



KUMBA IRON ORE LIMITED

Sustainability Report 2022



Kumba's history

Kumba is a supplier of high-quality iron ore (63.8% average Fe) to the global steel industry. We operate primarily in South Africa, with mining operations in the Northern Cape, a head office in Rosebank, Gauteng, and a port operation in Saldanha Bay, Western Cape.

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 harmonised with the needs of our host communities and society.



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 the infrastructure to enable the export of iron ore from Sishen via the Sishen-Saldanha rail link and port facility

1989

Iscor is privatised

2001

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

2002

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



2006

Unbundling of Kumba Resources' iron ore assets and the re-listing of Kumba Resources as Exxaro Resources and a new company, Kumba Iron Ore, fully empowered with black economic empowerment (BEE) ownership of 26%

2008

Sishen Jig plant formally opened in November 2008
Construction started on Kolomela

2011

Kolomela, first ore produced five months ahead of schedule and within budget
Maturity of the first phase of Envision (broad-based employee share ownership plan) with 6,209 employees each receiving R576,045 (pre-tax)

2012

Unprotected strike at Sishen in the fourth quarter of 2012

2013

Finalisation of the new supply agreement with ArcelorMittal SA
Ultra-high dense media separation (UHDMS) pilot plant commissioned 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
47% decline in iron ore prices during the year

2015

Further 42% decline in iron ore prices – revised strategy from volume to a value-based (cash-generating) strategy
Dividends suspended and restructuring of head office and support services at the mines
Slope failure at Thabazimbi; Board approves closure of the mine
Kumba achieved A-listing on the Carbon Disclosure Project (CDP) climate change and water security programmes

2016

Sishen 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, bottoming out of the iron ore price
Maturity of Envision II; paid R75,000 per employee (after tax) in dividends; no capital pay-out due to decline in Kumba share price



2017

Kumba best performing share on the Johannesburg Stock Exchange (JSE), reinstated dividends
Introduced three transformation horizons to enhance our competitive position
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 and liabilities as well as the mining rights to ArcelorMittal SA, effective 1 November 2018
Kolomela mining right amended to include Heuningkranz prospecting right

2019

Zandrivierspoort – expiry of prospecting rights in Limpopo, the strategic focus remains in Northern Cape

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

Kumba remained fatality-free for more than five years, supported by our elimination of fatalities (EOF) framework
UHDMS project approved – optimal value will be achieved through life-of-asset extension and increasing product quality
Kumba awarded first place in the Sunday Times Top 100 Companies (generated shareholder returns that outperformed their listed peers)
Resettlement of Dingleton community (which began in 2014) successfully concluded

2022

A year delivering resilient results considering external challenges, including extreme weather, Transnet logistics constraints and global supply chain issues and operational headwinds
Introduced a new hybrid employee share option scheme that includes a vesting component and an evergreen component
Kumba's 68 MW solar photovoltaic (PV) plant at Sishen is the first major project in our decarbonisation strategy

Directors’ responsibility

The Kumba Board, supported by the Audit Committee, has overall accountability for this report. It delegated the responsibility to oversee the reporting process to its Social, Ethics and Transformation Committee, which was assisted by a steering committee comprising executive managers and a dedicated reporting team. The Board collectively reviewed the content of this report and confirmed that it believes this 2022 Sustainability report addresses our material issues, and is a balanced and appropriate presentation of the sustainability performance of the group. The Kumba Board approved this report on 17 March 2023.

Buyelwa Sonjica
Chairperson: Social, Ethics and Transformation Committee

Navigating our 2022 reports

Our integrated reporting suite comprises the following reports:

All information for the year ended 31 December 2022

Integrated report (IR)

Provides a succinct review of our strategy and business model, operating context, governance and operational performance, targeted primarily at current and prospective investors. When read with the following reports, and our other communication channels, we believe we meet the information needs of all our stakeholders.

Sustainability report (SR)

Reviews our approach to managing our significant environmental, social and governance (ESG) impacts and addressing those sustainability issues of interest to a broad range of stakeholders.

Climate change report (CCR)

Provides a balanced and appropriate presentation of our climate-related impacts, risks and opportunities and our response to managing these risks and mitigating our climate change impacts.

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).

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 Johannesburg Stock Exchange (JSE) Listings Requirements.

* Published on 21 February 2023.

Online

Each of these reports, with additional updated information, is available on our website:

– www.angloamericankumba.com



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, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider, FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices.



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

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



Kumba was awarded sixth place in a survey of integrated reports from South Africa's top 100 JSE-listed companies.



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/

Contents

Introduction

- 1 Kumba's history
- 2 Directors' responsibility
- 3 Performance summary
- 3 About this report
- 4 Our value impact 2022
- 5 The United Nations Sustainable Development Goals

Our approach

- 8 Who we are
- 11 Social, Ethics and Transformation Committee Chairperson's review
- 13 Business model
- 15 Chief Executive's review
- 17 Measuring performance
- 18 Embedding sustainability
- 21 Governance and management approach
- 27 Stakeholder engagement

Our people

- 30 Safety, health and wellbeing
- 31 Employee safety
- 35 Employee and community health and wellbeing
- 40 Workforce culture and capability

Building social capital

- 47 Upholding high social standards
- 49 Making a positive social contribution

Protecting our natural environment

- 58 Healthy environment
- 59 Environmental management
- 62 Climate change and energy management
- 66 Water
- 69 Mine closure, rehabilitation and biodiversity
- 72 Air quality
- 74 Mineral residue (tailings) management
- 76 Non-mineral waste management

Appendices

- 79 Performance tables
- 83 Socio-economic and transformation indicators
- 84 Summary GRI table
- 87 Independent Auditor's assurance report
- 90 Selected reporting criteria for sustainability assurance
- 91 Glossary of terms and acronyms
- 94 Administration

COVER PICTURE: Tamaga Lodge, one of three biodiversity conservation areas on the western side of the Sishen mine. These areas were originally livestock farms and are being carefully restored to their natural state. Pictured here – land management technician, Dawid Malo, who is responsible for managing these areas.

Performance summary

Since May 2016	△	Total recordable case frequency rate (TRCFR)	▽	Lost-time injury frequency rate	▽
Fatality-free (until end of 2022)	2021: zero fatalities	1.55	2021: 0.80	1.01	2021: 0.32
No level 3 to 5 environmental incidents	△	Women in management	△	HDSAs in management positions	△
for five consecutive years	2021: None	30%	2021: 29%	78%	2021: 75%
Spent on direct social investment	△	Spent on procurement from historically disadvantaged South African (HDSA) businesses	△	Increase in GHG intensity	▽
R399.5 million	2021: R257.5 million	R18.1 billion	2021: R10.3 billion	0.027	2021: 0.024

About this report

Purpose and scope of this report

This report seeks to provide our key stakeholders, namely our shareholders, employees, local communities, non-governmental organisations (NGOs), investment community, customers, business partners, suppliers and government with a transparent account of how we addressed the most material sustainability issues the Company faced during 2022.

The scope of this report covers our Sishen and Kolomela operations, corporate office in Rosebank,

the Saldanha Bay port and our marketing activities in London and Singapore, for the period 1 January to 31 December 2022.

Our sustainability reporting criteria have been compiled in accordance with the GRI's sustainability reporting standards and their mining sector supplement. Our reporting is also aligned with the AA1000 stakeholder engagement standard, the sustainable development principles and reporting framework of the International Council on Mining and Metals (ICMM), and the principles of the United Nations Global Compact. In addition, we have published an IR, AFS and

ORMR. The reporting process for all our reports has been guided by the principles and requirements contained in IFRS, the Value Reporting Foundation's Integrated Reporting Framework, the GRI Standards, the JSE's Sustainability Disclosure Guidance (issued in June 2022), the King IV Report on Corporate Governance™ 2016 (King IV), the JSE Listings Requirements, and the Companies Act No 71 of 2008, as amended (Companies Act).

We use a combined assurance model to provide us with assurance obtained from management and from internal and external assurance providers.

Nexia SAB&T (Nexia) has provided independent assurance of selected sustainability key performance indicators. Nexia's assurance statement is provided on pages 87 to 89.

Please address any queries or comments on this report to Bheki Masondo
([email: bheki.masondo@angloamerican.com](mailto:bheki.masondo@angloamerican.com)).

Our value impact 2022

Delivering shareholder returns

Dividend policy, target pay-out ratio range of between 50% and 75% of headline earnings

Dividends declared in 2022

R14.5 billion to owners of Kumba
(2021: R33.2 billion)

R4.7 billion to empowerment partners
(2021: R10.3 billion)

Total dividends paid to BEE shareholders since Kumba's inception in 2006: R52 billion (2021: R49 billion)

Building communities

R5.4 billion spent directly on suppliers within host communities (2021: R4.1 billion)

Local employment

Sishen	Kolomela
80%	77%
(2021: 78%)	(2021: 80%)

R399.5 million spent on direct social investment
(2021: 257.5 million)

68 community complaints (2021: 73)

Northern Cape Impact Catalyst will facilitate implementation of the shared value strategy and integrated collaborative regional development

Customers

Product quality – average Fe content: 63.8%
(2021: 64.1%)

Lump:Fine ratio 67:33
(2021: 69:31)

Providing safe employment

Over six years fatality-free production until the end of 2022

R6.5 billion paid to employees (including salaries, benefits, bonuses and share-based payment expenses)
(2021: R5.6 billion)

Female representation

26% of total workforce (2021: 25%)

40% of bursars (2021: 61%)

69% of professionals in training (2021: 50%)

Value is:

- Created
- Preserved
- Eroded

Contributing to South Africa

Total tax contribution

R million	2022	2021
Corporate income tax	7,131	16,603
Mineral royalties	1,789	4,612
Payroll tax	1,751	1,387
Skills levy	61	50
UIF	27	23
Total	10,759	22,675

Environment

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

No water source or habitat materially negatively affected by our extraction and water use

0.994 Mt Greenhouse gas (GHG) emissions – scope 1 and 2
(2021: 0.989 Mt)

16,017 hectares disturbed by mining, processing and mineral waste disposal, since commencement of operations
(2021: 16,399.3 hectares)







148.8 hectares rehabilitated during the year
(2021: 138.8 hectares)









Registered nurse, Kelemogile Mongwaketsi at the UGM Wellness Clinic.

The United Nations Sustainable Development Goals

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 our host communities and society. We are delivering on this purpose through our active engagement in Anglo American’s FutureSmart Mining™ programme and Sustainable Mine Plan that include ambitious long-term targets aligned with the United Nations Sustainable Development Goals (UNSDGs), relating to three global sustainability pillars: being a trusted corporate leader, building thriving communities, and maintaining a healthy environment. A summary of our activities that contribute to the 12 UNSDGs, that Kumba has an impact on, is provided below.

UNSDG	UNSDG	UNSDG	UNSDG	UNSDG	UNSDG
<div>SDG 1</div> <div>End poverty in all its forms everywhere</div> <div></div>	<div>SDG 3</div> <div>Ensure healthy lives and promote wellbeing for all at all ages</div> <div></div>	<div>SDG 4</div> <div>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</div> <div></div>	<div>SDG 5</div> <div>Achieve gender equality and empower all women</div> <div></div>	<div>SDG 6</div> <div>Ensure availability and sustainable management of water and sanitation for all</div> <div></div>	<div>SDG 8</div> <div>Promote sustained inclusive and sustainable economic growth, full productive employment and decent work for all</div> <div></div>
<div>How Kumba makes a difference</div> <div><ul style="list-style-type: none">Provision of thousands of jobs, both direct and indirect, including in communities that otherwise have limited economic opportunities<ul style="list-style-type: none">2030 milestone: five jobs facilitated/ supported off site for every job on-siteLocalised procurement strategy that supports suppliers within host communities, including substantial spend on HDSA business. During 2022 we spent R5.4 billion with suppliers within our host communitiesSupplier development programme to support local small, medium and micro-sized enterprises (SMMEs) and provide advice and support for their business activitiesBuilding capacity in our communities through direct social investment and our collaborative regional development programme. Many of our initiatives are implemented through strategic partnerships with local government, development partners, SIOC-CDT, the Anglo American Chairman’s Fund, suppliers, communities and NGOsNorthern Cape Impact Catalyst will facilitate the implementation of shared value strategy and integrated collaborative regional development in our host communitiesAnglo American Zimele, empowering host community black entrepreneurs to start or grow businesses. In addition to granting loans, the programme provides mentorship, helps suppliers access new markets and develop skills among young peopleTax payments, including corporate income tax, mineral royalties, value added tax (VAT) on purchases, duties on imports and exports, payroll taxes and dividend withholding taxes</div>	<div>How Kumba makes a difference</div> <div><ul style="list-style-type: none">Sacred covenant code with the families of all our employees to ensure that every employee and contractor at our operations returns home unharmed after every day’s work. Our aim is to continually build and instil both a company and industry culture that protects people from harm and improves their health and wellbeingWe have well-established wellness initiatives for employees and contractors. Our health programme includes a focus on providing resources to help employees manage personal health risks, including the risk of HIV/Aids, TB, non-communicable diseases, mental health and fatigueKumba’s World of Wellness (WOW) programme integrates aspects of mental health, physical wellness, recreation and inclusion and consists of three themes: mind (mental wellness), body (physical wellness), and spirit (emotional wellness)The WeCare programme was introduced to influence the sustained adoption of positive behaviours in mining communities – including routine healthcare and gender-based violence (GBV) support servicesOur community healthcare initiatives continue to improve access to quality medical and healthcare services and to alleviate some of the mounting pressure on public health service delivery by governmentContinuing to support interventions that contribute to UNSDG 3 targets that strengthen the community health system in our host communities towards against 2030 goals.The interventions are a direct response to address substance abuse, GBV, TB and HIV/ Aids challenges and other communicable diseases.</div>	<div>How Kumba makes a difference</div> <div><ul style="list-style-type: none">Ambitious education programme that aims to ensure that schools in our host communities perform among the top 30% of public schools by 2025 (stretch goal) and in the top 20% by 2030Anglo American South Africa Education programme aimed at students in early-childhood- development sites and primary and secondary schools local to Sishen and Kolomela. Targets for 2023 include ensuring that 90% of five-year-old children are school-ready and ensuring a 65% pass rate in matric mathematicsInternal training and development interventions focus on providing skills training for our employees and also include learnerships, leadership development, mentorships and career progression plansDevelop technical talent for the Company through our graduate development programme offering degree and diploma graduates the opportunity to obtain training and work experience during a fixed-term contract with the Company to cover bursary debtProvision of bursaries through the Sishen and Kolomela GMs bursary programmes awarded to students within the host community school who performed above average with entry to high learning institutionsSchools and ECD centers infrastructure improvement programme that supports a conducive environment for learning (covering safety), proper sanitation and proper classroomsInstallation of ICT infrastructure in schools to allow for WiFi connectivity and access.</div>	<div>How Kumba makes a difference</div> <div><ul style="list-style-type: none">Women-in-mining (WIM) strategy and plan to promote the integration of women in the workplace, especially in core functions. A WIM steering committee oversees performance against objectives. Capacity building is critical, and we aim to at least ensure 30% women representation in our talent pipeline programmes. We are working towards a target to achieve 33% representation of women at management levels by 2023Gender-sensitive work environment. Interventions aimed at combatting sexual and gender-based violence (GBV) and harassment at work, at home, in our schools and our communities, supported by our zero-tolerance policy on bullying, harassment and victimisationLaunched the Living with dignity hub in 2022 to support our workforce in dealing with GBV, sexual harassment, bullying, victimisation, harassment and domestic violenceGoal to improve procurement from youth and female-owned companies</div>	<div>How Kumba makes a difference</div> <div><ul style="list-style-type: none">Take all reasonable steps to ensure that we do not degrade water quality or compromise the access rights of other users. Water management site plans include provision for water security, water-use efficiencies, tailings water-recovery projects and a mine dewatering strategy, stormwater management, and discharge management, complemented by a monitoring programmeIn improving access to clean water in water-scarce host communities, Kumba provides about 17 billion litres of water annually to the Bloem Water (formerly Sedibeng Water Board) and the Gamagara Municipality; Kolomela artificially recharges clean mine water to the underground aquifers that its operations traverse</div>	<div>How Kumba makes a difference</div> <div><ul style="list-style-type: none">We employ 6,400 permanent employees, 4,854 contractors and 624 learnerships at our operations and head office. We are committed to providing a safe, inclusive and healthy working environment, to promoting employee training and development, ensuring fair labour practices, and to promoting local employment opportunitiesCommitted to the Youth Employment Services (YES) Programme, to stimulate demand-side job creation. Every year we will place more than 20 previously disadvantaged, unemployed youth from local communities into 12-month work experience and training opportunities in the CompanyKumba’s total tax contribution of R10.8 billion and the contribution we make to government and our local host communities is critical to foster economic growth in South AfricaSince Kumba’s inception we have paid R51.7 billion in dividends to our empowerment partners and declared R14.5 billion in dividends to the shareholders of Kumba during 2022Investment in enterprise and supplier development</div>
<div>Reference</div> <div>Making a positive social contributionPage 49</div> <div>Stakeholder engagementPage 27</div>	<div>Reference</div> <div>Employee safetyPage 31</div> <div>Employee and community health and wellbeingPage 35</div>	<div>Reference</div> <div>Making a positive social contributionPage 49</div> <div>Stakeholder engagementPage 27</div> <div>Workforce culture and capabilityPage 40</div>	<div>Reference</div> <div>Workforce culture and capabilityPage 40</div>	<div>Reference</div> <div>WaterPage 66</div>	<div>Reference</div> <div>Making a positive social contributionPage 49</div> <div>Workforce culture and capabilityPage 40</div> <div>Chief Financial Officer review (IR)Page 64</div>

The United Nations Sustainable Development Goals cont.

UNSDG	UNSDG	UNSDG	UNSDG	UNSDG	UNSDG
<div>SDG 9</div> <div>Promote industry innovation and resilient infrastructure</div> <div></div>	<div>SDG 12</div> <div>Ensure responsible consumption and production</div> <div></div>	<div>SDG 13</div> <div>Take urgent action to combat climate change and its impact</div> <div></div>	<div>SDG 15</div> <div>Protect, restore and promote sustainable use of terrestrial ecosystems</div> <div></div>	<div>SDG 16</div> <div>Peace, justice and strong institutions</div> <div></div>	<div>SDG 17</div> <div>Strengthen the means of implementation and revitalise the global partnership for sustainable development</div> <div></div>
<div>How Kumba makes a difference</div> <div><ul style="list-style-type: none">Technology strategy to accelerate the adoption of appropriate technologies at our operations to improve safety and productivity, and reduce costsWork closely with Transnet to ensure that the rail and port infrastructure can support Kumba and the users of the IOEC to deliver products to its customersWith our commitment to FutureSmart Mining™ our vision is 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. We are integrating new technologies to enable safe mining by removing people from harm's way, and to more precisely target metals and minerals with less waste, water and energy</div>	<div>How Kumba makes a difference</div> <div><ul style="list-style-type: none">Our zero waste to landfill (ZW2L) drive forms part of broader efforts to develop our contribution to a circular economyImplementation of the UN's Globally Harmonized System of Classification and Labelling of Chemicals, and the EU's Registration, Evaluation, Authorisation and Restriction of Chemicals as well as variants emerging in other jurisdictionsProvide external assurance that Kumba is a reputable, safe and responsible iron ore producer through ethical production</div>	<div>How Kumba makes a difference</div> <div><ul style="list-style-type: none">Adhere to Anglo American's climate change policy; focus on driving energy and carbon savings throughout our business, and building internal agility and resilience to climate changeImplement our roadmap for achieving group goals of 30% reduction in energy intensity and GHG emissions by 2030 (baseline 2016) and carbon neutrality by 2040Ambition to realise zero scope 2 emissions by 2030 through the implementation of large scale renewable projects, with the ambition to be carbon neutral (scope 1 and 2 in 2040) though the implementation of alternative energies and fuels to displace dieselTo address scope 3 emissions we continue to focus on increasing our premium product offering and working with key partners on developing products and technologies that could further reduce scope 3</div>	<div>How Kumba makes a difference</div> <div><ul style="list-style-type: none">Manage 75,091 hectares of land and 2,500 hectares are set aside for biodiversity offsetsIntegrate mine closure planning with land rehabilitation, promoting biodiversity and conservation, and using our non-operational land to benefit the mine and surrounding communitiesOur operations are in areas of higher biodiversity value, increasing our responsibility to contribute to its protection and conservation. Kumba is committed to delivering net-positive impact (NPI) across our operations through implementing the mitigation hierarchy and investment in biodiversity stewardship. We have developed a biodiversity offset strategy to guide our progress and are exploring regional biodiversity offset opportunities</div>	<div>How Kumba makes a difference</div> <div><ul style="list-style-type: none">We respect human rights, provide access to information, grievance mechanisms and appeal processes, and grievance mechanisms and offer support representative decision-making, work to avoid company-community conflict and carefully managing our security approaches to ensure they decrease rather than increase the likelihood of conflictCommit to transparency across the scope of our activities that impact society, from transparency of mineral revenues and payments to transparency in commitments made to local communitiesWe have made a commitment to three policy advocacy areas<ol style="list-style-type: none">Trusted Corporate leader (governance , accountability and transparency)Living our values (continue to show leadership on advocating for human rights, safety and gender equity)Contributing to a low-carbon energy future (investing in more greener energy sources and improving our energy efficiencies)</div>	<div>How Kumba makes a difference</div> <div><ul style="list-style-type: none">Public-private partnerships: We believe in partnering and working collaboratively towards the achievement of the SDG goals at the local, national and global levels and with all our stakeholders.We facilitate implementation of the an inclusive partnership platforms through which Social Economic Development opportunities are identified and implemented at a regional level by the Impact Catalyst and Municipality Capacitation Development Programmes.</div>
<div>Reference</div> <div>Strategy (IR)Page 58</div> <div>Strategic focus areas (IR)Page 60</div>	<div>Reference</div> <div>Mineral residue management and non-mineral wastePage 74</div> <div>Product stewardshipPage 61</div>	<div>Reference</div> <div>Climate change and energy managementPage 62</div> <div>CCR 2022</div>	<div>Reference</div> <div>Mine closure, rehabilitation and biodiversityPage 69</div>	<div>Stakeholder engagementPage 27</div> <div>Governance and management approachPage 21</div> <div>Workforce culture and capabilityPage 40</div>	<div>Reference</div> <div>Stakeholder engagementPage 27</div> <div>Governance and management approachPage 21</div>

Our approach

We seek to provide our key stakeholders with a transparent view on how key sustainability issues were addressed during 2022.

Material matters discussed in this section

- Review from the Setco Chairperson and Chief Executive
- Measuring our performance for the year and against our targets
- Our governance and management approach
- Engagement with stakeholders

Who we are

Listed on the JSE Limited since 2006

Our purpose

Re-imagining mining to improve people’s lives

Our vision

To be a successful and sustainable African supplier of quality iron ore to global and local markets while delivering superior value to our stakeholders

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.

Being a partner of choice

Building lasting beneficial relationships is core to success. We are a significant employer in the region in which we operate, and we work with communities and local governments to create lasting positive change.

As at the end of 2022 we had 11,878 people in employment, comprising

6,400

permanent employees,

4,854

contractors and

624

learnerships.

What we do

We mine and produce high-grade iron ore. Export ore, with a Lump:Fine ratio of 67:33, is shipped to customers across the globe from a port in Saldanha Bay. We also have a marketing office in Singapore, integrated with Anglo American marketing, and one in London, wholly owned by Kumba. In total, 100% of our product is exported. The revenue generated from these sales is used to grow and sustain the business, which shares its success with various stakeholders.

— To learn more about our operations see pages 74 to 76 of the IR.

Our ambition

- Eliminate fatal incidents and serious injuries through a culture of zero harm
- Enhance product premium by ≥ US\$2/tonne, above Lump and Fe premium and contain C1 unit costs below US\$44/tonne
- Sustainably extend the life of our Northern Cape operations to 2040
- Become the employer of choice, through a high-performance culture driven by healthy employees

Who we are cont.

Where we operate



- 1** Sishen
- 2** Kolomela
- 3** Saldanha Bay port
- 4** Corporate office

Export rail line
 Current capacity of 67 Mtpa of which Kumba has a 44 Mtpa allocation with port capacity of 42 Mtpa

Africa

South Africa

1 Sishen
 Life-of-asset
17 years
 Location
 Kathu

2 Kolomela
 Life-of-asset
12 years
 Location
 near Postmasburg



— For more information see www.angloamericankumba.com



Who we are cont.

Kumba is a supplier of high-quality iron ore (63.8% average Fe) to the global steel industry. We operate primarily in South Africa, with mining operations in the Northern Cape, a head office in Rosebank, Gauteng, and a port operation in Saldanha Bay, Western Cape.

Our purpose is “re-imagining 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 our host communities and society.

At a glance

<div>Production</div> <div>37.7 Mt</div> <div>(2021: 40.9 Mt)</div>	<div>Export sales</div> <div>36.6 Mt</div> <div>(2021: 40.2 Mt)</div>
<div>Customers</div> <div>Customers in South Africa, China, Japan, Korea and EU/MENA/ Americas region</div>	<div>Total tonnes mined*</div> <div>255.2 Mt</div> <div>(2021: 261.4 Mt)</div>
<div>Total waste stripping</div> <div>204.3 Mt</div> <div>(2021: 209.4 Mt)</div>	<div>Employees**</div> <div>11,878</div> <div>(2021: 11,291)</div>

* Including waste mined

** Includes full-time contractors of 4,854 (2021: 4,487)

Kumba Iron Ore ownership structure
(at the time of reporting)





Social, Ethics and Transformation Committee Chairperson's review

It gives me pleasure to introduce Kumba's annual sustainability report and to present the Social, Ethics and Transformation Committee (Setco) review. I welcome this opportunity to share some reflections on Kumba's performance in addressing our material impacts on society and the environment during 2022.

Buyelwa Sonjica
Chairperson: Setco

Resilience and commitment

The subsiding of the pandemic and lifting of restrictions mid-year brought relief and an eagerness across Kumba to reset and build a better normal. We have integrated key learnings from our experience in managing the risks and impacts of the pandemic. For one, the crisis taught us we cannot be complacent. It has underscored the importance of effective operational risk management, organisational flexibility and adaptability, and collaboration and teamwork, in the face of unexpected challenges. It also heightened awareness of the impact of workplace stress and the need to continually support our employees' mental health and wellbeing.

In my review last year, I acknowledged that the pandemic had intensified the investment community's focus on ESG issues, specifically within the extractive sector. Supported by our sustainable mining plan (SMP), we focus our ambitions to ensure a healthy environment, thriving communities and being a trusted corporate leader. I am proud of the decisive steps Kumba has taken this year towards delivering on our ESG commitments. These include the publication of Kumba's first standalone climate change report, which provides our stakeholders with transparent disclosure of the Company's comprehensive approach to climate change. As part of our commitment to ethical value chains, we are gaining assurance and alignment with the Initiative for Responsible Mining Assurance (IRMA), the internationally recognised external assurance scheme that defines good practices for what responsible mining should be. This year we completed on-site audits at Sishen and Kolomela. Both sites achieved an IRMA transparency rating, with six and five non-conforming critical requirements at Kolomela and Sishen, respectively.

Both mines are implementing corrective action plans to resolve outstanding requirements.

Safety and health

At the heart of everything we do is our commitment to safety. It is our people who enable us to create value, and Kumba upholds a sacred covenant code to do our utmost to ensure that every employee and contractor at our operations returns home unharmed after every day's work. Our strong safety culture ensured a sixth successive year of fatality-free production. However, tragically, on 13 February 2023, Nico Molwagae, a drilling assistant employed by our service partner was fatally injured at our Kolomela mine. Our deepest condolences are extended to Nico's family, friends and colleagues.

During 2022, there were some regressions in Kumba's lagging safety performance indicators, which we have been proactively tackling and will continue to address with vigour throughout 2023.

In prioritising safety, another focus is our commitment to demonstrating leadership in managing mineral residue facilities safely. To this end, we have made good progress in implementing plans to achieve compliance with the requirements of the International Council on Mining and Metals (ICMM) supported the Global Industry Standard on Tailings Management (GISTM).

In managing health risks, Covid-19 has become a less acute health and wellbeing challenge. Ongoing preventative and supportive measures, including promoting vaccination and administering of booster vaccinations, have been integrated into the Company's health management programme. We continue to monitor Covid-19 trends and lineages, nationally

and globally, and to urge our employees to be vigilant.

In addition to HIV, TB and chronic disease management, we maintain a focus on mental health, drug and alcohol abuse, and other health issues. A particular highlight this year has been the introduction of an initiative that uses data analytics to identify cardiovascular risks among our employees and promote proactive heart health management.

Rigorous occupational health management ensured a third consecutive year of no new cases of any occupational diseases, including a seventh year of no noise-induced hearing loss (NIHL) cases, and no direct employee exposure to respirable dust and silica above the occupational exposure limit.

Our valued workforce

Every step of our progress is underpinned by our people. We continue to make valuable progress in fostering a culture of inclusivity, care and performance, underpinned by our commitment to employee engagement and support.

We have maintained a healthy talent pipeline across disciplines with a strong focus on local talent and a good spread of HDSA and female candidates. We continue to diversify our range of programmes aimed at enhancing the skills and experience of our leaders. For example, we are increasingly seeing the value from the successful implementation this year of our customised front-line manager development programme to more than 220 supervisors and operations leaders, building relevant leadership capabilities. Another inspiring initiative is the launch this year of a mentorship programme which provides an opportunity for employees to seek and identify a mentor

within Kumba or from the Anglo American-wide global workforce to assist with their unique objectives. These rewarding opportunities are increasingly important amid heightened competition from other companies for Kumba's skilled talent.

It is pleasing to report that levels of female representation have steadily improved and we are on track to meet our target to achieve 33% representation of women at management levels by the end of 2023. There are several technical disciplines where filling roles with mature and seasoned talent remains challenging. However, our leadership academy and women leadership programmes are nurturing women with the potential to fill these positions.

Setco has been closely monitoring Kumba's efforts to embed our domestic violence, bullying, harassment and victimisation policies and training for our colleagues. An important development this year was the establishment by Anglo American of the Living with Dignity hub, a victim-centred sexual harassment and gender-based violence (SHGBV) hub through which Kumba responds to complaints, addresses harmful behaviour and supports preventative measures to ensure a safe working environment. Another highlight in tackling GBV, was the delivery of theatre-based awareness and training interventions to 2,539 Kumba employees and contractors across all levels, and community members.

In valuing and inspiring collective commitment to creating value, Kumba has launched a new and improved broad-based employee share ownership plan (ESOP). The hybrid ESOP scheme structure comprises an innovative "evergreen" component and a vesting component similar to the existing

Social, Ethics and Transformation Committee Chairperson’s review cont.

Karolo scheme. The new share scheme is structured with flexibility in mind for the inclusion of future growth opportunities. Another high-impact development is the successful implementation of Kumba’s new housing strategy and policy aimed at facilitating and incentivising home ownership, which has attracted high levels of interest.

Community development commitments

I am proud to highlight some of the positive developments this year in our communities. Annual spend with host community businesses increased from R4.1 billion in 2021 to R5.4 billion in 2022. We have made encouraging progress towards our socio-economic development targets and stretch goal of creating thriving communities with better health, education and level of employment. Various programmes are at different stages of implementation. These programmes are underpinned by our social management framework, the Anglo-American Social Way.

This year we launched the second phase of our ambitious education programme, in partnership with the Department of Basic Education, as part of the Anglo American South Africa education programme. An additional 20 schools were selected, increasing the support we provide to 45 schools. In forging strategic partnerships, a personal highlight for me is Kumba’s R10 million contribution to the Thabo Mbeki Foundation. As part of a total R35 million sponsorship by Anglo American South Africa to support the Foundation’s work, the contribution will go towards funding the construction of the Thabo Mbeki Presidential Centre in Rosebank, providing resources with a vision to inspire and activate citizens from all walks of life to be dynamic agents of Africa’s Renaissance. Another sponsorship to highlight is Kumba’s R20 million contribution towards the Northern Cape Sol Plaatje University’s first endowment campaign, Lesedi La Afrika Fund.

This year, we conducted a thorough strategy review of our community development approach, following extensive community engagement and an evaluation of our performance over the last few years. As the Covid pandemic eased, to stay relevant with our communities’ emerging needs, this year we have updated our strategy to include additional focus areas such as emerging need focus areas including GBV, the development of small-scale farmers, and broadband connectivity.

Environmental stewardship

Our vision is to maintain a healthy environment, where we not only minimise impact, but also deliver positive and lasting environmental outcomes in the areas in which we operate.

Kumba has maintained a good performance across key areas of responsible environmental stewardship, with no significant incidents (level 3 to 5) reported since 2015, and a steady decrease in the number of level 1 and 2 incidents recorded.

An important achievement this year was the finalisation of a strategy on climate change risks. Kumba’s progress towards delivering on climate change ambitions is discussed in the review by my colleague, Chief Executive Mpumi Zikalala (page 15). For Setco, it is particularly pleasing to see the increasing cross-functional integration of climate change considerations across our activities. For example, we are pursuing green economy opportunities in the context of community development initiatives, such as skills and job creation through renewable energy projects. In working towards achieving stretch goals on biodiversity, a major step this year was the development of a Kumba biodiversity offset strategy to guide offset plans towards delivering on NPI targets. This is aligned with Kumba’s comprehensive land management strategy, which aims to drive a lasting legacy of responsible land utilisation. As net water providers, Kumba continues to play a critical role in alleviating local community water shortages.



Tamaga Lodge is one of three biodiversity conservation areas on the western side of Sishen mine.

Appreciation

In this report, you will learn more about the issues I have touched on, as well as many more. I encourage you to share your views in terms of Kumba’s performance and the quality of its disclosure. Frank feedback from stakeholders is essential to foster greater accountability and helps us deliver more effectively, as we strive for ESG excellence.

Looking ahead, Setco welcomes the strategic initiative by the Chairperson of Kumba, Terence Goodlace, to elevate and ensure more focused engagement on Kumba’s sustainability issues, with the establishment of a new committee: the Safety, Health and Sustainable Development (SHSD) Committee. The committee will assume relevant responsibilities from the Setco and will commence with its remit in February 2023.

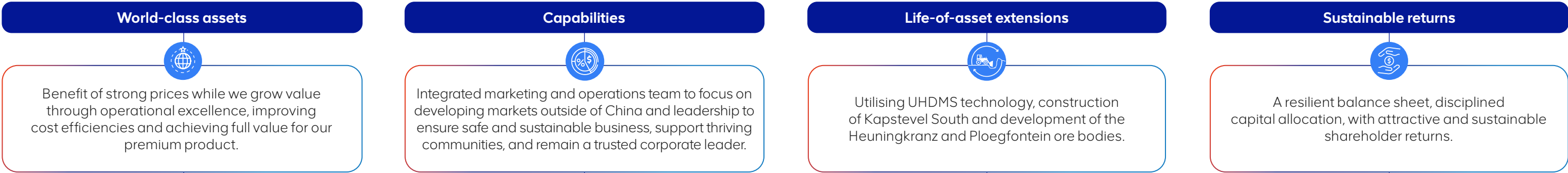
On behalf of Setco, I extend our deep appreciation to Mpumi Zikalala for her leadership in advancing the strategic and operational aspirations of Kumba. I also thank my Board colleagues on the Committee, the management team, and all employees for their work towards delivering on Kumba’s sustainability commitments.

Buyelwa Sonjica
 Chairperson: Social, Ethics and Transformation Committee

17 March 2023

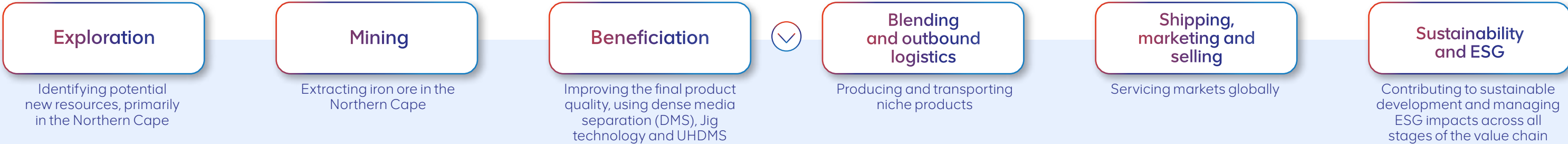
Business model

Our value proposition



— For more information see page 15 of the IR

Our value chain activities



Key resources

— For more information see pages 16 to 18 in the IR

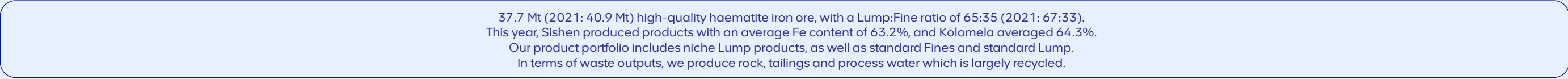
Access to natural resources (including iron ore, land, energy and water)	FutureSmart Mining™ – integrating new technologies to enable safe mining
Prospecting and mining rights	Exploration, mining and processing technology and techniques
Regulatory permits and licences	Reliable, cost-efficient and representative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

Key relationships

— For more information see page 45 in the IR

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

Output



Operating context: Issues impacting value



— For more information see pages 36 to 44 in the IR

Business model cont.

Risks and opportunities

Key risks

- Kumba's competitive position (transformation of the business)
- Third-party infrastructure (IOEC operating efficiency)
- Socio-economic challenges
- Commodity markets and currency fluctuations
- Cyber risk
- Current South African governance and political challenges
- Sustained power disruption
- Operational performance
- Delivery of strategic projects
- Ability to attract and retain critical skills
- Safety performance
- Climate change – carbon emissions and extreme weather impacts

Key opportunities

- 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 P101 performance
- Optimise the use of UHDMs technology across our mines
- Renewable energy, green fleet and other 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 a diversification of our customer profile
- Circular economy innovations

Financial Safety and health Socio-political Environment Cost Production People

For more information see pages 48 to 56 in the IR

Revenue drivers

Iron ore prices

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

Iron ore sales

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

Rand/US\$ exchange rate

A weaker Rand and reduced local revenues for US Dollar-based iron ore prices

Potential for revenue differentiation

Ability to achieve quality and Lump premium for superior ore quality (63.8% 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 (67:33 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	✓
Poor logistics performance by Transnet, including a two-week labour strike lowered sales volumes with 1.5 Mt	✗
Challenges in terms of extremely high seasonal rainfall and supply chain disruptions impacting our value chain	✗

Sensitivity analysis

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

Sensitivity analysis

Export volume	(485)		485
Export price	(653)		653
Currency	(682)		682

Cost drivers

To maintain the current value proposition:

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

To expand the current value proposition:

Capital expenditure	Exploration	Marketing
---------------------	-------------	-----------

Potential for cost differentiation

Scope for differentiation through UHDMs technology	✓
Further leverage in operating costs through enhanced operating efficiencies	✓
Cost savings programme delivering R1.1 billion in 2022	✓
Higher stripping ratio due to inherent characteristics of the ore body resulting in higher mining costs, with implementation of the UHDMs project the stripping ratio is expected to reduce	✗
Higher rail costs from mine to port, and disruptions in logistics chain	✗
Higher costs associated with distance from ports, and Australian competitors closer to the key market in China	✗

Sensitivity analysis Change per unit of key operational drivers, each tested independently

Sensitivity analysis	Unit change	2022 EBITDA impact
Currency (R/US\$)	R0.10/US\$	R417m
Export price (US\$/t)	US\$1.00/t	R577m
Export volume (kt)	100 kt	R135m
Unit change		Break-even price impact
Currency (R/US\$)	R1.00/US\$	US\$3.50/t

Chief Executive’s review

In a challenging operating environment, we have continued to deliver on our Tswelelopele business strategy which has transformed the business and delivered significant value to our stakeholders, not least our host communities. Kumba’s solid operational performance and strong environmental, social and governance (ESG) performance this year under tough conditions has demonstrated the resilience of our people and our assets.

Mpumi Zikalala
Chief Executive



Our sacred covenant is that our colleagues should return home safely every day, regrettably after the period under review, on 13 February 2023, Nico Molwagae, a drilling assistant employed by our service partner was fatally injured at our Kolomela mine. Our thoughts and prayers are with Nico’s family, friends and colleagues during this difficult time. We remain committed to zero harm and continue our relentless focus on eliminating fatalities and fostering a safe operating environment.

Delivering a strong ESG performance in a challenging operating context

The year was characterised by internal operational challenges and some significant external headwinds, including sustained rail and port logistical constraints at Transnet, global supply chain challenges and extreme weather events. While facing these diverse challenges, Kumba has continued to strengthen its approach to managing ESG issues and has maintained strong performance, once again being recognised in various global rankings by leading agencies. ESG factors played a key role in informing the thorough refresh of Kumba’s Tswelelopele strategy completed this year, which has an integrated approach to sustainability at its core and seeks to position Kumba as the most responsible producer of iron ore. Being a sustainability leader is directly relevant to our ability to deliver on the commitments in the sustainable mining plans (SMPs) we are implementing at Kumba. These include ambitious long-term targets, aligned with the UN Sustainable Development Goals, relating to three pillars: being a trusted corporate leader, building thriving communities, and maintaining a safe and healthy environment. Our

performance, reviewed throughout this report, gives me confidence that Kumba is living up to our purpose of “re-imagine mining to improve people’s lives”, and that we are well placed to harness our assets and capabilities to increasingly benefit society.

Delivering on climate change ambitions

We believe that iron ore and steel products have a critical enabling role in a decarbonising world, and that as Kumba we must do what we can to reduce the carbon emissions related to the production, distribution and use of our products, while at the same time providing for the potential social impacts associated with the transition to a low-carbon future. Demonstrating our commitment to providing our stakeholders with transparent and comprehensive disclosure, this year we published our first stand-alone climate change report. The report was developed in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). In it, we review the risks and opportunities that climate change presents for our business, describe our strategic response to these risks and opportunities, and outline how we are performing in delivering on our climate commitments.

Since 2020, we have been working closely with Anglo American on technical work to develop a roadmap of initiatives to deliver on our collective ambition of carbon neutrality in scope 1 and 2 emissions and a 50% reduction in scope 3 emissions by 2040. We are realising various opportunities to decarbonise our mining operations, displace internal diesel usage through a zero-emissions haulage solution, transition to renewable energy, and promote the uptake of a local green hydrogen economy, as well as working

to reduce emissions in our supply chain. In the first phase of our decarbonisation journey, we will focus on achieving solar PV self-sufficiency, aiming provisionally to reduce our carbon emissions by 20% by 2025. Kumba’s recently approved 68 MW solar PV plant at the Sishen mine, due for completion in 2024, forms an important part of Anglo American’s regional renewable energy ecosystem that is looking to generate 3 GW to 5 GW of renewable energy by 2030, in partnership with EDF Renewables. Our scope 3 emissions constitute around 97% of our total emissions, and remain a particular challenge given that they are mostly outside our direct control. We are working with an Anglo American team to develop an ambitious action plan to drive a decarbonised green steel value chain. An example of an innovation underway is the introduction of 10 LNG dual-fuelled vessels in 2023 and 2024 to deliver an estimated 35% reduction in carbon emissions. The first of these vessels, the Ubuntu Harmony, loaded its first cargo of iron ore from Kumba’s operations at Saldanha Bay port in January 2023.

Environment

Kumba is in a unique position of being a water-positive mine, which means we can supply water to the benefit of our communities. In 2022, we increased this by 9% to 18,554 ML (2021: 17,000 ML). Kumba has invested R472 million in our on-mine bulk water infrastructure, which will increase the volume of surplus fresh water provided to Bloem Water and Gamagara local municipality. However, we could not export as much water as expected due to municipal water infrastructure constraints. Given these constraints, we have revised our freshwater reduction target from 50% to 40% by

2030. Our goal remains to ensure the beneficial use of this valuable resource for all.

Strengthening our safety management

Safety is our number one priority and a value that we live by 365 days a year. Kumba has sustained a good safety performance record in recent years, and our management approach has set a leading example at Anglo American and in the mining industry. Thanks to the commitment and performance of our workforce, Kumba had six and a half fatality-free years at our operations. Regrettably subsequent to the year-end, on 13 February 2023, Nico Molwagae, a drilling assistant employed by our service partner was fatally injured at our Kolomela mine. An investigation is currently underway. Our thoughts and prayers are with Nico’s family, friends and colleagues during this difficult time. We are devastated as our sacred covenant is that our colleagues should return home safely every day. We also experienced an increase this year in lost-time injuries, high-potential incidents and our total recordable case frequency rate. Our TRCFR is 1.55 and in line with the three-year average. The recent deterioration in performance has highlighted the need to refocus our efforts, and to maintain our commitment on instilling a safety culture. Learning from this uptake in incidents, we have strengthened our critical controls for identifying and responding to hazards, increased leadership engagements, and made our awareness programmes more practical. We have also been accelerating the use of technology for safety, increased shared learning from incidents, and enhanced the resourcing and prioritisation of critical control actions.

Chief Executive’s review cont.

Valuing our employees and culture

Our commitment to being a sustainability leader begins with our employees – ensuring their safety, health, and emotional wellbeing, and helping them develop the right skills to thrive. Over the last five years, Kumba has been cultivating a unique experience for its employees, implementing innovative leadership and culture interventions aimed at embedding a high-performance culture that fosters safety, diversity, innovation and organisational effectiveness. Our pleasing ESG performance is a tribute to the focus and commitment of Kumba’s leadership team and employees, and it reflects the successful infusion of a culture of shared responsibility across the Company. In strengthening the Company’s organisational culture, we have maintained a strong emphasis on creating a more inclusive and diverse working environment and embedding our zero-tolerance approach to bullying, harassment, and gender-based violence within Kumba and across our communities. It is pleasing to report that 88% of Kumba employees are proud to work at Anglo American (the benchmark is 80%), and that Kumba’s staff turnover is 3.60%, significantly lower than the industry benchmark of 7.6%. We are, however, increasing the focus on middle-management employees as the turnover rate is currently above the threshold. For the second successive year, Kumba was in the top 10 companies in the Sunday Times Top 100 companies.

Creating sustainable host communities

Kumba has a long-standing commitment to creating thriving host communities by acting as a catalyst for economic prosperity by providing employment opportunities, and by promoting an inclusive supply chain that generates shared prosperity in our host communities, including beyond our life of asset. As part of this commitment, we have been implementing a collaborative approach to regional development in partnership with government and other stakeholders to drive sustained economic diversification. Progress has been made this year with seven of the 14 prioritised high-impact projects. Adhering to the Anglo American Social Way social performance management system, we implemented a robust assessment methodology tool to measure our socio-economic development performance and inform the design of effective site-level impact management strategies. Our positive social

contribution this year included R399.5 million in direct social investment, supporting those most in need, focusing on health, education, and community development, in line with our SMPs. We continue to focus on understanding and responding to the evolving needs and priorities of the communities in which we operate. In maintaining an emphasis on preferential procurement, Kumba’s total BEE supplier spend was R18.1 billion, which includes spend with host community businesses of R5.4 billion in 2022, against a targeted R4.5 billion, with R488 million accounting for sub-contracting opportunities afforded to host community suppliers by our major suppliers, with 309 host community suppliers that are actively conducting business with Kumba. We employ 79% of our workforce from local communities, invest in capacitating our SMMEs to better position themselves for opportunities, and support youth employment opportunities.

