is efficient and flexible. Our capex guidance is between R9.5 billion and R10.5 billion for 2025, largely due to an increase in deferred stripping capex.

The revised guidance is comprised of the following:
- SIB spend will range from R4.1 billion to R4.5 billion, for mining equipment, upgrades to plant and infrastructure, technology, land management and environmental and regulatory compliance projects.
- Expansion capex of R1.4 billion to R1.6 billion relates to our phased investment in the UHDMS technology project. The project is on track for the conversion of the first coarse module in 2025.
- Deferred stripping capex is anticipated to be between R4.0 billion and R4.4 billion, as we mine in areas with a higher strip ratio compared to the life-of-asset strip ratio.

In the medium term, SIB capex is expected to remain at current levels of between R4.0 and R5.0 billion per annum. Expansion capex is anticipated to be approximately R2.0 billion per annum, in line with the phased investment and execution of the UHDMS project.

Overall, it should be noted that iron ore export prices and the Rand/US$ exchange rate are key factors influencing Kumba's financial performance. Shareholders are advised that these forecasts have not been reviewed or reported on by our external auditors.

Our full year guidance for 2025 is set out below, subject to third-party rail and port performance.

Guidance (unaudited)	2025
Total sales (Mt)[2,3]	**35 - 37**
Total production (Mt)[2,3]	**35 – 37**
Sishen	**~26**
Kolomela	**~10**
Waste stripping (Mt)[3]	**166 - 182**
Sishen	**140 - 150**
Kolomela	**26 - 32**
On-mine unit costs (R/dmt)	
Sishen	**510 - 540**
Kolomela	**430 - 460**
C1 unit costs (US$/wmt)[1,2]	**39**
Capital expenditure (Rand billion)	**9.5 - 10.5**
SIB	**4.1 - 4.5**
Expansion	**1.4 - 1.6**
Deferred stripping	**4.0 - 4.4**

[1] Based on the foreign exchange rate of R18.60/US$ for 2025.
[2] Production, sales volumes and C1 unit costs are reported as wmt, with a moisture content of approximately 1.6%.
[3] Volumes referred to for the period are 100% of SIOC, and attributable to Kumba's shareholders and non-controlling interests in SIOC.

Acknowledgement

Despite the challenging environment that is expected to continue in 2025, Kumba is delivering results and we are creating value for the future. Thank you to all our stakeholders for your interest, investment and support in Kumba. Also my sincere appreciation to my fellow Board members and colleagues on the Executive Committee for your hard work and outstanding contribution. I would like to acknowledge our teams across Kumba for delivering on our strategic priority of cost optimisation. This has ensured that we continued to unlock value and deliver sustainable stakeholder returns.

Bothwell Mazarura
Chief Financial Officer

25 March 2025

Consolidated statement of financial position

as at

Rand million	31 December 2024	31 December 2023
ASSETS		
Property, plant and equipment	**56,006**	48,822
Right-of-use assets	**143**	293
Biological assets	**40**	41
Investment in associate	**23**	24
① Investments held by environmental trust	**989**	877
Long-term prepayments and other receivables	**166**	155
Inventories	**8,520**	9,011
Non-current assets	**65,887**	59,223
Inventories	**9,605**	11,398
③ Trade and other receivables	**5,766**	10,358
Current tax assets	**575**	23
② Cash and cash equivalents	**16,913**	17,722
Current assets	**32,859**	39,501
Total assets	**98,746**	98,724
EQUITY		
Shareholders' equity	**52,815**	52,019
Non-controlling interest	**16,485**	16,203
Total equity	**69,300**	68,222
LIABILITIES		
② Lease liabilities	**70**	179
④ Provisions	**3,190**	3,704
Deferred tax liabilities	**14,106**	11,860
Non-current liabilities	**17,366**	15,743
② Lease liabilities	**123**	176
② Interest-bearing loans	**2,003**	4,144
④ Provisions	**210**	198
③ Trade and other payables	**9,271**	9,459
Contract liabilities	**449**	553
Current tax liabilities	**24**	229
Current liabilities	**12,080**	14,759
Total liabilities	**29,446**	30,502
Total equity and liabilities	**98,746**	98,724

1. Investments held by environmental trust

These investments may only be utilised for the purposes of settling decommissioning and rehabilitation obligations.

2. Net cash

Kumba ended 2024 with net cash of R14.7 billion.

Included in cash and cash equivalents is an amount of R1.8 billion held to cover initial margins under derivative contracts. On termination of the derivative contracts, the underlying positions will be closed, resulting in an insignificant impact on the initial margin value, as the variation margin is settled daily.

Total debt facilities at year end amounted to R45 billion, of which R2.0 billion were drawn at 31 December 2024.

Kumba's debt facilities consist of a R16.0 billion committed revolving credit facility, and uncommitted facilities of R8.2 billion at 31 December 2024.

The group also has short-term working capital financing facilities of R20.8 billion which consist of a US$510 million (R9.6 billion) committed facility and a US$600 million (R11.2 billion) uncommitted facility. The committed and uncommitted facilities were undrawn at 31 December 2024. At 31 December 2024, R2.0 billion of the committed facility and none of the uncommitted facility were drawn down. The committed facilities are reviewed and monitored bi-annually. The uncommitted facility is callable on demand.

3. Net working capital

The group's working capital position remained healthy, ensuring sufficient reserves to cover short-term capital requirements. Net working capital decreased by R6.6 billion from 31 December 2023 to R14.2 billion, which is mainly due to an 11% decrease in inventory to R18.1 billion (2023: R20.4 billion) and a 44% increase in trade and other receivables to R5.8 billion (2023: R10.4 billion), partly offset by a 3% decrease in trade and other payables to R9.7 billion (2023: R10.0 billion).

The group's export trade receivables internal ratings range from secured to moderate risk, while the external rating is BBB+ (2023: BBB+ to BBB-), based on Standard & Poor's (S&P) Global and Moody's Ratings. The internal ratings for domestic customers range from secured to moderate risk, while the external rating remains at BBB- (2023: BBB-). A provision for credit losses of R292 million (2023: R270 million) was raised against trade receivables. The group calculates expected credit losses for trade receivables, which incorporate forward-looking information. The group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 60 days. Trade and other receivables that have been outstanding for a period longer than 90 days, or where there is a dispute, were considered and provided accordingly.

During the year, the provision for slow-moving plant spares and stores provision increased to R310 million (2023: R239 million). The provision for potentially non-recoverable WIP inventory, which relates to historical WIP stockpiles, remained unchanged at R979 million (2023: R979 million) as no additional historical WIP tonnes were identified as non-recoverable.

4. Provisions

The total rehabilitation and decommissioning provision of the group was R3.3 billion at the end of 2024 (2023: R3.8 billion). The measurement of this provision is a key area where management's judgement is required. The closure provisions are updated at each balance sheet date for changes in future cash flows and the discount rates. The life-of-asset plan, on which accounting estimates are based, only includes Proved and Probable Ore Reserves as disclosed in the ORMR.

The group has issued guarantees in favour of the DMRE in respect of its environmental rehabilitation and decommissioning obligations to the value of R6.5 billion (2023: R5.1 billion). As a result of the annual revision of closure costs and an increase in the trust fund investment, a surplus of R0.8 billion arose in respect of guarantees provided to the DMRE for both mines.

Consolidated statement of profit or loss

for the year ended

Rand million	31 December 2024	31 December 2023
⑤ Revenue	**68,529**	86,234
⑥ Operating expenses	**(46,105)**	(45,383)
Impairment reversal	**3,940**	—
⑦ Expected credit losses on financial assets	**(3)**	(146)
⑧ Operating profit	**26,361**	40,705
Finance income	**800**	685
Finance costs	**(510)**	(617)
Share of losses from equity-accounted joint venture and associate	**(1)**	(26)
Profit before taxation	**26,650**	40,747
⑨ Taxation	**(7,375)**	(10,942)
Profit for the year	**19,275**	29,805
Attributable to:		
Owners of Kumba	**14,699**	22,725
Non-controlling interests	**4,576**	7,080
	19,275	29,805
Earnings per share attributable to the ordinary equity holders of Kumba (Rand per share)		
Basic	**45.81**	70.80
Diluted	**45.70**	70.64

Consolidated statement of other comprehensive income

for the year ended

Rand million	31 December 2024	31 December 2023
Profit for the year	**19,275**	29,805
Other comprehensive income for the year[1]	**33**	1,035
Exchange differences on translation of foreign operations	**33**	1,035
Total comprehensive income for the year	**19,308**	30,840
Attributable to:		
Owners of Kumba	**14,724**	23,514
Non-controlling interest	**4,584**	7,326
	19,308	30,840

[1] There is no tax attributable to items included in other comprehensive income and items subsequently reclassified to profit or loss. No deferred tax is recognised as there is no accounting or tax base for these items as they pertain to current assets.

5. Revenue

Refer to page 68 of the Chief Financial Officer's review.

6. Operating expenses

Refer to page 68 of the Chief Financial Officer's review.

7. Expected credit losses on financial assets

An expected credit loss reversal of R19 million (2023: R146 million) charge was recognised during the year against other receivables.

8. Adjusted EBITDA and operating profit

Iron ore prices remain the most significant driver of our adjusted EBITDA. As a result, our earnings for the year largely reflect the impact of lower iron ore prices combined with a decrease in sales volumes, higher freight rates and a stronger Rand/US$ exchange rate

Our cost savings of R4.4 billion provided a significant offset to the cost of inflation and higher non-cash costs. This, together with lower mineral royalties, contributed positively to our adjusted EBITDA of R28.1 billion (2023: R45.7 billion), at an adjusted EBITDA margin of 41% (2023: 53%). Non-cash costs included an unfavourable WIP stock movement of R4.2 billion, partly offset by a R0.8 billion decrease in provision for environmental rehabilitation costs due to revised closure cost estimates and an increase in deferred stripping costs capitalised of R1.7 billion. Accordingly, after depreciation of R5.7 billion, an impairment reversal of R3.9 billion and taxation of R7.4 billion, net profit decreased to R19.3 billion (2023: R29.8 billion).

9. Taxation

The group's effective tax rate increased to 27.7% (2023: 26.9%).

Consolidated statement of changes in equity

for the year ended

Rand million	31 December 2024	31 December 2023
Total equity at the beginning of the period	**68,222**	53,817
Changes in share capital and premium		
Treasury shares issued to employees under employee share incentive schemes	**283**	242
Purchase of treasury shares	**(241)**	(223)
Changes in reserves		
Equity-settled share-based payment expense	**155**	211
Vesting of shares under employee share incentive schemes	**(285)**	(242)
Total comprehensive income for the year	**14,724**	23,514
Dividends paid	**(13,840)**	(12,529)
Changes in non-controlling interest		
Total comprehensive income for the year	**4,584**	7,326
Dividends paid	**(4,302)**	(3,894)
Total equity at the end of the year	**69,300**	68,222
Comprising:		
⑩ Share capital and premium (net of treasury shares)	**(190)**	(232)
Equity-settled share-based payment reserve	**292**	357
Foreign currency translation reserve	**3,147**	3,122
Retained earnings	**49,566**	48,772
Shareholders' equity	**52,815**	52,019
Non-controlling interest	**16,485**	16,203
Total equity	**69,300**	68,222
Dividend (Rand per share)		
Interim	**18.77**	22.60
Final[1]	**19.90**	24.20
Total	**38.67**	46.80

[1] The final dividend was declared subsequent to the year end and is presented for information purposes only.

10. Share capital and premium

Total shares in issue were 322,085,974 and treasury shares held were 1,216,978 (2023: 1,134,326). All treasury shares are held as conditional awards under the Kumba bonus and retention share plan and the SIOC employee benefit scheme (Karolo and Semela).

Events after the reporting period

A final cash dividend of R19.90 per share was declared by the Board on 17 February 2025 from profits accrued during the financial year ended 31 December 2024. The total cash dividend for the year amounted to R38.67 per share. The estimated total cash flow of the final Kumba dividend, payable on 17 March 2025, is R6.4 billion.

View of Saldanha Bay port at sunrise.

Consolidated statement of cash flows

for the year ended

Rand million	31 December 2024	31 December 2023
Cash receipts from customers	**73,810**	81,974
Cash paid to suppliers and employees	**(39,019)**	(43,717)
Cash generated from operations	**34,791**	38,257
Finance income received	**817**	674
Finance costs paid	**(471)**	(770)
Taxation paid	**(5,878)**	(8,856)
Cash flows from operating activities	**29,259**	29,305
Additions to property, plant and equipment	**(9,673)**	(9,862)
Proceeds from the disposal of property, plant and equipment	**50**	12
Cash flows utilised in investing activities	**(9,623)**	(9,850)
Purchase of treasury shares	**(241)**	(223)
Dividends paid to owners of Kumba	**(13,840)**	(12,529)
Dividends paid to non-controlling shareholders	**(4,302)**	(3,894)
Interest-borrowings raised	**39,852**	11,200
Interest-bearing borrowings repaid	**(41,986)**	(13,782)
Payment of lease liabilities	**(165)**	(177)
Cash flows utilised in financing activities	**(20,682)**	(19,405)
Net (decrease)/increase in cash and cash equivalents	**(1,046)**	50
Cash and cash equivalents at the beginning of the year	**17,722**	16,424
Foreign currency exchange gains on cash and cash equivalents	**237**	1,248
⑪ Cash and cash equivalents at the end of the year	**16,913**	17,722

Headline earnings

for the year ended

Rand million	31 December 2024	31 December 2023
Reconciliation of headline earnings		
Profit attributable to owners of Kumba	**14,699**	22,725
Impairment reversal	**(3,940)**	—
Net gain on disposal and scrapping of property, plant and equipment	**(1)**	(1)
	10,758	22,724
Taxation effect of adjustments	**1,052**	—
Non-controlling interest in adjustments	**685**	—
Headline earnings	**12,495**	22,724
Headline earnings (Rand per share)		
Basic	**38.94**	70.80
Diluted	**38.84**	70.63

11. Cash and cash equivalents

The group's cash generated from operations decreased 9% to R34.8 billion compared to R38.3 billion in 2023. The cash was used to pay income tax of R5.9 billion (2023: R8.9 billion) and mineral royalties of R1.4 billion (2023: R2.0 billion). Dividends to shareholders totalling R18.1 billion (R13.8 billion to owners of Kumba and R4.3 billion to non-controlling shareholders) was paid out.

In 2024, R9.7 billion (2023: R9.9 billion) was spent on capital.

The consolidated financial statements from which this extract was derived have been prepared under the supervision of BA Mazarura CA(SA), Chief Financial Officer.

Segmental analysis

	Products[1]		Services			
Rand million	**Sishen**	**Kolomela**	**Logistics[2]**	**Shipping operations**	**Other**	**Total**
For the year ended 31 December 2024						
Total external revenue	**44,070**	**16,277**	**—**	**8,182**	**—**	**68,529**
Adjusted EBITDA[3]	**27,673**	**10,567**	**(7,962)**	**184**	**(2,328)**	**28,134**
Depreciation	**3,705**	**1,043**	**—**	**—**	**965**	**5,713**
Impairment reversal	**—**	**(3,940)**	**—**	**—**	**—**	**(3,940)**
Staff costs	**4,126**	**1,318**	**49**	**—**	**1,214**	**6,707**
Raw materials and consumables	**1,742**	**267**	**2**	**—**	**—**	**2,011**
Net movement in finished product and WIP inventories	**1,287**	**287**	**—**	**—**	**—**	**1,574**
Contractors' expense	**1,749**	**1,079**	**—**	**—**	**632**	**3,460**
Transportation and selling costs	**—**	**—**	**7,913**	**—**	**—**	**7,913**
Shipping services rendered	**—**	**—**	**—**	**7,998**	**—**	**7,998**
Petroleum products	**2,451**	**406**	**—**	**—**	**3**	**2,860**
Corporate costs[4]	**173**	**285**	**424**	**—**	**907**	**1,789**
Repairs and maintenance	**2,869**	**577**	**—**	**—**	**7**	**3,453**
Mineral royalty	**1,325**	**306**	**—**	**—**	**—**	**1,631**
For the year ended 31 December 2023						
Total external revenue	59,520	20,802	—	5,912	—	86,234
EBITDA[3]	40,815	14,773	(7,582)	256	(2,552)	45,710
Depreciation	3,244	1,434	—	—	327	5,005
Staff costs	4,033	1,376	40	—	1,532	6,981
Raw materials and consumables	2,110	514	12	—	—	2,636
Net movement in finished product and WIP inventories	(2,286)	(993)	—	—	—	(3,279)
Contractors' expense	2,912	1,526	—	—	718	5,156
Transportation and selling costs	—	—	7,529	—	—	7,529
Shipping services rendered	—	—	—	5,656	—	5,656
Petroleum products	3,113	551	—	—	3	3,667
Corporate costs[4]	535	352	402	—	415	1,704
Repairs and maintenance	3,333	813	—	—	21	4,167
Mineral royalty	1,802	622	—	—	—	2,424

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[1] Derived from extraction, production and selling of iron ore.

[2] No revenue is reported for this segment as its performance is viewed with reference to volumes railed and rail tariffs.

[3] This constitutes pro forma financial information in terms of the Listings Requirements of the JSE Limited and should be read in conjunction with the basis of preparation. Refer to definition on page 124

[4] The disclosure in the comparative segment report has been updated to include comparative amounts for expenses that were not material in the prior year, but the current year amount is material, to provide a better understanding of the material expenses that impact the profit measure.

Haul truck operations above the Leeuwfontein pit at Kolomela mine.

Operational performance

Sishen

Challenging safe year, with improved mining stability resulting in healthy feedstock buffers

About Sishen

Sishen is our largest operation, producing around 72% of our annual iron ore production. Located close to the town of Kathu in the Northern Cape province, the mine has been in operation since 1953 and is a large open-pit mine. All our mined ore is transported to the beneficiation plant where it is crushed, screened and beneficiated. We are the only haematite ore producer in the world to fully beneficiate its product, made possible through our DMS and jig technology. At year end, the mine had 3,713 permanent full-time employees and 3,555 full-time mining contractors.

Outlook

- Life-of-asset stripping ratio of ~4.7 over the life-of-asset (without UHDMS)
- Life-of-asset stripping ratio of ~3.6 over life-of-asset, including Sishen C-grade ore (with UHDMS)
- The UHDMS project was approved in August 2024, offering the potential to extend Sishen's life-of-asset to 2044
- Waste performance anticipated to be ~140 Mt to 150 Mt in 2025
- Expected production for 2025 is ~26 Mt
- Life-of-asset is 16 years to 2040, including the UHDMS life extension from 2035 to 2039
- Unit costs expected to be between R510 and R540/dmt for 2025

Sishen performance summary

The FutureSmart Mining™ programme pairs technology and digitalisation to improve the safety of our workforce, support operational excellence and deliver on our environmental and other sustainability goals. While the revised mine plan resulted in Sishen's waste decreasing 18% and the waste stripping ration increasing to 4.4 (2023: 3.8), a significant step-up was achieved in Sishen's haul truck fleet operational efficiency. This improvement, compared to the performance in 2023, resulted in increased operating time of between 15% and 20%, while improving diesel consumption efficiency.

The UHDMS project has resumed following the Board's approval of a further investment in the project, announced on 29 August 2024. The UHDMS project will convert the current DMS processing plant at Sishen to UHDMS technology. This technology uses specialised ferrosilicon in the plant processing of raw iron ore and allows greater flexibility to process a wider range of Fe grades and densities. The implementation of the technology will improve the Fe quality, the proportion of premium iron ore, and lower the waste stripping ratio, while maintaining Sishen's high Lump:Fine ratio of 70:30. The UHDMS technology will play an essential role in positioning our business for a sustainable future.

✓ Waste removal of 133.9 Mt, decreased 29.9 Mt compared to 2023, in line with the revised mine plan, based on Transnet's demonstrated logistics capacity

— R134.4 million investment in social and community projects, slightly decreased from R137.7 million in 2023

✓ ISO 14001, ISO 9001, OHSAS 18001 certified

✗ An increase in LTIs from eight in 2023 to nine for the current year, with zero fatalities (2023: zero)

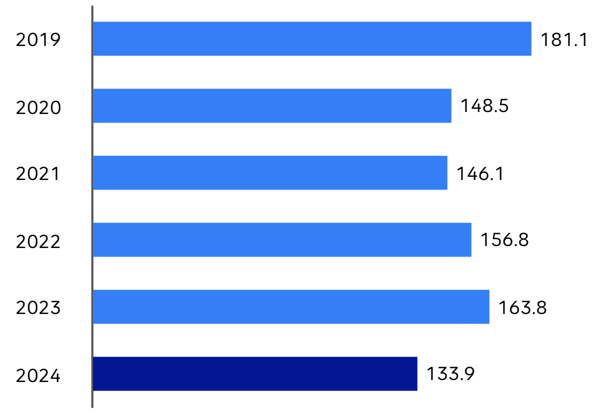
✓ Product quality remained stable at 64.0% Fe in 2024

✓ Production of 25.7 Mt, a increase of 1% compared to 2023 levels, in line with the revised mine plan

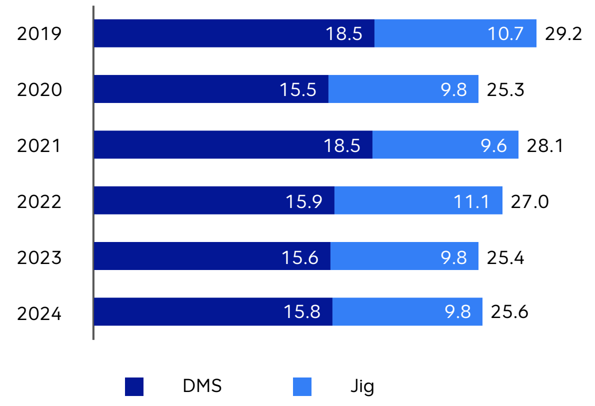
✓ Unit costs of R531/tonne: R58/tonne lower than 2023, in addition to cost savings, the cost of inflation and higher WIP utilisation were offset by the benefit of the optimised mine plan, higher deferred stripping and increased production

✓ Positive trend (year-on-year) — Neutral trend ✗ Negative trend

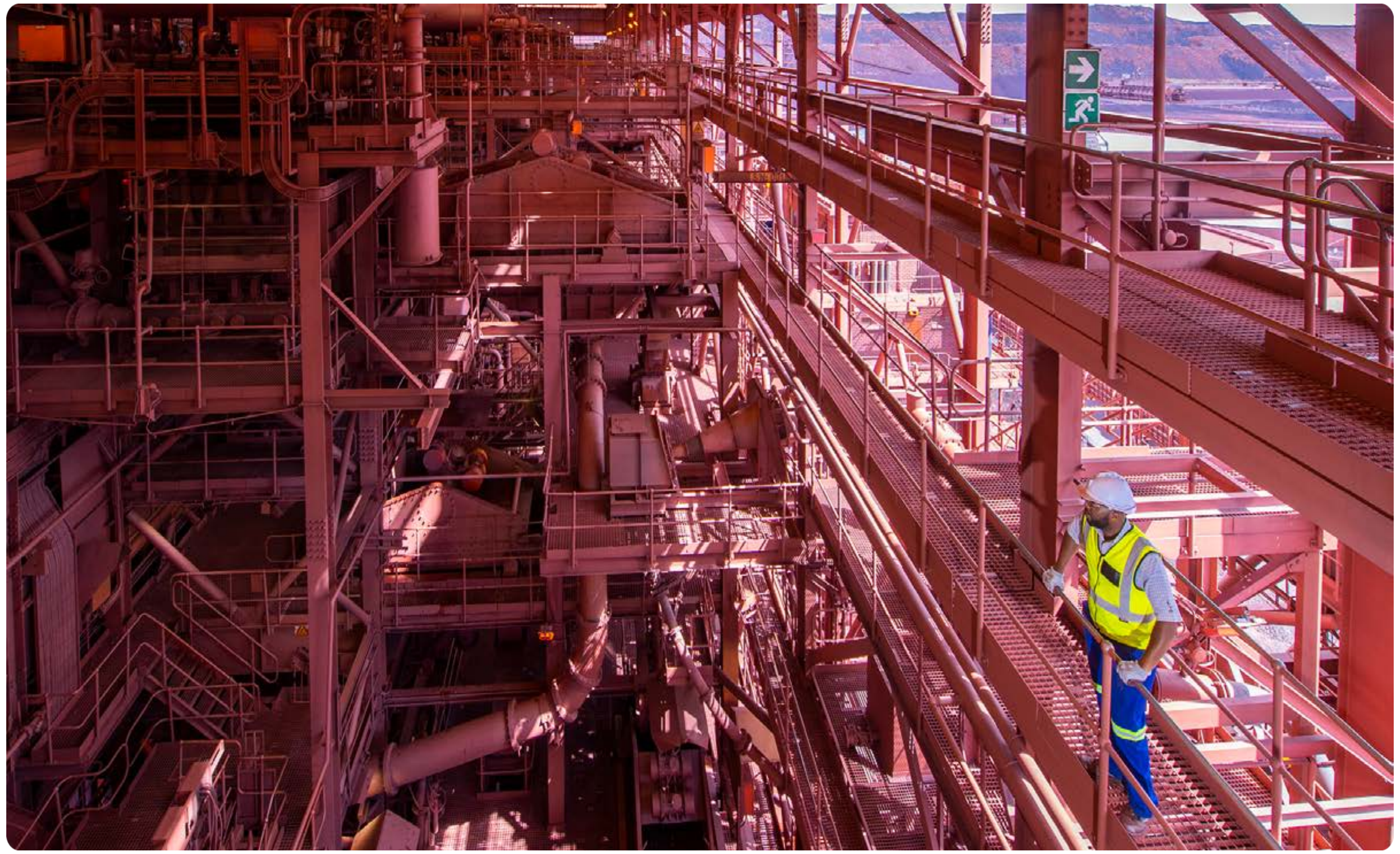
Sishen waste (Mt)



Sishen production* (Mt)



* Production for 2020 to 2024 reflected in wmt, with a moisture factor of 1.6%; historical production reflected in dmt.



The Jig processing plant at Sishen mine.

Operational performance cont.

Kolomela

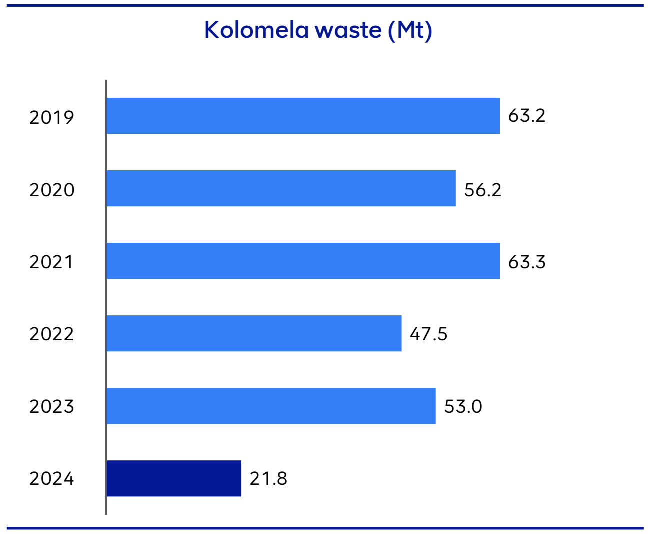
Performance challenged by multiple headwinds with back-to-basics recovery plan

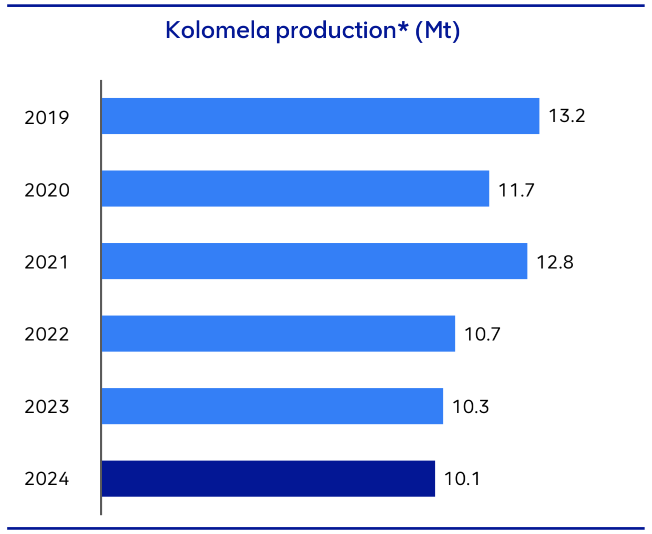
About Kolomela

Kolomela commenced production in 2011. Situated near the town of Postmasburg in the Northern Cape province, the mine produces Lump ore with excellent physical strength that allows us to meet a niche market demand. The mine produces above the on name-plate capacity of 9 Mtpa. Kolomela was the first mine to successfully introduce automated drilling technology in South Africa. At year end, the mine had 1,007 permanent full-time employees and 1,410 full-time mining contractors.

Outlook

- Waste mining is expected to be in the range of ~26 to 32 Mt in 2025
- Stripping ratio of 2.5 in 2025, with life-of-asset stripping ratio of ~4.1 including Kapstevel South
- Reserve life of 16 years , to 2040
- Expected production for 2025 is ~10 Mt
- Unit costs expected to be between R430 and R460/dmt for 2025


Kolomela waste (Mt)


Kolomela production* (Mt)

* Production for 2020 to 2024 reflected in wmt, with a moisture factor of 1.6%; historical production reflected in dmt.

Kolomela performance summary

Our Kapstevel South project at Kolomela, a high-grade DSO replacement project sustaining output of up to 10 Mtpa, was successfully completed with the first ore delivered in June 2024.

During 2024, high-margin mining areas were prioritised while production was maintained at the level required for rail volumes and retaining the life-of-asset profile. Given this imperative, waste mining decreased by 59% to 21.8 Mt (2023: 53.0 Mt and the waste stripping ratio 60% to 1.8 (2023: 4.5), resulting in significant operational efficiencies.

- ✓ R103.9 million investment in social and community projects, up from R74.1 million in 2023
- ✓ ISO 14001, ISO 9001 certified; OHSAS 18001 compliant
- ✓ LTIs decreased from five in 2023 to two in the current year, with no fatalities (2023: one)
- ✓ Waste volumes of 21.8 Mt (including 5.5 Mt of waste from Kapstevel South), 31.2 Mt lower than 2023, in line with the business reconfiguration, based on Transnet's demonstrated logistics capacity
- ✓ Unit costs of R404/tonne were R78/tonne lower than 2023, below guidance of R410 to R440/dmt. The cost of inflation, higher WIP utilisation and the impact of a 2% decrease in production, were more than offset by the positive outcome of our optimised mine plan and higher deferred stripping
- – Slight decrease in product quality to 63.0% Fe in 2024 compared to 63.5% Fe in 2023
- ✓ Production of 10.1 Mt, a 2% decrease from 2023, in line with the revised mine plan


Construction of the Kapstevel South plant, that was completed during 2024.

Operational performance cont.

Saldanha Bay rail and port

About Saldanha Bay rail and port

Located in Saldanha Bay in the Western Cape province, the Saldanha Bay port is owned and operated by Transnet, a state-owned entity. The port is connected to Sishen and Kolomela by Transnet's Sishen/Kolomela-Saldanha OEC railway line. Iron ore is exported from the port to markets in the Asia-Pacific region, Europe and the Middle East and North Africa.

After the reconfiguration of our business, Kumba, as part of the OUF, is working closely with Transnet to convert the outcomes of the independent technical assessment into a multi-year programme of focused projects to restore the capacity of the ore export corridor. Additionally, as a member of the OUF, Kumba has been a strong advocate of PSP to improve the performance of the ore export corridor through concessions. We also continue to play an active role in the NLCC to collaborate on sustainable logistics solutions.

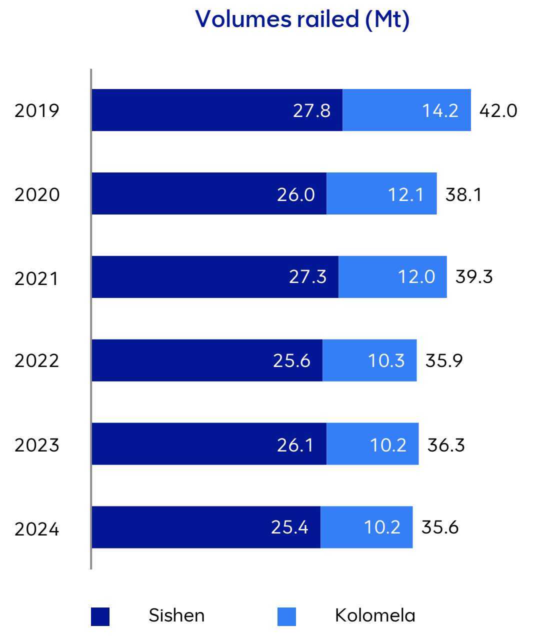
The Network statement released by Transnet represents a significant step forward in terms of liberalisation of the South African railway industry. We continue to actively participate in the ongoing reform process aimed at delivering a high-performing railway system.

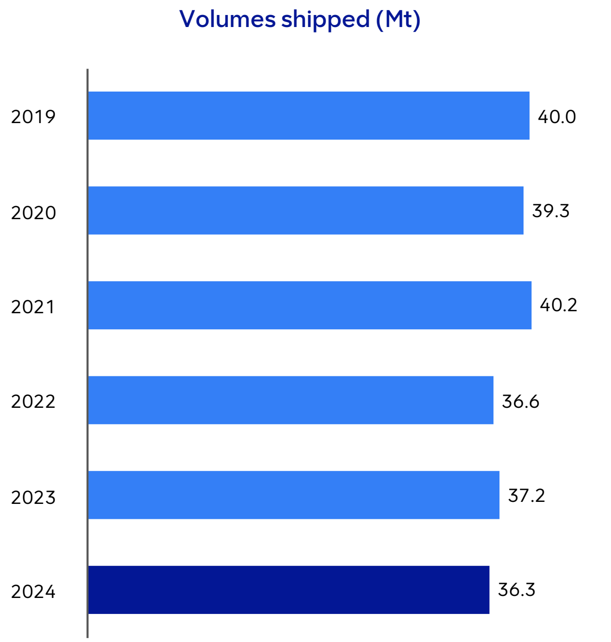
Outlook

- Total sales are expected to be between 35 Mt and 37 Mt in 2025. This takes into account the opening levels of finished stock at Saldanha Bay port and the demonstrated logistics performance of 80% on the ore export corridor for 2024, compared to 83% in 2023.
- The Network Statement released by Transnet in December 2024 sets out the rules of engagement and the access charges. Kumba will continue to engage with the Department of Transport, Transnet and the Interim Railway Economic Regulatory Capacity.

Saldanha Bay and port performance summary

- ☒ 35.6 Mt railed to Saldanha Bay port, a decrease of 0.7 Mt compared to 2023, in line with the logistics constraints from Transnet
- ☒ 36.3 Mt shipped from Saldanha Bay port, a decrease of 0.9 Mt compared to 2023
- ☒ Export sales of 36.3 Mt, a decrease of 0.9 Mt from 2023
- ☒ Increased finished product stock of 7.5 Mt at the end of 2024, with 6.9 Mt located at the mines due to rail constraints, compared to 7.1 Mt in 2023; sub-optimal levels of stock at the port due to train derailments


Volumes railed (Mt)


Volumes shipped (Mt)

* Volumes railed and shipped for 2020 to 2024 reflected in wmt, with a moisture factor of 1.6%; historical volumes reflected in dmt.


The liquefied natural gas (LNG) dual-fuelled Capesize+ vessel, the Ubuntu Harmony, delivering an estimated 35% reduction in CO_2 emissions compared to ships fuelled by conventional marine oil fuel. The use of LNG will also lead to a significant reduction of nitrogen oxides and particulate matter from vessel exhausts, while new technology also eliminates the release of unburnt methane.

Remuneration report


Ntombi Langa-Royds
Chairperson of the Human Resources and Remuneration Committee

Letter from the Chairperson of the Human Resources and Remuneration Committee (Remco)

Ensuring effective remuneration and incentive policies and practices is fundamental to our long-term success, particularly in the context of heightened competition for talent. Understandably, remuneration is also an issue of particular interest to many of our stakeholders, including most notably our shareholders. Our role as members of Remco is to ensure that Kumba has the right policies and practices in place to attract, motivate and retain the best talent needed to deliver on our strategy and realise our core purpose.

As Remco, we are committed to ensuring that Kumba provides competitive remuneration that is fair and appropriate in the context of general market conditions and overall employee remuneration, and that provides the right incentives to ensure delivery of the Company's strategic and operational objectives over the short, medium and long term.

Each year, we assess the performance of Kumba's executive team and overall workforce against the Kumba business unit scorecards, as agreed with Anglo American and sanctioned by this Remco. Members of the executive team are mutually responsible for delivering on the scorecard's operational and strategic objectives, and ultimately are held accountable by the Chief Executive and the Board for their individual contribution to the team goals. The Chief Executive is measured against her personal scorecard, which is aligned with the Kumba scorecard.

