

Group Policy: Water

Overview: Who we are

Safety, Integrity, Care and Respect, Innovation, Collaboration and Accountability are the core values for Anglo American. In line with our purpose to **re-imagine mining to improve people's lives**, and essential to the delivery of our Sustainability Strategy, we recognise our responsibility to proactively understand and minimise the impact of our businesses and seek to create and maintain safe, healthy and environmentally sustainable working environments. We are committed to conducting our business in compliance with all applicable laws and regulations of each country in which we do business.

Water is vital to our business and to all our stakeholders, including our host communities where we operate. Access to water is a fundamental human right and a key enabler for social equality and prosperity. We treat water with respect, as an asset that underpins the natural environment and biodiversity. The importance of water to our business, our host communities and other stakeholders, and the natural environment is integral to our commitment to be a responsible steward of valuable resources.

Anglo American's water ambition is to **protect, preserve, and restore water in the catchments where we operate to support resilient operations, communities, and the environment**. We set context based targets that are specifically relevant to each operation and its catchment and meaningful to local stakeholders. Our approach to how we use, manage and care for water is guided by recognised best practices for water management and stewardship. We use, manage, and care for water through the lifecycle of our operations in a way that is socially and culturally equitable, environmentally sustainable, and economically beneficial.

As the world's climate changes, we innovate to solve challenges that lie ahead. Most of Anglo American's operating sites are in water scarce or water stressed regions and they are typically long-life assets with multi-decade resources and reserves. We focus on robust operational planning, climate scenario modelling and collaboration with relevant stakeholders to lead sustainable water management across our operations and to enable responsible solutions for the regions in which we operate.

This Policy is underpinned by the Group *Water Management Standard* (WMS), which defines the technical requirements for water management in Anglo American.

Italics are used to indicate words that are defined or explained for the purpose of this Policy (refer to the section on Key Terms).

Our Principles: How we prioritise water safety, water security, stewardship and quality

We have seven water management and *water stewardship* principles:

1. Safety is at the heart of water management

Whilst valuing water as an asset, it is also a hazard that represents critical safety risks. Our management of operations embeds a total commitment to safety, including the management of excess surface water and the slope stability of our mining operations and mineral residue facilities. We are conscious of the safety risks posed by water storage facilities to communities and strive to ensure safe design and operation.

2. Ensure water security and resilience

Through our operating processes – including the use of hydrological and water resource analysis models, consideration of climate change and scenario planning to deal with variable water availability (ranging from excessive water to an insufficient amount) – we implement water security measures for the long-term business continuity, including reducing reliance on surface and ground water sources, which are susceptible to hydrological / climate variability.

3. Reduce our use of water and be operationally efficient

We minimise the amount of water we need, particularly our use of *freshwater*. Through applying the hierarchy of use, optimising operational efficiency, innovation and leveraging international best practice water management guidance, we reuse water and recycle as much of it as possible as part of optimising operational site performance.

4. Manage water quality

We manage, contain and control the quality of water we use and release to the environment, including compliance to internal expectations and statutory requirements, during operations and post-closure. We use the lowest quality of water possible to reduce our use of *freshwater*. We also control the quality of water inside our operational cycle to maximise mining value and product recovery, whilst ensuring our mining infrastructure is not adversely impacted using low quality water.

5. Strengthen *water stewardship* within catchments and communities

We recognise our responsibility to be active and accountable stewards of water within the catchments in which we operate. We place responsible and equitable use of water at the core of what we do, to support long-term social, cultural, and environmental wellbeing of our host communities and ecosystems they depend on. We build effective partnerships to enhance catchment resilience and contribute our expertise to the development of socially and environmentally responsible Public Policy, as relevant and appropriate.

6. Stakeholder engagement

We understand that effective water stewardship is strengthened through meaningful engagement with those who share the catchments where we operate. We aim to foster open, inclusive, and culturally respectful dialogue with stakeholders, including host communities, local authorities, indigenous groups, non-governmental organisations, and other water users, to better understand shared challenges and opportunities. Through collaboration, we seek to support long-term catchment resilience and contribute to the development of socially and environmentally responsible public policy, where relevant and appropriate.

