

Sustainability Report 2021



Re-imagining mining to improve people's lives

Transforming the very nature of mining for a safer, smarter, more sustainable future.

Using more precise technologies, less energy and less water, we are reducing our environmental footprint for every ounce, carat and kilogram of precious metal or mineral.

We are combining smart innovation with the utmost consideration for our people, their families, local communities, our customers, and the world at large – to better connect precious resources in the ground to all of us who need and value them.

And we are working together to develop better jobs, better education and better businesses, building brighter and healthier futures around our operations in our host countries and ultimately for billions of people around the world who depend on our products every day.

Cover image
In Chile, our enterprise development programme, Emerge, in partnership with Fondo Esperanza and TechnoServe, has supported many enterprises and small- and medium-sized businesses (SMEs). Featured is Ayleen Gajardo, who owns this business selling packaged ice creams. We have strengthened support for local entrepreneurs and SMEs in the face of the Covid-19 pandemic, thereby boosting the chances of survival of businesses such as Ayleen's.

Sustainability performance

Safety and health

Work-related fatal injuries ✗

1
2020: 2
Target: 0

Total recordable case frequency rate ✗

2.24
2020: 2.14
Target: Year-on-year reduction

New cases of occupational disease »

16
2020: 30
Target: Year-on-year reduction

Workforce potentially exposed to noise over 85dBA »

30,832
2020: 33,253
Target: Year-on-year reduction

Workforce potentially exposed to inhalable hazards over OEL »

1,796
2020: 1,994
Target: 10% Year-on-year reduction

Environment

Energy consumption »

85 million GJ
2020: 81 million GJ
Target: 30% improvement in energy efficiency by 2030

Greenhouse gas emissions (Scopes 1 and 2) »

14.8 Mt CO₂e
2020: 16.1 Mt CO₂e
Target: 30% absolute reduction by 2030 against a 2016 baseline

Operational water withdrawals »

177 million m³
2020: 197 million m³
Target: Reduce the withdrawal of fresh water by 50% in water scarce areas by 2030

Levels 4-5 environmental incidents »

0
2020: 0
Target: Zero

Socio-political

Social Way implementation (based on updated Social Way 3.0 for 2020)⁽¹⁾ »

49%

Local procurement spend

\$10.0bn
2020: \$10.0bn

Taxes and royalties (\$m)

\$7.1bn
2020: \$3.8bn

Jobs supported by enterprise development initiatives

147,374
2020: 137,777

People

Women in management »

31%
2020: 27%
Target: 33% by 2023

Women in the workforce

23%
2020: 23%

Voluntary labour turnover »

3.5%
2020: 2.8%

Targets key ✔ Target met » On track/in progress ✗ Target not met



Further information around our key sustainability performance indicators can be found on page 11.

About this report

This report is produced to provide our stakeholders with a transparent account of how we addressed the most material sustainability issues our company faced during 2021.

The report is aimed at those who work for us and their union representatives, non-governmental organisations (NGOs), civil society, investors, customers, suppliers and governments. In addition to reporting, we use a variety of tools to ensure that we engage meaningfully with local stakeholder groups on matters that are of specific interest to them. Individual business unit reports are also published annually for the De Beers, Platinum Group Metals, Copper Chile and Kumba Iron Ore businesses, and provide greater detail on performance. These are available on the Anglo American website. The Anglo American Integrated Annual Report includes additional information about the management, operations and financial performance of the Group.

The Anglo American chief executive and the chairman of the Board's Sustainability Committee have reviewed and approved this report.

Scope of the report

The Sustainability Report covers subsidiaries and joint operations over which the Anglo American Group has management control or acts as operator. It does not include independently managed operations, such as Collahuasi and Samancor, unless specifically stipulated. It also excludes De Beers' non-managed joint operations in Namibia and Botswana from our reporting scope, unless specifically stipulated. In June 2021, we completed the demerger of our thermal coal operations in South Africa through the creation of a new stand-alone company, Thungela Resources Limited ('Thungela'), which has a primary listing on the Johannesburg Stock Exchange, and a standard listing on the London Stock Exchange. On 11 January 2022, Anglo American completed the sale of its 33.3% shareholding in Cerrejón. 2021 data for Thungela is included up to 30 May 2021.

Group Terminology

In this report, 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 produces Groupwide policies and procedures to ensure uniform practices and standardisation across the Group, but is not responsible for the day-to-day implementation of such policies which 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.

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 licences and permits, operational adaptation and implementation of Group policies, management, training and any applicable local grievance mechanisms.

Assurance and basis of preparation

IBIS Consulting has provided independent assurance over selected sustainability key performance indicators, and on our statement of compliance with the International Council on Mining and Metals (ICMM) Sustainable Development Framework Principles and reporting requirements. The basis of preparation of this report takes into account guidance from the ICMM Sustainable Development Framework, the Global Reporting Initiative (GRI) Standards and related Mining and Metals Supplement, the EU Non-Financial Disclosure Directive, the UN Global Compact Reporting Framework, and the UN Guiding Principles Reporting Framework.

Forward-looking statements and third party information

This document includes forward-looking statements. For information regarding forward-looking statements, please refer to the inside back cover of this document.

Units used in this report

'Tonnes' are metric tons, 'Mt' denotes million tonnes, 'kt' denotes thousand tonnes, 'Mct' denotes million carats and 'koz' denotes thousand ounces; '\$' and 'dollars' denote US dollars and 'cents' denotes US cents.

⁽¹⁾ In 2020, we launched a new integrated social performance management system (Social Way 3.0) which has raised performance expectations and has resulted in continued improvement in our social performance. Sites are expected to have implemented the Social Way 3.0 by the end of 2022. While sites are assessed annually against all requirements applicable to their context, for consistency during the transition period, the metric reflects performance against the Social Way foundational requirements.

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Our approach to environmental stewardship applies ecosystem-thinking to promote lasting, positive environmental outcomes for the areas in which we operate.



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Consistent with our Purpose, we believe that our role as a global business is to make a positive contribution to society.



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We aim to attract the best people in the industry, putting them into the right roles to suit their talents and meet our business objectives – now and into the future.

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Our reporting suite

You can find this report and others, including the Integrated Annual Report, the Climate Change Report, the Tax and Economic Contribution Report and the Ore Reserves and Mineral Resources Report on our corporate website.

→ For more information, visit: angloamerican.com/reporting



FutureSmart Mining™

In order to deliver on our Purpose we are changing the way we mine through smart innovation across technology, digitalisation and sustainability.

→ For more information, visit: angloamerican.com/futuresmart



Social channels

- [AngloAmerican](#)
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- [angloamericanplc](#)

Our business at a glance

Anglo American is a leading global mining company, with a world class portfolio of mining and processing operations and undeveloped resources, with more than 106,000 people working for us around the world, in 15 countries.

We provide many of the essential metals and minerals that are fundamental to the transition to a low carbon economy and enabling a cleaner, greener, more sustainable world, as well as meeting the growing consumer-driven demands of the world's developed and maturing economies. And we do so in a way that not only generates sustainable returns for our shareholders, but that also strives to make a real and lasting positive contribution to society as a whole.



→ Our overview video gives a complete introduction to what we do and our ambitions for the future
See <https://youtu.be/6TKaHzCT4YY>

→ For more information, see our Tax and Economic Contribution Report
See www.angloamerican.com/tec-report-2021

North America

800 employees⁽²⁾
\$69 m wages and benefits paid⁽³⁾
\$42 m taxes and royalties⁽⁴⁾
\$112 m local procurement spend⁽⁵⁾

Canada 1

- Product groups*
- Diamonds
 - Copper
 - Nickel
 - Platinum Group Metals
 - Iron Ore
 - Metallurgical Coal
 - Manganese
 - Crop Nutrients

* Number within dot denotes number of operations, shown by product.

Peru

750 employees⁽²⁾
\$57 m wages and benefits paid⁽³⁾
\$22 m taxes and royalties⁽⁴⁾
\$1,176 m local procurement spend⁽⁵⁾

1 Peru

3 Chile

Chile

4,300 employees⁽²⁾
\$378 m wages and benefits paid⁽³⁾
\$959 m taxes and royalties⁽⁴⁾
\$1,829 m local procurement spend⁽⁵⁾

Brazil

4,100 employees⁽²⁾
\$120 m wages and benefits paid⁽³⁾
\$524 m taxes and royalties⁽⁴⁾
\$1,029 m local procurement spend⁽⁵⁾

Brazil 2 1

South Africa

41,450 employees⁽²⁾
\$1,813 m wages and benefits paid⁽³⁾
\$4,049 m taxes and royalties⁽⁴⁾
\$3,148 m local procurement spend⁽⁵⁾

2 Botswana

2 Namibia

South Africa 1 2 5 1

Other Africa

6,600 employees⁽²⁾
\$334 m wages and benefits paid⁽³⁾
\$721 m taxes and royalties⁽⁴⁾
\$495 m local procurement spend⁽⁵⁾

Zimbabwe 1

Europe

2,800 employees⁽²⁾
\$452 m wages and benefits paid⁽³⁾
\$402 m taxes and royalties⁽⁴⁾
\$619 m local procurement spend⁽⁵⁾

United Kingdom 1

Finland

Australia/Asia

2,800 employees⁽²⁾
\$484 m wages and benefits paid⁽³⁾
\$416 m taxes and royalties⁽⁴⁾
\$1,570 m local procurement spend⁽⁵⁾

Australia 1 5

Shanghai

Singapore

Base Metals

Diamonds
\$1,100 million
Underlying EBITDA^o

5%
Group underlying EBITDA^o

32.3 Mct
Production (100% basis)⁽¹⁾

Copper
\$4,011 million
Underlying EBITDA^o

19%
Group underlying EBITDA^o

2 greenfield projects
Peru (Quellaveco) and Finland (Sakatti)

647 kt
Production

Nickel
\$320 million
Underlying EBITDA^o

2%
Group underlying EBITDA^o

41.7 kt
Production: Nickel

PGMs
\$7,099 million
Underlying EBITDA^o

34%
Group underlying EBITDA^o

4,299 koz
Production: PGMs

Bulk Commodities

Iron Ore
\$6,871 million
Underlying EBITDA^o

33%
Group underlying EBITDA^o

40.9 Mt
Production: Iron ore – Kumba

22.9 Mt
Production: Iron ore – Minas-Rio

Metallurgical Coal
\$962 million
Underlying EBITDA^o

5%
Group underlying EBITDA^o

14.9 Mt
Production: Metallurgical

Manganese
\$315 million
Underlying EBITDA^o

3.7 Mt
Production: Manganese ore

Crop Nutrients
\$(41) million
Underlying EBITDA^o

Woodsmith is a greenfield project

Corporate and other
\$(3) million
Underlying EBITDA^o

→ More detailed information and maps can be found in the business unit reviews
See pages 76-100 of the Integrated Annual Report 2021

→ For footnotes
See page 101 of the Integrated Annual Report 2021



“We have a critical role to supply many of the metals and minerals essential to decarbonise the world economy, and to do so responsibly.”

Re-imagining mining to improve people's lives

That responsibility includes supporting a ‘Just Transition’, helping to create environmentally and socially sustainable jobs that are consistent with addressing the most urgent issue of climate change.

In another year of Covid-19 related uncertainties, Anglo American performed strongly, doing our utmost to keep people safe and healthy while sustaining operations near capacity and keeping our major capital projects on track. We also made further headway in transitioning our portfolio towards those products that are essential for a low carbon future and that support a growing global consumer population, including by exiting our thermal coal operations.

Safety

We continue to pay unremitting attention to safety. Notably, there were no fatal incidents anywhere in the Group for a period of 11 months to August when, regrettably, we lost one colleague at our major development project in Peru. A death is a terrible loss for family, friends and colleagues and we will continue to increase our efforts to keep everyone safe.

Disappointingly, we saw the key indicator of the injury rate plateau after many years of progressive improvement, highlighting the work we still need to do to reach zero harm, particularly as we learn to live with Covid-19 at our operations. One of the things that is demonstrably making a difference is our Elimination of Fatalities programme. We are putting increased resources behind this initiative, and I am encouraged by its headway. Through this work, we are gaining a better understanding of how serious incidents happen, helping us to prioritise actions to eliminate risk at the workplace, as well as travelling to and from work.

Helping our people through Covid-19

We have continued to help protect our people and host communities from the ongoing impacts of Covid-19. Through our comprehensive WeCare response programme, we support the physical and mental health of those who work for us, while also ensuring we can still provide the wide range of essential services on which many of our host communities rely.

As vaccines were approved during the first half of the year, we made available \$30 million of support towards the global roll-out of Covid-19 vaccines across our operational footprint. Our own efforts to vaccinate our workforce in South Africa – representing almost half of our global employees – through our established health infrastructure and to support the government’s vaccination programme, have proven vital in boosting protection from the virus. It is extremely distressing, however, that, despite all the precautions, we have lost more than 200 colleagues to Covid-19.

Looking beyond the pandemic, we also made a special contribution of \$100 million to the Anglo American Foundation to fund longer term health, socio-economic and environmental projects in our host communities and countries of operation.

Sustainable mining

Climate change is the defining challenge of our time. The August 2021 report from the Inter-governmental Panel on Climate Change (IPCC) has provided the clearest evidence so far that climate change poses an existential threat to humanity. Clearly, we are now perilously close to the point of irreversible change to the climate, and we urgently need to accelerate the energy transition to a low carbon future.

Anglo American is committed to playing its part in addressing climate change across our value chain. Our Sustainable Mining Plan includes

commitments to be a leader in environmental stewardship. It already embraces a holistic set of ambitious goals, which are aligned to the UN’s Sustainable Development Goals.

By 2030, we have set ourselves a target to reduce GHG emissions (Scopes 1 and 2) by 30% against a 2016 baseline; improve energy efficiency by 30%; achieve a 50% net reduction in freshwater abstraction in water scarce areas; and deliver net-positive impacts in biodiversity wherever we operate. To these, we added a target to be carbon neutral across our operations by 2040 and, in 2021, our ambition to reduce our Scope 3 emissions by 50%, also by 2040.

We are making good progress towards these goals, as is detailed elsewhere in this report and in our Climate Change Report 2021.

In tune with our Purpose of re-imagining mining to improve people’s lives, we set out some years ago a very different future for mining that we refer to as FutureSmart Mining™. This integrated approach to technology and digitalisation is designed to deliver a broad range of sustainability outcomes across the three pillars of environment, social and governance (ESG). This work spans many of our physical mining processes, acting as a catalyst for self-sustaining regional economic activity and advocating for policies that support decarbonisation and ethical sourcing of raw materials, as examples.

Building trust

The role of business in society and the expectations that our stakeholders have of us have never been more prominent or relevant. We welcome that scrutiny and the Board fully supports management in taking proactive measures to understand levels of trust and to strive for improvement.

Trust is foremost in our minds as we seek to ensure that the Just Transition to a low carbon future does not leave people behind. This necessitates a multi-faceted approach. At the heart of our on-the-ground initiatives is Collaborative Regional Development, our model for catalysing independent, scalable and sustainable economic development in regions around our operations. Anglo American’s strong cross-sector relationships and our ability to build partnerships bring a unique lens to the business of uplifting regional economies.

Anglo American is also an active member of, or contributor to, a number of associations, such as the Council for Inclusive Capitalism, and South Africa’s National Business Initiative’s Just Energy Transition Pathways project, which are working towards the Just Transition. I was delighted, too, that Anglo American was invited to become a member – the only company in the extractives industry to be so – of the recently launched Taskforce on Nature-related Financial Disclosures (TNFD) which aims to provide organisations with a complete picture of their environmental risks and opportunities. And, at COP26, Anglo American was one of 28 companies that have pledged to accelerate the use of decarbonised, ‘green’ hydrogen.

Trust, of course, is paramount within a company too. Over the past few years, the Board has been engaging more closely with front-line employees. Our Global Workplace Advisory Panel held two virtual meetings during the year and is proving valuable in promoting understanding of the interests of employees and directors alike, building on the range of other engagement mechanisms across the Group.

From our portfolio choices, to how we mine, process and transport our products and contribute more broadly to society, we seek to ensure that all those who work for Anglo American have a clear understanding of the role the company plays and their role as individuals to live up to each of our Values, to embrace our culture and be guided by our Purpose.

Our Board

We have significantly refreshed the composition of the Board to ensure we reflect an appropriate mix of skills, experience and diversity to suit the evolving nature of the business and the expectations of society. Succession planning for all directors is a critical and ongoing cycle of work.

As part of that renewal, there were several non-executive director changes during the year. Elisabeth Brinton joined the Board on 1 March 2021, followed by Hilary Maxson on 1 June, and Ian Tyler on 1 January 2022.

Anne Stevens and our senior independent director, Byron Grote, will step down from the Board at the next AGM in April 2022, having both served for nine years. On behalf of the Board, I thank them for their extensive contributions.

In 2021, we again took great care to assure continuity in the Board’s proceedings. A full schedule of meetings, including those of the Board’s committees, was held as planned, albeit the majority in a virtual environment. More information on the Sustainability Committee’s discussions and decision making can be found on page 69 of this report.

Chief executive succession

I would like to take this opportunity to pay tribute, on behalf of the Board but also personally, to Mark Cutifani, who will be stepping down as chief executive at the conclusion of the AGM in April 2022 after almost a decade at the helm. He is a truly inspiring and authentic leader who has led his executive team with distinction through thick and thin to transform Anglo American’s performance and prospects, helping build a culture of self-belief and resilience. His legacy in the areas of safety, the power of engagement, and his determination to create a very different and sustainable future for mining, enabled through technology, deserve particular recognition.

Following a rigorous global process to identify Mark’s successor, including those candidates on our internal succession plan, the Board concluded that Duncan Wanblad is the stand-out successor, bringing his 30 years of international mining experience and deep understanding of Anglo American, its culture and its context. Duncan has been integral to the reshaping of the company and is uniquely qualified to take Anglo American forward.

Stuart Chambers
Chairman

Chief Executive's statement

Climate change is the defining challenge of our time. We cannot ignore or underestimate its global impact, its implications for every sector of the economy and every human being.

The transition to a low carbon world requires significant change, and while that change presents major opportunities for many, it presents risks and anxieties for others. As a responsible mining company, we have a role in supporting host communities to thrive through and beyond this change. Together with our partners, we aim to be part of creating environmentally and socially sustainable jobs, sectors, and economies in support of a 'Just Transition'.

As the pandemic evolves, we continue to do the right thing by our employees and our communities through our global WeCare response programme, focused on protecting both physical and mental health and lives and livelihoods. As vaccines became available during 2021, we volunteered \$30 million of support towards their roll-out, in support of our host governments. And looking beyond the pandemic, we donated \$100 million to create a special endowment to support the incredible work of the Anglo American Foundation.

Safety and health

Our most important priority is to ensure that everyone is better off and healthier having worked for Anglo American. We need our people to be healthy, happy, engaged and fulfilled in work and in life. It makes us safer, more productive and a stronger force for good in the communities where we operate.

We tackle the threats to health and well-being wherever we find them, with separate programmes for physical and mental health – including our Living with Dignity programme to tackle the scourge of gender-based and domestic violence prevalent around the world – for creating a healthier working environment, and for encouraging healthy lifestyles. We are paying greater attention to psychological safety, which we believe is intrinsic to embedding a safety-conscious mindset, establishing a steering committee to investigate psychological safety issues while, more broadly, introducing the thinking into an array of other programmes.

In many ways, the pandemic has proven more challenging this year than last, particularly in those countries where vaccination roll-outs have been slower and uptake lower. So, our work this year has been focused on keeping employees and community members safe, of course, and encouraging vaccination at the earliest opportunity.

On safety, we continue to make progress in reducing fatal incidents and with our broader safety processes and procedures. Sadly, however, we still lost one colleague in a vehicle incident on our major project in Peru. Our total injury frequency rate also tracked up marginally, after multiple years of progressive improvement, reflecting the changed operating configurations necessary to manage Covid-19 that tend to disrupt planned work routines. The increase in the first half of the year reduced

in the second half as we reinforced the importance of these new routines across the business.

On fatal incidents, our Elimination of Fatalities Taskforce has supported a 93% reduction in fatal incidents since 2013 and we have extended this work to our non-managed joint operations, as they reported three fatal incidents in the year. For us, every loss of life is a tragedy, and we will continue to mobilise our resources across the Group to support our zero harm imperative.

Sustainability

A sustainable business is one that has an enduring purpose in society and that considers in all its decision-making the many different forms of value that it can deliver for all stakeholders, including the natural environment. Anglo American's Purpose of re-imagining mining to improve people's lives guides our delivery of sustainable value to our shareholders, our employees, and our broader business and societal stakeholders.

In early 2018, we set out a series of stretching goals spanning the full breadth of E, S and G, in the shape of our Sustainable Mining Plan. We are making good progress towards delivery of those goals, but we also recognise that the world moves on, as do society's expectations of us. Our commitments must be relevant and stretching, so we will continue to evolve them across our business.

Likewise, we have raised the bar again in terms of social performance, through our Social Way 3.0 – a rigorous management system to drive consistently better outcomes for host communities. Just as financial performance presents an opportunity for differentiation, we see sustainability no differently – it is integral to how we all work and to our overall business performance.

Technology

Technology and innovation are central to how we are creating a more sustainable business. Across every aspect of what we do, from mineral exploration to delivering our products to our customers, we are thinking innovatively to ensure the safety of our people, to enhance the sustainability of our business, and to deliver enduring value in its many forms.

Our Operating Model provides stability and predictability to our performance, with P101 layered on to deliver new benchmark levels of performance. FutureSmart Mining™ is then integrating technology and digitalisation with the full spectrum of our Sustainable Mining Plan ambitions – particularly our water, energy, and emissions targets. Together, our approach is providing the next step-change in our operating and financial performance.

Our pathway to decarbonisation

We have increasingly tilted our portfolio towards future-enabling metals and minerals that are critical to decarbonising the global economy – energy and transport in particular – and that meet the needs of a fast-growing global consumer population. The completion of our exit



“Together, we have transformed our company's competitive position and led the way towards a safer, smarter, more sustainable future that delivers enduring value for all our stakeholders, and our planet.”

from thermal coal operations took us further in that direction, as will the commissioning of our Quellaveco copper operation in Peru expected in mid-2022. The addition of the Woodsmith Crop Nutrients project further diversifies our business to the all-important world of low carbon fertilisers – essential if we are to feed people using less land and do so while meeting our climate commitments.

This year, we published our Climate Change Report 2021, setting out in full our approach to climate change. By 2030, we have targeted to reduce GHG emissions (Scopes 1 and 2) by 30% against a 2016 baseline; improve energy efficiency by 30%; achieve a 50% net reduction in freshwater abstraction in water scarce areas; and deliver net-positive impacts in biodiversity wherever we operate.

We have targeted carbon neutrality across our operations by 2040, and an ambition to reduce our Scope 3 emissions by 50%, also by 2040. We are making considerable progress. In 2020, a little more than one-third of the electricity Anglo American used globally was drawn from renewable sources. Having now secured 100% renewable electricity supply across our operations in Brazil, Chile, and Peru, by 2023 we expect to be drawing 56% of our grid supply from renewables.

In southern Africa, where solar and wind energy is plentiful, there is a lack of renewables infrastructure to harness it. Here, we plan to partner with governments and others in the development of a regional renewable energy ecosystem, helping to catalyse a host of environmental, economic and social benefits.

Another major step is to displace diesel usage in our mine truck fleet. Our hydrogen fuel-cell and battery hybrid pilot truck will generate more power than its diesel predecessor and will be the world's first to be powered by green hydrogen. Our haul trucks contribute up to 80% of the diesel emissions at our sites, so by switching them to hydrogen we expect to be taking the equivalent of more than half a million internal combustion cars off the road.

People

As I look back on my time at Anglo American, one of the things I am most proud of is our Purpose. Almost three years ago, we finalised long discussions across our entire company and drawing on the views of many stakeholders about our reason for being.

The modern mining industry that we are helping to shape places people even more at its heart. People are central to everything we do, and each individual has expectations of us. We strive to create safe, inclusive, and diverse workplaces that encourage high performance and innovative

thinking. We know that for people to give their best, we need to understand their viewpoints and address any concerns they may raise about working for us.

In 2021, Anglo American was ranked number 11 on the Inclusive Companies' Top 50 Inclusive Employers in the UK list, up 20 places from the previous year. This is as a very welcome endorsement of our commitment to an environment where everyone is supported to achieve their full potential at work.

A few years ago, we also expanded our efforts through both listening to employees and adding their perspectives to the Board's deliberations on culture through our Global Workforce Advisory Panel. The Panel is made up of 11 employees from the countries where the Group has a significant presence and is currently chaired by our senior independent director, Byron Grote.

It is our more than 106,000 people who deliver our performance every day and who are our best ambassadors, engaging with each other and our array of stakeholders, and supporting our ambitions.

Thank you

There has been no greater privilege for me than leading Anglo American and our incredible people over the last nine years. Together, we have transformed our company's competitive position and led the way towards a very different future for mining – a safer, smarter, more sustainable future that delivers enduring value for all our stakeholders, and our planet.

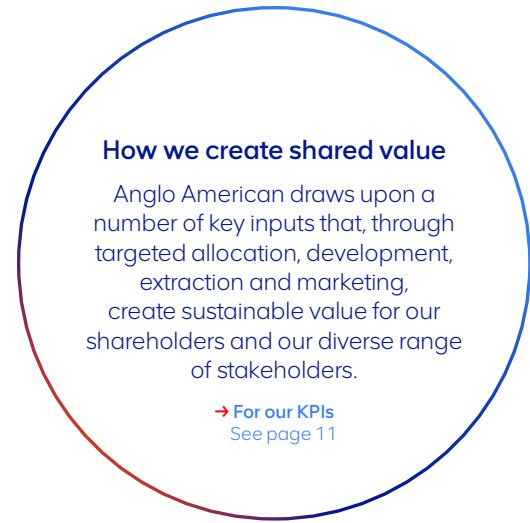
By delivering on our promises, we have established the credibility and capabilities that are the foundation for Anglo American's next phase of growth. I can think of no better leader than Duncan Wanblad to pick up the baton and pursue the many opportunities that lie ahead for our business. 2022 marks the start of a new and exciting chapter as we create the new Anglo American.

I thank the Board for its support of everything we are aiming to achieve, the executive team for their tenacity and friendship, every one of our employees for their sheer resilience, and all our stakeholders for their spirit of engagement.

Mark Cutifani
Chief Executive

Our Business Model

Our inputs



Ore Reserves and Mineral Resources: We have high quality and long life mineral assets across our businesses and across a wide geographic footprint, providing a suite of organic options for delivering value over the long term. Our Discovery teams work to discover mineral deposits in a safe and responsible way to replenish the resources that underpin our future success.

Know-how: We link our industry-leading technical and market knowledge across the Group to realise even greater value from our resource base and optimise mine production plans to ensure we provide products reliably to our customers around the world, meeting their specific technical and logistical requirements.

Relationships with stakeholders: Open and honest engagement with our stakeholders is critical in gaining and maintaining our social and regulatory licences to operate. Working within our social performance framework, it is our goal to build and sustain constructive relationships with our host communities and countries that are based on mutual respect, transparency and trust.

Materiality and risk

Identifying and understanding our material matters and risks is critical in the development and delivery of our strategy.

→ [For our material matters](#)
See page 12

→ [For our principal risks](#)
See pages 60–67 of the Integrated Annual Report 2021

Other natural resources: Mining and processing activities have long been major users of water and energy. Our technical and social expertise combine to provide advice and support to our operations to mitigate their water and energy requirements, while also developing new technologies that have the potential to significantly reduce our physical and environmental footprint.

Plant and equipment: Our procurement and technical teams form strong relationships with major suppliers to deliver tailored equipment and other solutions to enable best-in-class operating performance and cost-effectiveness. We implement local procurement policies that support suppliers based in the host communities close to our operations – making a significant socio-economic contribution, as well as lowering logistics costs.

Financial: Our strong focus on productivity, cost discipline and working capital management helps to drive sustainable positive cash flows. Our financial resources are allocated to where they can deliver optimal financial returns for our shareholders.

Governance

Our governance controls ensure that we respond effectively to those matters that have the potential to cause financial, operational and reputational harm to our business, while acting ethically and with integrity for the benefit of all our stakeholders.

→ [For our Governance Report](#)
See pages 105–162 of the Integrated Annual Report 2021

Our value chain

We will invest in those points in the value chain that provide us with the best return on our investment, while striving to meet the highest environmental, social and governance standards. Sustainable financial value can only be created by protecting the value of our natural and human resources.

Discover: Our geologists search for and discover new sources of the minerals that make our modern lives possible. We benefit from developing and using world class expertise and leading technologies, often that we have developed ourselves, to find deposits we can develop and mine in a safe and sustainable way.

Plan and build: Before we put a spade in the ground, our geologists and engineers work together using virtual mine planning systems to design the most effective, cost-efficient, environmentally sound construction and operational mine plan.

Mine: In extracting the products that we all need in our daily lives, we draw on over 100 years of mining experience. Safety comes first: our whole way of working is focused on zero harm. We plan for the lifecycle of the mine and beyond and use our own technologies for reducing waste and protecting environments.

Process: By processing, converting and refining our raw materials, we produce what customers need. Our processing technologies also enable us to reduce waste, save water, increase efficiency, drive innovation and, by adding value to our products, support economic growth in the areas we mine.

Move and market: After processing, we then transport our metals and minerals to where they are needed, to our customers. We use the latest technologies to co-ordinate and optimise our global shipping needs. And we use our scale and detailed knowledge of the demand and uses for our products to offer our customers a stable supply to their exact specifications – adding value for them every step of the way and, ultimately, for billions of consumers who rely on our products every day.

End of life plan: We don't only plan for the lifecycle of the mine – we also take great care to look beyond and determine the rehabilitation of the site and the real benefits that will be felt by local communities, long after the site is closed.

How we measure the value we create

- Safety and health
- Environment
- Socio-political
- People
- Production
- Cost
- Financial

→ [For our pillars of value See page 7](#)

Outputs

Our direct commercial outputs are many of the metals and minerals that enable a cleaner, greener, more sustainable world and that meet the fast growing consumer-driven demands of developed and maturing economies: diamonds, copper, nickel, platinum group metals, and the steelmaking ingredients of iron ore and metallurgical coal, while crop nutrients are in development.

Mining and processing activities also result in the unavoidable disturbance of land, generation of mineral residue, use of fresh water and energy, as well as atmospheric emissions and water discharges. We strive to minimise our footprint through our innovative technologies that are designed to support our approach to sustainable mining.

Revenue

\$41.6 bn

(2020: \$25.4 bn)

Attributable free cash flow

\$7.8 bn

(2020: \$1.2 bn)

CO₂ equivalent emissions (Scopes 1 and 2)

14.8 Mt

(2020: 16.1 Mt)

Group attributable ROCE

43%

(2020: 17%)

Total water withdrawals

177 Mm³

(2020: 197 Mm³)

Total wages and benefits paid⁽³⁾

\$3.7 bn

(2020: \$3.3 bn)

Production in 2021

- Diamonds: 32.3 Mct
- Copper: 647 kt
- Nickel (from Nickel and PGMs): 64.0 kt

- Platinum: 2,400 koz refined
- Palladium: 1,628 koz refined
- Rhodium: 347 koz refined

- Iron ore: 63.8 Mt
- Metallurgical coal: 14.9 Mt
- Manganese ore: 3.7 Mt

Outcomes

As we strive to deliver attractive and sustainable returns, we are also focused on the many forms of value creation we can offer to our diverse range of stakeholders. Through our business activities – employing people, paying taxes to governments and procuring from host communities – we make a significant and positive contribution to the countries where we operate.

Beyond our direct mining activities, we create and sustain jobs, build infrastructure, support education and help improve healthcare for employees and local communities.

Why? Anglo American is a responsible global business and our employees want and expect us to play our part and do the right thing. This approach is central to maintaining our social licence to operate and being a truly sustainable business.

→ [For more on creating value for our stakeholders](#)
See page 8

→ [To download our 2021 Tax and Economic Contribution Report](#)
Visit angloamerican.com/tec-report-2021

Our values



Anglo American's Values and behaviours are at the heart of everything we do. Guided by our Purpose and our Values, we enable high performance and purposeful action.

Our Values and the way in which we, as individuals, are expected to behave are the foundation of our Code of Conduct.

→ [For Footnotes](#)
See page 101 of the Integrated Annual Report 2021

Purpose to Value

Our Purpose

Re-imagining mining to improve people's lives

Transforming the very nature of mining for a safer, smarter, more sustainable future.

Our Values

Anglo American's Values and behaviours are at the heart of everything we do. Guided by our Purpose and our Values, we enable high performance and purposeful action. Our Values and the way in which we, as individuals, are expected to behave are the foundation of our Code of Conduct.



Our strategy

Guided by our Purpose, our strategy is to secure, develop and operate a portfolio of high quality and long life mineral assets, to deliver sustainable value for all our stakeholders and leading shareholder returns. We achieve this through innovative practices and technologies – in the hands of our world class people.

Capital allocation

Underpinning our strategy, we have a value-focused approach to capital allocation, with clear prioritisation.

→ For more on capital allocation
See pages 58–59 of the Integrated Annual Report 2021



Measuring delivery of our strategy

We track our strategic progress holistically – spanning non-financial and financial performance – and throughout the year, using KPIs that are based on our seven pillars of value:

- Safety and health**
To do no harm to our workforce
- Environment**
To minimise our impact on the environment
- Socio-political**
To partner in the benefits of mining with local communities and government
- People**
To create a sustainable competitive advantage through capable people and an effective, purpose-led, high performance culture
- Production**
To sustainably produce valuable product
- Cost**
To be competitive by operating as efficiently as possible
- Financial**
To deliver sustainable returns to our shareholders

Delivering sustainable value for all our stakeholders

We are working together to develop better jobs, better education and better businesses, building brighter and healthier futures around our operations in our host countries and ultimately for billions of people who depend on our products every day.

→ For more on value delivered to our stakeholders in 2021
See page 8

→ To download our 2021 Tax and Economic Contribution Report
Visit angloamerican.com/tec-report-2021

Balanced reward

Anglo American's directors' remuneration policy is designed to encourage delivery of the Group's strategy and creation of stakeholder value in a responsible and sustainable manner, aligned to our Purpose.

- Employees
- Host countries
- Suppliers
- Communities
- Customers
- Investors
- Natural environment

The main elements of the remuneration package are basic salary, annual bonus and Long Term Incentive Plan (LTIP).

