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Kumba Iron Ore Limited

Panel discussion

Contents

Current approach

Current suite of reports

Integrated report

Audience
Primarily written for current and prospective shareholders. Users with a vested interest in assessing company value.

Purpose
Making the case to the informed long-term investor that Kumba is a good long-term investment able to manage significant risks but with enough appetite to seize opportunities.

Materiality
Financial materiality.

Standards
Integrated reporting framework, King IV, JSE Listings requirements, and the Companies Act no 71 of 2008.

Sustainability report

Audience
Key stakeholders (shareholders, employees, local communities, non-governmental organisations, investment community, customers, business partners and government), users assessing our contribution to sustainable development.

Purpose
Explaining to a range of stakeholders how we manage our significant economic, social and environmental impacts.

Materiality
Impact/double materiality.

Standards
GRI sustainability reporting standards, JSE Sustainability Disclosure Guidance and King IV.

Climate change report

Audience
Key stakeholders, users assessing our approach to climate change.

Purpose
Presentation of climate change risks and opportunities facing Kumba, our response to managing these risks and performance in mitigating our climate change impacts.

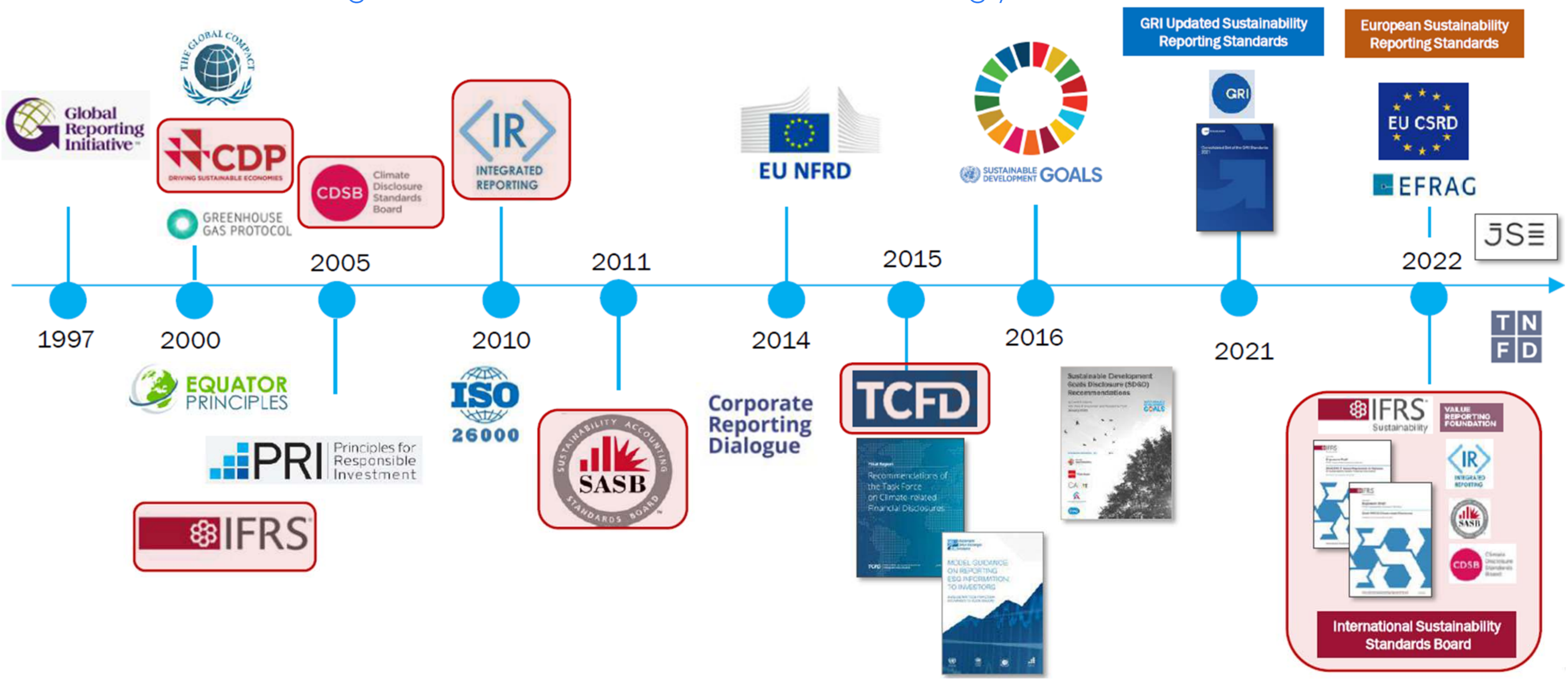
Materiality
Impact/double materiality.