Remco is also responsible for reviewing the Company's remuneration disclosure in Kumba's annual integrated report to ensure that it is accessible, accurate and complete, and that it is aligned with best practice governance requirements. Through this disclosure, we strive to provide sufficient forward looking information for shareholders to assess the remuneration policy and to approve a resolution in terms of section 66(9) of the Companies Act, 2008.

Kumba's Remco engages independent remuneration consultants (Bowmans) who report directly to the Committee. The Remco and Kumba Board have reviewed this remuneration report. We believe it provides an accurate and objective account of the company-wide remuneration policy and its implementation for 2024, and that the policy has met its objectives.

Remco decisions and activities in 2024

Reflecting on Remco's extensive activities in 2024, the following is my high-level review of the most material remuneration-related decisions and activities taken during the year.

- In February 2024, Kumba announced the rightsizing of its operations which meant reducing mining volumes and production to more closely match Transnet's logistics performance. It is pleasing to report that this process, which involved consultation with trade unions and affected employees facilitated by the CCMA, was successfully completed by October, with 155 voluntary severance packages approved. Comprehensive support was provided to all affected employees during the reconfiguration process.
- This year, we approved significant changes to Kumba's performance management process, reintroducing individual performance assessments and bonus elements with the aim of encouraging individual accountability, fostering a collaborative culture and optimising business outcomes. As part of an Anglo American group process, we also streamlined the exceptional performance awards, which this year were granted to 29 exceptionally deserving employees across various management grades at our mines and head offices.
- Following feedback from an independent benchmarking analysis, which found that the Chief Executive lagged her peer group median in her annual LTIP award, the Board approved a 25% to 175% increase in the LTIP award, effective from 2024 onward. This decision was informed by our goals of talent retention and gender pay equality.
- Reflecting the Company's commitment to employee ownership and economic transformation, another dividend payment was made to beneficiaries under the Semela ESOP scheme, the 13th dividend payment since the scheme's inception.
- Recognising the importance of greater transparency in pay ratios, particularly in the context of societies marked by high levels of inequality, the Remco has included disclosure of the 5/5 pay gap ratio and the ratio between the highest and lowest paid employees within this remuneration report; this is in line with the Companies Amendment Bill, which has not yet been promulgated into law.
- In the context of the uncertainty and instability associated with the current transformation within the Anglo American group, amid heightened competition for talent and scarce skills, Remco approved three concurrent talent retention strategies aimed at retaining key institutional knowledge and skills. These include a talent non-solicitation agreement between Anglo American and Anglo Platinum, a cash retention award targeted at retaining identified indispensable talent at senior and top management level, and further embedding a compelling Kumba employee value proposition and culture. The retention cash awards made this year for three of our prescribed officers are detailed in the remuneration tables.
- Following a detailed analysis of the age distribution of the Kumba labour force, and a review of the typical retirement ages across South African mining companies and of current recruitment and retention challenges, Remco considered proposals to maintain the current mandated retirement age of 63 for bargaining category employees, and to extend the retirement age condition for Band 8 and above non-bargaining employees from 60 to 63. After much deliberation, we have deferred this decision to early 2025, pending further consideration of managing the risk of creating barriers to youth employment, which remains a critical concern in the country.

Further details on these and other decisions and activities are provided in our full report. I welcome feedback from our stakeholders on the results of these decisions and activities.

Appreciation

I wish to thank my colleagues on Remco for their support in ensuring that we deliver on our mandate. On behalf of Remco, I extend our thanks to the executive team, management and employees for their commitment. I would like also to acknowledge Kumba's shareholders and proxies who provide valuable insights on our remuneration activities.

Ntombi Langa-Royds
Chairperson of the Human Resources and Remuneration Committee

25 March 2025

Remuneration report cont.

Section one: Key remuneration developments and activities

Following is a review of Remco's key developments and activities during 2024.

Changes to the membership of Remco

Matthew Walker was appointed as a Non-executive director and member of the Strategy and Investment Committee and the Remco, with effect from 1 April 2024.

▶ For all key decisions made by the Committee, refer to **page 30 and 116 of the Governance section.**

Changes to Team+ performance management and related short-term incentive process and routines for 2024

During People and Organisation feedback sessions with top and senior managers, line managers and employee participants within the Anglo American group, insights were gathered on elements of our performance management process that did not work as intended or that in some instances were counterproductive. During 2024, light touch, "no-regret" changes were implemented in our performance management process and routines in response to the stakeholder feedback, as a first step towards longer-term changes to be effected in 2025.

The new approach supports our current priority to embed a high-performance culture across Kumba, with leaders encouraged to take accountability for the performance of their teams, and with individuals being supported to drive their own individual performance targets. This allows for poor performance to be addressed and for individuals to be recognised and potentially rewarded for exceptional performance.

The changes focus primarily on the reintroduction of an individual performance assessment. This will enable the business to make crucial decisions in areas such as career development, succession planning, team collaboration and the management of poor performance and underperformance. It will also provide data that can be used to understand the "people performance story" across the business.

Longer-term changes for introduction in 2025 have been worked through and proposed during 2024. Kumba has representatives on the Anglo American global working committee to provide input on these longer-term changes. It is envisaged that these changes will focus more on potential reward outcomes associated with good or poor behaviour, such as the ability to make discretionary salary increases for exceptional performance.

The following changes were implemented during 2024, underpinned by robust change management programmes:

- A renewed focus on performance management and expectations of line managers and employees, supported by talking points, step-by-step guides and questions and answers, with a playbook issued to support roll-out of the change management programme.
- The mandatory setting and recording of individual commitments at the beginning of the performance year. Individual commitments were captured by participating employees on the Navigator[+] performance management system and agreed with line managers.
- Alongside the regular quality performance and development conversations allowing for continuous feedback, managers had two formal conversations with their reports at both the mid- and full year, recorded in our Navigator[+] performance management system.
- The introduction of an individual performance evaluation four-point rating scale, supported by a new people scorecard, allowing for a formal assessment of each individual's performance during the year.
- A light touch, simple calibration process was conducted at performance year end to ensure performance ratings are consistent and fair across the business.
- An individual bonus element has been introduced, not linked to the performance rating only, but applied at the line manager's discretion with a cost neutral impact overall, ensuring high performance is recognised and underperformance is addressed and managed.
- Leaders have the discretion to adjust individual bonus outcomes at the year-end, based on a holistic view of what team members have delivered and how they have delivered it.
- A mandatory bonus deduction for significant underperformance, where the employee is on a performance improvement plan, will be effected.
- A 5% bonus reduction for non-completion of mandatory training courses has been implemented from 2024 onwards, as these courses relate to policies that form part of the Anglo American Code of Conduct, with non-completion posing a risk to our business and reputation.

The following supporting principles and tools remained unchanged in support of the 2024 Team+ performance management process and routines for our participating employees in specialist and middle to top management roles (Anglo Band 6 and above grading):

- Organisational culture and values remain at the core of the performance management approach, enhancing a culture of collaboration, transparency, feedback and trust.
- Team goals remain the main driver of annual bonus outcomes, so collaboration towards achieving shared goals in line with our broader critical tasks continues to be the main priority.
- Exceptional performance awards will remain, as will the formal underperformance guidelines.
- Participating employees' overall bonus opportunity remains unchanged.
- The performance management changes implemented for the 2024 performance year leveraged the existing Navigator[+] performance management system functionality, with some changes enacted in January 2024.
- The existing fatality deductor will continue to apply.
- The implementation of the reward philosophy will also begin in 2025, with salary increases partially linked to individual contribution.

Kumba Exco restructuring reflecting of new appointments, movements and terminations of employment

The following changes to the Exco were effected during 2024:

- Mr Samuel Martin, previously the Executive Head of Strategy, and Mr Glen McGavigan, previously the Executive Head of Mining and Projects, stepped down with effect from 30 April and 31 July 2024, respectively, following the consolidation of the two roles as part of the Company's organisational redesign. Both Mr Martin and Mr McGavigan left the Company through a voluntary severance package (VSP) agreement as part of the Company's section 189 and 189A organisational reconfiguration process and subject to the CCMA-facilitated consultation agreement rules.
- Mr Gerrie Nortje, previously Chief Transformation Officer, was appointed as Executive Head of Technical and Strategy, effective 1 June 2024.
- Ms Tumi Mbatha, previously Commercial Manager at Sishen, was appointed as Chief Transformation Officer, effective 1 July 2024.
- Mr André Roux, previously General Manager of Sishen, was appointed as Senior General Manager Northern Cape, effective 1 July 2024.

Kumba section 189 and 189A organisational reconfiguration process and VSP outcomes during 2024

In February 2024, Kumba announced the rightsizing of its operations which meant reducing mining volumes and production to more closely match Transnet's logistics performance. During March 2024, the Company entered into a consultation period with trade unions and affected employees facilitated by the CCMA. The CCMA process was concluded with the new structure finalised in May 2024. Following the successful conclusion of the section 189 and 189A consultations between the Company, NUM, AMCU, Solidarity as well as non-unionised representatives under the auspices of the CCMA, the structures were implemented and recruitment completed. Recruitment for all roles and placements was completed by 1 October 2024.

As part of the 2024 business reconfiguration process, 155 VSPs were approved. Upon completion of the reorganisation process, all affected employees who remained following terminations (VSPs and resignations) and transfers were successfully redeployed within the business, with no forced retrenchments resulting. During the business reconfiguration process, comprehensive support was provided through our employee assistance programmes, which provided job application and interview preparation skills training. In addition, our employee wellness programmes provided counselling, financial and legal advice and mental health support.

As part of reconfiguring the business, Sishen and Kolomela are now operating as an integrated complex, enabling value-based production. The Company also created a central Northern Cape hub to provide technical, human resources and other support services to Sishen and Kolomela.

2024 exceptional performance awards (EPAs)

During the third quarter of 2023, Anglo American group performance and reward reviewed the EPA process with the intent to further streamline the process and devolve decision-making to an individual Anglo American Executive Leadership Team (ELT) member and business Chief Executive level. Several changes were sanctioned by the Anglo American ELT in September 2023 and were implemented for the second half of 2023 onwards, as outlined below.

The streamlined EPA methodology and process is intended to be flexible and accessible, with individual Anglo American ELT members having the opportunity to reward exceptional performance by teams or individuals within their business or function. The intention is that individual Anglo American ELT members and their respective business Chief Executives should be free to exercise their discretion to reward their top employees for exceptional performance, outside of the annual short-term incentive structure. The Anglo American ELT retains collective oversight of the process and nominations.

Remuneration report cont.

The process for awarding EPAs was carried out twice a year historically but, starting from 2024, an EPA may be awarded at any point during the year to allow for the timely recognition of outstanding performance. The process for awards is deliberately "light", with central co-ordination by group performance and reward to allow for the Anglo American ELT's oversight of the EPAs.

Historically, a maximum of 10 individuals were allowed to be nominated at each nomination point twice a year, totalling up to a maximum of 20 per year. As of the second half of 2023, this prescription was replaced with a budgetary approach. The budget for rewarding exceptional performance via EPAs is set by the Anglo American group's performance and rewards, with reference to the prior year's EPAs spend and the number of employees eligible to participate in group-wide short-term incentive arrangements. Kumba was allocated a 2024 EPAs annual budget of £250,000 (~R5.8million) from which to reward exceptional performance by teams or individuals throughout the year.

Anglo group's performance and reward has provided the following EPAs principles to guide the execution of the annual process at Kumba:

- All employees, regardless of grading, can be considered for an EPAs. Proper representation of our employees across our respective operations and sites and across positional gradings from junior to senior non-bargaining employees are given consideration during the nomination process.
- An EPA may be made to individuals or small teams who have delivered exceptional, out-of-day-job, demonstrable results (not necessarily financial). This could include performing at a level outside of current band or grade; contributing materially and/or unexpectedly towards key projects or critical tasks outside of the normal day job; demonstrating exceptional value-led behaviours; or being an inspirational safety leader.
- An EPA is considered with the prevailing business area performance in mind, and Anglo American ELT members and business Chief Executives to apply discretion and judgement in this regard. It is recognised however, that retaining an ability to recognise exceptional individuals and small teams, even under challenging conditions, remains important.
- It is expected that EPAs will be given to a small number of exceptionally high performers; overall performance is already rewarded through the annual short-term incentive mechanism, and the EPA is not intended to provide a broad-based recognition scheme. Therefore, while the number of people receiving EPAs throughout the year is at the discretion of the individual ELT member and the business Chief Executive, it is expected that the overall number of EPAs will be fairly limited to maintain their exceptional nature and to allow the quantum to remain meaningful.
- To maximise the impact and value of the awards, the EPA should be communicated to the recipient by either the individual ELT member or the relevant business Chief Executive before the payment date; ideally this will be by way of a conversation, followed up by an individualised letter.
- The quantum of awards should be meaningful, given their exceptional nature. The quantum is discretionary, but as a guide, a range of 5% to 30% of annual basic employment cost (bonusable salary) is considered appropriate, with 30% only being awarded in the most exceptional cases.
- EPAs are payable in cash, with no deferral, and are subject to the usual deductions for tax (PAYE).
- EPAs may be awarded at any point during the year to allow for the timely recognition of outstanding performance.

29 EPAs were granted during 2024, as nominated by the Kumba Exco and general managers, and reviewed, approved and awarded by the Kumba Chief Executive in conjunction with the Anglo American Regional Director, Africa and Australia. The aggregate value of the EPAs for 2024, for the 29 recipients, was equal to R5.6million before tax, within the approved annual budget allocation of R5.8million. 12 employees were recognised at Sishen, and a further nine employees at Kolomela, with the balance of eight employees at the Kumba corporate head office. The grading of the employees who received this prestigious recognition award during 2024 was well dispersed, ranging from frontline management (Anglo Global Banding Framework - GBF8) through to senior management (GBF5).

Chief Executive's LTIP award quantum uplift from 2024 onwards

The Chief Executive's salary was adjusted by the 2024 mandated 6.0% on 1 January 2024, aligned with the salary adjustment mandate for the Band 8 and above, non-bargaining category employees.

As reported in our 2023 remuneration report, a detailed total remuneration pay mix benchmarking analysis was concluded for the Chief Executive during October and November of 2023 by a third party, external remuneration advisory service provider to the Remco.

A comparator group of seven JSE-listed mining companies were utilised in the benchmarking exercise. The JSE-listed mining companies' comparator group review is based on the general principle that the constituents should be comparable in terms of size and complexity. The measures that are utilised to assess size are market capitalisation, revenue, total assets under management and number of employees. Complexity, being harder to measure, is based on a subjective assessment of the number of operations, complexity and diversity of operations and number of international jurisdictions. The JSE-listed mining companies' comparator peer group utilised for the total remuneration benchmarking of the Chief Executive Officer during the 2023 benchmarking exercise is represented as follows:

JSE listed peer group of companies
African Rainbow Minerals Limited
Exxaro Resources Limited
Harmony Gold Mining Company Limited
Impala Platinum Holdings Limited
Northam Platinum Limited
Royal Bafokeng Platinum Limited
Sibanye-Stillwater Limited

The market benchmarking data utilised by the external advisory service provider is obtained from the remuneration reports of the published integrated annual reports of the relevant comparator companies.

The third-party, external remuneration service provider to the Remco utilises On-target total remuneration (TR), being the best representation of the remuneration policy pertaining to the incumbent, for the purposes of the benchmarking exercise. The on-target benchmark is compiled as follows:

- The total cost to company (CTC) package, usually annualised, in effect on the last day of the reporting year.
- The on-target cash short-term incentive, settled in cash within 12 months of the end of year, based on the achievement of group and personal targets, where this is disclosed in the companies' remuneration report. In the case where an on-target value is not disclosed, 60% of the maximum short-term incentive potential is utilised as proxy.
- The on-target total short-term incentive, including the cash incentive and any deferred incentive, awarded for the current year's performance.
- The on-target long-term incentive is based on the on-target values or percentages disclosed in the companies' reward policy or using the at-grant, annualised fair values of awards made during the year.

Based on the outcome of the Q4 2023 TR benchmarking review performed for the Chief Executive, it was evident that her TR package was lagging her peer group market median by 7%, although within an acceptable tolerance range (80% to 120% of the peer group market median). Further key observations reported from the benchmarking review, pertaining to the remuneration elements of the Chief Executive's TR pay mix, were as follows:

- The Chief Executive's total guaranteed package (TGP) was below the market median, but within the acceptable tolerance range.
- The Chief Executive's total short-term incentive was higher than the market median, but there is a high deferral percentage, and hence her cash short-term incentive was within the acceptable tolerance range.
- The Chief Executive's long-term incentive was lower than the market median and below the acceptable tolerance range at a market median compa-ratio of 72.4%.

Based on this review of the TR pay mix analysis for the Chief Executive, the Remco took into consideration that the Chief Executive was appointed at her market peer group TR median on 1 January 2022, and hence sanctioned no additional market adjustment above the sanctioned salary adjustment mandate of 6.0% for all Band 8 and above employees on 1 January 2024. The Chief Executive's TR market median compa-ratio was slightly lower than the market peer group median at a compa-ratio of 98.9%, post the 1 January 2024 salary adjustment.

However, based on the TR benchmarking report's key observations, the Chief Executive was significantly lagging her peer group median pertaining to her annual LTIP award quantum at 72.4% of the median. The Remco recommended to the Kumba Board that her annual LTIP award quantum be increased by 25%, effective from the 2024 award year onward (i.e. from the original 150% of annual basic employment cost (BEC) to 175%). The adjustment was subsequently approved by the Kumba Board; this moved her LTIP award peer group median compa-ratio from 72.4% to 89.6% and her TR peer group median compa-ratio from 98.9% to 103.1%.

Key considerations for uplifting the Chief Executive's LTIP award quantum from 2024 onward were talent retention and gender pay equality.

Anglo American plc proposed recognition award for the Chief Executive

During 2024, the Remco considered the proposal from the Anglo American group to award Anglo American plc shares to the value of £500k (R11.6 million) to the Kumba Chief Executive at its meeting of 12 November 2024. The award would vest after three years, subject to the Chief Executive remaining employed, and not being under notice, with the Anglo American group and further subject to the performance conditions as discussed below.

The reasoning for to the proposed Anglo American plc share award to the Kumba Chief Executive are expounded as follows:

- It is intended to signal to the Chief Executive that she is valued both as the Chief Executive of Kumba and as a key contributor to the broader Anglo American group. The Kumba Chief Executive does not currently receive any element of her compensation in Anglo American plc shares, whereas the other Anglo American group Chief Executives already participate in the Anglo America plc share plans. Anglo American is also implementing a gender transformation imperative for its senior and top management (Band 5 and above) of 40% female representation by 2030 as part of its 2025 LTIP award ESG performance measures (10%) and Mpumi is also a key underpin as a talented female chief executive within the wider group.
- To ensure that the most talented and critical individuals are retained and are motivated to stay with the group during what will inevitably be a challenging period while the planned divestments and transformation are implemented within the Anglo American group of companies.
- Anglo American's Business Country Chief Executives are core to ensuring that its assets are able to operate safely and sustainably, and ultimately to delivering the operational excellence to enact the Anglo American group transformation. Anglo American reviewed the current remuneration arrangements for the Chief Executives of each of its retained businesses and has put in place additional financial incentives as appropriate.

Remuneration report cont.

The Remco agreed that a delegation from the Committee would engage shareholders of reference in early January/February 2025 to discuss the proposed share award and solicit their views. The Committee discussed the feedback received during the shareholder consultation, with additional insights provided by the third-party, independent remuneration advisor as to market practice and the most appropriate approach to the intended recognition award. The Committee will consider going ahead with the award of Anglo American plc shares, post the Kumba AGM on 4 June 2025, on the basis that the rationale for making the award remains, with any appropriate adjustments to be made to address the shareholder views – including making the award subject to stretching performance conditions. The proposal currently under consideration by the Committee would be to grant the Chief Executive an award under the Anglo American plc LTIP, with a three-year performance testing vesting period, subject to a proposed hybrid mix of stretching performance conditions equally shared between Anglo American plc and Kumba Iron Ore, as follows:

- 50% Anglo American Relative total shareholder return (TSR) condition
- 50% Balanced scorecard of Kumba specific strategic performance measures to be determined and advised

In this case, to achieve the same on-target value, the award would be appropriately grossed up (based on a historical average vesting level under the Anglo American LTIP of circa 60%). The cost of the proposed award is to be bourne by Anglo American plc.

An updated proposal based on the above principles will be tabled to the Remco at the 13 May 2025 meeting of the Committee and the award contemplated post principle shareholder engagements prior to the Kumba AGM to be held on 4 June 2025.

Uplift of the annual LTIP award quantum of the Executive Head of Technical and Strategy

Mr Gerrie Nortje was transferred from the De Beers group and appointed as Chief Transformation Officer, effective 1 July 2023, on an Anglo American Band 4 grading (Top Management). Mr Nortje received a fixed-rate LTIP award in British Pound Sterling (GBP), aligned with Anglo American plc's practice for Band 4 employees at the De Beers group. A comparative analysis of the De Beers GBP-based fixed-rate LTIP award against the Kumba 80% of annual BEC LTIP award practice for Band 4 employees revealed that a 20% upliftment of the Kumba LTIP award quantum from 80% to 100% of annual BEC will be required to place Mr Nortje in a comparable position with his De Beers package. During the 9 February 2024 meeting of the Remco, it was recommended that the Committee approve the LTIP award quantum adjustment for Mr Nortje from 80% to 100% of his annual BEC, effective from the 2024 award onward. The Committee was in support of the proposed upliftment and it has been effected for Mr Nortje's 2024 LTIP award. Mr Nortje has subsequently been appointed to the role of Executive Head of Technical and Strategy on the same grading effective 1 June 2024.

Executive directors' salary benchmarking peer group review for 2025 salary adjustment

The third-party, external advisory service provider to the Remco was given a directive to perform the annual peer group salary market benchmarking analysis of the executive directors, prescribed officers and senior management serving on the Exco, as well as the Company Secretary in support of the 2025 salary adjustment mandate that was proposed to the Remco at the November 2024 meeting.

The third-party remuneration advisory service provider utilises a comparator group of South African JSE-listed industry peer companies to benchmark the remuneration of the Executive directors. The JSE-listed industry comparator peer group review is based on the general principle that the constituents should be comparable in terms of size and complexity. The measures that are utilised to assess size are:

- market capitalisation
- revenue
- total assets under control
- number of employees

Complexity, being harder to measure, is based on a subjective assessment of:

- number of operations
- complexity and diversity of operations (in mining, for example, exploration, development, extraction, processing, marketing and beneficiation, single or multiple commodities)
- number of international jurisdictions

It is generally advisable to use the same comparator group unless there is a significant change in the size, complexity or business composition of a company. As per established practice, a detailed review of the comparator group is undertaken every three years, or if any significant market changes have occurred since the last review. In the Committee meeting of 9 February 2024, Remco considered and sanctioned the expansion of the JSE-listed industry comparator group with the addition of AECI, Thungela, Sasol and Anglo American Platinum to bolster the size and validity of the external benchmarking comparator group. During the benchmarking exercise for the 2025 salary adjustment, the external, independent third-party remuneration advisory service provider identified that the inclusion of both Sasol and Anglo American Platinum skewed the benchmarks significantly upwards, more specifically for the Chief Financial Officer. Based on the observed skewing of the benchmarks, the advisor proposed the exclusion of Sasol from the comparator group.

The Committee further requested that consideration be given to a supplementary benchmarking comparator group of other listed companies, based on similar size and complexity to Kumba, to provide further benchmarking validity assurance. The third-party remuneration advisory service provider performed the requested JSE size-based supplementary comparator group review based on the general principle that the non-mining constituents should be comparable in terms of size and complexity to Kumba Iron Ore. The criteria that were utilised in selecting the supplementary comparator companies were:

- market capitalisation
- single jurisdiction operating companies (for the most part, circa 70% and above)
- comparable remuneration mix towards total remuneration, thus excluding the financial services sector of companies

The JSE-listed industry comparator peer group and size-based supplementary comparator group of companies, which were proposed, reviewed and sanctioned by the Remco and subsequently utilised for the total remuneration benchmarking of the Executive directors, is represented in the table below.

Number	JSE-Listed industry comparator group of companies	Size-based supplementary comparator group of companies
1	African Rainbow Minerals Limited	Aspen Pharmacare Holdings Limited
2	Northam Platinum Limited	Bidvest Group Limited
3	Sibanye-Stillwater Limited	Clicks Group Limited
4	Impala Platinum Holdings Limited	Pepkor Holdings Limited
5	Exxaro Resources Limited	Mr Price Group Limited
6	Harmony Gold Mining Company Limited	The Foschini Group Limited
7	AECI Limited	AVI Limited
8	Thungela Resources Limited	Dis-Chem Pharmacies Limited
9	Anglo American Platinum Limited	Redefine Properties Limited
10		Spar Group Limited

The benchmarking utilising the industry and size-based supplementary comparator groups relates to only the two Executive directors, being the Chief Executive Officer and the Chief Financial Officer, as the Remchannel mining market survey data is utilised for the other executives.

Bonus retention plan (BRP) policy rule amendment for 2024

The retirement age for Kumba employees in the non-bargaining category is 60. The BRP under paragraph 2.1.27 defined that an "employee" is any person "who is in the permanent employment of an employer company as at the relevant award date and who is not older than 59 years of age. For the purposes of the determination, such person will not reach 60 years of age within the 12 months following the award date." Based on this definition, employees aged 59 were not awarded any deferred bonus arrangement (DBA) shares and therefore did not receive their full annual short-term incentive award, inclusive of the component deferred in equity or cash, as appropriate.

Based on guidance from the Anglo American group and current practice at other South African businesses of the group, it was recommended at the February 2024 meeting of the Remco that the Committee approves a cash award in lieu of the DBA share award to be granted to employees aged 59 going forward. The vesting of the cash award is to be aligned with the vesting of share awards, noting accelerated vesting upon retirement.

In terms of paragraph 16.2 of the BRP, "eligibility to participate in the BRP may not be amended without the prior approval of the JSE and by ordinary resolution of 75% of the shareholders of the Company in general meeting, excluding all of the votes attached to shares owned and controlled by persons who are existing participants of the BRP and which have been acquired in terms of the BRP." The policy amendment was tabled for shareholder approval at the AGM of shareholders on 28 May 2024 and the resolution was approved accordingly.

Remuneration report cont.

2024 salary adjustment mandates for the bargaining and non-bargaining category employees

Bargaining category employees:

The Kumba 2020 to 2022 three-year wage agreement expired on 30 June 2023. The Remco approved a three to five multi-year wage agreement mandate for the period 1 July 2023 to 30 June 2028. CCMA-facilitated negotiations with Kumba's three recognised trade unions (NUM, AMCU and Solidarity) commenced on 9 May 2023.

Although the Company proposed the consideration of a five-year wage agreement during the initial wage discussions, the trade unions had limited appetite for an extended agreement beyond three years due to the uncertainties and volatility in the macro-economic and micro-economic environment. The Company therefore continued discussions with a three-year focus.

NUM and AMCU entered into an agreement, effective 1 July 2023, on 6 July 2023. Based on representation and in accordance with section 23(1)(d) of the Labour Relations Act, the agreement was extended to members of Solidarity despite them declaring a dispute. The agreed changes to wages and conditions of employment were also extended to all non-unionised employees and individuals employed in the bargaining category at Kumba's corporate office, stay in business (SIB) projects and Marketing and Logistics at Saldanha.

An internal dispute meeting was held with Solidarity on 10 July 2023, during which Solidarity accepted the extension of the agreement to its members and acknowledged that it has no legal recourse to challenge it through a formal dispute process.

The following table provides a breakdown summary per year of the agreed compounded three-year adjustment of 17.59%, within the Remco's approved mandate, as follows:

Period	Average adjustment agreed
Year 1: 1 July 2023 to 30 June 2024	6.65%
Year 2: 1 July 2024 to 30 June 2025	5.21%
Year 3: 1 July 2025 to 30 June 2026	4.80%
Three-year compounded adjustment	17.59%

The second-year mandated average adjustment of 5.21% across the job gradings in the bargaining category represented by the three-year wage agreement of 2023 to 2026 (1 July 2023 to 30 June 2026) was effected on 1 July 2024. The increase includes adjustments to basic salaries, housing allowances, 13th cheques and fixed allowances for all bargaining category employees.

Non-bargaining (package) category employees:

The total reward remuneration of the Executive directors is benchmarked annually against a comparator peer group of JSE-listed companies of comparable size and nature of operations and undertaken by a third-party external service provider. The criteria utilised in the determination of an appropriate peer group were total assets under control, number of employees, revenue and market capitalisation.

An annual salary benchmarking is performed for our non-bargaining category employees that are not part of our Executive directors to ensure that Kumba's remuneration is competitive and aligned with market practice. This comparison is based on the 50th percentile (median) of the Mining circle of the Old Mutual Remchannel salary survey database, aligned with the Company's remuneration policy to remunerate at the median of the market. The methodology to determine the appropriate salary adjustment mandate for our non-bargaining category employees takes into consideration:

- the Remchannel Mining circle market median positioning
- the prevailing and forecasted headline consumer price inflation
- the anticipated market increase for management category employees in the Mining and National circles in terms of the Remchannel salary survey house benchmark
- budgetary provisioning and affordability

An inflation adjustment mandate of 6.0% to the CTC – base salary plus employer retirement fund contribution – was approved by the Remco at its meeting in November 2023 for the non-bargaining category employees, in line with our mining peers and national benchmarks conducted, supported by an external, third-party service provider. The salary adjustment for the non-bargaining category employees took effect on 1 January 2024. This adjustment is also well aligned with the average bargaining category salary adjustment mandate of the first year of the three-year wage agreement of 6.65% that was effected on 1 July 2023.

It is to be noted that, based on the salary adjustment mandate analysis and review methodology and process stated above, a salary adjustment mandate of 5.0% has been approved by the Remco for the salary adjustment cycle beginning on 1 January 2025, for the non-bargaining category employees. This mandate is also well aligned with the second-year mandate of the three-year wage agreement for bargaining category employees of 5.21% (average adjustment) effected on 1 July 2024.

Northern Cape support services hub short-term incentive approach and migration towards a OneKumba short-term incentive scorecard approach

As part of the Kumba 2024 business reconfiguration, a shared support services hub for the Northern Cape was established, effective from 1 August 2024. The employees appointed to the hub have been recruited from both Sishen and Kolomela.

A key consideration for the Northern Cape hub employees for the remainder of the 2024 performance year onward was the appropriate performance measurement approach related to their respective short-term incentives. This approach aims to best reflect the OneKumba mindset and culture that we want to cultivate, servicing both operations and merging the interests and cultural aspects of both operations.

Kumba operates the following three, independent short-term incentive schemes for its employees:

- Team+ short-term incentive scheme for Band 6 (specialist and middle management) and above employees, tracking performance against individual Team+ performance scorecards for Kumba corporate office and SIB projects, Sishen and Kolomela for the performance year.
- EOF operational reward framework short-term incentive for Band 7 (frontline management and supervisors) and below employees, tracking performance against individual scorecards for Kumba corporate office and SIB, Marketing and Logistics at Saldanha, Sishen and Kolomela for the performance year. Corporate office and SIB Band 7 and below employees' 2024 EOF operational reward framework short-term incentive scorecard is measured on the production volume weighted aggregate performance of both Sishen and Kolomela against the respective performance metrics per key result area, except for the unit cost measure which is measured against the C1 unit cost (dry metric tonnes) for Kumba.
- Gain share short-term incentive for Band 7 and below employees, tracking performance against Kumba's budgeted earnings before interest and taxes (EBIT) and subject to a leading high potential hazards (HPHs), lagging high potential incidents (HPIs) and fatality (fatal injury frequency rate - FIFR) safety penalty modifiers, capped at 16% of the bonus potential. The gain share short-term incentive tracks performance against Kumba's unadjusted, consolidated EBIT target and Sishen, Kolomela, SIB and Marketing and Logistics at Saldanha are measured against their respective safety performances, with corporate office measured on Kumba's consolidated safety performance for the applicable safety penalty modifiers.

The following proposals were tabled to the Exco and Remco for consideration in relation to both the Team+ short-term incentive (for Band 6 and above employees) and the EOF operational reward framework short-term incentive (for employees on Band 7 and below), and were sanctioned at the respective meetings of the committees in August and November 2024:

- Employees transferred to the Northern Cape hub on 1 August 2024 or later in the performance year will receive a pro-rated short-term incentive performance scoring related to their operation of origin, calculated from 1 January (or their date on joining the operation) up to the effective date of their transfer to the hub.
- From their effective date of transfer to the Northern Cape hub, employees will receive a pro-rated saleable tons production weighted performance scoring proportioning between the Sishen and Kolomela performance scorecards for the 2024 performance year.
- The proposed performance measurement proportioning for the Northern Cape hub will apply to the quarterly, bi-annual or annual short-term incentive payments for the remainder of the 2024 performance year onward, as appropriate.

As the gain share short-term incentive performance is tracked against Kumba's unadjusted, consolidated EBIT target, no changes to the measurement methodology pertaining to the EBIT is required for the Northern Cape hub employees. However, it was proposed and approved that the associated safety penalty modifier performance for the Northern Cape hub cohort will be tracked against the consolidated, aggregate leading (HPH), lagging (HPI) and fatality (FIFR) targets set for Sishen and Kolomela.

Remuneration report cont.

Kumba Karolo and Semela ESOP scheme transactions effected during 2024

Karolo ESOP scheme:

On 22 July 2024, the Board of directors of Kumba Iron Ore declared an interim gross cash dividend of R18.77 per share. In terms of current legislation, the dividend payment is subject to dividend withholding tax at a rate of 20%. A net amount of R15.02 (after tax) per unit was paid to 4,803 Karolo beneficiaries who were active beneficiaries on 16 August 2024, as this was the Kumba shareholder record date to qualify for the dividend payment. This was the 13th dividend payment beneficiaries have received since inception of the scheme. As the 2018, 2019 and 2020 awards have already vested and been settled, the dividend only applied to 2021 and 2022 awards. Based on the majority of the beneficiaries holding 80 units (linked to 80 Kumba shares), beneficiaries received a net dividend payment of R1,201.28 (after tax). The payment was actioned through the first subsequent pay run after the record date and paid to beneficiaries on 27 September 2024. Beneficiaries have received personalised statements on the Anglo Engage mobile app, reflecting their share/unit holding as well as dividend payment. The summary in the table below reflects a total dividend distribution of R37,741.57 to individual, qualifying beneficiaries (based on the acceptance of a full award of units) since the inception of the scheme in 2018.

Dividend details	Dividend value before tax	Dividend value after tax	Dividend per beneficiary (based on full unit holding)
2018 Interim dividend	R14.51	R11.61	R777.74
2018 Full Year dividend	R15.73	R12.58	R843.13
2019 Interim dividend	R30.79	R24.63	R2,734.15
2019 Full Year dividend	R15.99	R12.79	R1,419.91
2020 Interim dividend	R19.60	R15.68	R2,414.72
2020 Full Year dividend	R41.30	R33.04	R5,088.16
2021 Interim dividend	R72.70	R58.16	R11,050.40
2021 Full Year dividend	R30.50	R24.40	R3,001.20
2022 Interim dividend	R28.70	R22.96	R3,834.32
2022 Full Year dividend	R16.30	R13.04	R1,603.92
2023 Interim dividend	R22.60	R18.08	R2,223.84
2023 Full Year dividend	R24.20	R19.36	R1,548.80
2024 Interim dividend	R18.77	R15.02	R1,201.28
Total Karolo dividends value to date (after tax)			R37,741.57

The fourth Karolo award was granted to eligible employees on 2 August 2021. The majority of the participating employees received 36 units. In terms of the scheme rules, the award vesting date is defined as 31 August, three years following the date of award. Based on the 2021 Karolo award, 161,991 shares awarded to 4,549 beneficiaries, vested on 31 August 2024. This was the second last vesting event under the Karolo ESOP scheme, with the final award of 2022 vesting on 31 August 2025.

Aligned with the scheme rules, beneficiaries had the opportunity to indicate their transaction preference, being one of the following two alternatives:

- **Option 1:** Take delivery of the vested shares; sell sufficient shares were sold to settle PAYE obligations whereafter the remaining shares are transferred to the beneficiary's personal broker account
- **Option 2:** Instruct the trustees to act as agent to dispose of the shares. This was regarded the default transaction

These options, supported by a comprehensive communication strategy, were made available for selection to beneficiaries on the Anglo Engage mobile app between 28 July and 17 August 2024. For the beneficiaries that elected option 2, the shares were sold on 2 September 2024 at an average selling price of R323.73 per share (before cost). The gross payment, based on 36 vested shares sold, was calculated at R11,654.28 per beneficiary and paid through the payroll on 27 September 2024. Although most of the beneficiaries elected Option 2, 85 beneficiaries (compared to 50, 62 and 64 beneficiaries from the 2018, 2019 and 2020 award vesting) opted to become private Kumba shareholders and selected option 1. For the beneficiaries that elected option 1, the average number of shares transferred to their nominated private trading accounts was 20 after selling sufficient shares to settle their related vesting tax obligation. The total capital value (before tax) of vested shares paid to beneficiaries, since the inception of the scheme, is calculated at R89,646.53 per beneficiary with a breakdown provided in the table below.