→ For more on remuneration
See pages 135–161 of the Integrated Annual Report 2021



Portfolio

The quality and long life of our mineral assets are the foundations of our global business.

We actively manage our asset portfolio to improve its overall competitive position, providing products that support a fast growing population and a cleaner, greener, more sustainable world.

→ For more on Portfolio
See pages 22–29 of the Integrated Annual Report 2021



Innovation

Across every aspect of our business, we are thinking innovatively about how we work to ensure the safety of our people, enhance our sustainability performance, and deliver industry-leading margins and returns. We are developing a replicable model of differentiated practices and capabilities that is designed to deliver superior value to all our stakeholders from assets that are in our hands.

→ For more on Innovation
See pages 30–49 of the Integrated Annual Report 2021



People

Our people are critical to all that we do: we create working environments and an inclusive and diverse culture that encourages and supports high performance and innovative thinking. The partnerships we build, both within Anglo American and with our stakeholders – locally and globally – are central to maintaining our regulatory and social licences to operate and our sustained commercial success.

→ For more on People
See pages 50–57 of the Integrated Annual Report 2021

Creating value for all stakeholders

Anglo American is re-imagining mining to improve people's lives.

Mining has a safer, smarter, more sustainable future. Using more precise technologies, less energy and less water, we are reducing our environmental footprint for every ounce, carat and kilogram of precious metal or mineral.

Employees

People are our business, and that means our first priority is always employee safety.

Our people are critical to all that we do. And always front of mind are the safety and health of our employees and contractors; we train, equip and empower our people to work safely every day. We believe, too, that creating an inclusive and diverse working environment and culture that encourages and supports high performance and innovative thinking gives our business a competitive advantage.



→ For more information
Visit angloamerican.com/sustainability/people

Suppliers

Responsible sourcing aligned to our Purpose

Our approach to responsible sourcing defines the minimum sustainability requirements and decent work principles required by all 17,000+ suppliers to Anglo American. Our vision is to create a more inclusive supply chain as we seek to generate more equitably shared and sustainable prosperity in our host provinces, where over 70,000 jobs are supported by our procurement worldwide.

→ For more information
Go to page 51

We are combining smart innovation with the utmost consideration for our people, their families, local communities, our customers, and the world at large – to better connect precious resources in the ground to all of us who need and value them.

And we are working together to develop better jobs, better education and better businesses, building brighter and healthier futures around our operations in our host countries and ultimately for billions of people around the world who depend on our products every day.

Host countries

Playing our role in society

Anglo American contributes to economies and society both directly and indirectly, through the taxes and royalties we pay, the jobs we create, the local workforces we upskill, the local business opportunities we generate, and the education and community health initiatives we support.

\$7.1 bn

Total taxes and royalties borne and collected

\$3.7 bn

Total wages and benefits paid



→ To download our 2021 Tax and Economic Contribution Report
Visit angloamerican.com/tec-report-2021

\$10.0 bn

spent with local suppliers in 2021

88%

of total supplier spend of \$11.4 bn

Communities

Helping to create thriving communities

We are committed to delivering a lasting, positive contribution to our host communities, beyond the life of our mines. This starts with understanding and responding to their needs and priorities. We manage the relationship with our host communities through our recently updated social performance system, the Social Way 3.0.

→ For more information
Go to page 43

Global CSI expenditure by region⁽¹⁾

	\$'000	
Africa	73,100	53%
Americas	60,400	44%
United Kingdom	2,400	2%
Australia	1,100	1%
Rest of World	1,000	1%
Total	138,000	

⁽¹⁾ Discrepancies may occur due to rounding.

\$138 m

Total Corporate Social Investment (CSI)



Customers

Understanding our customers' needs

We work closely with our customers, who are increasingly interested in sourcing responsible materials. We are targeting all of our mining operations to be audited against recognised responsible mining certification systems by 2025. To date, seven Anglo American managed operations have either completed IRMA assessments or are in the process of being assured: Unki; Mototolo Concentrator; Amandelbult; Kolomela; Sishen; Minas-Rio and Barro Alto. In addition, two operations have undergone the Responsible Jewellery Council certification and we have adopted the Copper Mark certification at Los Bronces and El Soldado while they await being assured against IRMA.

→ For more information
Go to page 44

Natural environment

Protecting our natural environment

We apply ecosystem-thinking to address the interconnectivity of nature, our environment and the ecosystems in which we operate to deliver positive environmental outcomes and address global challenges such as climate change.

Some of the targets we have set include:

- Pathway to carbon neutrality, with all operations targeted to be carbon neutral (Scopes 1 and 2 emissions) by 2040
- Net-positive biodiversity and conservation outcomes
- Reducing fresh water withdrawals by 50% in water scarce areas by 2030.

Investors

Delivering sustainable financial returns

Underpinning our strategy, we have a value-focused approach to capital allocation, with clear prioritisation: sustaining capital to maintain asset integrity; payment of base dividends, and then the allocation of discretionary capital to either growth investments, upgrades to our portfolio, or additional returns to shareholders.

→ For more information
Visit angloamerican.com/investors

\$6.2 bn

Total returns to shareholders

8%*

Dividend yield

35%

TSR performance

* Calculated using average share price (\$40.17) for the year ended 31 December 2021.



Stay up to date

For more on our performance in the year, see the video link.

Visit <https://youtu.be/dqSfiru4OdU>

Our approach to sustainability

A sustainable business is purposeful, competitive, resilient and agile. It is a business that thrives throughout economic and social cycles.

Environmental, social, governance and commercial issues are often connected; they are part of a complex dynamic system that is constantly evolving.

At Anglo American, our work has evolved to match this complexity. Sustainability considerations are integrated into how we work and are central to our decision making as we strive to understand the full impact of each decision we take.

None of the issues explored in this report happen in isolation; so, while we report one topic at a time, our work is multi-disciplinary and dynamic, aligned with the environments in which we operate.

Our Strategy



Guided by our Purpose, our strategy is to secure, develop and operate a portfolio of high quality, long life mineral assets. We then apply innovative practices and technologies in the hands of our world class people to deliver sustainable value for all our stakeholders.

Portfolio

The quality and long life of our mineral assets are the foundations of our global business. We actively manage our asset portfolio to improve its overall competitive position, providing products that increasingly support a fast-growing population and a cleaner, greener, more sustainable world.

Innovation

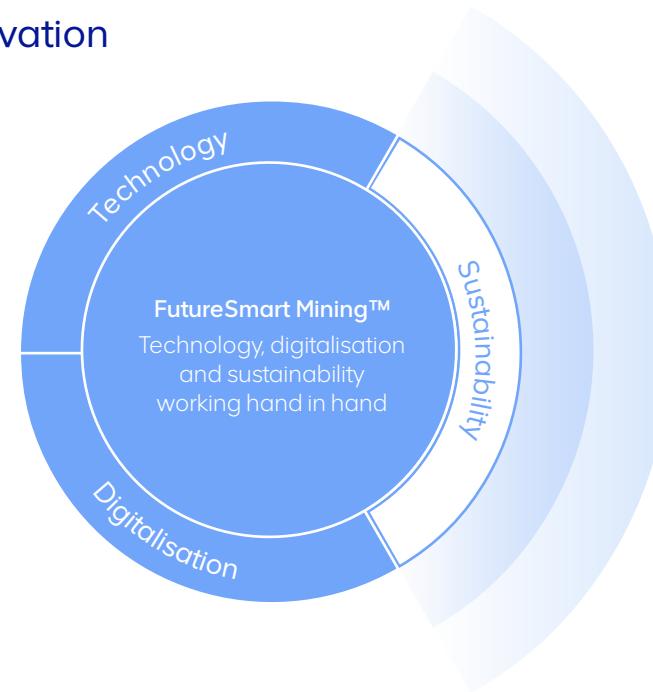
Across every aspect of our business, we are thinking innovatively about how we work to ensure the safety of our people, enhance our sustainability performance, and deliver industry-leading margins and returns. We are developing a replicable model of differentiated practices and capabilities that is designed to deliver superior value to all our stakeholders from assets that are in our hands.

People

Our people are critical to all that we do: we create working environments and an inclusive and diverse culture that encourages and supports high performance and innovative thinking. The partnerships we build, both within Anglo American and with our stakeholders – locally and globally – are central to maintaining our regulatory and social licences to operate and our sustained commercial success.

→ For more information
See pages 22–57 of the Integrated Annual Report 2021

Innovation



Across every aspect of our business, from mineral exploration to delivering our products to our customers, we are thinking innovatively to ensure the safety of our people, to enhance the sustainability of our business, and to deliver enduring value in its many forms for all our stakeholders.

The combination of our innovative Marketing business, best-in-class operational improvements provided by the stable platform of our Operating Model and through our P101 programme, and FutureSmart Mining™ – our innovation-led pathway to sustainable mining – is fundamentally changing the way we extract, process and market metals and minerals, providing our next step-change in operating and financial performance.

Operating Model

Our Operating Model is the foundation to support us by providing structure, stability and predictability in the way we plan and execute every task.

P101

P101 is our transformational asset productivity programme that builds on the stability of the Operating Model.

Marketing

Our Marketing business optimises the value from our mineral resources and market positions including by demonstrating the high sustainability standards we are committed to.

FutureSmart Mining™

Our innovation-led pathway to sustainable mining that is fundamentally changing how we mine, process, move and market our products to drive positive sustainability outcomes.

→ For more information
See pages 30–49 of the Integrated Annual Report 2021

Sustainability



Our Sustainable Mining Plan, launched in 2018 and integral to our FutureSmart Mining™ programme, is built around three major areas or Global Sustainability Pillars, which are designed to support the UN's Sustainable Development Goals.

Under each of the Global Sustainability Pillars we have a set of stretch goals. We are putting all our efforts into delivering them between now and 2030. These Global Stretch Goals are deliberately ambitious and designed to challenge us to lead and innovate.

Healthy Environment

Maintaining a healthy environment that uses less water and delivers net-positive biodiversity outcomes, ultimately moving us closer to our vision of carbon neutral mining.

Thriving Communities

Building thriving communities with better health, education and levels of employment.

Trusted Corporate Leader

Developing trust as a corporate leader, providing ethical value chains, policy advocacy and improved accountability.

→ For more information on our Sustainable Mining Plan
See page 10

Sustainable Mining Plan

Our Sustainable Mining Plan, integral to FutureSmart Mining™, is built around three Global Sustainability Pillars and sets out our commitment to stretching goals – driving sustainability outcomes through technology, digitilisation and our innovative approach to sustainable economic development.

Environment

Healthy Environment

Maintain a healthy environment by creating water-less, carbon neutral operations and delivering positive biodiversity outcomes.

Climate change

To be carbon neutral across our operations.

2030: Reduce absolute GHG emissions (Scopes 1 and 2) by 30%. Improve energy efficiency by 30%. Be carbon neutral across 8 of our sites.

2040: Be carbon neutral across all of our operations.

2040: Ambition to reduce Scope 3 emissions by 50%.

Biodiversity

To deliver net positive impact (NPI) across Anglo American.

2021: NPI methodology, biodiversity value assessments and site-specific indicators in place at high risk environments. Establish biodiversity frameworks, processes and resources to enable mitigation across the mining lifecycle. Formalise partnerships to support NPI.

2030: Deliver NPI on biodiversity across Anglo American.

Water

To operate water-less mines in water scarce catchments.

2030: Reduce the withdrawal of fresh water by 50% in water scarce areas.

Social

Thriving Communities

Build thriving communities with better health, education and levels of employment.

Health and well-being*

Relevant SDG targets for health to be achieved in our host communities.

2022: Baseline established and strategies in place at every site to achieve the SDG 3 health targets.

2025: Operations to be halfway to closing the gap between baselines and 2030 targets.

2030: SDG 3 targets for health to be achieved in our host communities.

Education

All children in host communities to have access to excellent education and training.

2021: Baselines and strategies in place at every site.

2025: Schools in host communities to perform within the top 30% of state schools nationally.

2030: Schools in host communities to perform within the top 20% of state schools nationally.

Livelihoods

Shared, sustainable prosperity in our host communities.

2021: Baselines and strategies in place at every site.

2025: Three jobs created/supported off site for every job on site.

2030: Five jobs created/supported off site for every job on site.

Governance

Trusted Corporate Leader

Develop trust, provide ethical value chains and improve accountability to the communities we work with.

Local accountability*

Transform the relationship between mines, communities, and wider society.

2022: Establish accountability forums at all mine sites.

2025: High quality dialogue and programmes resulting from forums.

2030: Establish open and accountable dialogue, leading to greater mutual trust.

National and international accountability*

Transform the relationship between mines, communities, and wider society.

2022: Governments and civil society agree to participate in stakeholder accountability forums, and agree benchmarks/indices and responsibilities.

2025: Continued dialogue on reporting and responsibilities.

2030: Recognition of benefits and challenges of responsible mining; a more consensual working relationship between Anglo American and society.

Policy advocacy

Collaboratively take a lead on issues that affect our business and society's wider goals.

2021: Finalise advocacy plans to support key sustainability issues. Provide university scholarships in good governance for stakeholders in regions where we operate.

2025: Regular involvement in priority policy and governance debates.

2030: Recognition of our leadership on policy advocacy. Strong levels of engagement in policy debates.

Ethical value chains*

Support and reinforce positive human rights and sustainability outcomes through our value chain.

Mine certification and responsible sourcing

2022: Half of operations to undergo third-party audits against responsible mine certification systems. Responsible sourcing standard fully implemented.

2025: All operations to undergo third-party audits against responsible mine certification systems.

Collaborative Regional Development

Our innovative partnership model to catalyse independent, scalable and sustainable economic development in regions around our operations – the objective being to improve lives by creating truly thriving communities that endure and prosper well beyond the life of the mine.



Regional Spatial Analysis

This innovative approach starts by identifying socio-economic development opportunities with the greatest potential in a region via spatial planning and analysis.



Planning and implementation in partnership

The information from the regional spatial analyses enables us to develop plans, secure funding and implement sustainable development opportunities.

Five-year site plans

We have tailored five-year local plans for each of our sites and Group functions to address the unique challenges across our operations. Each one is developed to support our Global Sustainability Pillars and stretch goals as well as our critical foundations and Collaborative Regional Development.

Sustainable Development Goals

Our Sustainable Mining Plan is built around three Global Sustainability Pillars designed to support the UN's Sustainable Development Goals (SDGs). Each pillar has three Stretch Goals that we must reach by 2030 and further goals and ambitions that we will add to these as we progress. They are deliberately ambitious and designed to challenge us to lead and innovate.

Healthy Environment



Thriving Communities



Trusted Corporate Leader



Critical foundations

These form the common and minimum requirements for each of our operations and our business as a whole. The Critical Foundations are essential to the long term credibility and success of both the Sustainable Mining Plan and our social licence to operate.

Leadership and culture

We are a leader in an industry critical to all our futures – our products are changing the world. We foster a culture combining technological innovation with utmost consideration for our employees and everyone we interact with.

Zero harm

Zero harm is always our primary objective. We are getting there through creating an environment where every employee feels confident enough to do the right thing by speaking out each time they encounter a situation they feel is potentially unsafe.

Human rights

We respect the UN and other international agreements recognising human rights. We work with governments at all levels and other authorities to ensure human rights are understood and protected as we strive to improve lives and livelihoods in our host communities.

Inclusion and diversity

This is a business-critical issue for us. We believe we must draw from the widest possible talent pool, and especially ensure continuing higher female representation at all levels, if we are to enhance our performance and maintain a competitive advantage.

Group standards and processes

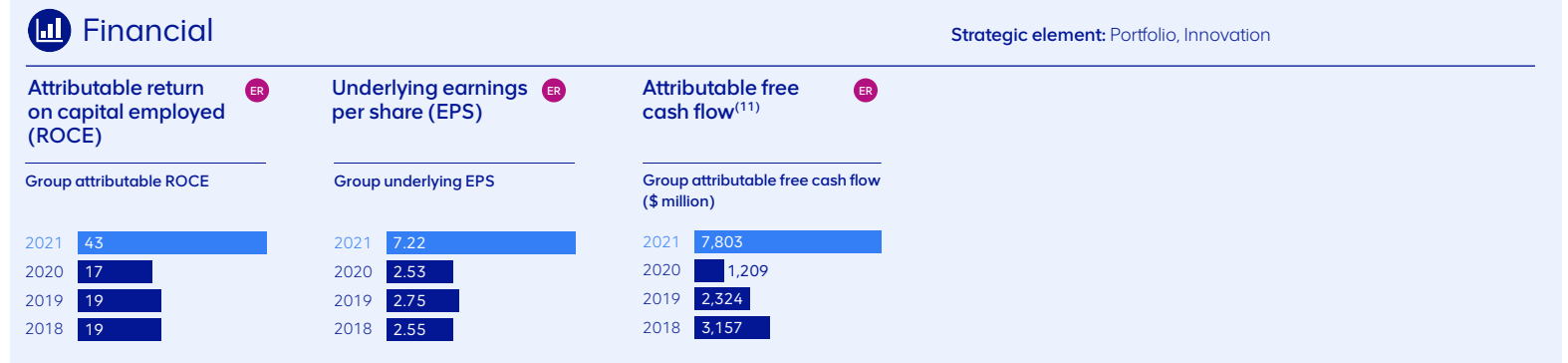
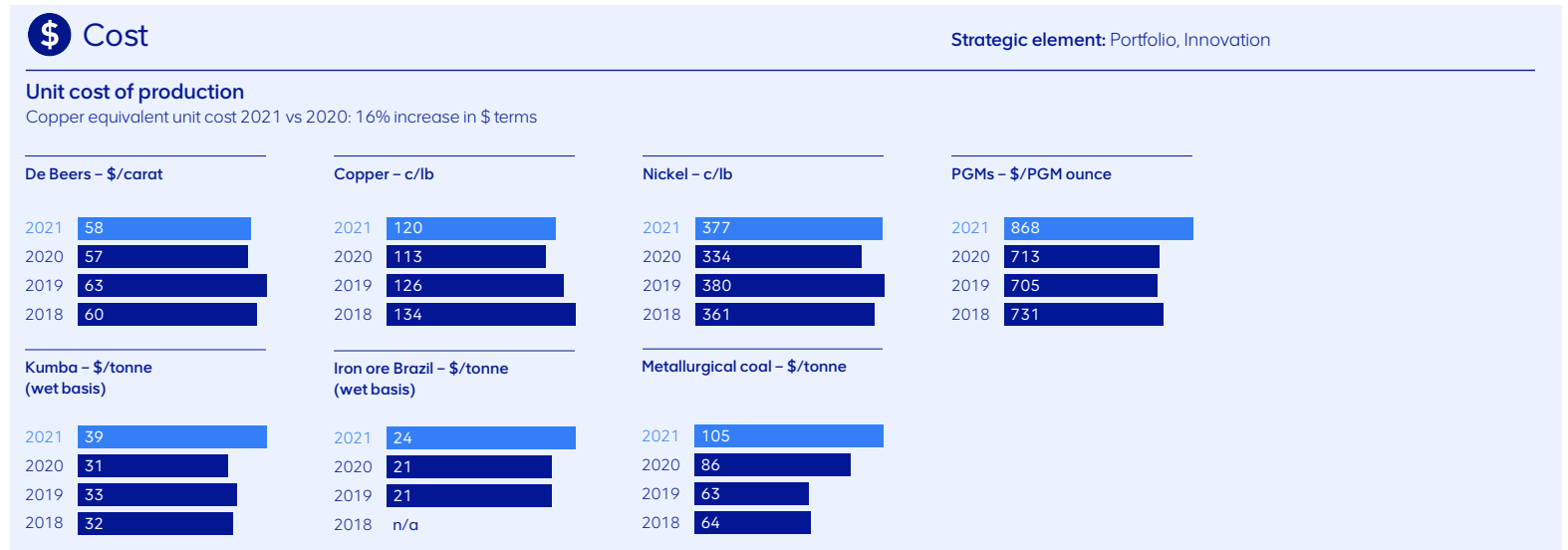
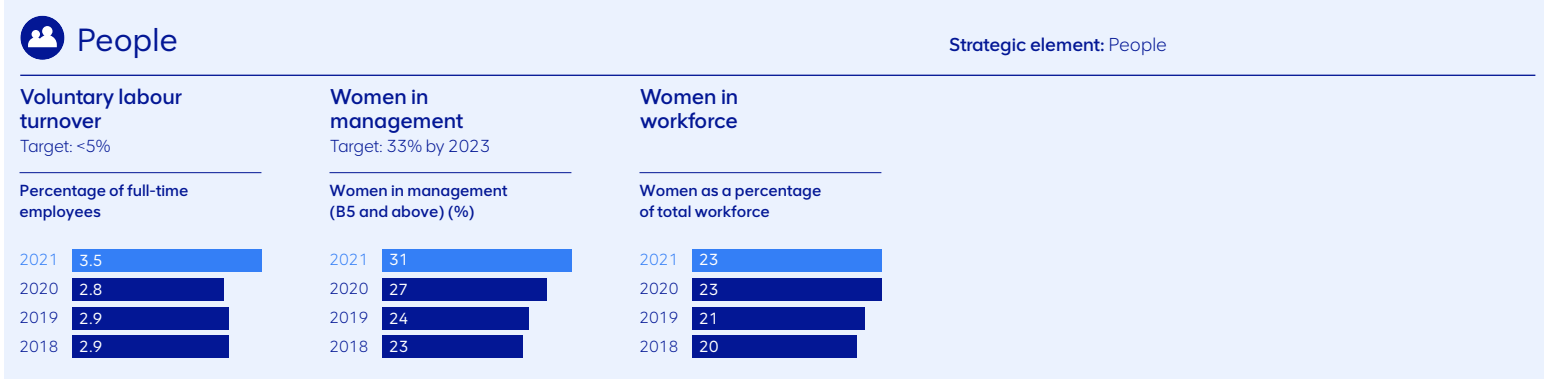
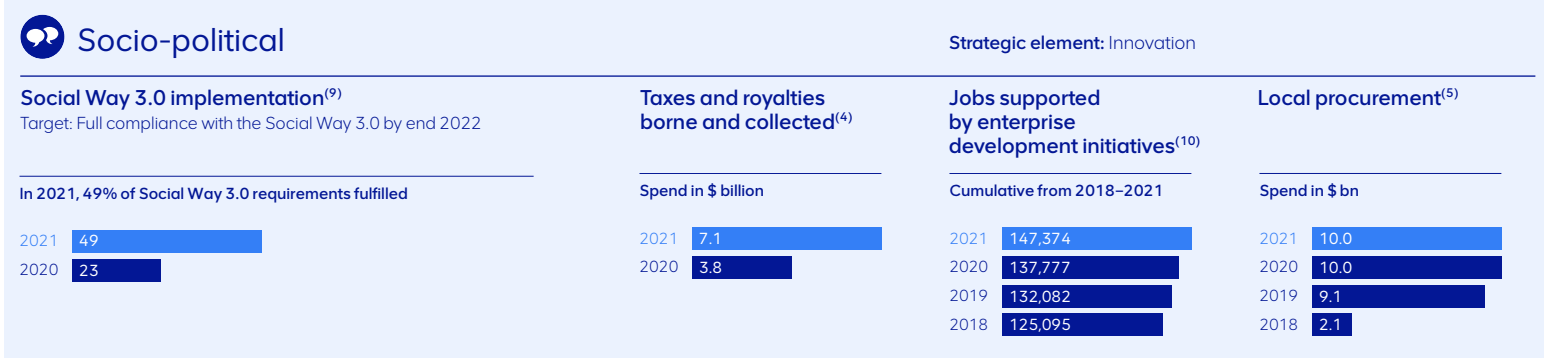
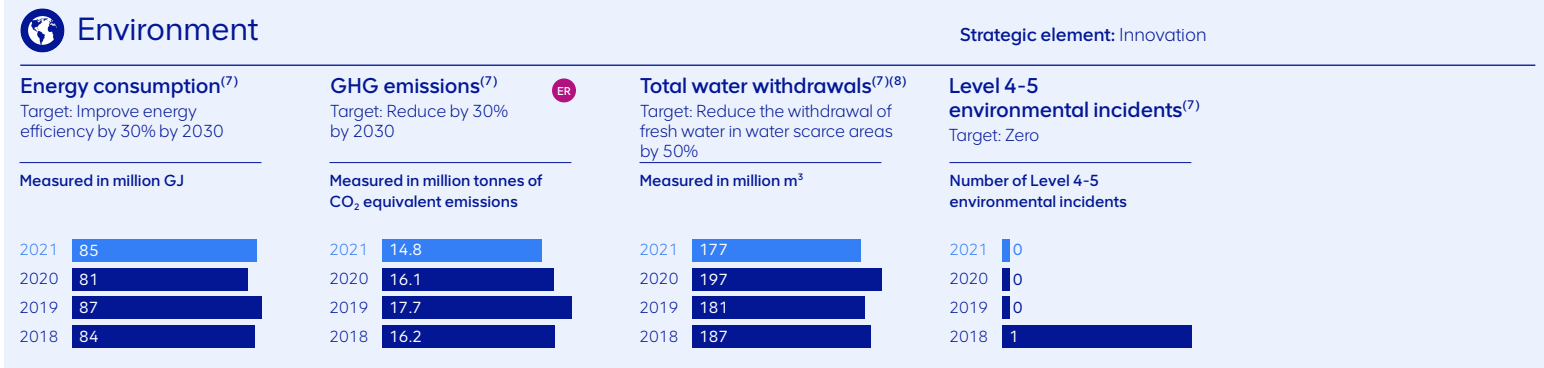
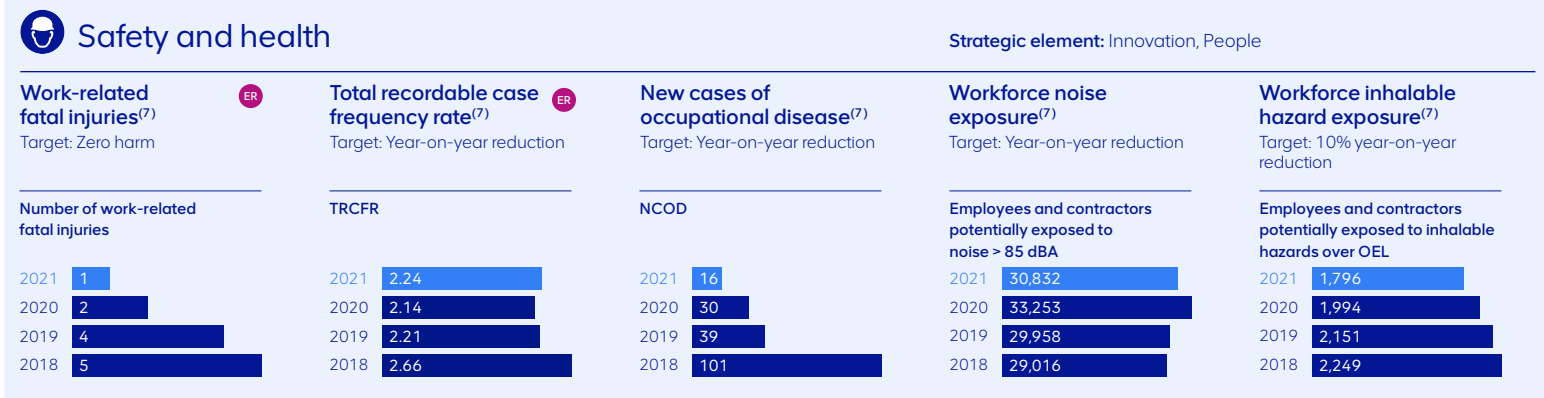
Our Group standards and processes include our Code of Conduct, Human Rights policy and underlying standards, and responsible Sourcing Standards for Suppliers, which are aligned with global initiatives such as the UN's SDGs and the Kimberley Process for diamonds.

Compliance with legal requirements

Meeting applicable legal requirements is an essential part of our business globally and is critical to building trust in all of our stakeholders.

*Due to the ongoing effects of the Covid-19 pandemic, the Board's Sustainability Committee agreed to extend the targets from 2021 to 2022.

Measuring our performance



→ For full description and calculation methodology See pages 268-275 of the Integrated Annual Report 2021

ER KPIs with this symbol are linked to Executive remuneration; for more information, see the Remuneration report on pages 135-161 of the Integrated Annual Report 2021

See page 101 of the Integrated Annual Report 2021 for footnotes.

Our material matters

Determining what is important

Identifying and evaluating matters that are of common material interest to our stakeholders and to our business, and understanding how they may affect our ability to create value over time, are integral to our planning processes and help support the delivery of Anglo American’s strategy.

Our process for determining those matters involves consultation, analysis and approval.

Following the externally facilitated integrated materiality process that took place in 2020, which incorporated in-depth interviews with a range of internal and external stakeholders, the 2021 materiality process consisted of desktop research and an external consultation survey. The desktop research included a review of the Group Risk register, global media coverage and analyst reports on Anglo American and the mining sector, and an analysis of minuted Board and executive discussions. The external consultation survey was conducted with a wide range of stakeholders, including investors, communities, customers, suppliers, governments, civil society and industry groups.

Understanding our stakeholders

Healthy stakeholder relationships help us to better communicate how our business decisions, activities and performance are likely to affect or be of significant interest to our stakeholders, and provide the opportunity to co-create effective and lasting solutions to business and other challenges.

Anglo American’s stakeholders include our host communities, governments, employees, customers, business partners, multinational organisations, industry peers, broader civil society, trade associations and suppliers, in addition to our shareholders who own the business. In some instances, we work with representatives from multi-stakeholder initiatives to provide a more collaborative and holistic view on the issues facing our industry.

Beyond the materiality process, we continually engage with our stakeholders at global, national and local levels to develop long term mutually beneficial relationships and respond to society’s most pressing challenges.

Material matters in 2021

The matters identified through our materiality process are naturally numerous and wide-ranging. In order for us to report against these material matters effectively and demonstrate how they affect the delivery of our strategy, we have set them out under the headings listed in the table below. The global pandemic that emerged in early 2020 continued to feature in the desktop research and stakeholder survey, and we have therefore not sought to categorise it in the table,

but instead recognise its impact across many aspects of our business throughout this report. No changes to the material matters determined in 2020 through the in-depth stakeholder interview process were identified through the 2021 materiality process.

Each material matter covers a number of topics and issues, and some also intersect with specific principal risks facing the Group, as identified in the Group Risk Register. Principal risks are those risks, or combination of risks, that would threaten the business model, future

performance, solvency or liquidity of Anglo American and are shown with the following symbol (‡). All topics shown in the table below are considered important by our stakeholders and by the Group, with those topics considered of the highest importance and most material highlighted in bold.

→ For more information on the Group Risk Register See pages 60–67 of the Integrated Annual Report 2021

Material matters	Description	Topics included	Read more
Adopting a zero mindset	Protecting the safety and health of employees, contractors, local communities and other stakeholders is a fundamental responsibility for Anglo American and all mining companies. A safe and healthy workforce translates into an engaged, motivated and productive one that mitigates operational stoppages, and reduces potential legal liabilities. We recognise that the end of a mine’s operational life is far from being the end of its social and environmental impact and we work to ensure we close mines in a way that leaves a positive, healthy and sustainable legacy. The monitoring and management of tailings storage facilities (TSFs) and of water consumption and discharge are not only a major factor in legal compliance and permitting, but also play a significant role in improving the balance of value from mining for our local stakeholders.	Occupational safety and health‡; responsible mine closure and divestment; and mineral residue management (tailings)‡	Pages 13–22
Tackling climate change	Climate change is the defining challenge of our time and there is increasing focus across society on efforts to reduce emissions of carbon dioxide and other greenhouse gases (GHGs). Understanding the effects of climate change on our business and how they may impact our value chain – as well as how we can reduce our own carbon footprint – is vital if we are to mitigate and adapt to its impacts, as well as optimise the opportunities associated with the transition to a low carbon future. We produce many of the metals and minerals that are essential to a low carbon economy, including PGMs for hydrogen fuel cells and green hydrogen production, copper for EVs and renewable energy capacity, and nickel for EV batteries. We have set a target to be carbon neutral (Scopes 1 and 2) across our operations by 2040, with a 30% reduction (on a 2016 baseline) by 2030. We have also stated our ambition to reduce our Scope 3 emissions by 50%, also by 2040.	GHG emissions‡; energy‡; and the impact of climate change on Anglo American‡	Pages 23–31
Protecting our natural environment	We are stewards of the land and ecosystems around our operations and are focused on a net zero mindset of causing no harm to the environment, and delivering net positive outcomes for biodiversity and a lasting positive legacy for society. Our vision is a healthy environment, where not only do we minimise impact, but we deliver positive and lasting environmental outcomes – in biodiversity, for example.	Circular economy; biodiversity; water‡; waste management; and air quality	Pages 32–42
Playing our role in society	Local communities and host governments rightly expect mining to bring significant economic benefits, and our goal is to leave host communities and governments better off than when we arrived. Anglo American aims to create thriving communities by acting as a catalyst for enduring economic prosperity through employment, and by creating a more inclusive supply chain that generates shared sustainable prosperity in the communities around our operations, and a collaborative approach to regional development to drive sustained economic diversification. Acting in an ethical, responsible and transparent manner is fundamental to Anglo American realising the significant business benefits gained from building trust as a corporate leader through constructive relationships with all our business stakeholders, and to maintaining our social licence to operate.	Social performance (including community relations, socio-economic development and cultural heritage); ethical value chain; responsible and inclusive supply chain; total economic contribution (including tax); business conduct and ethics‡; and human rights	Pages 43–59
Helping our people thrive	To deliver on our strategic business objectives, we rely on a capable and engaged workforce that behaves ethically and responsibly, consistent with Anglo American’s Values and Code of Conduct – essential for us to maintain our social licence to operate. We aim to foster a purpose-led high performance, inclusive culture, through an organisational structure that is fit for purpose, resourcing this structure by attracting and retaining the best talent and empowering leadership to deliver the desired outcomes.	Future of work; inclusion and diversity; talent attraction and retention; learning and development	Pages 60–67
Driving business performance	The mining sector continues to face operating cost inflation, including labour costs, energy and input costs and the natural effect of ore grade degradation. In order to deliver our disciplined growth strategy and to maintain and improve our competitive position, Anglo American must continue to deliver on its financial improvement targets, successfully deploying technologies and other innovations to mine ever more safely and productively, and minimise the number of unplanned operational stoppages that affect production and unit costs. Effective corporate governance is also key to sustained business performance, with the appropriate processes and systems in place to ensure clear and consistent application, and succession planning to ensure effective leadership continuity.	Operational and cost performance‡; capital allocation; innovation and technology‡; data security and privacy‡; corporate governance	Pages 30–57 of the Integrated Annual Report 2021
Adapting to the world around us	As a number of emerging economies have developed greater economic maturity, so the need for food supply and infrastructure (e.g. housing and transport) grows. Likewise, as disposable incomes increase, so demand for metals used in a wide array of consumer products will continue to increase. Economic growth in those economies could positively affect demand for the Group’s products. Similarly, economic volatility may result in fluctuating demand for those products. Demand may also be affected, on both the upside and downside, by technological developments, product substitution and/or fundamental shifts in market forces and consumer sentiment. Anglo American operates, or is otherwise active, in several countries that have experienced, or currently experience, political instability and where the regulatory environment for the mining industry is uncertain.	Geo-political context‡; societal expectations‡; transparency (e.g. tax, supply chain); policy advocacy; macro-economic environment‡	Pages 22–49 of the Integrated Annual Report 2021

Adopting a zero mindset

Topics covered in this section

- Safety
- Health
- Responsible mine closure and divestment
- Mineral residue (tailings) management

▲ One of the performers who came to entertain employees at our Kolomela iron ore mine in South Africa on the Group's annual Safety Day in October 2021.