Closing thoughts

Since joining Kumba’s world-class team at the start of January 2022, I have felt incredibly fortunate to be part of this team, and to work with them and our stakeholders to deliver on our stated vision and core purpose. The results achieved this year, in the context of the various external headwinds, reflect the quality of the people and leadership teams across Kumba. I thank everyone within the organisation, including contractors and service providers, for their contribution. Together we are enabling Kumba to become stronger and more sustainable, delivering on our sustainability commitments and creating a better future for the benefit of all stakeholders.

Mpumi Zikalala
 Chief Executive








17 March 2023



Love Life youth counsellors in front of the Siyathemba Youth Centre.

Measuring performance

for the year ended 31 December 2022

Key performance indicators (KPIs)	Target	Outcome	2022	2021	2020
 Safety and health					
Work-related fatal injuries	Zero harm		0	0	0
Total recordable case frequency rate	15% year-on-year reduction against three-year baseline average performance		1.55	0.80	1.74
New cases of occupational disease	Year-on-year reduction		0	0	0
Employees potentially exposed to noise over 85 dB(A) (%)	Year-on-year reduction		15.0	17.4	14.2
Number of employees who know their HIV status (%)*	90%		91	90	88
Number of employees enrolled in HIV disease-management programmes	More than 90% of HIV-positive employees by 2023		100	100	100
 Environment					
Energy consumption (million GJ)*	2030 stretch target – 30% improvement in energy intensity against the 2016 baseline		8.97	8.73	8.11
GHG (scope 1 and 2) emissions (Mt CO ₂ -equivalent)*	2030 stretch target – 30% net reduction in absolute GHG emissions		0.994	0.989	0.913
Total water withdrawals** (million m ³)*	2030 reduce withdrawal of freshwater by 50% (2015 baseline)		29.9	29.0	31.3
Number of level 3, 4 or 5 environmental incidents	No level 3, 4 or 5 environmental incidents		0	0	0
 Social					
Procurement from BEE-compliant businesses (R billion)	–		18.1	10.3	9.8
Host community procurement*** (R billion)	R4.5 billion		5.4	4.1	4.1
Compliance with the Social Way 3.0 (% compliance) [§]	Full compliance (≥80%) with the Social Way 3.0 requirements by end 2022		69	78	62
 People					
Voluntary labour turnover (%)	<5% turnover		3.6	3.2	3.2
Women in leadership positions (%)	To achieve 33% representation of women at management levels by 2023		30	29	27

 Positive trend
  Neutral trend
  Negative trend

* Performance in 2020 impacted by the Covid-19 pandemic.

** Total water withdrawals by source, reported in line with the International Council on Metals and Mining (ICMM) guidance, includes: surface water, ground water, third-party potable water and third-party non-potable water.

*** Including spend with sub-contractors.

§ Rating for 2022 included compliance to new requirements.

Embedding sustainability

Sustainability is at the heart of our decision-making: it is how we do business

Sustainability is integrated into our business strategy, “Tswelopele”, and is critical to everything we do. Our business strategy aims to unlock our full potential and deliver enduring value for all stakeholders. Its seven pillars of value – safety, environment, social, people, production, cost/ margin, and returns/financial – underpin everything we do and inform our approach to sustainability.

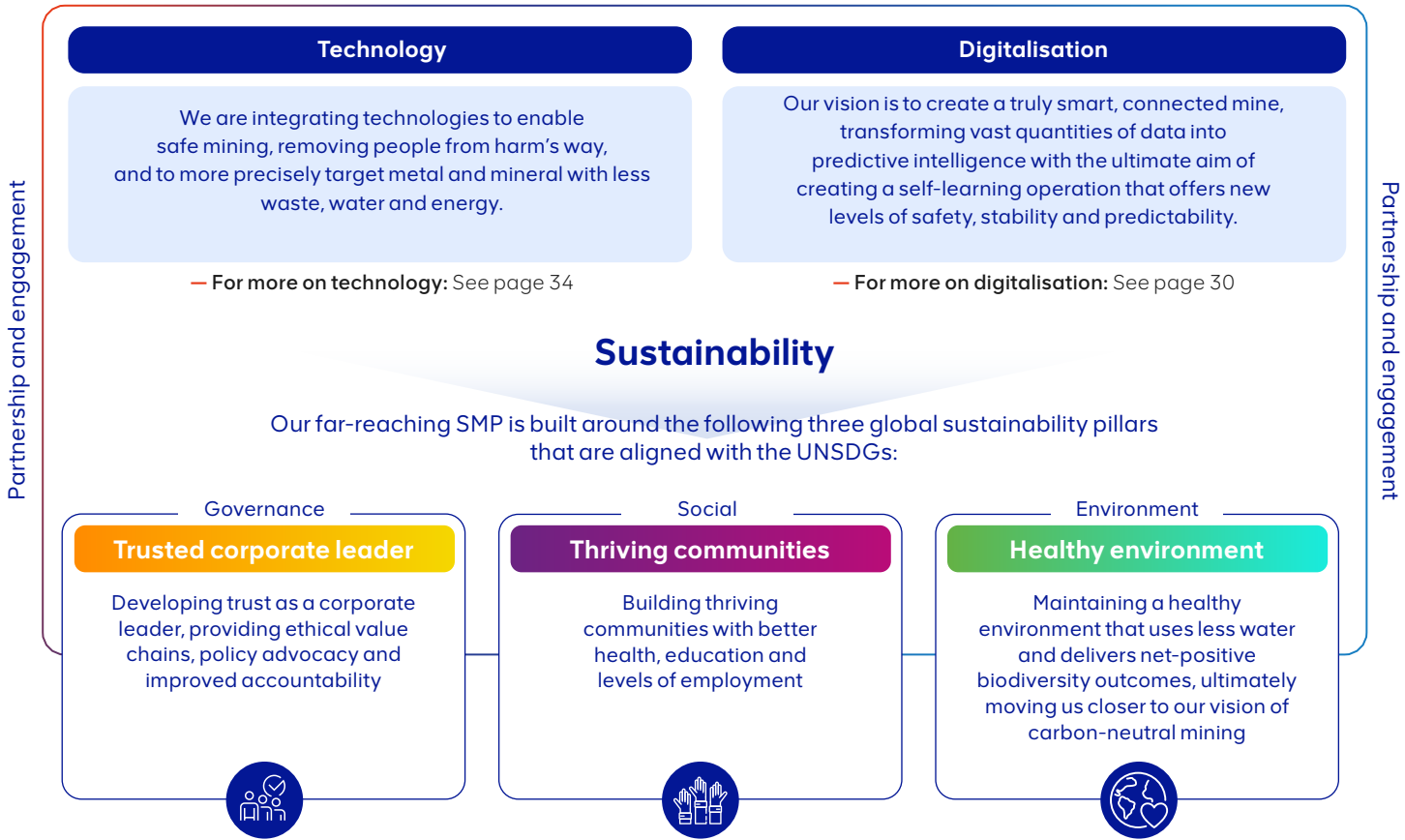
Our purpose is to re-imagine mining to improve people’s lives. Kumba, as part of Anglo American, is well positioned for a future in which broad innovative thinking, enabling technologies, and collaborative partnerships will shape an industry that is safer, more sustainable and efficient, and better harmonised with the needs of our host communities and society as a whole.

At the heart of our strategy lies Anglo American’s FutureSmart Mining™, our innovation-led pathway to sustainable mining.



Health workers and patients standing outside the Bhato Pele mobile clinic buildings.

Our sustainable mine plan (SMP) supports our innovation and delivery of step-change results across the entire mining chain. Launched in 2018, it is built around three major areas (healthy environment, thriving communities and trusted corporate leader) or global sustainability pillars designed to support the United Nations Sustainable Development Goals (UNSDGs). Under each of the global sustainability pillars we have a set of stretch goals that we must reach by 2030 and further goals and ambitions that we will add to these as we progress. They are deliberately ambitious and designed to challenge us to lead and innovate. We are putting all our efforts into delivering them between now and 2030, driving positive sustainability outcomes through technology, digitalisation, and our innovative approach to sustainable economic development. We recognise that the world moves on, as do society’s expectations of us. Our commitments must be relevant and stretching, so that we will continue to evolve them across our business.



- For more on FutureSmart Mining™: See page 44 of the IR.
- Weblink: <https://futuresmart.angloamerican.com/futuresmart/futuresmart-mining>

The Anglo American sustainability integration team has supported Kolomela and Sishen with developing and implementing their tailored SMPs. These bespoke five-year plans are flexible and responsive to their local context's unique challenges, priorities and opportunities. Each plan is developed to support our global sustainability pillars and stretch goals as well as our set of critical foundations and collaborative regional development.

Kolomela has implemented its five-year SMP since 2019 and Sishen since 2020. Both plans have been regularly updated and are aligned with the life-of-asset plans. The SMPs are

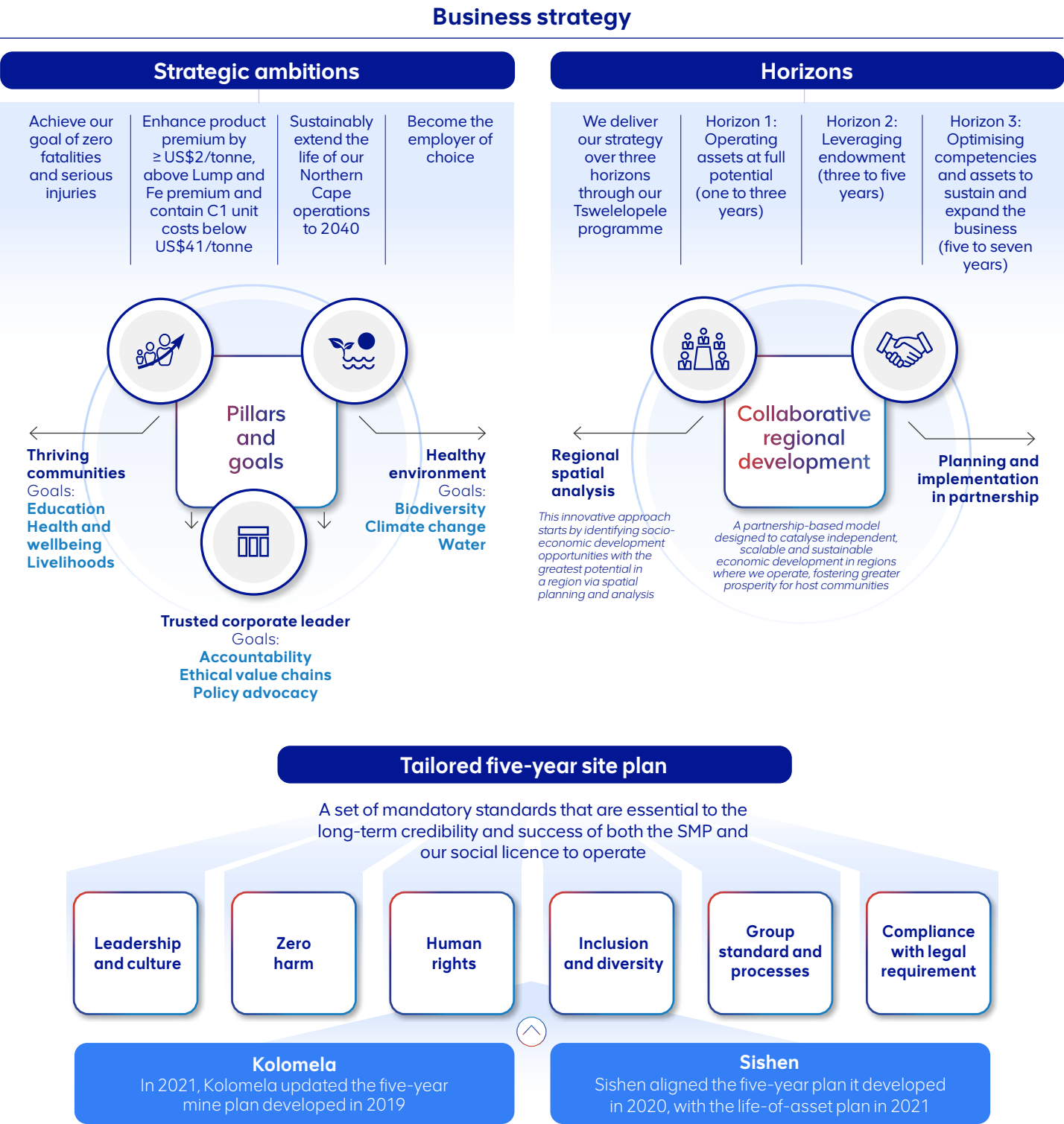
underpinned by baseline data in the social, health and environmental space, which has informed the identification and prioritisation of projects to implement the SMP requirements in the most effective, efficient and sustainable way.

By using spatial planning and analysis, and working with partners and stakeholders in the Northern Cape, we have identified and will deliver long-term development projects that benefit the communities where we operate and leave a positive legacy long after mine closure.

Embedding sustainability cont.

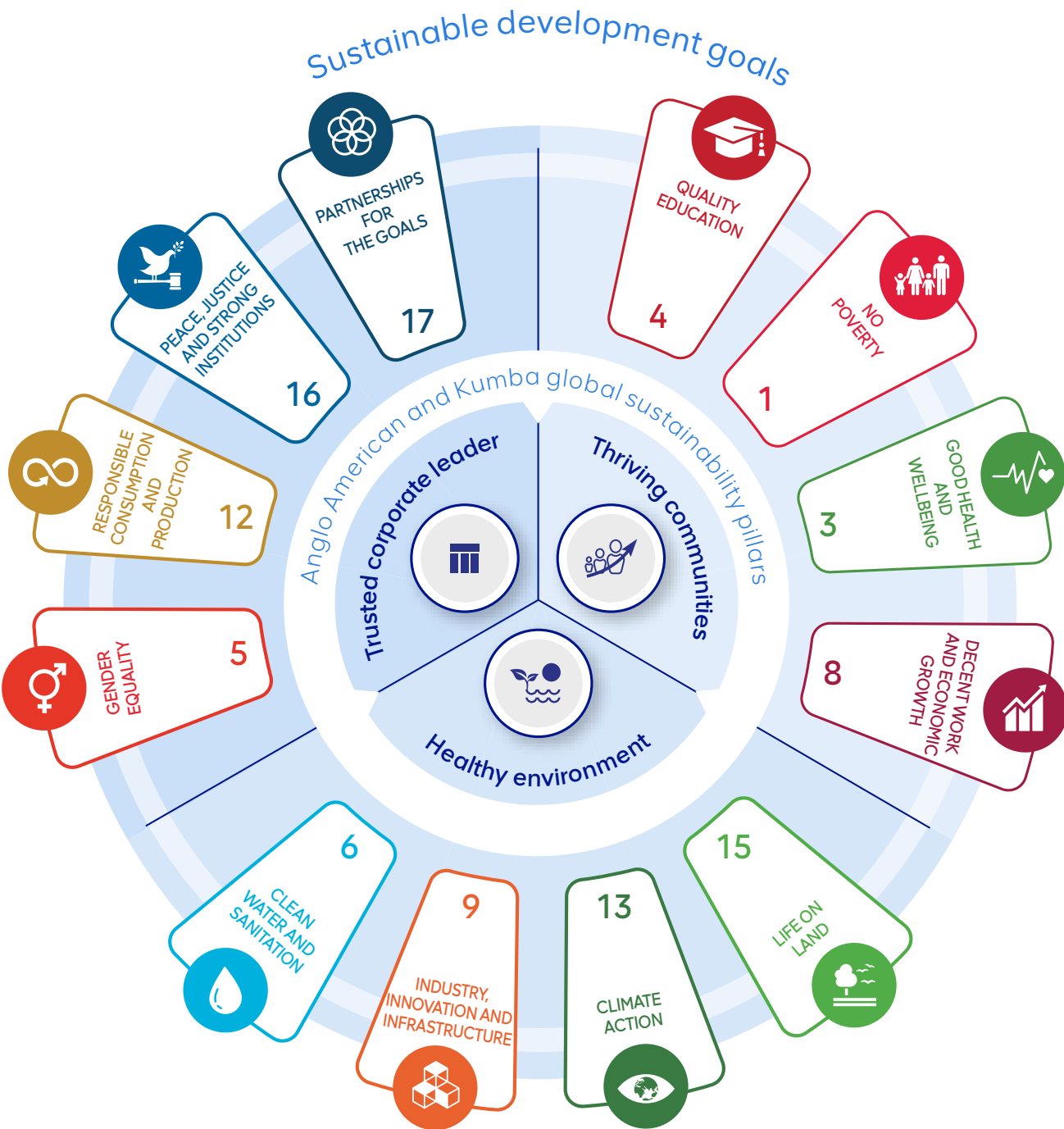
Kumba's alignment with the Anglo American SMP model is illustrated below.

SMP model



Kumba’s sustainability strategy and the global UNSDGs are complementary, as illustrated by the following diagram showing how the stretch goals under our strategy are aligned with at least 12 of the 17 UNSDGs. This gives us the basis for a common language and vision to work with other stakeholders on how best to direct our efforts to achieve wider developmental impact.

— An overview of our contribution towards the 12 SDGs most relevant to us, is provided on page 5.



Embedding sustainability cont.

Delivering on climate change ambitions

As part of the Anglo American group, Kumba is committed to be part of the global response to climate change. This is best for the long-term sustainability of our business and the right thing for society. We have a critical role to play in providing the materials needed for a cleaner, greener and more sustainable world.

— A more detailed review of our performance in terms of each of these climate change ambitions is provided on pages 62 to 65 of this report as well as the standalone CCR.

Our vision for carbon-neutral mining by 2040



30%	reduction targets for GHG emissions (against 2016 baselines) by 2030
Conservation of biodiversity by ensuring	a net-positive impact on biodiversity by 2030
Ambition of zero scope 2 emissions	across our operations by 2030
Maximising our premium product* offering by 2024	which reduces scope 3 emissions
2040 ambition	carbon neutrality (scope 1 and 2) across all our operations
50%	reduction target for scope 3 emissions (against 2016 baseline) by 2040
40% reduction in freshwater use	across our operations by 2030 (revised target)
Net positive impact on biodiversity	across our operations by 2030

* Utilising high iron ore content products in blast furnace steelmaking can realise a 2.5% reduction in carbon emissions for every 1% increase in iron ore grade.



Nyalas in the veld at the Mamaghodi farm, which has been developed into a game farm where roughly half the farm is used as an extensive game farm and the other half is used for intensive game breeding.

Governance and management approach

Good governance brings ethical leadership, transparency and strong risk management, which guides and keeps us true to our values.

Sustainability is at the heart of Kumba, and our governance structures are set up to support us in our progress. We have a structured and systematic approach to managing our most significant social, economic and environmental impacts and to addressing the material interests of our priority stakeholders. Our approach is underpinned by a well-defined process for identifying and evaluating the risks and opportunities that are most material to the business.

— This process is reviewed in our IR (pages 48 to 56).

Governance

The role of the Kumba Board of directors is to promote and safeguard the long-term success of the business, while considering the interests of its various stakeholders. Directors steer the Company in the right direction through a combination of strategy, effective leadership and sound corporate governance. Our Board of directors remains committed to adhering to the highest standards of corporate governance and ethics as per King IV, the Companies Act, the JSE Listings Requirements, other applicable regulations, and governance frameworks.

The Board plays a pivotal role in the promotion of sound corporate governance which is integral to the running of an organisation and delivering governance outcomes such as an ethical culture, good performance, effective control and legitimacy.

The Board has ultimate responsibility for ensuring that Kumba acts in the best interest of all its stakeholders. It has been supported this year by five longstanding committees through which it executes some of its duties, namely the Audit Committee; the Social, Ethics and Transformation Committee (Setco); the Human Resources and Remuneration Committee (Remco); the Strategy and Investment Committee; and the Nominations and Governance Committee.

In recognition of the increasing expectations on companies in terms of their ESG performance and disclosure, the Board approved the establishment of a Safety, Health and Sustainable Development (SHSD) Committee in November 2022. This Committee was established to enhance and increase our focus on strategy, risk management, monitoring and oversight of all related safety, health and sustainable development matters. The SHSD Committee

comprises the following members: Mr TP Goodlace; Ms BP Sonjica; Ms MJ Tsele; M A Jeawon and Ms ND Zikalala. The Committee will assume responsibilities related to safety, health and environment which fell within the remit of the Setco. The first meeting of the Committee will be held in February 2023.

During 2022, the Board continued to delegate responsibility to the Setco for the oversight and reporting of Kumba's social, environmental and governance performance.

The Setco held accountability for overseeing management of Kumba's most material sustainability issues. These included ensuring that Kumba remains a responsible corporate citizen, and that the Company attains its goals relating to the management of safety, health and the environment, as well as social, transformation, permitting, regulatory compliance, risks and opportunities and ethics across the Company. The Committee's responsibilities included developing sustainable development policies and guidelines to manage these focus areas, monitoring performance against key indicators, and facilitating stakeholder participation, co-operation and consultation on key issues.

In 2022, the Setco focused on the following:

- Reviewing performance on safety, with a focus on monitoring regressions in lagging safety performance indicators and safe open-pit mining management
- Employee health and wellbeing, in particular management of mental health, and dust and carcinogens
- Environmental management, with a focus on water and energy usage
- Strategy and roadmap for energy and decarbonisation
- Publication of the first dedicated climate change report
- 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 an update on the Company's inclusive procurement performance
- Considered the Company's B-BBEE strategy and roadmap
- Delivery of the SMP and approval of revised commitments
- Stakeholder engagement, transformation and community development
- Permitting and regulatory compliance
- Fraud and corruption including the effectiveness of the Company's ethics policies and the management of the whistleblowing hotline.
- Considered and recommended to the Board for approval the Kumba mineral residue facilities and water management structures policy
- Considered and recommended to the Board for approval Kumba's contribution to the Thabo Mbeki Foundation
- Monitored findings from ABAS audits related to material risks falling within the remit of the Committee.
- Reviewed its terms of reference and annual work plan and recommended the terms of reference to the Board for approval
- Reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee

As part of its overall mandate to oversee audit, internal control and financial risk management, the Audit Committee reviews the principal risks falling within the ambit of the Committee. The Audit Committee and Setco have shared responsibility for monitoring the Company's whistleblowing programme, described on page 25.

The Remco determines the remuneration of executive directors and senior management, and oversees the remuneration policy for all employees. At Kumba, the performance-based remuneration of all employees considers

our safety, health and environmental performance. The performance conditions applicable to awards granted to executive directors and senior management under the Long-Term Incentive Plan (LTIP) include metrics relating to tailings dam standards, energy efficiency, GHG intensity (decarbonisation), PM10 dust control and safety-critical control management.

— **For further information on our remuneration practices, refer to the remuneration section of our IR (page 77).**

Kumba's Chief Executive and the executive management team (Exco) are accountable for day-to-day sustainability management and performance, as well as all aspects of our overall strategy. The Company takes a collaborative approach to ensuring sustainability across the various functions and to delivering on sustainability performance objectives.

Each year, the Board, assisted by the Nominations and Governance Committee, conducts an assessment of the Board's performance and of the appropriateness and effectiveness of its committees, procedures and processes. In addition, an external assessment is performed every three years that includes personal interviews with individual directors.

Governance and management approach cont.

— A full review of Kumba’s approach to corporate governance is provided in our IR (pages 24 to 32. Our performance against our sustainability governance requirements is reviewed in the material issues section of this report (pages 30 to 78).

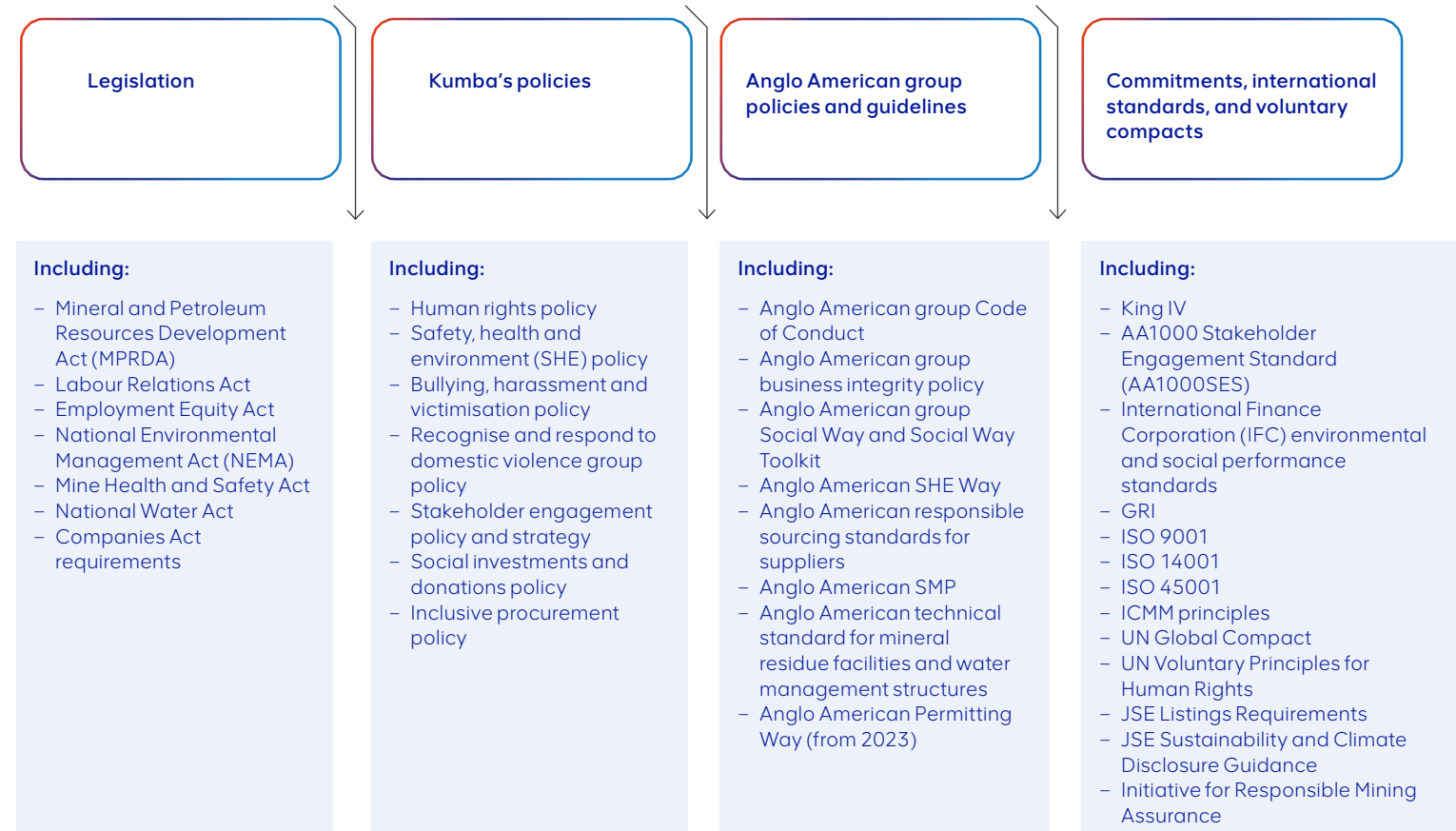
We have the following internal sustainability engagement forums:		
Committee	Membership	Focus
Setco	Board members Chief Executive Exco	Ensure that the Company’s activities positively impact on its many stakeholders, including employees, communities, the public, as well as the environment, and report on Kumba’s performance to our shareholders on an annual basis
Management Risk Committee	Exco Bulks Chief Financial Officer Site general managers	Understand, mitigate and manage key risks and ensure recognition of opportunities in an integrated manner
SHE steering committee	Exco Site general managers Subject matter experts	Embed the EOF framework through reviewing trends, benchmarking and identifying and realising opportunities for learning and improvement
Social Way steering committee	Exco Sishen leadership team Kolomela leadership team	Promote an integrated and cross-functional approach managing social performance risks and impacts, and align with new policy requirements
Transformation steering committee	Exco	Review and report on progress against targets as specified in the relevant transformation regulations, the Kumba transformation strategy, and transformation roadmap
Permitting steering committee	Exco Subject matter experts Site general managers	Steer progress on permitting at Kumba
Rehabilitation steering committee	Senior management Subject matter experts	Review and report progress on rehabilitation at the operations

Our external sustainability engagement forums include accountability forums; the Anglo tripartite forum; and the Minerals Council; and ICMM.



View of trains at Saldanha Bay port.

Kumba’s sustainability governance framework



Management approach

Policies and standards

Our approach to managing our social and environmental impacts, risks and opportunities is guided by Anglo American, which has more than 35 group policies and technical standards that describe how the principles set out in the Code of Conduct are deployed. There are two management system frameworks that address the management of sustainability issues and align with the topic-specific policies mentioned throughout this report:

- The Anglo American SHE Way – integrating related expectations and performance standards into a single management system aligned with our commitment to safety
- The Anglo American Social Way – guiding our social performance

These frameworks set out the vision, principles, policies, management system requirements and performance expectations for addressing our core sustainability risks and opportunities.

Anglo American technical standards define the minimum requirements we set for our operations to manage a wide range of specific issues. In relation to sustainability, these include, for example, the management of water, energy, tailings storage facilities and various technical aspects of mining that relate to safety.

Through our responsible sourcing programme, we aim to ensure that those we do business with follow a set of minimum standards of responsible business conduct that are comparable to what we expect of ourselves.

— **For more information** see page 26.

Governance and management approach cont.

Mineral rights and permitting

Permits, granted by an authority, allow us to carry out our activities under specific conditions to protect human health, safety and the environment. Engraining permitting into our integrated planning process, understanding the risks and continuously engaging with the relevant authorities openly and transparently are critical.

Kumba has a permitting steering committee that meets quarterly and reports monthly to the Management Risk Committee. We have permitting managers at each site and leadership team buy-in on our permitting culture. Our permitting strategy aims to ensure we achieve best practice by 2025.

The Anglo American minimum permitting requirements (MPR) is a tool to ensure all permitting fundamentals are in place, without which our mining operations will not be able to continue. Permitting risks can have financial, operational, legal, safety and reputational consequences for the business. MPR self-assessments help us to assess the maturity of permitting practices at business unit, site and project levels. We implement action plans to address gaps and opportunities, with progress monitored to ensure continuous improvement towards best practice. In 2022, the implementation of our robust action plan, with continuous support from leadership teams, delivered decisive progress. Key areas of improvement included embedding the effective use of the permitting module on Isometrix across Kumba incorporating our permitting procedure into the Operating Model; and rolling out a permitting communications campaign to underscore the critical importance of good permitting practices, which has set a leading example for other business units to learn from. At the start of 2022, we conducted a thorough legal review to ensure we have all the required permits in place, and undertook a legal compliance audit to ensure that we continuously comply with the conditions and commitments set out in our permits. We also collaborated with the Anglo American South Africa permitting team to strengthen our permitting risk management, to ensure alignment with the Anglo American Permitting Way, which will be rolled out in 2023.

As a business unit, we are assessed annually against seven MPR criteria, while our individual operations are assessed

against 25 MPR criteria owing to the high-permitting risks at site level. The improvements we have driven in our permitting practices at head office and at our sites during 2022 underpinned a significant increase in the MPR score for Kumba overall to 4.4, from 3.9 in 2021 (out of 5). Sishen and Kolomela each scored 4.3, improving on their 2021 scores (3.8 each).

Our mineral rights are managed at head office, with continuous support given to both mines. We have established a forum through which cross-functional collaboration takes place wherein we are able to track and manage existing and new applications lodged with the DMRE over our mining right and offset areas to ensure that our sites continue to operate unhindered. In collaboration with the Anglo American permitting team, certain matters have already been escalated for the DMRE's attention and intervention.

Operational risk management

We safeguard our people, assets, legal position, reputation and the environment by understanding and managing risk to best serve the long-term interests of all our stakeholders and deliver on our strategy and commitment. This goal is at the core of the Anglo American group integrated risk management policy. The policy is supported by an integrated risk management framework and underpinned by the operational risk management (ORM) standard and specifications. ORM is key to helping operational managers identify, prioritise and control the risks that threaten their ability to meet objectives. ORM is structured into four inter-related layers (baseline/issue-based/task-based and continuous risk management) that support personnel to ensure that we plan for managing unwanted events, understand and implement the necessary controls, and execute work to minimise negative consequences. We continue to drive improvements in identifying, implementing and monitoring critical controls, analysing deficiencies and incorporating identified controls into task-risk assessments.

We provide comprehensive training and revision training to employees. Risk management also plays a role in how we evaluate and reward performance. We include leading and lagging indicators related to risk management in employees' KPIs; the achievement of targets relating to ORM influences the performance-based remuneration of senior executives.

Kumba's top safety and sustainable development risks and mitigation measures

Risks	Mitigation
*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
	Slope stability monitoring
	Geotechnical inspections
	Emergency response plans and emergency preparedness plans
Safety and health: Exposure exists for possible harm to employees, contractors and communities near Kumba operations	Employee Health and Wellness programmes
	Safety improvement plans, including the EOF prevention framework
	Health Hazard reduction programmes, implementing a workplace health standard
	Priority unwanted events (PUEs) and their respective critical controls
	Use of quarterly vulnerability analysis to direct improvements for equipment, light vehicles and pedestrians as far as possible
	Learning from incidents
	Revision of bow-ties and critical controls
	Implementation of Anglo American mandatory critical controls
*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	Fair culture application – consequence management for breaking sacred covenant
	Inspections and regular audits by the manager technical services and the operational risk assurance process
	Automated warning systems
	Emergency response plans and emergency preparedness plans
Socio-economic challenges: The socio-economic situation in the country may have a negative impact on our host communities and other stakeholders	Third-party assessments
	Implementation of localised inclusive procurement strategy
	Kathu Industrial Park and incubator
	Collaborative regional development, incorporating shared value strategy for the Northern Cape
	Support to the municipality to enhance capacity to support economic growth
Legislation and regulatory changes compliance (licence to operate): Unforeseen changes or non-compliance with legislation, regulations and standards that could impact Kumba's licence to operate	Best practice in social performance through implementing the Anglo American Social Way
	Dawn raids preparedness
	Compliance with permitting requirements
	Active monitoring of regulatory developments
	Compliance with social and labour plans and social commitments
*Fire and/or explosion: Fire and explosion risks are present at all mining operations and processing facilities	Assessment of land owned by Kumba, its current and intended use
	Implementation and adherence to fire prevention standard
	Event risk reviews identify key fire and explosion risks and provide mitigation recommendations
*Total electricity grid failure A major failure of the Eskom electricity grid could lead to significant loss of production, financial costs, potential worker health and safety risks, and environmental damage	Emergency response plans and emergency preparedness
	Emergency blackout response plan
	Significant power failure communication protocol
	Engagement with Eskom on current electricity crisis

* Catastrophic events/risks: These are high severity, low likelihood events that could result in multiple fatalities or injuries. We do not consider likelihood when evaluating these risks as the potential impacts classify these risks as a priority.

Governance and management approach cont.

Assurance

Various internal and external review and assurance programmes ensure that priority catastrophic and sustainability-related risks at our operations are identified and that adequate controls are in place to manage them. Operational risk audits are conducted on a rotational basis.

— A detailed review of our risk management practices is provided in our IR (pages 48 to 56).

Kolomela and Sishen conduct annual self-assessments against the requirements of the Social and SHE Ways and group technical standards. We develop and implement site-specific action plans to address areas requiring improvement, tracking the close-out of all actions.

Regarding external assurance, Sishen and Kolomela operations assure their compliance with ISO 14001: 2015, the environmental management systems standard, and with ISO 45001, the occupational health and safety management systems standard. Key sustainability data are externally assured as part of the assurance process.

In 2021, Kumba commissioned consultants to establish a group baseline compliance monitoring audit on all the conditions of the authorisations issued to Sishen and Kolomela. The operations have continued to implement action plans aimed at improving compliance status and prevent future non-compliances. These include multi-year high-capital projects we are actively progressing, such as stormwater management. The audit report provided a baseline to measure future compliance monitoring programmes.

Compliance with the Anglo American Ways and key technical performance standards (as at year end 2022)

Social Way (version 3.0)	Hazardous-materials management standard
69% (third year of transition)	82%
Mine closure standard	Biodiversity standard
80%	96%
Mineral residue facilities and water management structures standard	Air quality standard
67%	79%

Business conduct

We understand that ethical reputation is a critical asset for building trust with our stakeholders. We expect our employees and relevant business partners alike to behave ethically and consistently show care and respect for colleagues, communities and the environment in which we operate. These expectations are embedded in our Code of Conduct (the Code) and business integrity policy.

Code of Conduct

Our Code of Conduct sets out the expectations for ethical behaviour and provides guidance on how to:	<ul style="list-style-type: none">– prioritise safety, health and the environment– treat people with care and respect– conduct business with integrity– protect our physical assets, information and interests
--	---

Our Code is a single point of reference for everyone associated with us, providing understanding of our policies and procedures. It sets out how we behave in line with our values and how we live our purpose. By requiring those who work with us to live our Company values, the Code not only delivers positive impacts internally, but also supports the communities that we operate in and with which we interact. This year Anglo American reviewed the Code (a practice undertaken every two years) and made minor refinements to

all areas. A new section on security was added. The refreshed Code was communicated to our workforce through various channels and training was rolled out in September.

Kumba’s leadership supports the Code through various initiatives and demonstrates an ethical tone at the top. We embed reminders about the Code and values in our regular communications with our employees and provide guidelines to help employees make the right decisions when faced with ethical dilemmas. Online training on the Code is provided to all connected employees (i.e. employees with access to Company-provided computers) within Kumba.

Business integrity policy and procedures

Our business integrity policy sets out the standards of conduct we require at every level within our business – including our subsidiaries, joint ventures and associates – in combatting all types of corrupt behaviour.

The business integrity programme forms part of the Anglo American group compliance management system. The key elements of the programme include ensuring that risk assessments are carried out, training is conducted and that there is ancillary awareness creation to deter employees, contractors, associates and other agents from engaging in unethical business practices. The policy states that we will neither give nor accept bribes, nor permit others to do so in our name. It also prohibits the making of political donations

of any kind on behalf of the Company. The processes and controls that support these requirements are assured by our internal audit function.

Kumba's ethics function is charged with the responsibility of enforcing the business integrity policy, Code of Conduct, and anti-trust programmes to ensure ethical conduct remains top-of-mind at every level and on the part of those with whom we do business and those who act on our behalf. The function monitors ethics-related issues through the Management Ethics Committee, chaired by the Company Secretary, which is mandated to oversee the implementation of the Board's ethics-related policies. The Committee meets quarterly and reports directly to Exco through the Management Risk Committee and to the Board's Audit Committee and Setco.

Business integrity training is provided every two years to all employees who may be exposed to bribery and corruption risks owing to the nature of their work. These include Kumba officials who interact with public officials, community leaders, or manage intermediaries or are involved in the development of new business. Anti-bribery training is provided to all senior management.

During 2022, mandatory online training on the Code of Conduct was provided to about 2,060 connected employees, with a completion rate above 90%. Non-connected employees are given refresher training on the Code via the annual induction. In addition, mandatory online data privacy policy training was provided to about 1,930 employees comprised of all managers and those deemed to be in high-risk roles, with a completion rate of 87% at year end. Mandatory training completion is tracked to 100%. These training modules also form part of the onboarding induction process for new people joining Kumba. Training for business integrity, anti-trust and anti-tax evasion policies was rolled out during 2022 to 661, 193 and 140 employees, respectively, dependent on the specific employees' risk profiles.

This year we conducted risk assessments of perceived high-risk departments to ensure that control measures are in place and the risks appropriately managed. Additional training was rolled out for relevant personnel in the high-risk departments.

Governance and management approach cont.

Our key bribery risks arise through engagement with intermediaries, and our interactions with government officials, customers, suppliers and communities. We apply a proactive approach to managing bribery risk by continuously developing mitigation controls to strengthen our internal controls. Our internal audit team audits the implementation of the business integrity programme annually.

Compliance management system

Kumba has continued to implement the integrated Anglo American group compliance management system, which covers key topics such as business integrity, competition compliance, tax and data privacy. In deploying an updated approach to intermediary risk management, we seek to ensure that all potential third parties that act on our behalf are identified and risk assessed, with appropriate risk-mitigation controls put in place accordingly.

— A detailed review of our approach to ethics is provided in the governance section of our IR (page 29).

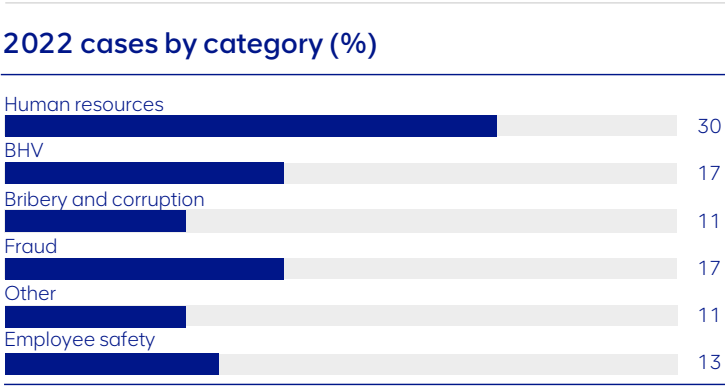
Whistleblowing programme

YourVoice is our confidential reporting service for employees, contractors, suppliers and other stakeholders, operated by an independent whistleblowing service provider. It enables them to raise concerns about potentially unethical, unlawful or unsafe conduct or practices that conflict with our values and Code of Conduct.

We review, assess, and where necessary, investigate all reports made, including those reported internally through other channels. Corrective actions are taken where allegations are substantiated in accordance with our policies.

During 2022, we received 115 alerts through YourVoice. The majority related to people issues (30%), excluding bullying, harassment and victimisation (BHV) and GBV which accounted for 17%, fraud and/or misrepresentation (financial and non-financial) which accounted for 17%, bribery and corruption including conflicts of interest (17%), and employee safety (13%). Other categories (i.e. information security, environmental and domestic violence) accounted for the balance.

See graph below for overview of cases by category.



Themes, risks and mitigation measures

Analysis of the whistleblowing reports identified certain themes/trends (identified below), together with the key risks and employee engagement initiatives we implement to mitigate concerns reported.

Following the introduction of the Living with Dignity hub by Anglo American South Africa, mandated to manage all reports related to GBV and BHV, as well as the establishment of a dedicated investigation capacity within the ABAS forensic investigation function, with the requisite skills and sensitivity for such investigations; there has been a sharp increase in the number of GBV and BHV related cases reported.

The creation of an independent victim-centric Hub has provided an alternative confidential reporting channel for employees and contractors. During 2022, 34 cases were reported to the Living with Dignity Hub by Kumba sites. Twenty of those cases were closed during the period, with 14 cases ongoing at the Hub into 2023. Five of the closed cases involved domestic violence, where the Hub worked closely with HR, Wellness advisors and group security to provide an effective response. Of the remaining 15 cases closed in 2022, five were substantiated, with sanctions ranging from a reprimand to a warning and two dismissals.

The majority of bullying cases – 10 in total – were closed as substantiation undetermined (there was insufficient evidence available for the investigators to take a view on the merits of the matter). In all cases, victims/survivors and complainants were offered psychosocial support by the Hub, with most availing themselves for the service, and receiving support from case managers. Strong foundations for relationships between Kumba and the Hub have also been built, and further engagements to ensure the prevention of dignity harms are planned for 2023.

The key employee engagement initiatives we implement to mitigate concerns reported are reviewed in the Our people section of this report.

Of the 115 reports received in 2022, 90% were closed out in 2022, with a 20% substantiated (including partially substantiated) rate. Of the 23 proven cases, 35% were safety related; 35% corruption related (including misrepresentation and bribery); 26% human resources related; and about 9% BHV and GBV related. Disciplinary procedures were followed for implicated employees and contractors. For contractors, disciplinary processes were managed by the respective employers. Kumba terminates access to its premises for employees and contractors if evidence of wrongdoing is found.

Key areas	Risks	Mitigation measures
Human resources	SHGBV may lead to the erosion of the Kumba culture and values, which may lead to demoralised employees. Recruitment fraud reporting and recruitment scams are prevalent in the public domain.	Implementation of the leadership and culture code. Promotion of awareness and training against bullying, harassment and GBV. Victim-centred hub established by Anglo American to assist its business units in addressing related issues. Promotion of human rights through the application of the Anglo American values (Code of Conduct).
Procurement and suppliers	Unethical business practices may lead to a corrupt business culture among employees and suppliers. This risk may increase given the targeted spending with host communities and increase in contractors onboarded.	Implementation of the Code of Conduct and Business Integrity interventions such as risk assessments, training and awareness campaigns. Sanctions to be applied as a result of misconduct by suppliers and employees for violation of procurement policies and procedures. Supply chain high-risk committee monitors and responds to risks identified.
Employee safety	Conducting work without the necessary training may lead to safety incidents.	Implementation of the risk reduction programme at our operations. Accountability Framework and coaching. Leadership coaching, My Sacred Covenant Code and visible felt leadership (VFL).

Governance and management approach cont.

Respecting human rights

Consistent with our values, we are committed to upholding human rights across our value chains. Our approach to human rights is aligned with the South African Constitution and the UN Guiding Principles on Business and Human Rights, and we are committed to implementing the UN Global Compact principles. Our human rights policy articulates our commitment to these principles. The policy is available to employees on the Company intranet and external website. Formal mechanisms for reporting human rights grievances and violations are in place at all our operations and the corporate office. During 2022, we recorded no grievances that involved human rights.

— For more information please refer to page 25.

The Anglo American human rights policy and framework underpins our human rights policy. It describes how the policy links to our standards, such as the Social Way, and outlines our salient human rights risks. We have embedded human rights and our expectations for suppliers in our responsible sourcing standard for suppliers. To help ensure that our supply chain remains ethical and free from modern slavery, we require every supplier that we onboard to comply with specific standards related to the sectors in which they do business. The contractor social management section of the Social Way provides methods and approaches for our operations to manage potential social and human rights impacts from our contractors.

Each of our operations conducts an annual social risk assessment to identify human rights risks and potentially vulnerable groups. We have also conducted operational-level due diligence processes to determine salient human rights issues, and continue to implement action plans to address the actual and perceived human rights concerns raised. Gender-based discrimination and violence is a priority area for our efforts to protect human rights. Other common issues identified include perceptions of discrimination associated with employment and the visibility of procurement opportunities, unfulfilled commitments and disrespect among contractors for labour rights. We are progressively integrating human rights risks into ORM processes. Respect for human rights is incorporated throughout our social management system, the Social Way (reviewed on page 47), which we use to monitor and track progress in completing agreed actions to address issues identified.

Security-related human rights issues present risks and potential impacts within our business and in the broader community. We are a long-standing supporter of the Voluntary Principles on Security and Human Rights (VPs) and comply with the VPs at all our operations. A total of 3,430 employees were trained during 2022.

Responsible sourcing

Kumba's vision is to be part of a value chain that supports and reinforces positive human rights and sustainability outcomes. By prioritising ethical decision-making when purchasing goods and services, we protect the rights and dignity of everyone impacted by our shared value chains. Our suppliers provide us with goods, labour and services that support exploration, mining, transportation, aggregation, processing and technology development. Kumba worked with about 1,803 suppliers in 2022, with only around 3% of our procurement expenditure directed towards 35 global and large suppliers.

Our responsible sourcing standard sets out our expectations for current and prospective suppliers. It requires suppliers to commit to:

- protect the safety and health of their workforce
- demonstrate their protection of the environment
- respect all labour and human rights through their value chains
- be good corporate citizens within the communities and regions where they operate
- conduct business with the utmost integrity, and always act in a proper manner, fairly and lawfully

The standard defines minimum expectations for each of these areas, and sets more ambitious goals for suppliers to work towards. We set out requirements for risk assessments, for a safe working environment, and for responsible employee relations. We also expect all suppliers to contribute actively to social and economic improvement. The standard is closely aligned with our own policies, including our human rights policy, SHE policy, and business integrity policy. In particular, the standard highlights the importance of inclusion and diversity, and the role we expect suppliers to play in identifying and addressing modern slavery risk.