Karolo award details	2018 Award	2019 Award	2020 Award	2021 Award
Award date	6 August 2018	5 August 2019	3 August 2020	2 August 2021
Vesting date	31 August 2021	31 August 2022	31 August 2023	31 August 2024
Number of units/shares	67	44	43	36
Selling price	R640.98	R390.52	R415.44	R323.73
Gross value (before tax)	R42,945.45	R17,182.88	R17,863.92	R11,654.28

Semela ESOP scheme:

On 22 of July 2022, the SIOC and Kumba boards and the SIOC shareholders approved the establishment of a new ESOP scheme. The scheme is managed and administered in terms of the amended and restated Trust Deed of the Semela Employee Share Ownership Plan Trust ("the Deed").

- **Vesting component:** The second award of Kumba shares under the vesting component of the Semela scheme was made to qualifying beneficiaries on 14 August 2024. In accordance with existing practice and paragraph 25.1.3 of the Deed, the base cost per beneficiary was R26,717 and was based on the 2023 base cost of R25,396 increased with the April 2024 year-on-year CPI of 5.2%. In addition to the above stipulations paragraph 25.1.2.1, 25.1.2.2, 25.1.2.3, 25.1.3 and 25.1.4 of the Deed prescribe the requirements for determining the award, which consists of restricted Kumba shares as well as a vesting share interest, per beneficiary. Qualifying beneficiaries who were employed for 366 days prior to 30 June 2024 received an award of 65 restricted Kumba shares and 0.9971 vesting share interest on 14 August 2024. This was based on the average Kumba share price that the Trust paid when the shares were purchased at the beginning of August 2024, which was R404.82. This brings the total value of awards granted under the vesting component, since inception of the scheme, to R52,113, as expounded in the table below.

Award description	Allocation date	Base cost value	Award details	Release date
2023 Award	14 August 2023	R25,396.00	53 Restricted Kumba shares 0.4847 Vesting share interest	31 August 2026
2024 Award	14 August 2024	R26,717.00	65 Restricted Kumba shares 0.9971 Vesting share interest	31 August 2027

On 22 July 2024, the Board of Kumba declared an interim cash dividend of R18.77 per share. In terms of current legislation, the dividend payment is subject to dividend withholding tax at a rate of 20%. A net amount of R15.02 (after tax) per share was paid to beneficiaries who were active beneficiaries on 16 August 2024, as this was the Kumba record date to qualify for the dividend payment. The second award of Kumba shares under the vesting component of the Semela scheme was made on 14 August 2024. Based on the majority of beneficiaries now holding 119.4818 shares, beneficiaries received a net dividend payment of R1,794.14. The summary table below reflects the total dividend payment to date per beneficiary, based on the maximum beneficiary shareholding.

Shareholder/ beneficiary record date	Shareholding	Dividend per share (after tax)	Dividend payment per beneficiary
18 August 2023	53.4847	R18.08	R967.00
15 March 2024	53.4847	R19.36	R1,035.46
16 August 2024	119.4818	R15.02	R1,794.14
Total Semela dividends value to date (after tax)			R3,796.60

- **Evergreen component:** On 18 July 2024, the Board of SIOC declared an interim cash dividend to SIOC shareholders. Based on a shareholding of 14,137,650 shares (1.2% in SIOC), a dividend of R96,249,912.97 was paid to the Trust on 31 July 2024. Aligned with existing practice and in line with the amended and restated Trust Deed, the evergreen distribution payment (referred to as the evergreen dividend allocation in the Trust Deed) was calculated as per the prescribed formula defined in paragraph 19.5 of the Trust Deed. As per the prescribed distribution payment formula calculation, an evergreen distribution payment of R19,212.25 per beneficiary employed for 366 days was paid. Such payment was subject to PAYE as per individual tax directive obtained from SARS. Employees employed for fewer than 366 days, received a pro-rated distribution payment. Beneficiaries have, since the inception of the scheme in July 2022, received, a total evergreen distribution payment of R108,188.03, as summarised in the table below.

Evergreen record date	Number of participating beneficiaries	Evergreen distribution payment per beneficiary
31 July 2022	5,393	R28,174.80
28 February 2023	5,454	R15,677.45
31 July 2023	5,420	R21,724.60
29 February 2024	5,345	R23,398.93
16 August 2024	5,282	R19,212.25
Total Semela distribution payment to date (before tax)		R108,188.03

Kumba Selector Provident Fund transfer of administrative service provider

The current Kumba Selector Provident Fund administrator (Sanlam) made the strategic decision in 2021 to stop providing administration services to standalone-funds and transferred this part of their business to Alexander Forbes on 1 November 2022. It was agreed that it would be appropriate to establish a working committee to understand the implications of the possible change in administrator, as well as the advantages and disadvantages of the options available to the Kumba Selector Fund. The purpose of the joint working committee was to understand the available options, which are:

- transfer the administration of the fund to AlexForbes
- transfer the administration of the fund to another administration services provider
- transfer the members to an umbrella fund (either with Sanlam or another provider) and terminate the fund

Remuneration report cont.

With the implementation of the "two-pot" system, Sanlam and AlexForbes gave the fund time to defer this decision and prioritise the changes in legislation to ensure our members were able to withdraw from the savings pot from 1 September 2024.

Although the ultimate decision towards the future administration of the fund would be the trustees' prerogative, the Kumba Selector Provident Fund Board of Fund (BoF) had a number of considerations to inform the most appropriate option towards the future administration of the fund in the best interest of its members. The key considerations that the BoF had to assess, decide on and report to the employer (Exco and Remco) for final sanctioning were as follows:

- AlexForbes being willing to take over the administration of the fund on the same terms and conditions with regard to pricing structure and related matters, should the fund decide to continue as a standalone.
- The trend towards umbrella funds in the industry was noteworthy. In December 2000, there were 15,587 funds registered in terms of the Pension Funds Act (mostly standalone). By 31 March 2020, there were 5,124 registered funds, of which 1,452 were considered active (this number includes 449 "commercial" retirement funds). Given this trend, the increasing governance burden on boards of funds and the possible cost savings that may be available through the economies of scale of umbrella funds, it was prudent to consider at this time whether it may be more appropriate for the Fund to transfer to an umbrella fund arrangement. The BoF noted feedback from the working committee, which had considered quotes from eight umbrella fund providers in relation to their standardised, most cost-effective offering as well as their customised solutions which would match the existing fund benefit structure and investment strategy as closely as possible (so that members would experience as little change as possible) in an umbrella fund arrangement. After considering size and scale, operating and other costs, and the ability to accommodate or match current benefit arrangements and investment strategies, four umbrella providers were shortlisted. Further analysis of the customised offerings of the shortlisted umbrella funds was then undertaken with independent, third-party advisory service provider Willis Towers Watson and input from the Principal Officer. A comprehensive analysis, review and assessment process was thus undertaken by the working committee. The independent third-party advisory service provider presented the key considerations for deciding between a standalone and a commercial umbrella fund with a comparative cost summary to the BoF. The independent third-party service provider highlighted that while member benefits and investments could continue unchanged, the governance structure in an umbrella fund is materially different. In an umbrella fund, the authority of the management committee (appointed to represent the interests of the members and employer) is limited to making recommendations. The final decision-making power in an umbrella fund is vested in the board of the umbrella fund, which is appointed by the commercial sponsor of the umbrella fund. The advisory service provider pointed out that the following factors may trigger a move to an umbrella arrangement:
  – A significant decline in fund membership (loss of economies of scale)
  – A BoF that could not operate effectively
  – An employer decision to exit involvement in, or stop supporting the running of a standalone retirement fund
  – An excessive governance burden requiring too much time and effort from BoF members

A poor outcome would be retaining a standalone fund for flexibility around benefit arrangements and investment strategy but without sufficient governance, budget and commitment from the BoF members and employer.

Based on the assessment and expert advice on the key considerations for the Kumba Selector Fund, the BoF felt comfortable that:

- The fund is governed well and noted the following evidence:
  – Consistent unqualified audit reports from the external auditor
  – A robust internal audit programme designed to identify control deficiencies, which are being attended to and successfully remediated by the administrator
  – A mature risk management process
  – Minimal to no cases with the pension fund adjudicator case
  – Having a standalone fund is still part of the overall employee value proposition
- The BoF members are not aware of any likelihood that membership in the fund will drastically decrease (by more than 50%) in the near or medium term.
- BoF members have a vested interest to ensure positive outcomes for members.
- BoF members are committed to serving as trustees but also noted the increase in workload that remains a challenge.

The BoF members deliberated the options between remaining a standalone fund and moving to an umbrella fund arrangement and agreed that the Kumba Selector Provident Fund will remain as a standalone fund and transfer its administration to AlexForbes based off the current service level agreements and fee arrangements. The Kumba Exco and Remco noted the decision of the BoF. The transfer of the administration of the fund will be completed early in 2025.

Companies Amendment Bill and the inclusion of the 5/5 ratio in the 2024 remuneration report

The Remco has been advised of the 2024 proposed changes related to the Companies Amendment Act and the implications related to the responsibilities and practices of the Committee, as well as its reporting disclosures in the annual remuneration report to shareholders and stakeholders.

The Amendment Act was signed into law on 26 July 2024. While some of the amendments came into effect during December 2024, as at the date of this report, the effective date for the amendments pertaining to the remuneration report and pay gap disclosures has not been proclaimed. In preparation for the proclamation, Kumba has elected to voluntarily disclose the total On-target remuneration and total Actual Remuneration of all full-time permanent employees for the 2024 reporting year. Management and the third-party remuneration advisory service provider has completed the initial analysis of the pay gap disclosures.

The voluntary disclosure is based on the total on-target and actual remuneration of all full-time permanent employees which is useful disclosure for stakeholders' to assess the effectiveness of Kumba's pay fairness policy. Disclosure in the 2025 financial year will be based on the requirements of the legislation, any applicable regulations, and developing market practice at the time. The results of the 2024 pay gap analysis for Kumba are tabulated as follows:

Pay gap disclosures	FY 2024 total on-target remuneration (permanent employees only)	FY 2024 total actual remuneration (permanent employees only)
Highest paid employee*	R32,195,728	R18,380,709
Lowest paid employee	R257,954	R213,262
Average remuneration	R1,034,727	R1,191,176
Median remuneration	R831,555	R956,204
Average out of highest 5%	R3,343,202	R3,858,620
Average of lowest 5%	R536,715	R598,827
5/5 ratio	6.23	6.44

*Note: *The actual remuneration disclosed above is reported on the basis of payroll remuneration as at the end of December 2024 which differs from the total single figure of remuneration in the implementation report, due to timing differences of variable pay accrual compared to cash through payroll.*

Talent retention strategies employed during the Anglo American group transformation

Anglo American is in the process of transforming the business towards unlocking the value and potential of its underlying portfolio and to set it up for its long-term growth ambitions to maximise value and return on investment for its shareholders. The transformation process will include the demerger or divestment of the following four businesses within the Anglo American group:

- Steelmaking Coal in Australia
- Nickel in Brazil
- Anglo American Platinum in South Africa and Zimbabwe
- De Beers Global

The transformation of the business comes with uncertainty and unsettles the labour force in both affected and unaffected businesses within the Anglo group. This period of instability also heightens the risk of talent and scarce skills pilfering and flight as each business positions to set up for a sustainable and secure future and may lead to intercompany competitive behaviour for talent and scarce skills which may not be readily accessible post transformation. Kumba, although remaining within the Anglo American group, is susceptible to talent and scarce skills flight, which would be to the detriment of the business' future aspirations.

In an effort to ensure that we retain key intellectual property, skills and knowledge to maintain the long-term sustainability of our business, three, concurrent retentive strategies were tabled to Remco for consideration. These were approved and subsequently implemented for the retention of our key personnel during the transformation of the Anglo American group. In no specific order of importance, the following three retentive strategies were implemented:

- **Talent non-solicitation agreement:** Kumba will rely on a non-solicitation undertaking between Anglo American plc and Anglo Platinum for a period of no more than 12 months post the separation of Anglo Platinum. A carve-out for employees acting on their own volition, which is deemed reasonable in scope (such as responding to a general advertisement for an open role) is incorporated in the undertaking.

Remuneration report cont.

- Cash retention award: To ensure the retention during the Anglo American transformation of indispensable key talent – relating to scarce skills, or to institutional knowledge or intellectual capital needed for business continuity and success – it was agreed that either appropriate cash or equity retention instruments can be applied with extreme prejudice. As these types of demerger and divestment-related instruments are of more significant quantum than the typical retention instruments of circa 25% of annual basic employment cost, it was proposed that these awards be limited to key Anglo Band 5 and above leadership (senior and top management). This leadership will be critical in guiding and assisting Kumba through the transformation period and beyond towards stabilising the business. A conditional, upfront cash award ranging between 50% to 70% of annual basic employment cost has been implemented for a very small cohort of individuals, key to the transformation process and that will lead or execute business specific requirements instrumental to the process and continued business success. The upfront cash award is linked to the continued employment condition with SIOC for a period of three years from award, with a full forfeiture of the gross award (before tax) in the event of resignation or conduct-based dismissal.
- **Kumba employee value proposition (EVP) and culture:** A critical, non-monetary retentive instrument applied is the creation and embedding of a compelling and engaging business EVP and culture led by the planning and execution of our new leadership framework. A key enabler to the successful roll-out will be the creation of leadership and business stability and clear strategic and operational guidance, creating a sense of security, purpose and belonging for our employees. This strategy will also create a safe, participative and future-focused environment where employees feel valued and compelled to participate to build a career while remaining with the Company. Our shared set of values and conduct will be the most critical enabler to building this solid cultural and aspirational platform for engagement and belonging.

Three of our Prescribed officers have been deemed key to the stability and sustainability of the Company during the Anglo American group transformation demerger and divestment process and the role of Kumba within the wider group. An upfront, retentive cash award equal to 70% of annual basic employment cost, linked to the continued employment condition with SIOC for a period of three years from award, with a full forfeiture of the gross award (before tax) in the event of resignation or conduct-based dismissal, have been made to the three prescribed officers. The three prescribed officers are the Executive Head of Technical and Strategy, the Executive Head of People and Organisation, and the Senior General Manager Northern Cape. The respective retention cash awards are reflected under the additional payments column of the single-figure remuneration table on page 102 of this report. The concomitant three-year lock-in period commenced on 1 November 2024 up to 31 October 2027.

Retirement age extension consideration for the non-bargaining category employees

The Kumba "Retirement Age and Fund Options" policy prescribes that the mandatory retirement age is 63 for bargaining category employees and 60 for the non-bargaining category of employees. The policy makes allowance for early retirement from the age of 55, subject to the approval from the applicable Manager People and Organisation (P&O) and General Manager or Functional Head. The policy further makes provision to extend the retirement age beyond the applicable mandated age, subject to approval from the applicable Manager P&O, General Manager or Functional Head and Head of P&O.

A detailed analysis was performed on the age distribution of the Kumba labour force in the last quarter of 2024. The average age of employees in the bargaining category in Kumba is 40, while the average age in the non-bargaining category is 42, and more specifically also 42 in the technical functions. This highlights an ageing workforce, the related challenge of retaining skills, and consequently, intensified competition for specialised skills in the mining market.

A comprehensive desktop study was performed to determine the key considerations towards the most appropriate retirement age from a South African mining perspective. The desktop study indicated that in the country's mining industry, the typical retirement age varies depending on the type of work. For underground employees, the retirement age is generally around 60, while for other employees, it can be up to 63[1]. Some mining houses have raised the retirement age to between 62.5 and 65[2].

The following key considerations in determining the appropriate retirement age from a South African mining perspective that were identified in the desktop study were tabled to the Remco at the November 2024 meeting of the Committee:

- **Health and safety:** Mining is a physically demanding and hazardous job, more specifically in the operational environments. The health and safety of older workers are critical considerations, as they may be more susceptible to injuries and occupational illnesses.
- **Skill retention:** According to a 2023 Deloitte report, the mining and metals workforce is ageing and the looming retirement of experienced employees, combined with low recruitment, represent an urgent challenge for the industry. Currently, many mine workers are at least 46 years old, and nearly 50% of skilled engineers will reach retirement age in the next decade. Deloitte further highlights the danger of critical knowledge and skills being lost while the demand for metals and minerals surges for the energy transition[3]. Furthermore, the mining industry faces stiff competition for skilled workers. For Kumba, with its operations in the remote and low population density Northern Cape province, the competition for skilled workers is further exacerbated. Experienced workers possess valuable skills and knowledge. Extending the retirement age can help retain these critical skills within the industry.
- **Youth unemployment:** As of the first quarter of 2024, the youth unemployment rate in South Africa for individuals aged 15 to 34 years stands at 45.5%[4]. This is significantly higher than the national average unemployment rate of 32.9%[4]. For the younger age group of 15 to 24 years, the unemployment rate is even higher, reaching 60.8% in the second quarter of 2024[5]. Youth unemployment remains a critical issue in South Africa, with various factors such as limited educational attainment and social and economic disadvantages contributing to these high rates[4]. A key consideration for any employer is to balance retaining the skills, knowledge and experience related to its employees close to retirement with allowing opportunity for the employment of younger entrants into the labour market, as to not exacerbate the barriers to youth employment.
- **Economic factors and financial stability:** The cyclical nature of the mining industry, with its boom-and-bust periods, can impact job security and financial planning for retirement. Ensuring that miners have robust retirement funds is essential for their financial security post-retirement. This includes addressing challenges such as early retirement due to health issues or economic downturns. Hence, tenure to retirement age is a key consideration in providing for a robust and sufficient retirement portfolio.
- **Legislation and policies:** Any changes to retirement age must comply with existing labour laws and occupational health and safety regulations. In South Africa, there is no specific legal retirement age mandated by law. However, the common retirement age typically falls between 60 and 65[6]. The actual retirement age can vary, depending on the terms specified in an individual's employment contract or company policy[6]. Legislation can also have a detrimental effect on retirement provisioning such as the current R350k capped tax-exempt retirement fund contributions and the two-pot retirement fund savings pot withdrawals regulations.
- **Life expectancy:** South African retirement funds typically use life expectancy estimates to help plan for the duration of retirement savings. Retirement funds in South Africa generally provide for a life expectancy of 78.9 years for males and 83 years for females assuming the member survives to the age of 63. This estimate helps ensure that retirees have sufficient funds to last throughout their retirement years. As people are on average living longer due to advances in medical technology and care, as well as overall quality of living, there is an increasing risk of pensioners outliving their retirement savings due to insufficient retirement provisioning, as well as too high drawdown rates on their pensions. Further complications in this regard are related to legislative and policy-related detrimental influences on the overall retirement saving provisioning culture, as noted under the previous point.

Informed by these key considerations, the following two proposals were tabled to the Committee for review, deliberation and approval:

- The current Kumba mandated retirement age of 63 for the bargaining category employees is aligned with our South African mining peers' typical practice, as informed by the desktop study based on information available in the public domain. Noting the considerations articulated earlier - namely health and safety, as well as the youth unemployment barrier to entry - no change to the mandated retirement age of our bargaining category employees is proposed at this time.
- For non-bargaining category employees, the proposal is to extend the retirement age condition of employment for our Band 8 and above, non-bargaining employees from 60 to 63 years of age to align with the non-bargaining category. This proposal broadly addresses the retention of skills challenge in the skilled labour category, although proper talent management and succession planning will remain a key enabler. Moreover, this approach will also address the economic factors, financial stability and longer life expectancy retirement age considerations to some extent, by extending the potential tenure of employees and associated retirement fund contributions. The uniform extension of retirement age will also serve as an EVP contributor as it offers an extended, productive work life/career opportunity platform. Although the proposal may provide a barrier to entry in terms of youth employment, this will only be applicable during the transitionary, extension phase of three years and can be offset by normal attrition outside of retirement, as well as a proper planned and phased young talent pipeline.

After much deliberation, the Remco deferred the decision on the extension of the mandated retirement age of the non-bargaining category employees to the May 2025 meeting of the Committee, pending a more detailed action plan from management on managing the risk of creating barriers to youth employment, which remains a key consideration and concern for the Committee.

[1] Mineworkers Provident Fund - MWPF
[2] Solidarity calls for miners' retirement age to be raised to 63 (miningweekly.com)
[3] Mining industry faces aging workforce and retirement challenges — report - MINING.COM
[4] Unemployment in South Africa: A Youth Perspective | Statistics South Africa
[5] South Africa Youth Unemployment Rate - TRADING ECONOMICS
[6] Employees retirement age: What the Labour law says · CHRO South Africa

Remuneration report cont.

Section two: Remuneration philosophy and policy

The Human Resources and Remuneration Committee of the Board (Remco)

Role of Remco and terms of reference

Remco guides the Board by ensuring that Kumba's remuneration and employee benefits-related decisions and policies are aligned with its overall goals, while remaining fair and equitable both to employees and shareholders. The Committee's interests and activities are geared towards developing, maintaining and progressing a strong, competitive human resources environment. The Remco terms of references can be accessed on Kumba's website:

▶ **www.angloamericankumba.com/investors/corporate-governance**
▶ For details on the membership of Remco and attendance of meetings refer to **page 118 of the Governance section.**

Remuneration philosophy

Our reward philosophy is based on competitive, fair and transparent remuneration for our employees, and formulated to attract, retain, motivate and reward high-calibre, talented and productive employees. Remuneration components are designed to reward and recognise excellent, collaborative team and individual performance, while aligning with our values, culture and strategic objectives and allowing employees to share in the performance and success of the business and align with our shareholder experience.

Guaranteed remuneration is aligned with the market median in respect of fixed pay. Variable performance-related pay, both short and long term, is included in the total remuneration offering to ensure market competitiveness, with key and critical skills remunerated at the higher end of median scales. Our top priority is to ensure the fair, equitable and consistent application of our remuneration principles and policies, guided by the King IV^{TM} principles relating to fair and responsible remuneration.

The Remco is firmly committed to its overarching responsibility of ensuring that the principles of accountability, transparency, sustainability and good governance are enacted in all remuneration-related matters. This includes the critical link between executive remuneration and performance against set strategic objectives, with the aim of creating executive engagement and shareholder value.

In the event that the remuneration policy or implementation report, or both, have been voted against by 25% or more of the voting rights exercised by shareholders in the non-binding advisory vote at the AGM, the Board will delegate representatives to actively engage with dissenting shareholders to address and collate the substantive objections and concerns, and to adapt the policy and/or report as appropriate, taking cognisance of the shareholder feedback and proposals resulting from the engagement, and as approved by the Board.

Fair and responsible remuneration

The main principles and practices that drive our commitment to fair and responsible remuneration are:

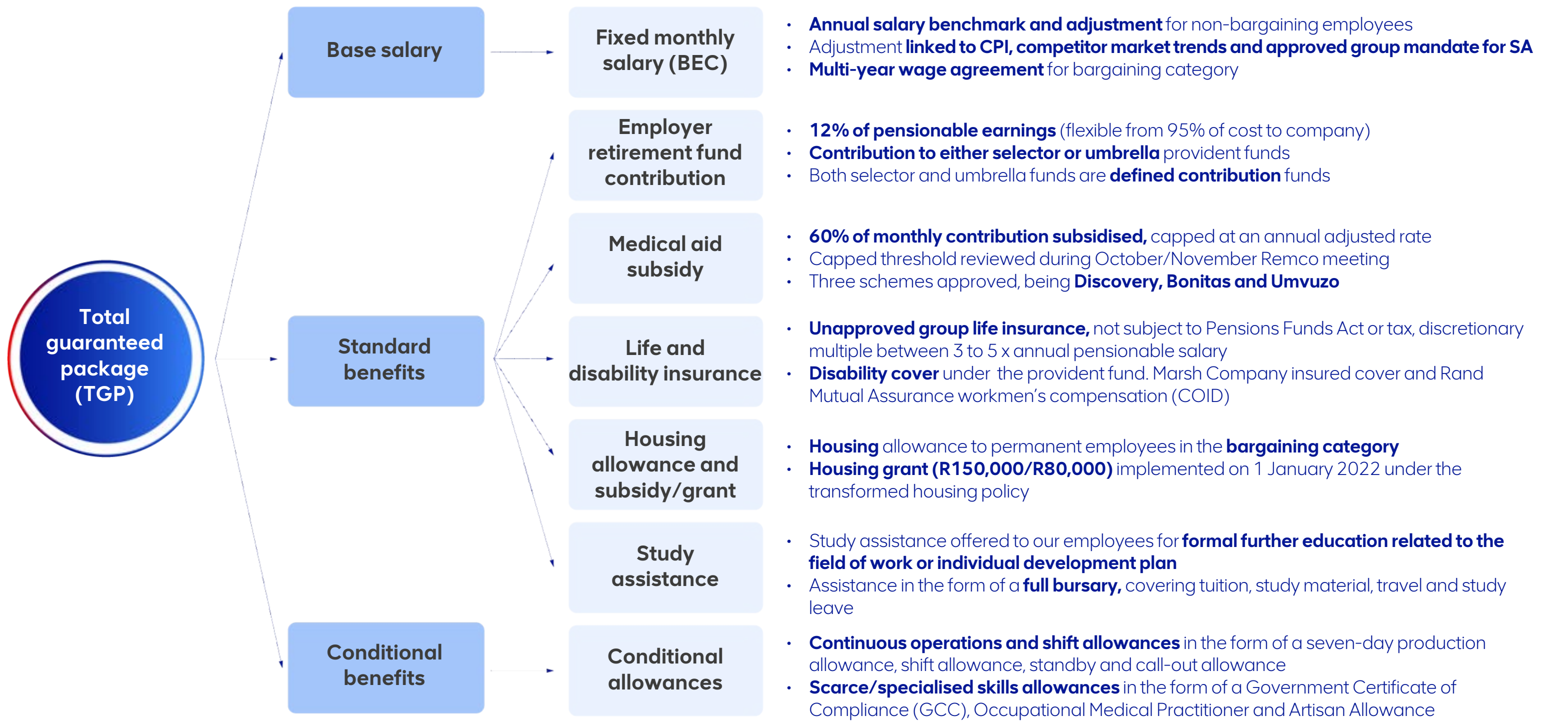
- adhering to legislative requirements and prescriptions relevant to remuneration and benefits
- undertaking an annual, external market benchmark of our remuneration package competitiveness across grading and job function/category in our industry and nationally
- reviewing and adjusting accordingly any salary anomalies lying below the comparable market median within a predetermined threshold, also taking cognisance of the internal peer group median and parity
- applying structured policies on appointment and salary movement (promotions, demotions and lateral moves), while linking salaries to functional peer group medians to address equal pay for equal work and any income disparities based on gender, race or other demographics
- ensuring that all permanent and fixed-term employees in the Company are eligible to participate in an short-term incentive (STI) scheme, as appropriate
- designing and executing HR strategic initiatives to enhance the overall employee work experience and improve the EVP offering to our employees
- driving for continuous improvement and future-proofing of our underlying employee engagement process and systems interfaces toward digitisation and mobile platforms, enabling higher efficiency and effectiveness in employee service delivery and towards the Company's future of work strategic drive for future focused skills and capabilities
- staying abreast of the latest market trends and offerings pertaining to remuneration and the remuneration mix of benefits to ensure that we remain relevant and competitive in our reward offering

Remuneration report cont.

Elements of remuneration

The key elements of our remuneration framework and structure, which guide payments to all employees, are shown below, with a focus on Executive directors and Prescribed officers.

Remuneration framework



Total guaranteed package (TGP)

Base salary

Fixed monthly salary (BEC)
- **Annual salary benchmark and adjustment** for non-bargaining employees
- Adjustment **linked to CPI, competitor market trends and approved group mandate for SA**
- **Multi-year wage agreement** for bargaining category

Standard benefits

Employer retirement fund contribution
- **12% of pensionable earnings** (flexible from 95% of cost to company)
- **Contribution to either selector or umbrella** provident funds
- Both selector and umbrella funds are **defined contribution** funds

Medical aid subsidy
- **60% of monthly contribution subsidised,** capped at an annual adjusted rate
- Capped threshold reviewed during October/November Remco meeting
- Three schemes approved, being **Discovery, Bonitas and Umvuzo**

Life and disability insurance
- **Unapproved group life insurance,** not subject to Pensions Funds Act or tax, discretionary multiple between 3 to 5 x annual pensionable salary
- **Disability cover** under the provident fund. Marsh Company insured cover and Rand Mutual Assurance workmen's compensation (COID)

Housing allowance and subsidy/grant
- **Housing** allowance to permanent employees in the **bargaining category**
- **Housing grant (R150,000/R80,000)** implemented on 1 January 2022 under the transformed housing policy

Study assistance
- Study assistance offered to our employees for **formal further education related to the field of work or individual development plan**
- Assistance in the form of a **full bursary,** covering tuition, study material, travel and study leave

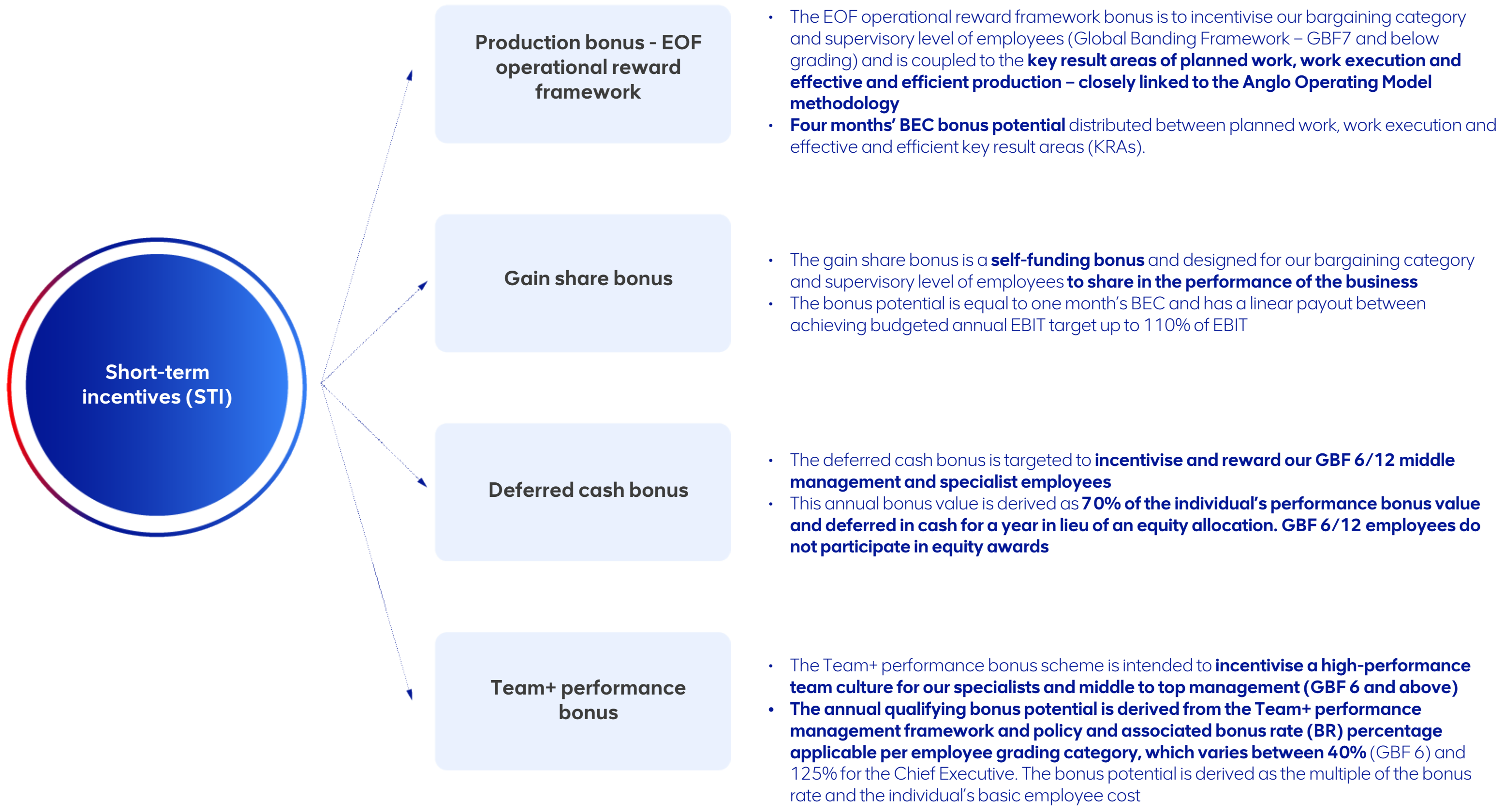
Conditional benefits

Conditional allowances
- **Continuous operations and shift allowances** in the form of a seven-day production allowance, shift allowance, standby and call-out allowance
- **Scarce/specialised skills allowances** in the form of a Government Certificate of Compliance (GCC), Occupational Medical Practitioner and Artisan Allowance

Diagram A – TGP elements

The strategic purpose of TGP is:
- to attract, motivate and retain high-calibre, talented and productive employees in a competitive market and to recognise their skills, experience and contribution to the Company's values
- ensuring that pay is competitive in the industry and is market-related
- being able to comply with legislative provisions and negotiated contractual commitments
- to reinforce and enhance the principle that employees are the key stakeholders of Kumba
- to ensure an appropriate and flexible benefit mixes (retirement fund, medical aid, medical aid gap cover, group life, etc.) to best serve our employees' dynamic lifestyle and needs at different life stages

The eligibility for conditional allowance benefits is dependent on the scarcity of skills, job-specific roles, responsibilities and legislative requirements.



Short-term incentives (STI)

Production bonus - EOF operational reward framework
- The EOF operational reward framework bonus is to incentivise our bargaining category and supervisory level of employees (Global Banding Framework – GBF7 and below grading) and is coupled to the **key result areas of planned work, work execution and effective and efficient production – closely linked to the Anglo Operating Model methodology**
- **Four months' BEC bonus potential** distributed between planned work, work execution and effective and efficient key result areas (KRAs).

Gain share bonus
- The gain share bonus is a **self-funding bonus** and designed for our bargaining category and supervisory level of employees **to share in the performance of the business**
- The bonus potential is equal to one month's BEC and has a linear payout between achieving budgeted annual EBIT target up to 110% of EBIT

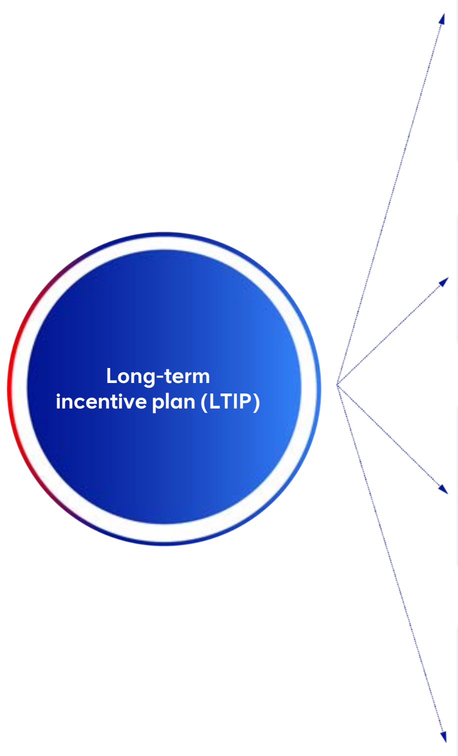
Deferred cash bonus
- The deferred cash bonus is targeted to **incentivise and reward our GBF 6/12 middle management and specialist employees**
- This annual bonus value is derived as **70% of the individual's performance bonus value and deferred in cash for a year in lieu of an equity allocation. GBF 6/12 employees do not participate in equity awards**

Team+ performance bonus
- The Team+ performance bonus scheme is intended to **incentivise a high-performance team culture for our specialists and middle to top management (GBF 6 and above)**
- **The annual qualifying bonus potential is derived from the Team+ performance management framework and policy and associated bonus rate (BR) percentage applicable per employee grading category, which varies between 40%** (GBF 6) and 125% for the Chief Executive. The bonus potential is derived as the multiple of the bonus rate and the individual's basic employee cost

Diagram B – STI elements

The STI rewards employees who, as contributing members of teams, meet or exceed committed annual performance targets. The rewards aim to align the achievement of financial, operational, safety, health, environmental and company strategic and sustainability objectives at a corporate and operational or site level. The level and depth of metrics are based on the applicable STI scheme and the associated grading and sphere of control of the participating employees. The achievement of stretch targets at a company, asset (mine), functional or team levels is also encouraged by this incentivisation while allowing our employees to participate in the gains attributed to strong or exceptional company performance during the performance year.