Our overriding priority is to protect the safety and health of our people, our host communities and the environment in which we live. We have shown consistent improvement across the business, achieving a 93% reduction in fatal incidents, a 99% reduction in health incidents and a 97% reduction in environmental incidents since 2013.

To drive continuous improvement, in 2021, we launched our refreshed Safety, Health and Environment (SHE) Way V2. It included a new set of technical specifications to support practitioners in SHE Way implementation and a toolkit to enable consistent best practices in applying the updated requirements. These new resources are designed to promote our 'zero mindset', meaning that all accidents can be prevented through competent and capable people that are safely executing planned and authorised tasks in well-designed workplaces.

We apply this mindset in our work to eliminate fatalities; our ongoing efforts to protect our people and communities from the threat of Covid-19; our cradle-to-cradle approach to responsible mine closure and rehabilitation; and the way in which we manage mineral residue (tailings) from our mines.

How this connects to other sustainability topics

Our work in adopting a zero mindset is directly linked to:

- Protecting our natural environment
- Helping our people thrive
- Socio-economic contribution

Progress against our Sustainable Mining Plan

SMP element	Critical foundations	Read more
Critical Foundations	Zero harm	Pages 14–22
	Group standards and processes	Pages 14–22
	Compliance with legal requirements	Pages 14–22

Section highlights



Safety highlight

Refreshed SHE Way V2 launched in February 2021

→ For more information
See page 16



Health highlight

\$30 million made available to support the global roll-out of Covid-19 vaccines

→ For more information
See page 14



Mine closure highlight

983 hectares reshaped at our open cut operations in 2021

→ For more information
See page 21



Keeping our people safe

Since the Covid-19 pandemic first began in early 2020, we have worked on multiple fronts to protect our people and host communities as part of our WeCare programme. Our primary goals throughout the pandemic have been to minimise the risk of transmission in the workplace and to provide employees with the medical care and treatment they need, should they contract the virus.

Our efforts in 2021 included continuing to maintain robust workplace controls, the roll-out of a comprehensive health management programme, making available up to \$30 million to support the global roll-out of Covid-19 vaccines, and ensuring that our employees, contractors and their families have access to those vaccines. Technology has enabled us to provide employees with an app-based way to self-assess their current health, register for a vaccine and access other critical resources, while radio frequency identification based solutions helped enforce social distancing and aid contact tracing.

Health management programme

As part of our WeCare programme, we aim to make it easy for people to know whether they have contracted Covid-19 and to get the right medical care and treatment if they do. Daily symptoms checking and rapid testing enable quicker isolation for those who are ill, as well as improved contact tracing. As a result, our case rates have been lower than the national average in each of our operating countries.

Since the pandemic began, we have supported the treatment of over 33,000 employees who tested positive for the virus, including 804 who were admitted to hospital. We established our own Covid-19 PCR testing capability, with 29 laboratories in eight countries conducting around 500,000 tests, and purchased and distributed around 1,000 pulse oximeters and 600 oxygen concentrators to support employees, contractors and household members in isolation with Covid-19.

Across southern Africa, the need to support the major vaccination roll-out effort, combined with dealing with the impact of rapidly rising numbers of Covid-19 infections, created significant healthcare capacity challenges. To improve the ability of individual sites to track and trace potential contacts and better manage 'long Covid' in employees, we established several Remote Health Operation Centres. These have



"We have a long history of supporting major public health programmes to help improve the health of our employees and host communities, as well as running major health facilities around our operations over many decades. This is in our DNA as a company – it is how we do business. We must help in any way we can."

Mark Cutifani
Chief Executive

enabled us to enhance efficiency, reduce risks for clinical staff, and improved our ability to meet current and anticipated future demand for services.

Supporting the global roll-out of Covid-19 vaccines

To help support government efforts, we have made available up to \$30 million to support the global roll-out of Covid-19 vaccines across our operational footprint. We are varying the nature of the contribution, consisting of cash and in-kind support, depending on the vaccine deployment models being adopted by, and the needs of, each country and local community. Our support includes contributions towards the procurement of vaccines by host governments, as well as logistical support and health and other infrastructure required to facilitate the efficient roll-out of vaccines.

c.500,000

PCR tests conducted at the 29 laboratories we established in eight countries

▲ In 2021, in support of government efforts in tackling the Covid-19 pandemic, we made available up to \$30 million to boost the global roll-out of vaccines across the Group's operations. Featured at Kumba Iron Ore's Family Vaccination Day in September 2021 is the company's communications and events manager Boitumelo Tlala.

Through our contributions, we are committed to ensuring the fair and equitable distribution of vaccines. For example, in South Africa, we are supporting the government-led national Covid-19 vaccine programme by allocating \$10 million of our global support commitment. This contribution of cash and in-kind support includes:

- The purchase of vaccines via South Africa's Solidarity Fund
- Logistical support in the form of transportation and storage to help ensure safe and efficient vaccine delivery
- The use of our operational health facilities and health professionals to help administer vaccines to our more than 45,000-strong workforce, their families and our host communities
- Training community health workers to assist in administering vaccines.

By supporting the government's efforts to roll out vaccines at speed and scale, we are making a further positive contribution to helping protect the lives and livelihoods of millions of South Africans. This significant undertaking requires business, labour, civil society and government to work together for the benefit of all. We are particularly pleased to be working with the government, the Minerals Council of South Africa, and Business for South Africa to play a role in this national effort.

Vaccine funding requests (October 2021)*

South Africa	\$17,135,000
Peru	\$2,400,000
Botswana	\$2,270,000
Namibia	\$1,000,000
Ecuador	\$25,000
Australia	\$1,000,000
Total	\$23,830,000

*Funding requests approved through the vaccine steering committee.

Ensuring that our people have access to Covid-19 vaccines

Protecting our people from Covid-19 has been one of our top priorities since the initial outbreak of the pandemic. This has involved implementing a range of protective measures and extensive communication and engagement on the importance of following them at work, at home and in the community. Once safe and reliable vaccines became available, we sought to ensure that our employees, contractors and their families are able to access them easily. We have also worked to make sure our people are well informed about the risks and benefits of vaccination and the safety and efficacy of the vaccines.

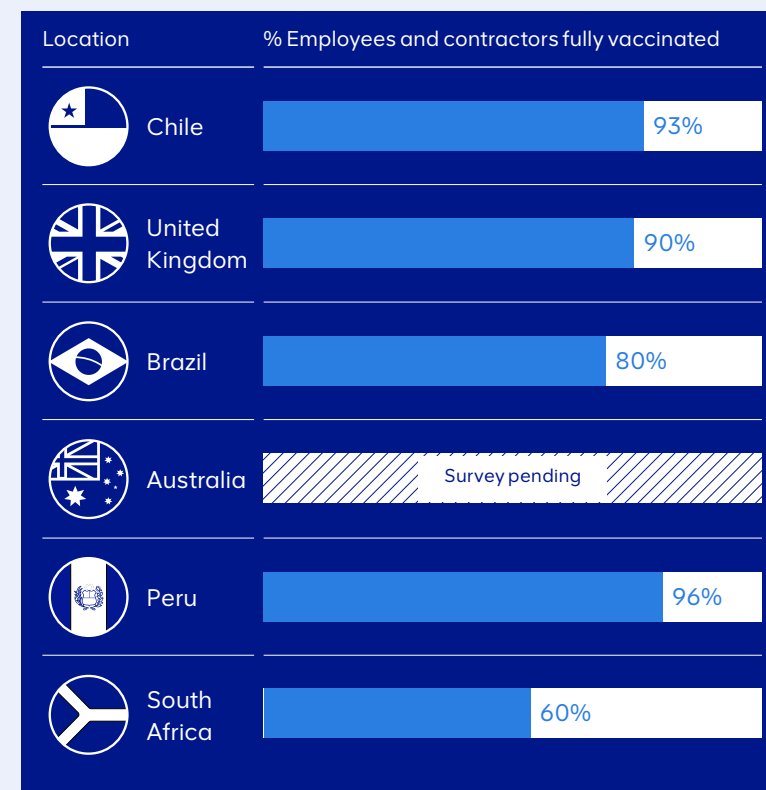
As a company, we have adopted the position that we strongly encourage employees to get vaccinated owing to the protection it provides to them and fellow colleagues. To keep our workplace safe, our aim is for as many of our people as possible to be vaccinated as quickly as possible. As vaccine uptake is driven by three main factors: confidence, complacency and convenience, we continue to address each of these issues in innovative ways.

In each of our operating countries, vaccination programmes are government managed and led, and access and availability have varied. This has required us to tailor our approach accordingly. In South Africa, for example, working on the government's behalf, we have been able to implement our own workplace vaccination programme. In 2021, we provided a total of 71,020 vaccinations (40,705 first dose and 30,315 second dose) to our employees and contractors. We also extended our vaccination programme to include dependants, administering more than 2,000 vaccines to this group by the end of 2021. To complement this, and to help increase uptake and address vaccine hesitancy, we have also run a comprehensive vaccination education and encouragement programme, including local events staffed with counsellors who can address individual concerns. In order to maintain a safe and healthy workplace, we may also require proof of vaccination for people accessing offices and sites.

\$23.8 m

of the \$30 million spent thus far, supporting global roll-out of Covid-19 vaccines

Anglo American dashboard: Covid-19 vaccinations by country (9 February 2022)



Deploying smart technology for workplace transmission risk management

An important part of our global efforts to prevent the spread of Covid-19 has been using technology to empower employees to monitor their own health status and access healthcare if necessary, as well as enforcing social distancing.

Our Engage app provides frontline employees across Anglo American with easy access to company information and resources, including regular updates on Covid-19 and vaccine education material. An integrated daily 'monitor myself' form allows employees to self-assess symptoms, authorises or prohibits site access depending on the response given, encourages workers to stay home if they are showing any symptoms and links directly to medical care if needed. Employees in South Africa are also able to use the app to voluntarily enrol on our workplace vaccination programme. If they are vaccinated externally, then this information can be captured via the app and serve as proof of vaccination.

To ensure social distancing on site or in the office, we have also made use of the latest smart technology. This includes deploying 42,800 smartwatches that vibrate if employees come too close to one another. The watches use Bluetooth technology to allow us to measure workers' proximity to each other in real time in our underground operations. The data generated has the added advantage of helping assess potential close contacts in the workplace if a colleague tests positive for Covid-19. In our corporate offices, we have also issued smart identification passes that perform a similar role in warning employees about when they are in too close proximity.



"Vaccines are at the heart of the fight against Covid-19. They are our best course of protection against severe hospitalisation and deaths. As part of our WeCare programme, we are committed to using all the appropriate means to lessen the impact of Covid-19 on our people, their families and communities."

Dr. Elton Dorkin
Head of Health

What's next

As we enter the third year of the global pandemic, we will continue to seek innovative and effective ways to manage Covid-19 at our operations and lessen its impact on our host communities, including continuing to review, revise and enhance the measures required to protect our people, and look after their physical and psychological well-being. We are carefully tracking the prevalence and impact of 'long Covid' on our employees and are supporting their recovery. We will continue with our efforts to increase vaccine uptake and ensure easy access to booster shots as they are authorised in our host countries.

We are also assessing what Covid-19 has taught us about how we conduct our core business of mining and how we can better manage other forms of disease, as well as well-being. We need to ensure we are resilient to future disease outbreaks and that effective disease surveillance is available to all of our host communities. We also believe it is important that there is continued good use of the resources put in place since the outbreak of the pandemic, repurposing them where appropriate so they can continue to serve the future needs of our sites and host communities.



→ For more information, visit: angloamerican.com/covid-19

Safety

At Anglo American, we believe everybody, everywhere should come home safe at the end of their working day. Every single day.

In 2021, we placed a renewed emphasis on safety. We continued our work towards eliminating fatalities and addressing systemic safety risks across our operations, aligned with our Operating Model, which supports us to do the right work, at the right time, in the right way, to deliver safe and responsible production. We also increased our focus on building safety capability and supporting the right safety behaviours.



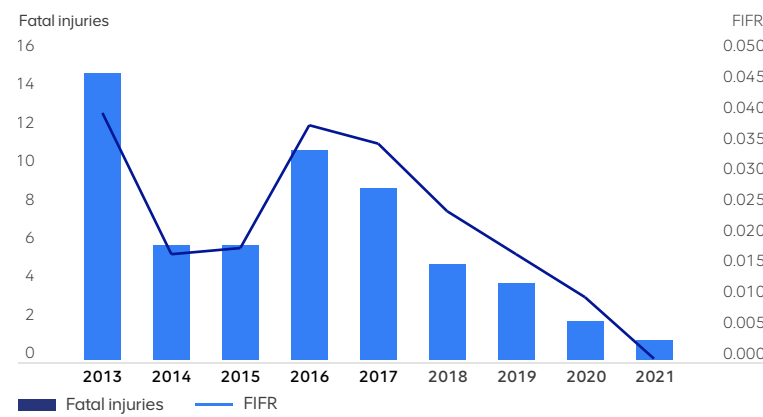
▲ At our Crop Nutrients business in the UK, mine rescue training is held at Skinningrove Mining Museum to ensure colleagues are well prepared to deal with any incidents on site.

Group safety performance

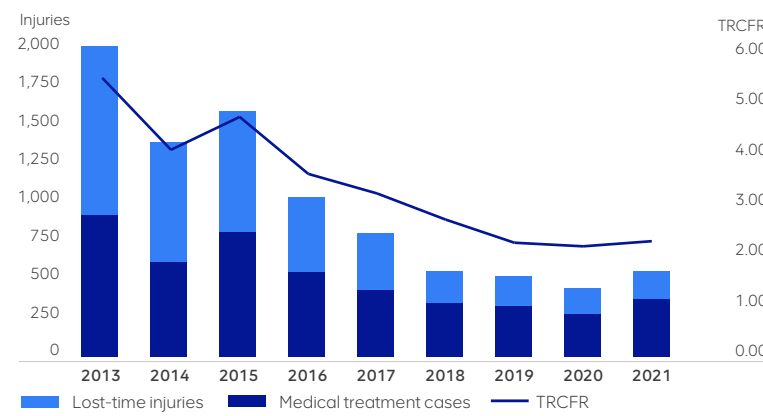
In the first seven months of the year, we experienced zero work-related loss of life incidents at our managed operations, the second-longest fatality-free period in our 100+ year history.

It is with deep sadness that we report the loss of one colleague in a work-related incident at our managed operations. In August, Carlos Gonzalo Rodríguez Delgado lost his life in a vehicle accident at the Quellaveco project in Peru. Two colleagues were also fatally injured in separate incidents in October at Kroondal, a PGMs joint operation, managed by Sibanye-Stillwater. Tebogo Motlogelwa lost his life in an underground vehicle incident. Philisande Wilburforce Xabanisa was fatally injured following a fall of ground incident. In addition, a third loss of life occurred at Samancor's Wessels mine, managed by South32, where Desmin Mienies lost his life in an electrical incident. We extend our deepest condolences to the family, friends and colleagues of Carlos, Tebogo, Philisande and Desmin.

Total number of fatal injuries and fatal injury frequency rate (FIFR) 2013–2021



Lost-time injuries, medical treatment cases and total recordable case frequency rate (TRCFR) 2013–2021



These losses leave a lasting impact on many lives and remind us of the need to continue to press for the elimination of fatalities across our operations.

A thorough investigation was conducted at the Quellaveco project to identify the causes of the incidents and to share lessons learned across the Group, with the aim of preventing repeat or similar incidents. Our non-managed joint operations are leading investigations into their three tragic incidents.

In 2021, we recorded 554 occupational injuries, an increase of 25% on 2020 (444). Our total recordable injury frequency rate (TRCFR) increased by 5% to 2.24 (2020:2.14). While these increases signify a year-on-year deterioration – partially attributable to ongoing Covid-19 challenges to scheduling and conducting planned work – we will continue to work towards a step-change in the reduction of injuries.

Our lost-time injury frequency rate (LTIFR) rose by 13% to 1.52 (2020: 1.34).

We continued to focus on improving our safety performance by strengthening our culture and implementing various operationally targeted safety interventions. These included CEO safety summits with senior leaders from across the business units; instituting minimum mandatory critical controls for common fatal risks; sharing of lessons learned and actions taken from incidents across the organisation; safety stand-downs (voluntary events to pause production and talk with employees about safety); employee-engagement sessions; and enhanced reporting and progress tracking of safety-improvement initiatives.

Our approach and policies

Our Safety, Health and Environment (SHE) Policy

Aligned with our Purpose, Values and internationally recognised SHE standards (ISO 45001 and 14001), the SHE Policy embodies three guiding principles:

- Zero mindset: we apply the hierarchy of eliminating, avoiding, minimising, mitigating, remediating, rehabilitating and offsetting the impacts and risks arising from our activities
- No repeats: we take all necessary steps to continuously learn from SHE incidents and prevent them from re-occurring
- Simple non-negotiable standards: we apply common, non-negotiable minimum standards and procedures throughout the Group.

An updated SHE Policy will be published in 2022, which will include additional external SHE expectations and provide clarity on Group deliverables. During 2021, we held working groups for business units and discipline leads from across our operations to review the updates to the policy. In November, we launched training on it.

→ For more information on standards and procedures
Visit angloamerican.com/she-policy

The SHE Way

In February 2021, we launched our refreshed SHE Way V2, the management framework that we use to implement the SHE Policy. The new standard was released with a set of eight technical specifications to support practitioners in SHE Way implementation and more than 30 tools to enable consistent best practices in applying the new requirements.

In addition, we developed the SHE Way Readiness Assessment to replace our Self-Assessment. It now serves as an internal assessment tool for the SHE Way, an internal audit tool for ISO 45001 and ISO 14001 certifications and a preparatory assessment for external ISO certification audits.

We established the SHE Way Community of Practice to foster collaboration and problem-solving among practitioners. Practitioners have used it to host nine live sessions – a further 25 pre-recorded sessions have been made available covering relevant topics and toolkit use.

SHE Way content has also been made available on the internal Learn+ platform to help create learning pathways for practitioners as they develop their careers within Anglo American.

→ For more information on SHE Way V2
Visit angloamerican.com/she-way

Managing risk

Our safety performance is governed by our vision of being injury and fatality free. Each of the policy components and supporting programmes described below is part of an integrated management approach that allows us to progress on our safety journey.

Risk management is a central component of our strategic, operational and project management. It is the process through which we methodically assess and address the risks associated with business and operational activities.

In 2021, as part of our Elimination of Fatalities programme, we designed a new Risk and Assurance Governance Framework that is built on the 'Three Lines Model' of the Chartered Institute of Internal Auditors. We intend to adopt the framework in 2022 to strengthen risk management further by ensuring clear risk accountabilities, technical standard compliance and critical control management.

Operational risk management

Our approach to operational risk management (ORM) supports our Integrated Risk Management Policy and Framework as part of our Operating Model. The ORM process is a four-layer approach to manage risk across all activities that affect an operation. It helps operational colleagues to understand, plan for and manage unwanted events. Core to ORM is the identification, management and assurance of critical controls, particularly in respect of those operational risks that could result in fatalities, as well as those that could be catastrophic.

In 2021, we significantly enhanced our safety and ORM capacity to support and sustain ORM at all managed operations and business units. We now have skills and expertise in place, including senior operational management, as well as specialist risk experience and expertise. We are reviewing and strengthening all ORM components to ensure operational effectiveness, as well as improved information for reporting and interventions.

Another key enhancement will be the impact of work we are doing on digital critical control monitoring. It will provide 'live' information, reducing the reliance upon manual verification and permitting rapid interventions as and when necessary.

Technical and sustainable development standards

Our standards ensure a common and consistent approach is taken across the Group to address significant risks. They ensure that everyone knows what is expected of them, allowing us to consistently measure safety and operational risk across Anglo American.

During 2021, we focused on the implementation of standards developed or reviewed in 2020. We issued two 'calls to action', asking our operations to assess themselves against eight standards covering surveying, water management, production accounting, surface mobile equipment, underground mobile equipment, prevention of underground gas or coal dust explosion, fatigue management and emergency management. These calls to action form part of our standards governance process, with the aim of ensuring that the standards are implemented across our operations and remain relevant.

We also made several improvements to the way we put standards into action across our sites. For example, we launched a user-friendly Standards Hub so that colleagues can have a single source to access the most up-to-date information on our standards. In addition, we developed a toolkit so that everyone who is involved in the roll-out of standards can follow one, consistent process. This process includes ensuring that standards are integrated into the Anglo American Operating Model.

Activities in 2021

Emergency management site reviews

In the event of an incident occurring at one of our operations, it is imperative that we respond to the emergency effectively to protect personnel, assets and other stakeholders, and to minimise any consequential damage. To enshrine this in our policies, we developed and approved an Emergency Management Standard for the Group. We also established a foundation working group for the implementation of the Standard across our operations. We have identified more than 36 business unit- and site-based champions to help lead these efforts.

Our planned emergency management site-level self-assessments are due by the end of February 2022 to establish progress towards the implementation of the Standard and provide guidance to resolve any outstanding issues. Full adoption of the Standard is expected by the third quarter of 2022.

Building a learning organisation

We are committed to preventing repeated accidents and eliminating underlying risk whenever possible. Through our global Learning From Incidents (LFI) Programme, we continued to build capacity around our Group-led investigations across the key areas of safety, health, environment and social performance to ensure an integrative approach.

Strengthening safety capability

We continue to work hard to create a world class safety organisation – complete with strong leadership, highly skilled safety professionals and effective engagement between colleagues.

To enhance our safety expertise, we increased the number of roles to support Group Safety from 8 to 28 to reflect the renewed focus. This includes: three new roles in operational safety focused on data and technology to support FutureSmart Mining™; a dedicated risk assurance team; in-house LFI expertise; and our first head of process safety leading work to develop a framework for managing the integrity of hazardous operating systems.

Safety training

Throughout the year, we have placed a significant focus on building capability through training to support line managers and supervisors to manage fatal or catastrophic risks and improve our learning from incidents. We launched 38 e-learning courses across a number of priority areas, including 18 fatal-risk short courses targeting the highest risks facing our business; a suite of 13 intermediate courses to support the LFI process; five targeted courses supporting new or updated technical standards; and foundational training on ORM and Safety and Values for Anglo American and De Beers.

Partnering with our Technical Academy, we also developed engaging and interactive safety training to reach front-line colleagues. This is accessible via our employee app, ENGAGE, as well as interactive posters and Toolbox Talks that are facilitated by supervisors.

Creating a safe place to work

Continuing the improvement in our safety performance is dependent on our people and how they are enabled to work safely. It also requires a holistic approach to understanding safety challenges, including topics such as the impact of domestic and gender based violence. *(For more information about our Group Recognising and Responding to Domestic Violence Policy, see Inclusion and Diversity on pages 65–66 of this report. For more on our efforts to eliminate gender based violence, see page 58 of this report.)*



▲ During our annual Global Safety Day, held in October, employees had the opportunity to pause and reflect on the importance of safety. Here, at our Quellaveco copper project in Peru, colleagues enthusiastically take part in the day's activities.

Empowering our people to feel and be safe inside and out

People remain at the heart of our approach to safety as we strive to become, and sustain, an injury and fatality free workplace. Our overriding and continuous focus on safety improvement has led to a dramatic fall in loss of life, and a steady decline in serious injuries since 2013. We are continually improving our rules, procedures, and standards to ensure effective management and control of our risks. We are also developing and adopting new technologies to reduce exposure at the face of mining operations, while our Elimination of Fatalities programme has progressed our understanding of the causes of fatal incidents and improved our management of fatal risks.

"We continue to work hard to create a world class safety organisation – complete with strong leadership, highly skilled safety professionals and effective engagement between colleagues."

We are embedding safety in our culture by supporting the right behaviours and finding new ways to bring colleagues along on our safety journey. Our Safety 365 engagement programme, which is aimed at all colleagues across the Group, encourages ownership of safety at all levels of the business. In 2021, in response to the findings of our all-colleague engagement survey in 2020, the programme focused on encouraging greater physical and psychological safety within teams, so we are all 'safe to always be safe'.

Being 'safe to always be safe' means being able to speak up, stop work if something isn't right, championing the rules, and listening and responding in the right way to support every member of the team when they act to put safety first.

The Safety 365 programme is a critical part of a grassroots effort to continue to reduce risk by encouraging behaviour that supports safe, responsible production. By involving our employees at every level in safety events and conversations, we reinforce the message that we place the physical and psychological safety of our people first. The underlying message of 'safe to always be safe' is about individuals and teams having the power to effect positive change and keep all of us safe, day in and day out.

During 2021, the activity-based programme supported team conversations about the things that support or undermine our safety, and how we can sustain or change these, depending on whether they were desirable elements.

Leaders and supervisors were encouraged to model our values every day, to build their own and their teams' confidence to help challenge and change anything that does not support safe, responsible production.

Midway through the programme, on our annual Global Safety Day in October, we stopped work and gathered either in-person or virtually to reflect on our progress and recognise those who create the right environment for everyone to be safe, always. By stopping work, we signal the importance of safety and send the message that we can all raise our hand and pause if we feel there is a potential hazard.

Listening to colleagues, we're heading in the right direction on both physical and psychological safety. In our September 2021 survey, more than 90% of respondents confirmed that safety is given the highest priority in Anglo American, and that they feel supported to always be safe. In addition, 83% of respondents said that the people around them were guided by the Values in their day-to-day activities – five percentage points higher than in 2019. We will continue to build on these foundations in 2022.

→ For more information
Visit angloamerican.com/sustainability/safety-and-health



▲ We are continually deploying new technologies to keep our people safe. In recent years, collision avoidance systems (CAS) and advanced driver assistance systems (ADAS) have been integrated into our fleet and, in 2021, we upgraded CAS's effectiveness to enable vehicles to stop automatically.

Safety 365

To live our Values 24 hours a day, 365 days a year, we enshrine them at the heart of both our safety leadership and our annual employee safety engagement programme: Safety 365.

In 2021, the Safety 365 journey focused on identifying, understanding and improving the elements we consciously and unconsciously engage with every day that reinforce or undermine our safety. The theme of 'safe to always be safe' recognised that it is not enough for our colleagues to be safe on the outside (physical safety), they also need to feel it on the inside (psychological safety). The team conversations that formed part of our Safety 365 programme encouraged people to listen and support colleagues to speak up for safer practices.

A highlight of the programme is our Global Safety Day, an annual event in October where colleagues across Anglo American stop work and gather physically and virtually to reflect, celebrate and remind ourselves of the importance of safety. This year, we celebrated our tenth Global Safety Day.

Safety Leadership Practices

Safety Leadership Practices Live (SLP Live) is our behaviour-based safety approach to achieving the cultural transformation needed for fatality and injury-free production. In 2021, we set an internal vision and pathway to implement SLP Live, starting with our Metallurgical Coal business in Australia.

The Accountability Framework

The Accountability Framework seeks to promote a psychologically and physically safe workplace where everyone is accountable for their own safety and, where applicable, the safety of their teams.

Since introducing the Accountability Framework in 2020, the focus for 2021 has been on embedding it into the business and measuring the extent to which it is being applied in a consistent way. As 2021 progressed, we saw encouraging signs that this has had a positive impact on performance and, in particular, on minimising undesirable behaviour.

The Accountability Framework categories of practice or behaviour are now fully integrated in the LFI process and are also contained in the SLP Live programme.

Driving safety innovation

Along with enabling our people, we have invested in technology and equipment to keep them out of harm's way.

Technology – such as video analytics, collision avoidance systems (CAS) and advanced driver assistance systems (ADAS) – plays a critical role in advancing safety. In 2021, we upgraded the effectiveness of CAS to enable vehicles to stop automatically. We also improved the cab ergonomics to prevent driver confusion when faced with an array of technology.

Our Technology for Safety (T4S) Forum is tasked with finding support for and scaling up technology interventions that have the potential to change our safety performance and are already being applied at Anglo American. At the end of 2021, the programme consisted of over 100 projects spanning various risk areas from Operator Alertness to Data Management and Analytics, and Automation.

We have enhanced our T4S Community of Practice and added many initiatives to the programme. Throughout these efforts, we are guided by the T4S Strategy and Vision: 'A safer work environment enabled by technology'.

Next steps

In 2022, we will continue the roll-out of technical standards, including our electrical standard, security management and process safety. Areas of emerging focus include: furthering our understanding and management of process safety; working to understand how we build one, safe team with our contractor community; and applying predictive analytics and artificial intelligence (AI) solutions to help drive safety through data.

We will continue our drive to monitor and manage safety related data across our systems and processes, leveraging sensors and smart devices that can detect and avert potential hazards in real time. We are also deploying virtual reality training programmes that make it possible to emulate real-world conditions.

Our LFI Programme will undertake a new strategy cycle, with a focus on enhancing our incident learning and sharing. We will elevate our LFI worldwide competency-based training through the introduction of the latest technology learning assets to support our guiding principle of 'no repeats'.

Building on what we learned in 2021 about how to improve our safety training, we will partner with our Technical Academy to develop new material and enhance existing material in order to continuously raise the skills of employees at all levels and improve safety performance.

We continue to believe that people remain the key to safety at every level. We are training our leaders to engage proactively with their teams to understand and address risks while instilling the confidence and knowledge in our people to call out potential dangers and foster a safety-centred culture. Ultimately, we want every person in our business to be a safety leader.

Health

The ongoing global threat of Covid-19 continued to dominate our health efforts throughout 2021. While specific aspects of our response varied by country, a major part of our work in this area was dedicated to testing and vaccination support.

Despite the intensity of our pandemic efforts, our teams around the world also delivered on our main health initiatives, such as our work on HIV. In addition, we developed our health and well-being strategy and worked towards ‘smart health’ through the launch of our health digitalisation strategy.



▲ At our Amandelbult (PGMs) Covid-19 PCR laboratory in South Africa, medical technologists Bongumusa Mbatha (left) and Thandokuhle Tshabalala (background) analyse samples.

Our approach and policies

Our SHE Policy

Our overarching approach to health is covered by our SHE Policy and SHE Way, our Safety, Health and Environment management framework. (For more information, see *Safety* on page 16 of this report.)

Our health and well-being strategy

Our health and well-being strategy, which we finalised in 2021, is aligned with World Health Organization (WHO) principles. It covers employee health, the physical work environment, mental health, community health, social context and workplace culture.

Our concern for employee health extends beyond the workplace. Guided by the strategy, our health function applies evidence-based interventions aimed at reducing risks associated with unhealthy habits, such as smoking or following a poor diet.

Our Global Mental Health Framework

Our Global Mental Health Framework is a key part of our health and well-being strategy and outlines our approach to supporting the mental health of our colleagues. We know that around one in four people will suffer from mental illness at some point, with an estimated one in six people experiencing a common mental health problem, such as anxiety or depression, in any given week.

We recognise our responsibility to support the mental health of our people, consistent with the recommendations of the WHO and are committed to creating an environment where everyone at Anglo American – at any site or office – can bring their whole and best selves to work, and have the opportunity to fulfil their potential.

Our Workplace Health Standard

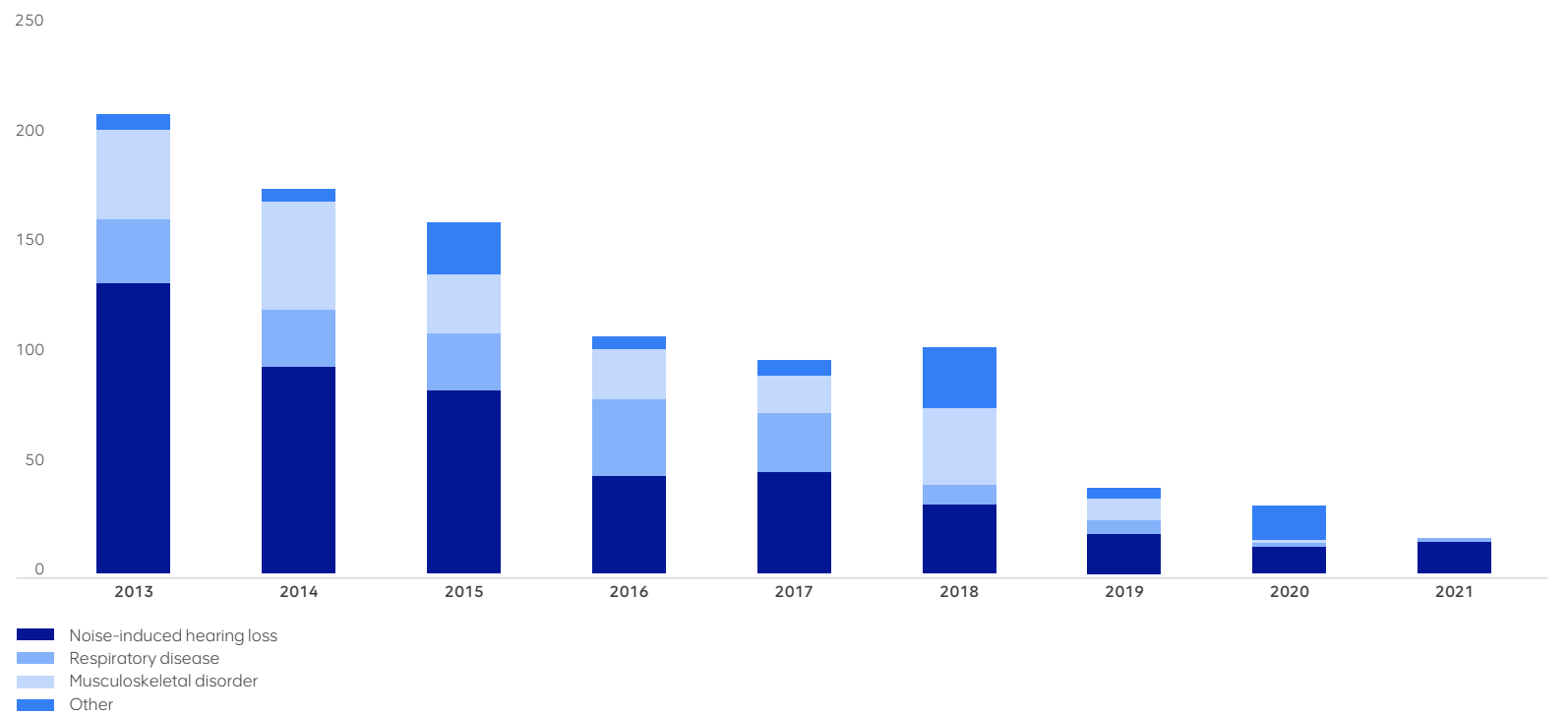
Our Workplace Health Standard defines the minimum that needs to be done to effectively manage occupational exposure risk, occupational diseases, occupational injuries, and overall well-being and mental health. All of our operations have completed self-assessments against the requirements of the Standard, which we introduced in 2020, and have developed action plans to address any identified gaps.