— For more information see: angloamerican.com/suppliers/responsible-sourcing

The term modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. We have evaluated modern slavery, child labour and human rights risks in our supply chains as part of assessing our broader responsible sourcing risks, outlined below. We recognise the need to evaluate risks beyond our direct suppliers across the tiers of the value chain. This is a complex and ongoing process.

We are committed to enhancing the visibility of our supply chains through supplier traceability programmes. We encourage suppliers to align and make public commitments to the protection and eradication of modern slavery, and work together on measures to prevent, mitigate and remediate infringements associated with business activities.



View of pit operations in Sishen mine at dusk.

Stakeholder engagement

We continue to identify and prioritise the material interests of our stakeholders, and we implement a comprehensive stakeholder engagement strategy and framework to address these interests.

Kumba’s stakeholder engagement policy and strategy is aligned with the Anglo American South Africa strategic stakeholder engagement strategy, adhering to its principles as well as integrating the processes and principles outlined in the Anglo American Social Way 3.0. Our sites have conducted stakeholder analysis and mapping and held internal workshops to identify key risks, challenges and opportunities. Regular, proactive and meaningful engagements with our stakeholders is essential to developing trusted relationships, reinforcing our collaborative approach.

In keeping with this, Kumba operating sites host quarterly stakeholder days, bringing together government representatives, our labour unions, business partners, development partners, suppliers, host community groups and civil society to discuss issues of sustainability. Constructive feedback received through such events and other engagement platforms informs our strategic responses to stakeholder interests.



Sishen has become one of the first mines in the world to launch its own radio station. The aim of the newly launched station is to increase employee engagement and keep safety top of mind in and around its operations. Pictured here – Tshegofatso Loucas, communications officer and Tracey Vollmer, Specialist: communications and events.

Stakeholder group



Government and political groups

Material stakeholder interest	Our strategic response
– Employee health and safety	– Effective management of occupational health and safety risks within and around our operations – Setting and communicating non-negotiable standards and procedures for reducing injuries and eliminating fatalities – Learning from incidents and sharing the learnings with stakeholders to prevent their recurrence
– Local community development	– Strategic focus on partnership and collaboration – Joint local economic strategy for the Northern Cape being developed with other mining operations (CRD and the Impact Catalyst) – Driving localised procurement and youth development through education, training and mentorship
– Social and labour plan compliance	– Constructive and transparent engagement with national, provincial and local government to address concerns – Going beyond compliance – Regular engagement with government on policy developments
– Income tax matters	– Constructive and transparent engagement with South African Revenue Service (SARS) to address additional income tax assessments issued



Shareholders and investment community

Material stakeholder interest	Our strategic response
– Price environment – Impact on operations, customers and sales – Management and performance on ESG issues – Life extension and logistical capacity – Logistical constraints and ability to increase export sales – Capex drivers and timing in the medium term	– Implementation of P101 initiatives to drive operating efficiency above 100% and delivering targeted cost savings – Transparent and relevant disclosure – Responsive and proactive investor engagements – Leveraging our endowment in the Northern Cape through optimisation and efficiency; technology; and exploration to extend our life-of-asset to 2040 or beyond – Transformation journey to ensure the sustainability of the Company – Market announcements through the Securities Exchange News Service (SENS) and media releases provided throughout the year, proactively informing the public on all material issues affecting the Company – Public results presentations and engagements with analysts are held to report on performance in a transparent manner – SMP embracing the ESG approach



Employees and trade unions

Material stakeholder interest	Our strategic response
– Conditions of employment – Safety and health – Housing – Transformation – Production and performance – Job grading and career progression	– Regular, transparent engagements to understand and correct employee perceptions and maintain good relations – New housing policy and strategy implemented to facilitate and incentivise home ownership – Shift patterns that support a better work-life balance – Demonstrate leadership for responsible citizenship – Plan for beyond cessation of operations – Collaborative engagements to find solutions to issues of concern

Stakeholder engagement cont.

Industry bodies (e.g. Minerals Council South Africa)	
Material stakeholder interest	Our strategic response
<ul style="list-style-type: none">– Safety and health– Environmental compliance– Community development– Environmental management	<ul style="list-style-type: none">– Active participation in the Minerals Council South Africa– Support of the Minerals Council-led Khumbul'ekaya (remember home) health and safety strategy– Regulatory compliance, and contribution to industry input on mining policy– Minimising negative impacts on the environment and preventing irreversible environmental impacts
Communities	
Material stakeholder interest	Our strategic response
<ul style="list-style-type: none">– Enterprise development– Skills development, employment and procurement opportunities– Infrastructure development– Health and social facilities– Reduced spending on development projects– Implementation of social and labour plans (SLPs)	<ul style="list-style-type: none">– Collaborating with local businesses and government to understand and address challenges– Ring-fencing procurement expenditure, providing training and support– Developing standards to ensure alignment with socially material service providers on local development requirements– Communicating commitments and delivering accordingly– Supplier development programme– Partnership with government, as well as mining companies operating in the Northern Cape to address socio-economic challenges– Sites hosting stakeholder days regularly– Implementation of a post-resettlement sustainability strategy, developed together with relocated community members– Healthcare response plans
<ul style="list-style-type: none">– Dingleton resettlement project – Siyathemba community	<ul style="list-style-type: none">– Invest in ensuring the improvement of the livelihood and quality of life of the resettled families– Support the post-resettlement initiatives to ensure the sustainability of the community
<ul style="list-style-type: none">– SIOC Community Development Trust strategy	<ul style="list-style-type: none">– Assisting the trust in socialising its new operational strategy, and communicating its activities– Collaborated on various programmes to develop the host communities
Suppliers	
Material stakeholder interest	Our strategic response
<ul style="list-style-type: none">– Conditions of contracts– Addressing rail challenges at Transnet	<ul style="list-style-type: none">– Provide clear principles that guide the selection and use of reputable contractors with the right skills and value systems to do specific tasks that the business is not able to do– Partner in seeking solutions– Contractor social management to support growth of local business– Localised procurement initiatives
Business and development partners	
Material stakeholder interest	Our strategic response
<ul style="list-style-type: none">– Joint community development projects– Local economic development	<ul style="list-style-type: none">– Advancing the establishment of Kathu Industrial Park in collaboration with the government, Industrial Development Corporation (IDC) and nearby mining houses– The Impact Catalyst joint initiative to accelerate delivery on socio-economic imperatives
Media	
Material stakeholder interest	Our strategic response
<ul style="list-style-type: none">– Company performance	<ul style="list-style-type: none">– Annual media engagements on the back of financial results and quarterly business performance updates– Proactive interviews on achievements

Civil society (e.g. NGOs)	
Material stakeholder interest	Our strategic response
<ul style="list-style-type: none">– Ensuring greater community benefit– Environmental impacts– Dingleton relocation	<ul style="list-style-type: none">– Engage with and respond to various stakeholder groups as appropriate– Demonstrate corporate social responsibility– Mediation process to resolve housing issues for the relocated Dingleton rental community in order to ensure adherence to international resettlement standards



Kolomela joins the fight against gender-based violence with drama therapy – a hybrid team from Reos Partners and the Drama for Life Playback Theatre Cape using playback theatre to implement groundbreaking gender-based violence interventions.

Our people

Our people are critical to all that we do: we create working environments and an inclusive and diverse culture that encourages and supports high performance and innovative thinking. Always front of mind are the safety and health of our employees and contractors; we train, equip and empower our people to work safely every day:

- Over six years of fatality-free production to the end of 2022
- No new case of occupational health disease
- Our lagging safety performance indicators regressed; total recordable safety incident rate remained equal to three-year average

Kapstevel South project that is currently underway at Kolomela mine. Lesiba Monama, Construction specialist with the VFL team.



Safety, health and wellbeing

In this section

- Employee safety
- Employee and community health and wellbeing

The safety, health and wellbeing of our employees are priorities, in line with our core values. Our robust health and safety strategies underpin our unwavering focus on preventing fatalities, reducing (and ultimately eliminating) injuries from the workplace, and mitigating any adverse effects on human health. Our aim is to continually build and instil both a company and industry culture that protects people from harm and improves their health and wellbeing.

Safety and health: Our integrated management approach

In managing safety and health risks, and promoting employee wellbeing, we maintain close cross-functional collaboration as part of our integrated approach. We implement the following key systems, processes and initiatives to support our safety vision:

Resilient management systems

Anglo American's safety, health and environment management system, the SHE Way, sets out the requirements for managing occupational health and safety risks. Together with health and safety-related technical standards, it defines the requirements our sites must meet. The SHE Way requirements are supported by Kumba's SHE policy. Sishen and Kolomela are certified to the ISO 45001 international standard for occupational health and safety management. Each site has continued to implement a SHE management improvement plan to address identified gaps in performance and track performance against key performance indicator (KPI) targets. The integration of health and safety into our Operating Model helps to optimise planning and scheduling of work and tasks. We conduct internal and external audits annually to monitor and provide assurance on our SHE performance.

Effective risk management

By implementing ORM, front-line managers are able to identify, prioritise and control risks that threaten their ability to meet objectives in an integrated and co-ordinated way. The main purpose of ORM is to ensure that we manage all forms of operational risk effectively, with an emphasis on improving safety performance and eliminating fatalities. We strive for continuous improvements in identifying, implementing and monitoring critical controls, analysing deficiencies and incorporating identified controls into task-risk assessments. ORM targets form part of management incentives. We provide risk management training and revision courses across our operations. We conduct operational risk assessments that focus on the most significant risks identified at respective operations, and commission specialists to audit the findings.

Incident management

Reporting and investigating health and safety incidents is an essential part of managing our risks and tracking progress in hazard prevention and control measures. Our incident reporting and investigation process is aligned with our critical-control management and ORM processes. We continue to build in-house capacity to learn from incident investigations and

promote reporting of high-potential incidents (HPIs), in which employees are potentially exposed to fatal risks, as well as high-potential hazards (HPHs), where we identify hazards that could lead to loss of life. This helps us to heighten awareness, facilitate organisational learning, and effect more robust controls. HPIs are thoroughly investigated by internal and third-party teams. Corrective and remedial actions are implemented, monitored and closed out as part of efforts to prevent repeats. Reporting of HPIs and HPHs at our operations is mainly safety focused and is being progressively integrated into health-related reporting.

Emergency response and preparedness

We provide first aid and emergency response training at various levels in the organisation to ensure that we are adequately equipped to respond to emergencies and deliver the best post-incident medical care for a person in need. We also make our resources available to support emergency responses to incidents outside mining premises.

All Kumba operations have been implementing actions plans to address areas identified for improvements in their operational readiness and response preparedness. All Kumba business units have implemented further improvements in line with the revised Anglo American Emergency Preparedness and Response standard and the Post Incident Medical Care standard, which relates to traumatic and medical emergencies in our operations. These are being embedded as part of the way of work in 2023.

Independent contractors

In implementing our safety and occupational health initiatives, we treat full-time independent contractors and permanent employees in the same way. This includes providing training, level of care and benefits. All contractors have access to our HIV, TB and other chronic disease management programmes, as well as access to medical surveillance and mental health and financial wellbeing programmes.

Our contractor safety management programme is designed to embed consistent, leading safety practices. We use a web-based onboarding system, Passport 360, in line with IsoMetrix, for managing contractor SHE compliance. We have established minimum mandatory requirements that need to be met before work can commence on-site by a contractor – 85% compliance is required. The system allows Kumba to set its requirements for contractors' SHE files and the "passport" monitors and records essential information uploaded by contractors. It allows real-time monitoring of performance requirements including training, certificates of fitness and further requirements such as permit issuing and management.

Mobility and digitalisation

The implementation of Kumba's Mobi App continues to deliver increasing value. The platform is used diversely for digitised data capture and communication, including for health and wellness indicators, high-risk work verification, HPH reporting and safety inductions. At year end we had more than 5,000 users. Our SHE managers also use mobile technology for inspections and audits. This enables digitised data that is stored automatically where it can be analysed to identify areas of excellence or substandard conditions.

Our FutureSmart Mining™ technology and digitalisation programme is helping our people make data-driven decisions in the most efficient manner, predicting outcomes and driving safety improvements.

Engagement and collaboration

Kumba plays a leading role in the industry's initiatives to improve safety and health, and to achieve and sustain zero fatalities. This includes participating in the Minerals Council CEO Zero Harm Leadership Forum, a platform to openly share experiences, determine challenges and drive collaborative action for a step-change in performance.

We participate in Anglo American's tripartite health and safety initiative, a senior leadership forum of mining company, government and labour representatives in South Africa that strives to improve the health and safety of miners through collaborative and transparent stakeholder engagement.

Kumba maintains a constructive and collaborative relationship with regulators such as the DMRE and its mine health and safety inspectorate. We engage regularly to ensure a common understanding of issues and challenges, and collaborate on solutions.

Regulatory initiatives

Our operations maintain ongoing efforts to implement the five-pillar cultural transformation framework developed by the Mine Health and Safety Council (MHSC) and adopted by the mining industry. We participate in the industry health and safety forums and report on our progress, both internally and externally. Key developments across the leadership, risk management, leading practices and technology pillars of the framework are reflected in this chapter. We are firm on our compliance obligations in respect of policy, legislation and practices.

Assurance and transparency

In line with our culture of assurance and transparency, regular external assurance is undertaken across our operations. In 2022, the key health and safety performance indicators that were independently assured for a consecutive year, split between reasonable and limited levels of assurance, are shown on page 87.



Thinandavha Percival, nurse at the UGM Wellness Clinic.

Employee safety

Highlights

Kumba operated fatality-free for a sixth consecutive year

Leading indicators continue to direct our focus in taking real-time corrective and preventive actions

Developed 3,372 job risk analyses (JRAs) and associated work execution documents (WED) for priority high-risk tasks

Learnings/challenges

Addressed a deterioration in our lagging safety performance indicator trends with targeted efforts; our total recordable case frequency rate increased but remained equal to our three-year average

Focus remains on driving improvements in key areas: system improvements, personal behaviours, and leadership/supervisory oversight

Transportation remains the most prevalent agency of HPHs and HPis reported

Focus for 2023 and beyond

Operate fatality-free and further reduce (and ultimately eliminate) injuries from the workplace by focusing on safe behaviours, monitoring, execution and meeting expectations

Culture matured to "resilient" and safety excellence embedded across all operational sites

Development and adoption of technology for safety solutions

Implement the five-pillar cultural transformation framework of the MHSC

Safety is our number one priority; we want to ensure that all our people go home safely, every day. We focus on driving the right safety mindset and behaviours; we strive to embed a culture of collective accountability and refusing to do unsafe work.

Kumba has sustained a good safety performance record in recent years and our management approach has set a leading example at Anglo American and in the mining industry. In 2022, we achieved a sixth year in a row of zero work-related fatalities at our operations, underpinned by an ongoing focus on implementing our comprehensive EOF framework. Regrettably, however, subsequent to the end of the year, on 13 February 2023, Nico Molwagae, a drilling assistant employed by our service partner, was fatally injured at our Kolomela mine. We extend our deepest condolences to Nico's family, friends and colleagues.

While our safety performance at Sishen and Kolomela during 2022 remained of a relatively good standard, we experienced a concerning regression in our lagging safety performance indicators in the first three quarters of the year. We have taken decisive steps to understand and address areas where we need to improve and our Q4 performance indicates that our committed efforts are yielding the desired turnaround.

Safety performance indicators



This year we did not maintain the consistent improvements in our safety performance that we have achieved in recent years, recording a concerning increase in our lagging indicator trends, which we are addressing through reinforced efforts:

- We recorded a total of 43 recordable injuries (any injury requiring more than first aid treatment), resulting in a TRCFR of 1.55. This represents a 94% deterioration on 2021 (0.80), failing to meet the target of 1.30 by 19%. Our TRCFR is, however, equal to our three-year average of 1.55 and lower than the Anglo American three-year average.
- Total lost-time injuries (LTIs) recorded increased to 28 LTIs (2021: eight), resulting in a higher lost-time injury frequency rate (LTIFR) of 1.01 against a targeted 0.65. Low-level incidents, typically finger/hand and foot/ankle injuries associated with materials handling, and slip, trip and fall incidents, accounted for 68% of the LTIs (2021: 13%). We continue to prioritise the prevention of transportation and materials handling incidents.
- There was no major disability injury sustained at our operations in 2022 compared to one in 2021.
- We recorded 12 safety-related HPis in 2022 compared to 10 in 2021. Ten incidents were mobile equipment related, one involved a falling from heights incident, and the other a misfired explosion.

- We recorded 4,464 HPHs, compared to 4,541 in 2021, exceeding our targets.
- Consistent with previous years, the majority of HPHs were transport-related, with the main causes of incidents including: non-compliance with procedures, distraction, road conditions and operating space (parking and following distance practices).
- The number of VFL interactions and interventions at Kumba totalled 36,761, compared to 24,613 in 2021.
- Kumba personnel conducted in excess of 6,974 critical-control monitoring inspections (2021: 7,794), which are designed to monitor compliance to critical controls and remedy possible deficiencies. The exercise found that 100% of critical controls were operating effectively (2021: 99%).
- We were issued with two safety-related regulatory stoppage instructions from the DMRE (2021: two).
- We recorded 1,038 voluntary stoppages (499 internal section 23 stoppages and 539 voluntary section 54 stoppages), compared to 872 in the prior year.



Komatsu 830E truck next to Safety signage at Kolomela.

Employee safety cont.

Performance in 2022 and 2023 targets

	Fatalities	FIFR	LTIs	LTIFR	TRCFR	Permanent disabilities	LTISR	Days lost due to injury
Sishen	0	0	14	0.87	1.43	0	74	1,183
Kolomela	0	0	9	1.16	1.67	0	59	456
SIB projects	0	0	1	0.68	1.35	0	16	24
Growth projects	0	0	2	1.76	2.63	0	33	38
Corporate office	0	0	0	0	0	0	0	0
Exploration	0	0	2	7.37	7.37	0	228	62
Saldanha Bay	0	0	0	0	0	0	0	0
Group performance	0	0	28	1.01	1.55	0	64	1,763
Group target 2022	0	0	18	0.65	1.3	0	39	772
Group target 2023	0	0	18	0.61	1.15	0	55	1,080

Definitions:

- FIFR** – fatal injury frequency rate (calculated), rate of fatalities per 1,000,000 hours worked (total fatalities x 1,000,000/total hours worked).
- LTI** – lost-time injury is a work-related injury resulting in the employee/contractor being unable to attend work, or to perform the full duties of his/her regular work, on the next calendar day after the day of the injury, whether a scheduled work day or not.
- LTIFR** – lost-time injury frequency rate (calculated), rate of lost-time injuries per 1,000,000 hours worked (LTIs x 1,000,000/total hours worked).
- TRCFR** – total recordable case frequency rate (calculated) is the number of recordable injuries (fatalities + lost-time injuries + medical treatment cases) per 1,000,000 hours worked (TRC x 1,000,000/total hours worked).
- Permanent disabilities** – lost-time injury where there is a disability of 25% or more (American Medical Association Guides to the Evaluation of Permanent Impairment) and/or loss of job or redeployment results as a direct consequence of the injury.
- LTISR** – lost-time injury severity rate (calculated), sum of days lost x 1,000,000/hours worked.
- Days lost due to injury** – the total number of calendar days (not working days), from the day following that of the injury to the day on which the injured person is able to resume full duties of his/her regular work.

Kumba's top 10 priority unwanted events (PUEs)

1	2	3	4	5	6	7	8	9	10
Mobile equipment incidents	Falling from heights	Uncontrolled release of stored energy	Highwall bench failure (Strata control)	Fires and explosions	Lifting/loss of load	Premature detonations	Contact with moving machinery	Abnormal weather conditions	Confined spaces
Controls:	Controls:	Controls:	Controls:	Controls:	Controls:	Controls:	Controls:	Controls:	Controls:
<ul style="list-style-type: none"> Road and traffic management design, construction and maintenance for safe travel Vehicle separation Safety berms Pedestrian safety exclusion zones Proximity-detection system Working safety-critical components Authorised trackless mobile machinery (TMM) operators following traffic rules Safety belt 	<ul style="list-style-type: none"> Certified steel and fibre reinforced plastic flooring, stairs, ladders and guard rails Hard barricading of open holes, damaged structures and drop zone Work evaluation Certified structures and platforms (e.g. scaffolding and lifting cradles) Double-hooked safety harness connected to safe anchor points 	<ul style="list-style-type: none"> Electrical panels compliant to IPX2 Electrical room access control Earthing systems Competent and authorised person Authorised, competent and permitted persons conducting live work Calibrated testing and fault-finding equipment Electrical protection systems Servitude management systems Distance and delay switching Short circuit level management Automatic sync control protection system on motivator Arc flash resistant equipment 	<ul style="list-style-type: none"> Engineered slope design Exclusion zones Slope movement monitoring Drill and blast to slope design Excavate to match slope design 	<ul style="list-style-type: none"> Separation of ignition source Barricading Flashback arresters Earthing and bonding Good housekeeping through ventilation Fire suppression systems Fire fighter services Fire retardant conveyors 	<ul style="list-style-type: none"> Lifting plan Drop zone barricaded Certified lifting equipment Electrical overload protection system on lifting machines Lifting machine levelling indicators Section engineer approval for all tandem lifts 	<ul style="list-style-type: none"> Authorised personnel Blasting permit Clearance procedure Separation of explosives and detonators Lighting warnings and no contraband, e.g. cellphone, lighters, etc 	<ul style="list-style-type: none"> Guards, isolation and lock-out Isolation to standard Machine and equipment guarding to standard Emergency stop devices Safety interlocks Certified energy retention devices 	<ul style="list-style-type: none"> Lightning detection system Wind speed monitoring Warning SMS system Evacuation procedure for inclement weather 	<ul style="list-style-type: none"> Entry permit Atmospheric monitoring Energy isolation Ventilation Personal protective equipment (PPE) Cleaning and unblocking to make safe Access control Emergency response

Know what can go wrong and take control

Employee safety cont.

Reinvigorated efforts to strengthen our safety culture

Kumba's safety strategy is based on our EOF framework, which drives all our safety efforts in fatality eradication and injury reduction. The six pillars of the framework, which all impact on the working environment, are:

- strengthening safety leadership, engagement and accountability
- safe work planning and scheduling
- embedding a caring culture
- implementing world-class risk and change management systems
- learning from incidents (HPIs and HPHs – own and external)
- safety performance monitoring and assurance

Our well-entrenched approach and initiatives have provided the foundation for reinforced efforts this year to address performance regressions and bolster our approach to embedding a culture of safe behaviour.

As the pandemic transitions towards becoming endemic and we experience an ever-changing work environment and risk exposures, our leading indicator reporting, monitoring and trend analysis drive our proactive focus on determining what actions are required to address the identified trends.

Tackling performance regressions

In analysing the main agents and contributing factors to the increase in recordable safety incidents, material handling incidents constituted the majority of cases, such as finger injuries or pinch points (doors and/or pipes), as well as slips and falls. Key contributing factors included lack of focus, discipline, accountability, and inadequate control monitoring.

To address these issues we initially focused on resetting basic controls for identifying and responding to hazards and on engaging continuously with employees to identify and address concerns and areas of improvement.

We increased the level of senior leadership on-site visits and engagements and held focused, regular "leadership-in-action" engagements in which all leadership members convene virtually. We made our awareness programmes simpler and more practical, and underscored the importance of stopping work when safety-critical hazards and conditions are identified. We have also focused on improving operational planning through management of change and enhancing critical controls monitoring.

To strengthen auditing and assurance processes to enforce compliance and safe work methods, Kumba's safety department was placed under "intensive care" in Q2 to review and readdress the role, responsibilities and accountabilities aligned to the safety department's function. This has promoted significant improvements.

In evaluating working practices, our employees identified the following key focus areas and opportunities for improvements: psychological safety, culture/behaviours, work planning, change management, systems and tools and resources, and prioritisation of critical control actions. To promote continual safety awareness and the right safety mindset and behaviours, we implemented initiatives throughout Q4 that encouraged proactive discussions, inspections, compliance and shared learnings. These included raising awareness about fatigue and substance abuse risks, conducting vehicle checks and roadworthiness, reviewing resource planning, and compliance to critical-controls and high-risk work verification. Building on this foundation, we designed and implemented six targeted assignments through Q4, each of about a two-week duration. The focus areas were the following:

- Global Safety Day – this year's theme was "stand up for safety" focusing on key behaviour areas
- Work discussions and planning, including reviewing job cards and work execution documents
- Workplace safety hazard identification and response measures
- Correct tools and equipment availability and training
- Housekeeping inspections
- Supervisory leadership engagements

The successful roll-out of our supervisory development programme at Sishen has assisted in equipping our leaders with the softer skills sets required to measure and monitor the behaviours of their team, and ensure that they understand what is required in delivering effectively on our safety rhythms and routine work.

Key focus areas and developments

Elimination of fatalities work streams

Our EOF activities have been reinforced over the last four years by the implementation at Sishen and Kolomela of the mandated Anglo American group-wide 21 EOF work streams. These work streams include safety organisational

review, emergency response, fire risk management, surface traffic management, explosive management, culture, operational leadership excellence, reward and performance, training and education, critical-control management and contractor management. An established EOF task team drives and monitors the implementation of the EOF requirements. This involves developing the required standards, procedures, processes and training with each associated work stream owner.

Sustainable risk reduction programme

We have continued to implement a sustainable risk reduction programme at Sishen and Kolomela, with the assistance of Du Pont. The programme aims to support site leadership to identify and reduce the key risks, build a risk mindset leveraging specific leadership routines and integrating risk discussions into managing processes at all levels of the organisation. A key component is one-on-one coaching of leaders and supervisors in the principles of coaching, mentoring and management of teams. Through this process we will develop internal capacity to deliver training on this approach, aligned with components of our safety leadership development programme. We concluded the on-site coaching and mentoring in March 2022. The key outcomes driven by the risk reduction programme have been:

- defining and establishing fixed rhythms and routines with an emphasis on the required minimum requirements to meet these routines and rhythms
- reviewing top priority PUEs and their associated critical controls, determining the effectiveness and practicality of these controls and monitoring specifications and type – administrative or engineering
- individual coaching in effective team management aligned to the minimum safety critical behavioural components

Culture transformation framework (CTF)

To improve the culture of health and safety in the mining industry the MHSC developed a framework that will guide the South African mining industry towards attaining zero harm. The CTF contains five pillars, namely leadership, risk management, bonuses and performance incentives, leading practices and elimination of discrimination. Kumba is consistently evaluating and implementing leading practice and adopting shared learnings to enhance and improve current systems and processes to ensure continual improvement within our business.

Job risk analysis and work execution documents

As part of our continual ORM process, we have been focusing on the development of job risk analysis (JRA) and associated work execution documents (WED) for priority high-risk tasks, completing 3,372 in 2022. These documents form part of the job cards assigned to teams for the work to be carried out. They provide guidance, highlighting the task steps and associated hazards, and play a significant role in driving awareness of the safe way to perform a task.

Insights and actions arising from Kumba's safety survey

Kumba conducted a safety-focused survey in July 2022 in which 61% of the workforce participated, comprising 21% connected colleague responses and 79% frontline colleague responses. The high-level findings, in parallel with insights from other internal initiatives, helped to identify the areas where we are doing well across Kumba and the areas where we need to take action to improve. Kumba has cascaded the following actions to all levels of work to address the findings:

Focus 1: Reinforce the safety rules

Clarify and drive safety expectations on non-negotiable standards:

- It is vital that we leverage the Anglo American Accountability Framework, while understanding the underlying cultural issues that are driving non-compliance and creating risk

Focus 2: Drive the role of managers in driving safety

This needs to happen by doing the following:

- Quality engagements (VFL)
- Hazard identification and SLAM reviews
- Effective housekeeping, tools and equipment inspections
- Supporting and holding contractors accountable

Focus 3: Create a psychologically safe environment

We need people to feel safe at work and to voice concerns openly:

- Stop unsafe work for your own safety and the safety of your colleagues
- Provide timely feedback on concerns and actions raised

Employee safety cont.

Psychological safety and shared accountability

In promoting our desired safety culture, we continue to entrench a commitment throughout the Company to honour the mandatory My Sacred Covenant Code, which articulates a set of life-saving behaviours, and an understanding that if employees do not comply, consequence management through the fair culture model will apply.

To facilitate and promote psychological safety, we continue to emphasise the importance of stopping work when it is perceived to be unsafe. We continue to record a high number of voluntary work stoppages (1,038 in 2022). This is supported by our “I-Care Buddy” initiative, which aims to enhance a common understanding that each person should act and care for each other in the workplace and hold one another accountable for safety behaviour. We continue to acknowledge and praise voluntary work stoppages.

We recognise that safety hazards can also be psychological, associated with personal issues and strive to make employees feel supported and empowered to speak up when they have concerns.

Our safety results affect the performance-based remuneration of all employees. We use KPI-based reward and recognition to drive correct behaviours and provide the necessary training to support outcomes. Our bonus schemes have a 50/50 split for production and safety. We regularly review metrics and rewards to ensure they are in line with prevailing focus areas, and effective.

PUEs and critical-control management

For each of the safety-related PUEs at Sishen and Kolomela, critical controls and the associated oversight, inspection and management controls are clearly defined and managed to ensure compliance and implementation. We have continued to improve the critical-control hierarchy, increasing the percentage of engineering controls to make the controls less dependent on the action of individuals. We aim to ensure that at least 80% of all critical controls are engineering controls or technology based by the end of 2023.

Kumba has a PUE hazard map, which provides a simplified illustration of hazards associated with our mining process activities and the associated critical controls required in the focus areas of equipment, conditions, interactions and behaviours. This hazard map is assisting supervisors and

leaders in their high-risk work verification and leadership interactions.

We implement a rigorous programme for monitoring critical-control management, helping to foster greater transparency and accountability and improve the levels of work executed to plan. We track the percentage of monitoring completed to plan and the critical-control deviation rate. Any shortcomings identified are addressed timeously. Job risk assessments are linked to our PUEs.

Data analytics to inform process and control improvements

For us to continually improve our working environment, it is key that we embrace and drive the fundamentals of a learning organisation. Conducting data analytics to monitor safety performance trends and inform our interventions is an ongoing priority and focus. We conduct a quarterly integrated analysis of self-imposed (section 23) work stoppage reports, HPHs and HPIs. The analysis has a significant link to the PUEs and critical-control compliance work, helping to inform improvements in our processes and controls. The combined analysis confirms and supports real-time trends, ensuring that we define the correct focus areas to prevent repeats.

We monitor trends in the key performance areas that continue to present the most challenges. Comparisons each quarter reflect whether actions taken to address the identified shortcomings are proving effective. Transportation and mobile machinery remains the main agency involved in HPHs (averaging 40% of cases), with working at heights and uncontrolled releases of energy being the other main agencies, accounting for on average 9% to 8% each. We have closed out 95% of HPHs, as tracked on our Enablon/ Isometrics system.

Proactive and predictive analysis is supported by high-risk work verification, which is an independent inspection for compliance with standards and procedures, and by another leading indicator, focused VFL activities throughout the course of the day.

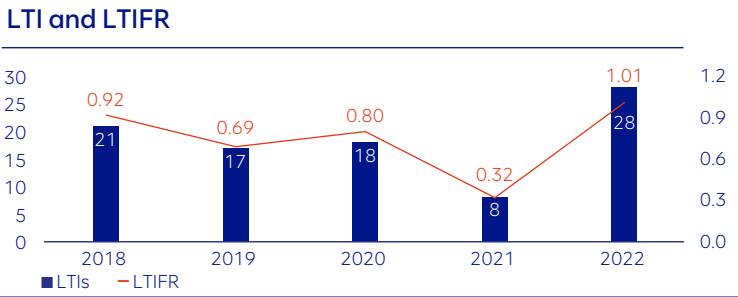
Technical innovation to create a safer working environment

Kumba continues to demonstrate leadership in developing and adopting leading technologies that help to minimise and, where possible, eliminate the human behaviour interventions that may result in fatalities. We are progressing with various

technology development projects identified in conjunction with the Anglo American technical team.

Established technology innovation initiatives driving safer work environments at our operations include:

- automated drilling, which allows drill operators to work in a remote control room environment eliminating exposure to dust and vibration
- collision-avoidance systems using vehicle and person proximity-detection systems and auto-braking, across



Remote operated drill rigs at Kolomela.

heavy mobile equipment (HME), have significantly reduced the number of collisions between machines

- drone technology, which assist with blast clearances; drones are also used to augment survey activities, engineering inspections and general observations removing people from harm
- advanced driver-assistance systems and real-time driver monitoring system
- real-time and shift monitoring technologies to identify and manage fatigue
- berm monitoring for static and dynamic monitoring; to reduce the possibility of TMM inadvertently crossing a substandard berm with potentially severe consequences; full roll-out was completed in 2022
- biometric access control to substations, reducing the risk of accidents and injuries
- real-time contractor management compliance monitoring through web-based onboarding solution “Passport 360”
- integrating various data platforms so that we can work smarter using Kumba’s Mobi App for high-risk work verification

– Our progress with driving mobility and digitalisation is reviewed on page 30.

Safety training

Safety-related training extends to our workforce in various forms – from formal training initiatives to regular safety briefings. We implement a standardised contractor management procedure, which includes safety induction training.

Training initiatives in 2022	Number of employees trained	Percentage of target employees trained
Safety representative training	344	181
PUE/VFL training	2,670	148
A3 ORM process training	58	97
A2 ORM process	981	359
A1.2 hazard ID/SLAM	3,779	169
Legal liability training	837	317
First aid	3,761	231
Fire fighting	3,361	224

Employee and community health and wellbeing

Highlights

- Revised baseline risk assessments and bow-ties for our top three occupational health hazards
- No new cases of occupational disease recorded for three consecutive years
- Proactive management of chronic disease including cardiovascular risks
- Data monitoring and analytics enabling data-driven decision-making
- Achieved 90/ 90/ 90 target for HIV
- TB incidence rate (employees and contractors) decreased to 59 per 100,000, a 57% year-on-year improvement

Learnings/challenges

- Sixteen new cases of HIV diagnosed among new and existing employees; 440 employees are HIV-positive (6.5% prevalence)
- Approximately 23% of our workforce (employees and contractors) have chronic medical conditions, 30% are classified as overweight and 19% as obese
- Concerning increase in chronic health and lifestyle risks in the workforce recorded, in particular, higher levels of body mass index (BMI) and hypertension

Focus for 2023 and beyond

- Reduce workplace dust and noise exposure by a further 5%
- Continue chronic disease reduction programmes with focus on cardiovascular risk and obesity
- Use data analytics and implement proactive initiatives to reduce non-communicable diseases
- Implement site-level strategies focusing on substance abuse, TB and HIV/Aids and adopt a syndemic response to achieve SDG 3 health targets in our host communities by 2030
- Strengthen mental health programmes and provide access for contractors

We use an advanced electronic system that allows health professionals to capture each health visit through a secure electronic medical record system. The employees' health records are linked to their occupational hazard-exposure profile and can be accurately tracked and analysed over time. Our improved data monitoring and analysis processes are enabling us to better assess and monitor each employee's health profile with the inherent requirements of their job profile.

In 2022, no employee or contractor contracts were terminated due to ill health, disability, occupational disease or injuries, for the fourth consecutive year.

Controlling occupational exposure

Where the elimination of health hazards in the workplace is not possible, we aim to reduce hazards to levels as low as reasonably practicable.

Our main occupational health risks include, but are not limited to, potential excessive exposure to:

- inhalable hazards (i.e. respirable dust).
- occupational carcinogens (i.e. silica dust, welding fumes and diesel particulate matter)
- noise
- stress to muscles, bones and joints
- fatigue
- work and non-work-related mental stress
- **Our key health and safety management systems, processes and sector initiatives** are reviewed on pages 30 to 33.

Our focus is on engineering solutions to eliminate or reduce health risk. We also provide employees with appropriate PPE, such as respiratory or hearing protection devices, wherever there is a risk of exposure levels exceeding safe limits. We also implement administrative controls when these risks occur. All PPE adheres to stringent national and international standards, including specific requirements for women. We carry out intensive training to make sure our employees are aware of the hazards to which they are exposed, as well as the risk-mitigation measures implemented, and that they use and maintain their PPE properly.

Against the backdrop of an increasing burden of communicable and non-communicable diseases, our approach extends beyond protecting our people to promoting employee wellbeing and optimal levels of health.

Management approach

At Kumba, we understand that a person's health and wellbeing involves physical, social, cultural and psychosocial factors. Being in good physical and mental health is a vital component of employee wellbeing and contributes to a safe and productive workplace. We also address public health issues among our employees' families and the host communities.

With Covid-19 now in the endemic phase and new case incidence markedly reduced, our emphasis has remained on managing our ongoing health priorities within our workplace and in the host communities. We have remained steadfast in our efforts to ensure a reduction in occupational health hazards, hence ensuring no new cases of occupational disease. We continue to strive to positively influence the health and wellbeing of our employees through a proactive, integrated, holistic approach to managing workplace and personal health.

We have a health and hygiene strategy in place with clear objectives and targets for our health outcomes. Ongoing action plans implemented at our operations are aligned with

achieving the MHSC 2024 occupational health milestones for the South African mining industry, which include targets for controlling HIV, TB, dust and noise, and supporting the achievement of the 2030 SDG 3 targets in our host communities. In implementing our SMPs, we have site-specific health strategies in line with the key health and wellness challenges in our area of influence.



- Our health programmes focus on:
- eliminating and mitigating occupational health hazards in the physical work environment through occupational health risk management processes and practices
 - ensuring a workplace culture that supports all aspects of health and wellbeing
 - providing resources to help employees manage personal health risks, including the risk of HIV/Aids, TB and non-communicable diseases

- transforming health and wellbeing in our host communities by contributing to the achievement of the relevant health targets of UNSDG 3, by 2030

Continuously improving our health performance is underpinned by our progress in aligning health risk management with the Operating Model and ORM processes, and ensuring appropriate occupational hygiene and employee health and wellness capacity and capability.

Monitoring the health of employees

We record the baseline health of every employee who joins Kumba, and then periodically monitor the state of their health throughout the time they work for us. Our medical surveillance programme aims to ensure the appropriate fit between the worker and the specific requirements of the job, as well as detect early signs of ill health, whether due to occupational health risks or lifestyle factors, and carry out focused interventions. We screen for obesity, smoking and alcohol abuse, as well as chronic diseases. Based on our health profiling and wellness examinations, we implement initiatives to address lifestyle-related health risks.

Employee and community health and wellbeing cont.

Innovation in technology is further helping us protect the health of our employees, reduce exposure to hazards, and give us early warning of when we need to take action. In parallel with engineering solutions, we implement a digital real-time data analytics platform that monitors environmental conditions and the performance of engineering controls in areas where exposure levels potentially exceed safe limits. The system triggers alerts when exposure to hazards such as noise or inhalable particles reaches unsafe levels, or when a control fails. This prompts timely intervention to determine root causes and take remedial action to prevent repeat occurrences. The real-time data monitoring has continued to drive a reduction in potential exposure to health hazards for our employees at our operations.

We have also seen encouraging improvements in levels of reporting of health-related HPHs and HPLs at our operations. This is enabling a more proactive approach to risk management including critical-control management processes.

There were no regulatory work stoppages or non-compliance notices issued for medical or health-related matters. We recorded 12 voluntary, proactive stoppages to mitigate occupational hygiene risks related to dust exposure at the plants and on haul roads.

Managing inhalable hazards

Occupational exposure to airborne pollutants at our operations, such as respirable dust, silica and carcinogens, is associated with developing occupational lung diseases, notably silicosis, tuberculosis, lung cancer and airway diseases. We implement monitoring and control programmes for dust and other airborne pollutants at all operations, with results informing controls and initiatives to reduce exposure. Exposure levels are linked to medical surveillance. Real-time monitoring of conditions at sites continues to ensure ongoing improvements.

The progressive installation and refurbishment of dust suppression and extraction technology has continued to enable a steady reduction in the number of employees and contractors potentially exposed to respirable dust and silica above the legislated safe limit (HEG A for silica and respirable

dust exposure), from 13 at the end of 2021 to 10 by the end of 2022. At year end, we had 282 employees (1.1% of the workforce) working in areas classified as HEG B (exposure above 50% but less than 100% of OEL) for respirable dust and silica (2021: 535 employees). Sishen and Kolomela continue to use and improve engineering controls to eliminate respirable dust and silica overexposures.

Our progress is supported by the use of dust suppression and extraction technology at the Kolomela and Sishen plants, as well as water spraying on haul roads and automated drilling rigs at our mining pits, which are controlled from an air-conditioned cabin far behind the machines, mitigating the risk of exposure to dust. Our innovative design interventions ensure that no visible dust is emitted during reverse circulation drilling.

— **Our non-occupational air quality management** is reviewed on page 72.

In managing exposure to respirable diesel particulate matter, we ensure adherence to vehicle maintenance schedules and implement engineering controls to minimise exposure levels in the maintenance workshops, which remain below 10% of the exposure limit. For example, when operating trucks are in contained work environments, we ensure there is adequate ventilation and local exhaust ventilation (LEVs) and only use engines when necessary. In managing exposure to metal fumes (welding fumes) and hazardous chemical substances, which also remain well within safe limits by maintaining ongoing monitoring, LEVs and respirators. We use mobile extraction ventilation to keep welding fumes to as low as possible levels and issue respirators to employees who are exposed.

Noise and hearing conservation

All operations have comprehensive noise registers comprising an equipment inventory and mitigation measures to reduce the overall noise readings. Our focus remains on controlling exposure at source and protecting employees who work in environments where noise levels exceed an eight-hour 85 decibel (dB(A)) limit. We have 431 employees potentially exposed (15.0% of the workforce compared to 17.4% (962 reported in 2021) as a result of 1,352 pieces of equipment that emit levels above the OEL (2021: 1,527). Going forward, we aim to reduce that total by 5% annually.

We have 29 pieces of equipment at our mines that emit noise levels above 105 dB(A). None of our equipment emits noise levels above 107 dB(A), in line with the MHSC milestone requirement by 2024.

Employee hearing conservation education is ongoing and custom-made hearing protection devices are issued to all employees and contractors at risk of noise exposure at and above 85 dB. Noise zones are clearly demarcated and the use of protective devices closely monitored. To detect early hearing deterioration, we conduct both annual and ad hoc (dependent on noise exposure) audiometric screening examinations, which incorporate the required standard threshold shift (STS). Where necessary, we implement additional corrective measures before permanent NIHL develops. In 2022, no new cases of NIHL (percentage loss of hearing (PLH) shift >10%) were diagnosed at Kumba for a sixth consecutive year, nor any cases of STS >25 dB.

Musculoskeletal conditions

We have not recorded any work-related musculoskeletal disorders at our operations for a third consecutive year, which we attribute to sustained effective risk management processes. The findings of ergonomic risk assessments informed the implementation of risk-mitigation practices in lower risk office environments and for mobile equipment and tasks involving manual lifting and handling. Repetitive motion risk-mitigation interventions include using machinery to lift heavy loads, using trolleys to transport the material and reducing the weight required to be carried. Technical solutions implemented to reduce vibration and ergonomic exposures include ensuring checks on shocks, dampers and seat cushions as part of the normal maintenance schedule. Risk assessment and vibration study findings are integrated into ORM processes and continue to inform the implementation of corrective measures to mitigate the risk exposure profile at each operation.

The most common musculoskeletal injuries have historically involved limbs and lower back injuries. We continue to implement an education and awareness campaign relating to correct manual handling, good posture and the periodic use of stretching exercises.

Fatigue management

Fatigue is a high-priority wellbeing challenge. Various factors, such as medical and psychological conditions as well as aspects of a person's workplace or lifestyle, can contribute to fatigue and, in turn, reduced alertness and poor judgement. Fatigue-related risks are heightened at our mines, which experience generally high temperatures (up to 50°C in summer).

Our fatigue management strategy is aligned to minimum mandatory critical controls and the Anglo American technical standard for fatigue management. Kumba has developed site-specific fatigue management strategies in response to each site's unique circumstances and challenges. We have completed a gap analysis at each operation in relation to the new Anglo American standard and best practice. In 2023, we will implement corrective action to address the gaps found at certain sites.

Fatigue management systems implemented at our operations continue to successfully mitigate fatigue-related incidents. Across the Company we implement fatigue management codes of practice and programmes and fatigue committees are in place at all sites, which meet monthly. Our interventions encompass risk assessments and mitigation, including through education and training, application of controls, such as compulsory fatigue breaks, and monitoring and review for continuous improvement. In instances where symptoms of fatigue are detected, we implement counter measures. In high-risk areas we use more sophisticated prevention, prediction and detection technologies (PRISM and the MR688 systems); for example, when truck drivers' eyes appear to be closing while driving, this will trigger an alert to the driver and a notification to a control room. If three alerts are received within an hour, a compulsory stop is enforced. Our Kolomela fatigue centre plays a key role in measuring alertness and predicting employee fatigue through the PRISM system. Plans are in place to replicate the same set-up at Sishen. Our interventions extend beyond the workplace to include community and family education and awareness aimed at mitigating worker fatigue.

Employee and community health and wellbeing cont.

Employee wellbeing

We have well-established wellness initiatives for employees and contractors and we continue to evolve our offering to more proactively and effectively mitigate health and wellbeing risks. We strive to educate people on preventing and managing chronic and lifestyle diseases and to positively influence their wellbeing and lifestyles. In addition to HIV, TB and chronic disease management, we continue to focus on mental health, drug and alcohol abuse, and other health issues. This year we introduced a proactive heart health wellness programme (see case study on the right) in order to manage cardiovascular risk among our employees and contractors.

We recognise the importance of a good work-life balance. An imbalance can put strain on an individual and have negative implications for their physical and mental wellbeing. Our wellness initiatives, employee assistance programme (EAP), medical surveillance programmes and HR interactions support individuals in identifying and managing challenges.

All our employees are screened for chronic medical conditions such as hypertension, diabetes, cholesterol, BMI, TB and, where consent has been given, HIV, during annual medical surveillance processes and health campaigns. We take an integrated approach to addressing HIV, TB and sexually transmitted infections. Our biggest risk factors are smoking, hypertension and high BMI.

We proactively seek to identify and support employees experiencing mental health-related challenges and personal issues, such as substance abuse. As a condition of employment, permanent employees are required to have a medical aid.

Kumba's WOW programme integrates aspects of mental health, physical wellness, recreation and inclusion and consists of three themes: mind (mental wellness), body (physical wellness), and spirit (emotional wellness). The diverse offering of regular sessions includes yoga and meditation, for virtual or in-person attendance.

Managing TB and HIV/Aids

TB and HIV/Aids are significant public health threats in southern Africa, with potentially life-threatening consequences for employees and their communities.

At our operations, ensuring that immunocompromised employees have their chronic diseases under control, with viral load suppressed, remains an ongoing focus.

Kumba is a recognised leader for its TB and HIV/Aids programmes in the workplace and our performance is in line with World Health Organization, Department of Health (DoH) and DMRE expectations as well as the South African HIV clinicians' society guidelines. We continue to drive progress towards meeting ambitious targets. We aim to exceed the UNAIDS 90/90/90 targets and strive for TB 100/100/100 targets.

While we have improved our case detection, reporting and disease management in the workplace, we continue to diagnose new HIV cases each year and endeavour to further strengthen our prevention efforts to bring the incidence rate down.