Standards
Recommendation of the Task Force on Climate-related Financial Disclosure (TCFD), JSE Sustainability Disclosure Guidance and ISSB Exposure Draft of IFRS S2 Climate-related Disclosures.

New sustainability standards

ESG goes mainstream

A lot of "noise" as ESG goes mainstream and becomes increasingly more standardised



New Sustainability standards to implement

Currently evaluating/considering the following standards

- IFRS S1 – Sustainability-related Financial information (voluntary)
- IFRS S2 – Climate-related Disclosure (voluntary)
- TNFD – Task Force on Nature-related Financial disclosures (voluntary)

Implementation considerations

IFRS S1

Timing
Effective for annual reporting periods beginning on or after 1 January 2024.

Governance
Board approval to implement Sustainability-related Financial disclosure.

Gap analysis
Identify any material gaps between current reporting and S1 – financial impact of risks and opportunities.

Implementation
Develop plan and build additional requirements into timelines, liaise with colleagues to obtain new information (system developments?) .

IFRS S2

Timing
Effective for annual reporting periods beginning on or after 1 January 2024.

Governance
Board approval to further enhance Climate change reporting with IFRS S2.

Gap analysis
Identify any material gaps between current reporting and S2 – financial impact and % of assets/activities vulnerable to physical and transition risks.

Implementation
Build additional requirements into current timelines – leverage of existing risk management process.

TNFD

Timing
Recommended for annual reporting periods on or after 2025.

Gap analysis
Deepen your understanding of the fundamentals of nature. Start with what you have and leverage from other work. Identify areas of concern.

Governance
Build a business case for nature and gain buy-in from the Board and Management.

Implementation
Plan for progression over time and communicate approach and plan. Additional disclosures added in the Sustainability report.

Applying the ISSB standards

Applying IFRS S1 and S2

Meeting investor's needs

1 **Audience**

Objective

To assist existing and potential investors, lenders and other creditors make decisions on providing resources to the company

IFRS S1 also requires companies to consider the applicability of the disclosure topics in the relevant sector-specific SASB standard/s (77 standards in total)

2 **Focus**

ESG disclosure landscape

Disclose information about all sustainability-related risks and opportunities that could affect the entity's:

- Cash flows
- Access to finance/cost of capital
- Over the short, medium or long term
- Financial materiality lens

Applying IFRS S1

Sustainability-related financial disclosure

- S1 requires disclosure on all material sustainability-related risks and opportunities that could affect the entity's cash flow, access to finance or cost of capital over the short, medium or long term
- Provide disclosure about:
  - Governance,
  - Strategy,
  - Risk management as well as
  - Metrics and targets relating to sustainability-related risks and opportunities of the entity
- Provide effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the current reporting period
- Provide anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term
- S1 requires companies to consider the applicability of the disclosure topics in the relevant sector-specific SASB standard/s, SASB standards provide investors with comparable information on sustainability factors most relevant to the financial performance and enterprise value

*Information shown in red are material gaps identified thus far for Kumba.

Applying IFRS S2

Climate-related disclosure

- S2 builds on S1 – sets out supplementary requirements specifically on climate-related risks and opportunities
- Requires disclosure of climate-related risks and opportunities that is useful to existing and potential investors, lenders and creditors in making decisions on providing resources to the entity
- Broadly consistent with recommended disclosures published by the Task Force for Climate-related Financial Disclosures (TCFD)

Climate-related disclosure

- Greenhouse gasses – absolute emissions of scope 1,2 and 3 generated in the reporting period
- Climate-related physical risks – the amount and percentage of assets or business activities vulnerable to physical risks
- Climate-related transition risks – the amount and percentage of assets of business activities vulnerable to transition risks
- Climate-related opportunities – amount and percentage of assets of business activities aligned with opportunities
- Capital development – amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities
- Internal carbon prices – whether and how a carbon price used in decision making and what that price is per tonne
- Remuneration – whether and how climate change considerations are factored into executive remuneration

*Information shown in red are material gaps identified thus far for Kumba.