HIV/AIDS indicators for high-impact countries⁽¹⁾

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Employee voluntary testing and counselling cases (number of employees who know their status)	27,181	31,744	34,048	30,814	43,568	45,279	50,223	59,813	51,954
Contractor voluntary testing and counselling cases (number of contractors who know their status)	41,951	37,184	43,107	40,670	32,433	38,376	39,643	48,421	40,814
Employees in southern African who know their status (%)	88	89	94	88	83	88	68	86	75
Number of known HIV+ employees on anti-retroviral therapy (ART)	4,618	5,637	5,691	5,118	6,331	4,633	7,415	5,953	5,237
Known HIV+ employees on ART (%)	93	93	92	86	84	68	72	53	47
New HIV cases (employees)	128	233	400	540	506	611	349	543	529
AIDS deaths (employees)	0	0	0	3	12	68	91	89	125
New cases of tuberculosis (TB) (employees)	48	50	84	93	188	296	511	544	734
TB incidence rate per 100,000 (employees)	152	138	230	242	361	447	696	790	1,064
TB deaths (employees)	0	1	3	5	4	14	28	52	59

⁽¹⁾ HIV/AIDS and TB data from 2015 to 2017 includes De Beers’ non-managed joint operations in Botswana and Namibia. AIDS-related deaths up to and including 2015 included TB-related deaths. From 2016, the reported deaths only include those confirmed AIDS-related deaths.

New cases of occupational disease 2013–2021





▲ Registered nurses Jacolien Dreyer (left) and Nicolette Van Rensburg in discussion at Kumba Iron Ore's Sishen mine employee wellness centre in South Africa.

Activities in 2021

Our ongoing response to Covid-19

Throughout the year, we worked to prevent the spread of Covid-19 among our employees and in our host communities. Our pandemic efforts are part of WeCare, a global lives and livelihoods support programme introduced in 2020 that demonstrates our Purpose in action. WeCare is made up of three phases of support – Prevention, Response and Recovery – relating to physical health, mental health, living with dignity and community response interventions.

Most of the Covid-19 cases that we had in 2021 were in South America, which experienced its second and third waves of infection during the year. The testing capability put in place in 2020 meant that we were better prepared and were able to use our resources more efficiently and effectively.

We also placed a significant focus on vaccinations, as the best proven means at our disposal of preventing the spread of Covid-19, and worked with partners in government around the world to strengthen the capacity to vaccinate our workers, contractors and host communities.

In addition, we worked to implement a set of controls to manage the risks associated with so-called 'long Covid' among people who continue to feel symptoms that persist for weeks or months after the typical course of the disease. These efforts included providing remote support to employees suffering from 'long Covid' through our Regional Health Operation Centres. (See case study on pages 14-15 of this report.)

Consistent with the new Health Digitalisation strategy that we are currently developing (see below), we integrated personal health records and a health hub into how we provide our services, from healthcare and prevention as part of our pandemic response efforts. This included deploying 42,800 smartwatches among our workforce to enable social distancing and contact tracing. (See case study on pages 14-15 of this report.)

Reducing new cases of occupational disease

In 2021, there were 16 reported new cases of occupational disease (2020: 30). We remain committed to reducing exposure to noise, which remains our single greatest occupational health risk. We have as many as 26,000 employees in workplaces where noise levels exceed permissible exposure levels.

Throughout the year, we also worked closely with our colleagues from the Data Analytics Team to identify and monitor critical noise controls using the VOXEL™ digital system. The digital data that we receive from this work helps to improve our understanding of the performance and effectiveness of our controls. The insight that it provides allows us to identify opportunities for control improvements on our journey to eliminate occupational exposure to noise and associated noise-induced hearing loss.

A particular area of concern in our underground operations, where diesel powered equipment is used, is the potential occupational exposure to diesel exhaust emissions, including diesel particulate matter. Several control measures have been put in place to eliminate harmful exposure, including the fitment of particulate filters to underground vehicles. After making a major investment in this area, we achieved a significant reduction in this specific hazard.

Eliminating coal mine dust lung disease

While Anglo American completed the demerger of its South African thermal coal operations in June 2021, we continue working with them on a project aimed at understanding the exposures and long term effects of coal mine dust.

Fighting HIV/AIDS in the face of Covid-19

As a corporate leader in the fight against HIV/AIDS for more than 20 years, we are committed to The Joint United Nations Programme on HIV/AIDS (UNAIDS) aimed at accelerating the fight against HIV and ending the AIDS epidemic by 2030. Our initiatives are informed by the updated UNAIDS 2025 targets covering three interlinked areas:

- The enabling environment: addressing social and structural barriers to HIV prevention, testing and treatment
- Treatment targets and service access: achieving the 95-95-95 treatment targets and improving access to reproductive health services
- Service integration: expanding the service offering for people living with HIV to ensure access to mental health, preventing and addressing gender-based violence and management of communicable and non-communicable diseases.

Over the years, we have made significant progress towards achieving the previous UNAIDS 90-90-90 treatment targets and ensuring that these are entrenched in our management of HIV. These include, knowing one's HIV status, enrolment into an HIV treatment programme and treatment compliance.

In 2021, we had to contend with restriction and containment measures associated with three Covid-19 waves, while embarking on South Africa's largest national healthcare system workplace vaccination programme. This limited our employees' ability and willingness to access HIV counselling and testing services. For 2021, 87% of our employees in southern Africa knew their status at the year end. This was lower than in the previous year (2020: 89%), and short of our 90% target.

We recorded 128 new cases of HIV and no HIV/AIDS-related deaths. This translates into an incidence rate of 0.01%. Notwithstanding the limitations posed by the pandemic, 93% of our employees living with HIV were on anti-retroviral therapy at the end of 2021.

Fighting tuberculosis (TB)

For 2021, the TB incidence rate was 152 per 100,000 compared with 138 per 100,000 in 2020. The 2021 national lockdown measures were less restrictive compared to 2020. Following the roll-out of vaccinations, we suspect that people felt more protected and that controls such as mask wearing and social distancing became less adhered to with time. The slight increase in the TB incidence rate could partly be associated to these developments.

Taking care of mental health

In line with our Global Mental Health Framework, in 2021, we provided immediate mental health support to our people by introducing several initiatives through our WeCare programme. We have trained more than 530 mental health first aiders globally, so that they can offer our workers support specific to Covid-19. We also gave all colleagues access to a global mindfulness and guided meditation app, and offered counselling through employee assistance programmes.

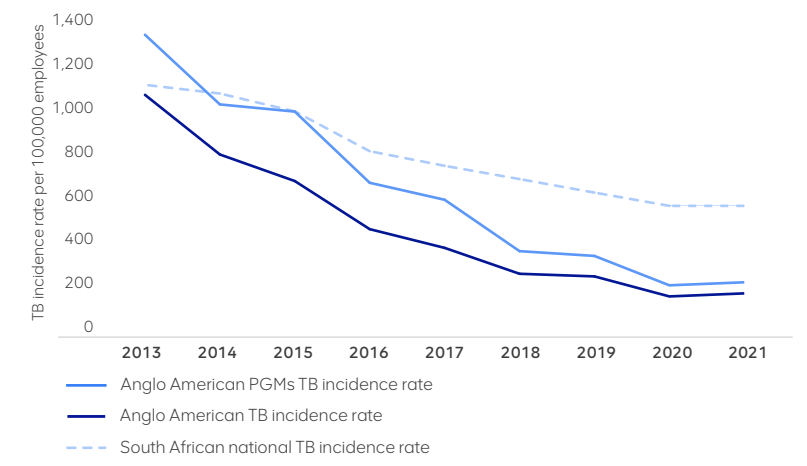
530+

mental health first aiders

Launching our digital health strategy

In 2021, we launched our digital health strategy, which is aimed at transforming Anglo American into a digital-first health organisation. We are developing this new strategy to employ leading technologies and advanced analytics that have a demonstrated ability to reduce risk and improve health outcomes.

Anglo American TB incidence rate relative to the South African national average 2013-2021



Next steps

In 2022, we will continue to promote industry-leading workplace health principles and processes through our Workplace Health Standard while implementing our health and well-being strategy across our Group operations.

We will also finalise our digital health strategy, including rolling out digitally enabled remote care solutions aligned with our Sustainable Mining Plan.

In addition, we will begin performing third-party assurance audits to assess the compliance of our operations with our new Workplace Health Standard.

Responsible mine closure, transition and divestment

A mine continues to have social and environmental impacts long after the end of its operational life. Our approach covers the entire lifecycle of a mining site. Through leading-practice closure planning, social transition, rehabilitation, effective execution and a bias for carbon neutrality, we strive for our mines to leave a positive, healthy and sustainable legacy.



▲ Employees at our Dawson metallurgical coal mine in Australia are planting more than 9,000 trees as part of the overall rehabilitation at the former mining site.

Our approach and policies

A 'cradle-to-cradle' approach

Our approach to mine closure, social transition and rehabilitation puts emphasis on rigorously focusing on a sustainable post-mining legacy. This begins at the project phase, working with stakeholders to address social impacts, managing our financial liabilities and starting social transitions in addition to the rehabilitation of the land within our operations while they are still active.

We take a 'cradle-to-cradle' approach by beginning to plan for closure in the exploration phase, and continuing until a sustainable post-mining land use and legacy has been achieved.

Our Mine Closure Toolbox

Our updated Mine Closure Toolbox (MCT v3) is a structured, risk-based framework for planning and managing any closures. It supports our operations in achieving compliance with the 23 requirements of the Group Technical Standard (GTS) for Mine Closure. Social transition is also covered in MCT v3, focusing on economic diversification and establishing sustainable post-mining land uses, while we are operating.

Mine rehabilitation

Our Group rehabilitation strategy outlines the requirements for our open-cut operations to integrate rehabilitation into their planning processes. The Rehabilitation Group Guidelines provide guidance on how to implement the Mine Closure Standard by setting out in greater detail our expectations in relation to concurrent rehabilitation.

The rehabilitation programme is designed to be integrated into our key business planning processes – Resource Development Plans, Life of Asset Planning and the Sustainable Mining Plan – to reduce our disturbance footprint and generate value for both us and our stakeholders. We require operations to develop and implement five-year rehabilitation plans that outline targets, monitoring, maintenance and management programmes to drive towards relinquishment. Additionally, we include rehabilitation performance – reshaping and seeding completion against targets – as a performance measure on the chief executive's and technology and sustainability scorecards.

Responsible divestment

The responsible divestment of our assets can often extend the operational life of mines, with the potential for positive social impact. Our approach to divestment aligns with our Code of Conduct and Values. We aim to ensure that new owners are credible, ethical and will honour our legal, social and environmental commitments. We perform due diligence assessments of lesser-known bidders and conduct sales processes that are generally designed to disclose material known liabilities associated with assets we are selling.

Where possible, and in compliance with applicable legislation, we aim to minimise the number of jobs affected when a mine is divested.

Leaving a sustainable legacy

As part of integrated closure planning and social transition, when we close a site, we aim to leave a positive and sustainable legacy for the local community. This goal is further empowered by the long term social and economic development opportunities we work to identify and deliver through our Collaborative Regional Development plans. We have also committed to carbon neutral mine closure, in line with Anglo American's climate change commitments. (See pages 26–29 of this report.)

Activities in 2021

Ensuring full compliance across our sites

During 2021, all of our operations achieved compliance with the Group Technical Standard for Mine Closure. We also launched a full review of the Standard, which we anticipate completing in 2022.

All of our open cut operations completed self-assessment reviews of their rehabilitation plans during the year. Each site implemented plans to close the gaps identified.

We made progress at two De Beers sites through the completion of pre-feasibility level studies for execution of closure plans. We are now actively executing these closure plans at the Victor and Snap Lake mines in Canada. We also received approval of a pre-feasibility study for the Grasstree coal mine in Australia.

Our rehabilitation targets for four of our open cut mines for 2021 were to reshape 734 hectares and seed 744 hectares. While we achieved the reshaping target, we have faced challenges with seeding and rehabilitation work because of material supply and labour issues.

983
hectares reshaped

649
hectares seeded

Rolling out our updated Mine Closure Toolbox

We launched MCT v3 in early 2020 and made it publicly available in English, Spanish and Portuguese. In 2021, we implemented action plans to ensure the required maturity level of competence at the majority of our operations.

During the year, four training sessions were held in South America, southern Africa, Australia and Canada for more than 70 participants. We have now trained a total of 130 people on MCT v3, both internally and externally. These numbers exclude our MCT v3 web-based training.

We also engaged Truescape, a content developer, to help us create a virtual mine closure application. The virtual mine allows students to apply their training in a realistic environment. The same technology can be used to help stakeholders visualise mine closure plans and address potential concerns before work is undertaken.

Updating closure plans and liabilities

During 2021, we worked with the Finance function to develop a Group Closure Liability Policy for mine closures. The closure plan for our Peace River Coal Metallurgical Coal site in Canada was also updated.

The underwriting of liabilities at Thungela was concluded – we also conducted a series of seminars with the Thungela team on closure plans as part of our commitment to ensure the future success of the company.

External collaboration

We continue to collaborate with our external partners and, in April, presented at the industry's Life of Mine conference in Brisbane, Australia. In August, we took part in the International Conference on Mine Closure in Ulaanbaatar, Mongolia, as well as working with the International Council on Mining and Metals (ICMM) to facilitate a workshop on integrated project management for mine closure.

Technology helping rehabilitation

We continued our partnership with Emapper, using aircraft to carry out rehabilitation performance monitoring at our Metallurgical Coal mines, allowing us to react quickly if an issue arises. The four band, multi-spectrum cameras provide us with a detailed view of sites at multiple levels. This technology is an important tool in helping us to meet our post-mining, land-use commitments.

Landform evolution modelling

We use SIBERIA, the most comprehensive 3D landform evolution computer model available, to reduce the risk of erosion from various landform shapes. The platform is calibrated from measurable data and more robustly considers erosion of 3D shapes in order to predict the long term rock evolution that we use to design the optimal landform shape. In 2021, we worked with our Voorspoed, Mogalakwena and Barro Alto sites to develop 3D models to test the long term stability and sustainability of rehabilitated landforms.

Next steps

In 2022, we will continue to focus on carbon neutral closure. Our mine regeneration team will implement plans for MCT v3 roll-outs at all remaining sites and expand the Truescape application to assist with training.

We will be collaborating with the Technical and Sustainability Technology Development team on their hydraulic dry stack trial to test different rehabilitation prescriptions. The trial will accelerate rehabilitation access to the upper surface of the tailings dam which traditionally can take more than five years to dry and consolidate. We will continue to work closely with all functions within the business to integrate closure and social transition in the way we operate. In 2022, we will also be integrating our underground assets into the rehabilitation strategy for our 2023 performance metrics.

Mineral residue (tailings) management

The management and storage of waste rock and processed mineral residue – known as tailings – remains a critical issue for the global mining industry. Mineral residue management presents us with social, safety and environmental challenges throughout the lifecycle of our mining operations. We embrace the introduction of the comprehensive Global Industry Standard on Tailings Management. We will continue to work to develop technological solutions – including remote monitoring – and implement enhanced and standardised control systems across our operations.

Our approach and policies

Storing mineral residue

After the mining process is completed, we are left with a mineral residue that is generally made up of two principal components:

- Waste rock left from extracting the ore from the ground
- Tailings – the mineral waste that remains after the mined ore is processed to separate the valuable metals or minerals from the host rock.

Tailings can be stored in mined-out pits or, if the impact on the groundwater can be managed, in underground mine openings. We often store tailings in specially constructed above-ground tailings storage facilities (TSFs).

53
TSFs managed in total

23
TSFs inactive or in care and maintenance

29
TSFs in active use

1
TSFs closed or rehabilitated

TSFs can contain either wet or dry tailings, the latter also being known as dry stacks. Wherever possible, we store mineral residue in dry stacks and in mined-out areas. This helps to reduce both safety and environmental risks, as well as to minimise the footprint of our operations.

As the world's demand for raw materials has grown substantially in recent decades, and as the grades of many ores have decreased over time, the volumes of this mineral residue material have increased exponentially.

Managing tailings safely

We are an industry leader in our approach to managing tailings safely.

Our Group Technical Standard addresses the risks of both tailings and water-retaining facilities, as well as waste rock dumps. The standard sets out requirements for design, monitoring, inspection and surveillance, which we follow as a minimum practice in each jurisdiction where we operate. While the standard is already aligned with current best practice, it will continue to evolve, particularly to reflect the requirements of the GISTM.

We use the latest technologies in our mineral residue management, applying sound engineering and scientific judgement, based on our extensive experience and specialist knowledge. Where possible, we try to place tailings and waste rock together to reduce environmental impact, improve stability of the outer walls, and minimise the disturbed area. This also reduces water evaporation losses and optimises our mine-closure efforts. Examples include De Beers' Venetia diamond mine, our PGMs Mogalakwena operation in South Africa and the independently managed Collahuasi copper joint operation in Chile.

→ For more information on our approach to managing tailings safely
Visit <https://www.angloamerican.com/sustainability/tailings-summary/managing-tailings-safely>

Engaging communities and our industry

As part of our holistic approach to the safety of our tailings dams, we make sure to engage and communicate with people living nearby. The Social Way 3.0, our social management system, requires sites to develop emergency-preparedness plans and run evacuation drills with local communities wherever it is relevant.

It is also important to us to lead international best practice among our industry peers and provide the benchmark in mineral residue management. We have been vocal in this regard, encouraging an industry-wide conversation about tailings and the role that they play in the mining process.

Activities in 2021

Implementation of the Global Industry Standard on Tailings Management

The Global Industry Standard on Tailings Management (GISTM), published in August 2020, represented a vital step forward for the global mining industry. It was the product of the Global Tailings Review, which was co-convened by the United Nations Environment Programme (UNEP), United Nations Principles for Responsible Investment (UNPRI), and the ICMM.

Anglo American played an active role in the multi-stakeholder process of developing the GISTM, which covers standards and practices over the entire tailings facility lifecycle and sets a high bar for the mining industry to achieve strong social, environmental and technical outcomes. The GISTM is intended to be applied to existing and future tailings facilities, wherever they are found and to whomever operates them.

In 2021, we continued the process of updating our Group Technical Standard. We are developing a detailed plan based on a gap analysis and specific reviews of our sites. This work demonstrated a need to make adjustments to align fully with the GISTM. These adjustments include undertaking additional analysis and modelling of different geotechnical and environmental conditions as well as alignment of classification conventions.

We are working towards conformance with the GISTM in line with our ICMM membership commitment. This commitment entails that TSFs with 'Extreme' or 'Very high' potential consequences, as rated under the GISTM, are to be in conformance by 5 August 2023. The 'Extreme' and 'Very high' potential consequences under the GISTM generally correspond to the 'Major' rating under our internal Consequence Classification of Structures rating (CCS) rating for TSFs. All other TSFs must be in conformance by 5 August 2025, which relate to the TSFs rated 'High', 'Moderate', 'Minor' and 'Insignificant' under the CCS. We are working towards conformance of these requirements or to have a structured plan for conformance pending results of the required detailed analysis and studies.

Innovation and improvement

Throughout the year, we carried out work to update, enhance and standardise our critical control systems for all of our tailings facilities. We made significant progress and are now rolling out the new systems at our largest facilities. We have also rolled out an electronic dashboard system across our operations and plan to augment this current functionality to include remote instrument monitoring, live-feed data reporting and integration with critical controls.

The evolving use of satellite, drone and remote monitoring solutions continues to provide us with vital additional modalities on top of physical, on-site inspections. During 2021, we prepared to launch monitoring using Interferometric Synthetic Aperture Radar (InSAR) satellite technology. InSAR uses radar signals reflected off a surface to measure deformations over time. The results can be viewed on site or at the business unit and Group executive level. During the year, we reviewed the technology and shortlisted vendors, with a view to implementing InSAR across our operations in 2022.

The deployment of drone-based solutions has allowed us to inspect our facilities in ever greater detail from anywhere in the world. This tool will continue to be implemented alongside traditional inspections to provide additional oversight.

Draft seismic hazard maps were completed for the southern African region during 2021, including South Africa, Namibia, Botswana and Zimbabwe. We continued to conduct site-specific reviews, with the aim of carrying out seismic stability analyses for our TSFs in 2022.

In line with our preparation for GISTM conformance, we are advancing additional analysis including a project to evaluate potential brittle behaviour of tailings materials in our TSFs, with a specific focus on our upstream tailings dams, including identifying appropriate laboratory

and field testing procedures. The project is a continuation of the recently completed four-year research project in Australia by four universities and six industry partners, including Anglo American, led by UWA on this very specialised topic. These processes will be incorporated into the procedures for stability and deformation analyses for our TSFs and to define appropriate risk mitigation measures.

Next steps

In 2022, we will continue to implement our plan and updated Group Technical Standard for full harmonisation with the GISTM. At the same time, our updated critical control systems will be deployed at the remaining sites.

The InSAR system is expected to be operational in 2022, building on the preparatory work carried out in 2021. The focus will be to deploy this technology across our sites and integrate it into our existing dashboard and reporting systems. This technology – combined with state-of-the-art instrumentation and dashboards for visualisation and interaction – will allow the appropriate stakeholders to have complete oversight into the behaviour of dams at any time or location.

We also remain committed to transparency in mineral residue management and will continue to publish information on our tailings facilities, including our publicly available tailings database and reports.

Tackling climate change

Topics covered in this section

- Tackling climate change
- Disclosures related to the recommendations of the TCFD

▲ At our Los Bronces copper mine in Chile, we have built a pilot solar photovoltaic (PV) plant incorporating 256 solar panels that has been constructed over a tailings pond – the first plant of its kind in the world. The project will help reduce the mine’s CO₂ emissions substantially.

Anglo American’s Purpose is at the heart of everything we do. Combined with our Values and our strategy, it is in this context that we approach climate change. Our commitment to being part of the solution to climate change is embedded across the business. We continue to align our portfolio with the needs of a low carbon world; we are transforming our operations towards carbon neutrality; we are pushing for decarbonisation along our value chains; and we are considering carefully the social and wider environmental inter-relationships associated with our decarbonisation journey.

How this connects to other sustainability topics

Our work in tackling climate change is directly linked to:

- Protecting our natural environment
- Playing our role in society

Progress against our Sustainable Mining Plan

SMP element	Global stretch goals	Read more
Healthy Environment	Reduce absolute GHG emissions by 30% by 2030	Pages 26-29
	Improve energy efficiency by 30% by 2030	Pages 26-29

Section highlights



A strategy to deliver a future enabling portfolio

We are well placed to support the transition to a low carbon economy, while remaining resilient to the economic and physical challenges climate change presents

→ For more information See page 26



A clear pathway to operational carbon neutrality

We have identified clear abatement pathways to achieve our target of becoming carbon neutral across our operations by 2040

→ For more information See page 27



Our commitment to decarbonising our value chains

We are committed to playing our part to mitigate the impact of our value chain emissions and have an ambition to reduce our Scope 3 emissions by 50% by 2040

→ For more information See page 27



▲ In the rehabilitation nursery at Kumba Iron Ore's Sishen site in South Africa, general worker Heinrich Strong inspects indigenous tree seedlings which will be planted in former mining areas.

Our decarbonisation journey

Anglo American has defined, and evolved, the role it plays in the transition to a low carbon economy for more than a decade. We have continually increased our level of ambition with respect to decarbonising our operations and our value chains. And we will continue to identify other ways we can play a part in being a solution to the challenge of climate change, including working with others to maximise our collective effort.



“Anglo American is committed to playing its part. We recognise that the world cannot decarbonise without many of the metals and minerals that we produce. But we also recognise that we must do what we can to minimise the emissions related to the supply of those products as quickly as we can. We also accept the role we must play in supporting the decarbonisation of our value chains.”

Stuart Chambers
Chairman

Understanding our footprint and increasing our ambition

Our Energy and CO₂ Management (ECO₂MAN) programme has been a central part of the way we have understood and then driven reductions in our operational (Scopes 1 and 2) GHG emissions since 2011. The programme has enabled us to analyse our activities and identify operational levers for reducing energy consumption and GHG emissions. Through this understanding, in 2015, we set our first emission reduction targets: to reduce our GHG emissions by 22% against projected business as usual (BAU) consumption by 2020.

In developing our Sustainable Mining Plan, we recognised that we would need more ambitious targets in order to play our part in maintaining global temperature rise to well below 2°C, as called for by the Paris Agreement. This led us, in 2018, to set our target in the Sustainable Mining Plan of a 30% absolute reduction in GHG emissions against a 2016 baseline by 2030. The capabilities and ambition of our host countries, as detailed in their nationally determined contributions submitted under the framework of the Paris Agreement, provided important context when setting these goals.

Scopes 1 and 2

2030

30% improvement in energy efficiency and 30% reduction in GHG emissions against a 2016 baseline

2040

We are targeting carbon neutrality across all our operations

Through the roll-out of our FutureSmart Mining™ approach to technology and digitalisation – and with a greater understanding of what was now possible – in 2020, we extended our ambition. We now have a target of carbon neutrality (Scopes 1 and 2) across our operations by 2040 and have set an intermediate target to have eight of our sites carbon neutral by 2030. In 2021, after undertaking an intensive, two-year review of emissions in our value chains, and our ability to develop levers to influence this output, we set an ambition of reducing Scope 3 emissions by 50% by 2040.

Delivering on our ambition

The ECO₂MAN programme has helped us to exceed our 2020 target. Examples of ECO₂MAN projects include the capture and use of mine methane in our underground metallurgical coal mines in Australia. This methane has been used to generate more than 140 MW of electricity for the mine and grid supply.

In addition, our Kumba Iron Ore subsidiary has achieved significant energy savings through a range of initiatives across its haulage fleet. These include improving payload management systems, expanding the implementation of its diesel energy efficiency management programme, optimising the loading of haul trucks and adjusting haul truck engines.

Our ongoing programme for operational emissions reductions is built around four levers:

- Renewable electricity: Sourcing 100% clean grid supply for our operations through the procurement or development of renewable energy
- Low carbon power sources: Developing integrated green hydrogen production and enabling fuel switching at major opencast mines, together with the electrification or alternative low carbon fuels for other major diesel use applications
- Methane capture: Improved methane drainage and the introduction of oxidation technology to substantially abate ventilation air methane and enhance the safety of our operations
- Energy efficiency: Through the ongoing roll-out of business improvements and our step-change FutureSmart Mining™ technologies such as bulk ore sorting, coarse particle recovery and digitalisation projects.

Fostering the hydrogen economy

We believe that the hydrogen economy has a key role to play in a lower carbon world. (See *Hydrogen Valley case study on page 29.*) Consistent with this approach and our Scope 1 and 2 ambitions, at the 2021 United Nations Climate Change Conference (COP26), we became one of 28 companies that pledged through the H2Zero initiative to drive growth in hydrogen supply and demand.

The Hydrogen Council estimates that the swift uptake of renewable and low carbon hydrogen has the potential to avoid roughly 800 million tonnes of annual CO₂ emissions. The pledges already announced through the H2Zero initiative equate to nearly one quarter of this total.

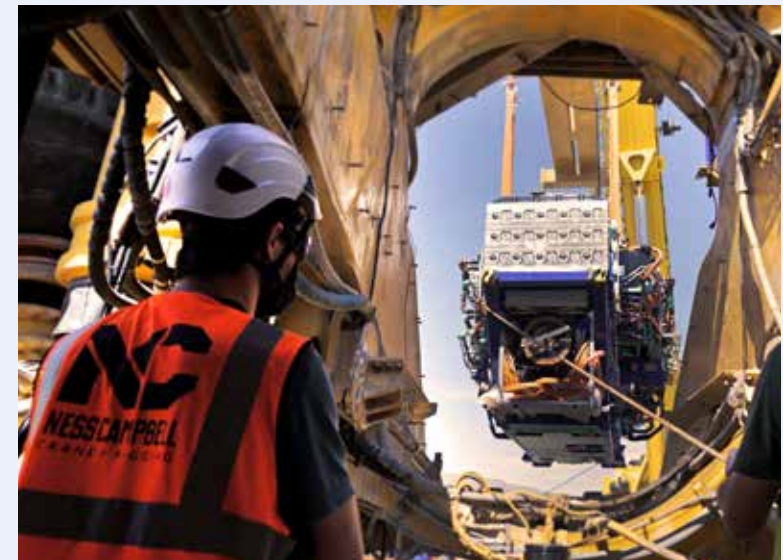
At COP26, we made the following pledges:

- To both produce and consume 100,000 tonnes of green hydrogen per year by 2030
- To develop green hydrogen production systems at seven of our open cut sites by 2030, with three to eight hydrogen refuelling facilities at each, based on their haul truck fleet size
- To convert all our diesel-powered ultra-class mine haul trucks at these sites to green hydrogen power by 2030, as well as to stimulate a wide range of hydrogen associated industries and opportunities within our host communities.

- [For more information on the H2Zero initiative](https://www.wbcsd.org/content/wbc/download/13301/194616/1)
Visit <https://www.wbcsd.org/content/wbc/download/13301/194616/1>
- [For more information on the Hydrogen Council estimates](https://hydrogencouncil.com/en/ceo-coalition-to-cop26-leaders-hydrogen-to-contribute-over-20-of-global-carbon-abatement-by-2050-strong-public-private-collaboration-required-to-make-it-a-reality/)
Visit <https://hydrogencouncil.com/en/ceo-coalition-to-cop26-leaders-hydrogen-to-contribute-over-20-of-global-carbon-abatement-by-2050-strong-public-private-collaboration-required-to-make-it-a-reality/>

Value chains

Our approach to the emissions in our value chains (Scope 3) is necessarily different from those (Scopes 1 and 2) emissions where we have direct control. We recognise our responsibility to act, and the work we have done in the past two years has helped us to understand more fully our own Scope 3 inventory and the levers that we can pull to influence the reduction of those emissions. Coupled with our assessment of the evolution of the steel industry in the coming decades, we believe we can reduce our Scope 3 emissions by 50% by 2040. If the decarbonisation of the steel sector accelerates, in part because of the partnerships we are building – such as the collaboration with German



▲ Installing the power module, designed and built by our Technical team, into the 290 tonne capacity hydrogen heavy haul hybrid truck we are building at our Mogalakwena PGMs mine. This unique, fuel-cell and battery-powered truck is set to enter service in 2022, and be the forerunner of a fleet of such trucks at seven of our operations by 2030.

steelmaker Salzgitter Flachstahl to research iron ore feed materials for use in direct reduced iron (DRI) steelmaking based on natural gas and hydrogen – this will allow us to go further. We have also entered into an agreement with Australia’s largest freight operator, Aurizon, to assess the introduction of hydrogen-powered trains for bulk freight.

“The work we have done in the past two years has helped us to understand more fully our own Scope 3 inventory and the levers that we can pull to influence the reduction of those emissions.”

Our Scope 3 ambitions are built on direct and indirect actions across our areas of influence and working with like-minded partners across value chains. We recognise the challenge we are setting ourselves, but we also believe that the level of ambition we have set is necessary and achievable.

What’s next

We remain committed to playing our part in minimising the emissions related to the supply of our products and supporting the decarbonisation of our value chains. As we continue our decarbonisation journey, we are working steadfastly to achieve our ambitions.

Climate change is a global challenge and navigating the transition is both a shared and urgent endeavour. Partnerships are, therefore, crucial to delivering our ambitions.



→ For more information, visit: angloamerican.com/sustainability/environment/climate-change

Tackling climate change

Climate change is the defining challenge of our time. Understanding the implications for Anglo American is a significant strategic matter for us. But being resilient as a company is not enough.



▲ In Brazil, we are partnering with wind-energy specialist Casa dos Ventos to build the Rio do Vento wind farm. Our operations in South America are in the process of switching to renewable sources of power for all their grid-supplied energy requirements.

We understand that mining has a critical enabling role to play in providing the metals and minerals needed for a low carbon world.

In this context, we are working actively to be part of the solution to climate change, because it is the right thing for the long term sustainability of our business, and also the right thing for society.

Our Purpose has been the constant against which we have considered the defining challenges of our era, such as climate change. It is how we have started to answer the questions of what our contribution could (or should) be in the transition to a low carbon world.

In re-imagining mining, we recognise that the industry must do things differently if we are to transform the footprint of mining. We need to be more targeted and innovative, use less water and energy and, crucially, generate fewer or no GHG emissions.

Awareness is growing of the critical role that mining has to play. The International Energy Agency's flagship report in May 2021, *The Role of Critical Minerals in Clean Energy Transitions*, underlined how essential minerals are for the growth of many technologies – from wind turbines and electricity networks to battery electric and fuel cell vehicles. The *Minerals for Climate Action* report, produced in 2020 by the World Bank's Climate Smart Mining Initiative, of which Anglo American is a sponsor, shares a similar analysis but also highlights the importance of the sustainable development of those minerals, especially in resource-rich developing countries.