Remuneration report cont.



ESOP (Semela)

- **All employees on GBF6/11 (specialist/middle management) and below qualify for an annual Semela ESOP free vesting unit award.** The first award was in August 2023 with a face value of R25,395.97. The annual award quantum is adjusted by CPI. The Karolo scheme was extended for an additional two years (2021 to 2022), with the option of a third year during 2022, pending the finalisation - sanctioning and implementation of the Kumba hybrid Evergreen scheme (Semela). The Karolo scheme will unwind in 2026, post the vesting of all restricted awards
- The scheme also has an evergreen in trust shareholding of circa 1.2% of the SIOC share capital on which bi-annual dividend payment-based distributions are made to qualifying participants.
- The scheme has the triple intent of **beyond compliance empowerment, retention as well as attraction.**

Deferred bonus arrangement (DBA)

- The DBA is an **annual forfeitable share award linked to the concurrent Team+ performance bonus quantum** and intended for employee on GBF5 (senior management) and above. The share award face value is 100% of the STI value.
- The **share vesting is after a tiered period of two (33.33% vesting) and three years (66.7% vesting)** from award and participants do qualify for shareholder rights during the restricted period.

LTIP - Band 4

- The LTIP is an **annual conditional grant equivalent to a face value of 80% of BEC for our Band 4 employees (prescribed officers and general manager level).**
- The **conditional grant vests at the end of a three-year performance period** and dividend equivalents are paid to the participants over the performance period on vesting, dependent on the quantum of vesting on performance testing.
- The **quantum of vesting is based on the extent to which the performance conditions have been met over the performance period.**

LTIP Executive directors

- The LTIP is an **annual conditional grant equivalent to a face value of 175% of BEC for our Chief Executive and 125% of our BEC for our Chief Financial Officer,** our two executive directors.
- The **conditional grant vests at the end of a three-year performance period** and no shareholder rights are accrued to the participant during this period.
- The **quantum of vesting is based on the extent to which the performance conditions have been met over the performance period.**
- Settled shares are held in escrow for a **two-year holding period, post vesting.** Shares are restricted from trade but the participant qualifies for all other shareholder rights and payments. A **clawback provision applies** during this period.

Diagram C – LTIP elements

Kumba's share incentive plans are structured to optimise the organisation's overall EVP position, while providing benefits that will assist the Company to attract, retain and incentivise executives and top talented employees towards sustained performance.

The plans are designed to align management and shareholder interests, and grow shareholder value. The objectives are to motivate long-term sustainable performance, and retain business-critical and top talented employees while incentivising employees towards the achievement of ambitious business transformation through the Refreshed strategy and culture programme.

Executive directors' and Prescribed officers' remuneration

When assessing the performance of the Company and its Executive directors and Prescribed officers, the Committee is mindful of its obligation to our shareholders, as elaborated in our remuneration framework. The remuneration of Executive directors and Prescribed officers consists of fixed and variable components designed to ensure that a substantial portion of the total reward remuneration package is linked to the achievement of the Company's strategic objectives, thereby aligning incentives with the creation of sustainable shareholder value.

Fixed remuneration

The total package per role is compared to levels of pay at the market median in JSE-listed companies of comparable size and complexity within the industry sector. Annual salary benchmark reviews are conducted to ensure market competitiveness and pay relevance.

The Company contributes 12% of pensionable salary to approved retirement funds. Medical aid is subsidised at 60% of the contribution to a maximum amount determined by market comparisons. Risk insurance benefits include life cover and death-in-service benefits, subject to the rules of the approved Kumba retirement funds. The Company provides additional death and disability cover to employees through its insurance risk and compensation for COID underwriting policies.

Variable remuneration

The variable remuneration of the executive directors and prescribed officers consists of cash (annual Team+performance bonus) and equity instruments (deferred bonus and long-term incentives) applied in combination and with the quantum and conditions appropriate to the scope of responsibility and contribution to operating and financial performance of the respective role.

Remuneration report cont.

The variable remuneration components of our remuneration framework can be summarised as follows for our Executive directors, Prescribed officers and senior to middle management and specialists:

Variable pay component	Instrument type	Payment/vesting	Eligibility
Team+ performance bonus	Cash	Annual cash payment in March, following the performance year under review	Executive directors, Prescribed officers, senior and middle management employees
DBA	Restricted equity awarded under the BRP rules	Unconditional vesting, subject to employment condition, with tranches vesting after two and three years, respectively	Executive directors, Prescribed officers and senior management employees
Deferred cash or equity (Band 6/12)	A once-off election between an annual cash or equity deferral of 70% of the Team+ performance bonus. Equity awarded under the BRP rules	Cash or equity deferred for one year with an unconditional vesting, subject to employment condition, after one year	Middle management employees
Khumo awards (Band 6/12)	An annual equity award with a fixed face value of R35,000 per participant. Equity awarded under the BRP rules	Unconditional vesting, subject to employment condition, vesting after two years	Middle management employees
LTIP	Restricted equity awarded under the performance share plan (performance share plan) rules	Conditional vesting after three years, with an additional two-year holding period subject to clawback provisions for the Executive directors	Executive directors, Prescribed officers and qualifying senior managers (general management level employees)

Team+ performance bonus

The Team+ performance management process focuses on individual and collective team performance driven through collaboration, with annual performance objectives set on three different team levels, being: group (all Anglo American group functions), business (Kumba corporate office and SIB projects) and asset (Sishen and Kolomela).

The annual short-term incentive scheme, underpinning Team+ performance, is based on an additive calculation formula, comprising the sum of the key result areas (business results and critical tasks) multiplied by the grading specific bonus rate. A safety deductor penalty modifier is applicable to all participating employees. The penalty modifier ranges from a 10% penalty per fatality on a business (corporate) level up to 20% at an asset (mine) level, based on the line-of sight control principle. Further to the safety deductor penalty modifier, an individual Anglo American group mandatory compliance training penalty modifier has been introduced for the 2024 performance year onward. This penalty modifier will be applied to participating individuals who have not fully complied with the completion of their assigned group mandatory compliance training by 31 December of the applicable performance year. The penalty modifier will amount to a 5% reduction of the short-term incentive payment realised for the performance year.

Following a series of feedback workshops carried out with business reward teams in 2023, some changes to the Team+ short-term incentive process for the 2024 performance year onward were approved by the Anglo American ELT in September 2023. The intent is to simplify the process and the content within the short-term incentive objectives, as well as optimising the logistics pertaining to the associated process governance. The approved outcomes reflect and embed feedback from the workshops and support some of the key principles underpinning the reconfigured business strategy. In summary, the main changes to be aware of at this time are as follows:

- Simplification of the business results key result area (financial/operational/SHE measures). The measures for the top 55% of the short-term incentive structure (financial and operational) have been simplified, with vertical and horizontal alignment sought across the Anglo American group.
- For the group financial segment, the measures have remained unchanged but have been rebased to 10% (from 12% in 2023) for the Kumba business scorecard.
- For the business financial segment, only two financial measures remain, being the EBITDA and the newly introduced sustaining attributable free cash flow measure. The ROCE and working capital days measures have been removed. The overall segment weighting has been up weighted to 40%, from 15% in 2023 for the Kumba business scorecard. The EBITDA measure is weighted at 25% for the 2024 performance year (weighted at 5% for the 2023 performance year) and the sustaining attributable free cash flow measure is 15%.
- The business operational segment measures remain the same, but the weighting distribution has been adjusted for the Kumba business scorecard. The saleable tonnes and unit cost measures have been down weighted to 5% (from 8% in 2023) and the mine compliance measure has also been down weighted to 5% (from 7% in 2023).
- For the SHE segment, there has been a redistribution of the measures weighting, with the TRIFR safety measure down weighted to 2.5% (from 5% in 2023) and the VFL time in field measure up weighted to 5% (from 2.5% in 2023). The Planned Work measure has remained unchanged from 2023. The Ecological Health measure has been renamed to the Environmental Footprint Improvement measure and refined in terms of a more granular breakdown of the underpinning Air, Land, Nature and Water pillar target details and objectives. The weighting has remained unchanged at 10% from 2023.
- Simplification of the Critical Tasks key result area: The Anglo ELT approved the following key changes to the Critical Tasks key result area for the 2024 performance year onward:
  - The maximum number of Critical Tasks is five (down from six), and the minimum is three; no sub-tasks with separate weightings are to be included.
  - There will be much greater alignment between the Regional Director, Africa and Australia's Critical Tasks and the Kumba Business Critical Tasks.
  - The Regional Director, Africa and Australia is to formally approve the Kumba Business Critical Tasks with only light touch ratification by the Anglo American ELT. Final review and approval is within the remit of the Kumba Remco.
  - The Critical Task weightings are finalised towards the end of the Critical Task process and proposed by Group Performance and Reward and the Anglo American Chief Executive's office to align with weightings applied at the ELT level.
  - The Critical Tasks scoring has been refined and updated as follows (effective for 2023 Team+performance scorecard assessment process onwards):
    - 100% for full achievement: work and associated benefits fully delivered
    - 75% for substantive achievement: majority of the work and associated benefits delivered (based on quarterly milestones and outcomes)
    - 50% for partial achievement: 50% of the work and associated benefits delivered, with clear pathway to full delivery
    - for any level of delivery below 50%, the score will be zero
- The critical tasks segment has been down weighted to 15% for the 2024 performance year (from 30% in the 2023 performance year) for the Business scorecard.

The following table is a synopsis of the changes in effect for the 2024 performance year for the Kumba Business scorecard.

Key result area categories	Fixed/actual	Unit	2024 points allocation - business scorecard	2023 points allocation - business scorecard
Anglo American group financial (apply overall vesting % of group financials)			10.00	12.00
EPS	Fixed	cents per share (cps)	10.00	4.00
EPS	Actual	cps		4.00
Sustaining attributable free cash flow	Fixed	US$m		4.00
Business financial			40.00	15.00
EBITDA	Fixed price/FX	US$m	25.00	5.00
Sustaining attributable free cash flow	Actual	US$m	15.00	N/A
ROCE	Actual	%	N/A	5.00
Working capital days	Actual	Days	N/A	5.00
Business operational			15.00	23.00
Saleable production	N/A	Mt	5.00	8.00
Unit cost	Fixed FX	FOB US$/tonne	5.00	8.00
Mine compliance	N/A	%	5.00	7.00
Safety, health and environment			20.00	20.00
Critical tasks			15.00	30.00
Scorecard total			100.00	100.00

Remuneration report cont.

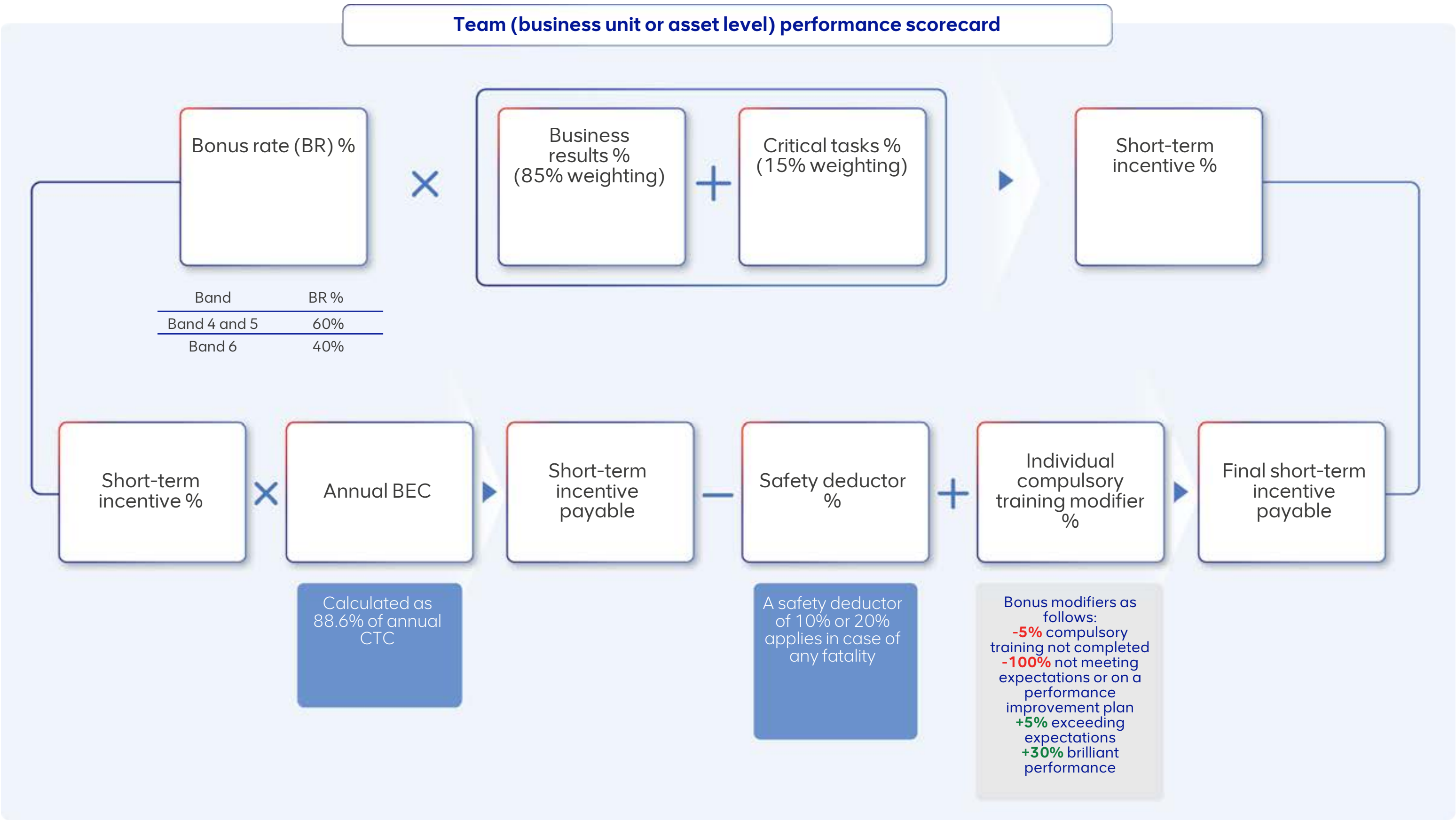


Diagram D – Team+ bonus calculation methodology

Diagram D is a diagrammatic representation of the Team+ performance short-term incentive calculation methodology that has been applicable for the 2024 performance year.

Strategic performance objectives are set for the performance year in the business results and critical tasks key result areas, with targets cascaded over the three-team performance levels. The key results areas are expounded as follows:

- Business results – measure achievements at the business unit (BU) or asset level and at the group level for those in group functions. They are the key output metrics for the performance year – such as financial, operational, safety, health and environmental key strategic measures. This key result area comprises 85% (for the 2024 performance year onward) of the short-term incentive potential.
- Critical tasks – comprises programmes and initiative deliverables that the group function, BU or asset must deliver during the performance year to be successful in the performance delivery transformation of the BU – for the performance year and future years. This key result area comprises 15% (for the 2024 performance year onward) of the short-term incentive potential.

The short-term incentive payment realised for any performance year is differentiated by the participative team (group, BU or asset level) performance against their respective scorecard set objectives, individual grading bonus rate, annual basic employment cost and lastly any penalty modifiers applicable.

Based on feedback from our employees and the larger Anglo American group, it became clear that there are elements of the Team+ performance management process that are not working as intended and are, in some instances, counter-productive. These insights have provided the organisation with the opportunity to make some changes to truly drive the optimisation of business outcomes across the group, underpinned by individual accountability and contribution, closely linked to the work on culture and leadership behaviours. Kumba implemented light touch "no-regret" changes in response to the feedback received for the 2024 performance year and this can be viewed as a first step in the longer-term plan with longer-term changes in the pipeline for 2025.

The new approach to performance management aligns and supports our current priority of embedding a high-performance culture across Kumba, with leaders being encouraged to take accountability for the performance of their teams and individuals being supported to drive their own individual performance targets. It allows for poor performance to be addressed and for individuals to be recognised and potentially rewarded for exceptional performance. The changes focus primarily on the reintroduction of an individual performance assessment. This will enable the business to make crucial people and organisation decisions on areas such as career development, succession planning, team collaboration and the management of poor performance and underperformance. It will also provide data that can be used to understand the "people performance story" across the business. The impact on leadership behaviours will ultimately drive the sustainability of our business performance.

An individual short-term incentive element has been introduced as of the 2024 performance year, not linked to the Team+ scorecard performance rating, but applied at line manager discretion with a cost-neutral impact overall, ensuring high performance is recognised and underperformance is addressed and managed. Leaders will have the discretion to adjust individual short-term incentive outcomes at the year end, based on a holistic view of what team members have delivered and how they have delivered it. A mandatory short-term incentive deduction for significant underperformance, and where the employee is on a Performance improvement plan (PIP), will be effected.

Longer-term changes, and for introduction in 2025, have been worked through and proposed during 2024. Kumba will have representatives on the Anglo American global working committee to provide input into and feedback on the longer-term changes. It is envisaged that the longer-term changes will focus more on potential reward outcomes associated with good or poor behaviour, such as the ability to make discretionary salary increases for exceptional performance.

Remuneration report cont.

2024 Long-term incentive plan (granted under the performance share plan rules)

The purpose of the LTIP is to incentivise, attract and retain high-performing employees as part of the Company's EVP. Awards are subject to underlying LTIP performance conditions which are measured over a three-year period. These conditional vesting performance measures are reviewed and evaluated annually by the Remco. The Remco considers the key business value and ESG drivers in selecting metrics and the alignment of the participants' reward with long-term, sustainable value creation in setting performance targets.

Table A – Changes for the 2024 financial year LTIP grant performance conditions breakdown are summarised below, compared to the 2023 grant:

LTIP performance KRA	2024 performance weighting	2024 performance measure	2024 measure weighting	2023 performance weighting	2023 performance measure	2023 measure weighting
Relative total shareholder return (TSR)	50%	TSR – global iron ore peer group	50%	50%	TSR – global iron ore peer group	50%
Balanced scorecard of measures	50%	Financial measures – 30%		50%	Financial measures – 30%	
		Sustaining operating free cash flow - three year cumulative	15%		Sustaining operating free cash flow - three year cumulative	15%
		Attributable ROCE - three year average	15%		Attributable ROCE - three year average	15%
		ESG measures – 20%			ESG measures – 20%	
		Climate change: Absolute reduction in GHG emissions.	10%		GHG reduction - renewable energy production	8%
		GISTM Objective 1 Facilities: Full compliance with GISTM.	5%		Ethical value chains - recognised responsible mine certification	6%
		GISTM Objective 2 Facilities: Compliance with GISTM based on self-assessment.	5%		Social responsibility - local procurement expenditure	6%

Promoting long-term executive share ownership

Aligned with the Anglo American group, and based on investor feedback, an in-post shareholding requirement for Kumba's Chief Executive equal to 200% of salary was introduced in 2020. No post-exit shareholding requirements are currently being contemplated.

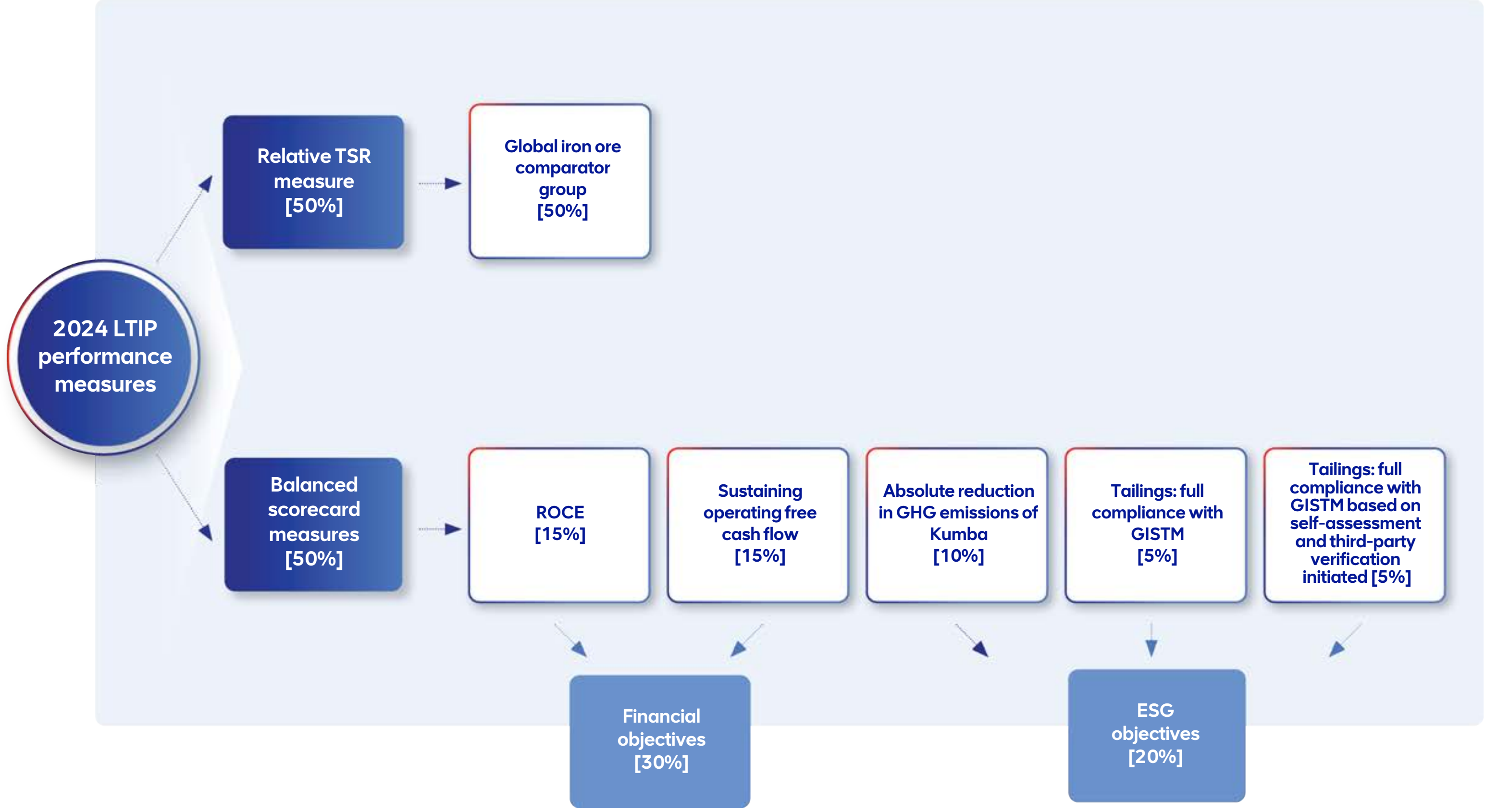


Diagram E – 2024 LTIP award underpinning performance condition breakdown

The TSR measure, linked to a global iron ore comparator group, has been retained from the 2 November 2022 Remco decision to rationalise the relative TSR measure to a single measure up weighted to 50% for the 2023 LTIP award. The 2024 balanced scorecard measures proposed have remained the same for the financial objectives segment of the scorecard, but the ESG objectives segment measures have been amended and reduced to align with the Anglo American plc group 2024 LTIP grant conditions.

For 2024, two ESG measures have been proposed within a combined 20% weighting, which is a reduction on the three measures included in the 2023 LTIP grant. The ESG measures for the 2024 LTIP grant, as with prior years, have been aligned with the identified pathways for the achievement of the SMP goals, supporting the Anglo American group ESG strategy. The measures selected for the 2024 LTIP grant are across the two critical, ESG areas that have been identified as a priority internally for the Anglo American group as well as among external stakeholders:

i. absolute GHG emissions
ii. compliance with GISTM standards

Remuneration report cont.

The below table (Table B) shows the details of the 2024 LTIP award performance conditions, targets and vesting quantum schedule.

Table B – 2024 LTIP award performance conditions, targets and vesting schedule

Performance indicator	% of allocation subject to indicator	Performance indicator	% of allocation subject to indicator	Below threshold target	Threshold target	Stretch target
TSR achieved	50%	Global iron ore comparator group	50%	Below peer group median TSR	Median TSR of the peer group	Upper quartile TSR of the peer group
		Vesting schedule		0%	25%	100%
Balanced scorecard	50%	Attributable ROCE – three-year average	15%	<12.00%	12.00%	20.00%
		Vesting schedule		0%	25%	100%
		Sustaining operating free cash flow – three-year cumulative	15%	<R42,817m	R42,817m	R47,324m
		Vesting schedule		0%	25%	100%
		Climate change: Absolute reduction in GHG emissions	10%	<0.143 $MtCO_2e$	0.143 $MtCO_2e$	0.178 $MtCO_2e$
		Vesting schedule		0%	25%	100%
		GISTM Objective 1 facilities: Full compliance with GISTM	5%	<80% compliance	80% compliance	≥95% compliance
		Vesting schedule		0%	25%	100%
		GISTM Objective 2 facilities: Compliance with GISTM based on self-assessment	5%	<80% compliance	80% compliance	≥95% compliance
		Vesting schedule		0%	25%	100%

Executive directors' and Prescribed officers' 2024 remuneration policy

The following section provides a comprehensive overview of the executive directors' and prescribed officers' remuneration policy applicable to the 2024 financial year.

Executive directors' and Prescribed officers' package design and total remuneration opportunity at different levels of performance

The following charts illustrate the pay mix distribution of the Chief Executive (Chart 1), Chief Financial Officer (Chart 2) and the prescribed officers (Chart 3) at threshold, on-target and stretch performance for 2023.

Key assumptions

Total remuneration component	Threshold	On-target	Stretched
TGP	2024 basic salary, benefits and pension	2024 basic salary, benefits and pension	2024 basic salary, benefits and pension
Bonus awards (cash and deferred equity) – Chief Executive	25% of maximum bonus opportunity	62.5% of maximum bonus opportunity	100% of maximum bonus opportunity
Bonus awards (cash and deferred equity)	25% of maximum bonus opportunity	62.5% of maximum bonus opportunity	100% of maximum bonus opportunity
LTIP awards	25% of award vesting	62.5% of award vesting	100% of award vesting

Chart 1: Chief Executive pay mix distribution with performance

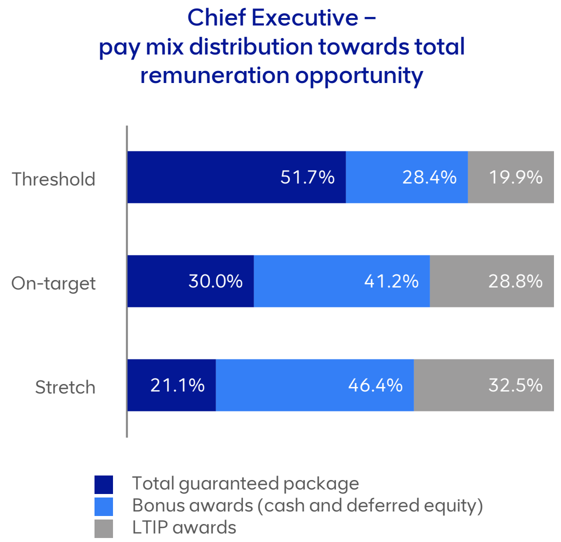


Chart 2: Chief Financial Officer pay mix distribution with performance

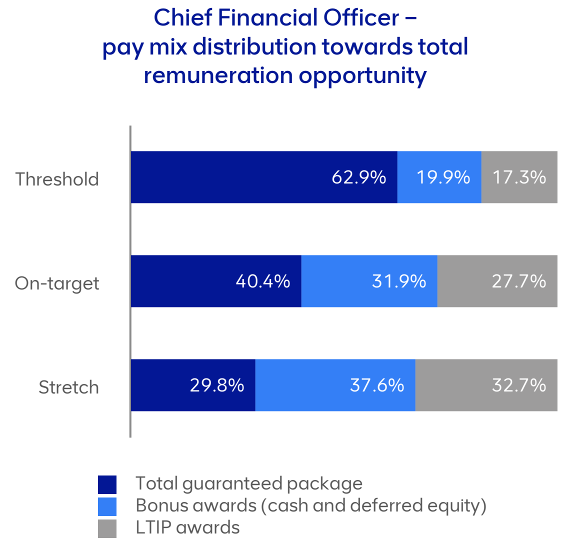
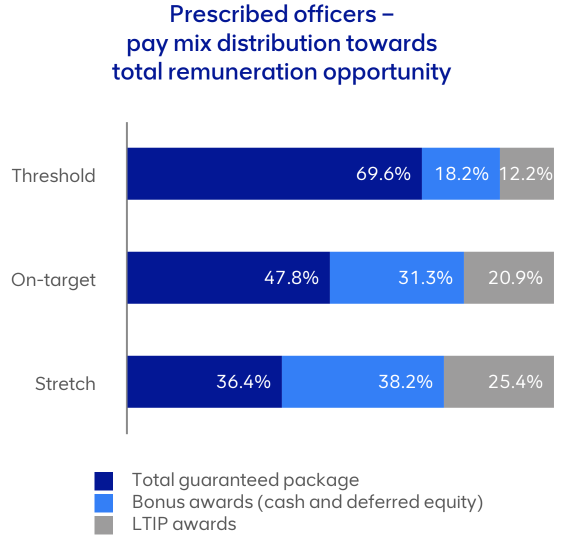


Chart 3: Prescribed officers' pay mix distribution with performance



Remuneration report cont.

Changes to the Executive directors' remuneration policy for 2024

The current Executive directors' remuneration policy continues to be effective, with no changes having been effected during 2024.

Executive directors' and Prescribed officers' contracts of employment

Executive directors and Prescribed officers are not employed on fixed-term contracts but have standard employment contracts with notice periods of up to six months. The Chief Executive, Mpumi Zikalala's contract has a restraint of trade provision for a period of 12 months after the termination of her employment. There are no additional payments for any of the restraint obligations as the Chief Executive's remuneration is deemed fair and reasonable compensation, inclusive of the restraint obligations.

There is no restraint of trade provisions applicable to the Chief Financial Officer and Prescribed officers. No restraint payments have been made during this year. There are no change of control provisions or any provisions relating to payment on termination of employment.

Appointments of Executive directors and Prescribed officers

Appointments are subject to approval by the Board and are governed by the business integrity policy.

Non-executive directors' fees

Non-executive directors do not have employment contracts with the Company or participate in any of the Company's incentive plans. Non-executive directors are subject to retirement by rotation and re-election by shareholders in accordance with the MoI of the Company.

Recommendations on the level of fees payable to Non-executive directors, are made by Remco and are approved by the shareholders. A third-party, external remuneration advisory service provider utilises the same comparator group of South African JSE-listed industry peer companies utilised for our Executive directors to benchmark the remuneration of the Non-executive directors. The JSE-listed industry comparator peer group review is based on the general principle that the constituents should be comparable in terms of size and complexity. The measures that are utilised to assess size are:

- market capitalisation
- revenue
- total assets under control
- number of employees.

Complexity, being harder to measure, is based on a subjective assessment of:

- number of operations
- complexity and diversity of operations (in mining, for example, exploration, development, extraction, processing, marketing and beneficiation, single or multiple commodities)
- number of international jurisdictions

It is generally advisable to use the same comparator group unless there is a significant change in the size, complexity, or business composition of a company. As per established practice, a detailed review of the comparator group is done every three years, or if any significant market changes have occurred since the last review.

The benchmarks of the Non-executive directors' fees are based on the published policy fees by role, sourced from the notices of meeting or the annual integrated reports of the comparators. The benchmarks are provided on the basis of the policy fees per role, as well as per incumbent, based on their roles and the Board committees of which they are members.

An across-the-board inflationary increase of 6.0% was approved for the Non-executive directors by shareholders in 2024, aligned with the adjustment sanctioned by the Remco for the executive directors and the non-bargaining employees.

Non-executive directors' fees are not dependent on meeting attendance. There are no other supplementary fees payable. Annual fees payable to Non-executive directors were approved by shareholders at the AGM on 28 May 2024. The fees are as follows:

2024 fees per annum (Rand)

Capacity	Chairperson	Member
Board of directors[1]	2,120,159	404,390
Lead independent director	1,511,242	N/A
Audit Committee	449,440	224,720
Strategy and Investment Committee	385,840	198,432
Social, Ethics and Transformation Committee	385,840	198,432
Human Resources and Remuneration Committee	418,912	209,456
Nominations and Governance Committee[1]	N/A	198,432
Safety, Health and Sustainable Development Committee[1]	385,840	198,432
Special Board sub-committee[2]	385,840	198,432

[1] The Nominations and Governance Committee is chaired by the Chairperson of the Board and there are no additional fees paid for this responsibility. He is also a member of the Human Resources and Remuneration Committee and chairs the Safety, Health and Sustainable Development Committee. He attends all other committee meetings. He does not receive any additional remuneration in this regard.

[2] To provide for an ad hoc sub-committee should this be required.

Section three: Disclosure on implementation of policies for the financial year

Guaranteed pay adjustments

Inflationary salary adjustments for 2024

An inflation adjustment mandate of 5.0% to the CTC (base salary plus employer retirement fund contribution) was approved by the Remco at the November 2024 meeting of the Committee for the non-bargaining category employees, in line with our mining peers and national benchmarks conducted, supported by an external, third-party service provider. The salary adjustment was effected on 1 January 2025.

The total reward remuneration of the executive directors is benchmarked against a comparator peer group of JSE-listed companies of comparable size and nature of operations and undertaken by a third-party external service provider. The third-party remuneration advisory service provider utilises a comparator group of South African JSE-listed industry peer companies to benchmark the remuneration of the Executive Directors. The JSE-listed industry comparator peer group review is based on the general principle that the constituents should be comparable in terms of size and complexity. The measures that are utilised to assess size are:

- market capitalisation;
- revenue
- total assets under control
- number of employees

Complexity, being harder to measure, is based on a subjective assessment of:

- number of operations
- complexity and diversity of operations (in mining, for example, exploration, development, extraction, processing, marketing and beneficiation, single or multiple commodities)
- number of international jurisdictions

It is generally advisable to use the same comparator group unless there is a significant change in the size, complexity or business composition of a company. As per established practice, a detailed review of the comparator group is undertaken every three years, or if any significant market changes have occurred since the last review. In the Committee meeting of 9 February 2024, Remco considered and sanctioned the expansion of the JSE-listed industry comparator group with the addition of AECI, Thungela, Sasol and Anglo American Platinum, to bolster the size and validity of the external benchmarking comparator group. During the benchmarking exercise for the 2025 salary adjustment, the external, independent third-party remuneration advisory service provider identified that the inclusion of both Sasol and Anglo American Platinum skewed the benchmarks significantly upwards, more specifically for the Chief Financial Officer. Based on the observed skewing of the benchmarks, the advisor proposed the exclusion of Sasol from the comparator group.

The Remco further requested that consideration be given to a supplementary benchmarking comparator group of other listed companies, based on similar size and complexity to Kumba, to provide further benchmarking validity assurance. The third-party remuneration advisory service provider performed the requested JSE size-based supplementary comparator group review based on the general principle that the non-mining constituents should be comparable in terms of size and complexity to Kumba Iron Ore. The criteria that were utilised in selecting the supplementary comparator companies were:

- market capitalisation
- single jurisdiction operating companies (for the most part, circa 70% and above)
- comparable remuneration mix towards total remuneration, thus excluding the financial services sector of companies

The JSE-listed industry comparator peer group and size-based supplementary comparator group of companies, which were proposed, reviewed, and sanctioned by the Remco, were subsequently utilised for the total remuneration benchmarking of the executive directors. This is represented in the table below:

Number	JSE-Listed industry comparator group of companies	Size-based supplementary comparator group of companies
1	African Rainbow Minerals Limited	Aspen Pharmacare Holdings Limited
2	Northam Platinum Limited	Bidvest Group Limited
3	Sibanye-Stillwater Limited	Clicks Group Limited
4	Impala Platinum Holdings Limited	Pepkor Holdings Limited
5	Exxaro Resources Limited	Mr Price Group Limited
6	Harmony Gold Mining Company Limited	The Foschini Group Limited
7	AECI Limited	AVI Limited
8	Thungela Resources Limited	Dis-Chem Pharmacies Limited
9	Anglo American Platinum Limited	Redefine Properties Limited
10		Spar Group Limited

In 2023, a multi-year collective bargaining agreement was concluded between Kumba and the representative trade unions, for the period 1 July 2023 to 30 June 2026. The CCMA-facilitated negotiations with the three recognised trade unions (NUM, AMCU and Solidarity) commenced on 9 May 2023. Although the Company proposed the consideration of a five-year wage agreement during the initial wage discussions, the trade unions had limited appetite for an extended agreement beyond three years due to the uncertainties and volatility in the macro-economic and micro-economic environment. The Company therefore continued discussions with a three-year focus.