7. Risk management

We are open and transparent in our water practices with all stakeholders, building capacity and capability to identify and proactively manage water risk and opportunity, integrating water management into long term business planning, decision making and sustainable mine closure planning. We proactively monitor and measure performance of water management in and around our business, developing and investing in technology and innovation to reduce risk and further improve water management performance.

Our seven principles of water management and *water stewardship* are incorporated into the Water Management Plans (WMP) of our sites, which are guided by and assessed against the WMS and supporting guidelines.

Embedding Water Management across the Business

Being accountable for our actions is integral to how we work. By holding each other to account, we uphold our principles and carry out the following:

Leadership

We apply our leadership culture to ensure the key principles for water management as set out in this Policy are valued across the Group, and that our priorities for water and the implications for the areas in which individuals work, are understood. Business Leaders, General Managers, Functional Managers and Supervisors must ensure that trust and transparency is demonstrated in the work environment, so that people can live our values while feeling psychologically safe. Leaders must proactively listen and follow up on water related concerns raised by the workforce.

A nominated Business Executive has accountability for water management and *water stewardship* for operations in the Business, including a long-term strategy for water implementation and compliance with this Policy, and for ensuring awareness across all impacted disciplines. The Chief Technical Officer is accountable to the Anglo American Board of Directors for this Policy. Group T&O Processing Water Management set the Group-level minimum performance standards under this Policy and provide second line assurance on compliance, as well as managing the external assurance on selected water data.

We promote and communicate our water management and *water stewardship* activities – including this Policy – to our people and partners, and we engage in continuous stakeholder consultation and dialogue to discuss performance and areas of improvement.

Integration

The principles of the Policy are integrated into how our operational activities are designed, approved, planned, procured, scheduled, resourced and executed, as well as integrated into our performance targets and objectives.

All teams (including contractors and suppliers) must know the WMS and procedures they must follow, and ensure they have the right skills, training, and knowledge for the activities they undertake to ensure our *management system* for water is fully integrated into our operational activities.

Implementation

We develop and embed long-term and sustainable water strategies and apply the requirements of the WMS in our management of our operations. We identify, assess, prioritise, manage, and reduce or eliminate water-related risks.

Business Leaders, General Managers, Functional Managers and Supervisors must ensure the right resources to manage water are in place. Business operations must have water balances and water management plans in place to manage water security, excess water, freshwater reduction, operational efficiency, and discharge management risks. Water objectives must be set, and progress must be monitored to ensure objectives are being achieved, and that this Policy is being implemented and complied with.

Everyone at Anglo American must actively and continuously identify, assess and appropriately manage water related risks and opportunities. Controls and actions to manage water must be identified, prioritised and implemented.

Governance and Compliance

We fully understand and monitor all water compliance commitments and conditions. We ensure alignment, and comply, with the laws and regulations of all jurisdictions in which we operate. We know the specific performance requirements that are expected of us in this Policy, with water *risks and opportunities* actively identified, assessed and managed, with controls and actions identified, prioritised and implemented. All concerns about compliance to internal and regulatory requirements are raised and discussed with a manager or the Water Team.

Business Leaders, General Managers, Functional Managers and Supervisors must ensure that there is a rigorous governance plan to act upon, monitor and proactively report on all *compliance obligations* and conditions, including first line assurance and required WMS self-assessments.

Continuous Improvement

We measure and analyse performance to improve our systems and management of water, adding value and contributing to business improvement. Business Leaders, General Managers, Functional Managers and Supervisors must ensure that we have a fully engaged workforce everywhere we work, which includes contractors and suppliers, to identify and implement water-related opportunities and areas to improve. We must act on approved improvement opportunities.

Everyone who works for Anglo American must collaboratively share and learn from “what goes right” with our management and stewardship of water as well as “what goes wrong” from incidents and non-conformances. Everyone is encouraged to put forward innovative ideas to minimise our use of water and achieve successful *water stewardship*.