Re-imagining mining and, within that, transitioning to carbon neutrality, is a multi-decade process. While we have much more to do, we have made significant strides to understand and reduce our carbon footprint; understand and test the resilience of our operations to climate risk; evolve our portfolio towards future-enabling products; embed climate-related considerations in decision making across the business; and develop our engagement with interested stakeholders, especially shareholders, through continually improving climate-related disclosure.

Our approach to climate-related risk

At Anglo American, we recognise the reality of climate change, while acknowledging that the longer term impacts to the business remain uncertain. As a consequence, our risk management processes embed climate change in the understanding, identification and mitigation of risk. We have complied with the TCFD recommendations for reporting on climate-related risks as detailed on page 30 of this report.

The nature of climate change means that climate-related risk cannot be managed independently of wider business strategy. Anglo American is well placed to respond to the challenges and opportunities we face as the climate changes, including being strategically and physically resilient for the future.

A full explanation of Anglo American's risk management processes and details of all the principal risks can be found on pages 60-67 of the Integrated Annual Report 2021.

Our climate ambitions at a glance

Scopes 1 and 2

8

Eight of our assets carbon neutral by 2030

30%

By 2030, we have targeted a 30% improvement in energy efficiency and an absolute 30% reduction in greenhouse gases against a 2016 baseline

2040

We have set a target to be carbon neutral across all our operations by 2040

Scope 3

50%

By 2040, ambition to reduce our Scope 3 footprint by 50% against a 2020 baseline

Driving industry-wide decarbonisation

Forming upstream and downstream partnerships with like-minded players to enable change

Sustainable freight transport

Carbon neutrality in controlled ocean freight by 2040

Testing our resilience

Anglo American is committed to playing its part in the transition to a low carbon economy. The metals and minerals we produce are critical to enabling the technologies required for a green transition. In parallel, we also continue to evolve our sustainable mining practices, reducing our own GHG emissions associated with those products.

To further support our ongoing efforts in relation to climate change, we explore how the world might develop under a range of climate change pathways and try to understand the potential outcomes for the industry profit pool and for our business. While the exact future pathway is uncertain, we expect climate change to affect the mining industry through risks and opportunities in two broad areas:

- **Physical risks/opportunities:** The potential impact on our operations and surrounding communities from both acute extreme weather events and chronic shifts in climate patterns
- **Transition risks/opportunities:** The potential impact on demand for different products, given assumptions on regulatory, technological and behavioural changes in the transition to a low carbon economy.

To anticipate these potential impacts and formulate strategic responses, we developed a proprietary set of climate change scenarios that represented a broad range of potential outcomes. To build these scenarios, we drew on the UK Met Office and South African Council for Scientific and Industrial Research to understand physical climate change risks, and Wood Mackenzie's Energy Transition Service and the Intergovernmental Panel on Climate Change (IPCC) to understand low carbon transition pathways, including c.3°C, 2°C and 1.5°C scenarios.

Our thinking is based on the following:

- Sector transition pathways based on global climate change scenarios for sectors relevant to the markets of our products
- Sector implications for the markets of our products based on the regulatory, technological and behavioural changes included in the scenario

- Market implications for our forecast portfolio and associated financial impact on our business.

We believe our business is resilient across these outcomes, driven by the quality of our endowments, expected life of assets and mix of products in our portfolio. While management's best estimates of climate change-related factors are applied as input assumptions for business planning and valuation purposes, these scenarios are risk management tools only, and no singular scenario should be taken as representative of management's best estimates.

→ [For more information on our climate change scenarios](#)
See pages 15-19 of our climate change report

A strategy to deliver a future-enabling portfolio

Based on a clear strategic decision making framework and capital allocation informed by a full assessment of climate-related challenges, Anglo American is well placed to support the transition to a low carbon economy, while remaining resilient to the economic and physical challenges climate change presents. We are harnessing the global scale and resources of Anglo American to identify and deliver projects that will have a net positive impact for our shareholders, the communities in which we operate and the planet.

A strategic fit

The evolution of the Anglo American portfolio is guided by our strategy. Specific choices with respect to our portfolio are governed by a set of strategic principles. These principles also inform our capital allocation and investment appraisal processes, ensuring consistency of strategic decision-making across the Group, and embedding climate-related considerations at all stages.

To evaluate fully an opportunity requires us to consider long term trends, including, critically, the implications of climate change. We draw on multiple sources to judge the contribution individual assets would make to the portfolio under different climate scenarios.

In practical terms, this has resulted in more than 90% of growth capital expenditure being earmarked for projects in future enabling and consumer-facing metals and minerals, as well as our exit from thermal coal operations, a shift towards metals, especially battery metals, and the addition of the fertiliser, polyhalite, to the portfolio.

A clear pathway to operational carbon neutrality

We have identified clear abatement pathways to achieve our target of becoming carbon neutral across our operations by 2040. We are radically improving our energy efficiency, switching to low carbon energy sourcing and significantly increasing the role of renewables in our energy mix. We will also implement nature-based solutions on land we manage.

Our pathway to operational carbon neutrality by 2040

Achieving our target of carbon neutrality across our operations is a complex, multi-dimensional challenge. It begins from a clear and detailed understanding of current emissions sources. This understanding allows us to take decisions on the best means of abatement. The target of a 30% reduction in GHG emissions by 2030, with eight sites carbon neutral, is an interim target on our journey to carbon neutrality.

Scope 1 abatement

The ongoing deployment of our FutureSmart Mining™ programme across the portfolio will see a step-change in low and zero emissions technologies, significantly reducing our Scope 1 emissions. This includes

the capture of methane from our mines, which is our largest single source of Scope 1 emissions, as well as innovative means of displacing diesel at the mines, including the development of the world's largest hydrogen fuel cell powered haul truck.

We are also working on new applications for our metals and minerals that will enable lower emissions, both at our operations and globally. One such example is green hydrogen-powered fuel cell transport using PGMs.

Scope 2 abatement

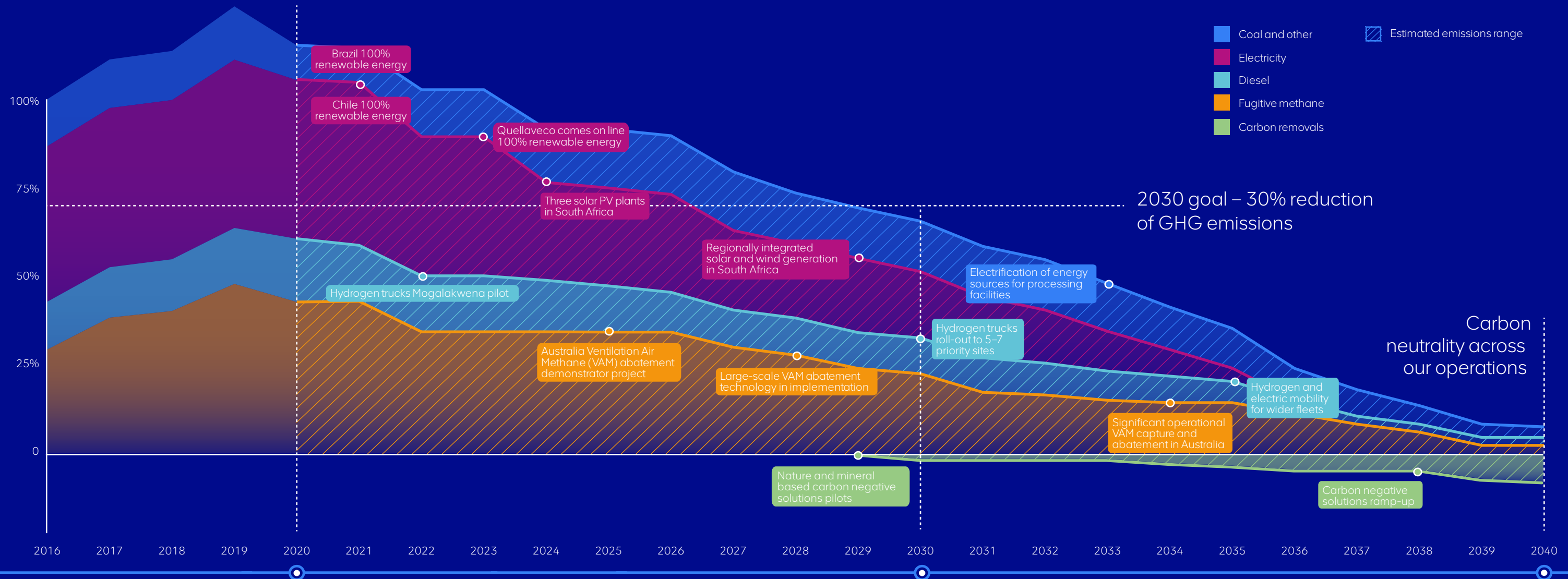
We are following two separate tracks to reduce our Scope 2 emissions. First, we are working to consume less energy through the application of FutureSmart Mining™ technologies.

Secondly, we are increasing the proportion of renewable energy in our mix. We have been sourcing 100% renewable power in Chile from 2021, and will do so in Brazil and Peru from 2022. We are examining the potential for a renewable power network in South Africa that we expect to cover 100% of our requirements by 2030. And in Australia, Metallurgical Coal continues to progress its tender process for the supply of green energy at all sites by the end of 2023, when the current electricity supply contract is due to end. In 2021, the proportion of renewable power across the Group reached an average of 46% and by 2023, we expect to reach 56%.

Our commitment to decarbonising our value chains

We are committed to playing our part to mitigate the impact of our value chain emissions, while recognising that the nature of Scope 3 emissions is that they are largely outside our direct control. Informed by our

Operation emissions (Scopes 1 and 2) – A roadmap to carbon neutrality



assumptions on the speed of decarbonisation in the steel value chain, we have an ambition to reduce our Scope 3 emissions by 50% by 2040, and we will continue working to deliver that ambition.

Our actions are focused first on understanding the sources of our Scope 3 emissions, then identifying how we can most effectively reduce them. This work concludes that our ability to significantly reduce our Scope 3 emissions is dependent both on steelmakers setting and delivering on a clear decarbonisation pathway, and the existence of a consistent and supportive global policy environment.

Achieving this reduction will mean going beyond how we market our products and commercialise our solutions. It will also be dependent on our success in collaborating effectively with customers, other industry participants and industry bodies to actively channel society's increasing demand for essential metals and minerals into more transparent, ethical and sustainable value chains.

We believe that this approach will translate into mutually beneficial relationships that redefine the way the steel industry operates, helping the sector to meet its sustainability targets and the evolving expectations of consumers and society more broadly.

Supporting our communities through a 'Just Transition'

Through Anglo American's transition to a lower carbon business model we continue to explore the role of mining in a 'Just Transition', which considers the impacts of that transition to a low carbon world on workers and communities. Together with our partners, we aim to be part of creating resilient, environmentally and socially sustainable jobs, sectors and economies for the future.

The transition to a low carbon world requires significant change. It presents major opportunities for many and risks for others. The opportunities and risks will mostly likely be felt acutely at the local level, especially for those employed in sectors that will need to transform how, or whether, they do business. The degree to which people are able to adapt will depend, in part, on the levels of support they receive.

The transformation that our societies will need to undergo to address climate change will involve actions and decisions by private companies, governments, communities and individuals. Anglo American is committed to developing a partnership approach to the Just Transition: not only to explore what it means and how different stakeholders will be able to play their part, but also to identify the right programmes that will form part of the response.

At a strategic level, we have joined the Council for Inclusive Capitalism in its work on developing a shared, company-focused framework to promote industry adoption of pragmatic commitments and actions in addressing the need for a Just Transition.

The aim of the Council's work is to provide a platform on which companies can share their experiences and learn from others' experience and good practice, recognising the huge diversity of the impacts of the transition that will be felt.

The Council for Inclusive Capitalism is also working closely with the Prince of Wales's Sustainable Markets Initiative, the World Benchmarking Alliance, Climate Action 100+, and others, and launched at the COP26 a framework and set of practical guidelines for companies to draw on in setting their own.

Policies and governance

Anglo American applies a principled and consistent approach throughout our climate change governance and management systems. We embed our climate change principles in all aspects of our business to ensure that they remain aligned with our commitments and ambitions.

Policy approach

At Anglo American, we have worked on climate change matters for more than 20 years. Our approach is based on five key policy principles:

- Building internal agility and ensuring resilience to climate change
- Driving energy and carbon savings throughout our business
- Understanding and responding to the carbon lifecycle risks and opportunities of our products
- Developing and implementing collaborative solutions with our stakeholders
- Contributing our skills and knowledge to the development of responsible public policy.

Against this backdrop, in 2015, we demonstrated our commitment to the Paris Agreement through our signature of the Paris Pledge for Action. That pledge demonstrates our willingness to work to support efforts in meeting and exceeding the ambition of governments to keep the world on a trajectory that limits the global warming temperature rise to well below 2°C.

To give greater definition to our approach, we detailed the public policy positions on a range of climate-related issues.

More details of each issue can be found in our report on Industry Associations launched in early 2021.

→ [The latest independent assessment and our detailed response can be found at: www.angloamerican.com/industry-association-audit](http://www.angloamerican.com/industry-association-audit)

Governance and executive remuneration

The Board's Sustainability Committee is responsible for assessing climate change related topics. The committee oversees, on behalf of the Board, material policies, processes and strategies designed to manage climate-related risks and opportunities.

Matters relating to climate change are included in quarterly reports to the committee, and as stand-alone items on the agenda where necessary. The chair of the Sustainability Committee provides a summary of the committee's discussions at Board meetings, which addresses the most material issues considered by the committee.

Following the 2019 Board and committee effectiveness review, the Board agreed that climate change issues and the Group's carbon footprint would be a priority area of focus for the Board for 2020. Building on this, and taking into account discussions held by the Board and the Sustainability Committee in 2020, the Board agreed to direct its climate change focus in 2021 to the workstreams that underpin our carbon neutrality targets and ambitions and devote more time to the circular economy and its consequences for Anglo American's strategy.

The Sustainability Committee considers the Group's principal risks that fall within its oversight responsibility. In addition to the discussions at the Sustainability Committee, the Audit Committee reviews the Group's material risks, including those related to climate change, twice a year.

Furthermore, the chief executive's performance scorecard and report to the Board includes performance indicators on energy and GHG emissions. The full Board also holds regular strategic discussions on climate-related activities and energy efficiency targets.

The executive team is accountable for aligning our business practices with our climate change commitments and ambitions. We currently have measures in our Long Term Incentive Plan (LTIP) awards agreed by the Remuneration Committee, directly linked to the reduction of operational GHG emissions, the increase in energy efficiency and the use of renewable energy, and the reduction of freshwater extraction. The LTIP is awarded to all senior managers across Anglo American, totalling 430 people.

In addition, the annual bonus scheme outcomes for all eligible employees are now determined by team-based goals, such as SHE measures, critical strategic measures and financial metrics, all of which include climate-related goals.

Activities in 2021

Enhanced methodology

During 2021, we worked both internally and with stakeholders to test our strategic resilience to possible climate change scenarios, including one that restricts global warming to 1.5°C. We also refined our initial methodology for assessing our Scope 3 emissions. We continue to review the science and data to ensure our scenarios and forecasts reflect the latest information available.

nuGen™ – Our Zero Emission Haulage Solution (ZEHS) project

Eliminating the use of diesel at our mine sites – primarily by vehicles and equipment – is a central challenge for our goals of decarbonising our operations around the world. Our nuGen™ Zero Emissions Haulage Solution (ZEHS) project – an end-to-end integrated green hydrogen production, fuelling, and haulage system for mine sites – is aimed at allowing us to be carbon neutral and have a very different footprint.

A key element of the proof of concept for the nuGen™ project, is a 510 tonne (fully laden) hydrogen-powered mine haul truck that is being trialled for use at our Mogalakwena PGMs mine in South Africa.

In addition, we are building a hydrogen production, storage and refuelling complex that incorporates the largest electrolyser in Africa and a solar photovoltaic (PV) field. This complex also has the potential to become a driver of a local hydrogen economy in the host community around our mine, contributing to our regional renewable ecosystem.

If the test deployment of the hydrogen haul truck and accompanying hydrogen infrastructure at Mogalakwena is successful, we plan to further develop the technology through a project aimed at enabling deployment at seven other mines by 2030. We will carry out the continued site testing and assessment of the haul truck in 2022.

→ [For more information on the hydrogen haul truck](#)
See page 25 of the [Climate Change Report 2021](#)

Renewable regional ecosystem in southern Africa

In 2021, we outlined plans to collaborate with partner governments, utility providers and communities in South Africa for the development of a regional renewable energy ecosystem.

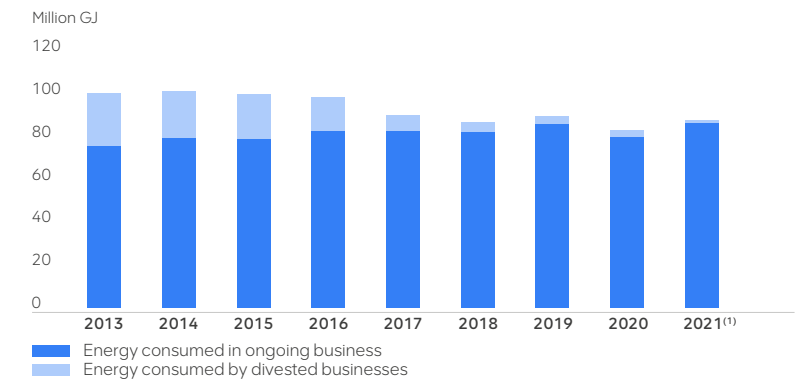
The initiative draws on the huge natural renewable potential of southern Africa and would involve the construction of on-site PV plants at several of our operations and off-site wind farms. The ecosystem would not only help us reduce our Scope 2 emissions, but would also provide the foundation for green hydrogen production, facilitating the roll-out of our hydrogen powered haul trucks across southern Africa.

Beyond supporting the delivery of our ambition of carbon neutrality by 2040 by tackling the largest element of the Group's Scope 2 emissions, the ecosystem is expected to bring a host of other benefits. It could increase the grid capacity (2.7–4.4 GW of green energy in South Africa alone) and enhance grid stability. It could support and enhance the decarbonisation initiatives of our host governments and power companies.

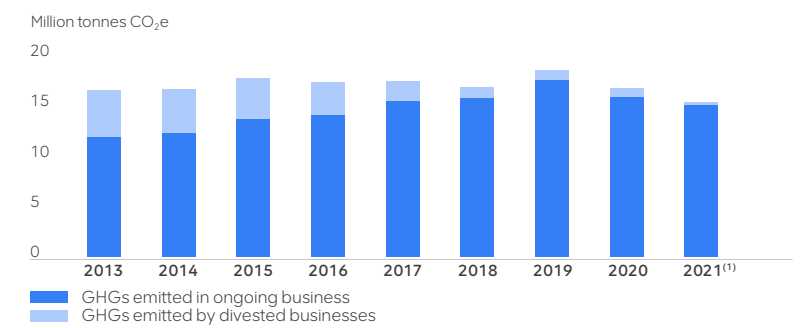
Fuelling sea transportation with LNG and biofuels

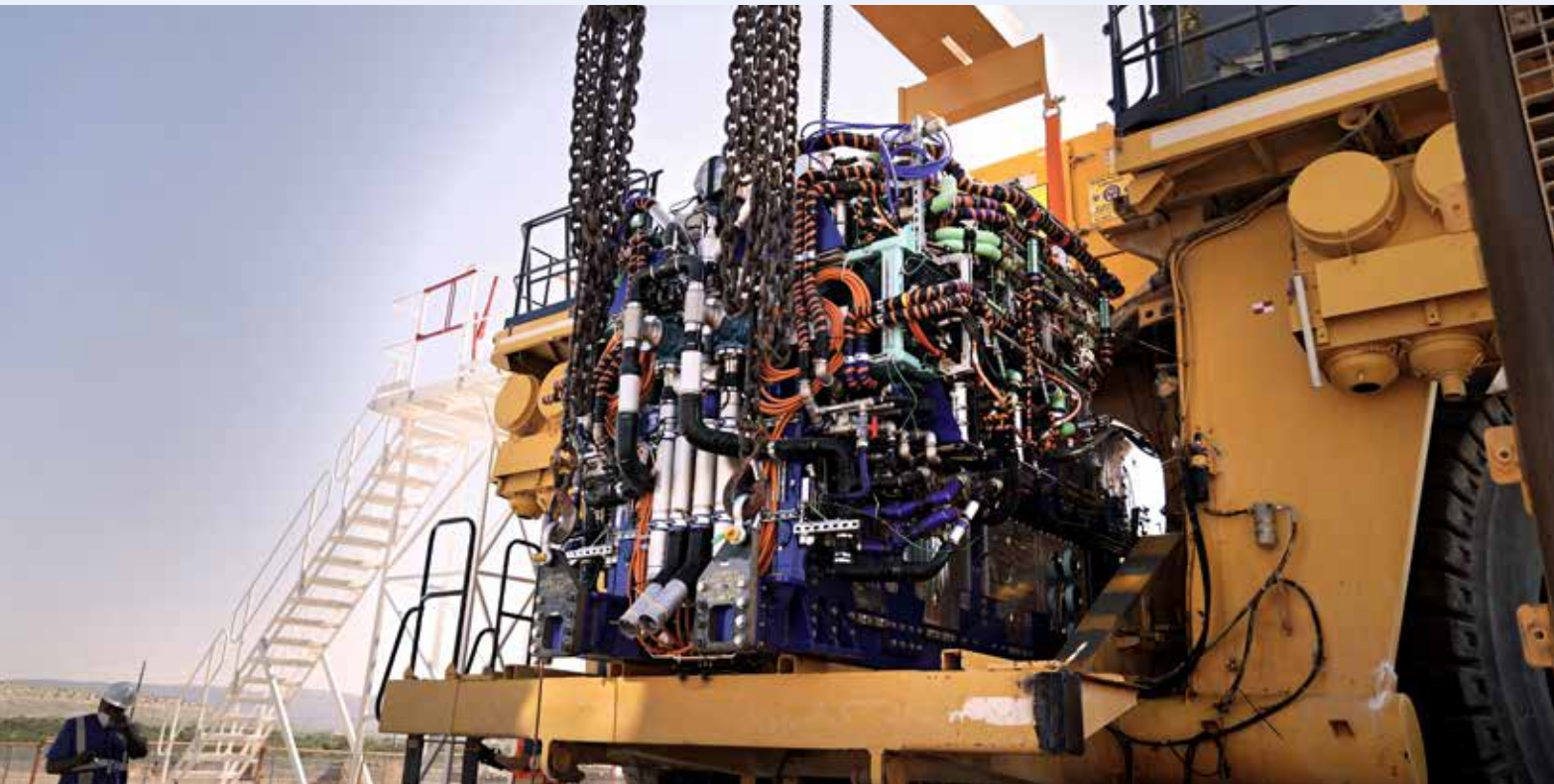
Maritime shipping accounts for around 3% of global GHG emissions, greater than global aviation. It is also a significant share of Anglo American's overall footprint, as we rely on ships to deliver our products around the world. In 2021, we continued to develop solutions, based on liquid natural gas (LNG) and bio- and other alternative fuels that reduce or eliminate emissions related to cargo shipping.

Total energy consumed 2013–2021



Total GHG emissions 2013–2021





▲ The power module being lifted into the hydrogen heavy-haul electric truck being assembled at our Mogalakwena PGMs mine in South Africa.

Ready to launch: South Africa's Hydrogen Valley

In South Africa, the Hydrogen Valley initiative is showing the possibilities that can be unlocked through a Just Transition to a low carbon world. The hydrogen valley concept has already been proven in other countries as an engine for advancing the commercial viability of emerging green technologies and their ability to reduce emissions.

The initiative was announced in March 2021, when Anglo American signed a collaboration agreement with South Africa's Department of Science and Innovation (DSI), energy and services company ENGIE, the South African National Development Institute (SANEDI) and clean energy solutions provider Bambili Energy. Under the agreement, the parties committed to conducting a feasibility study for the construction of hydrogen hubs stretching more than 800 kilometres: from our Mogalakwena PGMs mine in the Bushveld complex in the north of South Africa, along the industrial and commercial corridor to Johannesburg, and on to Durban, the country's major Indian Ocean port.

In October 2021, the DSI published the Hydrogen Valley Feasibility Study Report following the completion of the feasibility study. This milestone brings the launch of the Hydrogen Valley one step closer after South Africa's cabinet approved the National Hydrogen Society Roadmap in September 2021, and Phase 3 of the country's Economic Reconstruction and Recovery Plan.

The core elements of Phase 3 of the Economic Reconstruction and Recovery Plan – 'reconstruct' and 'transform' – entail building a sustainable, resilient and inclusive economy. Consistent with these goals, South Africa's Hydrogen Valley has the potential to unlock growth, rejuvenate industry and enable exports of green hydrogen.

The feasibility study identified three possible hubs: Johannesburg, extending to Rustenburg and Pretoria; Durban, encompassing the city itself and Richards Bay; and Limpopo province, centred around Anglo American's Mogalakwena PGMs mine, which plays a fundamental role in integrating hydrogen into South Africa's economy. It also recommended that developers prioritise nine key pilot projects across these hubs that span the transport, industrial and construction sectors.

Examples of the critical role that PGMs are playing in the emerging hydrogen economy include their application in fuel cell electric vehicles (FCEVs), such as buses, trains and other heavy duty forms of transport. There is also our pilot project to begin running the first hydrogen fuel cell electric mine haul truck in our planned haul truck fleet at the Mogalakwena PGMs mine in South Africa.

In collaboration with our partners, we are working to revitalise and decarbonise key industrial sectors, develop cleaner technologies, forge new business opportunities and create jobs. Aligned with the South African Hydrogen Society Roadmap, the Hydrogen Valley initiative is exploring the integration of hydrogen into the national economy by capitalising on South Africa's PGMs resources and renewable energy potential.

Climate change performance

Scope 1 emissions 2021

9.0 Mt CO₂e
2020: 10.0 Mt CO₂e

Scope 2 emissions 2021

5.7 Mt CO₂e
2020: 6.1 Mt CO₂e

Scope 3 emissions 2020*

114.8 Mt CO₂e

* 2020 Scope 3 data based on updated methodology

In 2020, we awarded contracts to build new LNG-fuelled, Capesize+ vessels, which will operate during their 10-year charter in our fleet with 30% lower emissions than existing vessels. We see LNG as a readily available technology that can help us make the longer term transition to carbon neutral alternatives, such as biofuels.

In 2021, we successfully trialled the use of sustainable biofuel to power a chartered Capesize ship during a voyage from Singapore to South Africa. The biodiesel blend, produced by converting waste cooking oil from Singapore's food and beverage industry, reduces CO₂ emissions compared with using 100% conventional marine fuel.

As part of the continued development of alternative fuels, we joined an industry group led by Japan's Itochu to study the adoption of green ammonia to fuel ships. We have also partnered with Hydrogenious Maritime AS, a joint venture between Hydrogenious LOHC and Johannes Østensjø dy AS, to explore the use of emission-free liquid organic hydrogen carrier (LOHC)-based applications on our chartered fleet. LOHC technologies guarantee safe operations, as they require no molecular hydrogen on board; are cost-effective to store using existing fuel tanks; and have efficient fuelling procedures in parallel with other cargo operations.

Emissions and energy performance

In 2021, our operations were responsible for a total of 14.8 million tonnes of CO₂-equivalent emissions (Mt CO₂e) (2020: 16.1 Mt CO₂e), of which 9.0 Mt CO₂e were Scope 1 emissions and 5.7 Mt CO₂e were Scope 2 emissions. This represents an 8% decrease compared with 2020, owing to a reduction in Scope 2 emissions from our Chilean operations, where grid supply was sourced from 100% renewables from the start of the year; a decrease in Scope 1 emissions due to the temporary closure of certain metallurgical coal assets in Australia; and the lower emissions reported by the thermal coal assets in South Africa, where data is included up to the end of May 2021. Our total energy consumption increased to 85 million GJ (2020: 81 million GJ). In 2021, our Group emission intensity was 6.5 kt CO₂e /tonnes CuEq.

In 2021, we undertook a Groupwide Scope 3 emissions assessment, covering the period 1 January 2020 to 31 December 2020. The emissions from this period were 115 Mt CO₂e. We plan to carry out this detailed assessment every two years.

Next steps

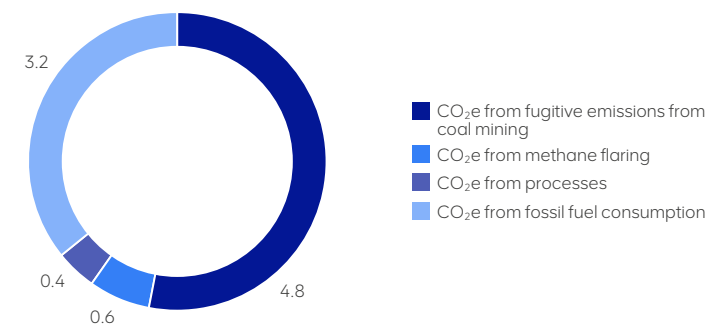
Looking ahead, we will continue to develop several major projects that are expected to reduce our carbon footprint in line with our 2040 targets and ambition, as well as align our production and value chains around future-enabling products, including copper, PGMs, nickel, premium-quality iron ore and fertiliser.

We have 100% renewable power in Chile from 2021, and plan to reach this goal in Brazil and Peru from 2022. We will continue to work with local stakeholders to develop the renewable regional power ecosystem in southern Africa that we expect to cover 100% of our requirements by 2030.

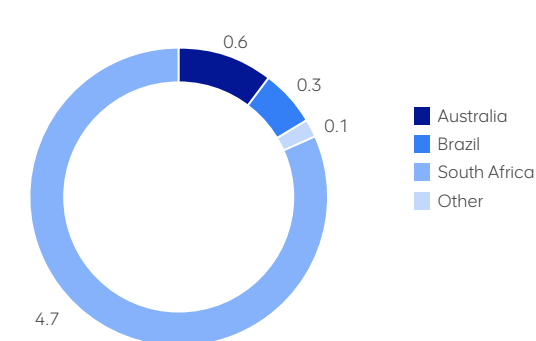
Climate change will continue to be a part of our public policy engagement, to ensure that we are able to progress our long term commitments to decarbonise the economy and share breakthroughs in technology that ensure prosperity, even as we eliminate emissions.

Anglo American GHG emissions 2021

Scope 1 (Mt CO₂e)



Scope 2 (Mt CO₂e)



Disclosures related to the recommendations of the TCFD

Anglo American's response to the risks posed by climate change is multi-disciplinary and is covered throughout our reporting suite – including the Integrated Annual Report, the Sustainability Report, our Climate Change Report, published in October 2021, and our 2020 CDP Climate Change response. In line with the UK Listing Rules, we confirm that the disclosures included in the Integrated Annual Report 2021 are consistent with the TCFD Recommendations and Recommended Disclosures.

While we endeavour to include as much information as possible on our approach to climate change in the Integrated Annual Report and Sustainability Report, the Climate Change Report offers more comprehensive disclosure, including detail on the assumptions behind our scenario analysis and approach to achieving our GHG emission reduction ambitions. Our 2020 CDP Climate Change response provides more detail pertaining to risk, opportunity and technical data. References in the table below, therefore, include the Integrated Annual Report, Climate Change Report and our 2020 CDP Climate Change response, all of which are available on our website.

→ [For more on our Climate Change Report 2021](#)
Visit angloamerican.com/climate-change

→ [For more on our 2020 CDP Climate Change response](#)
Visit angloamerican.com/cdp-response

The table below offers guidance on where to find information relating to each of the TCFD's recommendations.

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

Recommended disclosures	References
a) Describe the Board's oversight of climate-related risks and opportunities.	<i>Integrated Annual Report</i> : Page 14 describes the insights the Board takes into account when reviewing and endorsing the Group's long term strategy and related decisions. Climate change considerations are included within the material matters (pages 16-17), our analysis of global trends (pages 18-19), our capital allocation decisions (page 58-59) and within our principal risks – specifically risks 7, 12 and 13 (pages 60-67). Page 21 shows the key decisions made by the Board in relation to our climate change targets and ambitions. Pages 43-44 describe our policies and governance processes related to climate change. Page 125 describes the discussions and decisions taken by both the Board and its Sustainability Committee in the year. <i>Climate Change Report</i> : Page 35 gives further details on the Group's climate change policy approach, including references to our industry association memberships. Page 37 describes the Board's climate change capability.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	<i>Integrated Annual Report</i> : Page 14 describes the insights the chief executive and senior management take into account when formulating the Group's long term strategy. Climate change considerations are included within the material matters (pages 16-17), our analysis of global trends (pages 18-19), our capital allocation decisions (pages 58-59) and within our principal risks (pages 60-67). Pages 43-44 describe our policies and governance processes related to climate change, including climate-related targets within executive remuneration. Page 146-150 of the directors' Remuneration Report details progress against climate-related targets and the impact on executive remuneration in the year. <i>Climate Change Report</i> : Page 35 gives further details on the Group's climate change policy approach, including references to our industry association memberships, as well as an overview of governance and management systems related to climate change. Page 37 identifies management responsible for the oversight and delivery of the Group's climate change goals and ambitions and details the role of the Group's Climate Change Steering Committee.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.

Recommended disclosures	References
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<i>Integrated Annual Report</i> : Page 18 describes the potential impacts of climate change on both Anglo American and the mining industry, as well as the opportunities the Group believes it can realise through its strategic choices. Pages 24-29 describe the Group's portfolio strategy and how that has been influenced by the threat of climate change. Pages 36-37 describe the technological innovations being delivered across the Group to reduce energy and water consumption and page 40 describes the efforts of our Marketing business to deliver products that help enable our customers to achieve their climate change ambitions. The principal risks related to climate change and water are described on pages 60-67. <i>Climate Change Report</i> : Pages 15-19 describes the transitional and physical impacts we believe climate change will have on our business. <i>2020 CDP Climate Response</i> : Further detailed analysis of our risks and opportunities is available in our 2020 CDP responses to questions C 2 risks and opportunities.
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<i>Integrated Annual Report</i> : Pages 24-29 describe the Group's portfolio evolution and how that has been influenced by the threat of climate change. Pages 36-37 describe the technological innovations being delivered across the Group to reduce energy and water consumption and page 40 describes the efforts of our Marketing business to deliver products that help enable our customers to achieve their climate change ambitions. Pages 58-59 describe how climate change considerations are embedded in our capital allocation decisions. <i>Climate Change Report</i> : Pages 20-21 give further details on the role we believe our products have to play in a low carbon future. Pages 22-30 describe our strategy to deliver our Scope 1, 2 and 3 GHG emission reduction ambitions. <i>2020 CDP Climate Response</i> : Further detailed analysis of our risks and opportunities is available in our 2020 CDP responses to questions C 2 risks and opportunities.
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<i>Integrated Annual Report</i> : Page 43 gives an overview of the range of scenarios we have used to assess Anglo American's strategic and financial resilience, as well as an assessment of our resilience. <i>Climate Change Report</i> : Pages 15-19 give a detailed overview of Anglo American's strategic and financial resilience to a 3°C, 2°C and 1.5°C scenario, including potential impacts on cash flow (upside and downside).