NUM and AMCU entered into an agreement on 6 July 2023 that was effective retrospectively, from 1 July 2023. Based on representation and in accordance with section 23 (1)(d) of the Labour Relations Act, the agreement was extended to members of Solidarity, despite the trade union declaring a dispute. The agreed changes to wages and conditions of employment were also extended to all non-unionised employees and individuals employed in the bargaining category at the corporate office, SIB projects and Marketing and Logistics at Saldanha.

An internal dispute meeting was held with Solidarity on 10 July 2023, during which Solidarity accepted the extension of the agreement to its members and acknowledged that it had no legal recourse to challenge it through a formal dispute process.

The following table provides a breakdown summary per year of the agreed compounded three-year adjustment of 17.59%, within the Remco's approved mandate:

Period	Average adjustment agreed
Year 1: 1 July 2023 to 30 June 2024	6.65%
Year 2: 1 July 2024 to 30 June 2025	5.21%
Year 3: 1 July 2025 to 30 June 2026	4.80%
Three-year compounded adjustment	17.59%

Remuneration report cont.

The above increases include adjustments to basic salaries, housing allowances, 13th cheques and fixed allowances for all bargaining category employees. An average increase of 5.21% was effected on 1 July 2024, in accordance with the second year of the three-year wage agreement across the bargaining category gradings.

Annual performance incentive outcomes – linked to underlying performance

Safety performance

The safety, health and wellbeing of our people and service partners is our highest priority. During 2024, we further strengthened our safety culture and performance across the following key areas:

- Mental health and wellness enabled by a structured practices and processes approach
- The implementation of the fatal risk management framework to simplify safety protocols, ensuring that critical controls are easy to understand and apply. The number of critical controls was reduced from 119 to 51 across our top 13 safety priority events
- Continuous enhancement of contractor performance management processes and systems

Safety performance challenges in the first half were addressed through an integrated approach to safety. The Stop for Safety programme was implemented at our operations to embed a strong safety consciousness and a minimum set of safety behaviours and actions. This was underpinned by proactive and interactive engagements and initiatives focused on workplace design and safety ownership, as well as shared learnings and insights.

As a result of these interventions, Kumba's TRIFR improved by 22% from 0.98 in 2023 to 0.76 at the end of 2024. This marks the lowest TRIFR recorded since the inception of Kumba's operations. Total LTIs recorded reduced to 11 LTIs (2023: 17), resulting in a lower LTIFR of 0.49 against 0.58 in 2023. Low-energy level incidents accounted for 63% of the LTIs (2023: 88%). HPIs improved to seven during 2024 compared to 16 in 2023.

Health performance

Throughout the business reconfiguration process, our employee assistance programme provided counselling, mentoring and practical support to employees. As part of our health and wellness campaigns, employees are monitored for non-communicable diseases and programmes, including those for chronic disease and weight management have been implemented to mitigate this risk. Chronic disease reduction programmes are offered including high-morbidity diseases, such as tuberculosis (TB), cardiovascular risk and obesity.

Relative to Kumba's target of 90/90/90, for 2024, 91% of our full-time employees knew their HIV status (2023: 91%), with 100% uptake of antiretroviral therapy (ART) and a viral suppression rate of 96%. Of our service partner employees, 86% knew their HIV status, with 100% of these on ART and a 90% viral suppression rate.

In terms of our TB preventative programme, 87% of the workforce was screened and 15 new cases of non-occupational/community-acquired TB were diagnosed, with all of our workforce receiving treatment. The TB incidence rate decreased from 120 to 98 per 100,000 of the employees and service partners. This is below the Kumba target of 234 per 100,000 and below the South African national rate of 468 per 100,000 (2024 World Health Organisation data).

Innovation in technology is helping us protect the health of our employees, reduce exposure to hazards, and provide early warning. Alongside engineering solutions, a digital real-time data analytics platform was implemented to monitor environmental conditions and engineering controls in areas where exposure levels could potentially exceed safe limits. This prompts timely intervention and remedial action, resulting in a reduction in potential exposure to health hazards. Exposure to equipment emitting noise above 107decibel (dB), the legislative benchmark reduced from 13 in 2023 to zero in 2024, resulting in none of our employee of service partners being exposed to noise levels above 105dB and Kumba had no level 4 to level 5 occupational diseases cases.

Environmental performance

Healthy environment

Kumba has been aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) change framework since 2021. We consider our climate focus areas through physical risks to our people, communities and operations, including decarbonisation and the green steel value chain. Kumba's track record of zero level 3 to level 5 environmental incidents has been maintained for nine consecutive years. Physical risks are managed through a robust physical climate risk and resilience framework and the first phase of risk screening was completed at both Sishen and Kolomela, empowering our operation to manage these risks and mitigate potential impacts on our stakeholders.

Biodiversity

Kumba aims to achieve a net positive impact on biodiversity across all our operations by 2030. Over the past five years, 376 hectares (ha) were rehabilitated at Sishen and 193 ha at Kolomela. As part of the 2024 concurrent rehabilitation plans, rehabilitation targets were met at both operations and 100% compliance was achieved. Sishen reshaped 34.4 ha and seeded 39.4 ha of land, while Kolomela has reshaped 33.6 ha of land and seeded 30.0 ha. Kumba's land management programme has introduced cattle farming, indigenous game species, lodging and sustainable agriculture as some of the initiatives to derive maximum value from our land.

Climate change

In 2024, Kumba's total energy consumption decreased by 20% to 7.084 GJ (2023: 8.882 million GJ) and GHG emissions decreased by 13% to 0.839 Mt carbon dioxide equivalents (CO_2e) (2023: 0.968 Mt CO_2e). This was due to the reduction in waste mining, rightsizing of the HME fleet and the planned decrease in production. Compared to 2023, energy-use intensity decreased by 20.1% to 0.202 GJ per tonne product (2023: 0.253 GJ per tonne).

Kumba's decarbonisation pathway to 2030 aims to reduce scope 1 and scope 2 GHG emissions by 30%. The planned solar PV plant at Sishen will reduce scope 2 carbon emissions by approximately 33%. At Kolomela, renewable electricity, powered by a combination of Envusa wind and solar projects wheeled via the Eskom electricity grid, is expected to reduce scope 2 emissions by approximately 85%.

Water stewardship

Kumba adopts a risk-based approach to water management at its operations. Kumba's aim is to ensure safe mining conditions, operational excellence, regional water security and environmental sustainability. Kumba's water-positive mines supplied 17,526 ML (2023: 18,075 ML) to the broader Northern Cape region for domestic and industrial consumption. At Sishen. previous investment in the dewatering infrastructure and maintenance resulted in improved dewatering stability, which enabled increased water diversions. Kolomela's diversions are expected to improve in 2025 following the completion of maintenance on key water infrastructure and installation of new boreholes to stabilise the dewatering process.

The Vaal Gamagara Water Supply Scheme pipeline capacity constraint continues to present one of the greatest challenges in achieving Kumba's fresh water withdrawal and diversion target. Kumba remains committed to finding opportunities to overcome this challenge, including collaborating with a broader network of private and public stakeholders. In line with this commitment, Kumba will be updating the regional water balance during 2025 and will continue the work on the Khumani water transfer project. This project seeks to divert water to a neighbouring mine, and good progress has been made in executing the technical studies required for the licensing of an inactive mine pit for water storage.

Tailings storage facilities (TSFs)

Kumba manages four TSFs, including one active facility at Kolomela, which was constructed to final height, and three upstream constructed dams at Sishen, of which only one TSF (Sishen dam 1-4) is active.

As a member of the ICMM through Anglo American, Kumba is preparing to attain full compliance by the end of 2027 for the active Sishen TSF, which is rated as having "extreme" potential consequences under the GISTM. The GISTM disclosure report for Sishen Dam 1-4 was first published on the Kumba website on 5 August 2023 and in August 2024. The two dormant TSFs at Sishen and the active TSF at Kolomela are rated as having a "high" potential consequence under the GISTM. In line with ICMM commitments, plans are in place for these three TSFs to achieve full GISTM compliance by August 2025.

Social and community responsibility

Kumba spent R17.3 billion (2023: R22.9 billion), with qualifying B-BBEE entities, of which host community-owned businesses accounted for R3.9 billion (2023: R6.6 billion). Kumba also facilitated 3,048 jobs across a number of sectors outside of the mining industry including agriculture, livestock development, hospitality, manufacturing and tourism.

Operational and production performance

Kumba's operational reconfiguration, coupled with its operational excellence imperative, delivered positive results. Operational stability was maintained while achieving cost reduction and productivity improvements.

The value chain was reset to a lower production profile based on Transnet's demonstrated logistics capacity in 2023 and consistently aligned with logistics performance during the year. As a result, total tonnes mined decreased by 27% to 197.7 Mt (2023: 271.4 Mt) and total waste stripping by 28% to 155.7 Mt (2023: 216.8 Mt).

Operational stability was achieved through increased mining equipment availability and utilisation. Overall equipment effectiveness improved by 4%, resulting in an 11% improvement in the availability of the haul trucks. This was underpinned by our maintenance reliability improvement programme, operator performance, and optimisation of our HME fleet capacity. These improvements, together with disciplined execution, delivered a solid operational performance and healthy high-grade plant feedstock, ensuring production flexibility.

While the revised mine plan resulted in Sishen's waste mining decreasing by 18% to 133.9 Mt (2023: 163.8 Mt) and the waste stripping ratio increasing to 4.4 (2023: 3.8), a significant step-up was achieved in Sishen's haul truck fleet operational efficiencies. This improvement, compared to the performance in 2023, resulted in increased operating time of between 15% and 20%, while improving diesel consumption efficiency.

At Kolomela, high-margin mining areas were prioritised while production was maintained at the level required for rail volumes and retaining the life-of-asset profile. Given this imperative, waste mining decreased by 59% to 21.8 Mt (2023: 53.0 Mt) and the waste stripping ratio by 60% to 1.8 (2023: 4.5), resulting in significant operational efficiencies.

Total production for the year was consistent with lower railed volumes. As a result, total production for the year was flat at 35.7 Mt. Production at Sishen increased by 1% to 25.7 Mt (2023: 25.4 Mt) and decreased at Kolomela by 2% to 10.1 Mt (2023: 10.3 Mt).

Cost discipline performance

Kumba's business reconfiguration to align production with Transnet's constrained logistics performance and reduce its cost profile was successfully executed.

As part of reconfiguring its business, Kumba optimised its mine plan and reduced waste mining by 28% to 155.7 Mt in 2024. In parallel, Kumba rightsized its HME fleet and reduced services provided by its service partners while utilising its consumables more efficiently.

This, coupled with a focus on operational excellence, has given Kumba a robust foundation for delivering more efficient production. Kumba's improved C1 unit cost of US$39/wmt for 2024 has captured this benefit, as the business effectively reset its cost profile to 2021 levels.

Kumba's cost optimisation initiatives achieved R4.4 billion of savings, exceeding its full year 2024 target of R2.5 to 3.0 billion. This, combined with lower rehabilitation costs, higher deferred stripping and lower mineral royalties largely offset higher WIP stock movements, freight and distribution costs, as well as an increase in depreciation. As a result, the increase in total operating expenses was just 2%, well below the 4.6% increase in the consumer price index (CPI).

The cost savings achieved contributed to lower on-mine cash costs at Sishen and Kolomela.

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Sishen's cash costs improved by 10% to R531/dmt (2023: R589/dmt), well within the full-year 2024 guidance of R520 to 550/dmt. In addition to cost savings, the cost of inflation and higher WIP utilisation were more than offset by the benefit of Kumba's optimised mine plan, higher deferred stripping and a 1% increase in production to 25.7 Mt (2023: 25.4 Mt).

Kolomela's cash cost improved by 16% to R404/dmt (2023: R482/dmt), below the guidance of R410 to 440/dmt. The cost of inflation, higher WIP utilisation and the impact of a 2% decrease in production to 10.1 Mt (2023: 10.3 Mt) were more than fully offset by the positive outcome of Kumba's optimised mine plan and higher deferred stripping.

Financial performance

Kumba's financial performance in 2024 reflects the business' decision to reconfigure its business to a lower production profile, which is more closely aligned with Transnet's logistics performance. Kumba achieved this while maintaining its strategic focus on operational excellence, cost optimisation and capital discipline.

Consistent with Kumba's disciplined capital allocation framework, the business remains committed to balancing sustaining capital expenditure with shareholder returns and providing growth optionality. Kumba's capital expenditure (capex) of R9.0 billion decreased by 9% from R9.9 billion, within its full-year 2024 guidance of R8.0 to 9.0 billion. The decrease was driven by optimising Kumba's sustaining (SIB) capex and a lower expansion capex due to the completion of the Kapstevel South pit at Kolomela.

In August 2024, Kumba announced the Board's approval of a further R7.6 billion investment in its UHDMS technology project, bringing the full investment to R11.2 billion. Over the next few years, Kumba expects a disciplined increase in expansion capex to ~ R2.0 billion per annum, as the investment in its UHDMS technology is phased in. The project is expected to deliver an EBITDA margin of more than 50% and provides the option to extend Sishen's life-of-asset to 2044, presenting an exciting opportunity to create further value for Kumba's stakeholders.

Kumba maintained its discipline on cost and capital leading to cash generated from operations of R34.8 billion (2023: R38.3 billion) and an attributable free cash flow of R14.5 billion (2023: R14.9 billion).

Kumba's cost optimisation initiatives achieved R4.4 billion of savings, exceeding its full-year 2024 target of R2.5 to 3.0 billion. This, combined with lower rehabilitation costs, higher deferred stripping and lower mineral royalties largely offset higher WIP stock movements, freight and distribution costs, as well as an increase in depreciation. As a result, the increase in total operating expenses was just 2%, well below the 4.6% increase in the consumer price index (CPI). Kumba's C1 unit cost improved by 5% to US$39/ wmt from US$41/wmt in 2023.

The progress made on cost performance proved beneficial as lower iron ore prices, a decrease in sales volumes due to rail constraints, as well as a stronger Rand/US$ exchange rate further tested Kumba's financial resilience. Given these elements, Kumba delivered an adjusted EBITDA of R28.1 billion (2023: R45.7 billion) and an adjusted EBITDA margin of 41% (2023: 53%).

2024 performance scorecard for the Exco – performance against targets

Aligned with the Anglo American Team+ performance management approach, Exco was assessed against the business performance scorecard, set forth for Kumba. The Chief Executive was assessed against her personal scorecard, aligned with the Kumba business performance scorecard objectives, but also reflecting her committed strategic – (10% of the scorecard) and personal objectives (5% of the scorecard) for the 2024 performance year.

The underlying Kumba Team+ business performance scorecard comprises two key result areas:

- **Business Results** – Measure achievements at the business or asset level and at the group level for those in group functions. Business Results comprise the key output metrics for the performance year under review – such as financial, operational, safety, health, and environmental key performance measures. This key result area comprises 85% of the overall short-term incentive potential.
- **Critical Tasks** – Programmes, projects and initiatives that the business, asset or group function must deliver during the performance year to be successful in the strategic and sustainable transformation of the business – for the performance year under review and in future years. This key result area comprises 15% of the overall short-term incentive potential.

The 2024 Team+ performance against scorecard objectives was reviewed and assessed based on the following cascading process:

- **Business Results** – The Kumba business scorecard was reviewed and assessed by the Anglo American Corporate Committee and ratified by the Anglo American ELT. The final scoring was communicated to Remco for final review, consideration and approval.
- **Critical Tasks** – The adjudication of the critical tasks segment of the Kumba business scorecard is comparable to the business results segment, but as the critical tasks KRA objectives are interwoven with the strategic and personal objectives of the Chief Executive Officer, this section of the scorecard is assessed independently for the Kumba Chief Executive Officer by the Chairperson of the Kumba Board and the Anglo American Regional Director, Africa and Australia, prior to final review, consideration and ratification by Remco as per their mandate from the Board.

As Kumba had no fatalities during the 2024 performance year, no safety deductor penalty modifier is applicable to the 2024 short-term incentive payment of the Executive Committee and Company Secretary.

An individual short-term incentive element has been introduced as of the 2024 performance year, not linked to the Team+ scorecard performance rating, but applied at line manager discretion with a cost neutral impact overall, ensuring high performance is recognised and underperformance is addressed and managed. The Chief Executive assisted by the Executive Head of People and Organisation has the discretion to adjust individual short-term incentive outcomes at the year end, based on a holistic view of what individual team members have delivered and how they have delivered it during the performance year, and following a detailed multi-level performance calibration process advising a four-point rating scale. A mandatory short-term incentive forfeiture (100% forfeiture) for significant underperformance (1 rating – "below expectations") and where the employee is on a performance improvement plan (PIP) will be effected. A short-term incentive payment quantum uplift of 30% for "brilliant" rated individuals (4 rating) and a 5% uplift for "exceeding expectations" rated individuals (3 rating) for the 2024 performance year has been sanctioned by the Chief Executive and subsequently reviewed and approved by the Remco. The Chief Executive is excluded from the performance calibration process in effect for the Executive Committee and all employees participating in the Team+ performance management and short-term incentive process.

2024 performance incentive sanctioned adjustments

One financial and one operational target/objective for the 2024 performance year have been adjusted considering external, uncontrollable events that had a direct bearing on the achieved performance outcome of these impacted measures, being:

- The rail and port logistics underperformance attributable to multiple logistical disruptions because of derailments, cable theft on the Transnet rail line, port equipment failures and adverse weather conditions impacting ship-loading at the Saldanha Bay port. The logistical constraints resulted in full production beds at the operations, which adversely impacted upstream mining and production operations, further compounded by export sales volumes being hampered due to constrained finished stock levels at the Saldanha Bay port and ship-loading disruptions
- Working capital opening balance adjustments, taking into account that an adjustment on budget was not brought into effect at the beginning of the performance year

The adjustments were tabled to, and sanctioned by, the Anglo American ELT and subsequently by the Kumba Remco. The related adjustments were effected for the following financial and operational performance measures:

- Sustaining attributable free cash flow: The target objective was adjusted for working capital opening balance adjustments. The adjusted score for the measure, weighted at 15%, increased by 1.66%, adding 0.24 points for the Kumba Business scorecard.
- Saleable production: The target objective was adjusted for product volumes. The adjusted score for the measure, weighted at 5%, increased by 48.45% adding 1.04 points for the Kumba Business scorecard.

The adjustments were sanctioned for all Kumba employees participating in the annual performance incentive scheme, including the Chief Executive and Chief Financial Officer.

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2024 performance scorecard for the Exco – performance against targets

Weighting		Weighting	Level achieved	Percentage achieved	Points awarded
Group financial targets					
10	EPS Anglo American group at fixed prices	10.0	> Threshold on EPS measures and > Target for SAFCF	63.57	6.36
	EPS Anglo American group at actual prices				
	Sustaining attributable free cash flow at fixed prices				
Business – financials					
40	EBITDA at fixed prices (adjusted for price/exchange rate)	25.0	> Threshold	57.76	14.44
	Sustaining attributable free cash flow	15.0	> Target	98.37	14.76
	Sustaining attributable free cash flow - adjusted target	15.0	> Stretch	100.00	15.00
Business – operational					
15	Saleable production	5.0	> Threshold	43.06	2.15
	Saleable production – adjusted target	5.0	> Target	63.92	3.20
	Kumba C1 unit cost at fixed exchange rate	5.0	> Threshold	32.43	1.62
	Mine compliance (budget spatial compliance)	5.0	> Stretch	100.00	5.00
Safety, health and environment					
20	Safety – Injuries - TRIFR reduction	2.5	> Stretch	100.00	2.50
	Operational excellence in safety – planned work: focus on percentage of planned vs. unplanned maintenance	2.5	At Stretch	100.00	2.50
	Operational excellence in safety – number of VFL interventions in the field.	5.0	> Stretch	100.00	5.00
	Ecological health - percentage reduction in environmental footprint, based on a holistic assessment of the four pillars of ecological health (land, air, water and nature)	10.0	3 of the 4 pillar targets achieved	75.00	7.50
Critical tasks					
15	Critical Task 1 - Implementation of fatal risk management (critical controls framework) schedule adoption post the Australia pilot learnings outcome	3.0	Substantive achievement	75.00	2.25
	Critical Task 2 - De-risking Kumba from the Transnet risk by defining the pathway by June 2024 and implementing as per the plan: 1. Defining a pathway of a PSP with Transnet and investigating alternative routes to market for iron ore (export or domestic) 2. Finalise the framework for the Sishen contract renegotiation	4.0	Substantive Achievement	75.00	3.00
	Critical Task 3 - Deliver B-BBEE Level 5 through accelerating transformation and diversity agenda.	3.0	Full achievement	100.00	3.00
	Critical Task 4 - Deliver the business reconfiguration as per the phased implementation programme towards the US$25/tonne margin improvement and progress the approval of the UHDMS project	5.0	Substantive achievement	75.00	3.75
Overall performance rating – unadjusted targets				**73.83%**	
Overall performance rating – adjusted targets				**75.11%**	

2024 performance scorecard for the Chief Executive – performance against targets

The 2024 performance scorecard for the Chief Executive has been designed to encompass the key strategic objectives of the Company for the performance year under review and has been done in coordination with Anglo American Group Performance and Reward to ensure alignment with the group's objectives and the Anglo American Regional Director, Africa and Australia's scorecard objectives, as relevant to the business.

It was agreed at the 14 May 2024 meeting of the Remco that the changes made at the Kumba business level scorecard should also be reflected within the 2024 bonus scorecard for the Kumba Chief Executive, given the importance of alignment across business and performance outcomes. This approach aligns with that of the other Business/Country Chief Executives within the Anglo American group, the logic being that these Chief Executives (and their leadership teams) should primarily be rewarded by reference to their own business' performance, which is within their control, with recognition of their impact on the wider Anglo American group's performance within the 10 points allocated to the Anglo American plc's financial performance.

The following is a table summarising the changes in the key result area weighting for the Chief Executive scorecard from 2023 to 2024 onward, as approved by the Remco at its meeting of 14 May 2024.

Chief Executive scorecard key result area	2023 scorecard weighting	2024 onward scorecard weighting
Anglo American plc financial performance metrics	20%	10%
Kumba business financial and operational performance metrics	30%	55%
Kumba business SHE performance metrics	20%	20%
The Chief Executive's strategic objectives	20%	10%
The Chief Executive's personal objectives	10%	5%
Chief Executive scorecard total	100%	100%

Performance against target for the Chief Executive for the 2024 performance year has been independently reviewed, assessed, and scored by the Kumba Chairperson of the Board and the Anglo American Regional Director, Africa and Australia, with specific relevance to the Chief Executive's strategic and personal objectives. As Kumba had no fatalities during the 2024 performance year, no safety deductor penalty modifier is applicable to the 2024 short-term incentive payment. The 2024 performance scoring for the Chief Executive is expounded in the table on the next page.

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2024 performance scorecard for the Chief Executive – performance against targets

Weighting			Weighting	Level achieved	Percentage achieved	Points awarded
Group performance						
10	EPS Anglo American group at fixed prices EPS Anglo American group at actual prices Sustaining attributable free cash flow at fixed prices		10.0	> Threshold on EPS measures and > Target for SAFCF	63.57	6.36
Business performance						
55	EBITDA at fixed prices (adjusted for price/exchange rate)		25.0	> Threshold	57.76	14.44
	Sustaining attributable free cash flow		15.0	> Target	98.37	14.76
	Sustaining attributable free cash flow - adjusted target		15.0	> Stretch	100.00	15.00
	Saleable production		5.0	> Threshold	43.06	2.15
	Saleable production – adjusted target		5.0	> Target	63.92	3.20
	Kumba C1 unit cost at fixed exchange rate		5.0	> Threshold	32.43	1.62
	Mine compliance (budget spatial compliance)		5.0	> Stretch	100.00	5.00
Safety, health and environment						
20	Safety – Injuries - TRIFR reduction		2.5	> Stretch	100.00	2.50
	Operational excellence in safety – planned work: focus on percentage of planned vs. unplanned maintenance		2.5	At Stretch	100.00	2.50
	Operational excellence in safety – number of VFL interventions in the field		5.0	> Stretch	100.00	5.00
	Ecological health - percentage reduction in environmental footprint, based on a holistic assessment of the four pillars of ecological health (land, air, water and nature)		10.0	3 of the 4 pillar targets achieved	75.00	7.50
Strategic objectives						
10	Operational excellence	Safety leadership programmes	1.0	Refer to detail on the right	75.00	0.75
		Pathway to a sustainable Kumba	5.0	Refer to detail on the right	75.00	3.75
		De-risking Kumba's logistics value chain	2.0	Refer to detail on the right	75.00	1.50
	Portfolio simplification and growth	Pathway towards decarbonisation and growth	2.0	Refer to detail on the right	75.00	1.50
Personal objectives						
5	Operational excellence	Leadership excellence and diversity	2.0	Refer to detail on the right	100.00	2.00
		Government, shareholder, employee and customer interests	2.0	Refer to detail on the right	75.00	1.50
		Social and SMP	1.0	Refer to detail on the right	100.00	1.00
Overall performance rating – unadjusted targets					73.83%	
Overall performance rating – adjusted targets					75.11%	

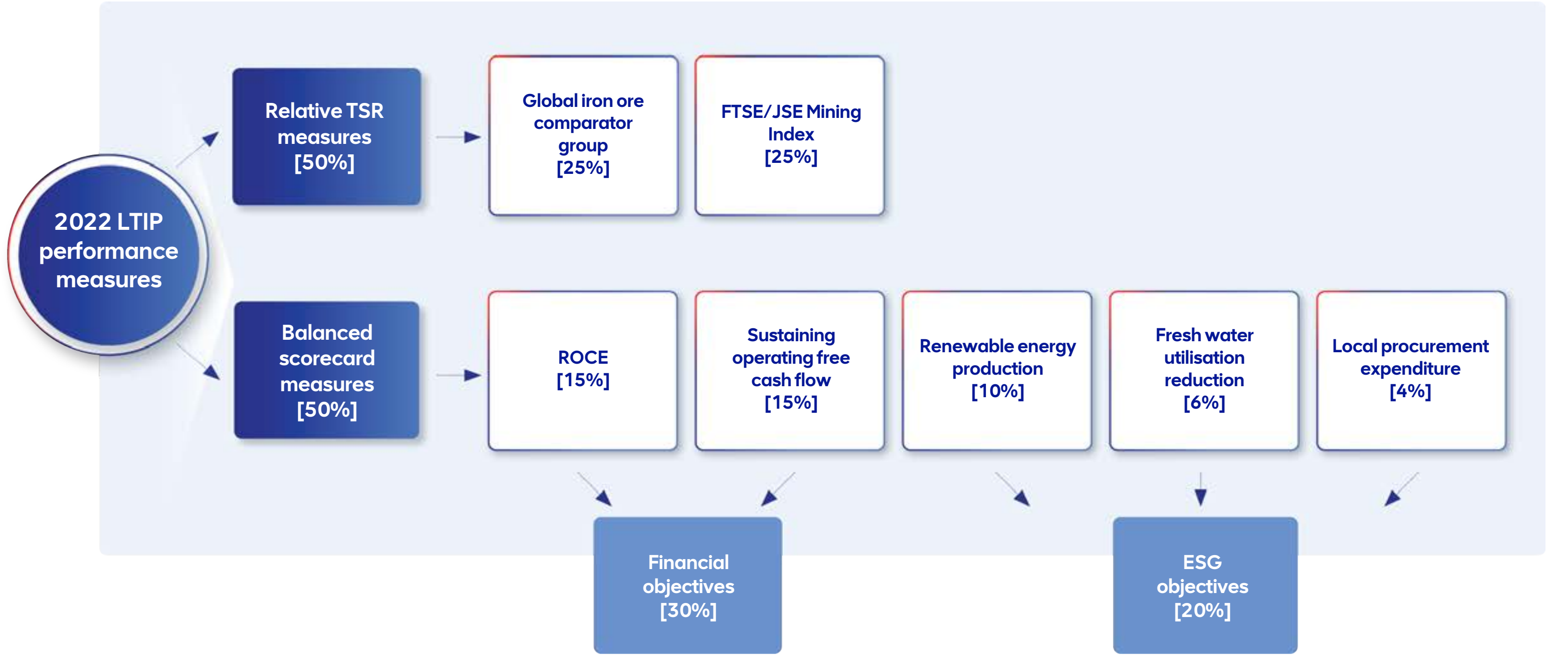
Chief Executive's 2024 strategic and personal objectives performance feedback

KRA	KRA work stream	Objective type	Objectives	2024 performance feedback
Operational excellence	Safety leadership programmes	Strategic	1. Implementation of fatal risk management (critical controls framework) schedule adoption post Australia pilot learnings outcome	75% Rating - Substantive Achievement: Majority of the work and associated benefits delivered.
	Pathway to a sustainable Kumba	Strategic	1. Business reconfiguration - deliver as per approved plan. 2. Improve operational fundamentals aligned to Mining 2.0 (stability and capable operations)	75% Rating - Substantive Achievement: Majority of the work and associated benefits delivered.
	De-risking our logistics value chain	Strategic	1. Define a pathway for a PSP and investigate alternative routes to market for iron ore (export and domestic) 2. Finalise the pathway for the Sishen contract renegotiation 3. Deliver B-BBEE Level 5 through accelerating transformation and diversity agenda	75% Rating - Substantive Achievement: Majority of the work and associated benefits delivered
	Leadership excellence and diversity	Personal	1. Deliver gender diversity target - achieve 30% WIM and HDSA per the employment equity plan 2. De-risk the business from potential procurement risks identified 3. Kumba culture - stabilise the business following the reconfiguration (organisational design and contractor management)	100% Rating - Full Achievement: Work and associated benefits fully delivered (based on quarterly milestones and outcomes)
	Government, shareholder, employee and customer interests	Personal	Logistics - work through government, Transnet, the NLCC and the OUF to de-risk Kumba regarding the logistics performance risk (short, medium and long term)	75% Rating - Substantive Achievement: Majority of the work and associated benefits delivered
	Social and SMP	Personal	1. Anglo American Social Way - ensure continued improvement of the Social Way governance framework 2. SMP - achieve 90% compliance with SMP annual tasks and deliver the critical 2024 SMP outcomes (carbon neutrality) 3. Deliver IRMA for Sishen and Kolomela	100% - Full Achievement: Work and associated benefits fully delivered (based on quarterly milestones and outcomes)
Portfolio simplification and growth	Pathway to decarbonisation and growth	Strategic	1. Decarbonisation - deliver Sishen 63 MW solar PV by 2025 2. UHDMS project - deliver UHDMS project business case for approval 3. Growth projects - progress work packages on viable growth options	75% Rating - Substantive Achievement: Majority of the work and associated benefits delivered

Remuneration report cont.

2022 LTIP vesting outcomes and awards for the Executive directors

During 2022, conditional shares were awarded to the executive directors in terms of the performance share plan rules. The 2022 LTIP performance measures comprised 50% relative TSR and a 50% balanced scorecard of performance measures (financial and ESG measures). The breakdown and weighting of the 2022 LTIP award performance measures are depicted in the following diagram:



The performance vesting has been calculated based on targets against actual performance during 2024, with reference to the base year (2021) parameters.

Relative TSR performance and vesting conditions

Of the conditional shares that are subject to the relative TSR performance condition that will vest, 25% is determined by assessing the Company's relative performance correlated to a global iron ore comparator group in terms of TSR. The approved peer group of 10 companies for the period was determined as:

- Companhia Siderurgica Nacional
- EVRAZ Plc (delisted on 10 March 2022)
- Ferrexpo Plc
- Fortescue Metals Group Limited
- Mineral Resources Limited
- Grupo Simec S.A.B. de C.V.
- Cleveland-Cliffs Inc.
- NMDC Limited
- Shandong Iron and Steel Co. Limited.
- Vale S.A.

The TSR performance of all the peer group companies, including Kumba Iron Ore, is calculated over the performance period. The TSR performance of Kumba Iron Ore is then compared against the conditional percentile hurdles set to determine the number of awards that will vest. To cater for EVRAZ Plc that delisted on 10 March 2022, Kumba has selected to exclude this peer from the peer group. The peer weights are grossed up to equal 100% in the calculation.

The remaining 25% of the relative TSR performance condition is measured against the FTSE/JSE Mining Index, a capitalisation weighted index comprised of 14 JSE-listed mining companies and provides an overall indication of Kumba's correlation against other mining companies in the South African environment. It is to be noted that certain enhancements were made to the FTSE/Russel industry classification system applicable to the FTSE/JSE indices in March 2021. Specific changes relevant to the FTSE/JSE Mining Index were as follows:

- The name of the FTSE/JSE Mining Index (J177) changed to the FTSE/JSE precious metals and mining index (JS5513).
- The Coal subsector (1771) and General mining subsector (1775) moved from the mining sector to the Oil, Gas and Coal sector, and the industrial metals and mining sector, respectively.

As the FTSE/JSE Mining Index no longer has the same constituents, the constituents of the FTSE/JSE Mining Index at the start of the performance period (1 January 2022) were determined. The TSR index of each of the constituents was weighted based on its market capitalisation at the start of the performance period and added to form a composite index against which the Kumba TSR was measured. It is to be noted that the capitalisation weighted index originally comprised 15 JSE-listed companies, however, Royal Bafokeng Platinum delisted during the performance measurement period on 2 August 2023, and was hence excluded from the peer group. The market capitalisation peer weights for the remaining 14 JSE-listed mining companies were grossed up to equal 100% in the performance calculation.

Relative TSR and vesting conditions – applicable to 50% of conditional shares:

TSR measure	Performance condition weighting	Target	TSR performance	Vesting percentage
Global iron ore peer group	25%	< Threshold	Below the median	0
		Threshold	Median TSR of the peer group (50th percentile)	25
		Stretch	Upper quartile TSR of the peer group	100
FTSE/JSE Mining Index	25%	< Threshold	Below the performance index	0
		Threshold	Performance at the index	25
		Stretch	Performance at the index + 9%	100

Kumba's TSR performance calculated over the performance period (vesting period) was 0.07%, which places the Company's relative TSR performance above the median (-7.80%) of its global iron ore comparator group's, but below the upper quartile (26.92%). Based on the global iron ore comparator group relative TSR condition (25% of the LTIP award), 42.29% of the awards pertaining to this condition vested.

The compounded annual growth rate (CAGR) in Kumba's TSR is used to measure the Company's performance over the performance period (vesting period). The FTSE/JSE Mining Index market-capital-weighted average TSR performance over the performance period has been 1.992%, while the Kumba CAGR for the same period has been 0.07%, which is below the index (threshold condition). Based on the FTSE/JSE Mining Index relative TSR condition (25% of the LTIP award), 0% of the awards pertaining to this condition vested.

Remuneration report cont.

Balanced scorecard performance measures – applicable to 50% of conditional shares

Condition	Performance condition weighting	Threshold	Target	Stretch	Vesting mechanism	Achieved performance	Vesting percentage
ROCE	15%	14.3%	15%	15.8%	Straight-line vest from threshold (25% vesting) to stretch (100% vesting) performance	41.0%	100.0
Sustaining operating free cash flow - three-year cumulative	15%	R68,826 million	R72,448 million	R76,071 million	Straight-line vest from threshold (25% vesting) to stretch (100% vesting) performance	R79,245 million	100.0
GHG reduction - renewable energy production	10%	N/A	60 MW production capacity	N/A	The GHG reduction - renewable energy production measure is based on an "all or nothing" binary achievement, i.e. a 100% or 0% vesting on achieving target or not	Target not met	0
Fresh water utilisation reduction	6%	3% reduction year-on-year	5% Reduction year-on-year	7% reduction year-on-year	Straight-line vest from threshold (25% vesting) to stretch (100% vesting) performance	Target not met	0
Social responsibility - local procurement spend	4%	34.2% of 2021 discretionary spend base	36.0% of 2021 discretionary spend base	37.8% of 2021 discretionary spend base	Straight-line vest from threshold (25% vesting) to stretch (100% vesting) performance	29.0%	0

The ROCE and sustaining operating free cash flow - three-year cumulative financial performance conditions' stretch objectives (100%) have been achieved and 100% of the awards pertaining to these conditions will therefore vest. As the threshold hurdles for the GHG reduction - renewable energy production, fresh water utilisation reduction and social responsibility - are not met, and local procurement spend ESG performance measures have not been achieved in performance testing. Therefore, no awards pertaining to these conditions will vest.

Overall 2022 LTIP vesting based on the relative TSR and balanced scorecard performance conditions

The overall vesting of the 2022 LTIP conditional share award, based on the performance testing of both the relative TSR (50%) and balanced scorecard (50%) performance conditions for 2024 is 40.57%.

Condition	Performance condition weighting	Vesting percentage
TSR – Global iron ore comparator group	25%	40.29
TSR – FTSE/JSE Mining Index	25%	0
ROCE	15%	100.00
Sustaining operating free cash flow - three-year cumulative	15%	100.00
GHG reduction - renewable energy production	10%	0
Fresh water utilisation reduction	6%	0
Social responsibility - local procurement spend	4%	0
Total overall vesting percentage		**40.57**

Remuneration report cont.

