

**KUMBA IRON ORE LIMITED**  
(Registration number: 2005/015852/06)  
("Kumba" or "the Company")

**SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE**  
("SETCO" or "the Committee")

**TERMS OF REFERENCE**

## 1. CONSTITUTION

- 1.1 The SETCO has been established to give effect to the requirements set out in the Companies Act and the recommendations in King IV™ to the extent set out in these Terms of Reference.
- 1.2 The committee is constituted as a standing committee of the board of directors of Kumba to perform the statutory duties in terms of section 72(4) of the Act, read with Regulation 43 of the Companies Regulations, and to perform all other duties assigned to it by the Board as set out in these Terms of Reference.
- 1.3 In accordance with Regulation 43(2) of the Companies Act, the committee will also perform the functions of a social, ethics and transformation committee on behalf of the subsidiaries of Kumba Iron Ore Limited.
- 1.4 These terms of reference are subject to the provisions of the Companies Act (*as amended*), the Company's Memorandum of Incorporation, the JSE LR and any other applicable law or regulatory provision and should be read together with the Governing Principles Regulating Kumba Board Committees.
- 1.5 In respect of the statutory duties of the Committee as set out below, the Committee shall be accountable to shareholders and report to shareholders as provided for in the Companies Act. In respect of all other duties as contained in these terms of reference, the Committee shall be accountable to and report to the Board.
- 1.6 The Committee shall have decision-making power in respect of its statutory duties and such other duties, if any, where decision-making power has been specifically delegated by the Board to the Committee in these terms of reference. In respect of all other duties as contained herein, the Committee shall only have the power to make recommendations to the Board.
- 1.7 Committee meetings shall be held four times a year, unless agreed otherwise with the Committee Chairperson.

## 2. SEGREGATION OF DUTIES (SETCO and SHSD)

- 2.1 The SETCO shall have oversight over social, ethics, public security, labour, transformation, community, corruption, land (social context), human rights and stakeholder relationships matters.
- 2.2 The Safety, Health and Sustainable Development Committee shall have oversight over safety, health, environmental and sustainable development matters.

### 3. COMPOSITION

- 3.1 The Chairperson, who must be an independent non-executive director, and members of the Committee shall be nominated by the Nominations and Governance Committee and appointed by the Board. The Committee shall comprise of at least three members, the majority of whom shall be independent non-executive directors.
- 3.2 In the absence of the Chairperson, the members present may nominate and elect one of their members to chair the meeting, provided the member is an independent non-executive director.
- 3.3 Invitations to attend the Committee meetings shall be extended to:
- the Executive Heads of People & Organisation and Corporate Affairs;
  - ABAS, and
  - any other senior executives and professional advisors as deemed appropriate.

### 4. ROLE

- 4.1 The role of the committee is to ensure that the manner in which the Company governs social, ethics and transformation performance promotes an ethical culture and that the Company conducts itself as a responsible corporate citizen. In addition, the Committee carries out its statutory duties in terms of the Companies Act.

### 5. RESPONSIBILITIES

- 5.1 The Committee shall operate within the Board's delegation of authority.
- 5.2 In discharging its responsibilities to the Board and shareholders, the Committee will:
- 5.2.1 monitor and report on the Company's ethics, responsible corporate citizenship, transformation and stakeholder inclusivity. The key function of the committee is to act as the social conscience of the Company and to ensure that the Company is and is seen to be a responsible corporate citizen; govern compliance with applicable law, adopt non-binding rules, codes and standards; and adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the Company over time in a manner that supports the setting and achieving of its strategic objectives. (*King IV™ principles 3, 11, 13 & 16*); and

- 5.2.2 assist the Board to discharge its responsibility with respect to the approval, implementation, and monitoring of policies and practices that facilitate the Group's responsible corporate citizen credentials thereby ensuring that the Company is operating in an ethical manner.
- 5.3 identify the committee's focus areas for each financial year for inclusion in the integrated report.
- 5.4 confirm the fulfilment of the committees mandate.