Layering multiple standards/frameworks

Integrated report

- Integrated Reporting Framework
- King IV Report of Corporate Governance for South Africa 2016
- JSE Listings Requirements
- JSE Sustainability and Climate change Disclosure Guidance
- Companies Act No71 of 2008
- GRI's Sustainability reporting standards (focused impacts)
- IFRS S1 and S2 – the focus of these standards are to provide information to existing and potential investors, lenders and other creditors make decisions on providing resources to the company = which aligns to the audience of our IR

Sustainability report

- GRI's Sustainability reporting standards (detail impacts)
- AA1000 Stakeholder engagement standard
- Sustainable development principles and reporting framework of the International Council on Mining and Metals (ICMM)
- Principles of the United Nations Global Compact
- JSE Sustainability and Climate Change Disclosure Guidance
- Task Force on Nature-related Financial Disclosures (TNFD) recommendations
- Audience are our key stakeholders to account how we address material sustainability issues – with both impact on the company and our communities and the environment = double materiality

Climate change report

- Task Force on Climate-related Financial Disclosure (TCFD) recommendations
- JSE Sustainability and Climate Change Disclosure Guidance
- United Nations Intergovernmental Panel on Climate Change (IPCC)
- United Nations Framework Convention on Climate Change (UNFCCC)
- Paris Climate Accords and subsequent Glasgow Climate pact
- IFRS S2

Changes to current suite of reports

Fitting it all in

Integrated report

IFRS S1 and S2

- Expand risk section to include all material sustainability and climate-related risks and opportunities – also include reference to CCR
- Include financial impact in risk section
- Strategy – expand and reference to SR
- Governance – expand and reference to SR
- SASB metrics – show as annexure (3 years of data)
- For S2 reference to CCR

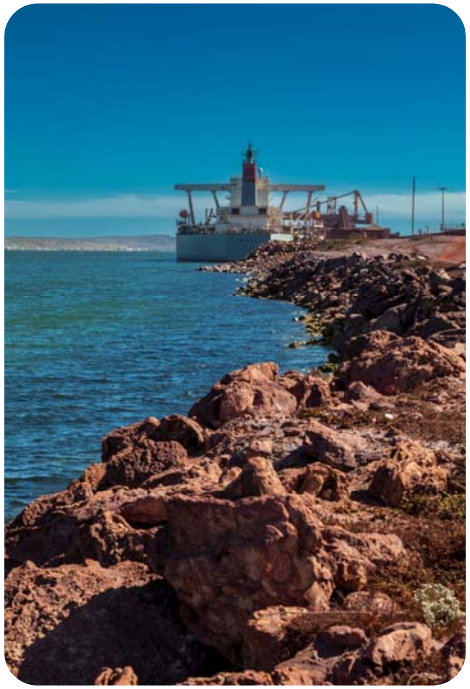
Sustainability report

- Add TNFD recommendations
- Cross reference relevant sustainability disclosure to IR and Climate change report

Climate change report

IFRS S2

- Add financial impact and % of assets/business activities at risk for all risks and opportunities
- Capital development – amount of capex/financing spent for climate-related risks
- Reference to IR where needed – governance and strategy



Relevance of the Integrated report

Perfect fit

Integrated report best positioned to meet investors' needs on ESG issues

- Integrated report already positioned for investors and aligns well with IFRS S1 and S2 objective
- Following areas are already included in the Integrated report:
  - Governance
  - Strategy
  - Risk management
  - Metrics
- Focus on financial materiality aligns with our current Integrated report
- Can easily reference to either Sustainability or Climate Change report for more detail

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Thank you