Risk management

Disclose how the organisation identifies, assesses, and manages climate-related risks.

Recommended disclosures	References
a) Describe the organisation's processes for identifying and assessing climate-related risks.	<i>Integrated Annual Report</i> : Page 43 describes our approach to climate-related risk. Pages 60-67 describe the Group's risk identification process and has more detail on climate change and water, both considered principal risks. <i>Climate Change Report</i> : Pages 13-14 describe our understanding, assessment and management of climate-related risks. <i>CDP Climate Response 2020</i> : Question C2.2, processes for identifying and assessing climate-related risks.
b) Describe the organisation's processes for managing climate-related risks.	<i>Integrated Annual Report</i> : Page 43 describes our approach to climate-related risk. Pages 60-67 describe the Group's principal risks and has more detail on climate change and water, and how we manage and mitigate those risks. Our Portfolio (pages 22-29) and Innovation (pages 30-49) sections of this report provide detail on the strategic portfolio choices we have made and the technological innovations we are delivering across the Group to reduce energy and water consumption. <i>Climate Change Report</i> : Pages 13-14 describe our understanding, assessment and management of climate-related risks. Page 37 identifies management responsible for the oversight and delivery of the Group's climate change goals and ambitions and details the role of the Group's Climate Change Steering Committee. <i>CDP Climate Response 2020</i> : Questions C2.1, C2.2 and C2.3.
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	<i>Integrated Annual Report</i> : Pages 60-67 describe the Group's principal risks and has more detail on climate change and water, and how we manage and mitigate those risks. <i>Climate Change Report</i> : Pages 13-14 describe our understanding, assessment and management of climate-related risks. Page 35 gives an overview of governance and management systems related to climate change. P37 details the role of the Group's Climate Change Steering Committee. <i>CDP Climate Response 2020</i> : Questions C2.1, C2.2 and C2.3.

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended disclosures	References
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<i>Integrated Annual Report</i> : Pages 22-29 describe the Group's portfolio strategy and how that has been influenced by the threat of climate change. Pages 43-45 show the metrics used by the Group when assessing climate-related risks and opportunities. <i>Climate Change Report</i> : Pages 20-21 describe the strategic fit of the Group's portfolio of products in a low carbon world. Pages 22-30 describe the metrics used by the Group when assessing climate-related risks and opportunities. <i>CDP Climate Response 2020</i> : Questions C2.2a, C2.3a, C2.4a and C11.3a.
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, greenhouse gas (GHG) emissions and the related risks.	<i>Integrated Annual Report</i> : Page 45 shows our Scopes 1, 2 and 3 GHG emissions. Page 282 shows current and historical Scopes 1 and 2 emissions by business unit. <i>Climate Change Report</i> : Pages 22-25 show our Scopes 1 and 2 GHG emissions and detail the ways in which we believe we will meet our GHG reduction targets. Pages 26-30 show our Scope 3 GHG emissions and detail the ways we believe we can meet our reduction ambition.
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<i>Integrated Annual Report</i> : Pages 38 and 43 describe our climate-related goals and ambitions. <i>Climate Change Report</i> : Pages 22-25 show our Scopes 1 and 2 GHG emissions targets. Pages 26-30 show our Scope 3 GHG emissions reduction ambitions.

Protecting our natural environment

Topics covered in this section

- Environmental management
- Biodiversity
- Water
- Circular economy
- Air quality

▲ Overhead view of the seedlings nursery made for the replanting of native plants belonging to Minas-Rio in Brazil.

Our approach to environmental stewardship applies ecosystem-thinking to promote lasting, positive environmental outcomes for the areas in which we operate.

To achieve the vision articulated in the Healthy Environment pillar of our Sustainable Mining Plan, we work to protect the biodiversity of areas in which we operate, account for and optimise our water use, support the circular economy throughout the value chain and across our business, and address air quality and noise around our operations.

How this connects to other sustainability topics

Our work in protecting our natural environment is directly linked to:

- Adopting a zero mindset
- Tackling climate change
- Playing our role in society

Progress against our Sustainable Mining Plan

SMP element	Critical foundations	Read more
Healthy Environment	Biodiversity 2030: Deliver NPI on biodiversity across Anglo American	Page 37
	Water 2030: Reduce the withdrawal of fresh water in water scarce areas by 50% against the 2015 baseline	Pages 38-39
Critical Foundations	Group standards and processes	Page 35

Section highlights



Taskforce on Nature-Related Financial Disclosures

Anglo American was invited to join the Taskforce on Nature-Related Financial Disclosures (TNFD), a global institution committed to acting on nature-related risks

→ For more information
See page 35



Awarding our first three Species Conservation Grants

We awarded our first three Species Conservation Grants to help protect the endemic and endangered Goiás rocket frog in Brazil's Cerrado region, conserve the sea otter in Peru and conserve threatened plant species in Chile

→ For more information
See page 37



Our CircuLab platform for circular economy innovators

To help our innovators find circular opportunities and turn them into reality, we launched CircuLab. This programme is part of our Circular Economy Incubator, designed to harness our ability to innovate in the circular economy

→ For more information
See page 41



Woodsmith: setting the standard for sustainable mining

Our Woodsmith crop nutrients project in north-east England is setting new standards for mining through a mix of innovative technological solutions and sustainable practices. We are building a state-of-the-art facility to mine the world's largest known deposit of polyhalite⁽¹⁾, a low carbon natural fertiliser. When construction is finished, the site will be hidden from view within the North York Moors National Park to preserve and minimise the impact on the natural landscape.

Our natural solution to the world's fast developing need for more efficient crop nutrition

Our Crop Nutrients business responds to the challenges posed by a fast growing global population that requires more food than has ever been produced before from decreasing available land resources. To meet these needs, we are developing more efficient, effective and sustainable fertilisers such as polyhalite – from our Woodsmith project – that can help to evolve farming methods around the world – helping to produce more, better quality crops from less land, with a vastly smaller carbon footprint, while also improving soil health.

In the coming decades, the world must find solutions to these complex challenges. The UN Population Division predicts that the world's population will increase by 2 billion to reach nine billion by 2050, which will place increased demand on food production. This will require an increase in agricultural production of 60% by 2050, from 2010 levels. Meanwhile, the amount of arable land per person is expected to decrease by 14% over the same period, while what is left is becoming increasingly nutrient deficient. Part of the solution is more efficient and sustainable fertiliser practices to improve agricultural productivity.

⁽¹⁾ Approximately 290 Mt Ore Reserves at a grade of 88.8% Polyhalite.

→ See the [Anglo American plc Ore Reserves and Mineral Resources Report 2021](http://www.angloamerican.com/ormr-report-2021) for additional information www.angloamerican.com/ormr-report-2021

Our low carbon polyhalite fertiliser, certified for organic use

Branded as POLY4, our polyhalite fertiliser product contains four of the six macro-nutrients and many micro-nutrients that are essential to plant growth, while having low levels of chloride. It allows farmers to maximise crop yield, increase quality and improve soil health with one simple product.

"We believe that our POLY4 multi-nutrient fertiliser product can contribute to solving the problem of how to produce more food to feed the world's growing population in a way that is more sustainable."

It releases a broad range of nutrients to the soil at a time when the plant needs them most, while strengthening the soil structure. This means crops can maximise their nutrient uptake, while soil erosion and leaching are minimised.

9 bn

projected global population forecast by 2050

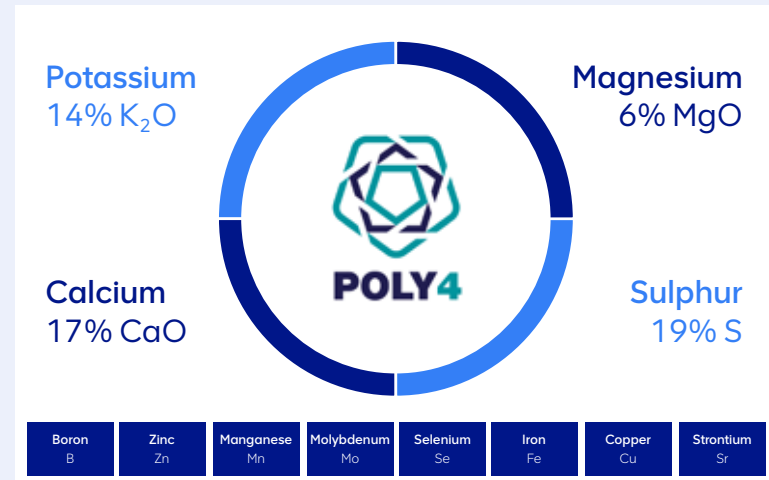
60%

projected increase in agricultural production needed between 2010 and 2050 to meet rising global food demand

14% decrease

projected change in arable land per person from 2010 to 2050

▲ Wildflower harvesting at our Crop Nutrients business. Strimming the wildflower and distributing the seed helps to improve biodiversity and minimises reliance on imports from commercial sources of seed.



Our polyhalite is simply crushed and then granulated, without using chemicals, to produce a fertiliser with a low carbon footprint that is suitable for organic use. The product’s efficacy has been demonstrated through a long term global agronomy programme, which provides technical, agronomic and commercial validation for POLY4’s use as an effective multi-nutrient fertiliser suitable for widespread use in commercial farming.

These large-scale, on-farm demonstrations consistently show that POLY4 outperforms other similar fertilisers in both crop yield and quality, demonstrating the agronomic advantage provided by POLY4’s multi-nutrient content.



“Achieving an overall net positive impact for biodiversity, when compared with our pre-construction baseline, is an important target for the Woodsmith project. During the construction phase, we will continue to work closely with our expert advisers, the National Park and other key stakeholders, as well as learning from other initiatives, to develop long term and robust biodiversity enhancement and management plans from pit to port.”

Robert Staniland
Environment and Permitting Manager

Our sustainable approach to Woodsmith’s unique biodiversity challenges

The agricultural nature of the Woodsmith project and its location in the North York Moors means that the team has a deep understanding of and responsibility to the environment. The project’s sustainable design philosophy aims to minimise our impact across the spectrum of environmental and biodiversity concerns – from natural aspects such as flora, fauna and watercourses to anthropogenic factors such as traffic, light and noise.

As the polyhalite deposit can only be accessed from within the North York Moors National Park, we have taken extensive steps from the outset to limit and offset the environmental impact of the mine. Our planning permission includes measures to mitigate the mine’s impact and funding to support projects designed to safeguard and enhance the natural environment, raise skills and aspirations, promote tourism and improve local rail services.

One example is the ‘Slowing the Flow’ beaver trial at nearby Cropton Forest, home to a variety of wildlife and water courses. Here, we are providing financial assistance to a project led by Forestry England that aims to assess natural measures for reducing the impact of flooding on neighbouring villages through the introduction of Eurasian beavers to the habitat. The diverse range of new natural habitats created by the beavers has resulted in a significant increase in biodiversity, with new wetlands, open areas and water channels allowing animals and plants to thrive.

The majority of land within the Woodsmith project’s sites was previously used for agriculture and forestry. This means that there are significant opportunities to improve the grassland, woodland and water habitats already present, as well as introducing new habitats through a combination of active management and process-led regeneration. Our ongoing control of the impact of construction and the monitoring and management of our sites is already achieving exciting results. For example, through the development of wetlands, which act as a natural filtration system for the management of surface water, numerous species of insects and wildfowl have made Woodsmith their home. In addition, hundreds of indigenous trees have been planted, wildflower meadows created, and bird and bat boxes erected.

3,328

native trees planted on the Woodsmith site (up to November 2021)

380 kg
of wildflower seed sown

We have designed our infrastructure to be sympathetic to this unique location. We have reduced the number and size of the buildings to a minimum, which together with extensive landscaping and planting, will ensure the site is screened and blends in with the surrounding area. In recognition of the sensitivity of the area, mined ore will be transported underground through a deep tunnel to the materials handling facility in Teesside. No mineral will come to surface in the National Park.



“Most of the infrastructure sits below ground level. Once construction of the mine is finished, anyone driving past would think there was just a collection of farm barns on the site, yet there could be as many as 400 people on shift below the ground. There’s absolutely minimum impact on such a pristine environment.”

Gareth Williams
Operational Readiness Director

Minimising our construction impact

We continue to work closely with the relevant authorities and our neighbouring communities to ensure that construction activities are carried out in accordance with our planning permissions and permits and that we are responsive to potential environmental impacts.

There are almost 100 planning conditions relating to the environment as part of the project planning permission. Before each phase of construction, we are required to set out how we will adhere to these to ensure impacts are limited across a range of environmental parameters – including lighting, noise, landscape, wildlife and ecology, and air quality.

A particularly important issue is site lighting at night, which must be sufficient to maintain a safe working environment, while minimising glare and light pollution for local residents. The North York Moors National Park was recently designated as an International Dark Skies Reserve, increasing expectations of what constitutes acceptable lighting. Officers of the Park Authority attend our lighting monitoring and inspections, making recommendations for improvement as necessary.

Measures taken to minimise light pollution include:

- Angling lights correctly to minimise spill and glare
- Ensuring lights are pointing downwards wherever possible, or at a maximum of 20°
- Using only temporary lights on a working area and restricting them to a height of four metres
- Limiting pedestrian lighting to one metre height maximum
- Using white spectrum LED bulbs to minimise impacts on light-sensitive species
- Maintaining dark zones in areas that provide habitats for bats.

At Woodsmith, we are demonstrating our Purpose and Values in action by re-imagining the nature of mining to operate sustainably in the unique protected landscape of the North York Moors. Our Crop Nutrients business will use the low carbon, natural polyhalite from this mine to deliver fertiliser products that can help farmers to meet the challenge of feeding a growing global population more efficiently and sustainably.

Working with our communities

The Woodsmith project’s charitable foundation funds local community schemes across North Yorkshire, including education and skills training, health and well-being schemes, environmental protection and improvement projects, community facilities improvements, and support for the long term unemployed. Since its inception in 2017, the charity has given over 230 grants totalling nearly £1.5 million to a wide range of local organisations, including community groups, sports clubs, schools, faith groups and parish councils.

Anglo American is funding the foundation with an additional £4 million during the construction phase of the mine. When Woodsmith is fully operational, the foundation will be funded by an annual royalty of 0.5% of mine revenue, which could result in it becoming one of the best endowed business foundations in the United Kingdom.

Environmental management

We are committed to being stewards of the natural environment in which we operate. We seek to minimise the footprint of our operations on the land and ecosystems. Today, digital technologies provide us with dynamic new tools to not only monitor our impact on the environment, but also to predict and mitigate risks. We direct our efforts towards delivering positive and lasting environmental outcomes for our host communities and the planet as a whole.



▲ Environmental management and mine rehabilitation are both critical for us as a business, as demonstrated through our Metallurgical Coal's partnership with the Minerals Council of Australia on its mine-rehabilitation campaign. Pictured are (left) local grazier Michael Kucks and Dawson environmental superintendent Larry Hantler.

Our approach and policies

Our Sustainable Mining Plan

Our Sustainable Mining Plan is designed specifically to drive business efficiencies, resilience and agility across all seven of our pillars of value. These cover a wide range of aspects such as safety, environment, social, people, production, costs and margins, and returns and financial value.

In particular, the Sustainable Mining Plan focuses on a net zero mindset of causing zero harm to the environment and delivering net positive outcomes for biodiversity and a lasting positive legacy for society. We also look beyond what we can achieve alone, collaborating globally with a diverse range of partners to develop and implement sophisticated solutions that support our sustainability goals.

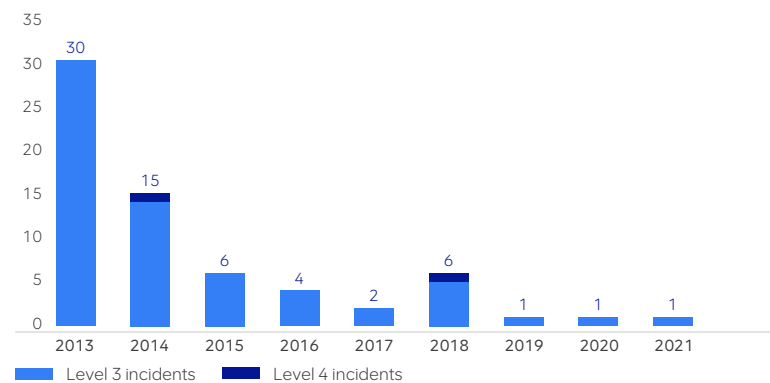
Our commitment to delivering positive outcomes for nature drives us to continuously review and update our approach. Harnessing innovation and digitalisation, we are building a future where we take a holistic approach to how we care for the nature around us, in partnership with our stakeholders.

Our approach under the Sustainable Mining Plan is to prioritise nature throughout the lifespan of our mines. We look at the entire ecosystem to understand the intertwining relationships of people, biodiversity, climate, water and the economy as factors interconnected and bound by nature.

SHE Policy and refreshed SHE Way V2

Our SHE Policy embodies our three guiding principles: zero mindset; no repeats; and non-negotiable minimum standards. Our updated SHE Way V2, launched in 2021, is the tool we use to manage and improve performance in safety, health and the environment. (See pages 16–17 of this report for details.)

Significant environmental incidents 2013-2021⁽¹⁾



⁽¹⁾ In 2018 the incident classification matrix was updated; tighter controls were introduced, resulting in an increase in incidents reported.

Taskforce on Nature-Related Financial Disclosures

In 2021, Anglo American was invited to join the Taskforce on Nature-Related Financial Disclosures (TNFD). This global institution is committed to delivering a risk management and disclosure framework for organisations to report and act on nature-related risks. As a member of TNFD's Taskforce and Forum, Anglo American has the opportunity to collaborate with business, non-governmental organisations (NGOs) and other institutions globally to develop real-world solutions for measuring our impact on nature and mitigate risks posed to the world's ecosystems. TNFD's members understand the urgency of their work and, despite being founded in July 2020, plan to publish draft frameworks on key issues by 2022.

An ecosystem approach to environmental management

What?

It all starts with nature.

Applying ecosystem-thinking to understand the relevance and interconnectivity of nature, our environment and the ecosystems in which we operate.

How?

By changing the way we do business.

Through FutureSmart Mining™, we are working to develop operations that use nature-based solutions and technology throughout the full mining lifecycle.

We will reduce the biodiversity impacts of our operations through improving land management practices and enhancing conservation efforts.

Materials stewardship

The concept of materials stewardship takes into account the use of materials and their secondary use as waste or recycled products, and is central to our approach to the environment. It is a mindset that looks for ways to avoid waste throughout a material's lifecycle, promotes sustainability and seeks to have a net zero impact on nature. Digital programmes play a critical role in materials stewardship, as they allow us to link data to materials throughout the production process to inform better decisions about how to manage them. Working with our marketing business, we are exploring what this means for customers and how we can engage in stewardship activities beyond our gate as materials are used, re-used and recycled.

Why it matters

This approach:

- Supports the delivery of our Sustainable Mining Plan
- Incentivises and supports sustainable supply chains, certification schemes and traceable product lifecycle analysis
- Helps demonstrate positive outcomes by applying circular economy principles
- Complements site-level net positive biodiversity outcomes within and beyond our area of influence
- Promotes landscape level processes, delivery of ecosystem services and long term socio-economic sustainability
- Aligns to global best practice.



▲ Environmental consultants take flow measurements at the Asana river, close to our Quellaveco copper project in the south of Peru.

Predictive monitoring

Our predictive monitoring system aims to integrate multiple environmental and operational data sources with predictive analytics tools to provide actionable insight into a diverse range of environmental indicators, including air quality, noise, water quality and biodiversity. Through a series of proactive initiatives across our business, we are using this system to rethink our current operational controls and adopt a proactive approach to managing our impacts and improve our operational performance.

In preparation for the predictive monitoring project, we implemented an evaluation process to identify sites that meet the prerequisite monitoring capabilities and risk materiality related to the environment and communities. At one of these early sites, the Chagres Smelter in Chile, an air quality forecast and data model was deployed in 2020 that achieved 80-97% forecast accuracy after just one month of validation. The results from this project helps us to avoid smelter shutdowns, reduce abrupt operational changes caused by unfavourable weather conditions, meet our compliance obligations and commitments, as well as enhance our relationships with the community around the operation.

We are currently implementing our predictive monitoring project in several phases as part of a multi-year process, starting with pilot sites and proving concepts that can have the greatest value impact. Phase 1 includes establishing foundational monitoring initiatives at these pilot sites. Phase 2 entails implementing a full integration between predictive monitoring data insights and operational controls.

After completing the foundational work of identifying business cases for the predictive monitoring project in 2020, as part of Phase 1, we embarked on pilot initiatives at eight sites. We currently have cases under way for air quality, water quality and reporting. Our air quality cases focus on fugitive emissions, gaseous emissions and noise management.

One example from our PGMs business is an air quality predictive monitoring pilot at the Waterval Smelter in South Africa. The project seeks to use an air quality early-warning system to trigger actions to avoid exceeding permissible levels, as well as incorporating forecast background ambient air quality conditions within smelter operations planning. Our work in the second half of 2021 focused on integrating our existing monitoring networks and creating a reliable air quality forecast dashboard for particulates and gases. In the first half of 2022, we plan to include reported grievances and biodiversity indicators for water quality. Later in 2022, Phase 2 will include developing a platform for transparent communication about air and water quality monitoring to strengthen our grievance mechanism.

In 2021, Kumba Iron Ore's Kolomela mine, committed to implement a predictive monitoring system to reliably forecast air quality and weather parameters, such as strong winds, and provide descriptive environmental information linked to operational plans and management controls. In 2022, the foundational phase work will focus on data acquisition and building a weather and air quality model to generate reliable forecasts of wind speed and direction, along with emissions of PM10 and PM2.5 particulate matter. During Phase 1, a real-time weather dashboard will be created that will integrate all on-site controls and begin providing weather and air quality forecasts. Our Phase 2 work, expected to take place in the second half of 2022, will focus on integrating and enhancing current controls, which, in addition to ensuring air quality compliance, will also contribute to optimising our operational practices designed to add proven value.

The implementation of our predictive monitoring system is a multi-year process. Plans for the coming years include the following steps:

- In 2022, we aim to have the cases that have been implemented become part of the standard operating procedures at our sites. We will also develop standard solutions based on the mine sustainability contexts, including the environmental quality background, regulations, social performance and tangible value for the operations
- In 2023, we aim to adopt the system as a key tool to meet our expected environmental performance targets
- From 2024, we intend to implement the system as a standard environmental process, integrated with other disciplines for our regular short term and long term planning and decision making processes. We will also continue the identified environmental monitoring data collection streams at our sites. In addition, we will optimise the visualisation of our current environmental performance and forecasting. These efforts will help to make our predictive monitoring system a key operational tool for planning and decision making.

Activities in 2021

Technology provides us with vital solutions to both mitigating environmental risk and unlocking opportunities to protect local ecosystems. During 2021, we updated several of our environmental standards governing areas such as air quality and noise, hazardous materials, biodiversity, mineral residues and water management. The next generation of toolkits to support the implementation of our standards will be supported by digitally enabled critical controls.

Driving innovation

Developing and deploying technology and innovation are key to achieving our environmental stretch goals in all areas. (See *Sustainable Mining Plan* section on page 10.) Our VOXEL™ digital transformation platform provides the vital interface for integrating emerging technologies within our operations. Working with external partners, we have focused in particular on four promising technologies that provide unique insight into our natural environment:

- Predictive monitoring – Our predictive monitoring system brings together software, hardware (sensors) and data science from multiple operational data sources into a single platform. This provides us with the ability to predict critical environmental factors at operations, such as air quality, emissions, noise, water quality and weather. After piloting several successful programmes at our sites in 2020-21, we are moving to full implementation across all business units. As well as improving the monitoring of environmental factors, the technology also enables proactive action to be taken to avoid potential incidents. It also enhances transparency, allowing us to share data and forecasts in real time with our external partners. (See *case study on Predictive monitoring*.)
- Environmental DNA (e-DNA) – After successful trials of this technology in 2020-21, we are now deploying it across our operations. This pioneering approach uses DNA extracted from water and soil samples collected at sites which is then sequenced, allowing the identification of individual species using bioinformatics analysis. This is a critical tool for measuring biodiversity at our sites to a far greater degree of accuracy than traditional manual observation or sampling.
- Spatial modelling – The spatial inventory management platform is a complex virtual model that exactly matches the material flow within a given mining operation. This provides the most accurate, up-to-date information about all material held across our supply chains. While the major application of this platform has been in modelling flows of core products through our processes, we can also apply this technology to materials that we have traditionally regarded as waste. Innovations such as 3D modelling, virtual reality and augmented reality are transforming how we interpret and use this data.
- Greenhouse gas data modelling – In 2021, Anglo American restated its target of becoming carbon neutral in terms of Scope 1 and 2 emissions by 2040. GHG models provide a crucial tool for measuring progress on emissions, allowing us to map the impact of our existing and planned mining and processing operations. We successfully piloted GHG modelling at our Mogalakwena PGMs mine in South Africa in 2020-21 and plan wider deployment in 2022.

Learning from environmental incidents

We classify incidents on five levels, according to their impact. Our chief executive reports all Level 3–5 incidents (from moderate to significant) to the Board, which discusses them through its Sustainability Committee.

In 2021, we saw no Level 5 environmental incidents at our managed operations, for the ninth consecutive year, and no Level 4. There was one Level 3 incident at our Rustenburg Base Metals Refinery in South Africa, which related to pipeline leakage of effluent water. We carried out a full Learning from Incidents (LFI) investigation process and global lessons sharing is now taking place.

We have put in place the 'Environment 365 No Repeats' initiative, which is designed to study the root causes of and prevent any repeat of Level 3 or above incidents at the same site. We believe this approach can eventually eliminate environmental events by identifying and mitigating areas of vulnerability.

Under this initiative, we are committed to:

- Link repeat incidents to operational performance targets
- Link repeat incidents to critical controls
- Increase the interaction between environmental and operational teams to ensure critical controls are managed accurately and are continuously improved.

In 2021, we were issued no material environment-related fines.

Next steps

In 2022, we are increasing our work on physical climate risks and modelling down to a site level. We also plan the wider deployment across our operations of digital technologies that we have successfully piloted. These technologies and approaches allow us to be better stewards of our materials and environment and a more transparent partner for our stakeholders.

Biodiversity

Our partnerships with conservation agencies, governments, local communities and NGOs, continue to play an important role in the fulfilment of our Net Positive Impact (NPI) target. In 2021, we continued to drive forward a new way of doing business, as stewards of the natural environment where we operate.

Our approach and policies

Net Positive Impact

Our Net Positive Impact (NPI) target is our commitment to leaving the biodiversity of an area in a better state than when we arrived. NPI acknowledges the role that nature plays in shaping the functioning of the environment and the well-being of people. In our ambitious journey to achieving NPI, we also acknowledge the Nature Positive approach which is aimed at ensuring that nature is visibly and measurably on the path of recovery by 2030. Developed in a collaborative partnership of NGOs, the United Nations bodies, and business, the Nature Positive approach mandates the inclusion of nature and its role in managing our impacts and dependencies on water, society and climate.

The SHE Way and biodiversity

Our aim is for biodiversity to form part of the long term business plan for every one of our sites. We continue to work to incorporate site-specific indicators into our SHE Way performance management system.

In line with the ICMM's Position Statement on Mining and Protected Areas, we have committed to neither explore nor develop new mines in World Heritage sites. We are also committed to respecting legally designated protected areas, and to design or operate any new operations in a way that is compatible with the biodiversity for which such areas were designated.

Group Biodiversity Standard

Our Group Biodiversity Standard defines the minimum requirements every site must meet if we are to achieve our biodiversity goals and long term net positive impact (NPI) target. It lays out the responsibility for every site to have an agreed plan for measuring and delivering on these targets and objectives, taking into account the local ecosystem in which it operates. The standard's requirements cover our entire mining process, starting during the initial discovery phase, when we are exploring for new mines and have yet to progress to any type of project activity. In 2021, 100% of sites completed their self-assessments and are now managing compliance with the Group Biodiversity Standard. We launched a review of the standard in 2021 and expect to implement the updated standard in 2022.

Our partnership approach

We recognise the importance of collaboration and partnerships in achieving our objectives and targets. To meet our biodiversity goals, we work with conservation agencies, governments, local communities and NGOs on projects that appropriately balance our impact and deliver positive outcomes.

Activities in 2021

Working with biodiversity leaders

We continued to work in partnership with NGOs, international institutions and governments to advance our biodiversity agenda and gain expert insight and were pleased to be invited to join the Taskforce on Nature-related Financial Disclosures (TNFD), which is committed to facilitate action and reporting on evolving nature-related risks.

Anglo American signed a three-year agreement with the International Union for Conservation of Nature (IUCN) to explore how nature-based solutions can help to achieve positive biodiversity outcomes and support carbon neutral goals, while delivering additional benefits for conservation and wider stakeholders.

We renewed our longstanding partnership with Fauna & Flora International (FFI). Our partners at FFI advise us on how to deliver on our commitments around biodiversity, while also offering advice and support on what more we could be doing to minimise our environmental impact.

We also continued to partner with the United Nations Environmental Programme's World Conservation Monitoring Centre and support the petition of Business for Nature calling on governments to adopt policies to reverse nature loss.

In addition, we supported and took part in World Environment Day and hosted our first Anglo American Global Biodiversity Day virtual event. Through this platform, we heard from leaders in our business, our colleagues in the field and our partners and experts, who shared insights into the world of biodiversity, conservation and delivering positive outcomes.

National Geographic and De Beers

In 2021, De Beers and National Geographic launched Okavango Eternal, a strategic partnership to address one of the most critical conservation challenges in Africa: protecting the source waters of the Okavango Delta and the lives and livelihoods they support. The five-year commitment aims to help protect endangered species, ensure water and food security for more than one million people and develop livelihood opportunities for 10,000 people. De Beers will provide support, expertise and funding to expand and accelerate work already under way, helping to establish sustainable local livelihoods in harmony with the Okavango Basin's conservation.

Awarding Species Conservation Grants

After launching our Species Conservation Grants in 2020, we received 229 submissions in 2021 and awarded three grants for projects that are due to commence in 2022. Projects that commenced in 2021 (through the 2020 grant process) include the protection of the Cerrado region of Brazil, by promoting the endemic and endangered Goiás rocket frog; the conservation of the sea otter in Peru; and the development of a management system for the conservation of threatened plant species in Chile.

\$500,000+

offered to qualifying projects

229

submissions received in 2021

3 projects

to commence in 2022

We launched a new call for grants, this time focused on projects in southern Africa that support our approach to biodiversity. Successful recipients should be able to demonstrate that their projects can contribute to the protection and restoration of species and habitats while promoting the engagement of local authorities and communities.

e-DNA

Cutting-edge technology provides us with an invaluable tool for monitoring species diversity at and around our sites, giving us detailed insight and allowing us to make more informed decisions. Environmental DNA (e-DNA) sampling of water bodies and terrestrial ecosystems offers a non-invasive and highly accurate way to measure species diversity from bacteria to insects, fish and mammals, by analysing cellular matter.

We are currently working with NatureMetrics, a leader in this field, to deploy the pilot phase of our e-DNA monitoring project across each business unit, which we expect to complete in 2022. The pilot will generate biodiversity data across 11 sites to demonstrate the full value of the eDNA application to be used across all operating sites on a permanent basis. All sites within the scope of this project have achieved the goal of having a draft biodiversity management programme in place by the end of 2021. Elements within this programme include having completed a biodiversity value and ecosystem services assessment. We have also joined NatureMetrics and the IUCN's

eBioAtlas programme, a truly ambitious project to create a global atlas of life in the world's river basins and wetlands, allowing for global information sharing and collaboration to promote conservation.

Finding opportunities

Using innovative techniques, we are improving our ability to predict future biodiversity impacts. For example, our Biodiversity Overlay Assessment Tool was embedded into the toolkit used by sites to assess biodiversity risks and opportunities for any existing or proposed mining project. And, in partnership with FFI, we have developed an Avian Risk Tool to assess the risks that above-ground infrastructure pose for avian wildlife which was tested it at several of our sites.

Next steps

In 2022, we will continue to work across our operations to foster the NPI approach, while helping our sites to manage biodiversity risks and identify opportunities such as nature-based solutions. The ongoing roll-out of the e-DNA project as part of our expanding digital roadmap will provide a critical tool for this work.

We will also work to deepen our partnerships with NGOs, international institutions, governments and other stakeholders to share knowledge, develop common approaches and identify opportunities for collaboration.

Assets adjacent to globally or nationally important biodiversity by business and country	Number of assets	Managed land (hectares)	Land disturbed (hectares)	Biodiversity programme in place
Copper	2	33,194	3,252	
Chile	1	33,189	3,252	✓
Finland	1	5	0	✓
Iron Ore	1	26,991	5,491	
Brazil	1	26,991	5,491	✓
PGMs	2	19,109	5,929	
South Africa	2	19,109	5,929	✓
De Beers – Diamonds	4	765,990	29,976	
Botswana	1	66,360	8,970	✓
Namibia	2	693,377	18,974	✓
South Africa	1	6,253	2,032	✓
Total	10	845,284	44,648	100%

Water

Water stewardship is an integral part of our business and we welcome this role as we work to meet the Sustainable Mining Plan's water goals. Around the world, we operate in water stressed and water scarce areas, factors that are becoming more acute due to climate change. We work with our stakeholders to not only minimise risk but unlock opportunities in a changing world.

In 2021, we reaffirmed our targets and identified additional indicators including water stewardship. These will be finalised as part of the Sustainable Mining Plan revision taking place during 2022. We have also made major progress on a multi-year initiative to develop opportunities to reduce fresh water withdrawals in water scarce areas and improve water efficiency.



▲ Environmental advisor Andrew Nkhoma at the return-water dam at Sishen, which has been expanded to twice the capacity of the original dam. The dam receives stormwater from the mine's eastern and western sumps and supplies it back to the processing plant, thereby reducing the mine's use of fresh water.