Our integrated HIV management provides HIV-related services and primary healthcare services to mine employees, contractors and host communities through the Ulysses Gogi Modise (UGM) wellness clinic, in partnership with the DoH. The UGM clinic at Kathu collaborates closely with the surrounding public health clinics.

The estimated prevalence of HIV infection within Kumba's permanent workforce in 2022 was 6.5% (2021: 4.6%). The increase in HIV infections mainly relate to the lower focus on HIV and TB over the past two years due to the Covid-19 pandemic as well as new employees appointed during 2022. This year we achieved all three of the 90:90:90 targets on HIV management set by UNAIDS for a second consecutive year. At year end, 91% of full-time employees (6,126 employees) knew their HIV status (2021: 90%). The uptake of antiretroviral therapy (ART) by HIV-positive employees was 100% (2021: 100%), which included 16 new HIV infections (2021: 2 cases), four of which were a seroconversion. Of the known HIV-positive employees on ART, 94% have achieved viral suppression.

At year end, 80% of contractors knew their HIV status, of whom 32 new HIV-positive cases were diagnosed. A total of 458 contractors are known to be HIV-positive, of whom 266 (100%) of contractors in the Kumba disease management programme are on ART, with a 92% viral suppression rate.

In preventing and managing TB, we strive towards 100/100/100 targets: 100% of our employees and contractors must be screened for TB; 100% of those diagnosed with TB must receive treatment; and 100% of those individuals must complete their treatment. During 2022, 89% of our workforce were screened for TB. We diagnosed 12 new cases of non-occupational TB (four employees and eight contractors), a 14% year-on-year decrease (2021: 14). All were placed on treatment with a 100% completion rate. At 59 per 100,000 of the employees and contractors, our TB incidence rate has decreased by 57% year-on-year (2021: 138 per 100,000 of the employees) and remains well below the South African national rate of 304 per 100,000 (2021 WHO data). The rate of TB/HIV co-infection was 16% (2021: 75%). We are on track to meet the MHSC milestones for TB and HIV management.

Our focus on TB prevention includes active case finding, the provision of isoniazid (INH) for seropositive workers and those with existing silicosis, contact tracing and the "test and treat" HIV strategy. We have not diagnosed any cases of multi-drug-resistant TB or extremely drug-resistant TB, or recorded any employee deaths as a result of HIV or TB infection, for a fifth consecutive year. For additional performance tables please refer to page 81 of this report.

Chronic disease and lifestyle management

We recognise that Covid-19 is now in the endemic phase and maintain high vigilance and critical controls to ensure personal hygiene and surveillance for the common communicable diseases, including Covid-19.

All employees with chronic conditions are referred for medical management and monitored regularly through our occupational health clinics to ensure disease control and to minimise the consequences.

The number of employees with chronic medical conditions has reduced to about 2,126 (23% of the workforce). Ninety-five percent of cases are controlled with treatment that is monitored in screening tests during medical surveillance examinations and wellness campaigns. The other 4.62% are newly diagnosed and people who defaulted on treatment. In these cases, further counselling and education is provided and individuals are enrolled on treatment programmes.



Lenie van Wyk, nurse at the UGM Wellness Clinic.

Heart health wellness programme

Kumba has introduced an initiative aimed at better understanding and responding to cardiovascular risks among our employees and contractors. By looking at health-related performance indicators that could impact on cardiovascular risk, we have been assessing each individual's potential risks of a cardiovascular incident such as heart attack or stroke. We respond according to the level of risk identified, with more decisive intervention taken in employees diagnosed as having a medium or high risk of a cardiovascular incident within 10 years. Since the launch of the initiative in August 2022, 89% of employees have received their "heart health score". Six employees are at high risk and 214 employees are at moderate risk. Clinical management has been undertaken in conjunction with their treating clinicians and further preventative and rehabilitation programmes are planned for 2023.

Based on assessments during 2022, 30% of our workforce is classified as overweight (2021: 34%) and 19.4% classified as obese, with 11% admitting to a sedentary lifestyle. The average participation rate in our weight loss programme at Sishen, Kolomela and the head office is 4% (2020: 7%). The key measure of success is sustained weight reduction. About 14% of the workforce have hypertension (2021: 31%), 5% have high cholesterol levels (2021: 15%) and 3% have diabetes mellitus (2021: 5%). For 2023, we are moving towards holistic weight management (sustained physical activity and diet) and not just weight management.

Our drug and alcohol policy allows for random testing of employees and compulsory testing of all employees in high-risk occupations. In 2022, we recorded 770 level 2 incidents of positive alcohol and drug tests during medical surveillance examinations and post-incident (2021: 900).

Employee and community health and wellbeing cont.

Mental health support

We place an emphasis across our operations on proactively supporting employees in managing mental health-related issues. To promote emotional wellbeing, and prevent and provide support to employees with early signs of emotional stress, we facilitate access to professional support. Kumba’s employees and contractors who need psychosocial support have access to the Company-funded EAP, through a confidential 24-hour helpline, as well as face-to-face (or virtual) and email contact. The facility is provided by an external service provider.

We monitor and analyse engagements to understand the most prevalent challenges, then design and implement initiatives to address these, and assess progress in mitigating problems. By year end, 1,279 employees had sought assistance during the year, compared to 1,082 in 2021. In 2022, the top reasons for consultation (similar with the previous year) were: stress (17.2%), relationship issues (4.7%), organisational issues (6.9%), trauma (3.9%), health and lifestyle issues (0.5%), and addictive behaviours (0.9%).

We deliver awareness and training sessions to empower managers and employees on managing the most prevalent issues, identified above, and on relationships, stress management and building mental resilience. These engagements with managers include a focus on how to identify, contain and refer vulnerable employees. We also train peer educators and shift supervisors to act as mental health first aiders.

Financial wellbeing

Mental health and other wellbeing issues are often linked to financial difficulties. Kumba engages a service provider to run financial wellbeing support services to address these causes and focus on mitigating over-indebtedness. We offer support on-site at our main operations at Sishen and Kolomela. The benefits are evident in the improved financial health for the employees involved through the training programmes and individual consultations. In 2022, a total of 641 employees accessed Summit financial services on-site by requesting individual assistance, with 235 seeking assistance and services for the first time. A further 341 employees attended

financial literacy training in 2022. Positive impact is seen on employees who signed up for solution assistance, as the majority would be highly indebted. In 2022, the financial status of employees seeking assistance from Summit improved by 25%, with 45% of employees deemed to have an unhealthy financial status reduced to 20% by the end of 2022. Summit assisted employees to save just over R3 million mainly through loan audit savings and debt relief instalment savings. Clearance certificates issued for debt relief solution resulted in just over R1 million in instalments and interest savings.

Managing Covid-19

We have maintained Covid-19 preventative and supportive measures including promoting vaccination and administering booster vaccinations. The disease has become a less acute health and wellbeing challenge. We maintain some workplace critical controls, including washing hands, hand sanitisers, testing and case management. We have integrated Covid-19 management including vaccinations and boosters into our health and wellness programme. During 2022 we recorded 960 Covid-19 cases and a 99% recovery rate from infections, well above the national average. In total, 80% of employees and contractors are vaccinated and we continue to administer booster doses. We will continue to monitor Covid-19 trends and lineages, nationally and globally, and to urge our employees to be vigilant. We are mindful of the potential health risks associated with “long Covid” (post-Covid-19 syndrome) including cardiovascular vulnerability.

Absenteeism

Initiatives that support employees in achieving optimal levels of health also assist in reducing levels of absenteeism, which can have a significant impact on the ability of our teams to execute planned tasks safely and effectively.

The total absenteeism rate (from injuries on duty, non-work-related injuries and sickness, or due to Covid-19 symptoms) was 4.0% at year end, compared to 5.7% in 2021. We continue to drive lower levels of non-work-related illness through improved sick leave and medical case management at Sishen and Kolomela, and active case management of employees with acute and chronic medical problems.

Absenteeism	2022	2021	2020
Absenteeism due to injury on duty	0.07	0.10	0.05
Absenteeism due to non-work-related illness and injuries	3.91	5.61	2.57
Total absenteeism rate	3.98	5.71	2.62

Community healthcare



In implementing our SMPs, Kolomela and Sishen have made good progress with rolling out site-level strategies aimed at transforming health and wellbeing in our host communities by achieving the relevant health targets of UNSDG 3 for all of these communities, by 2030. To inform this process, we completed initial health baseline assessments in 2019 to establish baselines of locally relevant health and wellbeing priorities and consider initiatives to address these. This year we reviewed and adjusted our strategies and related targets to make provision for the impacts of the pandemic and evolving post-pandemic landscape. This year the Provincial Department of Health signed a memorandum of understanding (MoU) with Kumba, strengthening the partnership for delivering key interventions identified. These include tackling fatherhood issues and providing a synergistic response to substance abuse, TB and HIV/Aids, in line with the key health and wellness challenges in our area of influence and Kumba’s well established community healthcare initiatives.

— An overview of our contribution is provided on page 39.

Our community healthcare initiatives continue to improve access to quality medical and healthcare services and to alleviate some of the mounting pressure on health service delivery by government. Kumba’s diverse community health programme includes making improvements to health infrastructure in local municipalities, monitoring health indicators and providing training for healthcare professionals,



Dr Mulalo Ramuhala speaking to patients at the Sishen clinic.

Employee and community health and wellbeing cont.

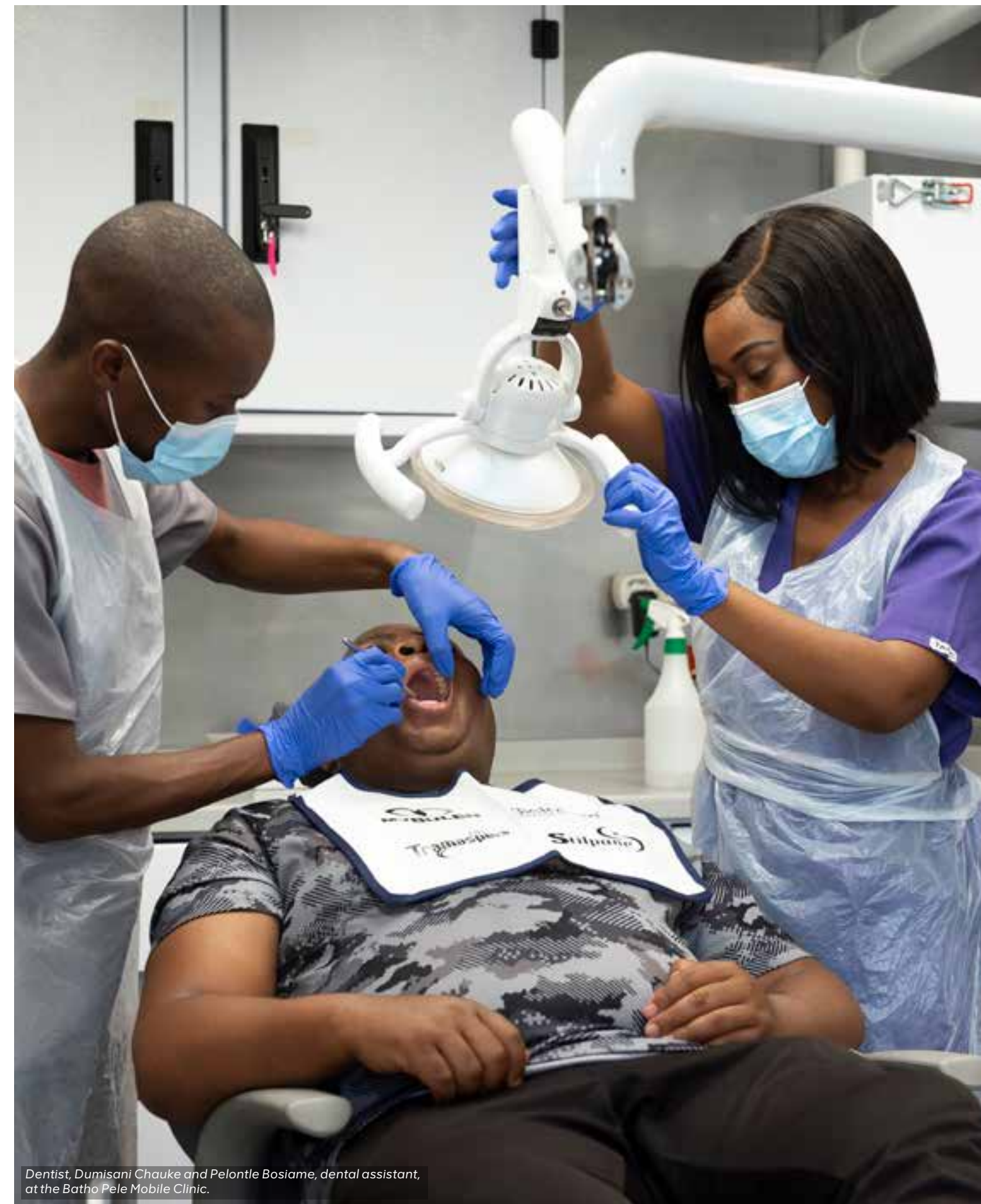
as well as educating on TB control, alcohol and drugs, diabetes and hypertension, and sexual and reproductive health. We also provide support to combat gender-based and domestic violence. Our principal ongoing initiatives are identified on the next page.

Our comprehensive socio-economic assessments in local communities using the Social Way Toolkit (see page 47), include health considerations that are identified in social management plans. Kumba spent R30.9 million this year on community healthcare projects (2021: R59.0 million).

We provide HIV-related services and primary healthcare services to mine employees, contractors and host communities through the Ulysses Gogi Modise (UGM) wellness clinics, in partnership with the DoH. The clinic at Kathu collaborates closely with the surrounding public health clinics. Individuals registered on the disease management programme are closely monitored on an ongoing basis. The clinic has continued to focus on providing treatment while dealing with the pandemic. The UGM wellness clinic also runs an intensive community health education programme. In 2022, approximately 5,057 employees, 6,758 contractors and 3,389 community members across our operations visited UGM wellness clinics. Through the UGM wellness clinics, 10,641 community members received HIV-related services and 15,110 community members were screened for TB in 2022. In supporting our host communities in managing HIV and TB and chronic diseases, our initiatives are more advanced at Sishen than at Kolomela. At all operations, we partner with NGOs and faith-based organisations in assisting community members with managing mental health and wellbeing challenges.

FAMSA is a specialised organisation focusing on relationships and mental health services to promote a healthy and strong family life. FAMSA's mission is to empower people to build, maintain and reconstruct functional relationships in the family, marriage and communities. Through the funding received from Kumba, a team of trained and skilled social workers, counsellors and community development practitioners have employment opportunities and are able to render excellent information, awareness, education and therapeutic programmes in our host communities. Within the Kathu and surrounding communities, FAMSA therapeutic services assisted 1,329 individuals through counselling and support. Awareness and educational programmes benefited 12,897 individuals with a main focus in anti-bullying (5,395), GBV awareness (4,475), and substance abuse (2,084) programmes. In Postmasburg and surrounding communities, a total of 4,117 individuals benefited from different FAMSA programmes including counselling (532), educational programmes (954), awareness campaigns (2,161) and family preservation programmes (470).

Sishen's Batho Pele mobile clinics offer primary healthcare to people in remote rural areas in collaboration with the John Taolo Gaetsewe District Municipality to screen for diseases and provide dental, ophthalmic and surgical services. In 2022, about 3,705 community members benefited from the services. The DoH manages the mobile clinics. Kolomela established a high-tech trauma care unit in 2016, which plays a valuable role in accommodating and stabilising the sick and injured before they are transported to medical facilities that can provide definitive care, which are at least 200 km away.



Dentist, Dumisani Chauke and Pelontle Bosame, dental assistant, at the Batho Pele Mobile Clinic.

Workforce culture and capability

In this section

Talent and leadership

Highlights

Continued to embed the new Anglo American talent management system across the organisation

Successfully implemented our first-line manager development programme for more than 232 supervisors and 37 middle managers and operational leaders, developing relevant leadership capabilities

Improved year-on-year diversity profile at senior management and top management levels

Healthy talent pipeline across disciplines with a strong focus on local talent (Northern Cape) and good spread of HDSA and female candidates

Learnings/challenges

Ongoing challenges in further improving levels of HDSA and female representation at senior management levels, as well as female representation at junior management levels, and disabled employees

Incidents of GBV reported at our operations

Limited resources in the Postmasburg area around Kolomela mine presents a challenge to attract and retain talent

Moratorium placed on recruitment across Anglo American to focus only on critical roles, affecting the intake of bursars and professionals in training (PITs) in 2023

Heightened competition from other companies for our skilled talent

Inclusion and diversity

Focus for 2023 and beyond

Launch a new and improved, sustainable employee share ownership scheme

Implement a Postmasburg renewal project aimed at improving the quality of living in the area in order to attract and retain talent

Reskill employees to work a in more technically advanced environment

Advance diversity and improve female representation across the business, specifically in core disciplines, as well as greater representation of employees with disabilities

Our people are instrumental to how we live up to our purpose in everything we do. We strive to create safe, inclusive and diverse working environments that encourage high performance, accountability, care and innovation.

Creating a safe and caring working environment, in which everyone lives up to our values and Code of Conduct, provides a critical foundation for promoting our desired organisational culture and achieving our Tswelelopele objectives. We continue to make progress in creating our desired culture and leadership behaviours. Implementing strategic interventions aimed at identifying, developing and retaining talent is an ongoing focus.

- See **safety and health sections**, pages 30 to 39.
- See **section on business conduct**, pages 24 to 26.

Early in the year, Kumba concluded its organisational restructuring process to ensure that we have the right structure to effectively and efficiently deliver on our strategic ambitions. The process ensured no forced retrenchments. Following the extensive changes in workforce composition, including many new people enrolled and new teams formulated, the focus throughout 2022 has been on

stabilising the business and building resilience. Clarifying role accountabilities, minimising bureaucratic processes and optimising team cohesion through our performance management approach, remain critical leadership and culture success factors.

In striving to be an employer of choice, Kumba is proud to be recognised in the Top 100 companies in South Africa as ranked by the Sunday Times.

Talent and leadership

We aim to attract the best people in the industry, and provide professional and personal development opportunities that empower everyone to realise their potential.

Talent and succession management

In assessing the capability of current and prospective employees, we consider their technical skills and knowledge, mental processing ability, social process skills, and their degree of drive and commitment. Our talent management strategy aims to ensure that we have the right people at the right place and at the right time. Every 24 months we conduct a talent identification process for non-bargaining employees in the organisation. We identify and allocate talent into different talent pools, to address weaknesses, realise new opportunities and support our diversity and inclusion roadmap.

In January 2022, we launched a new talent management system across the organisation. This Anglo American system is designed to enable our employees to realise their potential. It ensures a robust approach to assessing employee

performance and potential, including learning agility, through formal competency assessments. The outcomes are automated and assist in identifying high-performing employees with special talents and leadership capabilities, as potential successors in various positions. The platform is enabling better integration and access to talent across Anglo American operations. This year we continued to provide training on the talent management process, equipping managers and their subordinates to have the right discussions to identify individual strengths and areas for development, enabling employees to make informed development and career decisions.

We have trained 530 employees on how to update their career profiles (about 95% of our connected employees have a career profile - band 6 and above) with the majority actively using the talent module. The system aims to ensure that our middle management and senior management employees know what is expected of them, understand how they are performing in their role – as measured against key performance indicators – and what their planned future is in the organisation.

This year we continued to create and realise opportunities for significant appointments and progression within the organisation. We had 936 promotions, across Sishen, Kolomela, and corporate office, ensuring that we nurture and retain our talent and institutional knowledge. Female appointments took priority in line with our Burning Ambition to have women in 33% of our leadership roles by 2023. There are a number of technical disciplines where filling roles with mature and seasoned talent remains challenging. However, our leadership academy and women leadership programmes are nurturing women who have the potential to fill these positions in future.

This year we experienced heightened competition from other companies for our skilled talent, resulting in certain individuals leaving the Company and others being financially incentivised to ensure their retention. During 2022, Kumba witnessed a relatively concerning turnover of our middle management and senior management employees (Band 6 and Band 5). The total population across the organisation for these employees is ~672, and 70 (10.4%) of these employees exited Kumba for different organisational assignment reasons. The reasons for exit range from retirement,

Workforce culture and capability cont.

intercompany transfers (within Anglo American group) and resignations. In a talent management perspective, this figure is undesirable for our critical talent to be exiting in one year. In response to this, we have considered several interventions to lower the turnover rate at this level across the business. Some of the interventions include a retention contract for our core skills with a lock-in period of three years; we also ramped up on our postgraduate employee bursary support which achieves improved competence and also has a lock-in period relative to the length of the studies of the employee. Another game changer in the pipeline is the implementation of a variable pay device (equity option) for our Band 6/12 employees. Lastly, our line managers and manager once removed are starting to lead the career development conversations with our employees and encouraging employees to own their careers more within Kumba and the broader Anglo American.

Our recruitment processes, including interviews and assessments, are predominantly conducted virtually. Towards the end of the year, a moratorium was placed on recruitment across Anglo American to focus only on critical roles.

Building leadership capability

A compelling culture is dependent on leadership being inspiring and motivating our people and their personal development. We have a diverse range of internal and external programmes to enhance the skills, knowledge and awareness of leaders, equipping them to be more effective in their roles and more accountable for their contribution in driving value. To strengthen our leadership pipeline, we implemented the Anglo American leadership capability development framework, which provides a holistic yet focused approach to developing leadership capabilities.

We have continued to implement innovative, high-quality leadership and culture interventions. These efforts are underpinned by our Kumba Leadership Code, which is fully aligned with our values. Building on the foundations established through these ongoing interventions, we introduced an additional high-impact initiatives this year.

We launched a mentorship programme across the organisation called "Pre-pair", which provides an opportunity for employees to seek and identify a mentor within Kumba or

from the Anglo American-wide global workforce to assist with their unique objectives. The programme is bringing people from different cultures, geographical regions, areas of expertise and levels of seniority to share knowledge, experiences and perspectives. The duration of each relationship is based on the mentee's needs. In 2022, we had a total of 98 employees participating (22 mentors and 77 mentees).

Kumba enrolled 88 employees in Anglo American's Leadership Academy, which has six programmes aimed at accelerating the development of our most talented people, from emerging leaders at the outset of their career through to senior executives. Since the pandemic started, these programmes have been delivered virtually, making them increasingly accessible to more leaders.

We are increasingly seeing the value from the successful implementation of our customised front-line manager development programme aimed at building the relevant leadership and management capabilities. The modules guide participants on how to lead themselves, how to lead others, and how to lead our business performance, implementing good managerial routines underpinned by a safety mindset as well as risk management. Launched in Q1 2022, the programme has been rolled out in a phased approach. Each contingent of participants received five days of contact classroom training and 14 weekly sessions of one-on-one (in person) coaching. We delivered more than 2,600 coaching sessions in 2022. The initiative has been very well received by participants (see examples of individual testimonials below). By year end, a total of 232 employees had completed the programme. We plan to roll out the programme to about 100 supervisors at Kolomela in Q2 2023.

This year we partnered with an external organisation to deliver executive coaching for our key talent and leaders in the business. The holistic approach aims to support the individual's optimal wellbeing within and beyond the work environment to position them to deliver superior performance. The sessions are one-on-one and confidential. In 2022, we had 12 employees enrolled on the programme, from across the business, and levels of participation are increasing.

In building leadership capability, Kumba is committed to accelerating the recruitment, development and promotion of designated groups into under-represented occupational levels. We are encouraged that women account for 33% of our talent pool, of which 55% is represented by black women.



Developing our talent pool and pipeline

We aim to strengthen leadership and technical skills by developing an internal pipeline of successors for critical roles. We work with local schools and other education stakeholders to identify and develop skills in our youth to recruit directly from our local communities in the future. This year we rolled out a roadshow to various schools in the John Taolo Gaetsewe District Municipality to raise awareness of opportunities and attract top young talent.

Internal training and development interventions focus on providing skills training and also include learnerships, leadership development, mentorships, and career progression plans. We implement a learning management system that is predominantly digital/e-learning based. Skills training is managed by fully accredited training centres, equipping employees with the requisite skills to work safely, effectively and efficiently. Further training opportunities we offer employees include portable and transferable nationally accredited competencies and qualifications within their line of work, study assistance, and e-learning. We also support employees to accomplish their undergraduate and postgraduate studies

In seeking to attract and retain talent, we recognise that there are challenges for employees and their families living near our Kolomela mine, including limited education and healthcare resources. We have developed a renewal action plan aimed at improving the quality of life in Postmasburg, which we will implement in 2023.

As our operations become a more technically advanced environment, we are developing the skills especially of large equipment operators to be able to operate more complex and fast moving equipment. We continue to assess the skills



Empowering and developing our supervisors

Our supervisors are key to our daily operations and their role cannot be underestimated. The participants in the supervisory development programme we implemented this year displayed high levels of commitment to the initiative, which has fostered continuous improvement in overall management maturity. We will continue to improve the initiative and welcome the feedback we receive.

First-hand testimonials:

"I realised that it is up to me as a leader to develop high-performing teams – it starts with me. I've learned to show up as a leader and to implement strategies and techniques. Thank you for the incredible opportunity. I cannot wait to return to the site to take my team to the next level." – **Thami Khumalo**
(Section manager: laboratory)



"We've learned that we have more impact when we engage, collaborate and communicate effectively. The programme emphasises that a systematic approach to team activities, meaningful conversations, and showing care and compassion build better relationships and teams. It was very inspirational." – **Takalani Simango**
(Section engineering manager for support services)



Workforce culture and capability cont.

Kumba's graduates take podium positions at Anglo American PIT symposium

Every year we host a PIT symposium where the new graduates give presentations. This year, Kumba's top three performers at the symposium went on to participate in the Anglo American PIT symposium where graduates from across the business units participate. We are proud to report that Dawie Jacobs took first and Thulile Mziyako second place at the global symposium.

the Company will need in the future so that we ensure our workforce is trained in the required skill sets.

In 2022, we invested a total of R244 million (2021: R232 million) in training and development delivered across 19,124 employees and contractors, excluding refresher, induction and ex-leave training. Employees participating in training and development programmes were 98% HDSA and 71% women. The training delivered amounted to 6.0% of payroll at Sishen and 4.0% of payroll at Kolomela. Combined training spend across Kumba operations amounted to 5.6% of payroll (2021: 5.6%).

In the young talent space, we develop technical talent for the Company through our three-year PIT programme, which offers degree and diploma graduates the opportunity to obtain training and work experience during a fixed-term contract with the Company to cover their bursary debt. In 2022, 10 PITs were permanently appointed within the Company, of which seven were women, and no previous contracts terminated. We currently have 47 PITs in the pipeline (72% female, 96% HDSA, 32% local).

Our bursary programme supports the talent pipeline for our PIT programme and focuses on increasing female and local participation. There were 44 bursars enrolled for 2022 in various fields of study, with 40% female and 89% HDSA representation. This included the appointment of our first disabled bursar. Due to the moratorium on recruitment, the number of bursar and PIT appointments have been reduced for 2023. In 2022, we onboarded 46 new bursars (50% HDSA) for 2023. We support local learners to participate in a tertiary transition programme (bridging school) as potential candidates for bursaries and thereafter the graduate programme.

Kumba supports the Youth Employment Services (YES) programme, a business-led collaboration with government and labour to assist South Africa's youth to gain work experience through employment placement. Every year, we place previously disadvantaged, unemployed youth from local communities into 12-month work experience and training opportunities in the Company. In 2022, we appointed 68 YES interns (72% female, and all local) in support function disciplines including finance, human resources, SHE and hygiene, and engineering. We will be assigning an intake of 40 YES interns in 2023.

We estimate that more than 98% of Kumba employees are deemed to be functionally literate. We continue to provide training in skills that are transferable to industries outside mining, for community members as well as employees, to support alternative forms of employment.



Training and developments statistics 2022

Programme	Number of participants	HDSA (%)	Female (%)	Expenditure (Rand million)
Mining and plant learners (operators)	326	99	99	16.0
Engineering learners (artisans and apprentices)	289	93	15	10.6
ABET training	18	100	67	1.1
Professionals in training	49	94	69	32.9
Bursaries	259	94	99	7.7
Portable skills training (capacity building of mine communities)	84	100	80	3.9
Internships (admin and engineering)	47	100	67	12.7
YES internship programme	68	100	73	2.8
Total	1,140	97.5	71	87.7

* The remainder of the total training spend (R156 million) was for other training initiatives including external courses and seminars.

Performance management and rewards structures

Rewarding successful business outcomes is central to delivering our desired high-performance culture supporting our Tswelelopele initiative. It is critical that we provide an appropriate level and mix of remuneration to attract, retain and motivate the right calibre of employee. Kumba also strives for a fair compensation dispensation with the principle of “equal work for equal pay” being applied across our diverse workforce.

Performance-linked remuneration and incentives

Kumba implements a team-driven performance management approach, Team+. The approach applies to middle management and above and aims to foster a purpose-led, high-performance culture where everyone is working together as one team to deliver on our ambitious Tswelelopele strategic objectives and performance targets.

Business and team performance are measured against a structured set of key strategic business objectives cascaded throughout the non-bargaining category.

The performance outcomes influence the specifics of the annual short-term incentive and long-term incentive. Senior leaders within the organisation are also incentivised with longer-term awards that are provided on meeting predetermined objectives that are in line with the interests of shareholders.

Our incentive framework makes clear provision for performance on relevant ESG indicators (20% of scorecard), including on the EOF, the total recordable case frequency rate, environmental incidents, carbon performance, dust emissions, and critical-control monitoring.

Through our performance management programme, we are committed to offering attractive remuneration and employment benefits, together with effective incentives. Our guaranteed pay packages are designed to be competitive with both the national market and specifically the mining sector. We undertake regular benchmarks of pay and conditions to ensure that we remain competitive. Our recruitment strategies and succession planning maintain a strong focus on delivering on our goal of attracting women to

Workforce culture and capability cont.

leadership positions and in core mining activities, underpinned by our employee value proposition and to deliver on our WIM strategy, which remains a priority objective.

— **Details of Kumba's remuneration practices and performance** are provided in our 2022 IR (pages 77 to 99).

We implement a bargaining unit production bonus scheme that involves employees working towards monthly, quarterly, bi-annual and annual targets for specific key result areas including safety, production, productivity and attendance. In addition, employees can also qualify for a gain share bonus in the event of exceptional business performance, substantially exceeding budget targets.

Recognition of exceptional business contribution

Through our recognition programme, Applaud Awards, we ensure that we are putting our values into action and that we are following our Code. The Anglo American group-wide recognition programme has three levels: operational, Kumba level, and Anglo American GMC level. This creates both formal and informal ways of acknowledging individuals/ teams across the business who go above and beyond to complete tasks and objectives. Award winners are selected through a rigorous adjudication panel process from a pool of nominees motivated by line management and peers. Recognition is awarded in the following five categories: safety, sustainability, collaboration, achiever and partnership.

Employee share ownership

Kumba has launched a new and improved broad-based employee share ownership plan (ESOP). The objective of the scheme, which replaces the interim Karolo scheme, is to create a sustainable ESOP that does not have to be replaced in the future. The scheme is designed to align the economic interests between our employees and Kumba shareholders and to deliver enduring value to our employees. The hybrid ESOP structure for qualifying employees comprises an innovative "evergreen" component and a vesting component similar to Karolo. The new share scheme is structured with flexibility in mind for the inclusion of future growth opportunities. Karolo made its last offer in August 2022, and from next year onwards, the new Trust will start awarding the Kumba shares.

An inclusive and diverse working environment



Creating a more inclusive and diverse workplace is business-critical for us and a key component in building a high-performance culture and sustainable and healthy business. A diverse and inclusive culture ensures that we have access to the widest possible pool of talent and diversity of thought and perspectives, while providing equal opportunity for all to fulfil their potential.

In 2022, we continued to build on the strategic foundations of inclusion and diversity that we have put in place over the past three years.

Underpinned by our Code and values, our inclusion and diversity policy and mandatory leadership training set out the behaviours we expect of all our colleagues. We implement an inclusion and diversity strategy that aims for:

- our leaders to demonstrably value the diversity and unique contribution of every employee
- our colleagues to feel able to bring their whole selves to work, regardless of gender, sexual orientation, age, race, ethnicity, religion, national origin or disability, including mental health
- our workplace to be supportive, fair, adaptable and involving for all
- our work environment to be safe, effective and enabling

Achieving sustainable and tangible transformation is a business imperative and is core to our licence to operate. We implemented a comprehensive human resources transformation strategy. This year we submitted a new employment equity (EE) plan to the Department of Labour, following constructive consultations with organised labour. The EE plans set numerical targets and goals for EE, including affirmative action measures. Demonstrating our commitment to advancing our progress and meeting the expectations of organised labour, we commit to achieving the five-year transformation targets of the Department of Labour, within three years.

In striving to provide a working environment that is safe, effective and enabling, we have continued to foster a commitment to involve, support and enable colleagues, living with a physical disability or learning difficulty, to reach their full potential. We implemented a disabled persons strategy aimed at attracting and retaining more people with disabilities. This includes creating opportunities to leverage suitable technology, work remotely, earmarking positions for people with disabilities, and ensuring our workplaces are conducive for disabled employees. This year we collaborated with disabled schools seeking to identify disabled talent for our bursary pool.

We also work to ensure that our colleagues feel empowered to access mental health wellness support without stigma or barriers. In fostering a safe space and sense of belonging for employees, in 2023 we will also place a focus on raising awareness and support for the LGBTQ+ community.

Our zero-tolerance approach

We have continued to embed our domestic violence and bullying, harassment and victimisation policies and training for our colleagues to ensure they are aware of our zero-tolerance approach, are familiar with our reporting structures, and feel confident to act as inclusion and diversity advocates.

Anglo American has established a SHGBV hub to provide guidance and support to all its business units. Through the victim-centred hub, we respond to complaints, address harmful behaviour and support preventative measures to ensure a safe working environment.

In tackling GBV, in partnership with the global "social agitation" consulting company Reos Partners, we delivered theatre-based awareness and training interventions to more than 2,539 Kumba employees across all levels, including trainees and learnerships, and community members.

The interactive face-to-face engagements were very well received and the effectiveness of this approach is evidenced in an encouraging decrease in the number of GBV-related concerns reported through various support channels including our confidential reporting platform, YourVoice.



Kolomela joins fight against gender-based violence with drama therapy, performers are not following a script and the volunteer stories of audience members are spontaneously enacted.

Mainstreaming gender equality

We continue to focus on gender representation, where we have made significant progress in recent years, implementing clear pathways to greater female representation. Kumba has remained committed in striving to create an environment conducive to gender equality and to address barriers to the employment, retention and advancement of women.

Sishen and Kolomela continue to identify opportunities to improve the appointment and promotion of women in core roles, especially at supervisory level. Kolomela is our flagship operation in driving the appointment of women in core technical roles, with 16% representation. Sishen, which has 20% women representation in core roles, has targeted development plans for women in technical fields, including increasing the graduate pipeline in areas that are not adequately represented. We aim to leverage new technologies that will benefit women within core mining operations, and allow them to perform on the same level as their male counterparts.

We have improved levels of female representation across the business, specifically in core disciplines, and are on track to meet our target to achieve 33% representation of women at leadership level by the end of 2023. This year 15 women were appointed into leadership positions (both core and support

Workforce culture and capability cont.



Empowering our women leaders

This year, two of Kumba's women leaders participated in Amplify, Anglo American's first leadership development programme designed specifically for women. It provides the tools, networks and space for participants to develop their own authentic, impactful and effective leadership style.

Female representation at Kumba	
Workforce	Core mining
26%	17%
Board	PITs
50%	69%
Management	Bursars
30%	40%

services). Prominent appointments are Mpumi Zikalala as the first female Chief Executive of Kumba and the promotion of Dr Simi Ramgoolam as the Executive head of human resources. Kumba is working towards a stretch target of 40% women representation in mining by 2040.

In 2022, we appointed 363 women (198 trainees, 71 fixed-term, 94 permanent). By year end, women made up 26% of our overall workforce (2021: 25%), 20% of core disciplines (2021: 22%), and 30% of management positions (2021: 29%). We implemented a WIM strategy and intervention plan to promote the integration of women in the workplace, especially in core functions. A WIM steering committee oversees performance against objectives. Capacity building is critical, and we aim to ensure at least 30% women representation in our talent pipeline programmes. Kumba has policies and procedures relating to sexual harassment and proactively addresses this issue in the workplace and in host communities.

Kumba actively supports the initiatives driven by the Minerals Council to advance women in the industry.

Our commitment to promoting gender equality is reflected in our inclusion in the Bloomberg 2023 Gender-Equality Index (GEI), which recognises companies committed to transparency in gender reporting and advancing women's equality in the workplace. The GEI measures gender equality across five pillars: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies, and pro-women brand. Gender does not play a role in determining salary levels for our employees. Qualifications and experience are the key determinants.

Equitable representation

We made good progress this year in promoting equitable representation at all levels at our operations. At senior management and top management level, the white male demographic reduced from 43% to 32%, the African male demographic increased from 29% to 30%, and African women from 14% to 15%. Overall, female representation has improved by 6% across Band 5 and Band 4 roles.

— Details of Kumba's diversity profile are provided in our performance tables in the appendix (pages 79 to 80).

Kumba's workforce profile meets the targets previously recommended by Mining Charter III for Board, Exco, middle management, junior management (HDSA), and core levels. We continue to focus on improving levels of HDSA and female representation at senior management level, and female representation at junior management levels. Increasing the number of employees with disabilities is another priority.

We currently employ 78 people with disabilities (2021: 41), with 19 in managerial positions (2021: 13). This represents 1.0% of our workforce, against a target of 1.5% previously recommended by Mining Charter III. We expect to see significant improvements through the implementation of our disability strategy.

This year we progressed in advancing HDSA representation at management levels. At year end, HDSAs represented 90% of our total workforce (2021: 89%) and held 78% of management positions (2021: 75%).

HDSA and women in management

	Total management			% HDSA in management			% women in management		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Corporate office	296	297	231	73	70	71	40	40	47
Sishen	767	729	747	77	73	70	25	22	20
Kolomela	389	342	340	85	83	78	32	33	31
Total	1,452	1,368	1,318	78	75	72	30	29	27

Supporting labour rights

As expressed in Anglo American's human rights policy, and as signatories to the UN Global Compact, we are committed to upholding the labour rights principles of the International Labour Organization through the implementation of fair employment practices. We have clear policies and processes in place to ensure observance of human rights, including the right to freedom of association and collective bargaining, the eradication of child and forced labour, and non-discrimination. Observance of these rights is required of all our operations and suppliers, irrespective of location. Our responsible sourcing standard stipulates that all suppliers shall respect all labour and human rights throughout their own value chain.

No incidents of employing underage individuals or forced labour were reported in 2022, and there were no significant incidents of discrimination or grievances regarding labour practices.

Employee engagement and workforce relations

We have maintained strong employee relations, reflected in an employee turnover rate of 3.6%, well below the 7.6% industry benchmark. We maintain high levels of employee engagement based on the shared values of respect and care, collaborative relationships with unions, and effective communication with employees. Kumba enjoys a stable and productive industrial relations environment, with no industrial action-related work stoppage experienced since 2012.

Our employee relations are strengthened by our constructive relationship with national, provincial and local government through regular engagement, strong regulatory compliance,

and encouraging performance on transformation and developmental objectives.

Internally, structured engagements at operation level are held through departmental forums, with matters escalated to general manager level if required. Engagements are held centrally, through relevant forums and as required. Engagements are held directly with employees through training shifts and various communication channels including our internal Engage app.

We conduct quarterly quick pulse employee surveys and the global colleague insight survey takes place twice a year at our operations to gain insights into how effectively we are engaging with our employees and delivering on our objectives, and to better understand where we can improve.

Workforce culture and capability cont.

The survey covers engagement, culture and values, physical and psychological safety, strategic direction and purpose, leadership and inclusion and diversity.

This year, 4,351 Kumba respondents participated. Consistent with last year, the survey suggested an employee engagement score of 88%; 87% of our employees report having a sense of pride in working for the Company (2021: 88%), with steady levels of 84% experiencing job satisfaction and 92% happy to go the extra mile for the Company. Attesting to Kumba’s commitment to safety, 88% of our employees feel that safety is prioritised over production. The results of our mid-year global safety-focused survey are reviewed on page 33.

A multi-year collective bargaining agreement, in place with the Association of Mineworkers and Construction Union (AMCU) and National Union of Mineworkers (NUM) since August 2020, will conclude on 30 June 2023. Certain issues that were not finalised during the wage negotiations and were referred to working groups have been closed out in 2022. A salary adjustment as a result of CPI above 5% was agreed for all permanent employees in the bargaining unit and implemented from 1 July 2022.

We have maintained a constructive relationship with the Commission for Conciliation, Mediation and Arbitration (CCMA), which receives referred grievances from employees or unions. Proactively monitoring the trends helps to inform appropriate mitigation measures, including capacity-building initiatives aimed at enabling issues to be resolved internally. This year we partnered with the CCMA to roll out training, notably for shop stewards, human resources and frontline supervisors, which will continue throughout 2023.

In 2022, 31 employee grievances were referred to the CCMA and labour court (2021: 36 grievances).

In 2022, 88% of the total workforce was represented by one of the three recognised unions (see table below). The NUM remains the dominant union with 69% representation within the bargaining category, up from 66% in 2021. In total, 73% of our employees are covered by collective agreements (excluding management). These agreements address salary and benefit reviews, the participation of unions in decision-

making at different forums and consultation and notice periods regarding any significant organisational changes. The minimum notice period for any organisational change at Kumba is 30 days.

Union membership in 2022 (% of bargaining categories)

	NUM	AMCU	Solidarity	Agency shop
Corporate office*	20.41	12.24	40.74	—
Sishen	72.11	9.99	15.75	2.13
Kolomela	61.14	34.11	0.87	3.88
Group	68.82	15.84	12.23	2.53

* Corporate office – no organisational rights.

Gaining insights into what we are doing well and where we can further improve

The outcomes from the employee global pulse survey provide insights on what we are doing well and where we can further improve. This year, 4,351 Kumba respondents participated. Consistent with last year, our overall engagement level of 88% indicates that we are doing very well on engaging our people; 87% of our employees report having a sense of pride in working for the Company (2021: 88%), with 84% experiencing job satisfaction and 92% happy to go the extra mile for the Company. Attesting to Kumba’s commitment to safety, 89% of our employees feel that safety is prioritised over production.

Workforce movement and availability

Absenteeism, or workforce unavailability, covers both planned leave (annual, maternity, study, union) and unplanned leave (sick, unpaid, absent without leave, special, family responsibility, injury on duty, suspension, unprotected strike).

Kumba’s employee turnover rate (the number of permanent employee resignations as a percentage of total permanent employees) was 3.60%, well below the 7.6% industry benchmark. New hires amounted to 4.3% of permanent employees.

Kumba has a policy of employing people from communities close to our operations where possible. We seek to respond to high expectations for us to increase levels of local recruitment (from our host communities). We only recruit people from outside the Northern Cape area if a specific skill is not available locally. At year end, 79% of employees were local.



At year end, our workforce totalled 11,878 employees (2021: 11,291 employees): 6,400 full-time permanent employees (2021: 6,146 employees), 4,854 full-time contractors (mining contractors involved with the core processes of the mine) (2021: 4,487 contractors), and 624 learnerships (2021: 658 learnerships). During the year we also employed 555 fixed-term project contractors (contractors with an approved supply chain contract with Kumba to perform capital projects) (2021: 1,904 contractors).

Employees and contractors in 2022 (excluding learnerships)

At year end	Full-time permanent (full-time equivalent and permanent employees)		Full-time equivalent contractor (mining)	
	Total	Female	Total	Female
Corporate office	195	115	78	1
Sishen	4,293	977	3,290	245
Kolomela	1,635	534	1,486	145
Technical services	133	45	—	—
Projects	115	33	—	—
Saldanha Bay	29	12	—	—
Total	6,400	1,716	4,854	391



Ore stockpile at Kolomela mine.

Building social capital

South Africa's economic and social challenges have been compounded by the effects of the pandemic. We are committed to delivering a lasting, positive contribution to our host communities, beyond the life of our mines. This starts with understanding and responding to their needs and priorities. We manage the relationship with our host communities through our leading social performance management system.

- R399.5 million in direct social investment
- R10.8 billion paid in direct and indirect taxes to government
- R5.4 billion on localised preferential procurement
- R18.1 billion paid to BEE suppliers

Sivos technical training centre at Sishen. Pictured here – Resego Babelle and the instructor LM Letjoara.

Upholding high social standards

Highlights

Transition to full compliance with Anglo American Social Way (version 3.0) progressing well. Kolomela, one of the four sites in AA group to achieve full compliance (83%). Kumba, third best performing BU in the AA group

Initiative for Responsible Mining Assurance (IRMA) third-party certification process progressed with on-site audits completed at Sishen and Kolomela and corrective action plans being implemented to resolve outstanding requirements

Learnings/challenges

Kumba achieved 69% requirements on target for the Social Way, against a target of 80%, due to Sishen not achieving three requirements on target

Conflict among business forums and SMMEs is an ongoing concern which we strive to address through various solutions

Contractor social management risks are high at our operations; Sishen and Kolomela are implementing robust strategies to mitigate risks

Focus for 2023 and beyond

Embed the implementation of the Anglo American Social Way 3.0

Social impacts and risk management

IRMA certification and continuous improvements

Understanding evolving needs and priorities of the communities in which we operate

We hold ourselves to the highest standards of social performance to ensure that we deliver a lasting, positive contribution to local communities and those affected by our activities, beyond the life of our mines. This starts with understanding and responding to the needs and priorities of communities to create an environment where stakeholders can prosper sustainably. Fulfilling this commitment is critical to our long-term success as a business.

Management approach

Our positive social contribution to host communities through the delivery of our SMPs, CRD, and social investment projects – reviewed in the next section – is underpinned by the implementation of the Anglo American Social Way – our integrated social performance management system. The Social Way provides a rigorous management system to drive consistently better outcomes for host communities. It sets out clear requirements to engage with affected and interested stakeholders, avoid, prevent, and, where appropriate, mitigate and remediate adverse social impacts, and maximise development opportunities. The integrated social performance management system brings under one umbrella the governing policy (what we do), the Social Way Toolkit (how we do it – focusing on governance, review and planning, engagement and analysis, as well as risk prevention and management), and Assurance Framework (monitoring implementation and ensuring continuous improvement).

The Social Way was updated in 2019 and all Anglo American business units have been transitioning with the aim of meeting all the updated requirements by the end of 2022. Kumba has made continued progress, with key focus areas this year including working towards establishing community engagement forums – to be completed in 2023, monitoring and evaluation across requirements as well as meeting the requirements under community health and safety, site-

induced migration, contractor social management and Indigenous People's plan. From an independent external assurance process, sites achieved an average score of 69% of the requirements against an 80% target. This shortfall is attributed to three requirements at Sishen not achieving their target. Kolomela achieved 83% against an 80% target and Sishen scored 54% against a 79% target. Both operations will develop and implement a detailed improvement plan to address gaps identified.

With the full transition to the Social Way 3.0 almost complete, we are using the new management system to push continuous improvement and embed social performance into operational decision-making and process planning across our business, to minimise any negative impact of our activities, while expanding the positive outcomes.

Kumba's Social Way steering committee continues to drive an integrated, cross-functional and collaborative approach to social performance management. The committee is led by the Executive Head of Corporate Affairs and includes relevant Exco members and general managers supported by cross-functional social performance teams and management committees at sites. Social performance management committees are in place at both Kolomela and Sishen comprising site leadership teams. Senior managers are held accountable for social performance and receive ongoing sensitisation and engagement on requirements.