Monitoring, reporting and transparency

Water targets and performance monitoring

Each *Managed Operation* shall have water targets defined in their WMP. These targets will include compliance requirements and as a minimum will be aligned with commitments in the site’s water strategies. *Managed Operations* must report annually on the implementation status of their WMP and the agreed water targets.

General Managers and operational management are required to monitor, report, and analyse performance and implement agreed improvement actions for their Business. Any incident must be reported in accordance with the requirements of the Learning from Incidents Standard.

The Chief Technical Officer and VP Water Management are responsible for informing the Chief Executive and the Anglo American Board of Directors of our Group water performance globally in order to ensure our management of water is in line with our expectations.

Assurance

The Anglo American Risk, Assurance and Governance (RAG) Policy ensures that all roles work together to collectively contribute to water performance. Business Leaders, General Managers and Functional Managers, are required to ensure an effective “Three Lines” model is implemented in accordance with the RAG Policy. Effective assurance and audits ensure our commitments, both internal and external, as well as our obligations, are delivered at every level of the Company. As specified in the RAG Policy and where relevant and required by a Business’ external commitments, external assurance services may be commissioned as they relate to relevant identified water risks.

External reporting and transparency

Anglo American takes its internal and external reporting seriously and is committed to providing transparent information about its performance against targets. As ICMM members, we report in terms of the commitments outlined in the ICMM Water Reporting Guideline¹ and Position Statement on Water Stewardship.

Further guidance, breaches and reporting

This Policy shall be available and communicated across the organisation and shall be available to interested external parties.

Further guidance

This Policy is supported by mandatory standards and procedures, training and other resources, available through our intranet sites.

Consequences of breach

People are held accountable for their behaviour when working for or on behalf of Anglo American, and appropriate action is taken where behaviour is inconsistent with the Code of Conduct, Group standards, policies and procedures and related documentation. Consequences depend on the circumstances, will be as per our Accountability Framework and subject to applicable laws.

¹ ICMM Water Reporting Good Practice Guideline, Second Edition, August 2021

Key terms

Defined for the purposes of this Policy.

- **Compliance Obligations**

Legal and other requirements that an organisation has to 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.

- **Freshwater**

Naturally occurring water that meets the criteria of Water Accounting Framework Category 1 water, excluding precipitation and runoff whose entry into operational areas cannot be controlled.

- **Management System**

A management system is a set of interrelated or interacting elements of an organisation to establish policies and objectives and processes to achieve those objectives.

- **Managed Operation**

Physical operations that are managed by Anglo American including sites, projects, offices, facilities and outlets.

- **Risks and opportunities**

Potential adverse effects (threats) and potential beneficial effects (opportunities).

- **The Water Management Standard**

The Anglo American management standard that describes our systematic approach to the management of water and water-related *risks and opportunities* and how this integrates with our business processes

- **Water Stewardship**

Water stewardship is the use of water that is socially equitable, environmentally sustainable, and economically beneficial as defined by the Alliance for Water Stewardship.

About the Policy

Scope and application

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. Our people have a duty to uphold and comply with the laws of the countries and jurisdictions in which they operate.

This Policy sets out Anglo American's position in respect of areas within its scope. It is not, and is not intended to be, comprehensive and should not be regarded as legal advice. Appropriate guidance on this Policy, relevant laws and their application to any particular situation should always be sought.

This Policy applies to all directors, employees, contractors and representatives of entities in which Anglo American plc has a direct or indirect interest of greater than 50% unless notified to the contrary, and/or unless any aspect of the Policy is not permitted by local law or regulation.

Group Terminology and Responsibility

In this Policy, and any related procedures or standards, 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 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 standardisation 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.

Prevailing language

The English language version of this Policy shall be controlling in all respects and shall prevail in case of any inconsistencies with translated versions, if any. Any other language versions of this Policy are provided for convenience only.

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