

Anglo UK Pension Scheme (the “Scheme”) Statement of Investment Principles (the “SIP”)

Scope of the SIP

This SIP has been prepared in accordance with section 35 of the Pensions Act 1995 (the “Act”) (as amended by the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005).

The effective date of this SIP is **15 May 2025**. Anglo UK Pension Trustee Limited, as Trustee of the Scheme (the “Trustee”) will review this SIP and the Scheme’s investment strategy no later than three years after the effective date of the SIP and without delay after any significant change in investment policy.

The Trustee is responsible for the investment strategy of the Scheme. The Trustee’s investment powers are set out within the Scheme’s governing documentation and relevant legislation. If necessary, the Trustee will take legal advice on the interpretation of these. The Trustee notes that, according to the law, it has ultimate power and responsibility for the Scheme’s investment arrangements.

Consultations Made

As required by the Act, the Trustee has consulted with the Sponsoring Employer, Anglo American Services (UK) Ltd (the “Company”), prior to agreeing the SIP and has considered its views and will continue to take the Company’s comments into account when it believes it is appropriate to do so. The Trustee’s fiduciary obligations to Scheme members will take precedence over the Company’s wishes, should these ever conflict.

The Trustee is responsible for the investment strategy of the Scheme. The Trustee has obtained written advice on the investment strategy appropriate for the Scheme and on the preparation of the SIP. This advice was provided by Aon Investments Limited (“Aon”) which is authorised and regulated by the Financial Conduct Authority (the “FCA”).

The day-to-day management of the Scheme’s assets has been delegated to investment managers which are authorised and regulated by the FCA. A copy of the SIP has been provided to the investment managers appointed, is available to the members of the Scheme and will be included on a publicly accessible website.

Objectives and Policy for Securing Objectives

The Trustee aims to invest the assets of the Scheme prudently to ensure that the benefits promised to members are provided when they fall due.

The Trustee has a strategic objective of achieving a higher level of funding over the medium to longer term to enable the Scheme to buy-out the liabilities with an insurance company. As an interim step to meeting this objective, on 13 January 2025, the Scheme entered into a Bulk Purchase Annuity (“BPA”) policy with Legal and General Assurance Society Ltd (“LGAS”). The BPA insures the liabilities of the Scheme members in return for the payment of the BPA policy premium. The BPA policy is an asset of the Scheme which will pay amounts to the Trustee to match the benefit payments due. The Trustee received advice on the suitability of this contract from its Risk Settlement Consultants, Mercer Limited.

Having transacted the BPA policy, the Trustee aims to invest the residual assets with focus on capital preservation and liquidity.

Choosing Investments

The types of investments held and the balance between them is deemed appropriate given the liability profile of the Scheme, its cashflow requirements, the funding level of the Scheme and the Trustee’s objectives.

The assets of the Scheme are invested in the best interests of the members and beneficiaries.

Before entering into the BPA policy with LGAS, the Trustee reviewed the governing documentation associated with the BPA policy and considered the extent to which it aligned with the Scheme’s requirements.

Following the purchase of the BPA policy, the Scheme holds the majority of its assets with LGAS, and with the exception of the residual assets, the responsibility for managing arrangements with the underlying asset managers lies with LGAS. This responsibility may include ensuring that arrangements with appointed asset managers are aligned to achieving the medium and long-term objectives of LGAS and as established within the contractual terms of the BPA policy.

The Scheme currently holds no investments in Anglo American plc ("AA plc") (as the parent company of the Company) nor any of its group and related companies, however investment in AA plc is permissible subject to legislation from the Pensions Regulator.

The Balance between Different Kinds of Investments

The primary asset of the Scheme is the BPA policy. In addition, the Trustee holds residual assets within the BlackRock Sterling Liquidity Fund ("SLF") and the Trustee Bank Account to manage immediate cashflow requirements.