Single-figure remuneration

	Guaranteed pay and benefits				**Additional payments**	**Short-term incentive**	**Long-term incentive**	**Total emoluments**	**Total emoluments**
R'000	**Base salary**	**Benefits**	**TGP 2024**	TGP 2023		**Cash bonus paid March 2025**		**2024**	2023
Executive directors		10			11	12	13		
ND Zikalala[1]	**8,955**	**1,218**	**10,173**	9,589	**623**	**8,408**	**10,911**	**30,115**	26,623
TM Mkhwanazi	**—**	**—**	**—**	—	**—**	**—**	**—**	**—**	5,141
BA Mazarura[2]	**6,735**	**324**	**7,059**	6,654	**—**	**3,352**	**4,507**	**14,918**	13,991
Sub-total	**15,690**	**1,542**	**17,232**	16,243	**623**	**11,760**	**15,418**	**45,033**	45,755
Prescribed officers									
V Kumar[2,5]	**395**	**36**	**431**	4,872	**—**	**173**	**847**	**1,451**	10,354
PC Madlala	**—**	**—**	**—**	1,324	**—**	**—**	**—**	**—**	2,135
SA Martin[2,4,14]	**1,193**	**107**	**1,300**	3,674	**4,782**	**507**	**873**	**7,462**	7,808
SB Mbatha[3]	**2,302**	**348**	**2,650**	—	**68**	**1,229**	**1,229**	**5,176**	—
GM Mc Gavigan[2,4,6]	**1,649**	**162**	**1,811**	4,072	**4,929**	**706**	**1,160**	**8,606**	8,676
PG Nortje[7]	**4,335**	**460**	**4,795**	2,126	**3,325**	**1,984**	**2,372**	**12,476**	7,061
P Ramchander[2,4]	**3,343**	**492**	**3,835**	3,613	**378**	**1,582**	**2,081**	**7,876**	7,670
S Ramgoolam[9]	**3,266**	**304**	**3,570**	3,212	**2,285**	**1,851**	**1,851**	**9,557**	5,396
AD Roux[8]	**2,263**	**164**	**2,427**	—	**3,002**	**1,963**	**2,479**	**9,871**	—
NM Sibanyoni	**3,169**	**470**	**3,639**	3,429	**—**	**1,428**	**1,892**	**6,959**	5,653
Sub-total	**21,915**	**2,543**	**24,458**	26,322	**18,769**	**11,423**	**14,784**	**69,434**	54,753
Total	**37,605**	**4,085**	**41,690**	42,565	**19,392**	**23,183**	**30,202**	**114,467**	100,508

Notes

1 Additional payments reflect dividend equivalent payments pertaining to Anglo American plc shares that vested on 1 March 2024

2 40.6% of the Kumba LTIP shares awarded in 2022, with a performance period ending 31 December 2024, have vested based on performance condition testing.

3 Tumi Mbatha has been acting in the position of Chief Transformation Officer as from 1 March 2024 until her permanent appointment on 1 July 2024. The additional payments include her acting allowance for this four-month period. Salary for the reporting period is only reflective of her appointment as Chief Transformation Officer.

4 Additional payments figure inclusive of dividend equivalent relating to 2020 LTIP share awards that vested on 1 March 2024. His pro-rated Kumba derived long-term incentive will be awarded in Anglo American JSE shares and is included in the long-term incentive figure.

5 The employee was transferred to Anglo Corporate Services South Africa on 1 February 2024.

6 Glen Mc Gavigan left service on 31 July 2024. As part of an unpaid sabbatical agreement he did not receive remuneration for the two months preceding his exit. Payments related to his voluntary separation are included under additional payments. His pro-rated long-term incentive payment related to the 2024 performance year will be made in cash as per amended bonus and retention plan policy.

7 The long-term incentive figure includes 16.2% of the Anglo American LTIP shares awarded in 2022, when employed by De Beers Consolidated Mines, which vested based on performance condition testing. Additional payments include a cash retention payment with a three-year lock-in clause.

8 Andre Roux has been appoint as the Senior General Manager Northern Cape on 1 July 2024. Additional payments include a cash retention payment with a three-year lock-in clause. Salary for the reporting period is only reflective of his appointment as Senior General Manger Northern Cape.

9 Additional payments include a cash retention payment with a three-year lock-in clause.

10 Benefits include employer contributions to UIF, retirement fund and medical aid.

11 Inclusive of leave encashment, dividend equivalent payments, safety achievement recognition payments, retention awards as well as termination payments as applicable.

12 Short-term Incentive is based on the performance outcome against the 2024 business unit Team+ performance scorecard and paid in March 2025. For individuals that transferred or left employ on "good leaver status", the incentive payment is pro-rated accordingly.

13 The long-term incentive figures include the face value of DBA shares (awarded in terms of the bonus and retention share plan) awarded in March 2025 as derived from the 2024 Team+ short-term incentive value.

14 Sam Martin left service on 30 April 2024. Payments related to his voluntary separation are included under additional payments. His pro-rated long-term incentive payment related to the 2024 performance year will be made in cash as per amended bonus and retention plan policy.

Remuneration report cont.

Single-figure remuneration

	Fees		Total emoluments	
R'000	Directors' fees	Committee fees	2024	2023
Non-executive directors				
MS Bomela	**1,474**	**—**	**1,474**	1,374
TP Goodlace[1]	**2,071**	**—**	**2,071**	1,932
A Jeawon	**395**	**607**	**1,002**	968
MA Jenkins	**395**	**618**	**1,013**	1,046
SM Kuijlaars	**—**	**—**	**—**	253
NB Langa-Royds	**395**	**797**	**1,192**	1,218
NV Mokhesi[2]	**202**	**311**	**513**	—
TM Mkhwanazi[3]	**395**	**398**	**793**	746
SS Ntsaluba	**395**	**827**	**1,222**	1,243
BP Sonjica	**—**	**—**	**—**	1,186
MJ Tsele[4]	**395**	**581**	**976**	920
MTS Walker[35]	**299**	**302**	**601**	—
D Wanblad	**—**	**—**	**—**	218
Total	**6,416**	**4,441**	**10,857**	11,104

Notes

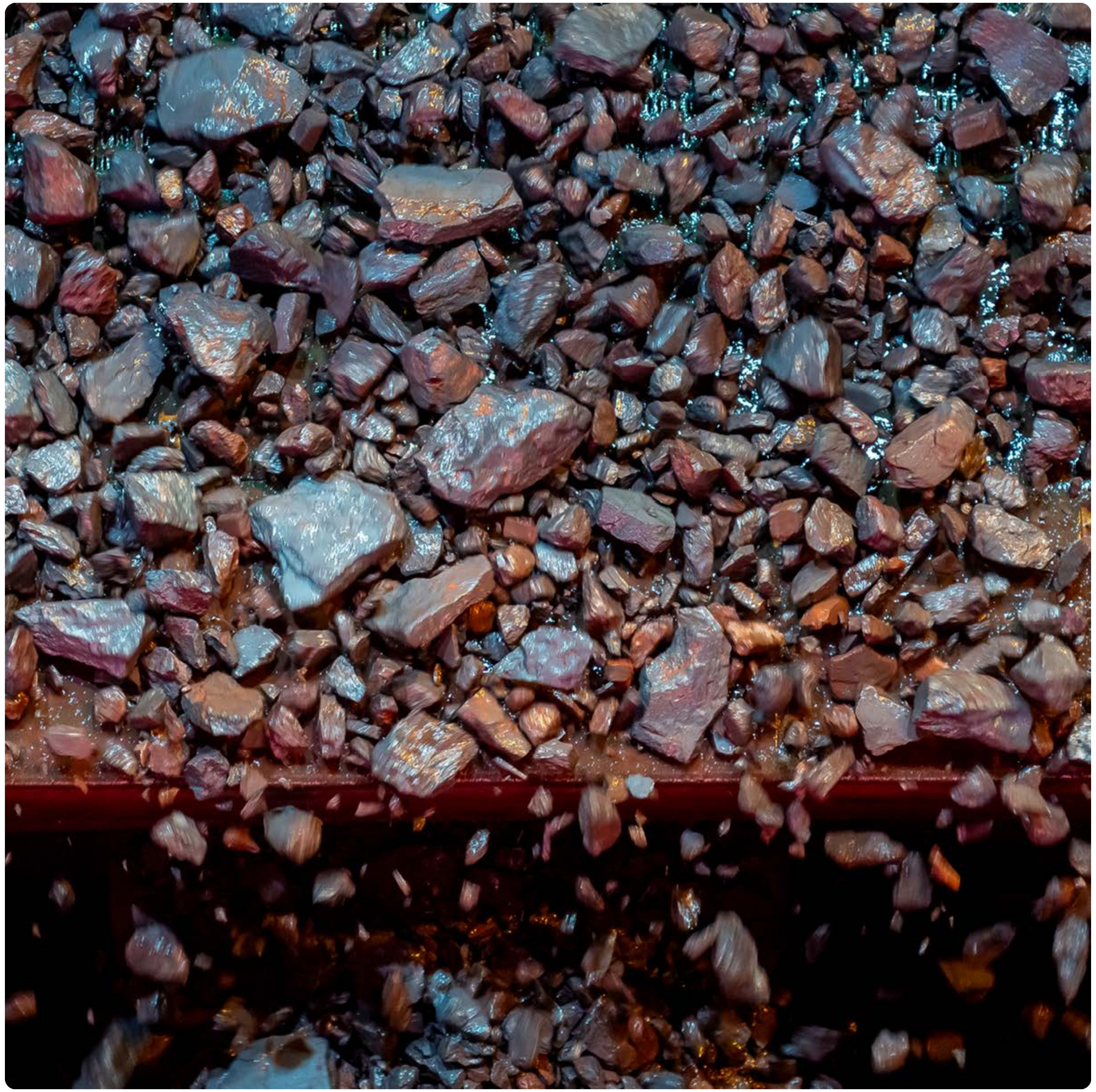
[1] The Chairperson of the Board, and chairs the Nominations and Governance and SHSD committees, however, he does not receive additional remuneration in respect of the committees he serves on.

[2] Appointed as Independent non-executive director with effect from 1 July 2024.

[3] Fees are paid to Anglo American plc.

[4] Fees are paid to the Independent Development Corporation (IDC)

[5] Appointed as Non-executive director with effect from 1 April 2024.



View of iron ore on the conveyor.

Remuneration report cont.

2024 unvested awards and cash flow

The interests of the Executive directors and Prescribed officers in shares of the Company granted in terms of the various long-term incentive schemes are shown below.

			Number of shares					R'000	
Scheme	**Award date**	**Next date of vesting**	**Opening balance on 1 January 2024**	**Granted during 2024**	**Forfeited during 2024**	**Vesting during 2024**	**Closing balance on 31 December 2024**	**Value of receipts**	**Estimated fair value on 31 December 2024**
Executive directors[1]					10			8	9
ND Zikalala									
Kumba share awards									
DBA	1 March 2022	1 March 2025	**3,247**	**–**	**–**	**1,082**	**2,165**	**700**	**703**
DBA	1 March 2023	1 March 2025	**9,297**	**–**	**–**	**–**	**9,297**	**399**	**3,017**
DBA	1 March 2024	1 March 2026	**–**	**10,956**	**–**	**–**	**10,956**	**471**	**3,556**
LTIP[2]	1 March 2022	1 March 2025	**19,011**	**–**	**–**	**–**	**19,011**	**–**	**2,503**
LTIP[2]	1 March 2023	1 March 2026	**24,422**	**–**	**–**	**–**	**24,422**	**–**	**5,681**
LTIP[2]	1 March 2024	1 March 2027	**–**	**29,373**	**–**	**–**	**29,373**	**–**	**5,877**
Anglo American plc share awards (JSE)[3]									
DBA	12 March 2021		**1,284**	**–**	**–**	**1,284**	**–**	**545**	**–**
DBA	20 May 2021		**262**	**–**	**–**	**262**	**–**	**111**	**–**
LTIP	12 March 2021		**14,500**	**–**	**9,527**	**4,973**	**–**	**2,073**	**–**
LTIP	16 June 2021		**61**	**–**	**41**	**20**	**–**	**8**	**–**
Sub-total			**72,084**	**40,329**	**9,568**	**7,621**	**95,224**	**4,307**	**21,337**
TM Mkhwanazi									
Kumba share awards									
DBA	1 March 2019		**8,179**	**–**	**–**	**8,179**	**–**	**4,601**	**–**
DBA	1 March 2020	1 March 2025	**7,443**	**–**	**–**	**–**	**7,443**	**320**	**2,415**
DBA	1 March 2021		**7,162**	**–**	**–**	**7,162**	**–**	**4,029**	**–**
DBA	1 March 2022	1 March 2025	**13,841**	**–**	**–**	**4,613**	**9,228**	**2,992**	**2,995**
LTIP[2,11]	1 March 2021		**20,510**	**–**	**12,057**	**8,453**	**–**	**4,551**	**–**
Anglo American plc share awards (JSE)									
DBA[4]	1 March 2020	1 March 2025	**18,383**	**–**	**–**	**9,191**	**9,192**	**4,075**	**5,056**
Sub-total			**75,518**	**–**	**12,057**	**37,598**	**25,863**	**20,568**	**10,466**
BA Mazarura									
Kumba share awards									
DBA	1 March 2021		**1,938**	**–**	**–**	**1,938**	**–**	**1,088**	**–**
DBA	1 March 2022	1 March 2025	**3,930**	**–**	**–**	**1,310**	**2,620**	**848**	**850**
DBA	1 March 2023	1 March 2025	**3,049**	**–**	**–**	**–**	**3,049**	**131**	**989**
DBA	1 March 2024	1 March 2026	**–**	**4,893**	**–**	**–**	**4,893**	**210**	**1,588**
LTIP[2,11]	1 March 2021		**8,015**	**–**	**4,712**	**3,303**	**–**	**1,774**	**–**
LTIP[2]	1 March 2022	1 March 2025	**8,771**	**–**	**–**	**–**	**8,771**	**–**	**1,155**
LTIP[2]	1 March 2023	1 March 2026	**14,085**	**–**	**–**	**–**	**14,085**	**–**	**3,276**
LTIP[2]	1 March 2024	1 March 2027	**–**	**14,521**	**–**	**–**	**14,521**	**–**	**2,905**
Sub-total			**39,788**	**19,414**	**4,712**	**6,551**	**47,939**	**4,051**	**10,763**

Remuneration report cont.

			Number of shares					R'000	
Scheme	**Award date**	**Next date of vesting**	**Opening balance on 1 January 2024**	**Granted during 2024**	**Forfeited during 2024**	**Vesting during 2024**	**Closing balance on 31 December 2024**	**Value of receipts**	**Estimated fair value on 31 December 2024**
Prescribed officers					10			8	9
VJ Kumar									
Kumba share awards									
DBA	1 March 2021		1,256	–	–	1,256	–	707	–
DBA	1 March 2022	1 March 2025	2,869	–	–	956	1,913	620	621
DBA	1 March 2023	1 March 2025	2,226	–	–	–	2,226	96	722
LTIP	1 March 2021		4,681	–	2,751	1,930	–	1,039	–
LTIP	1 March 2022	1 March 2025	5,122	–	–	–	5,122	–	968
LTIP	1 March 2023	1 March 2026	6,580	–	–	–	6,580	–	1,530
Sub-total			22,734	–	2,751	4,142	15,841	2,462	3,841
SA Martin[6]									
Kumba share awards									
DBA	1 March 2021		1,117	–	–	1,117	–	628	–
DBA	1 March 2022		2,156	–	–	2,156	–	1,109	–
DBA	1 March 2023		1,673	–	–	1,673	–	820	–
DBA	1 March 2024		–	2,237	–	2,237	–	1,096	–
LTIP	1 March 2021		3,518	–	2,068	1,450	–	781	–
LTIP	1 March 2022	1 March 2025	3,850	–	1,071	–	2,779	–	525
LTIP	1 March 2023	1 March 2026	4,945	–	3,022	–	1,923	–	447
LTIP	1 March 2024	1 March 2027		5,098	4,818	–	280	–	56
Sub-total			17,259	7,335	10,979	8,633	4,982	4,434	1,028
SB Mbatha[12]									
Kumba share awards									
DBA	1 March 2021		250	–	–	250	–	141	–
DBA	1 March 2022	1 March 2025	1,626	–	–	542	1,084	351	352
DBA	1 March 2023	1 March 2025	1,939	–	–	–	1,939	83	629
DBA	1 March 2024	1 March 2026	–	1,824	–	–	1,824	78	592
Sub-total			3,815	1,824	–	792	4,847	653	1,573
GM Mc Gavigan[7]									
Kumba share awards									
DBA	1 March 2021		1,240	–	–	1,240	–	698	–
DBA	1 March 2022		2,393	–	–	2,393	–	1,119	–
DBA	1 March 2023		1,856	–	–	1,856	–	779	–
DBA	1 March 2024		–	2,483	–	2,483	–	1,043	–
LTIP	1 March 2021		3,904	–	2,295	1,609	–	866	–
LTIP	1 March 2022	1 March 2025	4,272	–	830	–	3,442	–	650
LTIP	1 March 2023	1 March 2026	5,489	–	2,894	–	2,595	–	604
LTIP	1 March 2024	1 March 2027		5,658	4,872	–	786	–	157
Sub-total			19,154	8,141	10,891	9,581	6,823	4,505	1,411

Remuneration report cont.

			Number of shares					R'000	
Scheme	Award date	Next date of vesting	Opening balance on 1 January 2024	Granted during 2024	Forfeited during 2024	Vesting during 2024	Closing balance on 31 December 2024	Value of receipts	Estimated fair value on 31 December 2024
Prescribed officers					10			8	9
PG Nortje									
Kumba share awards									
DBA	1 March 2024	1 March 2026	–	**2,328**	–	–	**2,328**	**100**	**756**
LTIP	1 March 2024	1 March 2027	–	**7,424**	–	–	**7,424**	–	**1,486**
Anglo American plc share awards (JSE)[5]									
DBA	12 March 2021		**882**	–	–	**882**	–	**375**	–
DBA	20 May 2021		**360**	–	–	**360**	–	**153**	–
DBA	10 March 2022	1 March 2025	**1,689**	–	–	**574**	**1,115**	**261**	**613**
DBA	10 March 2023	1 March 2025	**1,876**	–	–	–	**1,876**	**29**	**1,032**
LTIP	12 March 2021		**6,400**	–	**4,205**	**2,195**	–	**915**	–
LTIP	4 June 2021		**27**	–	**18**	**9**	–	**4**	–
LTIP	11 March 2022	1 March 2025	**4,360**	–	–	–	**4,360**	–	**388**
LTIP	10 March 2023	1 March 2026	**6,800**	–	–	–	**6,800**	–	**2,115**
Sub-total			**22,394**	**9,752**	**4,223**	**4,020**	**23,903**	**1,837**	**6,390**
P Ramchander									
Kumba share awards									
DBA	1 March 2021		**946**	–	–	**946**	–	**532**	–
DBA	1 March 2022	1 March 2025	**2,390**	–	–	**797**	**1,593**	**517**	**517**
DBA	1 March 2023	1 March 2025	**1,645**	–	–	–	**1,645**	**71**	**534**
DBA	1 March 2024	1 March 2026	–	**2,199**	–	–	**2,199**	**94**	**714**
LTIP	1 March 2021		**3,459**	–	**2,033**	**1,426**	–	**768**	–
LTIP	1 March 2022	1 March 2025	**3,785**	–	–	–	**3,785**	–	**715**
LTIP	1 March 2023	1 March 2026	**4,863**	–	–	–	**4,863**	–	**1,131**
LTIP	1 March 2024	1 March 2027		**5,013**	–	–	**5,013**	–	**1,003**
Sub-total			**17,088**	**7,212**	**2,033**	**3,169**	**19,098**	**1,982**	**4,614**
S Ramgoolam									
Kumba share awards									
DBA	1 March 2021		**755**	–	–	**755**	–	**425**	–
DBA	1 March 2022	1 March 2025	**1,462**	–	–	**487**	**975**	**316**	**316**
DBA	1 March 2023	1 March 2025	**1,285**	–	–	–	**1,285**	**55**	**417**
DBA	1 March 2024	1 March 2026	–	**1,985**	–	–	**1,985**	**85**	**644**
LTIP	1 March 2023	1 March 2026	**4,388**	–	–	–	**4,388**	–	**1,021**
LTIP	1 March 2024	1 March 2027	–	**4,737**	–	–	**4,737**	–	**948**
Sub-total			**7,890**	**6,722**	–	**1,242**	**13,370**	**881**	**3,346**

Remuneration report cont.

			Number of shares					R'000	
Scheme	**Award date**	**Next date of vesting**	**Opening balance on 1 January 2024**	**Granted during 2024**	**Forfeited during 2024**	**Vesting during 2024**	**Closing balance on 31 December 2024**	**Value of receipts**	**Estimated fair value on 31 December 2024**
Prescribed officers					10			8	9
AD Roux[13]									
Kumba share awards									
DBA	1 March 2021		**938**	**—**	**—**	**938**	**—**	**528**	**—**
DBA	1 March 2022	1 March 2025	**2,282**	**—**	**—**	**761**	**1,521**	**493**	**494**
DBA	1 March 2023	1 March 2025	**2,722**	**—**	**—**	**—**	**2,722**	**117**	**883**
DBA	1 March 2024	1 March 2026		**2,560**		**—**	**2,560**	**110**	**831**
LTIP	1 March 2021		**3,582**	**—**	**2,105**	**1,477**	**—**	**795**	**—**
LTIP	1 March 2022	1 March 2025	**3,920**	**—**	**—**	**—**	**3,920**	**—**	**741**
LTIP	1 March 2023	1 March 2026	**5,035**	**—**	**—**	**—**	**5,035**	**—**	**1,171**
LTIP	1 March 2024	1 March 2027		**5,534**	**—**	**—**	**5,534**	**—**	**1,107**
Sub-total			**18,479**	**8,094**	**2,105**	**3,176**	**21,292**	**2,043**	**5,227**
NM Sibanyoni									
Kumba share awards									
DBA	1 March 2022	1 March 2025	**1,324**	**—**	**—**	**441**	**883**	**286**	**287**
DBA	1 March 2023	1 March 2025	**1,530**	**—**	**—**	**—**	**1,530**	**66**	**497**
DBA	1 March 2024	1 March 2026	**—**	**2,085**	**—**	**—**	**2,085**	**90**	**677**
LTIP	1 March 2022	1 March 2025	**3,522**	**—**	**—**	**—**	**3,522**	**—**	**665**
LTIP	1 March 2023	1 March 2026	**4,610**	**—**	**—**	**—**	**4,610**	**—**	**1,072**
LTIP	1 March 2024	1 March 2027	**—**	**4,752**	**—**	**—**	**4,752**	**—**	**951**
Sub-total			**10,986**	**6,837**	**—**	**441**	**17,382**	**442**	**4,149**
Total			**327,189**	**110,002**	**59,319**	**86,966**	**295,778**	**48,162**	**73,987**

Notes

[1] Kumba share awards granted in terms of the bonus and retention share plan (DBA) and performance share plan (LTIP).

[2] Post vesting of the awards, an additional two-year holding period, subject to clawback conditions, will apply. Awards made until December 2022, do not qualify for any dividend equivalents during the performance period.

[3] Anglo American plc (JSE) shares previously awarded when employed by De Beers Managed operations.

[4] Anglo American plc (JSE) forfeitable shares were awarded related to his position as member of the Anglo American Executive Leadership Team, before his appointment as Chief Executive of Bulk Commodities on 1 January 2022.

[5] Anglo American plc (JSE) shares previously awarded when employed by De Beers Consolidated mines.

[6] Accelerated vesting of DBA share awards due to voluntary separation on 30 April 2024. Pro rata forfeiture of LTIP awards as a result of voluntary separation during the performance period. LTIP awards remain subject to the performance conditions and normal vesting period.

[7] Accelerated vesting of DBA share awards due to voluntary separation on 31 July 2024. Pro rata forfeiture of LTIP awards as a result of voluntary separation during the performance period. LTIP awards remain subject to the performance conditions and normal vesting period.

[8] Includes dividend payments received in March 2024 and August 2024 as well as face value of all share vestings during 2024.

[9] Sum total of the estimated fair value of unvested DBA shares, 2022 LTIP award (actual vesting of 44.32% and 50.00% for Anglo American plc shares), 2023 and 2024 LTIP awards (estimated vesting of 60%) as well as concomitant accumulated dividend equivalent payments. The value is based on a three-day volume weighted average price on 31 December 2024 of R324.53 for Kumba Iron Ore Limited, R550.04 for Anglo American plc (JSE) shares.

[10] Shares forfeited due to performance conditions not met in full.

[11] Shares vested as a result of performance conditions being met. Shares are subject to an additional two-year holding period during which clawback conditions apply.

[12] Kumba DBA shares were awarded in relation to her prior appointment as Chief Transformation Officer on 1 July 2024.

[13] Kumba DBA and LTIP shares were awarded in relation to his prior appointment as Senior General Manager Northern Cape on 1 July 2024.

Remuneration report cont.

Directors' beneficial interest in Kumba

The aggregate beneficial interest in Kumba at 31 December 2024 of the directors of the Company and their immediate families (none of whom has a holding greater than 1%) in the issued shares of the Company is detailed below. There have been no material changes to the shareholding since 2024 and the date of approval of the annual financial statements.

	2024			2023		
Capacity and name	Direct shareholding	Long-term incentive scheme shares	Total beneficial interest	Direct shareholding	Long-term incentive scheme shares	Total beneficial interest
Executive directors						
ND Zikalala[1]	568	22,418	22,986	—	12,544	12,544
BA Mazarura[2]	—	18,394	18,394	—	19,554	19,554
Sub-total	568	40,812	41,380	—	32,098	32,098
Non-executive directors						
TM Mkhwanazi[3]	95,788	37,292	133,080	78,725	65,517	144,242
Sub-total	95,788	37,292	133,080	78,725	65,517	144,242
Total	96,356	78,104	174,460	78,725	97,615	176,340

[1] Long-term incentive scheme reflects the DBA awards granted under the rules of the BRP as disclosed in the tables above.

[2] Private shareholding sold on 22 November 2023 as disclosed on Stock Exchange News Service (SENS). Long-term incentive scheme relates to DBA awards granted under the rules of the BRP as disclosed in the tables above and includes vested LTIP shares subject to a holding period as per the rules of the performance share plan.

[3] Private shareholding increased following the vesting of LTIP shares. Long-term incentive scheme relates to DBA awards granted under the rules of the BRP as disclosed in the tables above and includes vested LTIP shares subject to a holding period as per the rules of the performance share plan.

Komatsu haul truck parked at the Sishen workshop.

Ore Reserves (and Saleable Product) and Mineral Resources

This statement is an abridged version of the Kumba Iron Ore 2024 Ore Reserve (and Saleable Product) and Mineral Resource report, which was prepared in accordance with the Kumba Iron Ore Mineral Resource and Ore Reserve Reporting Policy. This policy stipulates Kumba will maintain a well-managed internal estimation and reporting process and associated independent internal (Anglo American) and independent external governance approach to inform the public reporting of its Ore Reserves and Mineral Resources. Such reporting will comply with South African reporting standards, i.e. the latest edition of the SAMREC Code (The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves) or international reporting standards (if applicable) as well as the Listings Requirements set by the JSE for South African minerals companies. The policy can be accessed at:

▶ **www.angloamericankumba.com/investors/annual-reporting/reports-archive/2024**

Kumba's ability to create value for all its stakeholders is dependent on its key natural resources and the continuous improvement of its ability to mine and beneficiate these resources at its Sishen and Kolomela mining operations to extract niche iron ore Saleable Product.

Kumba's mineral endowment (all South African based) forms the foundation of its business with the following key focus areas in place to sustainably extract value over the Company's combined mine life:

Exploration
Focused on improving geological confidence of on-mine Mineral Resources (Ore Reserves) and defining near-mine opportunities in South Africa

Planning
Value-based planning to optimise sustainable annual product output for the future as per the OneKumba drive, with a focus to safeguard the Company's position on the world's Iron Ore Producer Cost Curve

Technology
Focused on developing the value chain infrastructure to extract maximum value in a sustainable manner

Operations
Execution to achieve planning and consistently deliver a Saleable Product that conforms to Client specifications

Marketing
Conducted via competing through premium product delivery

The person designated by the Kumba executive as Lead Competent Person to take responsibility on behalf of Kumba for Ore Reserves is Chris Cloete. Mr Cloete has extensively reviewed the Ore Reserve estimates reported for 2024 and considers these to be compliant with the SAMREC Code (the relevant portions of Table 1 of the Code) and the JSE Listings Requirements (section 12.13), and consents to the inclusion of these estimates in the form and context in which they appear in the Kumba Iron Ore Limited Integrated Report 2024. Chris Cloete is an ECSA-registered candidate Mining Engineer (20075395), has a BEng. qualification in Mining Engineering and has 21 years of experience as a mining engineer in production management and technical roles in coal, zinc, platinum and iron ore mining, of which 13 years are specific to iron ore Ore Reserve estimation and evaluation. Chris Cloete is a full-time employee of Sishen Iron Ore Company Proprietary Limited, serving as the Head: Kumba Iron Ore Mining.

The person designated by the Kumba executive as Lead Competent Person to take responsibility on behalf of Kumba for Mineral Resources is Jean Britz. Mr Britz has extensively reviewed the Mineral Resource estimates reported for 2024 and considers these to be compliant with the SAMREC Code (the relevant portions of Table 1 of the Code) and the JSE Listings Requirements (section 12.3), and consents to the inclusion of these estimates in the form and context in which they appear in the Kumba Iron Ore Limited Integrated Report 2024. Jean Britz is a professional natural scientist, registered (400423/04) with the South African Council for Natural Scientific Professions. He has a BSc (Hons) in Geology and an MEng in Mining and has 32 years of experience as a mining and exploration geologist in iron ore and coal, of which 20 are specific to iron ore Mineral Resource estimation and evaluation. Jean Britz is a full-time employee of Sishen Iron Ore Company Proprietary Limited, serving as the Principal, Resource Geology - Kumba Iron Ore Geosciences.

Kumba's Saleable Product, Ore Reserves and Mineral Resources remaining after 31 December 2024 are headlined in the table below:

Saleable Product Estimated remaining beneficiated product yielded from Proved and Probable Ore Reserves as per 2024 life-of-asset plans (LoAPs)	**Ore Reserves** **(inclusive of Saleable Product)** Estimated remaining run-of-mine derived from the economically and safely mineable modified version of Measured and Indicated Mineral Resources as per 2024 life-of-asset plans	**Exclusive *(in situ)* Mineral Resources** (in addition to Ore Reserves) Estimated via 3D geological modelling and defined by cut-off grade, beneficiation potential and forward looking economic parameters to spatially constrain the portion of the mineralisation within the Sishen Iron Ore Company mining rights, that has reasonable prospects for eventual economic extraction
Kolomela 115.7 Mt at 63.0% average beneficiated Fe	**Kolomela** 115.9 Mt at 63.0% average diluted Fe (against 50% Fe cut-off grade)	**Kolomela** 119.0 Mt at 62.0% average *in situ* Fe (against 50% Fe cut-off grade)
Sishen 424.6 Mt at 64.0% average beneficiated Fe	**Sishen** 694.9 Mt at 53.70% average diluted Fe (against value-based cut-off)	**Sishen** 352.0 Mt at 53.7% average *in situ* Fe (against beneficiation potential cut-off)
Total 540.3 Mt at 63.9% average beneficiated Fe	**Total** 810.8 Mt at 55.0% average diluted Fe	**Total** 471.0 Mt at 55.9% average *in situ* Fe
Kumba Saleable Product increased by 7% (+35.4 Mt) year-on-year	Kumba Ore Reserve increased by 11% (+79.4 Mt) year-on-year	Kumba exclusive Mineral Resource recorded a 114.8Mt (-20%) decrease year-on-year

Ore Reserves (and Saleable Product) and Mineral Resources cont.

The 2024 Kumba Saleable Product, Ore Reserves and Mineral Resources estimated to remain after 31 December 2024, as stated in this report, is an abridged version of the online Ore Reserve (and Saleable Product) and Mineral Resource report, derived from detailed site-specific Reserve and Resource Statements; structured to address all aspects listed in the Table 1 checklist of reporting and assessment criteria as per the SAMREC Code (2016 Edition) as required by section 12.13 of the JSE Listings Requirements.

Salient features

Business reconfiguration

To accommodate for the Transnet logistical constraint that materialised over the last few years, Kumba has embarked on a programme to rightsize its business. To achieve an optimal solution at reduced volumes, the Company is focusing on the efficiency benefits of an integrated mining complex to maximise value, while maintaining optionality to respond to Transnet's logistics performance improvements, and has already restructured the organisation to drive these optimisation efforts across all aspects of the value chain and supporting services - the OneKumba solution.

By reducing mining volumes and optimising pit designs, Kumba is able to unlock value through improving operational deployment and maximising the benefit of the various mining areas. Additionally, by balancing waste mining and production between Sishen and Kolomela, the Company is able to rightsize its heavy mining equipment fleet capacity and increase operating time. The OneKumba process is ongoing.

During the 2024 life-of-asset planning cycle, Kumba applied an 84% long-term contractual rail volume scenario (44Mtpa @ 84% ~ 37Mtpa) to derive the proposed go-forward Saleable Product profile. The higher long-term iron ore price compared to 2023, combined with planned cost curtailment programmes, manifested in larger pit designs being applied at both operations in 2024 to derive Ore Reserves. Optionality is maintained to respond to improved logistics performance.

Reserve and Resource movements from 2023 to 2024

Ore Reserves increased over the reserve life by 11% (+79.4 Mt) and Saleable Product by 7% (+35.4 Mt) year-on-year, primarily as a result of a more positive outlook on the long-term iron ore price and ZAR/US$ exchange rate compared to 2023. The latter, combined with planned cost curtailment programmes manifested in larger pit designs at both operations, albeit at reduced revenue factor pit shell derivatives of 0.66 in 2024 compared to 0.8 in 2023.

Mineral Resources (in addition to Ore Reserves) decreased by 20% (-114.8 Mt) from 2023 to 2024, mainly because of the conversion of Measured and Indicated Mineral Resources to Proved and Probable Ore Reserves as a result of larger pit designs at both operations.

Risks

The following Ore Reserve (and Saleable Product) risks have been ranked as having a high pre-mitigation rating in 2024 (none of the risks are rated as high or significant post mitigation or planned mitigation):

Infrastructure – logistical (external risk)
The logistical value chain (rail and port) is the dominant constraint in the Kumba value chain and the associated risk to the Saleable Product and Ore Reserves is rated as high. Transnet's performance in terms of contracted volumes has further deteriorated from 82% in 2023 to 80% in 2024. The rail performance as well as the renegotiation of the Sishen contract by 2027 may have a material impact on the viability of the Ore Reserve.

Mitigation: As part of the life-of-asset plan alignment with the business reconfiguration drive, Kumba has moderated its outlook on logistics capacity to ~37 Mtpa (vs. current contract of 44 Mtpa). By reducing mining volumes and optimising pit designs, Kumba is able to unlock value through improving operational deployment and maximising the benefit of the various mining areas. Stating the obvious, mitigation furthermore assumes the successful renegotiation of the Sishen rail contract in 2027.

As a member of the OUF, Kumba has been a strong advocate for the PSP to potentially improve the performance of the OEC through concession models. We also continue to play an active role in the National Logistics Crisis Committee to collaborate on sustainable logistics solutions.

Financial - macro-economics (external risk)
Commodity pricing: The long-term iron ore price informing the 2024 Kolomela and Sishen LoAPs (16-year view) is materially higher than the realised iron ore prices achieved by Kumba in 2024 and substantially higher than the latest available consensus long-term iron ore price compiled by Morgan Stanley (three- to five-year view). Kumba, however, deems the supply and demand fundamentals informing the model used to derive the long-term iron ore price as robust. The market pulled back strongly in 2024. Volatility in price has always been considered as a risk by Kumba, but was rated high in 2024 because of the reasons set out above, and a downward adjustment can materially impact foreseen profitability and cash flow negatively. The long-term price applied in the 2024 pit optimisations resulted in marginal areas being included inside pit designs for Kapstevel South and Klipbankfontein at Kolomela, and larger pushbacks being included in the final pit design at Sishen. A less positive outlook for the future can therefore lead to a reduction in Ore Reserves due to the potential exclusion of marginal revenue/high-cost mining areas.

Mitigation: To counter a lower long-term price, the business expectation changed from maximising revenues/margin targeting to cost curtailment, where Kumba competes on a cost basis with other producers. In addition, the first five years of the respective Kolomela and Sishen LoAPs have been valuated applying a substantially lower price assumption compared to the remainder of the reserve life at each operation.

Closed-out risk
Kumba successfully demonstrated the value-added of the Sishen DMS to UHDMS plant conversion project in 2024, after solving for significant engineering complexity related to the design and construction of an operational UHDMS plant. The capital for implementation was approved by the Anglo and Kumba boards in 2024, thereby fully mitigating the risk as listed in 2023.