Grievances and incidents

The Social Way provides clear guidance on how to manage grievances and incidents. The sites develop and implement grievance and incident management procedures guiding screening, investigation, and the reporting and close-out of incidents and grievances based on the social consequences.

Social incidents rated level 4 and 5 (significant) are reported to our Board, and are included on the Chief Executive's quarterly performance scorecard. Our procedures commit us to dealing with them in a transparent, accountable and respectful manner.

During 2022 we recorded and reviewed 68 social grievances across our sites (2020: 73), and 15 social incidents. Consistent with the previous years, the review highlighted that social challenges at both Kolomela and Sishen are primarily related to expectations for greater procurement and local employment opportunities, resettlement and contractor benefits. We continue to deal transparently with social grievances, and seek to communicate opportunities more openly and to remove barriers to local employment and procurement opportunities.

— **Our efforts to build the capacity of SMMEs to better position themselves for opportunities are reviewed** on page 52, **and our efforts to support youth employment opportunities are reviewed** on page 53.

We continuously engage with municipalities for both operations to address challenges in delivering sustainable services to the communities and addressing their critical needs.

Of all the incidents reported in 2022, five were at level 3 compared to five in 2021. There were no level 4 or 5 incidents. We recorded 14 social incidents at Sishen and one at Kolomela. At Sishen, two level 3 incidents were related to non-violent protest action by a local community (Mapoteng/ Sesheng). At Kolomela, a level 3 incident involved a local taxi association's illegal demonstration, which resulted in two hours of business disruption. Engagements with the taxi association are ongoing.

Our stakeholder engagement processes are designed to mitigate any potential tension and misunderstanding on the work we are doing. Engagements continued with, among others, local business forums, municipalities, and the DMRE, DoH, Department of Education, Department of Cooperative Governance and Traditional Affairs (CoGTA) and Department of Social Development (at provincial level) to facilitate the implementation of various programmes and to provide an update on key developments and opportunities. All Kumba sites are in the process of establishing local accountability forums or community engagement forums.

Focus areas and developments

Socio-political environment

Kumba continues to monitor the socio-political context around our operations and actively engage to manage potential risks to the business and impact on our stakeholders. Prominent issues this year included emerging business and youth forums with conflicting interests across the John Taolo Gaetsewe District Municipality, national and regional political party rivalry in Kumba's area of influence, and emerging Indigenous Peoples groups making demands on Kumba. We are reviewing our ESD approaches and programmes to identify opportunities to mitigate risks.

Contractor social management

Sishen and Kolomela have been investing significant management attention and resources into rolling out effective strategies for contractor social management, which continues to present high risks at both mines, for example, during the execution phase of projects. Both operations have

Upholding high social standards cont.

experienced incidents from which they have learned and shared lessons. The approach is supported by the application of Passport 360 as a management and reporting system. Both mines are addressing opportunities to extend and deepen how social performance considerations are factored into the tendering, adjudication and contracting processes and associated management, monitoring and reporting.

Indigenous peoples

Kolomela has taken a proactive approach aimed at understanding and strategically managing indigenous peoples (IP) issues around its operations in the short, medium and long term. This includes conducting a study to determine whether any IP may have been more closely associated with the site's primary area of influence (in particular, the historical Griqua village Blinkklip, now Postmasburg) and accordingly whether the site has had any negative impacts on the Griqua peoples. During the 2022 Anglo American Social Way assessment it was determined that the IP requirements, as outlined in Anglo American Social Way, do not take into account the South African legal framework on IP and as such Anglo American is in the process of developing an IP guidance note for South African operations.

Land access, displacement and resettlement

Displacement and resettlement as a result of our activities is a complex and sensitive issue, which we handle in line with international best practice. In line with Anglo American's resettlement governance processes. We now treat all community resettlements as capital investment projects. This means resettlement planning undergoes rigorous assurance and review by senior leaders, supported by subject matter experts.

Last year, Kumba completed a successful relocation of the Dingleton community to Siyathemba, the new host site area in Kathu. The R3 billion world-class relocation process was undertaken to enable the extension of Sishen mine to the Dingleton area. The seven-year exercise saw Kumba move about 3,400 people from Dingleton to Siyathemba and other areas around Kathu and the Northern Cape province. The newly

built suburb has neat grids of over 500 new houses, each with a solar geyser and rainwater tank. There are seven churches, police stations, schools, a youth centre which includes sports and recreational activities, and a healthcare clinic. We have made significant progress in managing a mediation process aimed at resolving renter housing issues for the relocated Dingleton community. Close collaboration and engagement have been and continue to take place with local and provincial government in respect of the housing solutions, which include the donation of serviced land to local government for low-cost housing development and the donation of a block of flats accommodating renters, including the vacant land portion on which the flats are situated. This will guide a final relocation process for these individuals with associated monitoring and post-resettlement support provided.

Kumba continues to monitor and strengthen relations with the community at Siyathemba and to invest in ensuring the improvement of the livelihood and quality of life of the resettled families, especially the vulnerable; we also support local businesses and entrepreneurs, particularly the youth, with training and business opportunities. Kumba's Chief Executive met with the community in November 2022 to discuss progress and concerns raised. We have appointed a livelihood social impact service provider to identify socio-economic impacts with a view to developing a five-year strategy.

A homeowners' trust is in place to pay for the rates and taxes of the new houses for 20 years and five-year gradual phase-off period. We continue to host sessions with the community to raise awareness of the trust.

Strict monitoring and evaluation of the resettlement project is undertaken and an extensive grievance mechanism is maintained by the on-site resettlement office and support staff.

The resettlement close-out audit commenced during 2022, once concluded, Kumba will ensure that any identified corrective measures are carried out.



Waste material mined from the Western expansion in the Sishen pit is hauled and dumped in the mined out areas of the pit.

Gaining assurance and alignment with IRMA

As part of our commitment to ethical value chains, we have adopted internationally recognised external assurance schemes such as the Initiative for Responsible Mining Assurance (IRMA) that serve as validation of our sustainability practices. The IRMA Standard defines good practices for what responsible mining should be. By setting aspirational goals for how mines should operate and perform, it drives continuous improvement across all aspects of responsible mining.

The IRMA assessment process begins with a self-assessment at site level, followed by desktop- and site-based audits by independent certification bodies before a result is announced publicly. The results range from IRMA Transparency to IRMA 50, IRMA 75 and IRMA 100 certified achievement levels reflecting gradual improved performance. Each level requires a third-party audit and public disclosure of the results, with the IRMA 50 achievement levels requiring conformity to 40 critical requirements across four principal areas – business integrity, planning and managing for positive legacies, social responsibility, and environmental responsibility. A surveillance audit is conducted after 18 months and re-certification takes place every three years from first assurance.

In 2021, Sishen and Kolomela completed IRMA self-assessments and conducted preliminary virtual audits against the voluntary standard due to Covid-19 restrictions. Comprehensive on-site audits were conducted by an external service provider in 2022 with final reports received in July. Both sites achieved an IRMA Transparency rating, with six and five non-conforming critical requirements at Kolomela and Sishen, respectively. Very high scores were achieved in social responsibility and business integrity principles (human rights due diligence, community stakeholders and greenhouse gas emissions). More attention was needed in the planning for positive legacies principle (environment and social impact assessment, planning and finance reclamation and closure). Meeting the outstanding requirements would potentially move Sishen to IRMA 75 and Kolomela to at least IRMA 50. Both mines developed corrective action plans to close out non-conforming critical requirements, in consultations with the auditors, and began implementing close out actions in Q4. Bi-weekly meetings are held to track close-out progress and escalate risks where applicable. The mines aim to complete implementation by Q1 of 2023, submit additional evidence to the auditors and meet to discuss final changes.

Sishen has identified possible future land access requirements and is conducting initial studies aimed at informing the development of a land access and displacement strategy.

Illegal mining

The South African mining industry faces a long-standing risk of illegal mining activities. At Kumba we are fortunate that the risk is insignificant due to the bulk commodity that we mine. We do, however, have access control processes in place at all our operations to mitigate the risk of unauthorised entry.

Making a positive social contribution

In this section

Supporting local economies	Building local capacity	Sharing the benefits of mining
Highlights	Learnings/challenges	Focus for 2023 and beyond
<p>Spend with host community suppliers has grown exponentially, from R500 million in 2017 to R5.4 billion in 2022</p> <p>Good progress in implementing livelihoods, health and wellbeing and education strategies under the thriving communities pillar of the SMP</p> <p>Second phase of the Anglo American education programme launched, increasing the support we provide to 45 schools</p> <p>Northern Cape Impact Catalyst has made progress with seven of the 14 prioritised high-impact CRD initiatives to be implemented through key partnerships</p> <p>Successful implementation of a new housing strategy and policy aimed at facilitating and incentivising home ownership, attracting high levels of interest</p>	<p>Kolomela levels of youth procurement in mining services slightly below target</p> <p>Housing shortage at Kolomela</p> <p>Ensuring 100% compliance in terms of stated commitments in SLPs at all times</p> <p>Service delivery within our communities, in particular, water and waste management</p> <p>Potential misalignment on key community upliftment needs</p> <p>Evolving communities' sentiments of fair share and resource settlement</p>	<p>Target for 2023 is to spend 22% of addressable (discretionary) localised procurement spend with host community suppliers</p> <p>Develop supplier capacity in three municipalities where Kumba's spend is low</p> <p>Delivering our CRD vision to 2030 with a myriad of socio-economic development initiatives for the province</p> <p>Implement initiatives to meet SMP thriving community targets</p> <p>Impact assessments on our projects and programmes</p>

Kumba contributes to communities both directly and indirectly, through the taxes and royalties we pay, the jobs we create, the local workforces we upskill, the local business opportunities we generate, and the education and community health initiatives we support.

Management approach

Kumba aims to create thriving communities by acting as a catalyst for enduring economic prosperity by creating employment opportunities and a more inclusive supply chain that generates shared sustainable prosperity in the communities around our operations. We are also facilitating a collaborative approach to regional development to drive sustained economic diversification. We take a long-term view, designing our operations and community development

interventions to enable communities and economies to thrive well beyond the closure of our mines.

In supporting livelihoods impacted by the pandemic, Kumba has continued to collaborate with other mining companies, SIOC-CDT, our contractors, non-profit organisations and government at the national, regional and local levels to navigate for long-term solutions and sustained economic recovery.



Tsantsabane Youth Centre near Kolomela.

Making a positive social contribution cont.

SMP targets and progress

We are making good progress towards our socio-economic development targets and stretch goal of creating thriving communities with better health, education and level of employment. Various health, education and livelihood programmes are at different stages of implementation, in line with the targets set in the SMP. This year we have adjusted our health and education targets and scope, with consideration for the evolving post-pandemic landscape and opportunities to further integrate our initiatives. We have refined our strategies to increase their impact and have developed KPIs under each of the pillars.

Thriving communities

Education



- Our vision is for all children in host communities to have access to excellent education and training.
- 2030 milestone: Schools in host communities to perform within the top 20% of state schools nationally.
- 2025 milestone: Schools in host communities to perform within the top 30% of state schools nationally.

Health and wellbeing



- Our vision is for the UNSDG targets for health to be achieved for all our host communities.
- 2030 milestone: SDG 3 targets for health to be achieved in our host communities.
- 2025 milestone: Operations to be halfway to closing the gap between baselines.

Livelihoods



- Our vision is shared sustainable prosperity in our host communities.
- 2030 milestone: Five jobs facilitated/supported off site for every job on-site.
- 2025 milestone: Three jobs facilitated/supported off site for every job on-site. The targets apply at a regional level and are not directly linked between mines and mine communities.

myriad of socio-economic development initiatives for the province through key partnerships. An MoU has been signed and an operations committee is in place, comprising Kumba, Assmang, KMR, and South 32. The initiatives identified for further development, or expansion, focus on schools and community ICT, enterprise and supplier development, health, agriculture, municipal capacity development, and infrastructure support. Progress has been made this year with seven of the 14 prioritised high-impact projects. Workshops have been held to finalise interventions under each programme. An Impact Catalyst roadshow was held in 2022 to secure buy-in from local and regional stakeholders.

Socio-economic development around our operations

Our CRD programme is designed to complement our established SED activities. These apply a more granular, local lens to opportunities for our business to create social value. Our aim is to strengthen the institutions that support local economies, and build the skills and capabilities that diversify economic activity beyond mining.

By adhering to our Social Way requirements on SED, our sites are guided in identifying priorities and target interventions that have the greatest impact. We implement a robust assessment methodology tool to measure our SED performance and inform the design of effective site-level strategies.

Our approach is also informed by regulatory requirements, such as those of our SLPs. These focus primarily on education (programmes, school and university infrastructure included), bulk infrastructure (supporting local government), and ESD. The five-year SLPs are developed through a consultative process with the respective municipalities and through regular interaction with host communities. They are reviewed and revised where necessary, including prioritisation of projects. Large-scale projects are aligned to municipal integrated development plans and local economic development strategies. The quality of relationships and levels of trust that we have fostered with our host communities have enabled us to maintain good relations and communicate effectively about our SLPs and other social commitments. Each of our operations has a stakeholder engagement plan that is updated on an annual basis.

We held a dedicated stakeholder engagement day at each of our sites in April and September, engaging various community groupings on our ESD, SLP, social investment and SED programmes.

Our objectives are aligned with national, provincial and local priorities, and draw from South Africa’s National Development Plan (NDP) and the UNSDGs. We work closely with the DMRE and the provincial and local authorities, and seek their guidance, advice and support on how best to integrate our efforts into their integrated and local development planning for the region.

Many of our initiatives are implemented through strategic partnerships with local government, development partners, SIOC-CDT, the Anglo American Chairman’s Fund, suppliers, communities, and NGOs. By focusing on leveraging our value chains and skills and implementing programmes systematically, we can have a significantly greater positive impact on host communities at a much lower cost than conventional social investment-led approaches.

Social legal compliance

Ensuring full compliance with government’s legislative requirements is a cornerstone of our commitment to delivering social value and promoting socio-economic transformation. We engage actively with government, both directly as a company and through Anglo American, as well as indirectly through representative business organisations to build trusted and co-operative relations, with the aim of contributing to the development of socially progressive and pragmatic legislation. We also subscribe to various leading voluntary codes and social compacts.

We endeavour to play our full part in transformation initiatives to meet the government’s social and economic development goals. We are committed to meeting the requirements of the MPRDA. We monitor our performance against the targets previously established in the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (Mining Charter).

— An overview of our performance against targets previously recommended in the Mining Charter expectations is provided in the appendix on page 83.

Collaborating towards an integrated regional vision

Our CRD vision to 2030 foresees the creation of initiatives aimed at delivering socio-economic change on a regional scale, with a set of partners connected through a common purpose of improving lives. The approach aims to improve thousands of lives, enhance communities and deepen collaboration with local partners for the benefit of all stakeholders, with a specific focus on empowering disadvantaged youth.

The “shared value” vision for the Northern Cape region, agreed in 2019 between diverse stakeholders, provided the foundation for developing and implementing an integrated strategy. In 2020, a spatial planning exercise informed the identification of socio-economic development (SED) projects. Given the importance of food security, we have developed an agricultural strategy. The Northern Cape Impact Catalyst cross-sectoral development platform is facilitating the implementation of the shared value strategy, covering a

Making a positive social contribution cont.

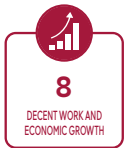
We also seek to align with the B-BBEE Act and work towards compliance with the new B-BBEE Codes of Good Practice.

Kumba’s latest B-BBEE scorecard is provided on our website.

We continue to play a leading role in the Minerals Council South Africa, helping to lobby on key issues and for a consistent and stable regulatory environment. We subscribe to the principles and commitments outlined in the human rights framework, and have maintained our commitments in terms of the leaders’ declaration on the mining industry commitment to save jobs and ameliorate the impact of job losses.

Supporting livelihoods – building local economies

Inclusive procurement and local supply chains



Kumba is committed to inclusive procurement and developing local supply chains that can support resilient communities. We aim to build these supply chains by supporting small business growth in our host communities, stimulating job creation, building manufacturing capacity, and focusing on creating economic opportunities for previously excluded groups.

The following principles guide our approach to inclusive procurement, supporting our thriving communities objective:

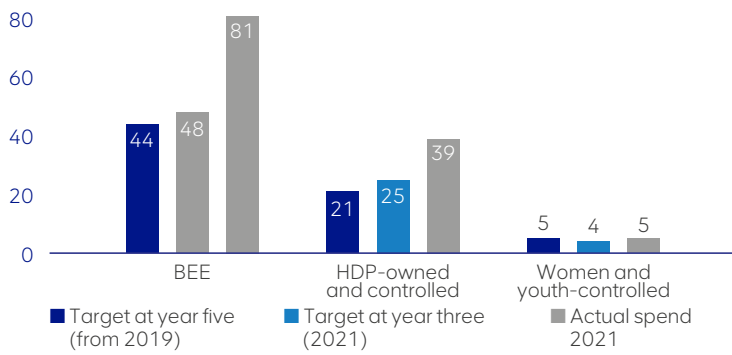
- **Economic enablement:** Co-creating shared, sustainable value in our host communities to promote economic growth and improve the quality of life in the area
- **Sustainability:** Going beyond compliance targets and ensuring that host communities thrive beyond the life of our mines
- **Sound governance:** Fair and inclusive sourcing processes, and a commitment to helping new suppliers achieve our standards on quality, delivery, service, safety, health and environmental considerations
- **Working in partnership:** Creating an enabling environment for inclusive procurement by working with internal and external partners, including our major suppliers, communities, government, industry and development institutions.

Our procurement activities and targets place a significant focus on procurement spend with South African women-owned and South African youth-owned suppliers (51% or more owned and controlled).

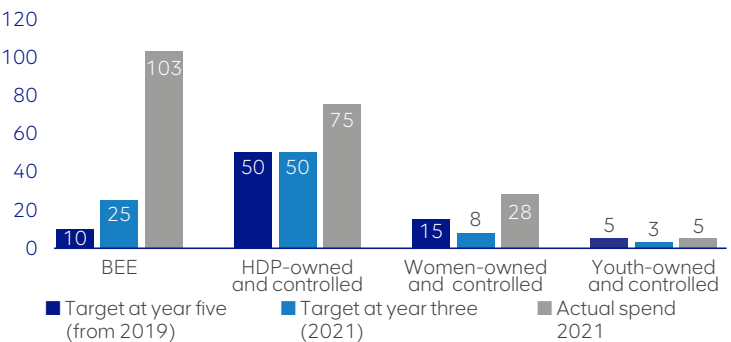
The performance of Sishen and Kolomela against year four targets in their respective five-year procurement plans is illustrated on this page. There has been encouraging progress in increasing sourcing of goods and services from youth and women-owned and controlled businesses. We have met all of our internal targets for procurement of goods and services. Youth-owned and controlled mining goods were marginally lower than the target. It is an area of improvement, and interventions to increase spend include ring-fencing opportunities and supplier support.

This year, Kumba engaged external consultants to assess the socio-economic impact of our inclusive localised procurement initiative in our host communities. In following the study’s recommendations for programme improvements, we will strengthen our ability to monitor, evaluate and measure our impacts. We are also improving our processes to mitigate the risk of supplier misrepresentation, notably around BEE fronting risks.

Mining goods (%)



Services (%)



Procurement – performance against internal targets

Mining goods (R billion)	Kumba	Sishen	Kolomela
HDP-owned and controlled entities	2.9	2.2	0.7
Women and youth-owned enterprises	0.4	0.3	0.1
BEE compliant companies	5.9	4.4	1.5

Mining services (R billion)	Kumba	Sishen	Kolomela
HDP-owned and controlled entities	8.9	4.5	2.6
Women-owned and controlled enterprises	3.4	1.7	1.2
Youth-owned and controlled enterprises	0.6	0.3	0.2
BEE-compliant companies	12.2	5.3	3.2

Spend with host community businesses

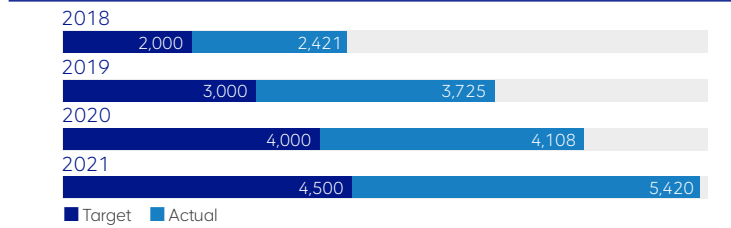
Kumba has consistently exceeded its annual targets set to dramatically increase the proportion of spend with host community businesses. Since introducing our inclusive procurement strategy in 2017, we have focused on procuring with transformed businesses that have a structure make-up of 51% or more black ownership and place a stronger emphasis on those that reside in designated host municipalities. Some of the enabling interventions include eliminating barriers to accessing opportunities with operations, focused development as well as technical enablement of the enterprise, suppliers and youth, increased collaboration with partners, and ring-fencing opportunities

for host community suppliers. Kumba has also implemented conditions and processes to ensure that large contracts deliver maximum impact towards host community procurement through sub-contracting and skills transfer, and procurement from localised suppliers. Our approach is in line with the commitment to create three indirect jobs for every on-site job by 2025.

Annual spend with host community businesses has grown from R506 million in 2017 to R5.4 billion in 2022, against a targeted R4.5 billion, with R488 million accounting for sub-contracting opportunities afforded to host community suppliers by our major suppliers. Increasing levels of procurement with women and youth-owned entities is a particular highlight. The target we have set for 2023 is to spend 22% of addressable (discretionary) spend with host community suppliers. The number of eligible host community suppliers (minimum 51% black ownership and minimum 36 months residency in the host communities) onboarded onto the database has decreased from 341 to 309 in 2022, with 97% of the count actively conducting business with Kumba. A total of 47% of local suppliers are classified as exempt micro enterprises and 53% of suppliers have earned above R5 million in 2022.

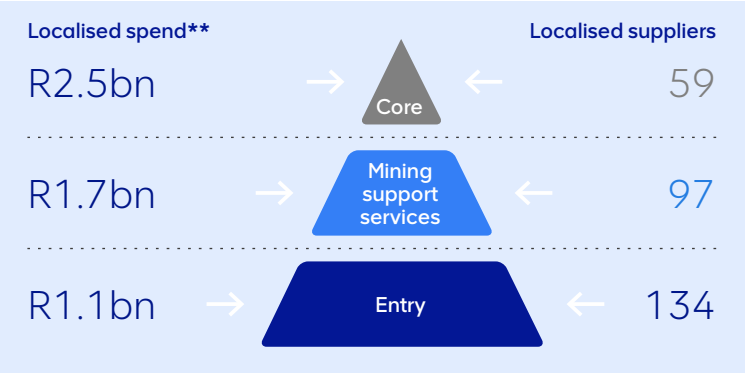
Kumba also measures the distribution of the spend in all six of the host municipalities, which favours the more developed municipalities of Gamagara and Tsantsabane. We are implementing programmes to develop the capacity of suppliers from the municipalities of Kgatelopele, Joe Morolong and the town of Griekwastad to enable increased spend with suppliers in these areas.

Year-on-year host community spend (Rm)*



* Including spend with sub-contractors.

Making a positive social contribution cont.



Success stories in 2022

K-C Mining is a host community joint venture supplier. It was awarded with a 54-month contract to mine 3 to 3.5 Mtpa in Lylyveld South. K-C started production in late in 2022. It ramped up and onboarded the bulk of the machines and people to execute the work, with 80% of employees from local communities, women in mining in top management (such as the Site manager), Safety officers and an operational supervisor. Some of the highlights since the commencement of the contract include operating free from fatalities, LTIs and HPis in 2022. K-C contributed towards inclusive procurement through partnering with CC Steelworks and local skills development with local partners (Letlhogonolo Laron Business Enterprise, TY2One and Matududu Mining Services).



In advancing prospects for SMMEs in the host communities of Postmasburg and Kathu, a flagship contributor is a R2 billion contract in place with 51% local exploration drilling contractor Rosond that includes a dedicated localised spend of R500 million over five years (2019 to 2024).

Strategic engagements with business forums and SMMEs that are not in forums are instrumental for creating and maintaining harmonious relationships and alignment on focusing on what is important to the community businesses. Engagements are conducted at various organisational levels including with our Chief Executive, who engages with the business forums twice a year.

The Kathu Industrial Park development project, is being advanced in collaboration which the government, IDC and nearby mining houses. Once fully established, it will support local suppliers located in and around Kathu. The initiative has received funding of R200 million from government and key milestones required to unlock catalytic funding from various key stakeholders have been agreed.

Supplier and enterprise development

In supporting the wellbeing of localised suppliers, we focus on providing funding and developing supplier capacity to deliver quality work safely. Our efforts are driven through the supply chain technical enablement team and partners such as Zimele and the SIOC community development trust. In-house interventions to develop localised suppliers include providing purchasing tender preparation training, legal training, and financial coaching and mentorship. Most training is conducted virtually.

Zimele is Anglo American’s flagship ESD and youth development programme. Its aim is to grow sustainable livelihoods in mining communities by creating jobs and developing small businesses through building the required skills, networks and channels of support. Contributing towards building thriving communities, Zimele supports the delivery of an effective, reliable supply chain to our operations while enabling wide-reaching job creation, enterprise and supplier as well as youth development in our Kumba Iron Ore mining communities.

A total of 759 beneficiaries graduated from various Zimele programmes in 2022, including 46 suppliers, 221 enterprises and 492 youth. Those in supplier development programmes grew their revenue by 25% on average and enterprise development programmes grew by 66%. By the end of 2022,

the programmes created market linkages to the value of R1.13 billion, of which R1.1 billion was awarded by Kumba.

In partnership with Absa, Zimele provided loan funding to 22 participants, through 22 transactions valued at R53 million. Zimele has a 95% recoverability of loans disbursed, highlighting the successful integration between Zimele, Absa and our supply-chain and inclusive-procurement teams. Debtor working committees were introduced in 2022 to improve collections in the Zimele loan book and monitor all stakeholder loans.



To enable capacity development of suppliers from the municipalities of Kgatelopele and the town of Griekwastad, where access to training opportunities is limited, we are constructing a satellite training hub 70 km from Kolomela,

In addition to external partnerships, Kumba has a technical enablement team that is designed to support host community suppliers at an operational level to build their capacity and better position themselves for procurement opportunities. The Kumba safety officers who are part of the structure support host community suppliers with onboarding on the Kumba safety management platform to optimise the time required to commence work at our mines. In 2022, the drive was to ensure that SMMEs are pre-qualified to identify development opportunities. 180 pre-qualifications were completed and adjudicated in 2022. The team completed 1,067 engagements in total, with host community suppliers all logged in the Passport 360 system.

This year we conducted an internal assessment with host community suppliers aimed at identifying their challenges and opportunities for us to improve our support. To address these issues, we implemented training programmes in Q3 to improve skills and resources to deliver projects effectively as well as training on compliance readiness. To improve access to advertised opportunities we increased information sharing platforms.

At Kolomela’s Kapstevél South (KSS) project, we have continued to provide support and coaching to enable our host community contractors to grow and establish themselves as competent and experienced contractors. The model we implement provides customised support for each of our appointed host community contractors based on their level of skills and experience. We partner with Anglo Zimele to also provide construction management training through an accredited service provider. Following the success of the initiative in 2021, three contractors enrolled in 2022 and are working on-site with daily coaching and support from the KSS project team.

We strive to conduct business with as many suitable suppliers as possible, yet cannot meet the demand. As part of our ESD activities, we encourage suppliers to seek opportunities with other companies rather than wait for a contract with Kumba.

Changing lives through education



We have maintained a focus on delivering positive outcomes through our efforts in implementing the Anglo American education programme at Sishen and Kolomela, in partnership with the Department of Basic Education. An MoU was signed in 2021 with the Provincial Department of Education fostering stronger partnerships in implementing the ambitious programme.

The first phase, launched in 2018, has continued to make progress in providing wide-ranging and quality education for an estimated 16,000 learners and 500 teachers at 25 ECD sites and 25 schools (primary and secondary) local to Kolomela and Sishen.

We conduct learner assessments at schools to measure learner progress towards stated goals and to inform the support required at the various schools. We conduct

Making a positive social contribution cont.



Toward our education targets

The AASA education programme targets:

- Early childhood development:**
- 90% of learners aged five years should meet the minimum requirements for school readiness
- Primary school:**
- 90% of Grade 3 learners passing with at least 50% in numeracy and literacy
- Secondary school:**
- 75% of Grade 6 learners passing with at least 50% in mathematics and English
 - 90% matriculant pass rate in participating schools with 50% bachelor’s degree pass (university entrance)
 - 65% of Grade 12 learners passing with at least 50% in mathematics

In 2022, the Northern Cape, schools on the programme saw a 81.9% (2021: 76,1%) matric pass rate, compared to the provincial average of 74.2% (2021: 71,4%). Our learners increased their maths pass rate from 55% to 64%. Science pass rate increased from 69% to 81%. Postmasburg High School and Nametsegang High School achieved 95% and 97% pass rate, placing within the Top 20% of schools nationally. While schools in our programme showed improved results, and generally performed above provincial and national margins, contributing factors to both gains and regressions achieved at individual schools have been identified by the programme and will inform programme approaches and improvement plans in 2023.

educator assessments for diagnostic purposes. We have also supported selected schools with infrastructure upgrades aimed at ensuring there is a safe and conducive learning environment. There have, however, been incidents of theft of ICT resources and vandalism of school infrastructure. In seeking to address this challenge, we have engaged with school governing bodies, SAPS and district and local education officials.

The response to the education programme remains very positive from all stakeholders involved. We continue to provide support to school governing bodies, school management teams, teachers, parents, and grade 12 learners.

The second phase of the programme was launched in July 2022 with 20 primary, secondary and high schools selected to participate, bringing the total to 45 schools supported. This phase is placing an emphasis on ICT and after-school programmes. Our aim is to ensure that all schools are connected and that teachers and students have access to WiFi and online resources. Devices, content and training will accompany the connectivity to help develop ICT skills for teachers and students. The programme will start leveraging more ICT-related learning to support the requirements for the future of work. A further aim is to integrate the education programme with Kumba’s wider training and skills programmes.

Another area to highlight is the strong partnership between Kumba and the Sol Plaatjie University, the only university in the Northern Cape. Kumba has made a R20 million contribution towards the university’s first endowment fund, Lesedi La Afrika Fund. The recently launched campaign aims to raise R100 million over three years towards the sustainability of the university and scholarships for young people. This year Kumba also awarded bursaries for 23 learners from Postmasburg who were placed in various faculties within the institution.

Youth work readiness and local workforce development

To help meet host community requests for employment, we work with partners to provide diversified workforce development opportunities and to develop non-mining jobs in host communities through enterprise development and local employment programmes.

Kumba runs a training centre at Kathu and at Kolomela, providing training in skills outside the mining sector, such as welding, plumbing and carpentry. In 2022, 604 community members participated (2021: 267).

In supporting youth development, Kumba participates in the YES initiative, a business-led collaboration with government and labour to stimulate demand-side job creation through the placement of about 800 previously disadvantaged, unemployed youth from the local communities into new, 12-month work experience and training opportunities in non-engineering roles. There is a steering committee to manage our involvement in the initiative. In 2022, we employed 68 local graduates into the Company, up from 31 in 2021, to provide work exposure.

The Kolomela community bursary scheme continues to deliver good results and currently supports 41 local students. Sishen also runs internship programmes in our different local municipalities aimed at preparing graduates for the workplace. These interns have been placed in various government departments. Sishen partners with the Northern Cape Rural TVET college in Kathu in allocating bursaries to learners from the district to further their studies towards a hospitality management and teaching qualification. This initiative is also part of a bigger programme to develop the local TVET and diversify the courses offered by the institution.

Zimele has partnered with Reach Summit to offer tailored, sector-specific skills development programmes to youth living in our communities. This includes training programmes targeting the hospitality and tourism, and wholesale and retail sectors, both of which have high employee demand. To date, 413 beneficiaries have completed the programme and 508 are in the process of completing it. Zimela has placed 103 eligible graduates in short-term and long-term employment opportunities. Together with Reach Summit, the programme is working to ensure the remaining learners are placed, both regionally and nationally.

Building local capacity



Social investment

We concentrate on delivering social investment that supports those most in need, focusing on health, education and community development, in line with our SMP. Our long-standing community healthcare activities are reviewed on page 38.

Our community development budget is 1% net profit after tax. In 2022, the budget was R366.2 million (Sishen: R120.2 million; Kolomela: R89.3 million; corporate office: R156.7 million). By year end, we had spent R399.5 million (2021: R257.5 million). A substantial number of our development initiatives contribute directly to progressing our SLP commitments, of which the majority are bulk infrastructure projects and education and skills development projects. During 2022, we spent R154.4 million on SLP projects (2021: R108.6 million).

Some of the SLP projects carry over into the following year. Internal municipal challenges, including land access issues, continue to have an impact on the progress of certain infrastructure projects. By year end, 91% of planned SLP projects were implemented at Sishen and Kolomela. This year, Sishen amended its draft 2022 to 2026 SLP following consultations with the DMRE and the three municipalities and submitted the updated SLP in December 2022.

Sishen, Kolomela and Kumba corporate office collectively implemented 56 community development initiatives in 2022. Overall expenditure was 109% of our 2022 budget. The Anglo American education programme, and a number of infrastructure projects at the sites accounted for the majority of expenditure in 2022.

Kumba implements an employee volunteering programme, Anglo American’s ambassadors for good, at all our sites. The programme encourages employees to implement community projects in partnership with an NGO, with funding provided by the Anglo American Foundation.

Making a positive social contribution cont.

CED expenditure corporate social investment (CSI) and SLP projects

Rand million	2022	2021	2020
Corporate office (including Chairman’s Fund)	147.3	65.7	127.8
Sishen	139.4	114.0	77.6
Kolomela	112.8	77.8	58.2
Group	399.5	257.5	263.6

Areas of CED expenditure

Rand million	2022		2021	
	Amount	%	Amount	%
Education and skills development	134.4	34	65.6	26
Health and welfare	30.9	8	59.0	23
Enterprise development and poverty alleviation	164.3	41	95.1	37
Infrastructure	55.1	14	21.4	8
Institutional capacity development and donations	9.8	2	13.2	5
Sports, arts, culture and heritage	5.0	1	3.2	1
Total	399.5	100	257.5	100

Municipal capacity development

Kumba has continued to implement a municipal capacity partnership programme (MCP) aimed at strengthening systems and processes that are critical for municipal operations, as well as developing the soft and technical skills of municipal staff. We are partnering with the national department of CoGTA, which sponsors our initiatives at provincial and local levels.

This year, the MCP gained further traction at both Tsantsabane and Gamagara local municipalities. Respective municipality water safety plans, developed with support from the MCP, were approved. Support was provided to build capacity for improved strategic planning (including SDFs, linked to the CRD programme) at both municipalities. This resulted in agreement and buy-in among the different departments of each municipality around a shared vision and development scenarios.

Accommodation and living conditions

The Company’s investment in the accommodation and living conditions of employees is a pillar of our contribution to the wellbeing of our host communities, and an area where we are recognised as leaders across the sector. Kumba continues to

facilitate access to housing by providing support measures to all employees in the form of a housing allowance, interim rental allowance and housing grants to employees in the bargaining category to enable them to either purchase or rent accommodation.

We currently have 5,131 employees (80% of permanent employees) living in Company-provided accommodation where there is a rental contract applicable (2021: 3,810). In 2022, Kumba’s housing expenditure (including housing allowances) was R482 million (2021: R363 million).

At the beginning of 2022 we started phasing in our innovative new housing strategy and policy for Kolomela and Sishen. This was developed following an in-depth process to determine how best to address our challenges, with our housing steering committee engaging with industry experts, and with support from organised labour. All key stakeholders were consulted. The new approach aims to address key challenges of affordability constraints for many employees interested in home ownership and a shortage of houses at Kolomela amid an increasing demand for housing and the municipality’s limited capability to provide and maintain bulk services.

The new policy focuses on promoting home ownership (both generally, but particularly near our operations) and regulating housing benefit options. It is also designed to have the required controls to ensure decent accommodation for eligible employees, in line with employee aspirations informed by a housing survey conducted in 2019, as well as with Company requirements, and the housing and living conditions standard for the mining and minerals industry.

The policy supports and encourages employees to pursue a range of transaction options to invest in home ownership, rather than choosing to rent. Home ownership provides greater security for employees as well as an opportunity for wealth creation. The following principal support measures are offered to eligible employees. Kumba pays the fringe benefit tax payable for these transactions.

- Financial support in the form of a once-off grant of R150,000 for home ownership at work, to assist with aspirations to buy, build, or upgrade a house; the grant is provided in addition to a housing allowance increased by R750
- A once-off grant of R80,000 to assist employees with relocating from Company accommodation to their own house within 100 km
- Discounted valuations of Kumba houses for sale (40% discount of market valuation)
- Discounted valuations of Kumba serviced stands for sale (50% discount of market valuation) and R150,000 towards the building project

In addition, Kumba provides housing advice (financial advice, coaching on builder, ownership and maintenance responsibilities), creditworthiness support and facilitated government housing grants for qualifying employees.

In offering housing allowances, if an employee elects to rent or own private accommodation, such accommodation must meet minimum specifications of the policy, which the Company is obliged to confirm, in line with the standard.

The policy applies to the permanent employees at Kolomela and Sishen in the bargaining unit and GBF job bands. Other Kumba employees renting company accommodation at Kolomela and Sishen are being aligned to the policy.

We have communicated with employees on how the policy works and its benefits. Kumba appointed dedicated resources with extensive experience to implement the new policy. There are two permanent housing advisors on-site at each mine to address employees’ housing issues and transactional requirements, at the Company’s cost.

The policy has been implemented successfully. Since its launch, there has been a high level of interest and participation from employees, with numbers subscribing for grants far exceeding availability. During 2022, the policy assisted 205 employees to relocate from Company accommodation to their own house. Other measures of positive impact are show in the table below.

Housing policy – consolidated transactions* (as at year end)

Housing aspiration	Number of employees	Grant/benefit	Cost (Rand)
Renovations and/or upgrades	428	At work grant R150,000	64,200,000
Completing an unfinished/incomplete house	31	At work grant R150,000	4,650,000
Build a new house on already owned land	27	At work grant R150,000	4,050,000
Buy a house in the private market	8	At work grant R150,000	1,200,000
Relocating to own house	205	Relocation grant R80,000	16,400,000
Credit worthiness support	7	Borrow from housing grant to settle debt and repay grant over 24 months to start housing transaction	698,000
Mine houses sale	73	40% discount per house	—
Service stand sale	37	At work grant R150,000	5,550,000
Total	816	Total	96,748,000

* Kumba employees across the operations, Saldanha Bay and head office.

Making a positive social contribution cont.

The policy roll-out is a gradual process, with home ownership support being made available at the onset and with rental adjustments implemented across two tranches. At every step Kumba will ensure that there is detailed communication, both at a general level and at an individual level, to ensure that all affected employees are able to make fully informed decisions that make best use of the changes in the policy in their specific circumstances. The impacts of the policy change on Kumba employees will continue over a number of years as the financial impact of changes on rents, housing allowances and other areas are gradually phased in.

Once the policy is fully implemented, we will amend our housing and living conditions plan, which articulates our strategy to meet the standard’s requirements.

Sharing the benefits of mining

Economic value added

The people we employ, taxes we pay and money that we spend with suppliers represent our most significant positive contribution to the South African economy and our host communities.

In 2022, Kumba contributed R44.0 billion of direct economic added value (2021: R74.2 billion). For a breakdown of this figure, see the table below.

Through the multiplier effect, our total economic contribution extends far beyond the value that we add directly.

Value distributed

	Rand million		%	
	2022	2021	2022	2021
Employees	6,529	5,620	14.8	7.6
Providers of finance	486	285	1.1	0.4
Government	8,920	21,215	20.3	28.6
Community spend	399	258	0.9	0.3
Shareholders	24,993	48,208	56.9	64.9
Value reinvested	2,614	4,377	5.9	5.9
Value retained/(distributed)	55	(5,751)	0.1	(7.7)

Community and employee share participation

Kumba’s neighbouring community members own a part of SIOC through the SIOC-CDT, which holds equity on behalf of the communities around Kumba’s mines. In line with our SLPs, the trust invests in community development, with an emphasis on education (especially ECD), skills development and infrastructure projects. For the 2022 financial year, SIOC paid R769 million (2021: R1,499 million) in dividends to the SIOC-CDT. SIOC-CDT, which benefits around 380,000 people in our host communities. Since they operate independently, they are development partners and material stakeholders of our mines, seeking to help communities become empowered and economically active in a way that will be sustainable long after our mine’s life has ended.

As part of the extended interim and broad-based employee share ownership plan (ESOP), Karolo, the second award took place in August 2022 (vesting in August 2025). This year we finalised the design of an innovative new ESOP scheme, which has been approved for implementation. More details are provided on page 43.

Payments to government

We see public disclosure of our tax payments as a key means of building trust in society around mining. We are committed to paying the right tax at the right time and recognise the importance of respecting the letter of the law, including the alignment of tax treatment with commercial reality.

Tax strategy

Our strategy is closely aligned with the responsible tax principles of the B-Team, a not-for-profit initiative that aims to encourage a better way of doing business. We act responsibly in relation to tax planning matters, do not take an aggressive approach to managing taxes and use business structures that are driven by commercial considerations.

Our approach to tax management is aligned with the Anglo American group tax strategy and is guided by the following five principles:

- Tax is a core element of corporate responsibility and is overseen by the Board
- The tax strategy is aligned with our values, purpose and SMP
- Pay the correct amount of tax at the right time in the right place and respect the spirit of the law
- Only use business structures driven by commercial considerations, which are aligned with business activities and substance
- Seek to engage positively and constructively

– More detail on the tax strategy can be found on the website: www.angloamerican.com/tax-strategy

Responsibility

The Kumba Board is ultimately accountable for our compliance with the tax strategy. Responsibility for ensuring compliance is delegated to the group head of tax, and taxation matters are overseen by our Chief Financial Officer and Audit Committee. The group head of tax is supported by a local and global team of experienced tax practitioners.

Approach to tax compliance

We are committed to paying the right tax at the right time. We recognise the importance of respecting the spirit and letter of the law, including aligning tax treatment with commercial reality. We seek certainty on tax matters where possible. In all our dealings with tax authorities, including

where we seek certainty, our relationships are centred on transparency. Where tax authorities have adopted co-operative compliance arrangements, we will therefore favourably consider participation.

As set out in our tax strategy, we allocate value by reference to where it is created and managed within the normal course of commercial activity, and we pay tax on that basis. We do not use tax haven jurisdictions to manage taxes and we commit to not transfer value created to low tax jurisdictions.

Transparency

We take a responsible approach to tax, supporting the principles of transparency and active and constructive engagement with stakeholders to deliver long-term sustainable value. We see the following benefits from this transparency with all our stakeholders, including:

- **Stakeholders:** the knowledge that Kumba is deeply committed to good tax governance and responsible tax practices, thereby mitigating tax risk
- **Tax authorities:** the development and maintenance of long-term, open and constructive relationships
- **Communities:** understanding the economic benefits attributable to mining in the region
- **Others:** making a meaningful contribution to ongoing tax and transparency debates. Through our holding company Anglo American plc, we proactively engage with industry bodies, business forums and civil society.

Tax governance and risk management

Over the last year the tax governance and risk management framework was implemented. This framework establishes a consistent and comprehensively applied methodology for the identification, assessment, management, escalation and reporting of tax risks. The tax risk management policy applies across all jurisdictions and addresses specific or judgement-based risks as well as operational or process risks, by providing clear management pathways for dealing with areas of uncertainty in the tax law. The policy also establishes principals for analysing, evaluating and treating (with mitigating controls) tax risks inherent to our business activities.

Operational and process tax risks, inherent in our business activities, are managed through the tax control framework (TCF). The TCF is instrumental in reducing our tax risk through

Making a positive social contribution cont.

the implementation of stable, effective and documented control systems, as well as aiding the management of tax risk within Kumba's broader risk governance systems. The TCF will also facilitate transparent and co-operative relations with the tax authorities. The TCF three lines of defence model are:

- first line: team of tax professionals and broader business stakeholders, responsible for delivering on the tax strategy and manages all tax risks and controls
- second line: dedicated Anglo tax governance, risk and compliance team, responsible for developing and maintaining the tax risk management framework within which the first line operates
- third line: internal or external independent assurance provider reporting to management and the Audit Committee on the adequacy and effectiveness of the tax risk management framework

The TCF sets a global minimum standard of control across Kumba and provides the framework within which we dynamically respond to new and changing tax risks. We also believe that the TCF will help facilitate transparent and co-operative relations with tax authorities.

Tax contribution

Since listing in 2006, Kumba has voluntarily provided information about tax payments. Tax matters are regularly presented to our Board and Audit Committee, which take a particular interest in the extent to which our approach to tax meets commitments to stakeholders, including government and local communities, as well as our policy of good tax governance. In addition, tax affairs are regularly scrutinised by external auditors and by tax authorities as part of the normal course of local tax compliance and reporting procedures.

Tax payments include corporate income tax, mineral royalties, VAT on purchases, duties on imports and exports, payroll taxes, carbon tax and dividend withholding taxes. We also pay a skills levy of 1% of our employees' pay to SARS. SARS distributes this amount to the Skills Development Fund, the government's training initiative, and the relevant sector education and training authorities (SETAs).

Tax is a significant element of the overall economic contribution we make to government and our host communities and the following cash payments were made to the jurisdictions in which we operate.

Total tax contribution by category

Rand million	2022	2021
Corporate income tax	7,131	16,603
Mineral royalties	1,789	4,612
Payroll tax	1,751	1,387
Skills levy	61	50
UIF	27	23
Total	10,759	22,675

Taxes paid and collected in South Africa

Rand million		2022	2021
Taxes paid	Corporate income taxes, mineral royalties, import and export duties, and other taxes which are a cost to the group	8,428	20,145
Taxes collected	Payroll taxes, withholding taxes and other taxes that are collected and remitted to government, but are not a cost to the group	1,839	1,460
Total		10,267	21,605

Tax and the SMP

As part of the SMP, the tax function has also developed a five-year sustainability plan. This will ensure embedding sustainability in the finance function. The tax sustainability plan is aligned to each pillar of the SMP and consists of:

- **Trusted corporate leader:** Be (and be recognised by key tax stakeholders as) a respected partner that operates best-in-class controls and tax reporting, contributes taxes responsibly and leads a dialogue on how tax can contribute to wider societal goals
- **Thriving communities:** Contribute to broader culture of learning and development through enhanced tax transparency, knowledge sharing, tax education and capacity building
- **Healthy environment:** Ensuring compliance with all environmental taxes, while delivering operational risk management, maximising value of environment-driven projects, and contributing to the broader societal debate on the role of green taxes



Air Ambulance – Rocket Hems have partnered to provide rapid medical emergency response services in and around the community of Tsantsabane municipality. The specially built ambulance helicopters and their crew help save lives by speeding interhospital transfers and providing specialised medical care to patients in flight.

Protecting our natural environment

We apply ecosystem-thinking to address the interconnectivity of nature, our environment and the ecosystems in which we operate to deliver positive environmental outcomes and address global challenges such as climate change.

