



# GROUP PROCESSED MINERAL RESIDUE FACILITIES AND WATER MANAGEMENT STRUCTURES POLICY

Valid from:	08/12/2021
Policy owner:	Group Director - Technical



**“Our Policies guide us to do the right thing.”**

Chief Executive

## 1. Context

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

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

Anglo American is committed to implementing all activities that are necessary for the safe and responsible management of the MRFs and WMSs under the control of companies in the Anglo American Group, over the life of each facility, from concept and early studies, through design, operation, closure and into post-closure. Anglo American is committed to:

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

For ease of reading, we use generic language in describing the Group, and this is explained further under “Terms” at the end of this document.

## 2. Does this apply to me?

This Policy applies to all managed operations across the Group.

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

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

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

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

### 3. What do I need to know?

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

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

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

#### Overall Principles in the Safe Management of MRFs

- **Multi-Disciplinary** – We approach safe processed MRFs and WMSs management in a multi-disciplinary approach, with input from the Social Performance; Safety, Health, and Environment; including but not limited to Emergency Management functions, in line with the Social Way 3.0 Policy and Toolkit, the SHE Way Policy, and the Emergency Management Standard.
- **Zero Harm Mindset** – We apply best available practices (BAP) and best available technologies (BAT) to eliminate, avoid, minimize, mitigate, remediate, rehabilitate and offset the potential impacts and risks associated with the processed MRFs and WMSs on people, property, and the environment.
- **Zero Repeats** – We learn from past incidents, mistakes, poor decisions, and unwanted events, and implement those learnings such that a repeat of the same events should not occur.
- **Non-negotiable Standards** – We implement, simple, non-negotiable, Group Technical Standards, Technical Specifications, and procedures throughout the Group as absolute minimum requirements.
- **Governance and Compliance** – We fully understand and monitor the commitments made to our communities where we operate, our stakeholders, regional governments, and investors, and to other organizations. We uphold clear and transparent processes that demonstrate compliance to permits and ensure conformance to standards.
- **Leadership** – We shall ensure that roles, responsibilities and accountabilities for each and every MRF in the Group are defined and signed-off at Group, BU, and Operational levels, and that reporting protocols are clearly defined to enable effective risk identification, evaluation, mitigation, and transparent reporting for swift, effective and immediate decision-making processes.

## 4. What do I need to do?

### Group Management Level

The management at Group level within the framework of processed MRFs and WMSs management ensures the following governance of the policy:

- This Policy is adopted and endorsed by the Anglo American Board of Directors.
- The Group Director - Technical is the owner and Sponsor of this Policy and reports on this to the Chief Executive of Anglo American.
- The nominated Functional Group Head reporting to the Group Director - Technical as custodian of the Policy and the Standard is responsible to ensure that both documents and associated specifications are up to date and reflect latest needs and leading practices, and that their implementation level is reported on a regular basis to the appropriate Management levels.
- The Head of Discipline, as owner of the Standard, is responsible for setting and updating the Standards that support this Policy, providing guidance on quality implementation of Standard, the BAT and BAP, and supporting the risk management processes inclusive of training and monitoring adherence to the requirements of this Policy and the Standard.

### Business Unit Managers, Operations Managers and Supervisors

The Business Unit Managers, Operations Managers and Supervisors must ensure that:

- Accountabilities, roles and responsibilities matrices are signed off and kept up to date, inclusive of the Accountable Executive who is accountable for the safe design, construction, operation and closure of processed MRFs and WMSs.
- Decisions are taken at the level of accountability, authority and competency for decision making that is appropriate to the level of risk.
- Policy principles are adhered to throughout the organization.
- The stewardship of the processed MRFs and WMSs is maintained to a high standard, as per the requirements of this Policy and the Standard and inclusive of inspections, construction quality control, maintenance, surveillance, training, reporting, emergency response and preparedness plan.
- Adequate resources are allocated and in place to safely manage the processed MRFs and WMSs, development of emergency response and preparedness plans, and mechanisms for assistance and recovery after a potential failure.
- Processed MRFs and WMSs risks are managed and mitigated in accordance with the Standard.
- Processed MRFs and WMSs safety upgrades are implemented to the As Low As Reasonably Practicable (ALARP) level, for a continuous improvement process.
- The processed MRFs and WMSs have completed Consequence Classifications of Structures (CCS) ratings, assigned Competent Persons (CP), Engineer of Record, and Technical Review Panels, as per the requirements of the Standard.