Our approach and policies

Water management policy and standard

Our approach to water management is embedded in our business plans and aligned with the Social Way, which recognises that access to water is a priority for our stakeholders. We are guided in our work by our Group Water Policy and the Group Water Management Standard. The standard incorporates water issues into the lifecycle of any project, from site selection and early studies, through design to operation, closure and post-closure.

The Water Management Standard was revised during 2020–21. As a part of this revision process, we invited external subject matter experts to review and provide input which was incorporated to ensure we meet our water management ambitions and global best practice. Self-assessments and water management plans were updated and water competent persons were assigned at all our sites.

The standard incorporates leading water management practices, risk prevention, best mining practices and industry lessons. It defines the minimum requirements to ensure sustainable water management at all Anglo American operations, consistent with our Values, the Sustainable Mining Plan and Social Way. We are working towards full standard implementation by the end of 2022.

Annual assessment of water-related risks and opportunities

We have designated water security as a principal risk for the Group as it is essential for our operations over the current life of mine and to support future growth. Our exposure to water risk can be classified into three areas: physical, reputational and regulatory. At our operations, we have identified the risk modifiers that we need to manage to minimise the potential impact on our business:

- Ensuring we have sufficient water to maintain operations
- Preventing inefficient use of water
- Preventing and/mitigating flooding
- Preventing ground and surface water pollution from spills and seepage
- Optimising mine dewatering to prevent slope failure due to inefficient depressurisation.

We recognise access to water as a fundamental human right and analyse our physical environment and social and regulatory context on an annual basis to ensure that our water stewardship efforts remain focused on shared water challenges.

Engagement with stakeholders

We work closely with other stakeholders to manage water supply and the social, reputational and operational risks that result from our water use. Our Social Way helps us to understand our water-related socio-economic impacts, and to enhance stakeholder dialogue and the management of social issues.

→ [For more information on Social Performance](#)
See pages 48-49

Activities in 2021

Accuracy of water balances

We continued the installation of critical monitoring instrumentation across all our sites to improve our accounting and reporting of water balances. The sites all have water balances in place for the purpose of water accounting and reporting. Globally, our water reporting process was improved by automating and standardising most of the process. This has increased access to critical information through site-specific dashboards, enhancing the support we provide to our operations, which supports the implementation of the sites' water management plans.

An electronic water data collection system was piloted in our Metallurgical Coal business unit. This system uses flow meters and sensors linked to a supervisory control and data acquisition (SCADA) system that automatically transmits the data to the central reporting system. If successful, we will look to roll this out to further automate reporting and improve performance.

We were pleased to present on the successful implementation of the water balance reporting system, across our sites in South America, using the ICMM methodology, at the Water Congress 2021 in Chile. As the presentation concludes, the implementation of an accurate reporting methodology has increased transparency to external stakeholders.

In 2021, we completed the restatement of our 2016–19 withdrawal data to ensure that all definitions have been applied correctly. This report now includes the finalised data set.

Consistent with our commitment to align our water reporting with industry standards, the 2021 data presented is aligned with the second edition of the ICMM guideline (published in August 2021), other than the classification of discharge water quality. We will be fully compliant for the 2022 reporting cycle.

→ [For more information](#)
See data tables on page 76

Reducing freshwater withdrawals

Our water team continued to work with each of our operations and business units to identify opportunities to achieve our Sustainable Mining Plan goal of reducing Groupwide fresh water withdrawals in water scarce areas by 50% by 2030. Using the World Resources Institute's Aqueduct tool, 83% of our sites are in areas with medium to high water stress.

As a part of our Global Water Savings Initiative, we extended our work to identify major projects at all our operations that can achieve significant and sustainable reductions in fresh water withdrawals in water scarce areas. Technology plays a central role in our vision for water management. FutureSmart Mining™ approaches such as coarse particle recovery (CPR) and hydraulic dry stack (HDS) are examples of complementary solutions that reduce water consumption. Waterless cooling technology could potentially be implemented to reduce fresh water use at our smelters and refineries.

We have also identified opportunities at our operations where the fresh water can be diverted for beneficial use by increasing water supply to local communities.

→ [For more information](#)
See case study on page 39

The reduction of fresh water withdrawals on a year-on-year basis continues and we remain on track to achieve the 2030 fresh water target.

The projects identified through the Global Water Savings Initiative allow us to firm up the pathway to our fresh water target.

Freshwater withdrawals by water stress classification – ML/yr ('000)

Freshwater – all other sites	24.3
Freshwater – water stressed sites	37.0
Total	61.3

Water stewardship

In 2021, we completed our global assessment of existing water stewardship, and we are exploring areas where we believe there are opportunities to expand. We continue to engage in water-related initiatives to improve the lives of local communities around our operations, including supplying water, building dams, supporting infrastructure and more. In South Africa and south America, we support several water stewardship initiatives. These range from water supply projects with our partners and providing drinking water to our communities, to infrastructure projects with local governments.

One example is our \$400 million investment in water infrastructure at our Quellaveco copper mine in Peru, which is due to start operations in mid-2022. This project includes the construction of the Vizcachas dam, which will improve good quality water availability to several stakeholders in the catchment.

Our PGMs business has continued to lead the way with projects to utilise alternatives to fresh water resources. Our operations at Mogalakwena and Rustenburg in South Africa have an agreement with three local municipalities to use treated effluent pumped from the local wastewater treatment works. This reserves potable water for use by local municipalities and enhances our water security position. A fourth such agreement is due to take effect in 2023 at Northam, near the Mortimer Smelter.

Efficiency

We have increased water efficiency (recycling and reuse) across the Group. In 2020, we attained our SMP target of 75% efficiency and in 2021, our efficiency reached a new peak of 83%.

Eliminating Level 3 incidents

There was one Level 3 incident reported in 2021, this is the first Level 3 since January 2020. In the event of an incident, we launch a comprehensive investigation of the root causes of the event to ensure it is not repeated. This approach is aligned to our current Level 3 assessment programme, which has now progressed into its second phase, where sites will drive the integration of the findings in the first phase across their operations.

→ For more information
See pages 35–36

Next steps

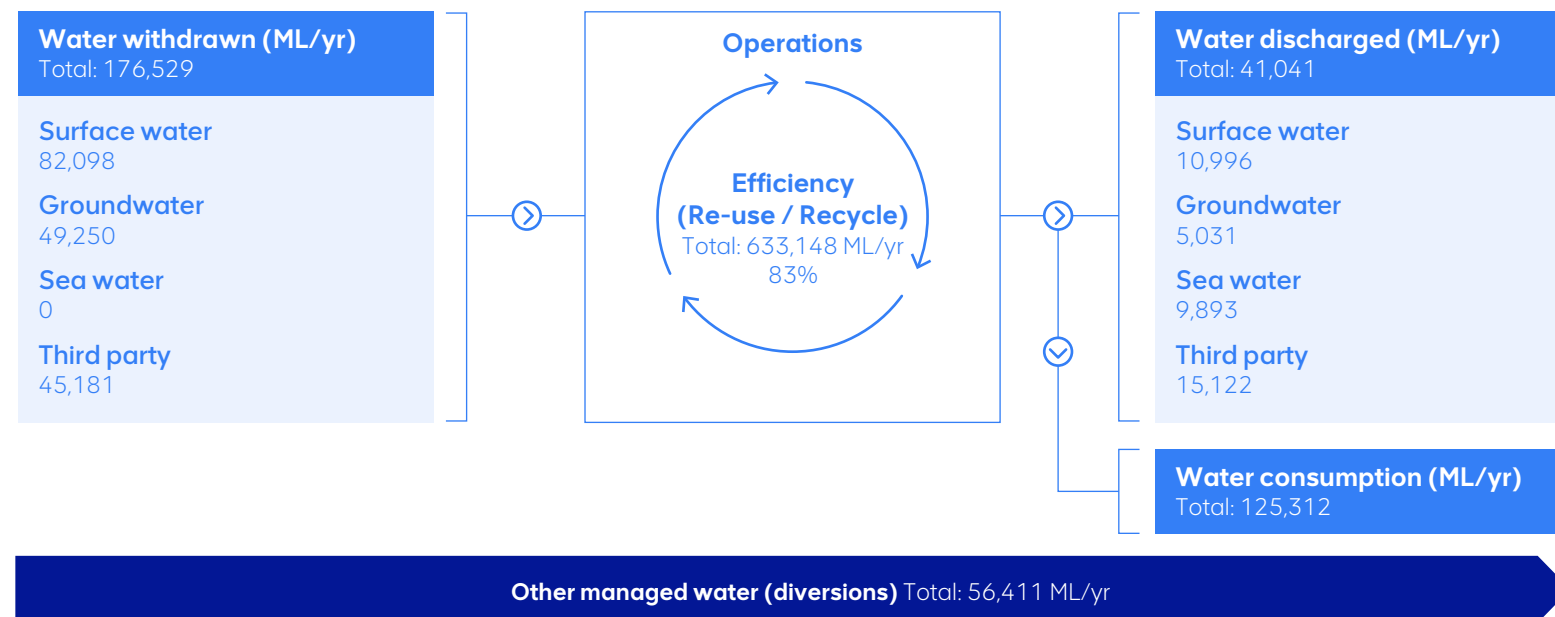
Water is an integral part of our strategy and planning. Our approach recognises that, against a background of climate change and extreme weather events, excess water can be as much of a challenge as water shortages at many of our sites.

We will continue to explore and develop opportunities to reduce our freshwater withdrawals and maximise efficiency. We will be finalising our pathway to the 2030 fresh water target based on the water savings studies completed in 2021 and developing site-by-site implementation plans.

Revisions to our site-specific and regional water balances using different climatic scenarios and climate change projections are planned to update our evaluations of actions that could mitigate varying climatic conditions and increase the resilience of our operations.

The regional water balances will also provide us with the latest data on the shared challenges in the catchments where we operate, enabling us to focus further on water stewardship opportunities.

Water management in 2021



▲ Water is a vital resource for our operations and our host communities, and we continue to take important steps to improve our water stewardship as we work to meet the water goals of our Sustainable Mining Plan.

Water stewardship in practice

Kumba Iron Ore’s Kolomela and Sishen mines in South Africa require active mine dewatering to operate safely and effectively. The volume of water we can pump from our mines is more than we are permitted to use and more than the volume required by the operations. At the same time, local communities and municipalities around the mines are water stressed and have faced long term challenges in ensuring easy and affordable access to drinking water.

As part of our commitment to water stewardship, Kumba has invested over \$16.9 million in bulk water infrastructure to be able to maximise the volume of surplus fresh water each site can provide to Sedibeng Water and Gamagara Local Municipality, in line with their respective water use licences. The water produced through the mine dewatering process is high quality and therefore requires minimal treatment for potable use, resulting in reduced operating costs for the entities and improved water security for the communities that they supply.

In 2021, the total water supplied by Kumba to Sedibeng and Gamagara Local Municipality amounted to 17 million cubic metres of water for both domestic and industrial consumption, providing drinking water to around 200,000 people. Based on current modelling, we anticipate that we will be able to increase the volume of water supplied each year.

In addition to this supply, Kolomela artificially recharges the underground aquifers around its operations with clean mine water, providing improved groundwater resources. As a result of the success at Kolomela, Sishen has been granted permission from the authorities to implement a similar project and is in the process of commissioning its own aquifer recharge programme at Khai-Appel, just outside Kathu. To further increase the water available for recharge or community supply, Sishen mine uses treated sewage effluent, also called ‘grey water’, from the Kathu wastewater treatment facility to replace freshwater supplies.

These projects are the result of the successful collaboration with local municipalities, that help meet their needs as well as those of our operations. We see the project as a model for enhancing our existing approaches to water stewardship in water stressed areas in other geographies. As communities around the world face new water security challenges amid climate change and growing populations, we are committed to being part of the solution.

Circular economy

The products we provide are essential for the future of society, particularly as we strive to build a more sustainable and decarbonised world. Global demand for metals and minerals is expected to increase substantially in the coming decades to meet this challenge. This reinforces the importance of being able to provide the goods and services society needs to grow, while managing impacts and delivering positive social and environmental outcomes.

This challenge is at the heart of the circular economy, which is about minimising waste in all its forms and making the most of what we have, natural resources included. It advocates re-using, redesigning and, sharing, repairing, refurbishing, re-manufacturing and recycling – consuming fewer resources in the first place and using them for longer. At a more fundamental level, it is about creating new models for businesses to promote and incentivise efficiency.

At Anglo American, we are applying circular economy principles to transform our mindset from that of a traditional extractive ‘take-make-dispose’ model into a more circular one that seeks to provide materials in an efficient and ethical manner while eliminating waste in all forms across the value chain.

Doing this will require both an evolution and revolution in how we work. We are increasingly guided and supported in these efforts by the emergence of circular economy principles in national legislation and the approaches of international institutions.

“To decouple growth from resource use, we must identify and eliminate waste in conventional linear processes.”

Our approach and policies

Our approach to circularity

Our approach to circularity can be seen in three distinct areas of our business practices:

- In our operations, we seek to optimise the use of resources, eliminating physical waste and maximising process efficiency. We aim to achieve a neutral or even net positive impact on the environment. In turn, this helps us to create thriving communities, one of the three Global Sustainability Pillars of our Sustainable Mining Plan

- Throughout our value chains and across our Marketing business, we work to maximise the value of our products during their full lifecycle. We also support the development of technological innovation that can serve to advance this goal

- Through holistic business transformation, we provide a lens to re-imagine mining by growing our business in ways that adapt to and shape the change around us. Circularity is one of the lenses that we use to support our journey from a mining company towards a materials solutions provider.

As we gain a deeper understanding of circularity and how it intersects with our business, we are working to embed circular principles into our processes and build a culture that both thinks and acts circularly.

Many of our flagship initiatives are already circular in nature. For example:

- Our FutureSmart Mining™ programme is delivering step-change innovations in technology, digitalisation and sustainability to transform the future footprint of mining across the entire value chain
- Our P101 transformational asset productivity programme is eliminating wasted capacity across our assets and processes, continually pushing beyond benchmark performance
- Our land rehabilitation efforts employ top-soil cultivation and water re-use to prioritise the repurposing of end-of-life mines as part of a broader remit to support local communities.

Other examples of our approach to circularity in action include our ongoing portfolio transition towards metals and minerals that support a greener, cleaner, more sustainable world; our efforts to reduce energy consumption and intensity; and our increased use of renewable energy.

Building an internal culture

In January 2021, Anglo American held its first ‘Circular Economy Day’: a day of curated content, case studies, panel sessions and interviews broadcast to colleagues around the globe. It highlighted the importance of the topic and how everyone can contribute in their roles.

This was reinforced mid-year through the launch of CircuLab, our internal circular economy incubator designed to help us identify, develop and scale circular ideas. The first cohort ran in 2021 and helped us to identify actionable projects. (See case study on page 41.)

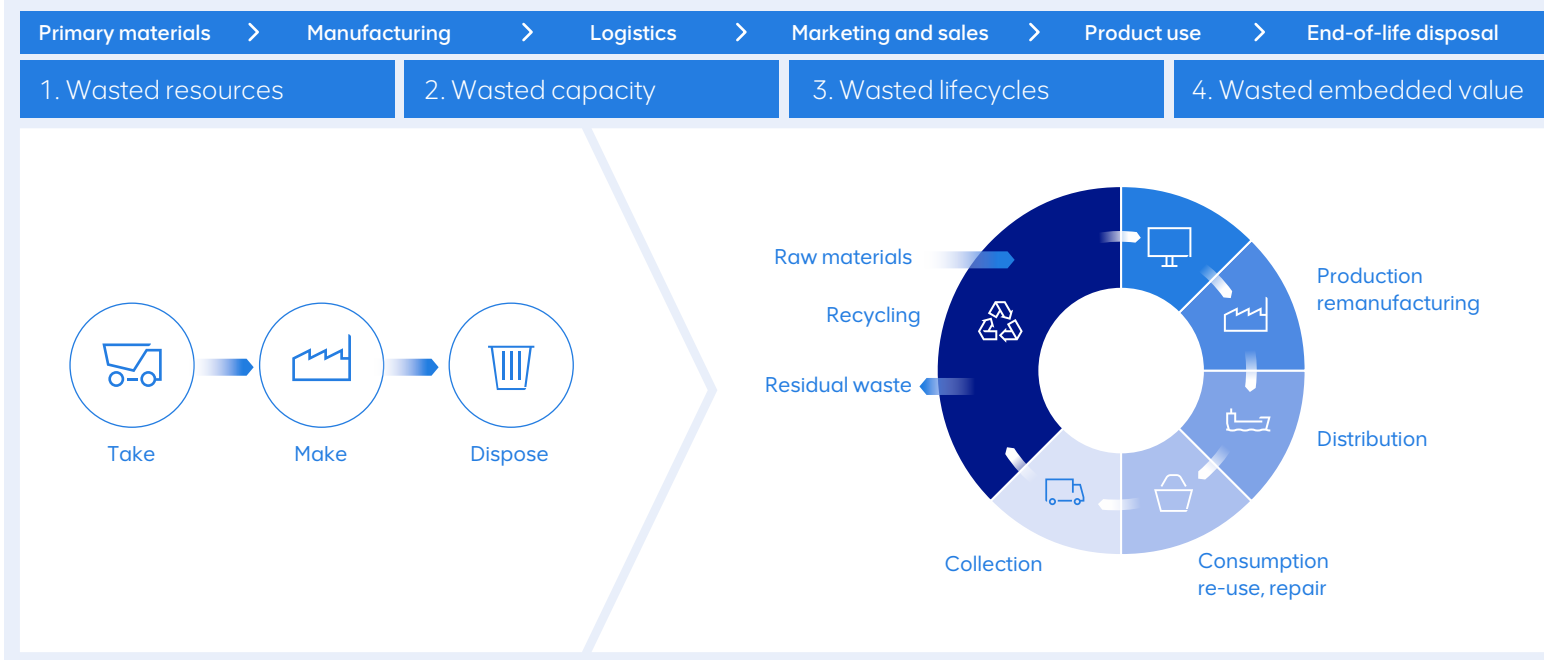
We recognise that building a culture of circular economy thinking across the business will be a key part of our success. We have designed a programme of online learning and support so that colleagues everywhere can explore the concept and how they can apply it in whatever role they perform.

Making a clear business case for circularity

In September, our chief executive Mark Cutifani spoke at the World Circular Economy Forum 2021, a virtual event hosted online from Canada. The forum focused on the system-level changes, or ‘game changers’, needed to accelerate the transition to a circular economy. This is one of several external engagements that we carried out during the year to support the transition to the circular economy.

→ For more information <https://www.wcef2021.com/>

To decouple growth from resource use, waste in conventional linear processes needs to be identified and eliminated



Activities in 2021

Throughout the year, we implemented a Groupwide programme focused on harnessing our knowledge into circular economy action.

Partnering to accelerate circular innovation

Anglo American is proud to be a partner of The Circularity Accelerator, which supports start-ups that work in the circular economy area. It was launched in 2020 as an evolution of the highly successful Circularity Awards programme and its inaugural cohort ran throughout 2021. The partnership is led by Accenture and includes Ecolab and Schneider Electric as fellow partners. Hosted digitally on UpLink, the World Economic Forum’s platform for SDG innovation, the programme enables us to engage with some of the most innovative disruptors to help them overcome barriers to scale, and where possible, to identify areas for direct collaboration.

→ For more information <https://thecirculars.org/>

→ For more information <https://uplink.weforum.org/uplink/s/uplink-issue/a002o0000vOnfaAAC/the-circulars>

Materials stewardship and physical waste management

One of the main ways in which we are applying the principles of the circular economy is in the management of materials – particularly through focusing on materials stewardship for long term stakeholder value – rather than the traditional approach of managing wastes as a cost and liability, which often overlooks the opportunity to create value. We are developing a long term approach to allow us to embed this thinking into how we plan and execute our activities. In the short term, we are delivering a number of ‘lighthouse projects’ that demonstrate the value of the approach, which include the following initiatives:

Slag re-use

Our PGMs business is finding sustainable uses for smelter slag, a by-product that has traditionally been regarded as waste. In addition to commissioning a research project into its use in concrete, PGMs is also investigating the use of smelter slag in building blocks. In Brazil, multiple uses of slag have been shown to be effective, including as a soil conditioner and fertiliser. In 2021, we hosted a Groupwide forum to share our knowledge on slag re-use.

Tyre recycling

Kumba Iron Ore has agreed with our principal tyre supplier to collaborate on a circular-aligned solution for end-of-life mining tyres. The objective is to create a sustainable business that can benefit a range of stakeholders in the Northern Cape and beyond by creating tyre-derived products and markets.

Mineral carbonation for carbon storage

For several years, Anglo American and De Beers have been engaged in research and development to investigate the carbon capture potential of different types of mineral residue generated across our operations.

As part of a wider effort to integrate our activities in this area and further investigate its potential, we began an accelerated research programme in 2021 that will continue in 2022. The ability to capture carbon would be a distinctly positive outcome, as would be the potential to reduce both legacy and future waste footprints.

Passive water treatment

One of the key activities in 2021 was research into biological sulphate reduction in collaboration with MINTEK, South Africa’s national mineral research organisation. This is a passive process that treats contaminated mine water using organic waste materials, including cow manure. If this proves to be a commercially viable process, it could offer a scalable alternative to expensive technical solutions such as reverse osmosis.

19,759 tonnes

of hazardous waste sent to legal landfill across the Group

35,984 tonnes

of non-hazardous waste sent to legal landfill across the Group

59%

diversion rate across the Group (non-mineral waste that is managed for value rather than sent to landfill)

Expanding our ‘zero waste to landfill’ approach

Our PGMs business achieved a 99.9% reduction in waste to landfill in 2021, compared with a 2013 baseline. Since 2013, PGMs has targeted both hazardous and non-hazardous non-mineral waste that we produce, with an aim of re-using or recycling what we have not completely reduced. By understanding the waste streams and quantities generated per site, we have been able to set meaningful targets and monitor them.

Building on this experience, we continue to make progress towards the adoption of a Groupwide waste management commitment.

Next steps

In 2022, we will continue our activities in support of the circular economy. We are also exploring approaches to embedding a circular mindset into our governance structure. In addition, we look forward to welcoming a new cohort of innovators into The Circulab Accelerator and CircuLab. Our work on the characterisation of mineral waste will continue to evolve, in particular the use of enhanced spatial inventory modelling to ensure that we are able to refine our management strategies and exploit opportunities. We will also be establishing a Groupwide target for non-mineral waste that aligns with our aspiration of managing all materials for maximum stakeholder value.

CircuLab – our circular economy incubator

In early 2021, to accelerate our contribution to the circular economy, Anglo American launched CircuLab, our internal circular economy incubator. The project aims to ignite and embed circular thinking into the way we do business by helping innovators within Anglo American find circular opportunities and turn them into reality.

CircuLab provides resources and a platform for anyone in the business with an idea that moves our business towards circularity the opportunity to test if it can thrive. Any employee can submit an idea, no matter how big or small, mature or nascent their thinking. All submissions get graded according to a set of nine criteria, including feasibility, replicability and alignment with the Sustainable Mining Plan goals and circular economy principles. The ideas deemed appropriate for CircuLab join the first of two 30-day sprints supported by a mentor and dedicated resources to develop the idea into a business case.

The evaluation process occurs after the first sprint and ideas that have further potential participate in a second innovation sprint. Once both sprints are completed, an evaluation panel and a validation committee, chaired by Peter Whitcutt, CEO of Marketing, review the results. Those ideas that prove feasible and have sufficient merit for roll-out will get piloted at the most suitable site or business unit.

The first year was a resounding success in terms of ideas and participation. Of the more than 100 ideas submitted, we selected 14 to move forward into the first phase and 8 into the second phase.

The ideas submitted to Circulab in 2021 include using biofuel in our land mobile fleets, improving soil quality for communities and regenerative agriculture from biosolids, using technology to capture evaporated water from cooling towers, and designing a Group e-waste policy. These ideas could be implemented across our global operations, making CircuLab the gateway for game changing solutions.

All participants, regardless of whether their idea is accepted into the programme, become part of the CircuLab community. The community has an ongoing calendar of activities, starting in 2021 with a Global Forum to share knowledge on slag re-use. Slag is the left over material from the smelting process and we currently have projects exploring its potential use for construction or fertiliser in Chile, Brazil and South Africa. The forum connected innovators with the subject matter experts leading the current efforts to catalyse innovation.



▲ Luisa Carvalho, safety engineer at our Belo Horizonte office in Brazil, working on her Sweeping Automation submission, a project selected as a finalist in the CircuLab incubator.

At its core, CircuLab is about encouraging employees to think about new ways to approach materials that would normally be considered waste as something of value. It democratises innovation and sustainability by empowering our people to find circular opportunities and design ways to remove waste from our operations.

By harnessing and directing the insights and energy of innovators across our business, we can create incredible opportunities for our people and our business, to take us even further in the transition to the circular economy.

Air quality

We are committed to elimination of emissions at-source and the use of digital technologies to advance our goal of making a positive impact on people’s lives. To this end, in 2021, we drafted a new Group Air Quality and Noise Standard that represents a proactive, as opposed to reactive, approach and consciously includes noise in its scope. Our evolved approach is more holistic and more closely aligned with international standards, recognising the connected nature of the environment, our employees’ health, and the well-being of the communities around our operations.



▲ Occupational hygienists Malwande Keyizana (left) and Vuyisile Kratshi demonstrate how a portable air sampler works.

Our approach and policies

Group Air Quality and Noise Standard by 2023

All occupational emissions, including dust, gases and noise, have the potential to impact environmental health and can occur at any stage of the mining lifecycle. Our Group Air Quality and Noise Standard provides a proactive framework for how we monitor and manage these emissions from our sites. We aim to achieve full compliance with the standard at all our sites by 2023.

Air quality incident investigation protocol

Our air quality incident investigation protocol ensures that, if an air quality incident occurs, we can minimise the impact on our communities. Our policy is to make a record and implement an investigation protocol to develop appropriate mitigation measures. We also investigate all air-quality related complaints that we receive.

Activities in 2021

Evolving the Group Air Quality and Noise Standard

In 2021, we were not affected by any material changes to regulations. Our focus was on evolving our Group Air Quality and Noise Standard from a compliance-based approach to one that, in line with our Purpose, proactively seeks to improve people’s lives. Building on the progress that our sites have made towards compliance with our previous standard, we have established a baseline against which to make further improvements.

Our new standard unites the disciplines focused on occupational emissions – including dust, gases and noise – to approach air quality protection from an environmental health perspective. It also enables data-driven decision making using a combination of leading and lagging indicators. We are working to adopt these requirements and make them a core part of our daily operations. For example, at Woodsmith, we are using automated, real-time boundary and noise monitoring tools to minimise our impact on the host community.

To overcome the ongoing challenges posed by Covid-19, we continued to perform self-assessments remotely at our sites during the reporting period.

Using predictive monitoring to prevent adverse impacts

At Waterval Smelter, in our PGMs business in South Africa, we have piloted air quality predictive monitoring. Predictive monitoring is an advancement on our existing real-time air quality monitoring programmes. The predictive monitoring pilot seeks to use an air quality early-warning system to trigger smelter operational control actions to avoid exceeding permissible levels and incorporate the forecasting of background ambient air quality conditions with the planning of smelter operations. (See case study on page 35.)

Joined-up thinking across disciplines

We continued to join up air quality with other areas of our business working in sustainability, to make a greater impact to people and the environment. At our Mogalakwena PGMs mine in Limpopo South Africa, we are undertaking a detailed community health and safety impact management programme in order to identify, analyse and control the health and disturbance effects of our activities. In addition, as part of the Life of Asset Planning programme, we are proactively modelling potential air quality and human health factors to ensure that we sequence our work in a way that avoids impacts to the extent possible. Co-operation between health, land access, resettlement, and social performance teams remains critical to allow us to plan interventions to contribute to the health and well-being of employees and local communities.

Air quality performance

In 2021, 100% of sites performed self-assessments, 100% were fully compliant and 100% were internally verified against our Group Air and Noise Quality Standard.

During the reporting period, we generated a total of 8,224 tonnes of SO₂ (2020: 29,797 tonnes) and 27,328 tonnes of nitrogen oxide (NO₂) emissions (2020: 25,700 tonnes). The 2021 Group SO₂ and NO₂ emissions data excludes PGMs’ smelters and refineries, as the reporting of this data is aligned to the South African National Atmospheric Emissions Inventory System (NAEIS) reporting requirements. This regulatory reporting cycle runs from March-to-March, rendering 2021 and 2020 data incomparable. The full updated data will be available online at www.angloamerican.com/sustainability/performance/standards-and-compliance

Next steps

Our main focus for 2022 will be implementing our evolved Group Air Quality and Noise Standard throughout our operations. This will include iterating our self-assessment process to include noise as part of our holistic approach to environmental health.

In addition, we will continue working on predictive monitoring projects, including data analytics for air quality. For example, we are rolling this approach out to our Mogalakwena PGMs operation, where we will be installing sensors for automated dust and noise monitoring.

8,224
tonnes of SO₂ generated

27,328
tonnes of NO₂ emissions

Playing our role in society

Topics covered in this section

- Public policy engagement
- Social performance
- Cultural heritage
- Responsible supply chain management
- Business conduct
- Socio-economic contribution including taxes
- Collaborative Regional Development
- Human rights
- Product stewardship

▲ Through our education programme, launched in 2018 in partnership with South Africa's Department of Basic Education, Anglo American is helping to improve outcomes for learners in 100 early childhood development sites and 100 primary and secondary schools around our mining operations in South Africa.

Consistent with our Purpose, we believe that our role as a global business is to make a positive contribution to society.

We are guided in these efforts by our integrated Social Way Management System – the Social Way 3.0 – and through our Collaborative Regional Development programme to work actively to support local and regional economies.

How this connects to other sustainability topics

Our work in playing our role in society is directly linked to:

- Protecting our natural environment
- Helping our people thrive
- Tackling climate change

Progress against our Sustainable Mining Plan

SMP element	Global stretch goal or critical foundation	Read more
Critical Foundations	Group standards and processes	Page 48
	Compliance with legal requirements	Page 46
	Human rights	Pages 57-58
Thriving Communities	Education	Page 53
	Health and well-being	Page 54
	Livelihoods	Page 54
Trusted Corporate Leader	Ethical value chains – responsible sourcing and mine certification	Pages 44-45
	Local, national and international accountability	Page 46
	Public advocacy	Page 46

Section highlights



Expanding Collaborative Regional Development

With the launch of new partnerships and the completion of multiple spatial analysis studies, our Collaborative Regional Development programmes continue to expand into more regions where we operate

→ [For more information](#)
See page 55



Contributing to global Covid-19 vaccination campaigns

We made up to \$30 million available to contribute to the global roll-out of Covid-19 vaccines across our operational footprint

→ [For more information](#)
See page 14



Strengthening our responsible sourcing practices

As part of our responsible sourcing programme, we engaged Dow Jones to run comprehensive checks on all 27,000+ companies with which we have worked in the past 18 months. We will perform additional due diligence on the <1% of suppliers that these checks identified as posing risks

→ [For more information](#)
See page 51



Independent validation of our approach to sustainable mining

Consumers around the world are increasingly and rightly demanding products made from metals and minerals that are sourced responsibly, meeting the highest ethical and sustainability standards. We have adopted internationally recognised external assurance schemes such as IRMA, as part of our commitment to ethical value chains, that serve as validation of our sustainability practices. Anglo American is a longstanding leader in sustainable mining and our Sustainable Mining Plan sets out our ambitions. Covering the work we do, how we do it, the footprint we leave and the lives we touch, it is fostering innovation and driving results from mineral extraction to the marketing of our products.

We already have a clear, well-established record of leading in responsible sourcing and ethical value chains. We have put in place world class internal standards to hold ourselves accountable when it comes to sustainability. For example, our Social Way ensures we engage closely with communities, avoid negative social impact and maximise development opportunities. Additionally, our SHE Way makes sure our focus on safety, health and environmental impact is brought to life in all our systems and operations. However, we are aware that we still need to do more to ensure we are continuously improving and living up to stakeholder expectations.

Ensuring credibility through independent assessment

An enduring challenge for Anglo American – and the global mining industry as a whole – has been to provide stakeholders with a way of accounting for sustainability practices that is transparent, verifiable, and comparable. Independent, third-party standards and assessments are one way of achieving this. These test our industry-leading internal standards for alignment with best practice and our own overarching Purpose. The Initiative for Responsible Mining Assurance (IRMA) Standard represents one of the leading industry standards of independent third-party assessments for the mining sector.

Understanding the IRMA Standard

Developed over 10 years following public consultation with more than 100 individuals and organisations that are stakeholders in the industry, the IRMA Standard defines good practices for what responsible mining should be. By setting aspirational goals for how mines should operate and perform, it drives continuous improvement across all aspects of responsible mining.

The IRMA assessment process begins with a self-assessment at site level, followed by desktop- and site-based audit by independent certification bodies before a result is announced publicly. The results range from IRMA transparency to IRMA 50, IRMA 75 and IRMA 100 certified achievement levels reflecting gradual improved performance. Each level requires a third-party audit and public disclosure of the results, with the IRMA 50 achievement levels requiring conformity to 40 critical requirements across four principal areas – Business Integrity, Planning and Managing for Positive Legacies, Social Responsibility, and Environmental Responsibility.

▲ We ensure that we engage closely with our communities through a variety of methods. Pictured is a community clothing production project within the Aruntaya community, located near the copper mine we are developing at Quellaveco in Peru.

A surveillance audit is conducted after 18 months and re-certification takes place every three years from first assurance. It offers mining companies and their stakeholders independent third-party verification and certification against a comprehensive and rigorous set of practices that apply to all mined materials. As a building block from a wide range of existing, recognised industry standards, it also establishes a more efficient ESG audit process for global value chains.

Independent third party IRMA audits include input from multiple stakeholders. In turn, this increased transparency ensures we continue to improve our sustainability practices – a positive-feedback loop that leads to better ways to do business and creates greater value for employees, governments, NGOs, customers and communities alike.

“The IRMA Vision is of a world in which the mining industry respects human rights and the aspirations of affected communities, provides safe, healthy and supportive workplaces, minimises harm to the environment, and leaves positive legacies.”

IRMA

Leading the way by shaping the conversation on sustainability

As a founding board member of IRMA, we are proud to have supported the development of the IRMA Standard and seen its growing influence and adoption in the last 10 years. By working alongside other stakeholder groups, including customers, civil society and the financial sector, we will continue to champion the IRMA standard as a force for sustainability and trust in the mining sector. Indeed, as sustainable mining leads the drive towards a net zero world, IRMA has an ever more important part to play in that.