Topics covered in this section

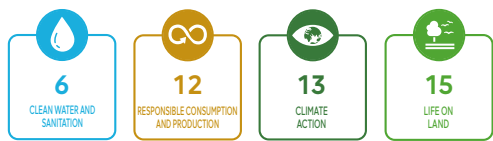
- Healthy environment
- Environmental management
- Climate change and energy management
- Water
- Mine closure, rehabilitation and biodiversity
- Air quality
- Mineral residue management
- Non-mineral waste management

Tree at sunset on Mamagodi game farm.

Healthy environment

We are stewards of the land and ecosystems at and around our operations. Our vision is to maintain a healthy environment, where we minimise impact and deliver positive and lasting environmental outcomes – in biodiversity and water stewardship, for example. We are innovating to reduce the environmental footprint of our business as we work on achieving the stretch environmental goals of our sustainable mine plan (SMP). In contributing to a low-carbon world, the high-quality iron ore we produce supports efficient steelmaking now, as well as the future transition of the sector to lower-carbon methods.

Our journey to deliver on our healthy environment vision



SMP stretch goals and visions	Milestones and ambitions	Progress and outlook
Climate change To operate carbon-neutral mines — Read more on pages 62 to 65	2024: Maximising our premium product* offering, which reduces scope 3 emissions 2030: Zero scope 2 emissions across our operations 2030: 30% reduction target in energy use and net GHG emissions (against 2016 baseline) 2040: Carbon neutrality (scope 1 and 2) across our operations 2040: 50% reduction in our scope 3 emissions (against 2016 baseline)	2022: Energy consumption of 8.97 million GJ, 3% higher compared to the previous year; GHG emissions of 0.994 Mt (scope 1 and 2) showed an increase against our 2016 baseline of 6% Although we did not achieve a net basis reduction, offset achievements have contained the increase to 0.5% compared to the prior year considering the increase in haulage distances; extreme weather conditions in the first half required alternative haulage routes as certain areas of the mine were inaccessible We have partnered to develop clean generation capacity to meet operational power requirements and support the resilience of local electricity supply systems We have formed a number of partnerships with major steel customers to work together to unlock clean steelmaking technologies
Water To optimise our water use — Read more on pages 66 to 68	As a net-water provider, it is challenging to increase our water recycling rate. Kumba has been working with Anglo American to revise our SMP water commitments in support of the group goal to reduce the withdrawal of freshwater by 50% in water scarce areas by 2030 against the 2015 baseline. In the context of the group target, Kumba's contribution will be 40%.	Kumba plays a critical role in alleviating water shortages in the catchments where we operate by providing about a third of its clean water in excess of operational needs to surrounding communities through the local water authority Our focus is on accounting and optimising our water use, identifying and implementing additional water projects to increase our water reuse rate, and optimally supplying our operations' excess clean water to our host communities We also plan to collaborate in developing infrastructure to support direct supply of water from our operations to local communities
Biodiversity To deliver NPI across our operations through implementing the mitigation hierarchy and investment in biodiversity stewardship. — Read more on pages 69 to 71	All sites within scope are to complete the minimum requirements of the Biodiversity Management Programme by 2025 This includes a: – biodiversity and ecosystem services baseline (by end 2023), – impact assessment and mitigation planning (by end 2024), – biodiversity offset and compensation management plan (by end 2025) Through completion of these elements, including an ecosystem services review and the use of biodiversity monitoring approaches such as eDNA, the site's natural capital will have been catalogued and enable a comprehensive biomonitoring programme	We are in the process of developing a biodiversity offset strategy to accelerate our progress towards delivering NPI. We are also exploring regional biodiversity offset opportunities

In addition to our focus on three key areas – biodiversity, climate change and water use (see above) – our environmental work also includes focusing on ensuring that there is reduction in the amount of non-mineral waste sent to landfill, supporting the circular economy throughout the value chain, managing mineral waste facilities optimally and across our business, addressing air quality and noise around our operations, and ensuring effective land rehabilitation and mine closure planning.

Our approach is underpinned by best-practice policies, performance standards and business processes; investing in internal capacity, capability and technological innovation; and partnerships and collaboration with stakeholders.

We track and ensure compliance with our policies and performance standards, which are available on request.

— website: <https://www.angloamericankumba.com/> or upon request

* Utilising high iron ore content products in blast furnace steelmaking can realise a 2.5% reduction in carbon emissions for every 1% increase in iron ore grade.

Environmental management

Highlights

Zero level 3 (or higher) environmental incidents in the past seven years
Improved reporting of leading indicators (high-potential hazards and hazards)
Department of Water and Sanitation (DWS) issued Sishen a pre-compliance notice

Learnings/challenges

167 low-impact (all level 1) environmental incidents reported, compared to 97 in 2021; hydrocarbon spillages continue to account for the majority (69%)
Two environmental complaints received and resolved

Focus for 2023 and beyond

Sustain zero level 3 to 5 environmental incidents and continue reporting HPHs and hazards
Track and maintain compliance with all applicable legal audit findings of environmental authorisations related to mining/process activities, water and air
Accelerate the implementation of predictive monitoring and data-driven decision-making

No level 3 to level 5 environmental incidents for seven consecutive years

Proactive dust management ensured zero PM10 exceedances recorded at our operations

72% increase in environmental incidents reported – 167 (all level 1) compared to 97 in 2021

Good progress with concurrent rehabilitation, exceeding all rehabilitation targets for reshaping, growth medium and seeding

In demonstrating responsible environmental stewardship, our starting point is to ensure environmental regulatory compliance across our business, and to strive to ensure no repeats of environmental incidents. Environmental management systems guide our continuous improvement, and we continue to identify, develop and implement data-driven solutions to protect the environment.

Effective risk management and continuous improvement

Our environmental policy forms part of the integrated SHE policy under the overarching Anglo American SHE policy. It supports the long-term sustainability of our business by ensuring we effectively manage resources, reduce our impact on the environment and local mine communities, and comply with legal requirements. The SHE policy embodies our three guiding principles: zero mindset, no repeats and non-negotiable minimum standards. The Anglo American SHE Way is the management framework we use to implement the SHE policy. This dynamic tool sets out what is expected of all employees, managers, and our organisation as a whole. SHE Way requirements extend to all non-core operations, activities, as well as care-and-maintenance operations. We continue to embed the SHE policy into our planning and executive processes.

The Anglo American technical standards define the minimum requirements for our operations to manage a range of specific issues, including the management of water, energy and mine residue tailings. The “precautionary principle” is integrated throughout our environmental performance standards. Our operations conduct self-assessments against the standards and implement action plans to close any gaps in meeting requirements. We continue to drive improvements through environmental management systems (EMS). In 2022, Sishen and Kolomela retained ISO 14001: 2015 certification. EMS compliance with the standard is assessed annually by an independent certification body.

Environmental risk management is integrated into our Anglo American ORM processes and Operating Model. We measure the effectiveness of controls implemented through an on-site verification process. Monthly inspections are undertaken at each site and status reports compiled. ORM implementation, particularly for our most significant environmental risks, forms

part of performance-based remuneration for senior executives, along with a target to reduce significant environmental incidents. In building a culture of appropriate risk management, we continue to include leading and lagging indicators related to risk management in employees’ key performance indicators and all business unit scorecards.

Through ORM and regular technical and legal assessments, we continue to identify controls and improvements to prevent unwanted events. The priority environmental risks facing our business relate to the potential impacts of our activities on communities, as well as climatic variability. Our priority unwanted environmental-related events are depletion of groundwater resources due to dewatering, inadequate hydrocarbon management (resulting in soil and water contamination), excessive dust generation, and administrative delays in the issuing of environmental permits. We implement critical-control improvement plans across the

operations. Some risk-mitigation controls include: dust suppression, using dust binding agents for roads and mist spraying for ore stockpiles; storage of hydrocarbons in properly designed areas preventing hydrocarbon spillages through ensuring regular maintenance of equipment and awareness; treatment of hydrocarbon contaminated soil at bioremediation facilities; diversion of excess freshwater to communities and an aquifer recharge project at Kolomela to minimise the impact of dewatering.

We report against a comprehensive set of leading environmental performance indicators, including progressive rehabilitation, permitting and compliance indicators, risk management indicators, and HPIs and hazards.

Regular engagement with our key stakeholders is central to our efforts to identify and address environmental issues and impacts timeously. We engage regularly with government at all levels to ensure compliance with environmental authorisations and related requirements, including any instances of environmental incidents or grievances.

We implement environmental improvement plans (EIPs) that are designed to address material issues. We review progress twice a year at management review forums. Our EIPs focus on:

- permitting and environmental awareness
- pollution prevention and remediation
- energy and GHG emissions management
- water stewardship
- nature-based solutions: rehabilitation, mine closure and biodiversity

We set and track measurable goals for our performance, including targets on energy use, GHG emissions reductions, water-use efficiency, PM10 dust emissions, high-potential hazards, and hazards. We measure our progress through structured auditing to ensure compliance and continual improvement. Externally audited KPIs include those for water, energy, rehabilitation, and incidents.

Environmental management cont.

Environmental legal compliance

We monitor and drive compliance with all relevant legislation regulating the management of environmental impacts. Our licence to operate relates directly to environmental permits and authorisations under relevant sections of the:

- MPRDA – environmental management programme report
- NEMA – environmental impact assessments (EIAs), basic assessments, waste management licence, tree removal permits and air emission licence
- National Water Act – water use licences (WULs)
- Hazardous Substance Act

The implementation of our permitting strategy, overseen by Kumba’s Mineral Rights and Permitting team, has driven steady improvements in our management of permits. All existing licences/permits are captured on IsoMetrix from which registers for all permits in place, for both Sishen and Kolomela, can be drawn and we continue to address legal gaps identified in meeting conditions and commitments through operation-specific action plans. We have implemented the IsoMetrix, the permitting data management system, which integrates all permits with associated conditions and commitments into one system, facilitating effective tracking, monitoring and action management.

Progress in permit management is measured annually through the Anglo American MPR programme (see page 23). These requirements apply to all permits (not only environmental), guide our operations in planning for and identifying all permits and addressing potential risks of non-compliance with conditions and commitments of all relevant permits, authorisations and licences to operate. All of our required permits have been issued. Where new/renewal of existing permits are required, we engage with the granting authorities to seek approval for applications.

All operations work towards full compliance with legal commitments (as per approved environmental authorisations) by continuously managing these through action plans and tracking progress against findings from internal and external audits. All reviewed findings are discussed with senior management at each operation and key findings are reported continuously to our Exco and monthly SHE committee.

We report any deviances from regulatory conditions and limits in our authorisations, and we collaborate in a transparent manner with the authorities to address any compliance challenges that may arise. We engage with regulators on a regular basis to ensure that all outstanding amendment applications are processed on time in order not to delay our expansion projects and continued operation of the mines.

Regulatory and external audits in 2022

Site	Auditor	Type	Number of major non-conformances*
Sishen	Bureau Veritas	ISO 14001:2015	0
	DMRE	Regulatory	0
Kolomela	Bureau Veritas	ISO 14001:2015	0
	DMRE	Regulatory	0

* Major non-conformances include sections 54 and 55 notices, environmental pre-directives and major non-conformances raised by Bureau Veritas. Corrective action plans to prevent recurrence were implemented and shared with the respective auditors/regulators.

We conduct regular site audits and focus on the close-out of audit findings. We conduct external legal compliance audits annually at Sishen and at Kolomela. Both mines demonstrate high levels of compliance against the management commitments and conditions within the environmental management programmes (EMPrs) and environmental assessments.

Environmental legal-risk concerns relate to the management of stormwater, clean and dirty water separation, and the disposal of waste at the Postmasburg waste disposal facility that has not been licensed. We have been proactively addressing the non-compliances by implementing various capital projects, especially at Sishen. Focus areas at both Sishen and Kolomela are to improve stormwater management infrastructure and revise certain operational procedures to improve water management. Another focus is our ZW2L initiatives which will mitigate against the use of the unlicensed landfill at Postmasburg.

Sishen and Kolomela have completed and timeously submitted air quality reporting for the national atmospheric emission inventory system (NAEIS), as required by the National Atmospheric Emission Reporting Regulations.

In 2022, there was one directive issued to Sishen by the DWS related to stormwater stored in one of the pits without an authorisation as a result of excessive rains experienced in the year.

Environmental incidents

Reporting, investigating and sharing lessons learned from environmental incidents or substandard acts and conditions play an essential role in heightening awareness around critical controls and promoting actions to improve their effectiveness.

We classify incidents on five levels according to the actual and/or potential impact. Any level 3 to 5 (ranging from moderate to high impact) incidents would be featured in the Chief Executive’s report to the Board. Any incident that could have resulted in more serious impacts is recorded as an environmental HPI.

The quality of our reporting and investigating of environmental incidents and of identifying, reporting and addressing environmental hazards at our operations, continues to improve across our sites. The identification and reporting of environmental hazards, including HPHs – a substandard condition that can potentially lead to a level 4 or 5 incident – provides valuable leading indicators to inform remedial actions to prevent incidents. In 2022, a total of 269 HPHs and 868 hazards were reported, exceeding our internal targets. We assess our progress against a baseline of data established in 2020. The majority of the HPHs and hazards reported are related to dust, hydrocarbon, and water management, which correlates with the environmental

incidents reported. We continue to encourage the use of section 54 and 23 work stoppages when unsafe environmental conditions and activities are identified.

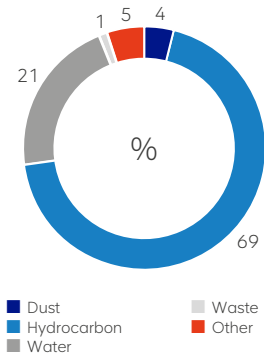
For over seven consecutive years, there have been no level 3 to 5 incidents at our operations, indicating effective risk monitoring and management. We recorded 167 level 1 (low-impact incidents) incidents in 2022, compared to 97 in 2021, and zero level 2 incidents (2021: one), with none classified as HPIs.

Incidents related to hydrocarbon spillages continue to account for the majority (69%) of incidents reported. We are, however, encouraged by the steady reduction in the extent of the incidents (including spillages) in recent years. In driving our progress, we continue to focus on doing proper analysis of our hydrocarbon incidents in order to have a better understanding of our sources. Our interventions include focusing on awareness training and proper maintenance of equipment.

Environmental incidents at Kumba in 2022

167 incidents, all level 1

Environmental incidents at Kumba in 2021



In 2022, we received two environmental complaints related to water supply challenges at Kolomela. All complaints are investigated and feedback provided to the complainants, with remedial action taken where required. Regular forums are held with stakeholders, including meetings with farmers, at which concerns and grievances are raised and addressed.

Environmental management cont.

Materials stewardship and the circular economy

As a responsible product steward, we seek to positively influence the environmental and social impacts of our materials and resulting products across the value chain and throughout their life-cycles. We ensure that our products are produced safely and responsibly, and we are enhancing our beneficiation process through UHDS technologies. We are also applying circular economy principles as we seek to create greater value through more circular activities.

We seek to create and supply a product of consistent and reliable quality (supported by ISO 9001, 14001 and 17025 laboratory certification). Kumba has the highest average iron (Fe) content (at 63.8%) and Lump:Fine production ratio (at 65:35) relative to the industry.

Towards circularity

The circular economy is about minimising waste in all its forms and making the most of what we have, natural resources included. It advocates reusing, redesigning, sharing, repairing, refurbishing, remanufacturing and recycling – consuming fewer resources in the first place and using them for longer. At a more fundamental level, it is about creating new models for businesses to promote and incentivise resource efficiency.

Our approach to circularity is reflected in the following ways:

- In our operations, we seek to optimise the use of resources, eliminating physical waste and maximising process efficiency. We aim to achieve a neutral or even net-positive impact on the environment. In turn, this helps us to create thriving communities.
- Throughout our value chains and across our marketing business, we work to maximise the value of our products during their full life-cycle. We also support the development of technological innovation that can serve to advance this goal.
- Through holistic business transformation, we provide a lens to re-imagine mining by growing our business in ways that adapt to and shape the change around us.

Responsible stewardship of materials

Responsible stewardship is crucial for preserving our reputation and our ability to market products. Our approach focuses on ensuring responsible production, meeting regulatory obligations, and responding to growing demand from our customers for assurance that the metals they buy are produced responsibly.

As part of Anglo American, we are members of ResponsibleSteel™, sharing in the vision that steel’s contribution to a sustainable society is maximised, and that the responsible sourcing, production, use and recycling of steel is enhanced. We are also committed to another multi-stakeholder standard and certification programme, the IRMA Standard for Responsible Mining, in keeping with our SMP and stretch goals (see case study on page 48).

Meeting regulatory obligations

In demonstrating responsible product stewardship, our starting point is to ensure regulatory compliance for products across our business. This includes implementation of the UN Globally Harmonized System of Classification and Labelling of Chemicals, and the EU Registration, Evaluation, Authorisation and Restriction of Chemicals as well as variants emerging in other jurisdictions. Comprehensive systems are in place to ensure ongoing compliance, establishing a continuous process of product testing, hazard assessment and communication via safety-data sheets. We do not have products that are deemed to be “dangerous goods” and requiring relevant packaging, labelling and consignment procedures to be met.

All our sites are also required to comply at a minimum with our group hazardous-materials management technical standard. Our practices are reviewed on page 76. We also apply our ORM approach to the review of product risks, taking steps to strengthen controls where necessary.

— **Details of process materials purchased are provided in the performance data table** on page 81.



View of Saldanha Bay port.

Climate change and energy management

Highlights	Learnings/challenges	Focus for 2023 and beyond
<p>Total CO₂ emissions remained broadly flat compared to the prior year</p> <p>Kumba publishes its first standalone Climate Change report providing a comprehensive review of our approach to climate change</p> <p>Progressed with implementing site-specific energy and carbon projects aimed at advancing our progress towards ambitious targets</p> <p>Progress towards development of a 68 MW solar PV plant at Sishen</p> <p>Participating in an Anglo American initiative to develop a renewable power network in South Africa</p>	<p>Operational challenges resulted in energy-efficiency improvements not being achieved and consequently energy intensity targets not met</p> <p>Rising energy costs will increase capital and operating costs</p> <p>Long-term security of reliable and adequate supply of electricity from Eskom is a major risk for our operations</p> <p>Emissions along iron ore value chain activities (scope 3) account for 97% of Kumba's total GHG emissions, which are outside our direct control</p>	<p>In the first phase of our decarbonisation journey we will focus on achieving solar PV self-sufficiency, aiming provisionally to reduce our carbon emissions by 20% by 2025</p> <p>Implement action plans aimed at delivering a turnaround in energy-efficiency performance</p> <p>Investigate options to reduce scope three emissions by improving product qualities and collaborating with Anglo American and key steel producers in support of decarbonising the steel value chain</p> <p>Collaborate in advancing a regional renewable energy network</p>

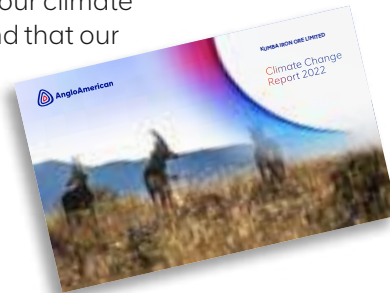
Climate change is the defining challenge of our times. Our underlying principle is to reduce carbon going into the atmosphere and we are continuing to develop and refine our pathway towards achieving carbon neutrality at our operations. Equally, our premium-quality iron ore products are well positioned to help our customers produce steel with less carbon emissions.

Climate Change report

Kumba publishes its first stand-alone CCR in 2023. The report is available on our website: <https://www.angloamericankumba.com/investors/annual-reporting/reports-archive/2022>.

The CCR has been informed by the recommendations of the TCFD, the JSE's Climate Disclosure Guidance, and the International Sustainability Standards Board's (ISSB) Exposure Draft of IFRS S2 Climate-related Disclosures. The report provides our stakeholders with transparent disclosure of Kumba's comprehensive approach to manage the impacts of climate change.

In this section of our sustainability report, we provide a high-level overview of our approach to manage the impacts of climate change, and focus mainly on summarising our recent performance in delivering on our climate commitments. We recommend that our stakeholders read our Climate Change report for a more detailed review of our climate change risks, management, strategy, and performance.



Our approach

The challenge that climate science sets is to decarbonise the global economy as quickly as possible. We believe that the world cannot decarbonise without access to iron ore and steel products, and that we must do what we can to minimise the emissions related to the supply of those products, while also driving decarbonisation across our value chain, both upstream and downstream, in partnership with other key players.

Our commitment to being part of the solution to climate change is embedded across the business. Our approach to climate change adheres to Anglo American's climate change policy and management approach. This includes building internal agility and resilience to climate change, understanding and responding to risks and opportunities related to the carbon life-cycle of our products, and developing and implementing collaborative solutions with our stakeholders. Our strategy takes into account a range of risks and opportunities that climate change poses to our business.

Our response to climate change is firmly entrenched in the group sustainability goals that inform our GHG emissions and energy-intensity reduction targets. Our management systems, structures, governance and engagement processes ensure that climate change is considered in all our business decisions. Responsibility for managing climate change is delegated throughout the organisation, with the Social, Ethics and Transformation Committee (Setco) of the Board assuming ultimate responsibility.

Risk impact, mitigation and tracking elements are embedded in our Operating Model to help us understand what we need to put in place to achieve our targets. Our initiatives to reduce our carbon emissions will also reduce our exposure to evolving climate change regulatory requirements and increases in energy costs.

Our Chief Executive's scorecard includes performance on energy and carbon. From 2023, Kumba's general managers will be financially rewarded for achieving operation-level energy-reduction targets.

We recognise the evolving interests and expectations of investors in understanding our thinking on climate change, and are committed to the transparent disclosure of climate-related risks and opportunities for our business in line with the recommendations of the Financial Stability Board's TCFD.

— Further information is provided in Kumba's separate climate change report. This includes a TCFD-linked index.

Our resilience to climate change



Resilience to physical risks

Our mines, surrounding infrastructure and employees are already being affected negatively by extreme precipitation events and high dust levels, and this year an unusually heavy infestation of locusts impacted the Transnet freight line. To assess the anticipated trends in terms of the physical impacts of climate change, we have undertaken climate risk assessments (CRAs) at both our Kolomela and Sishen mines.

Kumba has not undertaken its own climate scenario analysis process; we have instead contributed to, and benefited from, the Anglo American group's detailed assessment of a broad range of potential outcomes under three different climate change scenarios (see CCR).

Resilience of our business model

Iron ore is essential for producing steel, a critical foundational material for almost all infrastructure and an essential component of the low-carbon economy and broader socio-economic development. Steelmaking is currently highly carbon intensive. As the iron ore market embraces the need for decarbonisation, China and other countries with traditional steelmaking furnaces are reducing emissions by using Lump ore instead of Fine ore, which significantly reduces overall emissions. This trend is expected to benefit Kumba, given the competitiveness of our share of Lump ore and the comparatively high Fe content of our products.

Climate change and energy management cont.

Kumba is one of the largest iron ore producers that beneficiates its ore prior to sale. In 2022, we beneficiated approximately 72% of our ore (2021: 69%). Through beneficiation, the physical properties of the finished product are enhanced, removing impurities and improving product quality, which in turn reduces downstream emissions associated with steelmaking.

Carbon tax liability

Sishen and Kolomela comply with requirements under national GHG emission reporting regulations and the new carbon tax. Most of Kumba's scope 1 emissions are from diesel and petrol consumption; Kumba pays a direct tax on this, at the pump, which totalled R20.2 million in 2022 (2021: R17.8 million). We have assessed the potential carbon tax liability for our business over the long-term and included carbon pricing in our budget guidance and project evaluations.

We are progressing slowly with the validation process to enable us to secure carbon credits through certified emissions reductions for the Kathu Solar Park (100 MW concentrated solar thermal plant with energy storage capability) we helped to develop. We will also seek carbon credits through our land rehabilitation and agricultural initiatives.

Our pathway to a low-carbon future

In delivering on our commitment to being part of the solution to climate change, we are restructuring our operations towards carbon neutrality, pushing for decarbonisation along our value chains, and carefully considering the broader socio-economic and environmental inter-relationships associated with our decarbonisation journey.

In 2020, Kumba developed a carbon-neutral model, which projects our energy intensity and carbon emissions over time to track the pathway to carbon neutrality. This process was informed by detailed work to identify the priority energy and carbon-reduction options at Sishen and Kolomela and model different scenarios. Since 2020, our sites have been working closely with Anglo American on technical work to refine the

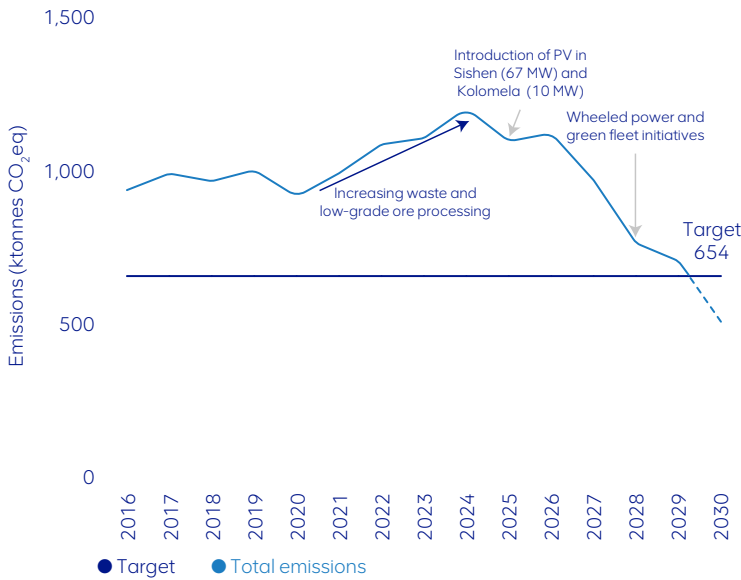
details of our pathways. The model is dynamic and will evolve in line with developments. We continue to update and revise the model given the further extension to the life-of-asset at Sishen to 2039 (versus 2032 base line in 2017).

As part of the Anglo American group, we are committed to contributing to the group's goal of achieving operational carbon neutrality (scope 1 and 2) across its operations by 2040. At a company level, we have set 2030 targets to improve energy efficiency and reduce absolute GHG emissions by 30% and improve energy intensity by 30%, both against a 2016 baseline. We have set operational site-specific targets that are aligned with our mine plans and our diesel and electricity usage forecasts, and we track each operational site on its monthly energy consumption and CO₂e GHG emissions against these targets. We have defined associated energy and carbon-intensity targets linked to LTIP share awards over a three-year period.

To deliver on our reduction targets, we are realising various opportunities to decarbonise our mining operations, displace internal diesel usage, transition to renewable energy, and play a role in promoting the uptake of a local green hydrogen economy, as well as facilitating the move to a circular economy by engaging in ferrous recycling initiatives. We will be maximising our premium product offering – suitable for lower carbon, direct reduction processes of iron in steelmaking – which will assist steelmakers to reduce scope 3 emissions. Utilising high iron ore content product in blast furnace steelmaking can realise a 2.5% reduction in carbon emissions for every 1% increase in iron ore grade.

In looking to increase renewable energy use and promote green hydrogen – both key levers to enable net-zero decarbonisation of mining operations – we are partnering with Anglo American to harness South Africa's potential competitive advantage in these areas, given its world-leading combination of solar, wind and land resources, and its existing large domestic-use cases to kick-start a local green hydrogen economy. Recognising the importance of promoting a just transition, we will be maintaining our strong focus on facilitating social and economic transformation.

Decarbonisation pathway to 2030



Decarbonising our operations (scope 1 and 2)

Fossil fuels (mainly diesel) for load and haul account for 83% of our total energy consumption, with electricity (mainly used in processing) accounting for 17% (most of scope 2 emissions). The unit cost of both is expected to continue to increase. Optimising our use of energy sources is an ongoing priority.

Driving energy efficiency and optimising energy sources

In recent years, we have achieved significant energy savings through a range of emission-reduction and fuel-efficiency initiatives across our haulage and loading fleet. Current energy-efficiency improvement projects focus on addressing energy inefficiency areas, notably through haulage traction. As part of our Smartroads initiative, we are improving the conditions of our haul roads and treating them with dust-limiting surfacing technologies, aimed at reducing the rolling resistance and reducing diesel consumption. During 2022, we did not realise planned performance improvements; we continue to experience challenges related to the behavioural component in ensuring the effectiveness of our efficiency improvement initiatives. Operational challenges around availability of certain equipment and engineering failures have also hindered progress.

In addressing these concerns, the business operating model is providing insights to help inform improvements in energy management. Our operations have established task teams on-site to develop a better understanding of their challenges and identify opportunities and remedial actions to deliver a turnaround in energy-efficiency performance. This work will continue through the first half of 2023.

We have identified the need to adjust our approach to measuring our energy efficiency to ensure a better understanding and control of our energy-efficiency performance. Based on an assessment of production performance levels since 2016, and projected increases in production levels and associated energy demands going forward, we will adjust the metric we measured our performance against.

Developing a zero-emissions haulage solution

To unlock our ambitious carbon-neutral pathway, one of our key focus areas is to ensure full displacement of diesel for our HME (truck) fleet that currently consumes around 300 million litres of diesel per year. Several solutions are being investigated including delivering further efficiencies in our fleet performance, electrifying a smaller truck fleet, and adopting alternative greener fuel sources by introducing hydrogen fuel-cell trucks currently being piloted at Anglo American Platinum. We are working with nuGen in developing a zero-emission haulage solution for mining that involves enhanced access to renewable electricity to produce hydrogen, the use of hydrogen-fuelled haulage vehicles, and the roll-out of a hydrogen refuelling system.

Transitioning to renewable energy use

In terms of our scope 2 emissions, Kumba is participating in Anglo American's regional renewable energy ecosystem , which includes the plan to develop a 68 MW solar PV plant at Sishen during 2025 with Kolomela included in phase 2 of the project. Together with wheeled wind generated electricity and storage, this regional renewable energy ecosystem is expected to meet the group's operational electricity requirements in South Africa by supplying 100% renewable electricity by 2030.

At present, the most suitable technology delivering the greatest impact for operations in the Northern Cape is solar PV. In the first phase of implementing our decarbonisation pathway, we will focus on achieving solar PV self-sufficiency,

Climate change and energy management cont.

aiming provisionally to reduce our carbon emissions by 20% by 2026. In 2020, we identified suitable locations for solar PV plants. In 2022, we have progressed with technical and permitting work for the Sishen plant. The feasibility study for the Kolomela plant will be undertaken in 2023. We aim to implement a 68 MW solar facility at Sishen and a 10 MW renewable solution at Kolomela.

In the transition to renewables, we are also exploring opportunities to reduce scope 1 and 2 emissions through various initiatives including biofuel, in-pit crushing and conveying opportunities, battery-powered light-duty vehicles.

Our efforts are supported by positive developments in the renewable energy and hydrogen economy landscape in South Africa. In unlocking renewable energy potential, the government’s structural reform allowing companies to create electricity-generating facilities of up to 100 MW without a licence is an important step benefiting our solar PV project aspirations. Amid growing recognition of green hydrogen as an essential component of South Africa’s energy transition, the production, transport, storage and use of green hydrogen has been the subject of numerous policy updates and public and private sector commitments in the country, especially in the last year. Positive outcomes will be supported by the R131 billion in grant and concessional finance offered to South Africa to accelerate its transition to clean energy projects, announced following the recent UNFCCC COP26 in Glasgow.

Decarbonising our value chains

We are committed to playing our part to mitigate the impact of our scope 3 emissions along our value chain, recognising the importance of advocating for and influencing change to

drive down emissions to help limit the global temperature rise to 1.5°C. Most of our scope 3 emissions relate to our iron ore sales into the steel value chain. Our ability to significantly reduce our scope 3 emissions is dependent both on the steel sector decarbonising and a supportive global policy environment. With the right policy framework, we believe steelmakers will be able to accelerate towards less carbon-intensive methods of production, which would translate into a significant reduction of our scope 3 emissions.

Anglo American has a stated ambition to achieve a 50% reduction in scope 3 emissions across the portfolio by 2040. Kumba recognises the importance of high-grade iron ore as the world progresses towards net zero and believe our products have a role to play in this transition.

As part of an Anglo American initiative, we have assessed the evolution of the steel industry in the coming decades, and believe there is significant opportunity to reduce our scope 3 emissions. Further details are provided in our Climate Change report 2022. To support a 1.5°C pathway, the steel industry must greatly accelerate the shift in steelmaking from the traditional method using a blast furnace and basic oxygen furnace to less carbon-intensive approaches based on feeding electric arc furnaces with either direct reduced iron or recycled steel. We are working with customers and technology partners on low-carbon steelmaking technologies. Low-carbon hydrogen will play a significant role to replace fossil fuels in the steel sector. Our focus on unlocking the hydrogen value chain to enable a swift transition to a more sustainable energy mix will assist in facilitating green steelmaking. We also introduced LNG dual-fuelled vessels, with the aim of cutting our shipping carbon emissions by an estimated 35%.

Mitigating our operational emissions

In 2022, Kumba’s operations were responsible for 0.994 million tonnes of (scope 1 and 2) CO₂ equivalent emissions (Mt CO₂e) from electricity purchased, and the combustion of fossil fuels within the mining operations. This is a 0.5% increase year-on-year from 0.989 million tonnes due to production challenges. Our scope 1 and scope 2 emissions are independently assured. Our carbon emissions intensity increased by 13% from 0.024 tonnes CO₂ per tonne product to 0.027 tonnes CO₂ per tonne product, due to energy-efficiency improvements not being achieved.

Kumba’s total energy consumption (direct energy plus indirect energy) this year increased 3% to 8.97 million GJ in 2022, compared to 8.73 million GJ in 2021; this was due to extreme weather conditions in the first half, alternative haulage routes were required as certain areas of the mine were inaccessible. Our energy-use intensity increased by 15% from 0.211 GJ per tonne product in 2021 to 0.242 GJ per tonne product in 2022.

Kumba continues to benefit from section 12L energy-related tax-deduction incentives for businesses that demonstrate measurable energy savings. Although we did not claim any deductions for the current year, we do have projects in the pipeline to claim in future years.

In 2021, we assessed our scope 3 emissions based on 2020 data, as part of an Anglo American group initiative. Due to the complex nature of this data, our reporting will lag with one year going forward. For Kumba, scope 3 emissions along iron ore value chain activities – upstream, midstream and downstream activities – account for 97% of our total GHG emissions, of which processing sold products (iron and steelmaking) accounts for 89%.

— The full methodology is published on Anglo American’s website: www.angloamerican.com/scope-3-methodology-report.



Schoeman Botma, mine dewatering engineer at Sishen, inspecting the solar panels.

Climate change and energy management cont.

2021 data ¹	Scope 3 emissions (MtCO ₂ e)
Purchased goods and services	0.913
Capital goods	0.211
Upstream transportation and distribution	0.341
Fuel and energy emissions not in scope 1 and 2	0.171
Waste generated during operations	—
Business travel	—
Employee commuting	0.006
End-of-life treatment	—
Downstream transportation and distribution	1.101
Processing of sold products	30.554
Total (MtCO ₂ e)	33.298

¹ Due to the complex nature of scope 3 data our reporting will lag one year.

— Further details on our operations’ direct and indirect GHG emissions (scope 1 and 2) are provided in the performance table on page 82.

Climate change indicators

	Unit	2022	2021	2020	2019	2018
Scope 1 CO ₂ emissions (direct – fossil fuels/ non-renewable)	Mt	0.554	0.530	0.490	0.530	0.540
Scope 2 CO ₂ emissions (indirect)	Mt	0.440	0.460	0.420	0.470	0.420
Total scope 1 and 2 CO ₂ emissions	Mt	0.994	0.989	0.913	0.999	0.963
Energy from fossil fuels consumed	Million GJ	7.45	7.16	6.65	7.16	7.23
Electrical energy consumed	Million GJ	1.52	1.57	1.46	1.62	1.57
Total energy consumption	Million GJ	8.97	8.73	8.11	8.78	8.85

Scope 1: direct operational emissions on-site
 Scope 2: indirect emissions from purchasing electricity generated by the national power utility, Eskom, for site use
 Scope 3: all indirect emissions (not included in scope 2) that occur in our value chain, including both upstream and downstream emissions.

CO₂ emissions intensity (Mt)



CO₂ emissions intensity (CO₂/tonnes ore)



Total energy consumption (Million GJ)



Energy intensity (GJ/tonnes ore)



TCFD-linked Index

— Climate Change report for a table offering guidance on where to find information relating to each of the TCFD’s recommendations. (Please see CCR 2022).



Train ready to transport ore to the Saldanha Bay port.

Water

Highlights	Learnings/challenges	Focus for 2023 and beyond
<p>Critical monitoring instrumentation installed at our sites to model water balance scenarios - this significantly improves our ability to predict and quantify risks and identify infrastructure requirements to enable timely management responses to climatic variability</p> <p>Zero level 3 to 5 water discharge incidents for the seventh year for the 7th year in a row</p> <p>51% of our total operational water demand was met by recycling and reusing water</p>	<p>Thirty-five limited impact water-related incidents (level 1) recorded – up from five in 2021</p> <p>Operations are revising their SMP water commitments, with a focus of cementing our role as a net-positive water provider, aiming to significantly increase our water diversion to our host communities and third parties</p> <p>Continue to manage issues of concern among certain local farmers regarding mine dewatering that potentially affects the availability of groundwater and some excess water discharged into neighbouring farms</p> <p>One directive issued to Sishen related to stormwater stored in one of the pits without authorisation due to excessive rain</p>	<p>Reduce freshwater withdrawal (consumption) and optimally supply our operations' excess clean water to host communities and third parties</p> <p>Complete our stormwater management projects by 2025 and focus on optimal operation of existing infrastructure</p> <p>Ensure zero level 3 to 5 water discharge incidents through effective surface water management</p> <p>Collaborate with regional stakeholders to ensure effective, sustainable and beneficial distribution of Kumba's water resources to surrounding communities</p>

Water is fundamental for our operations and surrounding communities. We embrace our role as water stewards, taking a catchment-wide, risk-based approach to water management, addressing the risks of flooding, discharge, water scarcity, mine dewatering and contamination. We are a net-positive water provider in the catchments where we operate.

Principal water-related risks



Despite our mines being in the water-stressed Northern Cape, Kumba's operations are both water positive and require active dewatering to ensure a safe productive operating environment. As a result of this, Kumba's operations are not exposed to water security risk and are able to be positioned as a net water provider in the catchments where we operate.

Our principal water-related risk relates to increased dewatering required to ensure safe, productive mining which requires effective water balance management to maximise beneficial use of Kumba's water resources.

Other water-related risks are level 3 to 5 environmental discharges, which are being managed and maintained by ongoing projects over the next five years to close gaps identified in our stormwater management systems.

Key measures to address risks include:

- develop and implement the Kumba adaptive water management plan
- conducting regular audits and representative audits
- implementing a hydrocarbon management plan, analysing incidents, and putting mitigation measures in place
- engaging regularly with affected stakeholders and authorities
- implementing identified management and mitigation measures for our potential impacts on the environment and our stakeholders

As part of our group-wide risk management framework, we assess water-related risks on an ongoing basis.

— **Our approach to managing climate-related risks is discussed** refer CCR 2022.

Our strategic approach

We take a risk-based approach to water management, both within our own operations and on a regional level. Our water policy focuses on reducing our water risks to ensure water resilient operations, while reducing our water footprint.

Kumba's water management strategy developed for the period 2020 to 2025 is centred around the following four core elements to guide our progress.

- **Efficient water user:** Reducing operational demand for water resources, specifically clean water and prioritising recycling and reuse of grey water. We will measure and track freshwater efficiency and recycling targets and performance.
- **Engaged water stakeholders:** Developing trust and co-operation with stakeholders to facilitate shared value within the catchment. We aim to establish water projects that enhance the long-term water independence for Kumba and key stakeholders (with closure in mind).

- **Controlled water operations:** Focusing on both maintenance and functionality of existing facilities to deliver performance as designed/planned. We aim to deliver operationally controlled mine water with clear responsibility/accountability, risk-based management, and ensuring no legal transgressions.
- **Optimised and adaptive water management:** Focusing on proactive management controls, systems and processes for reasonably expected water developments to ensure optimal performance and meeting the needs of future operations.

Each of our sites are implementing a water management plan that includes water security, water-use efficiency, tailings water-recovery projects and mine-dewatering strategy, stormwater management, and discharge management, complemented by a monitoring programme. Both sites have competent persons for water management and are at mature stages of implementing the Anglo American Group Water Management Standard.

We have site-specific water balances, with each operation generating a water reporting data aligned to the latest ICMM definitions. Critical monitoring instrumentation installed at our sites ensures the accuracy of these water balances. Modelling water balance scenarios significantly improves our ability to predict and quantify risks and identify infrastructure requirements to enable timely management responses to climatic variability.

Kumba has been working with Anglo American to revise our SMP water commitments in support of the group goal to reduce the withdrawal of freshwater by 50% in water scarce areas by 2030, against the 2015 baseline. In the context of the group target, Kumba's contribution will be 40%. As a water positive operation, increasing our water efficiency (recycling and reuse rate) would enable increased diversion of freshwater to our host communities and third parties with the catchment where we operate.

Water cont.

Water uses and sources

The main consumptive uses of water at our operations are dust suppression, entrainment (water locked up in tailings and, to a lesser extent, in products), and evaporation from mine circuits (dams, tailings dams, other exposed areas).

Our freshwater withdrawals are dominated by Sishen, where more fresh water has to be pumped to ensure dry conditions for safe mining in the open pit. Groundwater is our primary water source, accessed through dewatering boreholes. Kumba also makes use of municipal water for domestic purposes. Operations reduce their dependency, in line with our water strategy on imported fresh water through the use of lower-quality treated sewage water. Sishen uses treated sewerage effluent (grey water) from the Kathu wastewater treatment works to increase the export of groundwater to the Sedibeng reservoir. We continue to sell the excess water to the Bloem Water authority (formerly Sedibeng Water), in line with WUL conditions, to supply bulk water to farmers to compensate for their potential losses from private boreholes. We capture rainwater for use in dust suppression.

— Our water withdrawal by source is detailed on page 81.

Focus areas at our operations

Water-saving initiatives

Given that we operate water positive mines, we focus on reducing freshwater consumption, and optimally supplying our excess clean groundwater to communities.

Sishen uses treated sewerage effluent as a substitute for fresh water (groundwater) supplies. We minimise water losses by using a closed-loop water system. The mines effectively recycle mine-affected water for use in the process plant. We also achieve water savings through the optimisation of dust suppression in and around the pit and plant roads at our mines.

Our stormwater infrastructure developments will enable us to increase our capturing and containing of water on-site for recirculation, which reduces our reliance on fresh water. Sishen is undertaking detailed studies to determine the feasibility of expanding the underground aquifer infrastructure just outside Kathu. Creating additional diversion capacity would enable the mine to accommodate

and pump significantly greater volumes of clean mine water back into the aquifer.

The Vaal Gamagara pipeline capacity constraints continue to present the greatest challenge to us achieving our freshwater reduction target. We continue to work closely with Bloem Water through the mine Leadership Forum to assist wherever possible to alleviate the challenges. We continue to work with various internal stakeholders to identify further opportunities.

Mitigating water discharge risks

A priority is to ensure no spillage of contaminated storm/ process water and groundwater. Clean and dirty water separation at our mines ensures that there is proper management of stormwater to avoid surface water pollution. Kumba supplies most of its water for treatment at local water utilities; no water is discharged to fresh surface water sources unless in emergency situations due to Sedibeng water infrastructure constraints unable to accommodate the current excess volumes and in cases where we experience above-average rainfall events.

The quality of the water discharged at all of Kumba’s operations is closely monitored. We engage an independent service provider to conduct monthly water quality monitoring and quarterly reports are submitted to the DWS. Where needed, corrective actions are taken to mitigate any adverse impacts on the water quality.

Climate change projections indicate that our opencast mining operations are at risk of more intense rainfall and frequent major floods. We focus on ensuring the adequacy of controls to prevent and mitigate water accumulation in operating areas, and address slope stability and tailings dam failure.

To mitigate associated risks and ensure compliance with our integrated WUL conditions, we have continued to implement multi-year stormwater management plans, in a phased approach, as agreed with the DWS, and focus on optimising the operation of existing infrastructure (bow-tie developed). We have invested R472 million to date in measures to improve stormwater management. Construction of a pipeline is currently underway from Kolomela to Postmasburg, and

Sishen continues to construct several priority stormwater management projects, including a stormwater harvesting dam project for use at our processing plants. All projects are expected to be completed by 2025.

Sishen has finalised an agreement to supply water to Khumani mine. This transfer of affected stormwater from Sishen mine to the Khumani operations, will ensure that demand is removed from the Vaal Gamagara pipeline which can then be allocated to surrounding communities and municipalities, aiding in the safe and sustainable supply of water. Additionally, this transfer project allows Sishen mine to safely discharge affected stormwater from its operations (ensuring safe, dry mining conditions) and providing water security to the Bruce mine and King Mine plant operations to allow sustained operations to take place.

In the interim, we strive to mitigate risks of excess water discharged into neighbouring farms when we experience heavy rainfall. We have applied for amendments to some

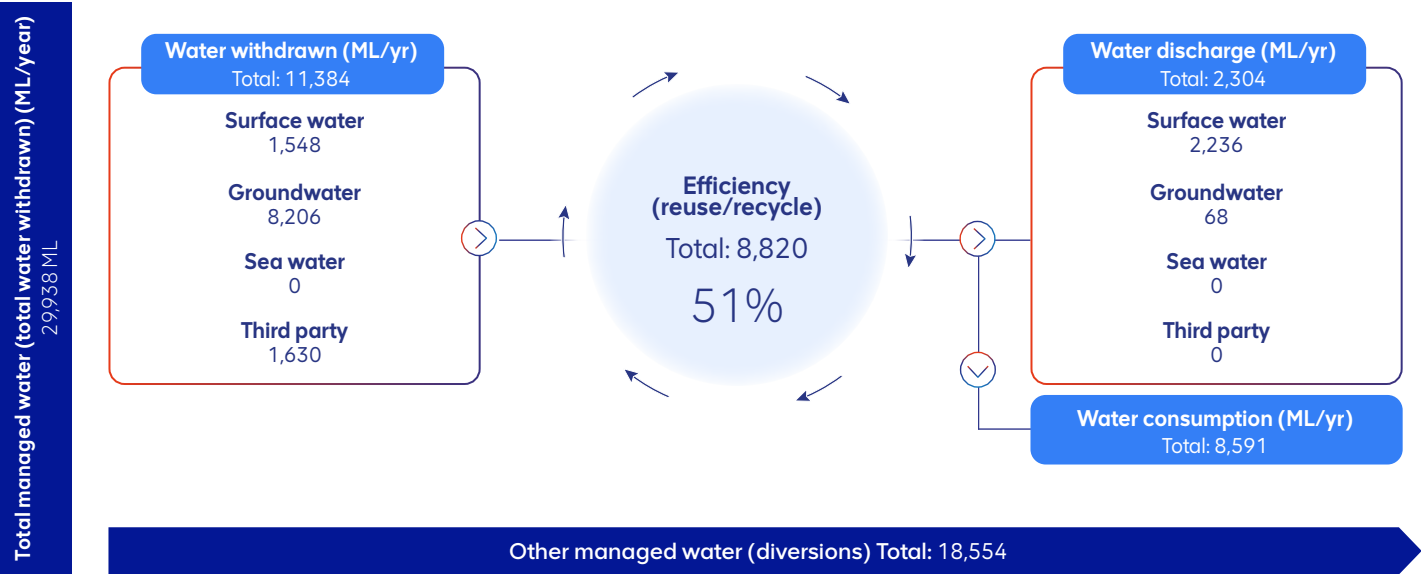
of our licences to allow for exemptions and relaxation of some conditions, including stringent water quality parameters.