## **6. POLICY AND PLANNING**

- 6.1 In fulfilling its responsibilities, the committee shall ensure the development and implementation of relevant policies and plans in order to:
  - 6.1.1 recommend to the board, policies and guidelines for matters relating to ethics, responsible corporate citizenship, transformation and stakeholder inclusivity;
  - 6.1.2 review reports on the policies and performance of the Company, its subsidiaries and the progressive implementation of its ethics, responsible corporate citizenship, transformation and stakeholder inclusivity;
  - 6.1.3 monitor and report on the implementation of the Business Integrity Policy and the Code of Conduct;
  - 6.1.4 recommend to the Board for adoption, substantive national and international regulatory and technical developments in the fields of ethics management, responsible corporate citizenship, transformation and stakeholder inclusivity;
  - 6.1.5 encourage participation, co-operation and consultation on social and ethics matters of governments, national and international organisations, supranational authorities such as the European Union (EU), other companies and other associations.

## **7. RISK MANAGEMENT**

- 7.1 To support the Board in ensuring effective risk management oversight, specifically in relation to material risks within its scope, the committee will:

- 7.1.1 ensure the effective monitoring of these risks and that potential opportunities are considered as appropriate;
- 7.1.2 consider and review executive management's reports on the design and implementation of appropriate risk responses, overseeing that the risks are managed within the approved levels of appetite and tolerance and the integration and embedding of risk management in the business activities and culture of the Company;
- 7.1.3 obtain confirmation that there is adequate assurance and that controls in relation to these risks are appropriate in design and effectiveness; and
- 7.1.4 inform the board of its findings and recommendations in respect of material risks within its scope, which may have an impact on the Company.

## 8. OVERSIGHT AND MONITORING

8.1 The committee must exercise oversight and monitor:

8.1.1 The Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:

8.1.1.1 **Social and economic development**, including the Company's standing in terms of the goals and purposes of:

- 8.1.1.1.1 the 10 principles set out in the United Nations Global Compact Principles as set out in Annexure "A" hereto;
- 8.1.1.1.2 The 10 principles of the International Council on Mining and Metals (ICMM) as set out in Annexure "B" hereto;
- 8.1.1.1.3 the 17 United Nations Sustainable Development Goals (SDGs) as set out in Annexure "C" hereto;
- 8.1.1.1.4 the Organisation for Economic Co-operation and Development (OECD) recommendations regarding corruption;
- 8.1.1.1.5 the Employment Equity Act, 55 of 1998 (*as amended*); and
- 8.1.1.1.6 the Broad-Based Black Economic Empowerment Act, No. 53 of 2003 (*as amended*).

8.1.2 **Good corporate citizenship**, including the Company's:

- 8.1.2.1 promotion of equality, prevention of unfair discrimination, and reduction of corruption;

- 8.1.2.2 contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
- 8.1.2.3 record of sponsorship, donations and charitable giving;
- 8.1.3 **Consumer relationships**, including the Company's advertising, public relations and compliance with consumer protection laws; and
- 8.1.4 **Labour and employment**, including:
  - 8.1.4.1 the Company's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
  - 8.1.4.2 the Company's employment relationships, and its contribution toward the educational development of its employees; and
  - 8.1.4.3 draw matters within its mandate to the attention of the Board as occasion requires.
- 8.1.5 **Regulatory Compliance**, including
  - 8.1.5.1 The Company's compliance to legislation within its mandate and receive quarterly updates from management; and
  - 8.1.5.2 Approve the annual Regulatory Compliance Plan.
- 8.1.6 **Integrated and Sustainability Reports**
  - 8.1.6.1 Approve the Chairperson's letter for the Integrated Report;
  - 8.1.6.2 Approve the Committee's section of the Sustainability Report; and
  - 8.1.6.3 Approve the indicators included in the assurance scope as it relates to the Committee and the level of assurance for the Sustainability report.

