

## Anglo American plc

### Sustainability Committee (the “Committee”) - Terms of Reference

#### Introduction

Sustainability is about ensuring the long-term success of the business and its stakeholders, through the responsible management and development of people, safety, health, environment, communities, nations and the economy by integrating and embedding responsible practices into the company’s decision-making processes and engaging with stakeholders transparently and justly.

How Anglo American addresses sustainability issues and positions itself as a Development Partner at a global, national and local level is critical to its ability to obtain and maintain its social licence and to generate value for a broad base of stakeholders, including host communities and governments, employees and shareholders.

#### Purpose

The objective of the Committee is to oversee on behalf of the Board, material management policies, processes, and strategies designed to manage safety, health, environment, socio- political and people (together sustainable development) risks and achieve compliance with sustainable development responsibilities and commitments and strive for an industry leadership position on sustainability.

#### 1 Membership

- 1.1 The Committee shall consist of not less than 2 non-executive Directors appointed by the Board together with additional persons co-opted to the Committee as the Committee may decide (subject to the provisions of Article 97).
- 1.2 Co-opted members of the Committees who are not Directors shall have voting rights as members of the Committee.
- 1.3 The Committee Secretary shall be the Company Secretary or his/her nominee.

#### 2 Scope

- 2.1 Sustainability within Anglo American touches upon all aspects of our operations, but for clarity the Committee shall provide specific oversight of risks and opportunities in the following areas:
  - 2.1.1 **Safety** - the attainment of zero harm in our operations and for those affected by our operations;
  - 2.1.2 **Health and wellbeing** – including occupational hygiene, community health as well as the health and wellbeing of our employees and contractors;
  - 2.1.3 **Environment** – including protection of the environment, material stewardship, long term mine closure liabilities, management of legacy issues, water access and availability and climate change;
  - 2.1.4 **Social impact management and socio-economic development** - including relationships with communities, community development, human rights, resettlement, housing and indigenous peoples;
  - 2.1.5 **Socio-political issues** - including such issues as contributions to national socio-economic development, permitting, long term economic development and land access;

**2.1.6 People** – including employment practices, equality and diversity, labour relations, talent management and skills development;

**2.1.7 Supply Chain** – specifically local and inclusive procurement, supplier assurance and the impact of procurement decisions on human health and the environment

The Committee will not perform any management functions, nor assume any management responsibilities, and will act in an advisory and oversight capacity.

### **3 Responsibilities**

The responsibilities of the Committee are as set out in the attached Appendix.

### **4 Attendees**

By invitation

### **5 Meetings - Frequency and Quorum**

**5.1** The Committee will normally meet at least three times annually and at such other times as the Committee deems to be appropriate. Meetings of the Committee shall be called by the Chairman of the Committee or any member of Committee or at the instance of the Board.

**5.2** The quorum of the Committee shall, subject to the provisions of Article 97, be two members of the Committee, at least one of whom must be a Director, present throughout the meeting.

### **6 Proceedings**

**6.1** Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the Company's Articles of Association regulating the meetings and proceedings of Directors.

**6.2** Not less than 72 hours notice will be given of a meeting of the Committee. Such notice will include the agenda and any supporting papers.

### **7 Remuneration**

**7.1** Having regard to the functions performed by the members of the Committee in addition to their functions as Directors and in relation to the activities of the Committee and pursuant to the specific power conferred upon the Board by the Articles of Association of the Company, members of the Committee shall be paid such special remuneration in respect of their appointment as shall be fixed by the Board.

**7.2** Such special remuneration shall be in addition to the annual fees payable to Directors.

**7.3** Those members of the Committee who are not Directors of the Company shall be paid such special remuneration in respect of their appointment as shall be fixed by the Board.

**7.4** If the Chairman is not a Director of the Company, such person shall be paid such special remuneration in respect of their appointment, in addition to the remuneration to which he or she is entitled as a member, as shall be fixed by the Board.

## **8 Limitation of Responsibility**

- 8.1** The appointment of the Committee shall in no way impinge upon any delegations of authority or responsibility made by the Company and other individual companies or entities pursuant to any relevant legislation which may be in force from time to time.
- 8.2** Subject to the above provisions and subject to the provisions of, and so far as may be consistent with, any relevant legislation (in particular the Companies Act 1985) the members of the Committee shall not attract any personal liability to the Company arising from their appointment and, subject as aforesaid, the Company shall indemnify members of the Committee against all and any claims arising from the actual or purported discharge of the duties in respect of their appointment.

## **9 General**

- 9.1** The Committee in carrying out its tasks under these terms of reference may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.
- 9.2** The Board will ensure that the Committee has access to professional advice both inside and outside the Company in order for it to perform its duties.
- 9.3** These terms of reference may be amended from time to time by the Board.

## **10 Review and evaluation**

The Committee will undertake a regular formal review of its performance, including the role and responsibilities of the Committee, its organisation and effectiveness. This shall include a review of these Terms of Reference.

## **Appendix – Committee Responsibilities**

The Committee shall:

### *A1. Policies*

- A1.1. Review material frameworks, policies and guidelines relevant to the Committee's scope.
- A1.2. Consider material national and international regulatory and voluntary developments in sustainability.
- A1.3. Encourage independently managed subsidiaries, associates and significant investments to develop policies, guidelines and practices congruent with the Company's sustainability vision, principles and policies.
- A1.4. Monitor appropriateness of Anglo American strategies in addressing material stakeholder sustainability concerns.

### *A2. Management processes and resources*

- A2.1. Review sustainability incidents and ensure learning is shared.
- A2.2. Review the Company's performance in relation to the scope of the terms of reference.
- A2.3. Oversee significant management processes designed to ensure compliance with the policies falling within the Committee's scope.
- A2.4. Monitor the demonstration of management commitment to the behaviours required by the policies within its scope.
- A2.5. Monitor the resources applied to achieving compliance with the policies within the Committee's scope.

### *A3. Risk Management*

- A3.1. Review the effectiveness of the process for assessing and managing catastrophic risks falling within the scope of the Committee.
- A3.2. Coordinate the Committee's risk management work with the Audit Committee, in particular in relation to reporting to the Board.

### *A4. External Audit and assurance reviews*

- A4.1. Review the findings of the external auditors of the Sustainability Report and the management response.
- A4.2. Oversee the process for selection and engagement, and where applicable dismissal, of the external auditors providing assurance to the Sustainability Report.

### *A5. Reporting and external disclosures*

- A5.1. Regularly report to the Board on the matters discussed and the minutes of each Committee meeting shall be received by the Board.
- A5.2. Report to the Board on its work in discharging its responsibilities during the year and the outcomes of its formal annual review.
- A5.3. Review and recommend to the Board on the adequacy of the reporting on sustainability opportunities, risks and issues in the Annual Report, Sustainable Development Report and other relevant public documents
- A5.4. Ensure that the Chairman (or in his absence, an alternative member) of the Committee attends the Company's Annual General Meeting to answer questions concerning sustainability and their development and/or implementation.