Other

Assurance
An external due diligence audit (including a one-week site visit) of the Sishen 2023 Mineral Resource and Ore Reserve estimation and reporting was conducted by Cube Consulting during the year. The signed-off audit report listed no high or significant risks.

Geological modelling
To align with the value-based cut-off approach implemented by Kumba Mining Engineering in 2023 to define the Sishen Ore Reserves, Kumba Geosciences adopted a similar approach in 2024 and replaced the 40% Fe cut-off grade with a beneficiation potential based cut-off approach to define Sishen's 2024 Mineral Resources. This was achieved by considering beneficiation potential and assigning yield and product grade parameters via the application of geometallurgical densimetric data-derived beneficiation algorithms to each mineralised geological unit in the geological model. The beneficiation potential of the iron ore mineralisation in the resource model is categorised in the form of material classes which consider yield and product cut-off grades on a bench (12.5m vertical) scale, but assigned to each 5m(X) x 5m(Y) x 3.125m(Z) cell as vertically stacked in a bench configuration in the resource model.

Mine planning
In alignment with the OneKumba initiative, the now well-established value-based planning process has this year been further enhanced by fully integrating Sishen and Kolomela into a single optimisation process, calculating various parameters at selective mining unit (block) level for each of the mining areas, processing streams and product types. This method allows for scenario testing to be done on any of the parameters to obtain an operating and mining strategy that achieves a competitive cost position while maximising value inside the defined inventory and within the dominant system constraints. With this approach, the need for defining ore and waste beforehand or applying a fixed cut-off grade is not necessary, as the process maximises value through dynamic application of the value metrics for each of the scenarios.

Saleable Product

Saleable Product estimates tabled below represent the planned beneficiated product derived from Proved and Probable Ore Reserves only, as per the 2024 life-of-asset plans and exclude estimated modified beneficiated Inferred Mineral Resources.

2024 Saleable Product statement (referenced against 2023)

Operation/project	Saleable Product category	2024	2023	2024		2023	
		Yield (%)	Yield (%)	**Tonnage (Mt)**	**Average Grade (% Fe)**	Tonnage (Mt)	Average Grade (% Fe)
Mining operations							
Kolomela[1, 2, 3, 4]							
Saleable Product (from pit)	Proved	99.8	94.3	105.1	63.0	83.0	65.0
	Probable			9.3	63.0	20.9	64.2
	Sub-total			**114.4**	**63.0**	**103.9**	**64.8**
Saleable Product (from run-of-mine buffer stockpiles)	Proved			0.0	0.0	0.0	0.0
	Probable			1.3	63.0	21.4	56.9
	Sub-total			**1.3**	**63.0**	**21.4**	**56.9**
Total Saleable Product	Proved			105.1	63.0	83.0	65.0
	Probable			10.6	63.0	42.3	60.5
	Total			**115.7**	**63.0**	**125.3**	**63.5**
Sishen[1, 2, 3, 4]							
Saleable Product (from pit)	Proved	61.1	63.4	330.8	64.8	281.5	65.0
	Probable			64.4	61.5	61.3	61.7
	Sub-total			**395.2**	**64.3**	**342.8**	**64.4**
Saleable Product (from run-of-mine buffer stockpiles)	Proved			0.0	0.0	0.0	0.0
	Probable			29.4	61.2	36.8	61.1
	Sub-total			**29.4**	**61.2**	**36.8**	**61.1**
Total Saleable Product	Proved			330.8	64.8	281.5	65.0
	Probable			93.8	61.4	98.1	61.5
	Total			**424.6**	**64.0**	**379.6**	**64.1**
Company							
Kumba							
Grand total Saleable Product	Proved	66.6	69.0	435.9	64.4	364.4	65.0
	Probable			104.4	61.6	140.5	61.2
	Grand total			**540.3**	**63.9**	**504.9**	**63.9**

[1] Operational status – Steady-state.
[2] Mining method – Open-pit.
[3] Ore type – Haematite iron ore.
[4] Owned by Kumba Iron Ore Limited – 75.4%; owned by SIOC – 100%.

Kolomela's estimated Saleable Product decreased by 9.6 Mt (-8%) from 2023 to 2024

Decrease primarily attributed to the halting of the dense medium separation plant, with less Saleable Product planned to be beneficiated in the 2024 Kolomela LoAP compared to 2023. A further contributing factor to the year-on-year decrease is the forecasted 2024 production.

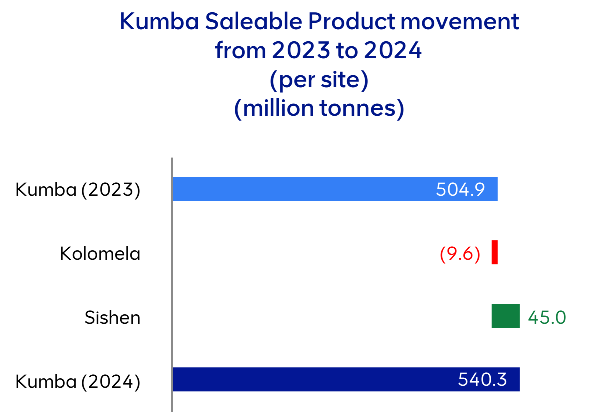
Movements are detailed in the ORMR report of 2024.

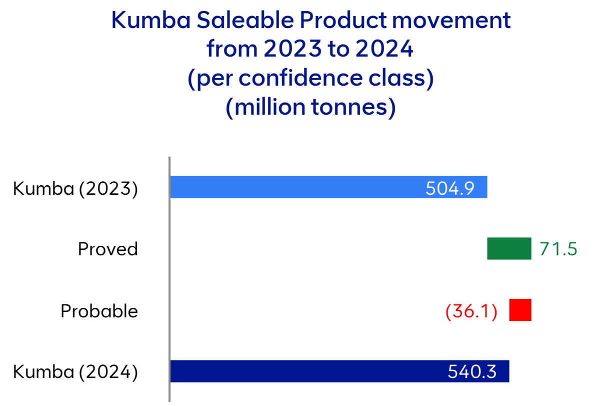
Sishen's estimated Saleable Product increased by 45.0 Mt (+12%) year-on-year

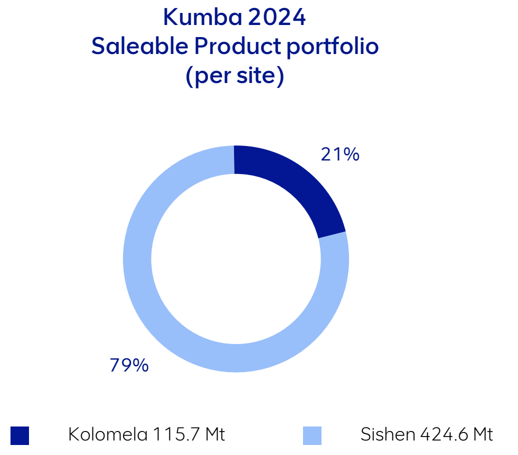
Increase primarily as a result of an enlargement of the Sishen pit layout, assuming a higher long-term price forecast, allowing for additional Saleable Product being derived from more run-of-mine scheduled for beneficiation in the 2024 Sishen LoAP.

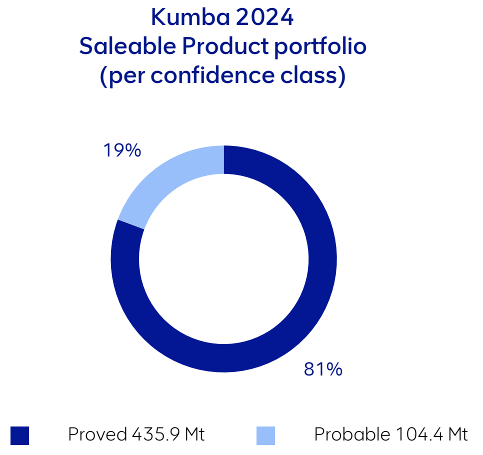
Movements are detailed in the ORMR report of 2024.

Saleable Product summary


Kumba Saleable Product movement from 2023 to 2024 (per site) (million tonnes)


Kumba Saleable Product movement from 2023 to 2024 (per confidence class) (million tonnes)


Kumba 2024 Saleable Product portfolio (per site)


Kumba 2024 Saleable Product portfolio (per confidence class)

Ore Reserves

2024 Ore Reserve statement (referenced against 2023)

Ore Reserve estimates tabled below represent the planned (scheduled) run-of-mine derived through modification of currently economically mineable Measured and Indicated Mineral Resources only, as per the 2024 life-of-asset plans and excludes modified Inferred Mineral Resources.

Operation	Reserve category	2024 Tonnage (Mt)	2024 Grade (% Fe) Average	2024 Cut-off	2024 Reserve life (years)	2023 Tonnage (Mt)	2023 Grade (% Fe) Average	2023 Cut-off	2023 Reserve life (years)
Mining operations									
Kolomela[1, 2, 3, 4]									
Ore Reserves (from pit)	Proved	105.3	63.2	50% Fe	16	87.9	64.2	50% Fe	11
	Probable	9.4	61.3			22.2	63.3		
	Sub-total	**114.6**	**63.0**			**110.1**	**64.0**		
Ore Reserves (from run-of-mine buffer stockpiles)	Proved	0.0	0.0			0.0	0.0		
	Probable	1.3	57.0			22.7	56.0		
	Sub-total	**1.3**	**57.0**			**22.7**	**56.0**		
Total Ore Reserves	Proved	105.3	63.2			87.9	64.2		
	Probable	10.6	60.8			44.9	59.6		
	Total	**115.9**	**63.0**			**132.8**	**62.6**		
Sishen[1, 2, 3, 4]									
Ore Reserves (from pit)	Proved	487.4	56.7	Value based*	16	402.2	57.2	Value based*	15
	Probable	141.8	46.8			119.2	48.5		
	Sub-total	**629.2**	**54.5**			**521.4**	**55.2**		
Ore Reserves (from run-of-mine buffer stockpiles)	Proved	0.0	0.0			0.0	0.0		
	Probable	65.7	46.0			77.2	46.3		
	Sub-total	**65.7**	**46.0**			**77.2**	**46.3**		
Total Ore Reserves	Proved	487.4	56.7			402.2	57.2		
	Probable	207.5	46.5			196.5	47.6		
	Total	**694.9**	**53.7**			**598.6**	**54.0**		
Company									
Kumba									
Grand total Ore Reserves	Proved	592.7	57.9			490.1	58.5		
	Probable	218.1	47.2			241.3	49.8		
	Grand total	**810.8**	**55.0**			**731.4**	**55.6**		

[1] Operational status – Steady-state.
[2] Mining method – Open-pit.
[3] Ore type – Haematite iron ore (including run-of-mine stockpiles).
[4] Owned by Kumba Iron Ore Limited – 75.4%; owned by SIOC – 100%.

* Sishen has introduced a value-based approach to mining block modelling to allow pit optimisation to determine what portion of the Measured and Indicated Mineral Resources is economically mineable and can be converted to Ore Reserves and subsequent Saleable Product, whereby the economic mineability of each selective mining unit (SMU) in the mining block model is determined by comparing the cost of mining and beneficiating the SMU ore and the selling of the SMU product against the income generated by the SMU product type, based on the long-term price (considering grade penalties) and exchange rate. The product estimated for each SMU ore block is derived from cut-offs applied to Saleable Product grade and yield parameters assigned to each block via beneficiation algorithms.

Kolomela realised a year-on-year net decrease in estimated Ore Reserves of 16.9 Mt (-13%)

The year-on-year net decrease in Ore Reserves can primarily be attributed to the halting of the small-scale ultra-high dense medium separation plant as part of Kumba's cost curtailment drive, resulting in the exclusion of medium-grade ore as UHDMS run-of-mine from the 2024 Kolomela LoAP; the Ore Reserves reallocated to exclusive Mineral Resources. A further contributing factor to the year-on-year decrease is the 2024 production as forecasted at the time of site-specific reporting.

Movements are detailed in the ORMR report of 2024.

Sishen's estimated Ore Reserves increased by 96.2 Mt (+16%) year-on-year

The year-on-year Ore Reserve increase is the result of an enlargement of the Sishen pit layout (assuming a higher long-term price forecast compared to 2023), allowing for additional run-of-mine to be scheduled in the 2024 Sishen LoAP. The latter was partially offset by the 2024 production as forecasted at the time of site-specific reporting.

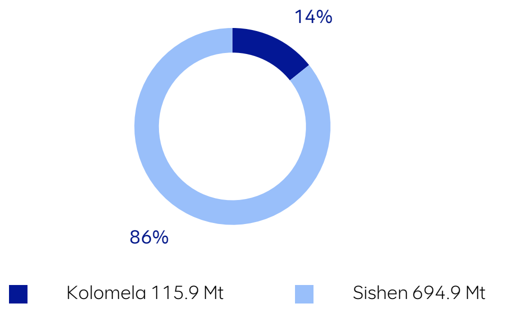
Movements are detailed in the ORMR report of 2024.

Ore Reserve summary

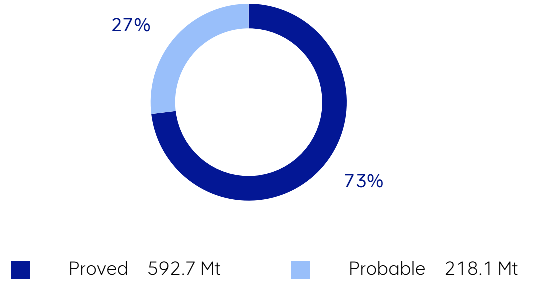
Kumba Ore Reserve movement from 2023 to 2024 (per site) (million tonnes)

Kumba Ore Reserve movement from 2023 to 2024 (per confidence class) (million tonnes)

Kumba 2024 Ore Reserve portfolio (per site)(%)



Kumba 2024 Ore Reserve portfolio (per confidence class)(%)



Mineral Resources

2024 exclusive Mineral Resource statement (referenced against 2023)

The Mineral Resources are reported in addition to Ore Reserves. Kumba's 2024 (*in situ*) Mineral Resources are not an inventory of all mineral occurrences drilled or sampled regardless of cut-off grade, likely dimensions, location, depth or continuity. Instead, they are a realistic record of those, which under assumed and justifiable technical and economic conditions have reasonable prospects for eventual economic extraction.

Operation	**Resource category**	**2024**			2023		
		Tonnage (Mt)	**Average Grade (% Fe)**	**Cut-off***	Tonnage (Mt)	Average Grade (% Fe)	Cut-off Grade (% Fe)
Mining operations							
Kolomela[$]							
In situ Mineral Resources (in addition to Ore Reserves)	Measured (outside LoAP)	40.3	64.3	50.0% Fe	52.1	65.1	50.0
	Indicated (outside LoAP)	46.0	62.5		62.1	63.1	
	Sub-total Measured & Indicated (outside LoAP)	**86.4**	**63.3**		**114.2**	**64.0**	
	Inferred (considered in LoAP)	0.1	65.0		1.2	64.7	
	Inferred (outside LoAP)	11.1	62.4		17.3	62.5	
	Sub-total Inferred	**11.2**	**62.4**		**18.5**	**62.6**	
	Sub-total	**97.5**	**63.2**		**132.7**	**63.8**	
Long-term Stockpiled Mineral Resources (in addition to Ore Reserves)	Measured (outside LoAP)	0.0	0.0		0.0	0.0	
	Indicated (outside LoAP)	21.4	56.9		0.0	0.0	
	Sub-total Measured & Indicated (outside LoAP)	**21.4**	**56.9**		**0.0**	**0.0**	
	Inferred (considered in LoAP)	0.0	0.0		0.0	0.0	
	Inferred (outside LoAP)	0.0	0.0		0.0	0.0	
	Sub-total Inferred	**0.0**	**0.0**		**0.0**	**0.0**	
	Sub-total	**21.4**	**56.9**		**0.0**	**0.0**	
Total Mineral Resources (in addition to Ore Reserves)	Measured (outside LoAP)	40.3	64.3		52.1	65.1	
	Indicated (outside LoAP)	67.5	60.7		62.1	63.1	
	Total Measured & Indicated (outside LoAP)	**107.8**	**62.0**		**114.2**	**64.0**	
	Inferred (considered in LoAP)	0.1	65.0		1.2	64.7	
	Inferred (outside LoAP)	11.1	62.4		17.3	62.5	
	Total Inferred	**11.2**	**62.4**		**18.5**	**62.6**	
	Total	**119.0**	**62.0**		**132.7**	**63.8**	

Operation	**Resource category**	**2024**			2023		
		Tonnage (Mt)	**Average Grade (% Fe)**	**Cut-off***	Tonnage (Mt)	Average Grade (% Fe)	Cut-off Grade (% Fe)
Mining operations							
Sishen[$]							
In situ Mineral Resources (in addition to Ore Reserves)	Measured (outside LoAP)	160.9	53.2	Beneficiation Potential	241.3	56.5	40.0
	Indicated (outside LoAP)	169.1	55.9		194.9	55.1	
	Sub-total Measured & Indicated (outside LoAP)	**330.0**	**54.6**		**436.2**	**55.9**	
	Inferred (considered in LoAP)	5.4	55.2		1.4	59.5	
	Inferred (outside LoAP)	13.7	33.5		7.8	47.8	
	Sub-total Inferred	**19.1**	**39.7**		**9.1**	**49.6**	
	Sub-total	**349.1**	**53.8**		**445.3**	**55.8**	
Long-term Stockpiled Mineral Resources (in addition to Ore Reserves)	Measured (outside LoAP)	0.0	0.0		0.0	0.0	
	Indicated (outside LoAP)	2.9	49.7		7.8	53.4	
	Sub-total Measured & Indicated (outside LoAP)	**2.9**	**49.7**		**7.8**	**53.4**	
	Inferred (considered in LoAP)	0.0	0.0		0.0	0.0	
	Inferred (outside LoAP)	0.0	0.0		0.0	0.0	
	Sub-total Inferred	**0.0**	**0.0**		**0.0**	**0.0**	
	Sub-total	**2.9**	**49.7**		**7.8**	**53.4**	
Total Mineral Resources (in addition to Ore Reserves)	Measured (outside LoAP)	160.9	53.2		241.3	56.5	
	Indicated (outside LoAP)	172.0	55.8		202.7	55.0	
	Total Measured & Indicated (outside LoAP)	**332.9**	**54.5**		**444.0**	**55.8**	
	Inferred (considered in LoAP)	5.4	55.2		1.4	59.5	
	Inferred (outside LoAP)	13.7	33.5		7.8	47.8	
	Total Inferred	**19.1**	**39.7**		**9.1**	**49.6**	
	Total	**352.0**	**53.7**		**453.1**	**55.7**	

Mineral Resources cont.

Operation	**Resource category**	**2024** **Tonnage (Mt)**	**Average Grade** **(% Fe)**	**Cut-off***	2023 Tonnage (Mt)	Average Grade (% Fe)	Cut-off Grade (% Fe)
Company							
Kumba							
Mineral Resources (in addition to Ore Reserves)	Measured (outside LoAP)	201.2	55.4		293.4	58.0	
	Indicated (outside LoAP)	239.5	57.2		264.7	56.9	
	Grand total Measured & Indicated (outside LoAP)	**440.7**	**56.4**		**558.1**	**57.5**	
	Inferred (considered in LoAP)	5.5	55.4		2.6	61.9	
	Inferred (outside LoAP)	24.8	46.4		25.1	58.0	
	Grand total Inferred	**30.3**	**48.0**		**27.7**	**58.4**	
	Grand total	**471.0**	**55.9**		**585.8**	**57.5**	

The tonnages are quoted in dry metric tonnes and million tonnes is abbreviated as Mt.

- Rounding of figures may cause computational discrepancies.
- Mineral Resource figures are reported at 100% irrespective of percentage attributable Kumba Iron Ore (KIO) ownership.
- The term Inferred Mineral Resource (outside LoAP) refers to that portion of the Inferred Mineral Resources not utilised in the LoAP.
- The term Inferred Mineral Resource (considered in LoAP) refers to that portion of the Inferred Mineral Resources utilised in the LoAP; reported without having any modifying factors applied – therefore the term “considered in LoAP” instead of “inside LoAP”. While it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade in confidence to Indicated Mineral Resources with continued exploration, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur on a one-to-one basis.

$ Ore type: Haematite; owned by Kumba Iron Ore Limited: 75.4%; owned by SIOC: 100%.

* The cut-off quoted for Kolomela is a fixed *in situ* 50% Fe, while the cut-off quoted for Sishen changed from a fixed *in situ* 40% Fe in 2023 to a beneficiation potential-based approach in 2024, by assigning yield and product grade parameters via the application of geometallurgical densimetric data-derived beneficiation algorithms to each mineralised geological unit in the geological model, to align with the value-based cut-off approach applied to derive the Sishen Ore Reserves since 2023. The beneficiation potential of the various types of iron ore mineralisation in the resource model is categorised in the form of material classes, which, in addition to in situ grade cut-offs, also consider yield and product cut-off grades on a bench scale (12.5m vertical scale), but assigned to each 5m(X) x 5m(Y) x 3.125m(Z) cell in the resource model. Per implication this means that material with an *in situ* Fe lower than 40%, but which have reasonable economical prospects to be converted to saleable product, is now redefined as Mineral Resources..

Kolomela quotes a 13.7 Mt (-10%) decrease in estimated exclusive Mineral Resources from 2023 to 2024

The year-on-year decrease recorded can primarily be attributed to Mineral Resources being reallocated to Mineral Inventory (the latter considered to not have reasonable prospects for eventual economic extraction) due to smaller resource shells, as well as Measured and Indicated Mineral Resources being converted to Ore Reserves because of an enlargement of the Kapstevel South pit layout.

The decrease was partially offset by the reallocation of buffer stockpile medium-grade Ore Reserves to Mineral Resources, unutilised in the 2024 LoAP due to the halting of the small-scale dense media separation plant.

Movements are detailed in the ORMR report of 2024.

The Sishen estimated exclusive Mineral Resources showed a 101.1 Mt (-22%) decrease year-on-year

The year-on-year net decrease is primarily the result of the conversion of Measured and Indicated Mineral Resources to Ore Reserves due to a larger pit layout, as well as a decrease in low-grade Mineral Resources based on a revised grade estimation method for the Banded Iron Formation low-grade ore, to address historical bias sampling as identified during an external audit conducted in 2023.

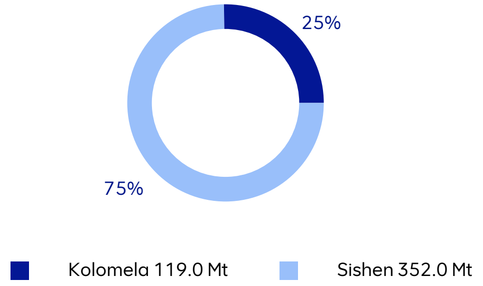
The decrease is partially countered by a change in the cut-off, whereby the 2023 40% in situ Fe cut-off has been replaced by a beneficiation potential based cut-off to align with the Ore Reserve value-based cut-off approach implemented in 2023. The latter resulted in the conversion of some Mineral Inventory (Fe < 40%) to Mineral Resources due to the fact that it has reasonable prospects to be economically beneficiated.

Movements are detailed in the ORMR report of 2024.

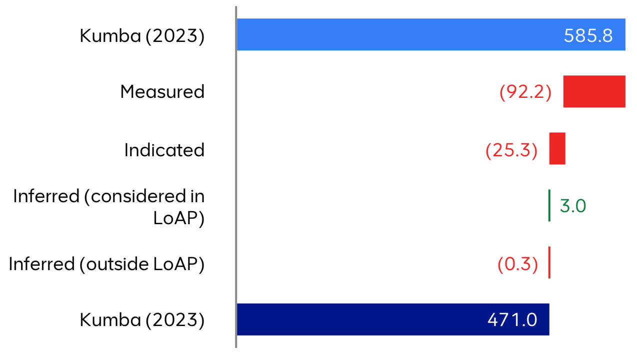
Exclusive Mineral Resource summary

Exclusive Mineral Resource movement from 2023 to 2024 (per site) (million tonnes)

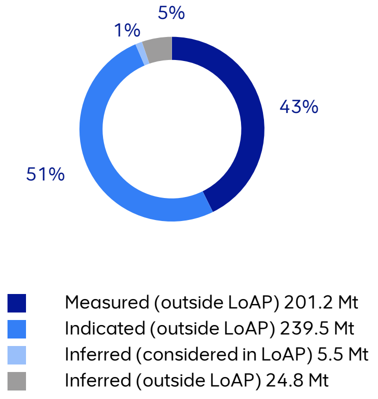
Kumba 2024 exclusive Mineral Resource portfolio (per site)



Exclusive Mineral Resource movement from 2023 to 2024 (per confidence class) (million tonnes)



Kumba 2024 exclusive Mineral Resource portfolio (per confidence class)



Appendices

Material topics covered in this section:

Fitters Lebona Phakile, Monique Nero and Tshepo Ratshikana, with Intern Aobakwe Molokwane at the Sishen workshop.

Governance

Kumba Board

The Board is the custodian of good corporate governance and sets the tone for ethical leadership. Its role and responsibilities include setting the Company's strategic direction, providing continuous oversight of the Company's performance on material matters, and holding the executive management team accountable to provide ethical and effective leadership.

The Board charter sets out the composition, scope of authority, responsibilities and powers and functioning of the Board. The Board believes that its combined skills and experience are appropriate for the effective execution of its duties.

The table below sets out the composition of the Board and attendance by the directors at Board meetings:

Board	16 February 2024	17 May 2024	19 July 2024	5 August 2024	28 August 2024	15 November 2024	9 December 2024	Number of meetings: 7
TP Goodlace (Chairperson)	✓	✓	✓	✓	✓	✓	✓	**7/7**
MS Bomela	✓	✓	✓	✓	✓	✓	✓	**7/7**
A Jeawon	✓	✓	✓	✓	✓	✓	✓	**7/7**
MA Jenkins	✓	✓	✓	✓	✓	✓	✓	**7/7**
NB Langa-Royds	✓	✓	Apology[*]	Apology[*]	Apology[*]	✓	✓	**4/7**
TM Mkhwanazi	✓	Apology	✓	✓	✓	✓	✓	**6/7**
NV Mokhesi[$]	Not Appointed	Not Appointed	✓	✓	✓	✓	✓	**5/5**
BA Mazarura	✓	✓	✓	✓	✓	✓	✓	**7/7**
SS Ntsaluba	✓	✓	✓	✓	✓	Apology	✓	**6/7**
MJ Tsele	✓	✓	✓	✓	✓	Apology	✓	**6/7**
MTS Walker[#]	Not Appointed	✓	✓	✓	✓	✓	Apology	**5/6**
ND Zikalala	✓	✓	✓	✓	✓	✓	✓	**7/7**

[*] Board approved leave of absence
[$] Ms Neo Mokhesi was appointed as Independent non-executive director on 1 July 2024.
[#] Mr Matthew Walker was appointed as Non-executive director on 1 April 2024.

The material issues deliberated on by the Board are determined by assessing the external environment, the needs and expectations of key stakeholders and other significant topics and/or events. Deliberations of the various committees enable the Board discussions to be more focused on strategic matters. Dedicated strategy sessions are held annually to allow the Board to properly interrogate the Company's strategy and to provide its input to management.

This year, presentations from senior management provided the Board with an opportunity to interrogate matters under discussion in more detail and to engage with senior management on material issues.

The following were key activities and outcomes from the Board in 2024:

- Approved the treatment of the significant accounting matters
- Approved payment of the interim and final dividends
- Approved the interim and year-end financial statements
- Approved the integrated report, climate change report and the sustainability report
- Approved the appointment of a Non-executive director and an Independent non-executive director
- Approved amendments to the Delegation of authority framework
- Approved the amendments to the Bonus and Retention Plan Rules for recommendation to shareholders
- Approved the amendments to the Kumba Housing policy
- Approved the Future Focused Growth workplan and budget for 2024
- Approved the Surface Blasting contract award and the Geological Drilling Service contract
- Approved the Group Compliance Policy
- Approved Board policies on the recommendation of the Nominations and Governance Committee
- Approved the 2025 Budget
- Reviewed and approved additional capital funding and project milestones for the UHDMS Project
- Monitored the implementation of the refreshed strategy
- Approved the implementation of Phase 2 of the restructuring process and approved additional funding for the social mitigation response plan
- Reviewed strategic projects to restore Transnet's rail and port performance
- Approved the funding request from the NLCC
- Approved the updated Kumba GISTM Disclosure report for publication on the website
- Approved the Resource and Reserve Statement
- Undertook virtual roadshows and engagements with shareholders and investors ahead of the 2024 AGM
- Noted the reporting requirements in respect of IFRS S1 (Sustainability) and IFRS S2 (Climate Change), with first publication in February 2027 for the 2026 financial year
- Reviewed and assessed quarterly reports on risks and opportunities
- Reviewed and approved the terms of references of the committees and the Board charter and annual workplans.

The Board is satisfied that it has fulfilled its mandate as set out in its Board Charter and work plan, as required in terms of King IV™ Principle 8 during the period under review.

The Board is happy to confirm that it has achieved the actions identified to further enhance governance outcomes set out for 2024. Actions for implementation in 2025 have been identified and agreed upon by the Board.

Audit Committee

The role of the Audit Committee, in addition to its statutory duties in line with the Companies Act, as amended, is to provide independent oversight of the effectiveness of the Company's financial, operating, compliance and risk management controls. In addition, the Audit Committee assesses the systems of internal financial controls and accounting systems of the Company and its wholly owned subsidiaries. The Committee also assesses the effectiveness of the internal auditors and the independence and effectiveness of the external auditors. This assists the Board in monitoring the integrity of the Company's AFS and related external reports.

The Committee comprises independent Non-executive directors who collectively have the necessary financial literacy, skills and experience to perform the Committee role and functions effectively.

The Committee executed its duties in terms of paragraph 3.84(g) of the JSE Listings Requirements as reported in the Audit Committee's report in the AFS (refer to pages 21 to 23 in the AFS) and satisfied itself that the Company has established appropriate financial reporting procedures and that those procedures are operating, which included the consideration of all entities included in the consolidated group IFRS financial statements.

The table below sets out the composition of the Audit Committee and attendance at the meetings by its members for 2024:

Member	Number of meetings: 6
SS Ntsaluba (Chairperson)	**6/6**
MS Bomela	**6/6**
A Jeawon	**6/6**
MA Jenkins	**6/6**
NV Mokhesi[$]	**6/6**

[$] Ms Neo Mokhesi was appointed to the Committee on 1 July 2024.

Meetings of the Audit Committee were aligned with the key reporting and regulatory timelines. The Chairperson of the Audit Committee met with internal audit and external auditors separately between Audit Committee meetings. The agenda also provided for meetings solely with members of the Audit Committee.

In addition to its statutory duties, the following were key activities and outcomes from the Audit Committee in 2024:

- Continued focus on governance and the regulatory control environment
- Continued focus on the robustness of the internal control framework over financial reporting to support the Chief Executive and Chief Financial Officer's responsibility statement
- Reviewing the business performance against targets
- Continued focus on IT governance and the related control environment
- Reviewed its terms of reference and annual workplan and recommended these to the Board for approval
- Reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee
- Reviewed the group's current tax matters that could have a material impact on the financial statements
- Evaluated the performance of internal audit and the external audit
- Approved the auditor's terms of engagement and fees
- Approved the external auditor's annual plan for the 2024 annual audit as well as the related scope of work, and the appropriateness of the key audit risks identified
- Reviewed the findings and recommendations of the external auditors and confirm that there were no noteworthy unresolved matters at the end of the financial period
- Approved the Audit Committee report for inclusion in the AFS
- Evaluated the independence, effectiveness and performance of the internal audit function in terms of its scope, execution of its plan, coverage, skills, resourcing an position within the organisation and found it to be satisfactory
- Received assurance that proper and adequate accounting records were maintained
- Considered the internal audit reports on the group's systems of internal controls, including financial controls and business management
- Reviewed the group's significant accounting matters and recommended the approval thereof to the Board

The Committee is satisfied that it has fulfilled its mandate as set out in its terms of reference and work plan, as required in terms of King IV™ Principle 8 during the period under review.

The Audit Committee is pleased to confirm that it has achieved the actions identified to enhance governance outcomes further set out for 2024. Actions for implementation in 2025 have been identified and agreed by the Committee (also refer to the Audit Committee's report in the AFS, pages 21 to 23).

Strategy and Investment Committee (Stratco)

The primary purpose of the Strategy and Investment Committee is to evaluate and make recommendations to the Board on the Company's strategy and its implementation, business development opportunities, capital and other investments or divestments and procurement contracts.

The Committee comprises four independent Non-executive directors, three Non-executive directors and two Executive directors. The Executive Head of Technical and Strategy, the Chief Transformation Officer, Principal Advisor Project Management Office and Strategy and Manager: Corporate Development are permanent invitees to the meetings of the Committee.

The table below sets out the composition of the Strategy and Investment Committee and attendance at the meetings by its members for 2024:

Governance cont.

Strategy and Investment Committee (Stratco)

The primary purpose of the Strategy and Investment Committee is to evaluate and make recommendations to the Board on the Company's strategy and its implementation, business development opportunities, capital and other investments or divestments and procurement contracts.

The Committee comprises four independent non-executive directors, three non-executive directors and two executive directors. The executive head of technical and strategy, the chief transformation officer, principal advisor project management office and strategy and manager corporate development are permanent invitees to the meetings of the Committee.

The table below sets out the composition of the Strategy and Investment Committee and attendance at the meetings by its members for 2024:

Member	Number of meetings: 4
MS Bomela (Chairperson)	4/4
A Jeawon	4/4
MA Jenkins	4/4
BA Mazarura	4/4
TM Mkhwanazi	3/4
SS Ntsaluba	4/4
MJ Tsele	2/4
MTS Walker[$]	3/3
ND Zikalala	4/4

[$] Mr Matthew Walker was appointed to the Committee on 1 April 2024.

The following were key activities and outcomes from the Strategy and Investment Committee in 2024:

- Received updates on Kumba's strategic initiatives and business optimisation
- Considered and recommended the approval of the resource and reserve statement to the Board
- Received quarterly reports on capital expenditure and progress on Board-approved capital projects with specific focus on the UHDMS project
- Received updates on future focus growth initiatives and the critical deliverables
- Considered and recommended the approval of the 2024 Future Focused Growth workplan and budget to the Board
- Received updates on the logistics programme including the proposed Mutual Collaboration Agreement with Transnet, PSP and the concession model, Network Statement and the Ore Corridor Restoration Programme
- Considered and recommended to the Board the approval of the Surface Blasting and Geological Drilling Service contract awards
- Considered the themes and action plans from the Board Strategy session
- Reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee
- Reviewed the terms of reference and annual workplan and recommended these to the Board for approval

The Committee is satisfied that it has fulfilled its mandate as set out in the Committees terms of reference and work plan, as required in terms of King IV™ Principle 8 during the period under review

The Strategy and Investment Committee is pleased to confirm that it has achieved the actions identified to further enhance governance outcomes set out for 2024. Actions for implementation in 2025 have been identified and agreed upon by members of the Committee.

Social, Ethics and Transformation Committee (Setco)

The Social, Ethics and Transformation Committee, as a statutory committee, plays a pivotal role in exercising oversight of organisational ethics, social and economic development, good corporate citizenship, regulatory compliance, environment, health and safety, stakeholder engagement and labour and employment issues. The purpose of the Committee is to ensure that the Company's activities positively impact its many stakeholders, including employees, communities, members of the public and the environment and to report on this to its shareholders on an annual basis.

The Committee comprises a majority of Non-executive directors. In addition to Committee members, the Executive Heads of Corporate Affairs and People and Organisation attended Committee meetings.

The Setco's report (the 2024 SR) is available on the Company's website at:
▶ www.angloamericankumba.com/investors/annual-reporting/reports-archive/2024

The table below sets out the composition of Setco and attendance at the meetings by its members for 2024:

Member	Number of meetings: 5
MS Bomela (Chairperson)[$]	5/5
TP Goodlace	5/5
NB Langa-Royds	4/5
BA Mazarura	5/5
NV Mokhesi[#]	2/2
MJ Tsele	4/5
ND Zikalala	4/5

[$] Mrs Mary Bomela was appointed as interim chairperson on 1 January 2024.
[#] Ms Neo Mokhesi was appointed to the Committee on 1 July 2024.