**APPROVED BY THE BOARD ON 15 NOVEMBER 2024**

**Annexure “A”**
**The 10 principles of the United Nations Global Compact:**

SET Committee	SHSD Committee
<b>Human Rights</b>	
<ul style="list-style-type: none"> <li>• <u>Principle 1</u>: Businesses should support and respect the protection of internationally proclaimed human rights; and</li> <li>• <u>Principle 2</u>: make sure that they are not complicit in human rights abuses.</li> </ul>	
<b>Labour</b>	
<ul style="list-style-type: none"> <li>• <u>Principle 3</u>: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</li> <li>• <u>Principle 4</u>: the elimination of all forms of forced and compulsory labour;</li> <li>• <u>Principle 5</u>: the effective abolition of child labour; and</li> <li>• <u>Principle 6</u>: the elimination of discrimination in respect of employment and occupation.</li> </ul>	
<b>Environment</b>	
	<ul style="list-style-type: none"> <li>• <u>Principle 7</u>: Businesses should support a precautionary approach to environmental challenges;</li> <li>• <u>Principle 8</u>: undertake initiatives to promote greater environmental responsibility; and</li> <li>• <u>Principle 9</u>: Encourage the development and diffusion of environmentally friendly technologies.</li> <li>• <u>Principle 10</u>: Encourage the development and diffusion of environmentally friendly technologies.</li> </ul>
<b>Anti-Corruption</b>	
<ul style="list-style-type: none"> <li>• Principle 11: working against corruption in all its forms, including extortion and bribery.</li> </ul>	

**Annexure “B”**
**10 principles of the International Council on Mining and Metals (ICMM):**

SET Committee	SHSD Committee
<ul style="list-style-type: none"> <li>• <u>Principle 1</u>: Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development</li> <li>• <u>Principle 3</u>: Respect human rights and the interests, cultures, customs and values of employees and communities affected by mining Companies’ activities</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Principle 2</u>: Integrate sustainable development in the corporate strategy and decision-making processes</li> </ul>
<ul style="list-style-type: none"> <li>• <u>Principle 4</u>: Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks – <b><i>delegated responsibility</i></b></li> </ul>	
<ul style="list-style-type: none"> <li>• <u>Principle 9</u>: Pursue continual improvement in social performance and contribute to the social, economic and institutional development of the countries and communities in which mining companies operate</li> <li>• Principles 10: Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Principle 5</u>: Pursue continual improvement of mining companies’ health and safety performance with the ultimate goal of zero harm</li> <li>• <u>Principle 6</u>: Pursue continual improvement of mining companies’ environmental performance including water stewardship, energy use and climate change</li> <li>• <u>Principle 7</u>: Contribute to the conservation of biodiversity and integrated approaches to land-use planning</li> <li>• <u>Principle 8</u>: Facilitate and encourage the knowledge-base and systems for responsible product design, use, re-use, recycling and disposal of mining companies’ products</li> </ul>

## Annexure “C”

### The 17 Sustainable Development Goals (SDGs):

SET Committee	SHSD Committee	Less applicable to Mining
<ul style="list-style-type: none"> <li>Goal 1: End poverty in all its forms everywhere</li> <li>Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</li> <li>Goal 5: Achieve gender equality and empower all women and girls</li> <li>Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</li> <li>Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</li> <li>Goal 12: Ensure sustainable consumption and production patterns</li> <li>Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</li> <li>Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Goal 3: Ensure healthy lives and promote well-being for all at all ages</li> <li>Goal 6: Ensure availability and sustainable management of water and sanitation for all</li> <li>Goal 13: Take urgent action to combat climate change and its impacts</li> <li>Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</li> </ul>	<ul style="list-style-type: none"> <li>Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture</li> <li>Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all</li> <li>Goal 10: Reduce inequality within and among countries</li> <li>Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable</li> <li>Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</li> </ul>