Investment Risk Measurement and Management

The BPA policy held by the Scheme provides a match for the key investment and non-investment risks for members of the Scheme (i.e. interest rate, inflation, and longevity risks). Whilst the key investment and non-investment risks are removed by the BPA policy, the Trustee is exposed to the counterparty risk of the insurance company, i.e. the risk that LGAS fail to make the pension payments covered by the BPA policy as they fall due. The Trustee considered the credit strength of LGAS as part of its due diligence process and is entirely comfortable with the financial strength of the selected insurance company. Having considered this, in addition to several other factors including the regulatory environment provided by the Financial Conduct Authority, the Prudential Regulation Authority and following advice from its Risk Settlement Consultants, the Trustee considered this to be an appropriate investment for the Scheme.

Custody

Following the purchase of the BPA policy, the Scheme no longer holds assets within a segregated account and/or within a custody arrangement.

For the Scheme's residual asset investment in the SLF, the investment manager, BlackRock, has appointed JP Morgan as the Transfer Agent for the SLF.

Expected Returns on Assets

The Scheme's long term asset allocation is a majority investment in the BPA policy with LGAS, with residual assets held with BlackRock in the SLF and within the Trustee Bank Account for meeting cashflow requirements. The Scheme's assets do not have an explicit return objective, rather the assets aim to deliver the benefits promised to members. No performance monitoring is carried out in relation to the BPA policy, however checks are carried out to ensure the payments received from the BPA policy are in line with expectations.

Returns achieved by BlackRock as the investment manager of the residual assets held in the SLF are assessed against an appropriate performance benchmark.

Realisation of Investments/Liquidity

Liquidity risk refers to the ease with which assets are marketable and realisable. Assets held within the BPA policy will pay amounts to the Trustee to match the benefit payments due.

The residual cash held in the Trustee Bank Account and SLF are realisable at short notice should the Trustee need to meet any further cashflow requirements.

Other Risks

Across the Scheme's investments, the Trustee is aware of the potential for regulatory and political risks. Regulatory risk arises from investing in a market environment where regulatory regimes may change. This may be compounded by political risk.

The Trustee further recognises longevity risk. This refers to the risk that an individual will live longer than their life expectancy according to the actuarial assumptions used within the triennial valuation. The Scheme's BPA policy with LGAS mitigates this risk.

Responsible Investment – Environmental, Social, and Corporate Governance Considerations

The Trustee acknowledges that an understanding of financially material considerations including environmental, social and corporate governance (“ESG”) factors (such as climate change) and risks related to these factors can contribute to the identification of investment opportunities and financially material risks.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to invest the majority of the Scheme’s assets in the BPA policy and therefore has limited ability to influence the ESG policies and practices of the companies in which LGAS, as the provider of the BPA policy, invests.

Stewardship - Voting and Engagement

The Trustee recognises the importance of its role as a steward of capital and the need to ensure the highest standards of governance and promoting corporate responsibility in the underlying companies in which its investments reside. The Trustee recognises that ultimately this protects the financial interests of the Scheme and its beneficiaries.

Following the purchase of the BPA policy, the Trustee has delegated the management of the collateral backing the BPA policy to LGAS. This includes responsibility for stewardship activities, including voting and engagement. The Trustee accepts responsibility for how LGAS stewards assets on its behalf, including the casting of votes in line with their voting policies. The Trustee does not attempt to influence the ESG integration or stewardship policies and practices of LGAS in managing these assets.

Members' Views and Non-Financial Factors

At present, the Trustee does not explicitly take into account the views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact of investment, or present and future quality of life matters (defined as 'non-financial factors' in the 2018 Regulations¹).

Arrangements with Investment Managers

Before entering into the BPA policy with LGAS, the Trustee reviewed the governing documentation associated with the BPA policy and considered the extent to which it aligned with the Scheme’s requirements.

Following the purchase of the BPA policy, the responsibility for managing arrangements with the underlying asset managers lies with LASG. This responsibility may include ensuring that arrangements with appointed asset managers are aligned to achieving the medium and long-term objectives of LGAS and as established within the contractual terms of the BPA policy of the Scheme.

No performance monitoring is carried out in relation to the BPA policy however checks are carried out to ensure the payments received from the policy are in line with expectations.