The following were some of the key activities and outcomes from the Social, Ethics and Transformation Committee in 2024:

- Received updates on Kumba's SMP
- Approved the group compliance plan
- Reviewed the 2023 Sustainability report and recommended this to the Board for approval
- Approved the Chairperson's letter for inclusion in the Sustainability report
- Reviewed the B-BBEE verification outcomes together with the action improvement plans and timelines
- Received updates on Kumba's inclusion and diversity performance and talent management
- Received updates on the implementation of the social impact response plan and the progress made on initiatives to mitigate the impact of the restructuring on employees and contractors
- Considered and noted the outcomes of the audit results from the IRMA organisation
- Considered and recommended the approval of the Compliance Policy to the Board
- Considered and noted the outcomes of the permitting compliance audit which focused on the MPRDA, NEMA and MWA
- Received updates on inclusive procurement
- Approved the measures to be assured in the sustainability report and the scope of assurance
- Received a progress report on the activities of the SIOC Community Development Trust
- Received an update on employee learning and development
- Reviewed the Company's quarterly transformation and stakeholder engagement reports
- Received updates on intermediary risk management and conflicts of interest declarations
- Received whistleblowing reports and reports on the implementation of the business integrity system
- Received reports from the Living with Dignity Hub
- Reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee
- Reviewed the terms of reference and annual workplan and recommended these to the Board for approval

The Committee is satisfied that it has fulfilled its mandate as set out in the Committee's terms of reference and work plan, as required in terms of King IV™ Principle 8 during the period under review.

The Social, Ethics and Transformation Committee is pleased to confirm that it has achieved the actions identified to further enhance governance outcomes set out for 2024. Actions for implementation in 2025 have been identified and agreed upon by members of the Committee.

Safety, Health and Sustainable Development (SHSD) Committee

The purpose of the Safety, Health and Sustainable Development Committee is to monitor the safety and health of employees and to oversee that the sustainability initiatives and objectives of the Company are effectively integrated into the business and that the Company operates in an environmentally responsible and safe manner.

The Committee comprises three independent Non-executive directors, one Non-executive director and one Executive director. The executive heads of safety, health and environment, technical and strategy and corporate affairs are permanent invitees to the Committee.

The SHSD Committee reports in the 2024 SR and CCR are available on the Company's website at:
▶ www.angloamericankumba.com/investors/annual-reporting/reports-archive/2024

The table below sets out the composition of the SHSD Committee and attendance at the meetings by its members for 2024:

Member	Number of meetings: 5
TP Goodlace (Chairperson)	5/5
A Jeawon	5/5
NV Mokhesi[$]	2/2
MJ Tsele	4/5
ND Zikalala	4/5

[$] Ms Neo Mokhesi was appointed to the Committee on 1 July 2024.

The following were some of the key activities and outcomes from the Safety, Health and Sustainable Development Committee in 2024:

- Considered the outcomes of the quarterly assessment of the Company's managed tailings storage facilities as well as the critical controls to manage geotechnical risks
- Received quarterly reports on safety, health and environmental performance
- Received quarterly updates on emissions and energy
- Received an update on Kumba's water management strategy
- Considered the fire prevention risk management compliance
- Received quarterly updates on permitting
- Considered and recommended to the Board the approval of the Kumba GISTM disclosure report
- Reviewed the 2023 Climate Change and Sustainability reports and recommended these to the Board for approval
- Reviewed and approved the assurance indicators and level of assurance for the 2024 Climate Change and Sustainability reports
- Approved the Chairperson's letter for the Climate Change report
- Received an update on the implementation of the Sustainability (IFRS S1) and Climate Change (IFRS S2) reporting requirements and it was recommended to the Board that the responsibility to oversee the reporting process excluding the financial impact be delegated to the SHSD and Setco committees
- Reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee
- Reviewed the terms of reference and annual workplan and recommended these to the Board for approval

The Committee is satisfied that it has fulfilled its mandate as set out in the Committee's terms of reference and work plan, as required in terms of King IV™ Principle 8 during the period under review

The Safety, Health and Sustainable Development Committee is pleased to confirm that it has achieved the actions identified to further enhance governance outcomes set out for 2024. Actions for implementation in 2025 have been identified and agreed upon by members of the Committee.

Governance cont.

Human Resources and Remuneration (Remco) Committee

The purpose of the Human Resources and Remuneration Committee is to ensure that the remuneration policy is fair and reasonable, while remaining compliant with regulatory and governance requirements and that remuneration practices deliver shareholder value. It also ensures the establishment of an appropriate remuneration framework and adoption of remuneration policies that aim to attract and retain top talent, support the Company's long-term strategy and drive sustainable performance.

The Committee comprises a majority of Non-executive directors. In addition to the Committee members, the Chief Executive, the Executive Head of People and Organisation and the Anglo American Head of Reward attend Committee meetings.

The Committee is satisfied that it has fulfilled its mandate as set out in the Committee's terms of reference and work plan, as required in terms of King IV™ Principle 8 during the period under review.

The remuneration report for the year under review is on page 80.

The table below sets out the composition of Remco and attendance at the meetings by its members for 2024:

Member	Number of meetings: 4
NB Langa-Royds (Chairperson)	4/4
MS Bomela	4/4
TP Goodlace	4/4
MA Jenkins	4/4
TM Mkhwanazi	3/4
MTS Walker[$]	2/3

[$] Mr Matthew Walker was appointed to the Committee on 1 April 2024.

The following were key activities and outcomes from the Human Resources and Remuneration Committee in 2024:

- Considered material risks and mitigation measures related to the retention of skills
- Reviewed and approved the payment of short-term incentives for the 2023 performance year
- Reviewed and approved the performance conditions, weightings and targets for the 2024 LTIP share grant
- Approved the 2024 Team+ short-term incentive performance metrics and targets
- Approved vesting and deferred cash awards
- Considered and recommended the amendments to the Kumba Housing policy to the Board for approval
- Approved the 2023 Remuneration Report
- Reviewed and approved the 2024 Band 7 and below EOF operational reward framework short-term incentive performance objectives
- Approved the mandate for the bargaining category multi-year wage negotiation
- Received quarterly reports on employee relations, labour availability, talent management, employee engagement and inclusion and diversity
- Considered the remuneration issues raised by shareholders during the governance roadshow
- Approved the annual salary mandate for the Chief Executive, Exco and the non-bargaining category employees
- Considered and approved the benchmarking comparator group
- Received an update on talent and succession for key roles
- Considered and recommended the 2025 non-executive director fee increases for approval to the Board and recommendation to shareholders for approval at the AGM
- Considered and approved the supplementary benchmarking comparator group based on size and similar complexity to Kumba
- Reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee
- Reviewed the terms of reference and annual workplan and recommended these to the Board for approval

The Human Resources and Remuneration Committee is pleased to confirm that it has achieved the actions identified to further enhance governance outcomes set out for 2024. Actions for implementation in 2025 have been identified and agreed upon by members of the Committee.

The Human Resources and Remuneration Committee is pleased to confirm that it has achieved the actions identified to further enhance governance outcomes set out for 2024. Actions for implementation in 2025 have been identified and agreed by members of the Committee.

Nominations and Governance Committee (NomGov)

The Nominations and Governance Committee has an independent role, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the Executive directors, Prescribed officers and other members of senior management. The Committee comprises independent Non-executive directors. The Committee plays a key role in the promotion of sound corporate governance as integral to the running of an organisation and delivering governance outcomes such as an ethical culture, good performance, effective control and legitimacy.

The table below sets out the composition of the Nominations and Governance Committee and attendance at the meetings by its members for 2024:

Member	Number of meetings: 3
TP Goodlace (Chairperson)	3/3
MS Bomela	3/3
NB Langa-Royds	2/3
SS Ntsaluba	3/3

The following were key activities and outcomes from the Nominations and Governance Committee in 2024:

- Considered and recommended to the Board for approval, the revision of several board policies
- Conducted interviews and considered and recommended to the Board for approval, the appointment of two Non-executive directors
- Considered and approved applications by Board members to serve on other boards
- Determined the Board training themes for 2024
- Co-ordinated the AGM Governance roadshows
- Received progress updates on the asset reunification (unclaimed dividends)
- Considered the formal succession plans for the Board and for the Chairperson of the Board
- Reviewed and approved the process for the biennial external Board evaluation
- Received an update on the succession planning for the Chief Financial Officer
- Reviewed its terms of reference and annual work plan and recommended these to the Board for approval

The Committee is satisfied that it has fulfilled its mandate as set out in the Committee's terms of reference and work plan, as required in terms of King IV™ Principle 8 during the period under review.

The Nominations and Governance Committee confirms that it has achieved the actions identified to further enhance governance outcomes set out for 2024. Actions for implementation in 2025 have been identified and agreed by members of the Committee.

Executive Committee

Exco comprises the individuals most closely involved in the Company's operations including:

- The Chief Executive (Chairperson of Exco)
- The Chief Financial Officer
- Executive heads of each material area

Its responsibilities are subject to the provisions of the DAF and include:

- executing corporate strategy, as approved by the Board
- prioritising capital expenditure allocations
- establishing and overseeing best management practices
- making senior managerial appointments
- overseeing managerial performance

All members of Exco have also been identified as prescribed officers of the Company in terms of the Companies Act.

Other governance practices

Codes, regulations and compliance

The Board is responsible for the Company's compliance with applicable laws, codes and standards. Compliance is an integral part of the Company's culture in ensuring the achievement of its strategy. The Board has delegated the implementation of an effective compliance framework to management. Supervision of compliance risk management is delegated to the Management Risk Committee, which reviews and monitors compliance. The Company operates in conformity with its MoI. In addition, the Company complied with various codes and regulations such as the Companies Act, the JSE Listings Requirements and King IV™. Internal quality audits are performed to assess compliance with legal and industry requirements.

King IV™

The Board always endeavours to apply good corporate governance practices when executing its fiduciary duties and is fully committed to the four governance outcomes as set out in King IV™. A self-assessment was conducted against the 16 principles and the Board is satisfied that the Company has adopted the principles and is mindfully overseeing the application of the recommended practices.

The JSE Listings Requirements currently require JSE-listed companies to report on the extent to which they apply the principles set out in King IV™. The application of the King IV™ principles and adoption of the various recommendations are more fully detailed in our King IV™ application register, available on the Company's website:

▶ **www.angloamericankumba.com/investors/corporate-governance**

The Board developed a matrix allocating responsibilities to the Board committees while retaining overall accountability.

Management ethics

Ethics and code of conduct

The main role of the ethics function is to promote ethical business conduct through the implementation of the Company's business integrity policy, code of conduct and anti-corruption policy.

The Company is committed to conducting a business that is consistent with its values, principles and leadership code, through guidelines and policies that set out its ethical culture. These policies guide employees, contractors, suppliers and all other stakeholders on how the Company conducts itself and the way it does business.

Kumba has upheld its principle of "zero tolerance" to unethical behaviour throughout its activities during the year under review. This has intrinsically been achieved through exercising rigorous ethics management and monitoring through a systematic and structured framework. Kumba has a clear governance structure charged with ethics management to ensure effective and efficient monitoring. The Board, through the Audit and Social, Ethics and Transformation committees, is the ultimate custodian of ethics management as outlined in the Companies Act and King IV™. Kumba has a Management Ethics Committee which is responsible for ongoing management of ethics. The Committee meets on a quarterly basis to consider all ethics and integrity-related issues and reports to the Board committees. Kumba has a dedicated anonymous tip-offs (whistleblowing) hotline, independently run by a third party.

The Kumba ethics function is led by the Company Secretary as the ethics officer who also serves as the Chairperson of the Management Ethics Committee. The Committee made good progress on investigating and closing off reported incidents.

During the year, the ethics officer created awareness through targeted communication on unethical behaviour, disclosure of gifts, entertainment and hospitality and conflicts of interest with the launch of the new "Disclose" tool that was done through various platforms to reach all employees, suppliers, contractors, and communities. All reported incidents are thoroughly investigated either internally, or by Anglo Business Assurance Services (ABAS) or external forensic investigators, and resolved timeously, depending on the complexity of the matter. During the investigation process, fairness and transparency are exercised and the outcome of each investigation is properly considered to ensure that corrective action is taken to address control failures.

Governance cont.

Regulatory compliance

Kumba recognises the importance of complying with legislation as well as adhering to non-binding rules, codes and standards impacting its mining operations. The compliance process is an important element in embedding a compliance culture at Kumba and providing the Board and management with the assurance of compliance with legal and regulatory requirements.

The compliance function is aligned with the Company's strategic objectives and works closely with the risk function and Anglo American internal audit department to ensure the alignment of the combined assurance providers' approaches to monitoring and reporting. The regulatory compliance controls and monitoring, introduced during the previous financial year, were continued throughout 2024. The outcome of the risk-based compliance monitoring of controls and mining activities resulted in the Company adopting appropriate remedial and/or mitigating steps, where necessary, to comply with the spirit and letter of the findings.

During the year, the compliance function provided reports to the Executive Committee and the Social, Ethics and Transformation Committee on the level of regulatory compliance by the Company to the applicable mining and related legislation, regulations, standards, best practices and codes that have been identified to be of importance.

The compliance function reports operationally to the Principal Risk and Assurance and has regular direct contact with the Chief Financial Officer, Chief Executive and senior management. In addition, the compliance function attends key management and governance meetings.

Annual compliance certificate

The annual compliance certificate confirming the Company's compliance with the JSE Listings Requirements for the period was completed and will be submitted to the JSE on 11 April 2025.

Trading in securities

Kumba has a defined trading in securities policy, which is in alignment with the JSE Listings Requirements, and sets out provisions as to how trading is to be conducted by Kumba's directors, directors of Kumba's major subsidiaries, the Company Secretary and relevant employees, when dealing in the Company's securities, to prevent the misuse of inside information.

The Kumba policy and JSE Listings Requirements prohibit directors and relevant employees from trading in any securities relating to Kumba without obtaining prior approval from the Chairperson of the Board or other designated directors.

Directors are also required to publicly disclose any dealings in the Company's securities by themselves or their associates. The JSE Listings Requirements define closed periods during which trading in Kumba securities is prohibited :

- From 1 January every year to the date on which the annual financial results are published (1 January 2024 to 20 February 2024)
- From 1 July every year to the date on which interim financial results are published (1 July 2024 to 23 July 2024)
- Any period when Kumba is trading under a cautionary announcement

The prohibition applies equally to the directors, executives, relevant employees' and their associates. At the start of a closed period, directors and employees are formally advised of the commencement and duration of the closed period. In addition, ad hoc trading embargoes are imposed on individuals who possess price-sensitive information of a particular nature, at any given time, if it is the opinion of the Kumba Board that there exists a risk of insider trading.

Sponsor

Kumba fully understands the role and responsibilities of the sponsor stipulated in the JSE Listings Requirements and has cultivated a good working relationship with its sponsor, Rand Merchant Bank. The Company is satisfied that the sponsor has executed its mandate with due care and diligence for the year under review.

Responsibility statement on internal financial controls

Each of the executive directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 34 to 125 in the AFS fairly present, in all material respects, the financial position, financial performance and cash flows of the Kumba group in terms of IFRS Accounting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to Kumba and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the Kumba group;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

Mpumi Zikalala
Chief Executive

Bothwell Mazarura
Chief Financial Officer

17 February 2025

Climate change disclosure – TCFD recommendations

Respecting society's increasing expectations for greater transparency on climate change, our management and reporting approach follows the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). Kumba's response to the risks posed by climate change is multi-disciplinary and is covered throughout our reporting suite. Our most detailed response on the risks and opportunities that climate change presents for our business, and our strategic response to these risks and opportunities, are provided in our CCR 2024. The table below identifies where to find information in the CCR 2024 (https://www.angloamericankumba.com/investors/annual-reporting/reports-archive/2024) relating to each of the TCFD's recommendations.

Recommended disclosures		**Kumba CCR 2024 section**	**Pages of the CCR 2024**
Governance			
Disclose the organisation's governance around climate-related risks and opportunities			
(a)	Describe the Board's oversight of climate-related risks and opportunities	Board oversight	**9**
(b)	Describe management's role in assessing and managing climate-related risks and opportunities	Climate change management	**9**
		Kumba's risk management framework	**11**
Strategy			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning, where such information is material			
(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Understanding our climate-related risks and opportunities	**11**
(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Assessing our resilience under various climate scenarios	**12 to 17**
(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Assessing our resilience under various climate scenarios	**12 to 17**
		Our climate response strategy	**18 to 24**
Risk management			
Disclose how the organisation identifies, assesses, and manages climate-related risks			
(a)	Describe the organisation's processes for identifying and assessing climate-related risks	Kumba's risk management framework	**11**
(b)	Describe the organisation's processes for managing climate-related risks	Board oversight	**9**
		Climate change management	**9**
(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Kumba's risk management framework	**11**
		Our climate response strategy	**18 to 24**
Metrics and targets			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material			
(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Delivering on our strategy: Our 2024 performance	**25 to 29**
(b)	Disclose scope 1, scope 2, and, if appropriate, scope 3 GHG emissions, and the related risks	Assessing our resilience under various climate scenarios	**12 to 17**
		Delivering on our strategy: Our 2024 performance	**25 to 29**
(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Our climate response strategy	**18 to 24**

Sustainability-related financial information

The following table summarises the Sustainability Disclosure Topics and Metrics listed in the SASB Metals and Mining Sustainability Accounting Standard.

Metric	2024	2023	2022
GHG emissions			
Total scope 1 emissions (direct – fossil fuels) CO_2e emissions (Mt)	**0.417**	0.548	0.554
Air quality			
Particulate matter (PM_{10}) – number of dust exceedances from the mine – for Sishen and Kolomela (Note: other SASB-listed air pollutants are not material to our business)	**10**	22	7
Energy management			
Total energy consumed (million GJ)	**7.08**	8.88	8.97
Percentage grid electricity	**100**	100	100
Percentage renewable electricity	**0**	0	0
Water management			
Total fresh water withdrawn (million m^3)	**27.6**	—	
Total fresh water consumed (ML)	**7.8**	8.1	7.0
Percentage in high water stress regions	**100**	100	100
Number of incidents of non-compliance related to water (low-impact level 1 and 2)	**46**	55	27
Waste and hazardous materials management			
Non-mineral waste			
Hazardous to landfill (kilo tonnes)	**2.96**	3.08	1.13
Hazardous bio remediated (kilo tonnes)	**8.65**	3.23	2.02
Total hazardous waste	**11.61**	6.31	3.15
Non-hazardous to landfill (kilo tonnes)	**2.17**	0.68	1.44
Total non-mineral waste generated	**13.78**	6.99	4.59
Total waste recycled (kilo tonnes)	**9.89**	11.16	0.88
Total tailings produced (active and inactive)	**200.04**	204.0	291.9
Total waste mined (million tonnes)			
Number of significant incidents associated with hazardous materials (level 3 to 5)	**0**	0	0
Production (Mt)			
Sishen	**25.7**	25.4	27.0
Kolomela	**10.1**	10.3	10.7

Metric	2024	2023	2022
Biodiversity impacts			
Percentage of mine sites with acid rock drainage	**None**	None	None
Percentage proved reserves near sites with protected conservation status or endangered species habitat	**None**	None	None
Percentage probable reserves near sites with protected conservation status or endangered species habitat	**None**	None	None
Security, human rights and rights of indigenous people			
Percentage proved reserves in or near areas of conflict	**None**	None	None
Percentage probable reserves in or near areas of conflict	**None**	None	None
Percentage proved reserves in or near indigenous land	**None**	None	None
Percentage probable reserves in or near indigenous land	**None**	None	None
Community relations			
Number of non-technical delays due to community protests	**0**	0	0
Duration (days) of such delays	**0**	0	0
Labour relations			
Percentage of active workforce covered under collective bargaining agreements	**75**	73%	73%
Number of strikes and lockouts	**0**	0	0
Duration (days) of such strikes and lockouts	**0**	0	0
Total number of employees	**14,766**	18,334	11,878
Percentage mining contractors	**43**	65	41
Health and safety			
FIFR	**0.00**	0	0
TRCFR	**0.76**	0.98	1.55
HPIs	**7**	16	12
HPHs	**3,237**	3,615	4,464

GHG emissions – Discussion of long-term and short-term strategy and plans to manage scope 1 emissions, reduction targets and analysis of performance – refer to Kumba's CCR and pages 63 to 69 in the SR
Waste and hazardous materials – Description of management policies and procedures – refer to page 80 in the SR
Biodiversity impacts – Description of environmental management policies and practices for active sites – refer to pages 75 to 78 in the SR
Security, human rights and indigenous people – Discussion of engagement process and due diligence practices – refer to page 50 in the SR
Community relations – Discussion of process to manage risks and opportunities associated with community rights and interests – refer to page 26 in the SR
Business ethics and transparency – Description of the management system for prevention of corruption and bribery – refer to pages 24 to 25 in the SR
Tailings storage facilities – Summary of tailings management system and governance structure – refer to pages 70 to 71 in the SR; tailings storage inventory table – refer to website: **https://www.angloamerican.com/esg-policies-and-data/tailings-summary/tailings-database**
Emergency preparedness and response – Description of emergency preparedness and response plans – refer to page 31 in the SR

Salient features

for the year ended 31 December

	2024	2023	2022	2021	2020
Group safety					
Fatalities	**0**	1	0	0	0
TRCFR	**0.76**	0.98	1.55	0.80	1.74
FIFR	**0**	0.03	0	0	0
LTIFR	**0.49**	0.58	1.01	0.32	0.8
Production (Mt)*					
Sishen	**25.7**	27.0	28.0	25.4	29.2
Kolomela	**10.1**	10.7	12.8	11.7	13.2
Sishen FOR unit cost					
Unit cost (R/tonne)/(US$/tonne)	**675.6/36.9**	740.4/40.1	595.5/36.4	555.2/37.6	524.3/31.8
Cash cost (R/tonne)/(US$/tonne)	**531.3/29.0**	589.1/31.9	479.3/29.3	432.0/29.2	356.9/21.7
Kolomela FOR unit cost					
Unit cost (R/tonne)/(US$/tonne)	**668.0/36.4**	706.1/38.3	643.2/39.3	444.2/30.0	439.6/26.7
Cash cost (R/tonne)/(US$/tonne)	**404.0/22.0**	482.4/26.1	489.6/29.9	324.0/21.9	298.7/18.1
C1 unit costs (US$/tonne)*					
Kumba C1 unit cost	**39.0**	41.0	40.0	39.2	31.2
Stripping ratio					
Sishen	**4.4**	4.0	4.1	4.1	4.8
Kolomela	**1.8**	4.1	3.7	3.7	4.0
Logistics (Mt)*					
Total volumes railed to port of Saldanha Bay	**35.6**	36.3	35.9	38.1	42.0
Total volumes loaded at port	**36.3**	37.2	36.6	39.3	40.0
Sales volumes (Mt)*					
Export sales	**36.3**	37.2	40.2	40.0	40.0
Domestic sales	**–**	–	–	0.3	0.3
Reserve life (years) (including inferred resources)					
Sishen	**16**	15	17	18	15
Kolomela	**16**	11	12	13	12
CED expenditure (Rm)					
Sishen	**134.4**	100.6	139.4	114.0	77.6
Kolomela	**103.9**	52.7	112.8	77.8	58.2
Transformation					
HDSAs in management (%)	**80**	78	78	75	72
Women in core mining (%)	**24**	23	22	20	21
Environmental performance					
Number of level 3, 4 or 5 environmental incidents	**0**	0	0	0	0
Total water withdrawals (million m^3)	**9.2**	28.1	29.9	29.0	31.3
Total energy consumed (million GJ)	**7.08**	8.88	8.97	8.73	8.10

Employees (excluding corporate office, logistics and learnerships)

	2024		2023		2022		2021		2020	
	Full time	**Contractors**	Full time	Contractors	Full time	Contractors	Full time	Contractors	Full time	Contractors
Operation										
Sishen	**3,713**	**3,555**	4,325	3,028	4,293	3,290	4,235	3,199	4,360	3,386
Kolomela	**1,007**	**1,410**	1,525	1,134	1,635	1,486	1,448	1,287	1,448	1,170

* In this report, production, sales volumes and C1 unit costs for 2021 and 2020 are reported as wmt; previously disclosed 2020 figures have been restated, as Kumba previously reported on a dry basis. Product is shipped with approximately 1.6% moisture.

Glossary of icons

Icons used throughout this report

Our capitals

To demonstrate how utilisation and trade-offs in the capitals lead to value creation

People

Everything we do depends on the wellbeing, skills, knowledge, experience, productivity, motivation and behaviour of our employees, the leadership team, contractors, and service providers

Manufactured assets

Our substantial financial investment in the purchase, development and maintenance of property, plant and equipment has given us the capacity to generate longer-term returns

Financial capital

Access to cost-effective financial capital – such as equity, debt and reinvestment – is an essential basis for sustaining and creating further value across all capital stocks

Natural resources

Our business model involves converting natural resources into social and economic value; doing so has some unavoidable environmental impacts

Relationships

Trusted relationships with stakeholders is essential to securing our reputation and licence to operate, and enabling us to deliver on our ambitious Tswelelopele strategy

Intellectual capital

Delivering on our strategy and business model requires a strong performance-based culture, effective management systems and continuing innovation in processes and technology to produce the most efficient and effective outcomes

▶ For more information on our capitals **see page 15.**

How we measure the value we create

Our seven pillars of value underpin everything we do. Each pillar has defined KPIs and targets that we set for the business and against which we measure our financial and non-financial performance:

Safety and health

To do no harm to our workforce

Environment

To minimise our impact on the environment

Socio-political

To partner in the benefits of mining with local communities and government

People

To create sustainable competitive advantage through capable people and an effective, purpose-led, high-performance culture

Production

To sustainably produce valuable product

Cost

To be competitive by operating as efficiently as possible

Financial

To deliver sustainable returns to our shareholders

▶ For more information on our KPIs, **see page 11.**

Unlock the full potential of the core (To ensure that our fundamentals are in place and solidify our foundation to stabilise our position and ensure we deliver on our plans and continue to generate cash over the short and medium term)	Leadership and culture Cost competitiveness Operational excellence
Stakeholder value creation (To continue to deliver sustained stakeholder value and identify opportunities beyond our existing asset base and competencies to sustain and expand the business)	Value accretive options Strong balance sheet Disciplined capital allocation
Position for a sustainable future (To enable our decarbonisation pathway and foster sustainable development in areas such as poverty eradication, access to high-quality education, healthcare improvement and infrastructure development)	Maximise product premium Green steel value chain Societal value

Governance

Trusted corporate leader
Developing trust as a corporate leader, providing ethical value chains and improved accountability to the communities we work with

Social

Thriving communities
Building thriving communities with better health, education and levels of employment

Environment

Healthy environment
Creating a healthy environment by creating waterless, carbon neutral mines and delivering positive biodiversity outcomes

Glossary of terms and acronyms

Adjusted EBITDA	Operating profit before deducting depreciation, amortisation and impairment charges and before adding impairment reversals
ADR	Alternative dispute resolution
AFS	Annual financial statements
AGM	Annual general meeting
AI	Artificial intelligence
Aids	Acquired Immunodeficiency Syndrome
AMCU	Association of Mineworkers and Construction Union
APMs	Alternative performance measures
ART	Antiretroviral therapy
Attributable free cash flow	The amount of cash available to finance returns to shareholders or growth after servicing debt, providing a return to
B-BBEE	Broad-based black economic empowerment
BEC	Basic employment cost
BEE	Black economic empowerment
BHV	Bullying, harassment and victimisation
BoF	Board of Fund
BR	Bonus rate
BRP	Bonus retention plan
BU	Business unit
C1 unit cost	All direct cash costs incurred in the mining and production of iron ore
CAGR	Compounded annual growth rate
Cash unit cost	All costs incurred by the operations in the mining and production of iron ore, including overheads, but excluding non-cash costs like depreciation, accounting provisions and share-based payment costs
CBAM	Carbon border adjustment mechanism
CCMA	Commission for Conciliation, Mediation and Arbitration
CCR	Climate change report
CDP	Carbon Disclosure Project
CED expenditure	The sum of donations for charitable purposes and community investment (which include cash and in-kind donations and staff time) as well as investment in commercial initiatives with public benefit (such as enterprise development)
CFR	Cost and freight
CGU	Cash-generating unit
CO_2e	Carbon dioxide equivalents
COID	Compensation for occupational injuries and diseases
CPI	Consumer price index
cps	Cents per share
CTC	Cost to company
DAF	Delegation of Authority Framework
DBA	Deferred bonus arrangement
DM	District municipalities
DMRE	Department of Mineral Resources and Energy
DMS	Dense media separation
dmt	Dry metric tonne
dmtu	Dry metric tonne unit
DRI	Direct reduced Iron
DSO	Direct shipping ore
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECSA	Engineering council of South Africa
ELT	Executive Leadership Team
EOF	Elimination of fatalities
EPAs	Exceptional performance award
EPS	Earnings per share
ESG	Environmental, social and governance
ESOP	Employee share ownership plan
EU	European Union
EVP	Employee value proposition
Exco	Executive Committee
FAMSA	Family and Marriage Society of South Africa
FC	Financial capital
Fe	Iron
FIFR	Fatal injury frequency rate – rate of fatalities per 1,000,000 hours worked (total fatalities x 1,000,000/total hours worked)
FOB	Free-on-board
FOR	Free-on-rail
FTSE	Financial Times Stock Exchange
GBF	Global banding framework
GBV	Gender-based violence
GCC	Government Certificate of Compliance
GHG	Greenhouse gas
GISTM	Global Industry Standard on Tailings Management
GJ	Gigajoule
GRI	Formerly Global Reporting Initiative – now known as GRI
HC	Human capital
HDSAs	Historically disadvantaged South Africans
HIV	Human immunodeficiency virus
HME	Heavy mobile equipment
HPHs	High potential hazards
HPIs	High potential incidents
HR	Human resources
IAS	International Accounting Standards
IC	Intellectual capital
ICMM	International Council of Mining and Metals
IDC	Industrial Development Corporation
IEC	International Electrotechnical Commission
IFRS	International Financial Reporting Standards
IoT	Internet of things
IPCC	Intergovernmental Panel on Climate Change
IR	Integrated report

Glossary of terms and acronyms cont.

IRMA	Initiative for Responsible Mining Assurance
ISSB	International Sustainability Standards Board
ISO	International Organization for Standardization
IT	Information technology
ITA	Independent Technical Assessment
JICC	Joint Initiative to Fight Crime and Corruption
JSE	Johannesburg Stock Exchange
King IV™	The King IV Report on Corporate Governance™ for South Africa, 2016
KPIs	Key Performance Indicators
KRA	Key result area
Level 3 – 5 environmental incidents	Those environmental incidents that we consider to have prolonged impacts on the local environments
LM	Local municipalities
LNG	Liquefied natural gas – this is the transition fuel of choice for marine stakeholders as the world move towards net-zero emissions
LoAP	Life-of-asset plan
LRA	Labour Relations Act
LTIs	Lost-time injuries
LTIFR	Lost-time injury frequency rate – the number of lost-time incidents per 1,000,000 hours worked (LTI *1,000,000/total hours)
LTIP	Long-term incentive plan
MC	Manufactured capital
MENA	Middle East and North Africa region
ML	Megalitres
MoI	Memorandum of Incorporation
MoU	Memorandum of understanding
MPRDA	Mineral and Petroleum Resources Development Act No 28 of 2002
Mt	Million tonnes
Mtpa	Million tonnes per annum
MW	Megawatt
MWA	Minimum Wage Act
NC	Natural capital
NECOM	National Energy Crisis Committee
NEMA	National Environmental Management Act No 107 of 1998
Net working capital	Total inventory (including non-current) plus trade and other receivables less trade and other payables (including contract liabilities), these balances principally relate to assets and liabilities to support our operations
NGOs	Non-governmental organisations
NLCC	National Logistics Crisis Committee
NomGov	Nominations and Governance Committee
NPC	Non-profit company
NUM	National Union of Mineworkers
OCR	Ore Corridor Restoration
OHSAS	Occupational Health and Safety Assessment Series
ORMR	Ore Reserve (and Saleable Product) and Mineral Resource report
OEC	Ore Export Corridor
Opco	Operations Committee
OUF	Ore User's Forum
PAYE	Pay as you earn
PIP	Performance improvement plan
plc	Public limited company
PSP	Private sector participation
PV	Photovoltaic
PwC	PricewaterhouseCoopers
QC	Quality control
Remco	Human Resources and Remuneration Committee
ROCE	The Return on capital employed is calculated as annualised EBIT divided by adjusted average capital employed
RMA	Rand Mutual Assurance
RREE	Regional renewable energy ecosystem
SAMREC Code	The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016 Edition)
SARS	South African Revenue Service
SC	Social capital
SCA	Supreme court of appeal
SENS	Stock Exchange News Service
Setco	Social, Ethics and Transformation Committee
SHE	Safety, health and environment
SHSD	Safety, Health and Sustainable Development
SIB	Stay in business
SIOC	Sishen Iron Ore Company Proprietary Limited
SIOC-CDT	SIOC Community Development Trust
SLP	Social Labour Plan
SMME	Small, medium and micro enterprise
SMP	Sustainable mine plan
SMU	Selective mining unit
SOE	State-owned enterprise
SR	Sustainability report
STI	Short-term incentive
Stratco	Strategy and Investment Committee
TB	Tuberculosis
TCFD	Taskforce on Climate-related Financial Disclosures
TGP	Total guaranteed package
TNFD	Taskforce on Nature-related Financial Disclosure's
Total water withdrawals	Total water withdrawals by source, reported in line with the International Council on Metals and Mining (ICMM) guidance, includes surface water, groundwater, third-party potable water and third-party non-potable water
TR	Total remuneration

Glossary of terms and acronyms cont.

TRCFR	Total recordable case frequency rate (calculated) is the rate of recordable cases per 1,000,000 hours worked
TRIFR	Total recordable injury frequency rate
TSF	Tailings storage facility
TSR	Total shareholder return
UHDMS	Ultra-high dense media separation
UIF	Unemployment Insurance Fund
UK	United Kingdom
UNSDGs	United Nations Sustainable Development Goals
Unit cost	All costs incurred by the operations in the mining and production of iron ore, including overheads and non-cash costs like depreciation, accounting provisions and share-based payment costs
US	United States of America
VFL	Visible felt leadership
Voluntary labour turnover	Number of permanent employee resignations as a percentage of total permanent employees
VSP	Voluntary severance package
WIP	Work in progress
wmt	Wet metric tonnes

Forward looking statements, alternative performance measures and sustainability data, models and methodology

Forward looking statements

Certain statements made in this report constitute forward looking statements. Forward looking statements are typically identified by the use of forward looking terminology such as "believes" "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of for example, future plans, present or future events, or strategy that involve risks and uncertainties. Such forward looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. Such statements are based on current expectations and, by their nature, are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected future results or performance, expressed or implied, by the forward looking statement. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company and its subsidiaries. The forward looking statements contained in this report speak only as of the date of this report and the Company undertakes no duty to, and will not necessarily update any of them in light of new information or future events, except to the extent required by applicable law or regulation.

Alternative performance measures

Throughout this report a range of financial and non-financial measures are used to assess our performance, including a number of financial measures that are not defined or specified under IFRS, which are termed alternative performance measures (APMs). Management use these measures to monitor the Company's financial performance alongside IFRS measures to improve the comparability of information between reporting periods and business units. These APMs should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance, financial position of cash flows reported in accordance with IFRS. APMs are not uniformly defined by all companies, including those in Kumba's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies.

Sustainability data, models and methodology

The matters covered in this document include judgements, estimates and assumptions. We have used sustainability- (including climate-) related data, models and methodologies, including those made available by third parties (over which we have no control) which we consider to be appropriate as at the date on which they were used, but they are not of the same standard as those available in the context of other information (such as financial information), nor subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. The data, models and methodologies used (including specifically in relation to GHG accounting) and the judgements, estimates and assumptions made in relation to sustainability matters are evolving rapidly which may directly or indirectly affect the metrics, data points and targets contained in this document. Further development of accounting and/or reporting standards could impact the performance metrics, data points and targets contained in this document. Sustainability-related data we report may be affected by underlying data quality which can be hard to assess, and we expect industry guidance, market practice, and regulations in this field to continue to change. In addition, historical data may not be reliable as an indicator of future performance. There may also be challenges faced in relation to the ability to access data on a timely basis, the lack of consistency and comparability between data that are available and our ability to collect and process relevant data. This means the sustainability-related forward looking statements and sustainability metrics discussed in this document may carry an additional degree of inherent risk and uncertainty.

Further, changes in external factors which are outside of our control could potentially materially impact the performance metrics, data points, targets, and milestones contained in this document and our progress against them. This includes, amongst other things, developments in accounting and/or reporting standards, improvements in data quality, data availability, or updates to methodologies and models and/ or updates or restatements of data by third parties, updates in available scenarios and science, the actions of other businesses, the economic and technical feasibility of certain actions and technologies, and the development of sustainability-related policy frameworks and legislation in addition to those factors outlined below.

Not all of the information contained in this document has been subject to external assurance or audit. The data contained in this document may be updated, recalculated, re-baselined and/or re-presented from time to time and may change materially. Such updated information may result in different outcomes than those included here. It is important for readers to be aware that direct, like-for-like comparisons of each piece of information disclosed may not always be possible from one reporting period to another.

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ISIN code: ZAE000085346

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