- Adequate succession planning is defined and implemented, and adequate levels of staffing are maintained with the appropriate background, knowledge, experience and training.
- Clear authorities, roles and responsibilities are set for critical controls definition, implementation, monitoring, and reporting to the senior team such that risks are constantly managed and mitigated, inclusive of change management plans.
- Processed MRFs and WMSs comply with the local, regional, and country legal requirements and conform with the set design criteria and the Standard.
- Potential adverse impacts of processed MRFs and WMSs failure on communities and the environment should be avoided or minimized and inform the design, operation and closure plans of the MRFs.
- Appropriate financial resources are allocated to support processed MRFs and WMSs -related activities, inclusive of change management, succession planning, and training of personnel.
- The safety of processed MRFs and WMSs is managed in accordance with the Standard, and that BAT and BAP are implemented to manage associate risks, with the ultimate objective of Zero Harm, Zero Repeats, and meeting performance expectations, inclusive of corporate governance, environmental and social requirements.

## 5. Monitoring and reporting:

### Monitoring and Reporting Protocols

The following monitoring and reporting activities need to take place:

1. Conformance with this Policy is verified and reported by the Head of Discipline on a semi-annual basis to the nominated Functional Group Head then the Group Director – Technical, and the Chief Executive.
2. Conformance with the Standard and associated Technical Specifications, prepared by the Operations, signed-off semi-annually by the BU Accountable Executive, verified and reported by the Head of Discipline, to Group Director – Technical, the Chief Executive, and Board Sustainability Committee.
3. Conformance with the Global Industry Standard on Tailings Management (GISTM), signed-off by the BU Accountable Executive, prepared, verified, and reported annually both internally and externally (as required), verified by the Head of Discipline, to Group Director – Technical, Chief Executive and Board Sustainability Committee. Applicable to processed MRFs only.
4. Level of implementation of the critical controls at each facility are prepared and collated semi-annually by the Operations, signed-off by the BU Accountable Executive, reported semi-annually to the Group Director – Technical and the Operating Committee (OpCo).

## Assurance

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

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

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

## 6. Further information:

This Policy is made available and communicated across the organisation and is made publicly available on the Anglo American external website.

**Glossary / list of definitions and abbreviations**

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

Term	Explanation
Compliance Obligations	Legal and other requirements that an organisation must comply with and other requirements that an organisation chooses to comply with. Compliance obligations can arise from mandatory requirements, such as applicable laws and regulations, or voluntary commitments, such as organisational and industry standards, contractual relationships, codes of practice and agreements with stakeholders such as community groups or non-governmental organisations.
GISTM	Global Industry Standard on Tailings Management. <a href="https://globaltailingsreview.org/global-industry-standard/">https://globaltailingsreview.org/global-industry-standard/</a>
Head of Discipline	The scope covered by this policy falls under the Head of Discipline MRF for processed mineral residue (i.e. tailings) and water dams
ICMM	The International Council on Mining and Metals, London, UK. <a href="http://www.icmm.com">www.icmm.com</a>
ICOLD	International Commission on Large Dams, Paris, France. <a href="http://www.icold-cigb.org">www.icold-cigb.org</a>
MAC	Mining Association of Canada, Ottawa, ON, Canada. <a href="http://www.mining.ca">www.mining.ca</a>
MRF or MRFs	Mineral Residue Facility(ies), as per Anglo American Technical Standard AA TS 602 001 and its Technical Specifications as defined below.
The “Standard”	AA TS 602 001 Processed Mineral Residue Facilities and Water Management Structures Standard (v. 6.0).
“Technical Specifications”	Documents that are to be read in conjunction with the technical standard AA 602 001, and they are: <ul style="list-style-type: none"> <li>• AA TS 602 101 Standard Applicability.</li> <li>• AA TS 602 102 Classification, Design Criteria, and Surveillance Requirements.</li> <li>• AA TS 602 103 Required Documents.</li> </ul> AA TS 602 104 Surface Flooding Risk Management Plan Development and Implementation.



Term	Explanation
Non- processed Mineral Residue	A by-product of mining, consisting of the rock or soil left over from the mining process. This includes overburden and waste rock, coal discards, industrial minerals, heap leach pads, and dredged spoils (see also Technical Specification AA TS 602 101).
Processed Mineral Residue	A by-product of mining, consisting of the processed rock or soil left over from the separation of the commodities of value from the rock or soil within which they occur. This includes tailings, treatment sludges and sediments, coarse and fine processed kimberlites, and smelter slag material (see also Technical Specification AA TS 602 101).
WMS	Water Management Structure(s) includes all water retaining dams and diversion structures (see also Technical Specification AA TS 602 101).

### Internal References

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

### External References

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

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

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

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

## Revision history

Policy governance commitment:

<b>Approval date by PGC:</b>	22 November 2021
<b>Approval by CorpCo:</b>	24 November 2021
<b>Approval date by Board</b>	08 December 2021

## Document control

<b>Frequency of Policy review after date of issue:</b>	Every 3 years
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If this Policy has one or more approved waivers in place:

<b>No.:</b>	N/A
<b>Waiver applies to:</b>	N/A
<b>Waiver in place from:</b>	N/A
<b>Expiration of waiver:</b>	N/A
<b>Date waiver approved:</b>	N/A

The following changes have been made since this document was previously issued:

<b>Old Policy name, date and version number:</b>	None
<b>Main changes made:</b>	None