Supporting community water security

Kumba plays a critical role in alleviating water shortages by providing about a third of its water, in excess of operational needs to surrounding communities, through Bloem Water.

We implement a pipeline system that pumps excess clean groundwater from dewatering at Kolomela and Sishen mines into the Vaal Gamagara pipeline to support the Sedibeng regional water supply, as per the conditions of our WULs. The water produced is high quality and therefore requires minimal treatment for potable use. In 2022, we supplied over 18,000 ML to the broader Northern Cape region, for both domestic and industrial consumption, providing drinking water to around 200,000 people. Based on current modelling, we anticipate that we will be able to increase the volume of water supplied each year.

Water management 2022



Water cont.

In addition to this supply, Kolomela artificially recharges the underground aquifers around its operations with clean mine water, providing improved groundwater resources for neighbouring farmers and limiting quantities discharged into the environment. We continue to work with the DWS Bloem Water and other stakeholders to explore maximising this social benefit to an even wider region. This includes plans to develop agricultural projects. Kolomela is engaging with the local municipality in exploring the potential construction of pipelines from the mine to the municipality to supply the local community with excess, clean groundwater. The project is at prefeasibility stage. We are now doing option analysis, moving towards feasibility stage.

Sishen and Kolomela continue to manage issues of concern among certain local farmers regarding mine dewatering that potentially affects the availability of groundwater. All complaints are investigated and appropriate remedial action is taken. Sishen is investigating solutions to prevent mine dewatering negatively impacting borehole levels. In addition to supplying bulk water through Sedibeng to compensate for potential losses from private boreholes, interventions include acquiring farms from those who are willing to sell or compensating those who have been impacted (based on evidence). Furthermore, some of our land is used for community benefit, such as farming (livestock and crops).

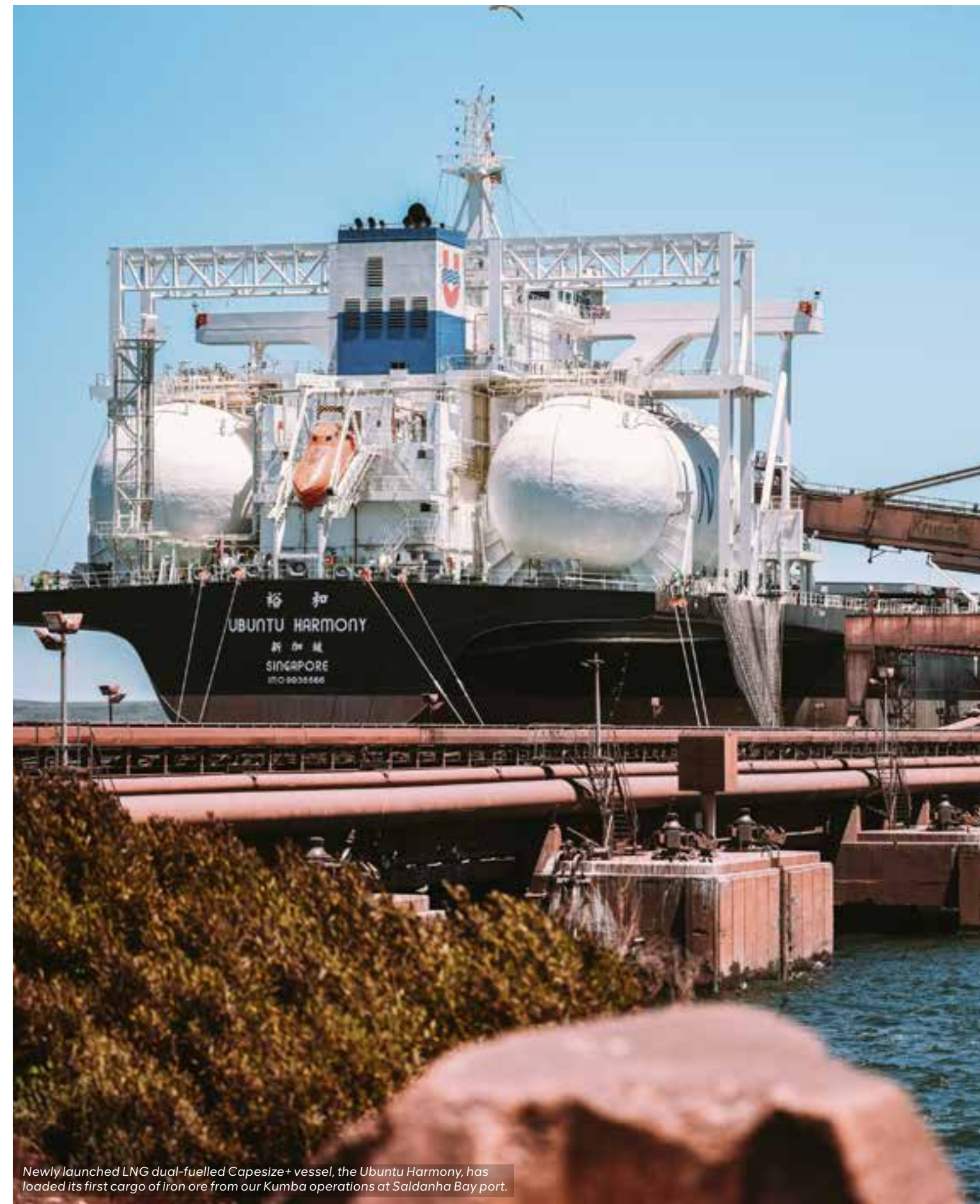
Performance

Water discharges came to 18,554 ML. For our total operational water requirements, 51% was met by recycling and reusing water (2021: 51%), against a restated target of 51.4%.

Water consumption is the amount of water that is not recycled or discharged. In 2022, new-water consumption totalled 11,384 ML (2021: 11,154 ML). No water source, ecosystem (e.g. Ramsar-listed wetland) or habitat was materially affected by our extraction and use of water.

We did not record any level 3 (or above) incidents. Thirty-five limited impact water-related incidents (level 1) were recorded.

— **Details of the total water withdrawn, consumed and recycled at each of our operations** are on page 81.



Newly launched LNG dual-fuelled Capesize+ vessel, the Ubuntu Harmony, has loaded its first cargo of iron ore from our Kumba operations at Saldanha Bay port.

Mine closure, rehabilitation and biodiversity

Highlights

Good progress with rehabilitation, achieving reshaping, seeding and growth medium targets

Developed a Kumba biodiversity offset strategy, approved by Exco, to guide offset plans towards delivering on NPI goals

Finalised and started implementing a comprehensive land-management strategy

Learnings/challenges

Approximately 16,017 ha of land impacted by our activities, with a large proportion inaccessible for rehabilitation

Uncertainty on NEMA financial provision regulations compliance

Difficult or challenging offset requirements

Focus for 2023 and beyond

The implementation of the land management strategy aims to set a leading example and drive a lasting legacy of responsible land utilisation

Finalise respective social mine closure plans in line with the Social Way and Mine Closure Toolbox (MCT)

Continue to focus on concurrent rehabilitation to aggressively address rehabilitation backlog particularly at Sishen

Track indicators of progress towards delivering net-positive biodiversity and conservation outcomes

A mine continues to have social and environmental impacts long after its operational life. Through effective closure planning and rehabilitation, we strive for our mines to leave a positive, healthy and sustainable legacy. Our approach to land management integrates mine closure planning with land rehabilitation, promoting biodiversity and conservation, and using our non-operational land to benefit both the mine and our surrounding communities.

Mine closure and rehabilitation

Our approach to mine closure planning is aimed at ensuring that the full spectrum of life-of-asset opportunities, risks and liabilities is effectively identified, that plans are fully costed, and that adequate provision is made for premature closure. Integrating mine closure planning into operation strategy is the best way to address many of our mine closure-related risks and opportunities, particularly through rehabilitating land in parallel with our mining activities. All our mines are opencast operations. This makes rehabilitating the land we disturb to the level of post-mining land use agreed with stakeholders, a particularly material issue.

Management approach

Our "cradle-to-cradle" approach begins with closure planning in the exploration phase and continues until a sustainable post-mining legacy has been achieved. Mine closure and rehabilitation at Kumba is governed by key work streams: the MCT and mine closure standard compliance (MCS), the rehabilitation strategy, and closure liabilities and closure execution. These work streams enable us to integrate the closure planning process into operational plans in such a way that will reduce the current and future impacts of mining on the operational footprints and ensure a sustainable post-mining legacy for stakeholders.

Sishen and Kolomela have remained fully compliant with the MCS requirements. Aligning with the closure standard also ensures alignment with our SMP. The operations' closure plans have maintained the required competence-level maturity.

Our approach to mine rehabilitation emphasises the need to manage our financial liabilities rigorously, work with stakeholders to address social impacts, and begin rehabilitating mines while they are still active. Our rehabilitation strategy upholds a commitment to reduce the backlog of our disturbed land that requires rehabilitation during the lifetime of our current mines rather than after operations cease.

Our mine rehabilitation programme is designed to be integrated into our key business planning processes – resource development plans, life-of-asset planning and the SMP – to reduce our disturbance footprint and generate value for the group and our stakeholders. Sishen and Kolomela each have a detailed rolling five-year rehabilitation plan which is updated annually. The plans outline targets, monitoring, maintenance and management programmes to drive towards relinquishment. A multidisciplinary rehabilitation steering committee meets quarterly to oversee progress with implementation. This includes addressing

critical issues such as ensuring compliance with dump design plans, challenges with concurrent rehabilitation, and exploring ways to mitigate associated closure liabilities.

Performance developments

Closure plans and actions

Sishen and Kolomela have current life-of-asset estimates of 17 and 12 years, respectively. Both operations have closure plans that are fundamentally aligned with the mine-closure toolbox requirements. Detailed closure plans are developed within five to 10 years of operational closure. Once all Kumba's life extension projects have been implemented, we aim to increase the life-of-asset until the end of 2040. The mine closure plans are updated every three years. The closure plans are also updated to reflect any material changes at the operations such as permit changes, mine expansions, or EIA reviews.

Closure plans are part of the public participation process in any environmental authorisation. All mine closure plans contain a set of measurable and time-bound targets in the form a master action plan that is tracked regularly on the SHE management system (IsoMetrix). These targets span all mine-closure planning aspects such as physical (rehabilitating mining infrastructure post closure), biophysical (rehabilitating environmental impacts such as landform

rehabilitation, post-mining land-use, biodiversity, remediating impacts on soils, water and air due to mining) and social (employee relations, socio-economic development post closure) aspects.

In addressing social closure, working with independent consultants, the mines have made good progress in developing their respective social mine closure plans. The plans are being refined to ensure full alignment with all the requirements of the Social Way and MCT, and will be finalised in 2023.

Closure liabilities and corresponding financial provision

Sishen and Kolomela update their closure liabilities estimate annually, as required by legislation. The assessments are based on EMPs and other commitments in various authorisations, as well as design closure criteria for final closure of the operations. Financial provisions are made annually, reviewed and audited in line with internal and external requirements. Financial provisions are provided once DMRE approvals of liability estimates are received.

The final version of the NEMA financial provision regulations is yet to be published by the Department of Forestry, Fisheries and the Environment. The fourth draft states that mining companies will have until end of September 2023 to comply. As stipulated in the transitional arrangement of the regulations, the 2022 closure-liability submission for Kumba managed mining operations to the DMRE is done in terms of the MPRDA, given uncertainty on NEMA financial provision regulations compliance. The 2022 closure-liability assessments are based on identified closure risks (predominantly environmental) at each operation and developing a mitigation plan over the remaining life-of-asset. Every third year we use the services of an external independent consultant to update our closure estimates and financial provisions.

The two mines implement Deswik for mine closure planning and processes to address the infrastructure growth and rates increase to ensure accurate mine closure liability calculations. Liabilities have increased in line with the consumer price index, which was higher in 2022, largely driven by increased diesel costs. At the end of 2022, our immediate closure cost estimates for the two mines was about R5.9 billion (2021: R5.2 billion) and financial provisions

Mine closure, rehabilitation and biodiversity cont.

totalled R2.8 billion. At the end of 2022, the increase in closure costs resulted in a shortfall of about R275 million, which will be funded by guarantees. Sishen’s estimated closure cost is R4.2 billion, a 10% increase on R3.8 billion in 2021. The year-end financial provision was R1.8 billion. Kolomela’s estimated closure cost is R1.7 billion in 2022, a 25% increase on the R1.3 billion at the end of 2021. The year-end financial provision was R1.0 billion.

In providing for the anticipated new NEMA financial provision regulations, important issues for consideration include water management (pumping and treatment), surrounding farmers and water supply, community housing projects implemented during the life-of-asset, and economic beneficial post-closure land use. We continue to deepen our understanding of our operations’ residual risks and impacts.

Integrated closure planning and concurrent rehabilitation

As part of integrated closure planning, detailed design closure criteria inputs have informed life-of-asset plans for Sishen and Kolomela. The objective of the integration is twofold. One is to enable efficient rehabilitation by establishing and working towards short and long-term rehabilitation targets and assigning annual budgets. In addition, we aim to optimise our mining processes to reduce the environmental impacts and ultimately reduce liability where possible. Our integrated approach to mineral waste management, which involves reducing the operational footprint by optimising the short haul in-pit dumping of pits and available space in existing wasterock piles, continues to realise significant opportunities at Kolomela and Sishen.

At year end, Kumba had 75,091 ha of land under its management control (2021: 83,402 ha). A total of 16,017 ha has been disturbed by mining, processing and mineral waste disposal, and supporting infrastructure (2021: 16,399 ha). Sishen has 346 ha available for rehabilitation and is addressing a backlog of 141 ha, though much of this is inaccessible. Kolomela, which started operations in 2011, has about 40 ha available for rehabilitation.

In 2022, we exceeded our rehabilitation targets (see table on the following page). A highlight was Sishen achieving 101.3 ha of reshaping and 101.5 ha of seeding.

In line with our five-year rehabilitation plans and steady progress, we continue to focus on concurrent rehabilitation

by setting annual targets, which are tracked monthly in order to aggressively address the rehabilitation backlog.

In addressing a deficit of topsoil, we have continued to trial the suitability of different waste types as an alternative growth medium, including the use of crushed waste discard material from the processing plants as well as treated contaminated soils from our bioremediation facilities. This work will continue in 2023.

In designing our rehabilitation work, we seek to identify synergies and opportunities that align with and support our biodiversity objectives. Current rehabilitation work includes the clean up of sediment in riverine areas, programmes to clear encroaching bushes, and incorporating a greater number of trees and shrubs in land rehabilitation.

Rehabilitation targets and performance in 2022

(ha)	Reshaping	Seeding	Growth medium
Sishen			
Target	100.0	100.0	100.0
Actual	101.3	101.5	100.0
Kolomela			
Target	40.0	40.0	40.0
Actual	47.5	40.5	40.5
Total actual	148.8	142.0	140.5

— Further data on our land management, including our operational footprint, rock mined and ore processed and rehabilitation liabilities, is provided on page 82.

Biodiversity

Our SMP NPI target is our commitment to leaving the biodiversity of an area in a better state than when we arrived. NPI acknowledges the role that nature plays in shaping the functioning of the environment and the wellbeing of people. Going beyond a simple “no net loss” principle, achieving NPI requires a deep understanding of our operating ecosystem and a deliberate land-management strategy, in conjunction with our biodiversity offset strategy and rehabilitation strategy.

Our NPI commitment applies to significant biodiversity features impacted by activities. These can include threatened

species, natural habitats, features supporting important ecological processes and/or ecosystem services essential to the wellbeing of society. Our operations are in areas of higher biodiversity value, increasing our responsibility to contribute to its protection and conservation. In line with the ICMM’s position statement on mining and protected areas, we remain committed to neither explore nor develop new mines in world heritage sites, and to respect legally designated protected areas, recognising their important role in protecting biodiversity values.

Sishen and Kolomela are situated in the southern part of a protected woodland in Northern Cape province. The region hosts several protected plant species, such as camel thorn and shepherd trees, that may not be damaged or removed without permits. Our operations’ expansion activities result in large areas of woodland having to be cleared. Permits have been issued on condition that an additional biodiversity offset area is provided for long-term conservation purposes. We continue working with both our internal and external stakeholders to explore suitable offset areas.

Our approach and progress

Given the potential of mining activities to affect habitats through land disturbance, land-use change and pollution, as well as the specific risks and opportunities presented by the biodiversity-sensitive areas where we operate, Sishen and Kolomela have continued to implement biodiversity action plans (BAPs). The BAPs seek to balance ecological considerations and community needs. The BAPs are used in conjunction with land management plans to address top risks, including the effects of mine dewatering, alien and invasive species, bush encroachment and the relocation of protected species to offset areas. Research and biodiversity monitoring protocols are used to understand and measure long-term biodiversity trends.

Our approach is strengthened through the implementation of our biodiversity technical standard and SMP which seek to ensure that, by 2030, all our sites demonstrate that they are on track to deliver NPI at closure. The standard is supported by a biodiversity guideline for implementation, and outlines a systematic approach to identify biodiversity features, set targets for significant biodiversity features, identify actions to

meet those targets, and track progress to achieve NPI through monitoring programmes.

Sishen and Kolomela have continued to comply with the standard and achieve the targeted progress in implementing its requirements. In 2021, the operations completed detailed biodiversity assessments, defining significant biodiversity features to protect and restore, and developed site-specific biodiversity management plans (BMPs) to guide progress towards achieving NPI. In implementing the plans, we are tracking site-specific indicators on a quarterly, half-yearly or annual basis as per approved site plan. The indicators are integrated into the SHE performance management system.

To enhance our capabilities, we are deploying environmental DNA technology at both mines. This pioneering approach uses DNA extracted from water and soil samples collected at sites which is then sequenced, allowing the identification of individual species using bioinformatics analysis. This is a critical tool for measuring biodiversity at our sites to a far greater degree of accuracy than traditional observation or sampling.

In 2022, we have been working with Anglo American to establish an aligned NPI calculation methodology. Another decisive step has been the development of a Kumba biodiversity offset strategy, which will be approved by Exco in 2023. The strategy articulates the broad principles for how offsetting should be conducted at our operations, unlocking opportunities and achieving alignment between Sishen and Kolomela. This will inform the development of respective biodiversity offset management plans and biomonitoring programmes to feed into the BMPs.

In exploring biodiversity opportunities, Sishen and Kolomela are working with other local role players to explore regional offset programmes. Kolomela hosted a successful biodiversity symposium in 2022 aimed at raising awareness. The operation has developed a biodiversity programme which will be approved by the regulator and Exco. This includes exploring opportunities to conserve certain vegetation that are poorly managed.

Sishen has started a biodiversity offset programme for its west dump 5. The mine is investigating the potential expansion of its nature reserve. In promoting opportunities

Mine closure, rehabilitation and biodiversity cont.

that support livelihoods and education, Sishen is exploring implementing a seed harvesting programme with a group of local people.

Each operation will continue to identify opportunities to implement additional conservation actions that meet the requirements of the biodiversity standard. These actions will also assist the operations in meeting their environmental authorisations conditions as they relate to biodiversity, such as alien species management, erosion control, and protected species management.

We promote collaboration between Sishen and Kolomela to ensure that resources are shared to the benefit of the Kathu and Postmasburg communities.

Celebrating the beauty and importance of trees

Kumba celebrated National Arbor week in September, aimed at raising awareness of planting trees under the theme “trees are terrific today and tomorrow”. A guest speaker facilitated discussions on biodiversity, water and climate change, and the role that trees play in sustainability. The event was held at the Centurion head office and then moved to a multi-purpose development centre in Tembisa. There was a talk on tree awareness and link to climate change and biodiversity before fruit trees were planted. We donated and facilitated the planting of fruit trees at Arebaokeng centre in Tembisa.

Using our land to benefit local communities

We aim to ensure that our non-mining land is used in a sustainable and optimised manner so as to benefit our mines and surrounding communities. All land management within Kumba is centralised, which supports a holistic approach to land management, thus optimising the synergies between Sishen and Kolomela. In 2022, we finalised a comprehensive, detailed land management strategy, informed by several technical studies. We have developed rolling five-year plans (2023 to 2027) for implementation of identified land-management options and roll-out of the infrastructure development programme. The implementation of the land-management strategy aims drive a lasting legacy of responsible land utilisation.

Our overall objectives are to ensure financial viability of all the agricultural ventures, optimise the social value created and protect and enhance the biodiversity value. The strategic focus areas include land production, land conservation and land restoration. We engaged specialists in diverse fields to assist in identifying and assessing the opportunities. Land uses assessed for implementation included game breeding, cattle farming, conservation, eco-tourism, education, renewable energy projects, restoration of degraded land as well as associated value chain opportunities, such as taxidermy, feedlot, and abattoirs. This process has ensured that we implement a land management programme that is scientifically based, relevant to the geographic and ecological setting, and charts clear deliverables to ensure success. We will continue to conduct research and will monitor our impacts.

As part of the technical studies conducted, focus areas were identified that require rehabilitation. These areas include sites that have bush encroachment, areas that have been infested with invader plants as well as areas that have been impacted by the recent veld fires. To address the identified issues, rehabilitation programmes have been put in place which include eradication of alien and invasive bush species, reseeding of degraded areas and amended grazing programmes for areas undergoing restoration. Through these processes, the mines will restore large areas of land over the life-of-asset.

Kumba land management’s focus over the last two years has been to ensure that critical basic infrastructure, such as fences, access control and water provision, is in place and of a suitable standard to support the identified projects. To date, a total of 280 km of game fencing and 45 km of internal cattle fencing have been completed. We have also acquired additional equipment to increase our efficiency in delivering on our objectives.

Last year, we reintroduced sable and buffalo to the Northern Cape and the intensive rare species breeding programme is progressing well. We aim to introduce the animals to public auction next year.



Antelope found on the Mamaghodi game farm, mainly Nyala and other smaller species.

Air quality

Highlights

- Strengthened approach to dust suppression and monitoring initiatives at our operations ensured a decrease in number PM10 dust level exceedances recorded in 2022 compared to 2021
- No air quality complaints received for a consecutive year

Learnings/challenges

- Persistent dry and windy conditions at Sishen and Kolomela

Focus for 2023 and beyond

- Implementing a predictive environmental monitoring system at Kolomela to enable a more proactive approach to managing our impacts

Ensuring we adequately understand and control the dust and gaseous emissions we release at our operations is essential to prevent adverse impacts on host communities. We strive to minimise the negative impact of our operations on air quality and to keep our levels of emissions to air within legal limits.

Minimising our negative impacts on air quality

All occupational emissions, including dust, gases and noise, have the potential to impact environmental health and can occur at any stage of the mining life-cycle. In addition to GHGs, we monitor and manage the emission of dust (particulate emissions) from our opencast mines, and nitrogen oxide (NOx) emissions from mine vehicles and other diesel engines.

We mine in arid areas and our most material air quality issue relates to excessive dust. Prolonged dry periods coupled with increased temperatures and winds increase the amount of dust generated at our operations.

We do not use ozone-depleting compounds or persistent organic pollutants at our operations.

Proactive risk management

At both Sishen and Kolomela we have intensified dust monitoring and suppression efforts in recent years to ensure, as a minimum, compliance with legally permitted emissions. We promote ongoing operational improvements to reduce particulate emissions and manage air quality risks by implementing the Anglo American air quality and noise standard. This standard provides a proactive framework for how we monitor and manage emissions of dust and gas (excluding emissions managed for occupational health impacts) from our sites that may pose a risk to humans, fauna and flora. In doing so, we reduce adverse effects on communities and the risk of non-compliance.

Self-assessments at Sishen and Kolomela have confirmed compliance with all the requirements of the standard.

We implement a trigger action response plan to manage daily dust events. At both Sishen and Kolomela we implement dust dashboards with early warning systems that ensure that controls are in place to effectively address risks. Mitigation measures implemented include an SMS/email warning system when an hourly exceedance occurs, operating a camera system at Sishen to monitor dust exceedances to allow for timeous response, and implementing live monitoring instruments for real-time dust measurements closer to the sources for speedy response.

To strengthen our risk management approach we are introducing predictive environmental monitoring to enable a more proactive approach to managing our impacts (see case study on the next page).

Dust suppression

Dust suppression is undertaken in the mining and plant areas. We increase our interventions during the dry season. For the mining area, we use chemical dust binders which are mixed with water and then sprayed on the primary and secondary roads to suppress dust generated primarily by trucks transporting wasterock and ore. The dust binders also contribute towards water savings and therefore aid with achieving our water savings targets. In the plant areas, risk-mitigation controls include using mist sprayers/foggers for conveyor belts and ore stockpiles just before the stockpile, and water-cannons to wet ore before reclamation.

Dust monitoring

Dust monitoring in general focuses on:

- PM10 (particles smaller than 10 micrometres) and PM2.5 (particles smaller than 2.5 micrometres), which are within the breathable fraction, by means of real-time monitors,
- fallout dust monitoring, a "nuisance dust" that is picked up by wind and settles at other locations, by means of dust buckets.

The monitors measure PM10 and PM2.5 from all sources in the surrounding area. These monitoring stations are mainly located close to the borders of the mine and reflect the dust levels that "escape" the mine area. All monitoring positions have been determined either through an air dispersion model or based on sensitivity such as nearby farm houses or communities. Dust fall monitoring stations (dust buckets) are located close to potential dust sources such as the primary crusher and are used to guide management decisions to enable better dust control. The monitors also measure wind direction, wind speed, temperature and humidity. Sishen currently has two real-time monitoring stations in Kathu and Sesheng (two BAM). Kolomela has five monitoring stations (three tapered element oscillating microbalance and two e-samplers).

All dust exceedances are fully investigated to determine sources.

Our performance

While Sishen and Kolomela continue to face dust emission challenges due to high winds and dry conditions, our performance in recent years indicates that our efforts to reduce our dust exceedances remain effective. At Sishen, controls are implemented to effectively mitigate the main contributors of dust, which are haul roads, crushing activities, and waste dump activities. This has in turn minimised dust transported to Kathu, which is approximately 2.8 km from the mine.

In 2022, Kolomela deployed additional water trucks to ensure effective dust suppression in the mining area and conducted weekly management VFLs. These proactive measures have ensured that monitoring results recorded no cases of PM10 dust levels exceeding legal limits (exceedances) at Kolomela's stations, compared to 12 exceedances in 2021. We are allowed four PM10 exceedances a year at each station.

Sishen recorded three PM10 exceedance in 2022 at the Kathu monitoring station. An independent investigation concluded that only one exceedance was as a result of dust from the mine.

We have not received any air quality and noise-related complaints for the last two years. Kolomela is located 20 km from communities.

The reporting of NOx emissions is aligned to the South African National Atmospheric Emissions Inventory System (NAIES) reporting requirements. This regulatory reporting cycle runs from March to March. We have received clean audits since the inception of reporting requirements.

We continue to engage with the regulator and are committed to the regional initiatives on air quality management plan improvements.

Air quality cont.

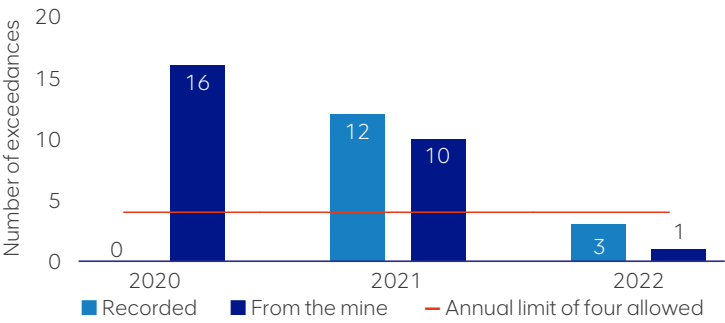


Kgosietsile Choche, a supervisor operating the pumps to fill the water trucks with a mix of water and dusticide to keep dust levels down on the mining haul roads.

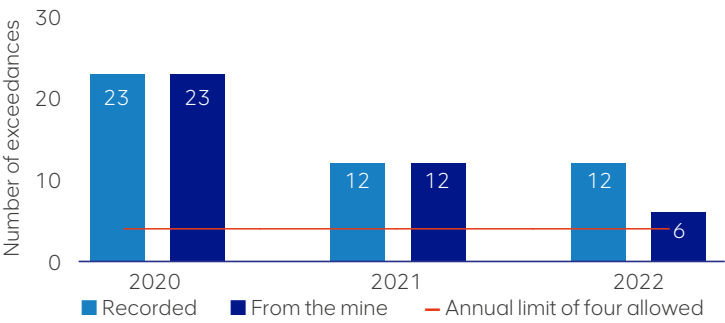
Predictive monitoring system

Kolomela is currently working with the group to pilot the implementation of a predictive monitoring system to reliably forecast air quality and weather parameters, such as strong winds, and provide descriptive environmental information linked to operational plans and management controls. The foundational phase work is focusing on data acquisition and building a weather and air quality model to generate reliable forecasts of wind speed and direction, along with emissions of PM10 and PM2.5 particulate matter. During phase 1, a real-time weather dashboard will be created that will integrate all on-site controls and begin providing weather and air quality forecasts. Our phase 2 work, expected to take place in the first half of 2023, will focus on integrating and enhancing current controls, which, in addition to ensuring air quality compliance, will also contribute to optimising our operational practices designed to add proven value.

PM10 exceedances at Sishen



PM10 exceedances at Kolomela



Bridget Seikotagelo at the water truck filling station at Sishen mine.

Mineral residue (tailings) management

Highlights

Good progress towards achieving conformance with the Global Industry Standard on Tailings Management (GISTM) at Sishen's active tailings facility

Installing fibre optic cable at Sishen to assist in detecting leaks and other vulnerabilities in penstock decant pipes

Challenges

Meeting the requirements of GISTM for Sishen's active tailings is dependent on long lead times for laboratory tests and analysis. There is a global constraint on these resources considering the drive to achieve GISTM compliance in August 2023

Identifying opportunities for reusing mineral waste as a resource

Focus for 2023 and beyond

Ensure conformance with group mineral residue technical standard and GISTM expectations

Complete stormwater management projects by 2025

Reduce levels of mineral "waste" material produced by applying UHDS technology

Management and storage of wasterock and processed mineral residue remains a critical issue across our industry. We continue to develop practical solutions to meet the social, safety and environmental challenges of mineral residue management while implementing leading practices at our operations.

Managing tailings and storing mineral residue

Mineral residue from mining includes both the wasterock left from extracting the ore from the ground, and tailings, the mineral residue that remains after the mined ore is processed to separate it from the host rock. The mineral residue affects the land through the establishment of TSF and wasterock dumps. A TSF is a highly engineered structure comprising one or more tailings dams, with embankments designed to permanently store the tailings.

Our mineral residue storage footprint

Kumba manages four TSFs: one is constructed as a water-retaining structure at Kolomela, and three are located at Sishen using the upstream method of construction; only one of these is active, the other two are old dormant facilities. Upstream tailings dams are generally considered to be an appropriate design for facilities in dry and seismically stable regions with flat topography, including the locations of our managed TSFs. Kumba does not have an ownership interest in any other TSFs, and we do not have any slag dumps.

The active facility at Sishen consists of four compartments that are used on a rotational basis to ensure that the phreatic surface never reaches the outside embankments. One of the dormant facilities has been partially rehabilitated and consequently does not contain any stormwater while the other one is being converted into a waste rock dump with about 95% of it already covered under the waste.

Kolomela plans to build a new TSF for its DMS plant. The project has been approved by the DMRE and awaits approval of a WUL from the DWS before being implemented.

Details of our TSF risks, management and controls for all these facilities are published on our website and underscore our confidence in the integrity of our managed storage facilities. To ensure that our disclosure information remains current, accurate, and to demonstrate our progress achieved, in 2022 we updated the disclosure information which will be published in Q1 2023 on our website.

Leading approach to managing tailings safely

We are an industry leader in our approach to managing tailings safely and in being transparent about our TSFs. The group mineral residue technical standard addresses the risks of both tailings facilities and water-retaining facilities, while risk management for wasterock dumps and stockpiles is covered in the group geotechnical standard. The technical standard sets out requirements for design, monitoring, inspection and surveillance, which we follow as a minimum practice. While the standard is recognised as industry leading, it will continue to evolve, particularly to reflect the requirements of the GISTM.

Our operations implement the mandatory technical standards and track their progress in meeting all requirements through self-assessments. The critical outstanding gaps to fully comply with the Anglo American

group technical standard are the same ones that are required for compliance with GISTM. Therefore, the full compliance with the Anglo American group standard will be aligned to that of GISTM. We are also working towards conformance with the GISTM, in line with our ICMM membership commitment. This commitment entails that TSFs with "extreme" or "very high" potential consequences, as rated under the GISTM, are in conformance by 5 August 2023. This corresponds to the "major" rating under our internal consequence classification of structures (CSS) rating for TSFs, of which only one of Kumba's TSFs, the active facility at Sishen, is rated. Kumba's other three facilities have a CSS rating of "high" and must be in conformance by August 2025.

Kumba has a multidisciplinary steering committee to manage the implementation of the GISTM requirements. Sishen's active facility completed a self-assessment against the GISTM requirements, identified gaps, developed close-out plans and has implemented actions to achieve conformance by August 2023. The close-out of certain gaps is dependent on long lead laboratory tests and analysis of tailings materials, which is being undertaken by consultants overseas. There is a risk of not achieving full compliance with GISTM by August 2023 due to long lead deliverables that are influenced by global laboratory capacity constraints. Kumba is exploring options to mitigate the risk. The remaining three TSFs at Kumba will start conducting their GISTM self-assessments in Q1 2023.

Our TSFs are subject to a rigorous risk management programme. We have various internal and external review and assurance programmes that ensure that priority unwanted risks are identified and that adequate critical controls are in place to manage them.

We take a holistic approach to the safety of our tailings dams, which includes the way that we communicate with people living near the dams. As part of our Social Way management system, we have site-specific safety and emergency preparedness plans in the event of a catastrophic release of tailings, both for employees and contractors, and for stakeholders outside the mine. The emergency preparedness plans relating to Sishen's active TSF were discussed with communities near the mine during a community engagement session in September 2022.

All our TSFs are operated in line with the national mandatory code of practice on mine residue deposits as stipulated by the DMRE. Our mineral residue deposits and stockpiles are subject to a broad range of licensing requirements, regulations and standards under the Waste Act. We comply with all provisions and have the required licences in place.

Technology has a vital role to play in strengthening the monitoring of tailings dams. Kumba uses automated vibrating wire piezometers to generate, real-time data to better monitor tailings facilities, including for ground movement and seepage. Drones are used to monitor environmental and critical controls and document inspections through photos and videos. At Sishen, we have started installing fibre optic cables to monitor strain, temperature, leakage and stability in real time. In 2023, we plan to procure satellite technology to strengthen our monitoring of TSF embankment stability.

Managing waste dump and stockpiles

The risk management of waste dump and stockpiles is based on the industry standard on guidelines for a mine's waste dump and stockpile design. This includes a stability rating and hazard classification system to assist in identifying the level of effort required for site investigation, analysis, design, construction and operation. The waste dump and stockpiles at our operations fall into the "very low" and "low" hazard categories. Operational measures that include design,

Mineral residue (tailings) management cont.

construction and monitoring are in place to ensure risks are managed by following the level of effort required per hazard class. In ensuring ongoing improvement in our risk management of waste dump and stockpiles, Kumba implements its ArcGIS mine residue deposit management system. The system ensures there is ongoing spatial risk management of mineral residues throughout the mining life-cycle from design, operations and mine closure.

Waste rock

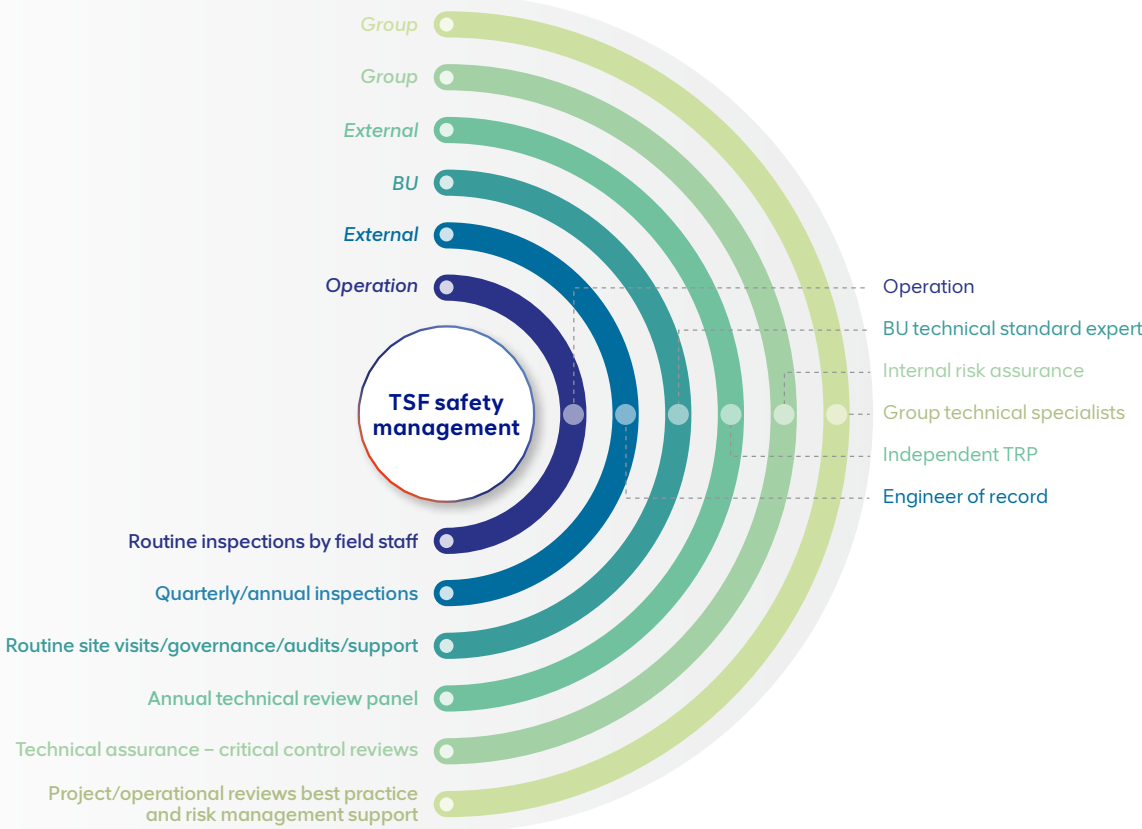
We have never had any significant tailings management related incidents at our operations.

Waste mined at Kolomela in 2022 was 25% lower at 47.5 Mt (2021: 63.3 Mt), and 7% higher at Sishen at 156.8 Mt (2021: 146.1 Mt).

— For additional environmental performance tables please refer to page 81.

Tailings are one of the major-consequence waste types that mining companies produce in terms of volume and potential toxicity. We approved the Sishen UHDMS project 2020. The technology will enable us to process low grade ore (C-grade material), which would have been classified as waste and contributed to our wasterock dump footprint. This project supports our circular economy agenda where waste is regarded as a resource. The project is currently under review and the implementation date will be confirmed.

TSF safety management



Leeuwfontein pit operations at Kolomela.

Non-mineral waste management

Highlights	Challenges	Focus for 2023 and beyond
<p>Steady improvements in diverting waste from landfill; diversion rate at the end of 2022 was 74%, up from 68%</p> <p>Progressed with implementing opportunities to support our progress towards achieving ZW2L</p> <p>Received approval to establish waste tyre recycling facility at identified site in Kathu, with EIA issued</p>	<p>26% of waste generated was sent to landfill</p> <p>Address physical waste in a way that is aligned with the circular economy</p> <p>Identifying sustainable waste tyre management solutions that promote circular economy and socio-economic benefits is an ongoing challenge</p> <p>Waste segregation is a challenge at our sites, with people still mixing different types of waste</p> <p>Limited waste mitigation opportunities with suppliers and communities realised to date</p>	<p>Achieve our goal of sending zero waste to landfill for all waste streams with reuse/recycled solutions at Kolomela and Sishen</p> <p>Find off-take solutions for the remaining problematic waste streams</p> <p>Improve waste separation at source</p> <p>Identify partnership waste management projects with suppliers and community-based initiatives</p> <p>Commence with implementation of tyre recycling facility in Kathu</p>

We are progressing towards realising our vision of achieving and sustaining zero hazardous and general waste to landfill. We strive to minimise and manage non-mineral waste streams to minimise effects on human health and the environment, and to align with circular economy principles.

Towards achieving zero waste to landfill



Kumba’s waste management strategy is aimed at achieving and maintaining zero hazardous and general waste to landfill, while pursuing circular economy and community upliftment opportunities. The strategy applies to all our owned and managed sites and activities. The scope includes all non-mineral waste and excludes mineral waste (wasterock dumps and tailings), tyres and asbestos containing waste. Our approach ensures we comply with South African waste legislation requirements.

The ZW2L project aims to ensure that all waste included in its scope is reused, recycled, composted, or sent to energy recovery. We continue to make steady improvements in diverting waste from landfill, improving our diversion rate from 68% in 2021 to 74% in 2022. We are confident that by the end of 2023, we will achieve zero recyclable waste to landfill, however, we are unlikely to achieve our targeted ZW2L.

We continue to implement awareness campaigns to drive behavioural change and build a waste-to-value culture. There remains a need to improve waste-stream sorting and recycling across the Company. At our sites we provide recycling boxes, designated skips or cages, sorting stations with different coloured bins and implement and operate recycling and hazardous waste compounds/yards. In local communities, we conduct clean-up campaigns to raise awareness.

Our progress is more advanced at Kolomela. At Sishen, a specialist waste management company has been supporting the identification and implementation of reuse and recycling solutions. We continue to explore recycling/reuse off-take solutions for certain challenging waste streams. Not all our waste can be recycled or reused because the technology is not yet available to do so. We remain abreast of changes in waste management options and will continue to communicate with the relevant experts and authorities.

Key initiatives and developments

During the ZW2L project, we have prevented many types of waste from going to landfill including scrap metal, plastic, paper, cardboard, tin cans, glass, and used oil. Sishen

generated R37.6 million in revenue from scrap metal sales in 2022.

In reducing hazardous waste, bioremediation plants at our operations rehabilitate soil affected by hydrocarbon spills so that it can safely be reused in land rehabilitation. We also recycle fluorescent tubes and air filters at both sites.

Sishen constructed a biodigester plant (a brick-and-cement structure) in 2021 to generate biogas through the sustainable treatment of biodegradable (food) waste generated at the mine. The environmentally friendly, clean and efficient biogas fuel is used for cooking energy demands on-site.

In empowering community members and avoiding disposal, we engage a local supplier to clean the oil drums we use, approximately 210 to 240 each month, and sell them back to the mine.

Kumba has a manager in charge of pursuing sustainable solutions to used tyres at our operations. There is currently no sustainable solution for the disposal of tyres in South Africa. Kumba is participating in a working group led by Impact Catalyst exploring sustainable solutions to waste tyres. This includes collaborating with our principal tyre supplier and four

other mining companies in seeking a circular-aligned solution for end-of-life mining tyres. In 2022, approval was granted to establish a tyre recycling facility at a site identified in Kathu and an EIA was issued. The programme will involve downsizing the massive mining tyres into smaller blocks for shredding and potentially granulation and moulding. We are investigating opportunities for secondary industries for tyre-derived products within communities. A steering committee meets quarterly to discuss progress and opportunities. There are approximately 50,000 tonnes of tyres currently stored across Sishen and Kolomela and about 3,000 tonnes generated annually, creating storage constraints. The facility is designed to be able to treat about 10,000 tonnes per month.

Hazardous waste management

Managing hazardous substances is strictly regulated and controlled at our operations and at receiving-waste facilities, which are regularly audited by external parties. Hazardous waste can only be stockpiled for a certain period and is not an alternative to sending to landfill. Waste disposal by reputable waste management service providers is tracked and safe disposal certificates are kept. We audit suppliers from time to time. None of our waste is exported outside South Africa. Each mine records the amount of waste disposed, and associated certificates are retained.

Our sites comply with the Anglo American hazardous materials management technical standard, as verified through internal audits. The standard covers planning and design, systems implementation and management, and performance monitoring related to all aspects of hazardous materials used in mining and processing, and includes local legal compliance. It does not set explicit targets on reducing or substituting the use of hazardous materials. In managing hazardous materials, we implement defined minimum mandatory critical controls for each site to ensure fatal risks are proactively managed. We implement a group software platform for control of all hazardous materials.

Non-mineral waste management cont.

Measuring our performance

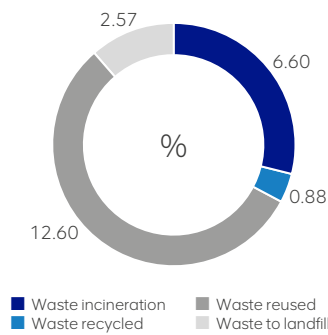
Waste streams are sorted on-site and weighed when leaving each operation. Large non-mineral waste streams include tyres, oils and greases, rubble and office consumables. We report hazardous and non-hazardous waste separately and against targets. Detailed monthly reports indicate the types and quantities of waste recycled, reused and disposed. We track and report our monthly and year-to-date performance against key performance indicators.

Total waste sent to landfill in 2022 from our operations was 2.57 kilotonnes which is a 42% reduction against the 2015 baseline of 4.45 kilotonnes. A waste roadmap has been developed which will focus on finding solutions for the remaining problematic waste streams.

In 2022, Kumba’s operations treated about 2,022 tonnes of contaminated soil at our bioremediation facilities (2021: 827 tonnes), which would have otherwise gone to the landfill.

2022 total waste

Total waste (kilotonnes)



* Excluded from ZW2L scope: 42.2 kilotonnes of asbestos waste (the landfilling of asbestos is mandatory in terms of South African legislation)



Sishen mine generates a large volume of waste in its operations. Much of this waste is collected and separated. Once bailed it is sent to specialist recyclers. Pictured bailing plastic bottles and card waste is Thabang Samuel, Neo Lenong and Sylvester Kupe.

Appendices

Topics covered in this section

- Performance tables
- Socio-economic and transformation indicators
- Summary GRI table
- Independent Auditor's assurance report
- Selected reporting criteria for sustainability assurance
- Glossary of terms and acronyms
- Administration

Karabo Nkadamang and Mpho Baitsomedi, both electrical learners at Kolomela mine.