There is no set duration for arrangements with LGAS.

Targeted portfolio turnover is defined as the expected frequency with which an investment manager’s fund holdings change over a year. Given the majority of the Scheme’s assets are invested in the BPA policy, the Trustee does not monitor portfolio turnover.

Monitoring of Investment Manager Costs

The Trustee is aware of the importance of monitoring its investment managers’ total costs and the impact these costs can have on the overall value of the Scheme’s assets.

Following the purchase of the BPA policy, responsibility for monitoring costs of the majority of the Scheme’s assets has been delegated to LGAS. The Trustee therefore does not monitor costs relating to the BPA policy. The Trustee paid a premium to LGAS when the BPA policy was initiated, and there are no ongoing fees in respect of the BPA policy.

¹ The Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018

The Trustee assesses the performance of the residual assets on a quarterly basis and monitors the remuneration of BlackRock as the investment manager on at least an annual basis via collecting cost data directly from BlackRock.

Additional Voluntary Contributions (“AVCs”) Arrangements

Some members have obtained further benefits by paying AVCs to the Scheme. The liabilities in respect of these AVCs are equal to the value of the investments bought by the contributions. Details of the AVC providers are included in the Appendix.

From time to time the Trustee reviews the choice of AVC investments available to members to ensure that they remain appropriate to the members' needs.

Direct Investments:

The Pensions Act 1995 distinguishes between investments where the management is delegated to a fund manager with a written contract and those where the product is purchased directly by the Trustee e.g. units in a pooled vehicle or AVC contract. The latter are known as direct investments.

The Trustee's policy is to review its direct investments and to obtain written advice about them at regular intervals. The written advice will consider the suitability of the investments, the need for diversification and the principles contained in this SIP and the criteria by which such investments should be assessed as set out in the Occupational Pensions Schemes (Investment) Regulations 2005 (regulation 4).

The SIP was formally approved by Anglo UK Pension Trustee Limited, as Trustee of the Anglo UK Pension Scheme, on 15 May 2025.

Anglo UK Pension Scheme (the “Scheme”)

Appendix to Statement of Investment Principles

This Appendix sets out the Trustee’s current investment strategy and is supplementary to the Statement of Investment Principles (the “SIP”).

Asset Allocation Strategy

The Scheme invests in a BPA policy held with LGAS, covering all member liabilities, which was secured on 13 January 2025.

Following the BPA policy transaction, the Scheme’s residual assets are largely held within the SLF.

Cash Balances

A working balance of cash is held on the Trustee’s bank account for imminent payment of fees, expenses, etc. Under normal circumstances it is not the Trustee intention to hold a significant cash balance, and this is carefully monitored by the Scheme’s administrator.

Investment Management Arrangements

The Trustee has appointed BlackRock to manage the residual assets of the Scheme.

The Trustee expect the SLF to generate returns in line with the benchmark below:

Manager & Fund	Benchmark	Target	Expected Tracking Error
BlackRock ICS Sterling Liquidity Fund	SONIA	Track Index	Negligible

Fee Structures for Advisers and Managers

1. Advisers

The Trustee’s investment advisers are paid for advice received on the basis of hourly charge out rates. For significant areas of advice (e.g. one-off special jobs, or large jobs), the Trustee will endeavour to agree a project budget or a fixed fee.

These arrangements recognise the bespoke nature of the advice given and that no investment decisions have been delegated to the adviser.

For routine items, a fixed fee is in place with the Trustee’s investment advisers, and which is reviewed on an annual basis.

2. Investment Management Fee Arrangements

There are no fees above the premium payment associated with the management of the BPA policy with LGAS.

Fees for residual assets held within BlackRock are as follows:

Manager	Fee (p.a.)
BlackRock ICS Sterling Liquidity Fund	0.10% (net asset value)

3. Additional Voluntary Contributions (“AVC’s”)

The Trustee has AVC arrangements with the following providers:

- Utmost Life and Pensions
- Zurich Assurance Limited
- Aviva Life & Pensions Limited
- Prudential plc