Performance tables

Economic value added

Value added statement

Salient features for the year ended 31 December

Rand million	2022	%	2021	%	2020	%	2019	%
Value added by operating activities	43,619	99.1	73,433	99.0	51,672	98.8	38,517	98.0
Revenue	74,032		102,092		80,104		64,285	
Less: Cost of materials and services	30,413		28,659		28,432		25,768	
Value added by investing activities								
Finance income	377	0.9	779	1.0	624	1.2	792	2.0
Total value added	43,996	100.0	74,212	100.0	52,296	100.0	39,309	100.0
Value distributed								
Distributed to employees	6,529	14.8	5,620	7.6	5,006	9.6	4,953	12.7
Salaries, wages, medical and other benefits	6,297		5,396		4,863		4,806	
Share-based payments	232		224		143		147	
Distributed to providers of finance								
Finance costs	486	1.1	285	0.4	258	0.5	351	0.9
Distributed to the state	8,920	20.3	21,215	28.6	13,147	25.1	10,355	26.3
Income tax	7,131		16,603		10,146		7,783	
Royalties	1,789		4,612		3,001		2,572	
Communities CED expenditure	399	0.9	258	0.3	264	0.5	171	0.4
Distributed to shareholders	24,993	56.9	48,208	64.9	15,049	28.8	19,640	50.0
Dividends to owners of the Company	19,067		36,718		11,463		14,983	
Dividends to non-controlling interests	5,926		11,490		3,586		4,657	
Value reinvested	2,614	5.9	4,377	5.9	2,836	5.4	2,496	6.3
Depreciation, amortisation and impairment	5,020		5,050		4,970		4,538	
Deferred stripping capitalised	(2,512)		(1,725)		(2,502)		(2,634)	
Net discounting finance cost	104		110		96		83	
Deferred taxation	2		942		272		509	
Value retained/(distributed)	55	0.1	(5,751)	(7.7)	15,736	30.1	1,343	3.4
Attributable to owners	42		(4,387)		12,005		1,025	
Non-controlling interest	13		(1,364)		3,731		318	
Total value distributed	43,996	100.0	74,212	100.0	52,296	100.0	39,309	100.0

People

Occupational levels (permanent, excluding FTEs)

Group	Male				Female				Foreign nationals		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Top management	—	1	1	1	2	—	—	—	2	—	5	2	7
Senior management	32	4	3	33	15	1	3	11	2	—	74	30	104
Professionally qualified and experienced specialists and mid-management	174	44	6	119	135	20	3	47	9	4	352	209	561
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1,298	713	1	366	311	181	5	107	8	2	2,386	606	2,992
Semi-skilled and discretionary decision-making	1,135	369	1	36	456	173	—	23	1	—	1,542	652	2,194
Unskilled and defined decision-making	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	2,639	1,131	12	555	919	375	11	188	22	6	4,359	1,499	5,858

Per South African classification:

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

Women-in-mining

	Women employed (%)		Women in core mining (%)	
	2022	2021	2022	2021
Kumba Board	50	45	—	—
Corporate office	57	46	11	34
Sishen	36	21	20	17
Kolomela	30	31	16	28
Group	26	25	17	20

Employment by locals (%)

	2022	2021	2020
Sishen	80	78	86
Kolomela	77	80	78

Performance tables cont.

Age profile of employees (%) (permanent, FTEs, mining contractors and learners)

2022	Sishen	Kolomela	Corporate office	Group
<30	16	17	25	17
30 to 50	74	77	60	74
>50	9	6	15	9

Average age of employees (full-time permanent/full-time equivalent)

2022	Age
Corporate office	42
Sishen	39
Kolomela	37
Total	39

Staff turnover by operation (permanent positions, excluding FTEs)

2022	Corporate office	Sishen	Kolomela
Total number of separations	38	165	67
Resignations	16	59	46
Redundancies	12	63	9
Dismissals	2	22	7
Other reasons for leaving	8	21	5
Turnover rate for total separations	11.3%	4.1%	4.8%

Employment equity (core mining: permanent, excluding FTEs)

2022	Total in service	Total HDSA employees	% HDSA
Level			
Top management	7	4	57
Senior management	104	69	66
Middle management	561	429	76
Junior management	780	632	81
Core and critical skills	4,406	4,141	94
Total	5,858	5,275	90

Group safety performance

	2022	2021	2020	2019
Work-related loss of life	0	0	0	0
Fatal injury frequency rate (FIFR)	0	0	0	0
Lost-time injuries (LTIs)	28	8	18	17
Lost-time injury frequency rate (LTIFR)	1.01	0.32	0.80	0.69
Total recordable case frequency rate (TRCFR)	1.55	0.80	1.74	2.06
Total first aid cases (FAC)	81	56	51	95
Total medical treatment cases (MTC)	15	12	21	34
Total recordable cases (TRC)	43	20	39	51
Visible felt leadership activities	36,761	24,613	35,692	41,279
High-potential hazards	4,464	4,541	4,120	3,635
Voluntary safety stoppages	1,038	872	590	448

New cases of occupational disease

	2022	2021	2020
New cases of noise-induced hearing loss	0	0	0
Chronic obstructive airways disease	0	0	0
Occupational tuberculosis	0	0	0
Occupational asthma	0	0	0
Musculoskeletal disorder	0	0	0
Occupational dermatitis	0	0	0
Occupational cancers	0	0	0
Other occupational diseases	0	0	0
Venous thromboembolism	0	0	0
Repeat cases of noise-induced hearing loss	0	0	0
Total*	0	0	0

* One potential occupational disease case being reviewed for 2022.

Performance tables cont.

HIV statistics

	2022	2021	2020
Number of employees at the time of the HIV counselling and testing (HCT) campaign	6,757	6,540	6,650
Estimated HIV prevalence rate (%)	6.5	4.6	4.8
Estimated number of HIV-positive employees	440	306	322
Total number of employees who know their HIV status	6,126	5,914	5,852
Percentage of HIV counselling and testing done for permanent employees	91	90	88
Total number of new HIV infections	16	2	14
Employees on HIV disease management programmes	176	263	285
HIV positive employee enrolment in HIV wellness programmes (%)	100	100	100
Employees on ART	176	263	285
HIV positive on ART (%)	100	100	100
Ill health early retirements	0	0	0
Aids deaths (including TB deaths)	2	0	0
Contractor HCT cases	6,397	5,750	4,210
Number of dependant HCT cases	0	—	10
Number of dependants enrolled in HIV wellness programmes	—	9	11
Number of dependants on ART	—	9	11

Note: The total number of employees and contractors participating in HCT can exceed the number of employees at year end due to fluctuations during the year.

TB statistics

	2022	2021	2020
Number of permanent employees screened for TB	6,005	6,008	n/a
Number of permanent employees at the time of the TB screening campaign	6,757	6,540	n/a
Percentage of permanent employees screened for TB	89	92	75
New pulmonary TB cases	4	8	10
New extra-pulmonary TB cases	1	1	0
Cumulative number of new TB cases	4	9	10
TB deaths (must be proven)	0	0	0
Annualised TB incidence rate per 100,000 population	59	138	146
New multi-drug-resistant (MDR) TB cases	1	0	0
New extremely drug-resistant (XDR) TB cases	0	0	0

Environment

Process materials purchased

	Diesel (ML)			Explosives (000t)		
	2022	2021	2020	2022	2021	2020
Sishen	158.6	149.8	136.2	43.6	63.5	118.2
Kolomela	47.3	48.1	47.4	20.4	28.6	59.8
Total	205.9	197.9	183.6	64.0	92.1	178.0

	Lubricants (000l)			Tyres (t)		
	2022	2021	2020	2022	2021	2020
Sishen	2,472.8	3,167.2	2,537.3	2,995.3	2,503.1	3,521.0
Kolomela	942.8	947.0	1,031.2	417.1	556.8	697.0
Total	3,415.6	4,114.2	3,568.5	3,412.4	3,059.9	4,218.0

Total water withdrawals (consumption) (ML)

	2022	2021	2020
Potable water from third-party supplier			
Sishen	367.00	382.00	328.84
Kolomela	—	—	—
Total	367.00	382.00	328.80

Non-potable water from third-party supplier

Sishen	1,263.10	1,794.00	1,127.21
Kolomela	—	—	—
Total	1,263.10	1,794.00	1,127.21

Total water from third-party supplier	1,630.10	2,176.00	1,954.01
---------------------------------------	----------	----------	----------

Groundwater abstracted			
Sishen	14,218.00	13,584.60	14,547.03
Kolomela	13,390.00	11,307.10	13,393.58
Total	27,608.00	24,891.70	27,940.61

Entrainment (moisture locked up in tailings, products, etc)

Sishen	306.10	252.00	274.97
Kolomela	132.60	121.00	—
Total	438.70	373.00	274.97

Freshwater used in our operations	8,099.00	7,028.00	7,154.00
Water supplied to communities	18,372.00	17,070.00	18,149.00

Performance tables cont.

Group water abstracted (ML)

	2022	2021	2020	2019	2018
Water from water service providers or municipalities	367	382	329	270	154
Wastewater from other organisations	1,263	1,794	1,127	1,830	1,180
Surface water**	1,548	1,925	1,930	634	812
Water from groundwater	26,760	24,892	27,940	28,520	29,090
Water withdrawn	29,938	28,993	31,326	31,254	31,236
Water recycled and reused	8,820	1,876	3,820	3,440	3,410

** Surface water figures have been included to align with Kumba and Anglo American's corporate water reporting structure and the ICM water reporting guidelines. Historical numbers (2018 to 2021) were not externally assured.

CO₂e emissions (Mt)

	2022	2021	2020
Total scope 1 emissions (direct – fossil fuels)			
Sishen	0.427	0.402	0.366
Kolomela	0.127	0.129	0.127
Group*	0.554	0.531	0.493
Total scope 2 emissions (indirect – electricity purchased)			
Sishen	0.374	0.379	0.351
Kolomela	0.066	0.079	0.068
Group*	0.440	0.458	0.419
Total scope 1 and 2 emissions			
Sishen	0.801	0.781	0.717
Kolomela	0.193	0.208	0.195
Group*	0.994	0.989	0.912

* Group includes non-mining facilities, e.g. head office.

Energy consumption (million GJ)

	2022	2021	2020
Energy consumed from fossil fuels (direct)			
Sishen	5.74	5.42	4.93
Kolomela	1.71	1.74	1.72
Group	7.45	7.16	6.65
Energy consumed from electricity purchased (indirect)			
Sishen	1.29	1.30	1.22
Kolomela	0.23	0.27	0.24
Group	1.52	1.57	1.46
Total energy consumed (direct and indirect)			
Sishen	7.03	6.72	6.15
Kolomela	1.94	2.01	1.96
Group	8.97	8.73	8.11

Operational footprint (ha)

	Company managed land	Total land altered for mining and commercial activities, and supporting infrastructure	Land fully re-habilitated but not yet meeting agreed land use objectives	Area available for re-habilitation	Re-habilitation target for 2022	Reshaping completed YTD 2022	Growth medium construction completed YTD	Seeding completed YTD 2022
Sishen	36,000.00	13,986.61	404.9	346	100	101.3	100	102
Kolomela	39,090.91	2,030.00	179.7	40	40	47.5	41	41
Group	75,090.90	16,016.60	584.6	386	140	148.8	141	142

Immediate closure costs at 31 December (Rm)

	2022	2021	2020
Sishen	4,205	3,826	3,513
Kolomela	1,681	1,341	1,222
Group	5,886	5,167	4,735

Rock mined and ore processed (Mt)

	Total tonnes mined		Waste mined		Final product	
	2022	2021	2022	2021	2022	2021
Sishen	196.2	184.0	156.8	146.1	27.0	28.0
Kolomela	59.1	77.4	47.5	63.3	10.7	12.8
Group	255.3	261.4	204.3	209.4	37.7	40.8

Mineral waste (Kilo tonnes)

	2022	2021	2020
Mineral waste accumulated			
Tailings dams (active and inactive)	291.85	224.94	256.17
Rock dumps	615,450	13,839	14,538
Non-mineral waste generated			
Hazardous to landfill	1.13	0.92	0.63
Hazardous bio remediated	2.02	0.86	37.74
Non-hazardous to landfill	1.44	4.60	2.00
Recycled	0.88	12.39	0.19

Socio-economic and transformation indicators

Ensuring full compliance with government's policies and legislative requirements is the cornerstone of Kumba's commitment to delivering shared value and promoting socio-economic transformation. This is an overview of Kumba's performance against the socio-economic transformation objectives of the MPRDA and our internal targets based on the recommendations contained in the Broad-Based Black Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (Mining Charter III).

Indicator	Performance
Ownership: Existing mining rights	<p>In 2006, Kumba completed a BEE ownership transaction at a company level, resulting in 26% BEE ownership. The ownership consisted of a community trust and the Envision broad-based employee share ownership plan (ESOP) each holding 3%. Exxaro Resources, created out of the unbundling of Kumba’s iron ore assets in 2006, held 20%. The Envision ESOP schemes matured in 2011 and 2016, respectively. Exxaro, Kumba’s primary empowerment partner, replaced its BEE structure in 2017. Post this transaction, Exxaro is 30% BEE owned.</p> <p>At the end of 2022, Kumba had transformed at least 32.6% of its attributable capacity to HDSA-owned and controlled entities.</p> <p>Under the ESOP, Karolo, launched in 2017, some 5,500 employees are awarded R20,000 worth of free Kumba shares on an annual basis for three years, with a three-year vesting period. Participants receive dividends over the vesting period.</p> <p>In 2022, Kumba launched a new and improved ESOP. The hybrid ESOP scheme structure for qualifying employees comprises an innovative “evergreen” component and a vesting component similar to Karolo. The new share scheme is structured with flexibility in mind for the inclusion of future growth opportunities. Karolo will make its last offer in August 2022, and from next year onwards, the new trust will start awarding the Kumba shares.</p>
Mine community development (R million)	<p>Kumba develops and implements five-year SLPs in accordance with national legislation and executes SLP projects that form part of local Integrated Development Plans.</p> <p>During 2022, mine community development spend totalled R399.5 million, of which R154.4 million was spent on SLPs and the balance on corporate social investment.</p> <p>— For more information refer to page 50.</p>
Inclusive procurement Mining goods (%)	<p>During 2022, 39% of mining goods were purchased from HDSA companies, with 5% of purchases from women- or youth-controlled companies and 81% of purchases from BEE-compliant companies.</p>
Inclusive procurement Mining services (%)	<p>During 2022, 75% of services were procured from HDSA companies, 28% were from women-controlled businesses, 5% from youth-controlled businesses and 103% of services were procured from BEE-compliant companies.</p>

Indicator	Performance
Research and development (R million)	During 2022, R1.0 million (100% of total spend) of research and development costs were spent on SA-based companies.
Processing of samples (R million)	During 2022, R109.9 million (100% of total spend) of processing costs were spent on SA-based companies.
Enterprise and supplier development	<p>During 2022, Kumba spent R5.4 billion with host community suppliers. Kumba partners with Anglo American Zimele to promote inclusive supplier and enterprise development.</p> <p>— For more detailed information refer to page 51.</p>
Employment equity	— For more detail on Kumba's employment equity plans and outcomes for 2022 , refer to page 44.
Human resource development	During 2022, Kumba spent R244 million on skills development which amounted to 6.0% of payroll at Sishen and 4.0% of payroll at Kolomela.
Housing and living conditions	<p>Since 2007, Kumba has constructed more than 4,200 homes for employees. In 2022, Kumba started implementing an innovative new housing strategy and policy aimed at facilitating and incentivising homeownership and mitigating the housing shortage at Kolomela.</p> <p>— For more information refer to page 54.</p>
Beneficiation	<p>Kumba is one of the largest haematite ore producers to beneficiate its run-of-mine material (ROM) before marketing it as a niche high-grade product to the local and international markets. The beneficiation process involves converting the ROM material by upgrading the element that is of interest and removing unwanted “gangue” (waste), material before further processing stages. While Kumba has predominantly used DMS and “Jigging” (Jig) as the mechanisms for refining the ore, the Company has recently embraced a new technology known as UHDMS to extract the maximum potential from its ore resource, as well as ensure operational longevity. The adoption of UHDMS is evidence of Kumba’s long-term strategy to utilise the latest technology to not only enhance the beneficiation of its current resource but also to extend the life-of-asset of its Sishen and Kolomela operations. In 2022, we beneficiated approximately 72% of our ore.</p>
B-BBEE scorecard for Sishen Iron Ore Company Proprietary Limited	The latest B-BBEE certificate can be accessed on our website.

Summary GRI table

GRI standard	Disclosure number	Disclosure title	Disclosure (page)
General disclosures			
Organisational profile	102-1	Name of the organisation	Kumba Iron Ore
	102-2	Activities, brands, products, and services	SR: 13, 14
	102-3	Location of headquarters	SR: Back cover
	102-4	Location of operations	SR: 10
	102-5	Ownership and legal form	SR: 10
	102-6	Markets served	SR: 10
	102-7	Scale of the organisation	SR: 8, 10
	102-8	Information on employees and other workers	SR: 79
	102-9	Supply chain	SR: 26, 51, 52, 61
	102-10	Significant changes to the organisation's size, structure, ownership and its supply chain	None
	102-11	Precautionary principle or approach	SR: 59
	102-12	External initiatives	SR: 3, 22, 50
	102-13	Membership of associations	SR: 22
Strategy	102-14	Statement from the most senior decision-maker	SR: 15, 16
	102-15	Key impacts, risks, and opportunities	SR: 13, 14, 18, 19
Ethics and integrity	102-16	Values, principles, standards, and norms of behaviour	SR: 8, 22
	102-17	Mechanisms for advice and concerns about ethics	SR: 25
Governance	102-18	Governance structure	IR: 26
	102-19	Delegating authority	SR: 21
	102-20	Executive-level responsibility for economic, environmental, and social topics	SR: 21
	102-21	Consulting stakeholders on economic, environmental, and social topics	SR: 27, 28
	102-22	Composition of the highest governance body and its committees	IR: 22, 23
	102-23	Chair of the highest governance body	IR: 22
	102-24	Nominating and selecting the highest governance body	IR: 42
	102-25	Conflicts of interest	SR: 29
	102-26	Role of highest governance body in setting purpose, values, and strategy	SR: 24
	102-27	Collective knowledge of highest governance body	IR: 34 to 37
	102-28	Evaluating the highest governance body's performance	SR: 25; IR: 28
	102-29	Identifying and managing economic, environmental, and social impacts	SR: 21-23; IR 48 to 56

GRI standard	Disclosure number	Disclosure title	Disclosure (page)
Stakeholder engagement	102-30	Effectiveness of risk management processes	SR: 24; IR: 48
	102-31	Review of economic, environmental, and social topics	SR: 21
	102-32	Highest governance body's role in sustainability reporting	SR: 2, 21
	102-33	Communicating critical concerns	SR: 21
	102-34	Nature and total number of critical concerns	SR: 23; IR: 48 to 56
	102-35	Remuneration policies	IR: 80
	102-36	Process for determining remuneration	IR: 80 to 86
	102-37	Stakeholders' involvement in remuneration	IR: 80
	102-38	Annual total compensation ratio	IR: 80
	102-39	Percentage increase in annual total compensation ratio	IR: 85
	102-40	List of stakeholder groups	SR: 27, 28
	102-41	Collective bargaining agreements	SR: 44
	102-42	Identifying and selecting stakeholders	IR: 45
	102-43	Approach to stakeholder engagement	IR: 45 to 47
	102-44	Key topics and concerns raised	SR: 27, 38; IR: 45 to 47
Reporting practice	102-45	Entities included in the consolidated financial statements	SR: 2
	102-46	Defining report content and topic boundaries	SR: 2
	102-47	List of material topics	SR: 2
	102-48	Restatements of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period for the information provided	2022
	102-51	Date of most recent report	2021
	102-52	Reporting cycle	1 January to 31 December
	102-53	Contact point for questions regarding the report	SR: 3
	102-54	Claims of reporting in accordance with the GRI Standards	SR: 3
	102-55	GRI content index	SR: 84 to 86
	102-56	External assurance	SR: 87 to 89
Management approach	103-1	Explanation of the material topic and its boundary	SR: 3
	103-2	The management approach and its components	SR: 3, 21 to 26, 30 to 45, 47 to 56, 58 to 77
	103-3	Evaluation of the management approach	SR: 2, 24 to 31, 38 to 45, 47 to 56

Summary GRI table cont.

GRI standard	Disclosure number	Disclosure title	Disclosure (page)
General disclosures continued			
Economic performance	201-1	Direct economic value generated and distributed	SR: 55, 56, 79
	201-2	Financial implications and other risks and opportunities due to climate change	CCR: 9
	201-3	Defined benefit plan obligations and other retirement plans	IR: 81
	201-4	Financial assistance received from government	None
Market presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	SR: 44; IR: 80, 81
	202-2	Proportion of senior management hired from the local community	SR: 45, 79
Indirect economic impacts	203-1	Infrastructure investments and services supported	SR: 54
	203-2	Significant indirect economic impacts	SR: 49 to 54
Procurement practices	204-1	Proportion of spending on local suppliers	SR: 51
Anti-corruption	205-1	Operations assessed for risks related to corruption	SR: 24
	205-2	Communication and training about anti-corruption policies and procedures	SR: 24
	205-3	Confirmed incidents of corruption and actions taken	SR: 25
Anti-competitive behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	None
Environmental performance			
Materials	301-1	Materials used by weight or volume	SR: 81
	MM11	Programmes and progress relating to materials stewardship	SR: 61
	301-3	Reclaimed products and their packaging materials	Not material
Energy	302-1	Energy consumption within the organisation	SR: 64, 65, 82
	302-2	Energy consumption outside of the organisation	SR: 64
	302-3	Energy intensity	SR: 64
	302-4	Reduction of energy consumption	SR: 64, 65
	302-5	Reductions in energy requirements of products and services	SR: 64, 65
Water	303-1	Water withdrawal by source	SR: 81
	303-2	Water sources significantly affected by withdrawal of water	SR: 67, 68
	303-3	Water recycled and reused	SR: 68

GRI standard	Disclosure number	Disclosure title	Disclosure (page)
Environmental performance continued			
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR: 70
	304-2	Significant impacts of activities, products, and services on biodiversity	SR: 70
	MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	SR: 70, 82
	MM2	The number and percentage of total sites identified as requiring biodiversity management plans, and the number (percentage) of those sites with plans in place	SR: 70
Emissions	304-3	Habitats protected or restored	SR: 70, 71
	305-1	Direct (scope 1) GHG emissions	SR: 65, 82
	305-2	Energy indirect (scope 2) GHG emissions	SR: 65, 82
	305-3	Other indirect (scope 3) GHG emissions	SR: 65
	305-4	GHG emissions intensity	SR: 65
	305-5	Reduction of GHG emissions	SR: 64, 65
	305-6	Emissions of ozone-depleting substances (ODS)	ODS are not used
Effluents and waste	305-7	NOx, SOx and other significant emissions	SR: 72, 73
	306-1	Water discharge by quality and destination	SR: 67, 68
	306-2	Waste by type and disposal method	SR: 74 to 77
	MM3	Total amounts of overburden, rock, tailings, and sludges (in tonnes) and their associated risks	SR: 82
	306-3	Significant spills	None
Environmental compliance	306-4	Transport of hazardous waste	SR: 76
	306-5	Water bodies affected by water discharges and/or run-off	SR: 67
	307-1	Non-compliance with environmental laws and regulations	None
Supplier environmental assessment	MM10	Number and percentage of operations with closure plans	SR: 69
	308-1	New suppliers that were screened using environmental criteria	SR: 26
	308-2	Negative environmental impacts in the supply chain and actions taken	SR: 26

Summary GRI table cont.

GRI standard	Disclosure number	Disclosure title	Disclosure (page)
Social performance			
Employment	401-1	New employee hires and employee turnover	SR: 44, 80
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR: 30, 41, 42
Labour/management relations	402-1	Minimum notice periods regarding operational changes	SR: 45
	MM4	Number of strikes and lock-outs exceeding one week's duration, by country	None
Occupational health and safety	403-1	Workers' representation in formal joint management – worker health and safety committees	SR: 30
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SR: 32, 38, 80, 81
	403-3	Workers with high incidence or high risk of diseases related to their occupation	SR: 35, 36
	403-4	Health and safety topics covered in formal agreements with trade unions	SR: 33
Training and education	404-2	Programmes for upgrading employee skills and transition assistance programmes	SR: 41, 42
	404-3	Percentage of employees receiving regular performance and career development reviews	SR: 42
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	SR: 44, 79; IR: 22
	405-2	Ratio of basic salary and remuneration of women to men	SR: 44; IR: 80, 81
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	SR: 25
Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None
Child labour	408-1	Operations and suppliers at significant risk for incidents of child labour	None
Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	None
Security practices	410-1	Security personnel trained in human rights policies or procedures	SR: 26
	411-1	Incidents of violations involving rights of indigenous peoples	None
Human rights assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	SR: 31
	412-2	Employee training on human rights policies or procedures	SR: 26
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not material

GRI standard	Disclosure number	Disclosure title	Disclosure (page)
Social performance continued			
Local communities	413-1	Operations with local community engagement, impact assessments, and development programmes	SR: 47 to 54
	413-2	Operations with significant actual and potential negative impacts on local communities	SR: 47
	MM5	Total number of operations taking place in or adjacent to IPs' territories, and number and percentage of operations or sites where there are formal agreements with IPs' communities	None
	MM6	Number and description of significant disputes relating to land use, customary rights of local communities and IPs	SR: 48
	MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and IPs, and the outcomes	SR: 48
	MM8	Number (and percentage) of Company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks	None
	MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	SR: 48
	414-1	New suppliers that were screened using social criteria	SR: 26
		Negative social impacts in the supply chain and actions taken	SR: 26
Public policy	415-1	Political contributions	None
Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	Not material
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None
Marketing and labelling	417-1	Requirements for product and service information and labelling	Not material
	417-2	Incidents of non-compliance concerning product and service information and labelling	None
	417-3	Incidents of non-compliance concerning marketing communications	None
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None
Socio-economic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	None

Independent Auditor’s assurance report on the selected sustainability information in Kumba Iron Ore Limited’s Sustainability report 2022

To the directors of Kumba Iron Ore Limited

Report on selected key performance indicators

We have undertaken a limited and reasonable assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the Sustainability report of Kumba Iron Ore Limited (the “Company,” “Kumba”) for the year ended 31 December 2022 (the Report). The selected sustainability information described in this report has been prepared in accordance with Kumba's selected reporting criteria for sustainability assurance (Reporting criteria). This engagement was conducted by a multidisciplinary team including health, safety, social, environmental, and assurance specialists with relevant experience in sustainability reporting.

Subject matter

We have been engaged to provide a reasonable assurance opinion in our report on the KPIs listed in table A on this page, and a limited assurance conclusion on the KPIs listed in table B on page 88.

The selected sustainability information described below has been prepared in accordance with Kumba’s selected reporting criteria for sustainability assurance (Reporting criteria).

The selected KPIs to be published in the report are set out in the tables (page 87 and 88) and are collectively referred to as the “selected sustainability performance information”.

Table A – Reasonable assurance

Number	Selected sustainability performance information	Unit of measurement	Boundary	Page
KPIs prepared in accordance with the GRI Guidelines				
1	Total work related fatal injuries	Number	Kumba Iron Ore Limited	17, 19, 32 and 80
2	Fatality injury frequency rate (FIFR)	Rate	Kumba Iron Ore Limited	32 and 80
3	Total recordable case frequency rate (TRCFR)	Rate	Kumba Iron Ore Limited	17, 19, 32 and 80
4	Total number of employees with percentage loss of hearing (PLH) shift of 10% or more on diagnostic audiometry	Number	Kumba Iron Ore Limited	11 and 80
5	Total number of employees potentially exposed to inhalable hazards (Silica and Respirable dust) over the occupational exposure limit	Number	Kumba Iron Ore Limited	36
6	Total number of employees potentially exposed to carcinogens (Diesel particular matter, Silica dust and Respirable dust) over the occupational exposure limit	Number	Kumba Iron Ore Limited	36
7	Total number of level 3, 4 and 5 environmental incidents reported	Number	Kumba Iron Ore Limited	17, 59 and 60
8	Total scope 1 of CO ₂ emissions	MtCO ₂ e	Kumba Iron Ore Limited	17, 58, 64, 65 and 82
9	Total scope 2 of CO ₂ emissions	MtCO ₂ e	Kumba Iron Ore Limited	17, 58, 64, 65 and 82
10	Land Rehabilitation – Reshaping: Land Rehabilitation – growth material construction completed and Land Rehabilitation – seeding completed	ha (hectares)	Kumba Iron Ore Limited	70 and 82
11	Total number of new occupational illnesses	Number of cases	Kumba Iron Ore Limited	17, 29, 35 and 80
12	Total amount spent on corporate social investment (CSI) projects	Rand million	Kumba Iron Ore Limited	54
13	Voluntary labour turnover	%	Kumba Iron Ore Limited	16, 17, 44 and 45
14	Host community procurement spend	Rand billion	Kumba Iron Ore Limited	16, 17, 49 and 51

Independent Auditor’s assurance report on the selected sustainability information in Kumba Iron Ore Limited’s Sustainability report 2022 cont.

We have been engaged to provide a limited assurance conclusion in our report on the KPIs listed in the table below. The selected sustainability information described below has been prepared in accordance with the Company’s reporting criteria.

Table B – Limited assurance

Number	Selected Sustainability Performance Information	Unit of measurement	Boundary	Page
KPIs prepared in accordance with the GRI Guidelines				
1	Total water recycled/reused per annum	ML (Megalitres)	Kumba Iron Ore Limited	82
2	Water withdrawals (including, groundwater, surface water and third-party water)	ML (Megalitres)	Kumba Iron Ore Limited	17 and 82
3	Number of social complaints and grievances	Number	Kumba Iron Ore Limited	4 and 47
4	Total number of employees who know their HIV status	Number	Kumba Iron Ore Limited	37 and 81
5	Percentage of HIV counselling and testing (HCT) done for permanent employees	%	Kumba Iron Ore Limited	81
6	Number of permanent employees at the time of the HCT campaign	Number	Kumba Iron Ore Limited	81
7	TB incidence rate per 100,000	Number	Kumba Iron Ore Limited	17, 35, 37 and 81
8	Percentage of permanent employees screened for TB	%	Kumba Iron Ore Limited	35, 37 and 81
9	Number of permanent employees at the time of the TB screening campaign	Number	Kumba Iron Ore Limited	81

Directors' responsibilities

The directors are responsible for the selection, preparation, and presentation of the selected sustainability performance information in accordance with the accompanying Kumba Iron Ore Limited’s reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the report that is free from material misstatement, whether due to fraud or error. The directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability performance information and for ensuring that those criteria are publicly available to the report users.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

In particular, where the information relies on carbon and other emission conversion factors derived by independent third parties, our assurance work will not include examination of the derivation of those factors and other third-party information.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards).

Nexia SAB&T applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors’ responsibility

Our responsibility is to express a reasonable assurance opinion and a limited assurance conclusion on the selected KPIs as set out in table A and table B of the subject matter paragraph, based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. In respect of greenhouse gas emissions included in the Sustainability information, we conducted our assurance engagement,

in accordance with the International Standard on Assurance Engagements (ISAE) 3410 *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. Those Standards requires that we plan and perform our engagement to obtain the appropriate level of assurance about whether the selected KPIs are free from material misstatement.

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

Basis for our reasonable assurance opinion

A reasonable assurance engagement in accordance with ISAE 3000 (Revised), and ISAE 3410, involves performing procedures to obtain evidence about the measurement of the selected sustainability performance information and related disclosures in the report. The nature, timing and extent of procedures selected depend on the auditor’s professional judgement, including the assessment of the risks of material misstatement of the selected sustainability performance information, whether due to fraud or error.

In making those risk assessments we have considered internal control relevant to the Company’s preparation of the selected sustainability performance information. A reasonable assurance engagement also includes:

- Evaluating the appropriateness of quantification methods, reporting policies and internal guidelines used and the reasonableness of estimates made by the Company.
- Assessing the suitability in the circumstances of the Company’s use of the applicable reporting criteria as a basis for preparing the selected sustainability information and
- Evaluating overall presentation of the selected sustainability performance information.

Independent Auditor's assurance report on the selected sustainability information in Kumba Iron Ore Limited's Sustainability report 2022 cont.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Basis for our limited assurance conclusion

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised), and ISAE 3410, involves assessing the suitability in the circumstances of the Company's use of its reporting criteria as the basis of preparation for the selected sustainability performance information, assessing the risks of material misstatement of the selected sustainability performance information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability performance information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, for the KPIs where limited assurance was obtained, we do not express a reasonable assurance opinion about whether Kumba's selected sustainability performance information has been prepared, in all material respects, in accordance with the accompanying the Company's reporting criteria.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;

- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by management in the preparation of the selected KPIs; and
- Evaluated whether the selected KPIs presented in the report are consistent with our overall knowledge and experience of sustainability management and performance at the Company.

Our reasonable assurance opinion and limited assurance conclusion

a. Reasonable assurance opinion

In our opinion, and subject to the inherent limitations outlined in this report, Kumba's selected sustainability performance information in table A of the Subject matter paragraph and included on pages 3 to 83 of the Sustainability Report for the year ended 31 December 2022 are prepared, in all material respects, in accordance with Kumba's reporting criteria.

b. Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained and subject to the inherent limitations outlined in this report, nothing has come to our attention that causes us to believe that Kumba's selected sustainability performance information as set out in table B of the Subject matter paragraph and on pages 3 to 83 of the Sustainability Report for the year ended 31 December 2022 are not prepared, in all material respects, in accordance with Kumba's reporting criteria.

Other matters

Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the report.

The maintenance and integrity of the Kumba's website is the responsibility of Kumba's management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on Kumba's website.

Restriction of liability

Our work has been undertaken to enable us to express a reasonable assurance opinion and limited assurance conclusion on the selected sustainability performance information to the directors of Kumba in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Kumba, for our work, for this report, or for the conclusion we have reached.



Nexia SAB&T

Ayisha Ramasike
Chartered Accountant (SA)
Registered Auditor
Director

14 April 2023

119 Witch-Hazel Avenue
Highveld Technopark
Centurion

Selected reporting criteria for sustainability assurance

As determined by the Board of directors these are the reporting criteria that define the selected sustainability information that was assured by Nexia SAB&T:

KPIs	Definition
Work-related fatal injuries	A death resulted from a work-related injury
Fatal injury frequency rate (FIFR)	Fatal injury frequency rate (calculated) rate of fatalities per 1,000,000 hours worked (total fatalities x 1,000,000/total hours worked)
Total recordable case frequency rate (TRCFR)	Total recordable case frequency rate (calculated) is the number of recordable injuries (fatalities + lost-time injuries + medical treatment cases) per 1,000,000 hours worked (TRC x 1,000,000/total hours worked)
Total number of employees with PLH shift of 10% or more on diagnostic audiometry	Age corrected average hearing shift in either ear of greater than or equal to 10 dB at 2,000, 3,000 and 4,000 Hz when compared to baseline, coupled with a greater than or equal to 25 dB average hearing level in the same ear at 2,000, 3,000 and 4,000 Hz
Total number of employees potentially exposed to inhalable hazards (silica and respirable dust) over the occupational exposure limit	Total number of employees exposed to inhalable hazards (silica and respirable dust) above the occupational exposure limit
Total number of employees potentially exposed to carcinogens (diesel particular matter, silica dust and respirable dust) over the occupational exposure limit	Total number of employees exposed to carcinogens (diesel particular matter, silica and respirable dust) above the occupational exposure limit
Total number of level 3, 4 and 5 environmental incidents reported	Environmental incidents are unplanned or unwanted events that result in negative environmental impacts. <ul style="list-style-type: none">– A level 1 incident results in minor impact;– A level 2 incident results in low impact;– A level 3 incident results in medium impact;– A level 4 incident is considered to be a significant incident, that results in high impact; and– A level 5 incident is considered a significant incident that has a permanent impact on the environment
Total scope 1 CO ₂ emissions	Total CO ₂ emissions from fossil fuels – sum of diesel, petrol, liquid petroleum gas, natural gas, heavy fuel oil, light fuel oil, coal for heat and energy generation, coal for metallurgical processes, coal for directly reduced iron, used oil for combustion, paraffin, petcoke, tailgas and non-renewable waste fuel
Total scope 2 CO ₂ emissions	Total CO ₂ emissions from electricity purchased
Total amount spent on CSI projects	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), and including an amount of R8.0 million contributed to the Anglo American Chairman's Fund
Land rehabilitation, reshaping, growth material construction completed and seeding completed	Total hectares reshaped during the current year, total hectares where the relevant growth medium has been constructed to date in the current year and total hectares seeded and/or planted in the current year

KPIs	Definition
Total number of new occupational cases	Sum of occupational diseases due to asbestosis, NIHL, silicosis, coal-workers' pneumoconiosis, pneumoconiosis due to other fibrogenic dusts, chronic obstructive airways disease, occupational tuberculosis, occupational asthma, hand-arm vibration syndrome, musculoskeletal disorders, dermatitis, occupational cancers and other occupational diseases
Voluntary labour turnover	Number of permanent employee resignations as a percentage of total permanent employees
Host community procurement spend	A host supplier has a 51% or more black ownership, actively involved in the business with management control, residing and operating their business in the following municipal areas in the Northern Cape, for a period of not less than 36 months: Gamagara, Ga-Segonyana, Joe Morolong, Tsantsabane, Kgatelopele and Griekwastad
Total water recycled or reused per annum	The total volume of water reused or recycled during the year
Water withdrawals (including groundwater, surfacewater and third-party water)	The total volume of water pumped from open-pit mining operations; this is water intercepted by excavations and includes any dewatering for slope stability, water abstracted or collected by the operation from surfacewater sources, e.g. from rivers, creeks, dams, lakes, pans, etc, and water obtained from a third party (e.g. local authority, municipality, or utility provider)
Number of social complaints and grievances	Social complaints and grievances received from our surrounding communities
Total number of employees who know their HIV status	The sum of all employees who are known to be HIV-positive on the medical records (irrespective of year of testing or testing facility) plus the HIV non-reactive employees who tested during a calendar year
Percentage of HCT done for permanent employees	Number of employees who have participated in HIV voluntary counselling and testing (VCT) during the reporting period and who, through this process, have established or re-established their HIV status. If VCT has been obtained outside of a Company operated or approved facility, then reasonable proof of compliance with the Company definition of VCT must be produced. Participation in VCT includes those who are known to be HIV-positive and participate in HIV wellness programmes, regardless of whether they actually test or not. Calculated as a percentage of total permanent employees, employed by Kumba, at the time of the testing
Number of permanent employees at the time of the HCT campaign	Total number of permanent employees employed by Kumba at the time of the testing campaign
TB incidence rate per 100,000	The incidence rate of TB is the number of new TB cases in one year per 100,000 of the population
Percentage of permanent employees screened for TB	Number of permanent employees who have participated in TB screening, calculated as a percentage of total permanent employees employed by Kumba at the time of testing
Number of permanent employees at the time of the TB screening campaign	Total number of permanent employees employed by Kumba at the time of the testing campaign

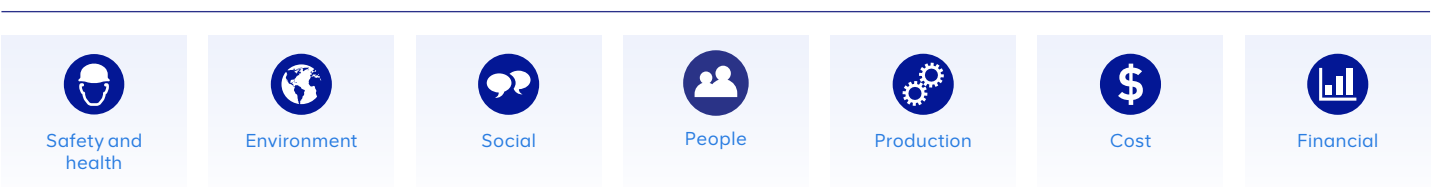
Glossary of terms and acronyms

Icons throughout this report

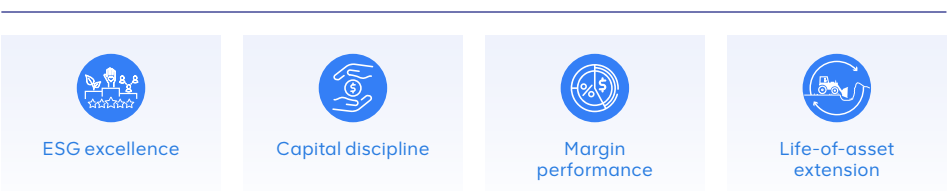
Stakeholders



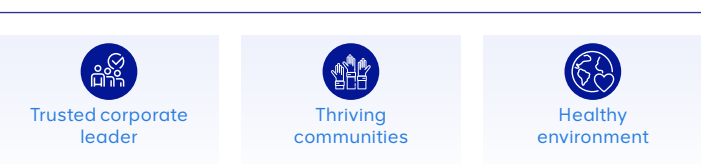
Measuring performance (value creation)



Value propositions



Sustainability strategy



Sustainable development goals



AA1000SES	Global Stakeholder Engagement Standard
ABET	Adult basic education and training
AFS	Annual financial statements
AMCU	Association of Mineworkers and Construction Union
ART	Antiretroviral treatment
B-BBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
BHV	Bullying, harassment and victimisation
BMI	Body mass index
CCMA	Commission for Conciliation, Mediation and Arbitration
CCR	Climate Change report
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)
CoGTA	Department of Cooperative Governance and Traditional Affairs
Covid-19	Coronavirus (SARS-CoV2) disease of 2019
CRD	Collaborative regional development
CSI	Corporate social investment
dB(A)	A-weighted decibels
DMRE	Department of Mineral Resources and Energy
DMS	Dense media separation
DoH	Department of Health
DWS	Department of Water and Sanitation
EAP	Employee assistance programme
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECD	Early childhood development
EE	Employment equity
EIA	Environmental impact assessment
EMPr	Environmental management programme
EMS	Environmental management system
EOF	Elimination of fatalities
ESD	Enterprise supplier development
ESOP	Employee share ownership plan
ESG	Environmental, social and governance
Exco	Executive Committee
Exposure to carcinogens	Total number of employees exposed to one or more known causes of occupational cancer above the occupational exposure limit

Glossary of terms and acronyms cont.

Exposure to inhalable hazards	Total number of employees exposed to inhalable hazards above the occupational exposure limit
FAC	First aid cases
FAMSA	Family South Africa
FIFR	Fatal injury frequency rate, rate of fatalities per 1,000,000 hours worked
FOR	Free-on-rail
FTE	Full-time equivalent employee
FTSE4Good	FTSE4Good Index series measures the environmental, social and governance practices of companies
GBV	Gender-based violence
GHG	Greenhouse gas
GHS	Globally harmonised system of classification and labelling of chemicals
GISTM	Global Industry Standard on Tailings Management
GMC	Group Management Committee
GRI	Formerly Global Reporting Initiative – now known as GRI
GTR	Global Tailings Review
HCT	HIV counselling and testing
HDP	Historically disadvantaged persons
HDSA	Historically disadvantaged South African
HEF	High energy fuel
HIV	Human immunodeficiency virus
HL	Home language
HME	Heavy mobile equipment
HPH	High-potential hazard
HPI	High-potential incident
HR	Human resources
ICMM	International Council on Mining and Metals
ICPS	Integrated closure planning system
ICT	Information and communications technology
IDC	Industrial Development Corporation
IDM	Investment development model
IDP	Individual development plans
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IOEC	Iron ore export channel
INH	Isoniazid
IP	Indigenous peoples

IR	Integrated report
IRMA	Initiative for Responsible Mining Assurance
ISAE	International Standard on Assurance Engagement
ISO	International Organisation of Standardisation
IWUL	Integrated water use licence
JSE	Johannesburg Stock Exchange
King IV	King VI™ Report on Corporate Governance for South Africa 2016
KPI	Key performance indicator
KSS	Kapstevél South
LTI	Lost-time injury
LTIFR	Lost-time injury frequency rate
LTIP	Long-term incentive plan
LTISR	Lost-time injury severity rate
MCT	Mine Closure Toolbox
MDR	Multi-drug-resistant
MHSC	Mine Health and Safety Council
MoU	Memorandum of understanding
MPRDA	Mineral and Petroleum Resources Development Act
MPR	Minimum permitting requirements
MTC	Medical treatment cases
Mt CO ₂ e	Million tonnes of CO ₂ equivalent
Mt	Million tonnes
NAEIS	National atmospheric emission inventory system
NEMA	National Environmental Management Act
NGO	Non-governmental organisations
NIHL	Noise-induced hearing loss
NPI	Net-positive impact
NUM	National Union of Mineworkers
OEL	Occupational exposure limit
OHSAS	Occupational Health and Safety Assessment Series
ORM	Operational risk management
ORMR	Ore Reserve (and Saleable Product) and Mineral Resource report
P101	Asset productivity programme to shift our key operational processes to benchmark and then beyond, exceeding industry best practice productivity at our operations and deliver our full potential
PIT	Professional in training
PLH	Percentage loss of hearing
PM2.5	Particles smaller than 2.5 micrometres

Glossary and terms of acronyms cont.

PM10	Particles smaller than 10 micrometres
PPE	Personal protective equipment
PRISM	Computer software system used to measure a person’s fatigue levels and alertness score
PV	Photovoltaic
PUE	Priority unwanted event
Remco	Human Resources and Remuneration Committee
SAMREC	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves
SARS	South African Revenue Service
SED	Socio-economic development
SETA	Sector education and training authorities
Setco	Social, Ethics and Transformation Committee
SHE	Safety, health and environment
SHGBV	Sexual harassment and gender based violence
SHSD	Safety, Health and Sustainable Development
SIOC	Sishen Iron Ore Company Proprietary Limited
SIOC-CDT	Sishen Iron Ore Company community development trust
SLAM	Stop and think, look for and identify hazards, assess the effect of hazards, manage the hazards so that they are eliminated or controlled
SLP	Social and labour plan
SMME	Small, medium and micro enterprise
SMP	Sustainable mine plan
SR	Sustainability report
STS	Standard threshold shift
TB	Tuberculosis
TCF	Tax control framework
TCFD	Task Force on Climate-related Financial Disclosures
TRC	Total recordable cases
TRCFR	Total recordable case frequency rate, rate of recordable cases per 1,000,000 hours worked
TSF	Tailings storage facility
TVET	Technical and vocational education and training
UGM	Ulysses Gogi Modise (wellness clinics)
UHDMS	Ultra-high dense media separation
UIF	Unemployment Insurance Fund
UN	United Nations
UNAIDS	United Nations Programme on HIV/Aids
UNSDGs	United Nations Sustainable Development Goals
VAT	Value added tax

VCT	Voluntary counselling and testing
VFL	Visible felt leadership
VPs	Voluntary Principles on Security and Human Rights
WIM	Women-in-mining
WHO	World Health Organisation
WOW	World of Wellness
WUL	Water use licence
XDR	Extremely drug-resistant
YES	Youth Employment Services
ZW2L	Zero waste to landfill

Administration

Company registration number

2005/015852/06
JSE share code: KIO
ISIN code: ZAE000085346

Company Secretary and registered office

Fazila Patel
144 Oxford Road
Rosebank, Melrose, 2196
South Africa
Postnet Suite 153, Private Bag X31, Saxonwold, 2132
Tel: +27 (0) 12 683 7060
Mobile: +27 (0) 83 297 2293
fazila.patel@angloamerican.com

Auditor

PricewaterhouseCoopers
Chartered Accountants (SA)
Registered Auditors
4 Lisbon Lane Waterfall City, 2090 South Africa
Private Bag X36, Sunninghill, 2157
Tel: +27 (0) 11 797 4000
Fax: +27 (0) 11 797 5800

Assurance providers

Nexia SAB&T
Registered Auditors
119 Witch-Hazel Avenue, Highveld Technopark, Centurion
PO Box 10512, Centurion, 0046
Tel: +27 (0) 12 682 8800
Fax: +27 (0) 12 682 8801

Sponsor

RAND MERCHANT BANK
(A division of FirstRand Bank Limited)
Registration number: 1929/001225/06
1 Merchant Place, corner Rivonia Road and Fredman Drive
Sandton, 2146, South Africa
PO Box 786273, Sandton, 2146

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
Private Bag X9000, Saxonwold, 2132, South Africa
PO Box 61051, Marshalltown, 2107

Investor relations

Penny Himlok
Investor relations manager
Tel: +27 (0) 12 622 8324
penny.himlok@angloamerican.com

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.

Kumba Iron Ore
144 Oxford Road
Rosebank, Melrose
2196

www.angloamericankumba.com

 Find us on Facebook

 Follow us on Twitter

A member of the Anglo American plc group
www.angloamerican.com