“Anglo American’s leadership has been pivotal to the success and growing adoption of IRMA’s Standard, including by some of the world’s largest consumer brands. During the 10-year process of crafting the Standard, the Anglo American team did not shy away from difficult conversations about how to best measure responsible mining in a way that is at once practicable for the industry and that meets the expectations of civil society.”

Aimee Boulanger
Executive Director of IRMA

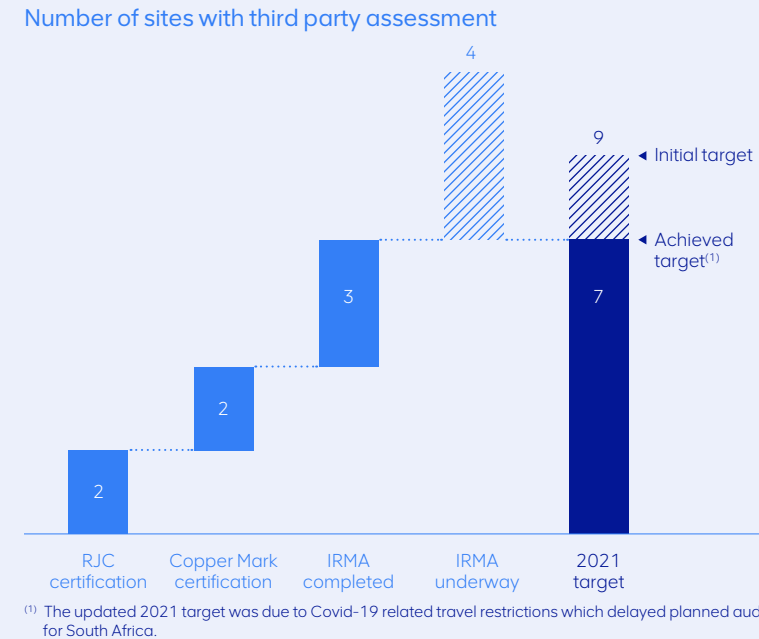


▲ In 2019, our Unki PGMs mine in Zimbabwe was the first in the world to publicly commit to a third-party audit to determine its performance against IRMA’s Standard in 2019. Pictured is control room operator and plant foreman John Mambanda in the concentrator plant control room.

Gaining assurance and alignment with IRMA

Within our Sustainable Mining Plan, one of our objectives is to assure all our operations against a recognised responsible mining standard by 2025. In 2021, we had targeted nine sites to assure against the standard – however, the final audits for four sites in South Africa have been delayed until 2022 due to the pandemic and the subsequent restrictions on travel to South Africa. To date, seven Anglo American managed operations have either completed IRMA assessments or are in the process of being assured: Unki; Mototolo Concentrator; Amandelbult; Kolomela; Sishen; Minas-Rio and Barro Alto. Indeed, Unki was the first mine in the world to publicly commit to be independently audited against the IRMA Standard. Then in late 2020 it became the first mine in Africa to complete the review, which was verified by a third-party assessor. In addition, two operations – Venetia and Gahcho Kué – have undergone the Responsible Jewellery Council (RJC) certification and we have adopted the Copper Mark certification at Los Bronces and El Soldado while they await being assured against IRMA.

Our alignment with IRMA is longstanding. We have already committed to introduce the standard at our Base Metals, PGMs, Iron Ore and Crop Nutrients sites – and its measurement and assessment process has had a positive impact on our own internal processes. In 2022, we will complete the final audits at four South African sites and complement the Copper Mark with IRMA at Los Bronces and El Soldado. As more of our operations go through audited assessment, it improves our ability to build an understanding of areas where we can continue to improve and take our ESG performance to the next level.



“Our alignment with IRMA is part of our Sustainable Mining Plan commitment to assure all our operations against a recognised responsible mining standard by 2025.”

Natascha Viljoen
CEO of Anglo American’s PGMs business

Building consumer, customer and community trust

When we gain IRMA accreditation of our facilities, we are provided with objective and independent recognition of our work across diverse social, environmental and ethical categories to reinforce human rights and support a sustainable world.

It shows that our products are mined in strict compliance with the highest standards to protect our people, our host communities and the planet. And, at the same time, it indicates that when we reach mine closure, plans are in place to ensure a positive legacy for the local communities and environment.

Our customers are also increasingly interested in sourcing responsible materials. We recognise the potential in supporting our industry-leading internal standards by associating the appropriate trust marks with our product offering, which, in turn, helps our customers demonstrate the necessary credentials across their own value chains.

Certain sectors, for example, automotive, are increasingly recognising the benefits of IRMA and appreciate the certification as a way to validate the commitment of product suppliers, such as Anglo American, to responsible sourcing practices.

By gaining IRMA accreditation, Anglo American demonstrate that we are meeting our customers’ and communities’ expectations for responsibly produced metals and minerals, as well as recommitting to transparency and the highest standards of responsible mining.

Public policy engagement

As a global leader in the mining industry, we embrace our duty to be accountable to all of our stakeholders. We aim to be at the forefront of the pressing issues facing society today, ranging from climate change to public health. We are proud to be advocates for what we believe is right and to work as partners to solve complex problems through our public policy engagement.



Our approach and policies

Our public policy engagement, like all our activities, is aligned with our Code of Conduct and a set of internal guidelines helps us monitor and respond to society's expectations and demands.

Government relations

The parameters for our engagement with governments are covered by our Code of Conduct. Our government relations team advises on and monitors our government relations centrally. It is also involved in the annual government relations planning exercises carried out by our teams locally at a country level.

This is the process by which we seek to understand how our business is impacted by the political environment and what our host governments expect of us and our role in society.

Industry associations

We expect the same standards of behaviour from the industry associations of which we are a member as we would from any other organisation with which we partner.

Being a member of industry associations is a way of ensuring that our voice is heard, while staying informed about relevant developments. We publish details regarding all of our association memberships on our website.

→ For more information
[Visit \[angloamerican.com/policy-influence\]\(https://www.angloamerican.com/policy-influence\)](https://www.angloamerican.com/policy-influence)

Following on from the biennial process we initiated in 2019, in 2021 we again reviewed any differences between our policy positions and those of organisations of which we are a member, concentrating on areas of climate change and human rights. The key elements of this governance process include:

- Escalating issues of concern to the head of the relevant business unit and then, if necessary, to the Group head of international and government relations and ultimately to the Group Management Committee.
- Engaging with the industry association and seeking the necessary policy change. In the event of continued misalignment, we will consider all potential actions, up to and including suspension or termination of our membership.

Tax policies

We publish an annual Tax and Economic Contribution Report, and our country-by-country corporate tax reports are published as appendices. In 2021, Global Reporting Initiative Standard 207 came into effect and our reports have been fully compliant in relation to 2020 data onwards. Significant improvements have been made to our 2021 Tax and Economic Contribution Report to align with this Sustainability Report, including the basis and date of preparation.

→ For more information
[Visit \[angloamerican.com/tec-report-2021\]\(https://www.angloamerican.com/tec-report-2021\)](https://www.angloamerican.com/tec-report-2021)

→ For more information
[Visit \[globalreporting.org/standards/standards-development/topic-standard-project-for-tax/\]\(https://www.globalreporting.org/standards/standards-development/topic-standard-project-for-tax/\)](https://www.globalreporting.org/standards/standards-development/topic-standard-project-for-tax/)

Aside from transparency, our priority engagement areas relate to multilateral corporate tax reforms, mining royalty and other mining tax reforms, co-operative compliance programmes, and tax measures designed to support decarbonisation.

In addition, in 2020, our Board approved a new Group tax strategy, which is closely aligned with the Responsible Tax Principles of the B-Team, a not-for-profit initiative that aims to encourage a better way of doing business. A key pillar of our tax strategy is transparency, which includes publishing details of how we seek to engage with stakeholders as Trusted Corporate Leaders. In 2021, we set out more details on the ways in which we are enhancing our tax and risk governance methodologies. Further information can be found in the 2021 Tax and Economic Contribution report.

→ For more information
[Visit \[angloamerican.com/tax-strategy-dec-2021\]\(https://www.angloamerican.com/tax-strategy-dec-2021\)](https://www.angloamerican.com/tax-strategy-dec-2021)

Political donations

In accordance with our Code of Conduct, we do not make political donations or donations that could be perceived as such, either directly or through third parties.

Partnering against corruption

We are signatories to the World Economic Forum's Partnering Against Corruption Initiative, joining global businesses in a commitment to zero tolerance of corruption in any form. We are also a board member of the Extractive Industries Transparency Initiative (EITI).

Activities in 2021

Reinforcing our tax strategy

We continued to strive to be a global leader in tax transparency, publishing country-by-country tax data and enhancing our tax governance procedures. Our transparent reporting of the Anglo American Tax Strategy and Group Values has been recognised with a 100% score for tax reporting within the Dow Jones Sustainability Index 2021. We also continue to take part in discussion forums with a wide range of stakeholders and industry bodies that aim to expand the participation in best-practice tax reporting principles.

Ongoing response to Covid-19

As the pandemic continued to impact our host communities in 2021, we engaged in a comprehensive response to both the immediate threat to public health and the resulting impact on society, including on education, economic development and human rights. We are committed to both fighting the disease and helping to lead the long term recovery.

From the onset of the pandemic, we instituted our WeCare programme in coordination with local and national governments. Our response has been designed around four priorities: community health, physical health, mental health and living with dignity. The Social Way 3.0 management system has provided us with a ready framework for delivering on these priorities.

Through WeCare, we have been able to leverage existing health and economic development programmes across our geographies. Examples include providing broadband infrastructure to communities and devices to teachers and students to enable remote learning. We have been able to deliver funds to small and medium-sized enterprises (SMEs) through existing economic development programmes, while offering our local suppliers – many of which have been impacted by lockdowns and reduced economic activity – quicker payments for goods and services.

Advancing the UN Sustainable Development Goals (SDGs)

In September 2021, the Impact2030 Initiative – anchored by SDG 17: Partnerships for the Goals – published its Transforming Lives and Communities Report. It highlighted our Ambassadors for Good programme for its innovative approach to empowering our employees to engage in skills-based social impact projects that are aligned with our business imperatives, and build capacity in employees, communities and the Group itself.

Despite the impact of Covid-19, we continued our series of SDG accountability dialogues in the countries where we operate. We consulted with external stakeholders – including local and national governments – about how we measure our contribution to the SDGs and to assess the potential for partnership.

We also participated in UN Global Compact Young SDG Innovators, a nine-month programme aimed at connecting the world's business leaders, policy makers, civil society and academia to take action on the SDGs. We have taken part twice in South Africa (in 2020 and 2021) and once in the UK and Brazil (in 2021). As part of this programme, in June, De Beers hosted a panel in South Africa on young business leaders and their role in rebuilding the economy after the pandemic.

“Much of our public policy engagement begins with the transition to a low carbon economy and we have reiterated our target to be carbon neutral (Scopes 1 and 2 emissions) across all operations by 2040.”

Combating climate change

We are a founding sponsor of the World Bank’s Climate Smart Mining Initiative, which aims to support the application of a climate-smart approach to mining, especially in resource-rich developing countries.

Much of our public policy engagement begins with the transition to a low carbon economy and, therefore, climate change. This is particularly so in relation to the circular economy and the hydrogen economy, but also in discussions about post-pandemic recovery.

In October 2021, we reiterated our target to be carbon neutral (Scopes 1 and 2) across all our operations by 2040, joining a declaration by the ICM – representing one-third of the global mining and metals industry – supporting SDG 13: Climate Action.

In addition, our updated 2021 Climate Change Report, developed in line with Taskforce for Climate-related Financial Disclosures and Climate Action 100+ reporting methodologies, includes an ambition to reduce our Scope 3 emissions – those in our value chain – by 50% by 2040. (See pages 24–29 for more information.)

→ For more information
Visit <https://www.climateaction100.org/>

Supporting a hydrogen economy

The development of a hydrogen economy represents one of the key solutions for the decarbonisation of fossil-fuel intensive industries, including steel and transportation. For Anglo American, diesel used for vehicles and equipment, as well as transportation in our value and supply chains, is a major contributor to GHG emissions. Hydrogen-powered vehicles – such as a haul truck and fuel infrastructure being tested at the Mogalakwena mine in South Africa – are examples of hydrogen solutions we are developing and which we believe can help us meet our climate ambitions. (See page 29 for more information.)

Anglo American is engaging with stakeholders in the hydrogen ecosystem around the world. In 2021, we continued to work with partners in government and the power sector in southern Africa on a renewable energy ecosystem. This initiative envisages the development of a hydrogen supply infrastructure as part of a multi-factor solution that also includes solar and wind. (See page 28 for more information.)

We are a member of various relevant interest groups promoting the hydrogen economy, as well as a founding and board member of the global CEO-led initiative, the Hydrogen Council. We consult in a transparent manner with governments and civil society in Europe, southern Africa, South America, North America and the UK, as well as through multilateral organisations and industry groups.

In 2021, we consulted the South African and Chilean governments on their hydrogen roadmaps. And, while we have no mining operations in the US, we understand that the approach of the world’s largest economy to the hydrogen economy will have a great impact. We have joined Hydrogen Forward, a coalition of companies, to engage proactively and transparently with the US administration and lawmakers.

Engaging with NGOs

Throughout 2021, we continued to actively engage with NGOs to build trust, gain a better understanding of external perspectives and have a positive impact on people in the communities where we operate.

Other examples of our engagement with NGOs include: partnering with Transparency International on a toolkit for Open Business; supporting its associate CorruptionWatch in South Africa on its sustainable mining programme; engaging with the Organisation for Economic Co-operation and Development (OECD) in its Trust in Business Programme; and our extended support for multi-stakeholder group discussions on sustainability issues, including with faith communities.

Ethics and transparency

Through our internal Ethics Transparency and Accountability Working Group, we worked to cross-reference best practice and assess our approach and performance in relevant areas of responsible corporate behaviour.

In 2021, we hosted and took part in global webinars involving the UN Global Compact and SDG 16 regarding the independent rule of law and the promotion of concrete actions that the corporate sector could take in support of good governance and strong institutions.

We also took part in a forum on transparency of beneficial ownership, with the intention of reiterating our desire to work in countries where the true ownership of companies and other organisations is disclosed, a vital aspect of combating corruption.

Next steps

We will continue to engage on issues of public policy in a transparent and collaborative way to ensure we live our Values. We will promote public policy priorities such as action on climate change, including advancing the circular economy and hydrogen technology. We will also talk to local communities about how we can work in partnership to achieve the SDGs.

In addition, we will continue to implement the Initiative for Responsible Mining Assurance (IRMA) Standard across our operations and advocate for the Standard as a reliable, third-party assurance to customers of the sustainability of materials for the mining industry. (See *Product Stewardship* on page 59.)

Our journey towards SDG alignment

Our Sustainable Mining Plan (SMP) sets clear, Purpose-driven targets that are aligned with the UN SDGs that are at the heart of the 2030 Agenda for Sustainable Development adopted by all United Nations member states. By their very nature, the SDGs span economic, environmental, social and governance (E and ESG) imperatives. We use them as a unifying lens to measure our footprint and as a basis for engaging with key stakeholders to improve accountability and trust.

To drive this engagement, we have started up in-country SDG Accountability Dialogues in South Africa, Australia and Brazil. These are conversations sometimes co-hosted with a partner such as the UN Global Compact and bringing in a cross-section of our key national, regional and local stakeholders. They also help us to explore opportunities to collaborate, in line with SDG 17 (Partnerships).

As we continue to align our practices with the SDGs, our priorities in 2022 include rolling out our in-country SDG Accountability Dialogues to other countries where we operate, notably Chile and Peru, while continuing to develop our existing engagements. We will use the SDGs dialogues as a constituent part of the reporting process for our business units in line with the SMP and our Purpose of re-imagining mining to improve people’s lives.

In South Africa, where we have done most work on this, our SMP brings into sharp focus 13 of the 17 SDGs, which, in turn, address 33 of the 169 SDG targets. As is typical with the SDG mapping of a large and complex business, our contributions link strongly to a small set of SDGs that in turn have significant downstream effects in relation to other interconnected SDGs.

The 5Ps – people, prosperity, planet, peace, partnerships – demonstrate that the SDGs cannot be approached in silos, but as an intertwined framework in which progress towards one goal balances and supports another.

We make the largest contributions to the SDGs around provision of work and economic growth. We also respond to the socio-economic development needs of our host communities and focus on contributing to a healthy environment. In addition, we are making headway in integrating and aligning the metrics and KPIs that we track across the business.

For an example of how we use data and dialogue to put our Purpose and SMP into practice, in November 2018, we launched our annual SDG Accountability Dialogue series in South Africa. It anchors our quest for more transparent engagements while helping us to understand what meaningful existence, key issues and opportunities are in our collective contribution to meeting the SDGs.



▲ A partnership between our PGMs business, Hall Core Drilling and the Mapela Task Team has developed a sustainable plan to deliver more water to villages around our operations in Limpopo province, South Africa. Featured is community member Lehlogonolo Nokeri, who now has an assured supply of water for her brickmaking business.

The first dialogue in 2018 focused on the Thriving Communities pillar, where stakeholders were supportive and provided constructive feedback on various staff and community programmes. In 2019, we focused on the Trusted Corporate Leader pillar, where stakeholders were briefed and responded to our various policy advocacy initiatives, responsible sourcing and mining certification efforts. In December 2020, we engaged stakeholders virtually due to Covid-19 regulations on Healthy Environment, where the notion of being nature positive in our outcomes was well received.

The fourth dialogue, held on 12 November 2021, was a hybrid event where we took a step back to review contributions across our E and ESG dimensions and focused the dialogue on what a re-imagined social compact should look like for South Africa in 2022. Stakeholders rated the dialogue and our accountability efforts at 7.7/10 in an anonymous poll. There was broad support for moving the accountability dialogue model to a regional level in partnership with the United Nations and the need to find ways of bringing other mining companies onto the journey to look at the industry’s ESG narrative. An example of the social compact in practice was the signing of a declaration of intent at the dialogue between the UN in South Africa and Anglo American, which outlines areas of collaboration in support of the SDGs in the Waterberg district of Limpopo.

Social performance

We are continuing to implement our industry-leading social performance management system for the global extractive sector, the Anglo American Social Way 3.0. It represents a comprehensive and innovative approach to how we interact with our host communities that prioritises respect and mutual benefit for all stakeholders.



▲ Erika Perez is a participant in our Emerge programme in Chile. She sells plants and flowers in Nogales in Valparaiso Region.

Today, we are able to draw on the deep experience over the 18 years since we launched our socio-economic assessment toolbox, or SEAT, and the 12 years since we launched the first version of the Social Way. We combined these in 2020 to launch the Social Way 3.0. As a result of these learnings, we are working to achieve a step-change in our approach to social performance, embedding it more deeply and broadly into every aspect of Anglo American's work today. In 2021, our site teams made important progress on the process of aligning with the Social Way by the end of 2022.

Our approach and policies

Social performance encompasses our interactions, activities and outcomes with respect to local communities and other local stakeholders affected by our activities.

The Social Way provides a social performance management framework for all Anglo American-managed sites, at all phases of development. Aligned with our Purpose and our strategic business objectives, the Social Way embeds international standards and best practice and sets out clear minimum requirements to:

- Engage with affected and interested stakeholders
- Avoid, prevent and, where appropriate, mitigate and remediate adverse socio-economic impacts
- Maximise socio-economic development opportunities.

The Social Way emphasises the integration of social performance into our core operational planning and processes, including our Operating Model and Sustainable Mining Plan. The Social Way Management System is one of the main vehicles through which we are working to achieve some of our ambitious Sustainable Mining Plan commitments.

To build trust through transparency and accountability, we have made the Social Way publicly available in English, Portuguese and Spanish. This transparency allows our stakeholders to understand what our standards are and what they can expect of us. We also seek to influence best practice in the wider industry by making the Social Way readily available as a reference for other companies. Available on an interactive web platform to make the content more accessible and easier to navigate, the Social Way consists of three parts:

- Policy – This public-facing global policy is relevant to all our employees, contractors and suppliers and lays out the high-level principles that guide our interaction with communities and other stakeholders; incorporating human rights and other considerations
- Toolkit – The toolkit covers all procedures, guidelines and standards required to implement the Social Way Policy
- Assurance Framework – This is the framework through which we assess compliance with the Social Way.

External, independent assessors carry out annual assessments across all our managed operational sites, including De Beers' non-managed joint ventures. The Social Way 3.0 requires an integrated and cross-disciplinary approach to the management of social performance.

Activities in 2021

Embedding the Social Way 3.0 in our culture

The Social Way 3.0 represents a step-change in our approach to social performance.

Building social performance competencies organisation-wide is a key enabler to successfully implement the Social Way.

With this in mind, we have embarked on our most ambitious social performance learning programme. Since the start of 2020, we have engaged nearly 2,000 people on the Social Way 3.0 at our sites across multiple functions and levels of leadership, from the Group Management Committee to on-site social performance practitioners. Our programme has used several methods to embed learning: approaches include self-led, instructor-led, facilitated advisory workshops and peer learning supported by Learn+, our online learning platform. These have been applied to foundational-level and topic-specific training modules.

In the second phase of the programme, we have delivered additional subject-matter specific technical training on various topic areas, such as land access, displacement and resettlement, socio-economic development and cultural heritage. We have supported this by introducing our new Social Circle and dedicated communities of practice, through which we have given 160 practitioners across the business a platform to share their experience and learnings. (See case study on page 49.) We will begin the next phase in 2022, which will focus on driving greater skills and competency development, including through additional technical training.

Transitioning to the new management system

We are now more than two years into our three-year transition to the Social Way 3.0, which raises the bar for improved social performance outcomes that help us ensure our business activities are conducted in alignment with our Purpose. The Social Way requires operations to establish a social performance management system, new or different procedures and change many existing work routines. The performance expectations and assurance approach aim to align with or supersede many of the existing external social performance standards currently considered best practice in the industry.

In 2021, we built on lessons learned from the first year of our Social Way 3.0 roll-out to update our assurance framework assessment requirements and site guidance. We made changes to one of the initial steps in the toolkit, which guides the site teams as to the requirements that are applicable to their operating context. We also revised the guidance on community health and safety management and added new supporting tools related to the socio-economic development and conflict management requirements.

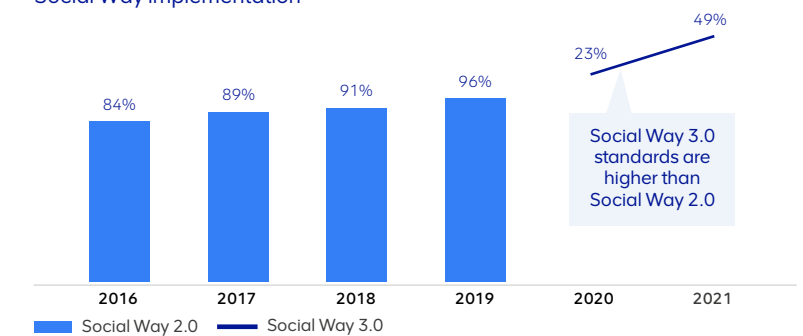
Step-change on previous requirements

- More focus on site-level governance and new structures to oversee multi-disciplinary work, including the internal Social Performance Management Committee and the external Community Engagement Forum
- Stronger focus on internal and external context review, including robust baseline data collection, to inform the design of all social performance interventions, as well as to inform site decision making
- Greater management review of social impacts through the Operational Risk Management (ORM) process and integrated incident management
- Deeper integration of social performance into the processes of other departments to support multi-disciplinary collaboration
- New guidance on a range of risks and impacts
- An enhanced commitment to monitoring and evaluation.

We expect to be making similar updates and revisions each year as part of our commitment to continuous improvement and to ensure our site teams have the supporting resources needed to effectively implement the Social Way.

Throughout the year, our sites progressed with their transition plans, which set out specific activities to implement the Social Way 3.0. We have set a goal of implementing the Social Way 3.0 by the end of 2022, as a way to help the business focus on the priorities of keeping our people and communities safe, and of sustaining our operations during the pandemic.

Social Way compliance Social Way implementation



From 2015 to 2019, we reported compliance with the previous version of the Social Way as an indicator of performance levels across the Group. During the transition process, we report the progress of each operation in their implementation of the new management system. Therefore, the data for 2020–21 is not comparable with 2019 and earlier as the basis for assessment represents a higher overall standard of performance given the more rigorous nature of Social Way 3.0. Throughout the transition process, all our sites continue to maintain robust social performance risk and impact controls. While we are improving our overall management system, seeking better social performance outcomes, we recognise that it will take us time to be able to demonstrate compliance against the new standard.

At the end of 2021, 49% of Social Way 3.0 requirements were satisfied. While sites are assessed annually against all requirements applicable to their context, for consistency during the transition period, this metric reflects performance against the Social Way foundational requirements.

Providing Covid-19 resources and guidance

Launching the Social Way 3.0 amid the pandemic underlined the importance of understanding what is happening in local communities and responding to changing contexts. At the onset of the crisis, we quickly developed detailed guidance to support our site teams to prepare community response plans for the communities near our operations. Via our Social Way website, we made our guidance publicly available regarding how to respond to the health emergency and how to safely continue to engage stakeholders.

In 2021, we made up to \$30 million available to contribute to the global roll-out of Covid-19 vaccines across our operational footprint. In South Africa, for example, we supported the government’s ability to run its national vaccination programme by contributing to the procurement and distribution of vaccines. This will include funding and procuring mobile vaccination units and equipment to support the government-run vaccination programme, supporting the provision of vaccine access in remote areas.

Supporting communities is a key pillar of WeCare, a global lives and livelihoods support programme that demonstrates our Purpose in action. *(For more about WeCare, see pages 14–15.)*

Engaging our local communities

Our Sustainable Mining Plan site-level local accountability goal has been incorporated into our Social Way stakeholder engagement requirements. By 2022, we plan to have in place community engagement forums, or equivalent, at every mine site to improve our accountability to local communities and involve them proactively on those aspects of our operations that affect them.

We continue to establish these community engagement forums and are strengthening the approach where similar forums are already in place. The impacts of Covid-19 and local stakeholder sensitivities have presented a challenge for some of our sites. While we aim to establish community engagement forums or equivalent at every mine site by 2022, we are also committed to taking the time needed to build awareness, support and capacity for the forums to be effective.

The community engagement forums are a natural extension of our Social Way approach and will serve to build and deepen trust and mutual understanding with our communities. They will also enable us to create a shared vision for the future and co-design objectives for mutual benefit.

Grievances and incidents

We define a grievance as a complaint from an external stakeholder relating to the site, its policies, activities, real or perceived impacts, or the behaviour of its employees or contractors. Grievances are an expression of dissatisfaction with the company on the part of stakeholders. Grievances can be expressed through physical action (such as protests or road blockages); verbally (in the course of discussions with site staff); or in writing.

Stakeholder grievances are caused by real or perceived incidents. Incidents are the unwanted events related to site activities that have an adverse impact on the health and safety, economic welfare, personal and political security and/or cultural heritage of stakeholders. An incident with social consequences may arise from a site’s technical failure or accident, or a failure to anticipate, prevent or mitigate an impact. Our objective is to avoid incidents, but encourage stakeholders to raise their grievances or concerns with us in a free and open manner. Because of this, we do not measure the number of grievances as a metric of performance but prefer to focus on incidents: the root cause of the complaint. We rate the ‘seriousness’ of incidents according to the consequences experienced by stakeholders, the most significant being Level 5.

Whereas in the past we have reported incidents rated Levels 3 to 5, we began reporting incidents rated Levels 4 and 5 in 2020. As part of the roll-out of the new Social Way 3.0, the incident levels have been redefined and are now more comparable to environmental, occupational health and safety and business consequence definitions. With this focus on more material incidents, we can ensure that the right conversations happen at senior leadership forums to ensure that we avoid repeat occurrences and take corrective action where necessary. During 2021, we recorded zero Level 4 or 5 incidents with social consequences.

Next steps

Our priority for 2022 is to complete the planned transition to the Social Way 3.0. We are approaching this ongoing work with renewed vigour as part of our commitment to delivering a comprehensive standard that is more focused on outcomes. We continue to deploy the tools and systems that allow our operations to identify, manage and reduce their impacts and to measure and track the outcomes of their work.

A large part of the focus on driving implementation of our new and more challenging standard will be building the capabilities and skills of our teams to sustain this work in the long term. In addition to our comprehensive learning programme, we will continue building practitioner networks and forums to promote collaborative knowledge sharing across sites and teams.

The Social Circle – a peer-led forum for social performance practitioners

A vital tool for the successful implementation of the Social Way 3.0, the Social Circle is a virtual, peer-learning forum that has been developed for both social performance practitioners and to relevant Anglo American functions supporting or interested in social performance topics. The Social Circle has been shaped on the grassroots level through close engagement with practitioners across geographies. Its goal is to create a safe space to share experience and learnings with colleagues through storytelling and discussion. It allows our people, wherever they are in the world, to discuss common challenges, best-practice approaches and opportunities for learning with their colleagues without judgement. These lateral communications can allow the sharing of valuable insight between teams facing similar issues, for example, between social performance practitioners in South America and southern Africa.

The key objectives of the Social Circle as a community are as follows:

- To strengthen the network amongst the Social Performance community across the Group and strengthen relationships between functions to promote greater collaboration and cross-functional working
- To offer a platform that allows meaningful connection and discussion between people from different business units, geographies and site teams on topics of interest to them as defined by them
- To facilitate shared learnings, continuous improvement and innovation that promotes improved Social Performance practices across the Group.

We launched the initial consultation for Social Circle in November 2020 at the site and business unit level, initially using surveys to better understand the need for a space to share experiences and learn new approaches. The strong response demonstrated that there is a great appetite for strengthening peer networks and learning on social performance topics as part of the implementation of the Social Way 3.0. From the outset, the driving principle was to let site-level social practitioners and others with a direct interest in social performance issues drive the agenda.

In May 2021, we held our inaugural Social Circle with around 100 participants, with the aim of getting direct feedback on how we should structure future forums. This resulted in a commitment to exploring peer learning through break-out groups and follow-up networking via our Learn+ platform, open to all employees, as well as the future creation of Communities of Practice dedicated to issues around specific specialist topics such as land access, displacement and resettlement, accountability and engagement and discovery.



▲ The Social Circle is a virtual peer-learning forum that has been developed for social performance practitioners and to provide relevant functions for other Anglo American employees interested in social performance topics.

In August, we held a first issue-driven session on Conflict Management for more than 70 colleagues, where, through a facilitated case study and led by a subject matter expert, we explored the theoretical approaches to managing company-community conflict and discussed how these could have been applied for improved outcomes during a Q&A session that allowed people to share their own experiences. The use of online platforms, such as Learn+, have provided forums for continued discussion and follow-up on between practitioners in between sessions. Future topics for discussion are selected by vote.

A critical aspect of the Social Circle is the idea that it should always be a safe space for all participants. As a peer-driven forum, it is critical that practitioners feel able to share both successes and failures and discuss challenges openly. The Chatham House Rule prevails in each forum, meaning that statements and ideas can be shared afterwards, but are not attributed. We believe this ensures that every participant can concentrate on getting the most out of every forum.

Building on the enthusiastic response to the first sessions, in 2022, we plan to increase the Social Circles to a bi-monthly basis, with an outside facilitator leading each session. We will continue to source topics from practitioners and co-design future forums to maximise opportunities for learning and development across teams. We believe the Social Circles offer a powerful tool for continuous improvement that is driven by engagement at the site and business unit level, with Anglo American’s Group social performance team facilitating but not driving the agenda and outcomes of each session.

Cultural heritage

Our host communities possess a vibrant cultural heritage that has been passed from one generation to another. We are committed to honouring and preserving this heritage, which lives on in the people and places where we operate. This includes stewardship of the landscape that embodies people’s history and traditions. Through our approach, we embed this commitment into every project and operation around the world.



▲ At Kumba Iron Ore’s Kolomela mine, intern Robin Bhola inspects a heritage site where iron ore boulders are thought to have been rubbed to a smooth state by elephants which once inhabited the site.

Our approach and policies

We believe it is of utmost importance to preserve and protect the cultural heritage of our host communities. As we create shared benefit from resource development, we proactively manage any potentially adverse impacts that our activities may cause. We do this across our operations, working with custodians of the land on which we operate, to ensure that we respect their cultural heritage.

Our cultural heritage performance expectations are included in the Social Way Policy and in a dedicated chapter in the Social Way Toolkit, as well as in the SHE Policy and SHE Way V2. To provide a check point against our requirements, we also engage annual third-party assessments.

Aligning with international good practice

We are committed to following internationally recognised standards of good practice. Through ongoing consultation with our stakeholders, we identify and manage cultural heritage resources. This outreach also informs our site planning and decision making, allowing us to design our systems to protect the tangible and intangible assets that stakeholders value, as well as those that are protected by host country legislation.

“While we create shared benefit from developing resources, we work with the custodians of the land to ensure we demonstrate respect for their cultural heritage.”

Cultural heritage and our Social Way 3.0

Our Social Way 3.0 – the industry-leading standard that we put in place in 2009 and updated in 2020 – sets out our position on the importance of cultural heritage. (See page 47 of this report for more details.) We have also updated the SHE Way to incorporate the requirements of our Social Way 3.0.

Each of our sites is required to identify, assess and manage any adverse impacts on cultural heritage, throughout the asset lifecycle. To do this, they develop and implement a cultural heritage management plan. At a minimum, this plan must comply with national regulations and align with International Finance Corporation (IFC) Performance Standard 8 on Cultural Heritage. They are also required to put in place a chance-find procedure, in case a previously unknown heritage resource is encountered.

We know that to create shared benefit from resource development we must proactively manage potential adverse impacts from our activities. Our commitment to respect human rights includes recognising our stakeholders’ right of access to and enjoyment of cultural heritage. We work with our local communities to identify heritage resources of value to them, to truly understand what is appropriate and incorporate this into our management plans.

We follow the same approach in respect of our discovery (exploration) projects and, where applicable, we will agree a framework with the relevant custodians of cultural heritage to assist with the exploration work and to identify, assess and manage any adverse impacts, as we do at our mining sites.

Our Code of Conduct explicitly links to the Social Way, and its principles apply to, and set the expectations from, all our employees, contractors and anyone with whom we work.

Activities in 2021

We develop and apply technology to help us ensure cultural heritage is supported in every aspect of our work. In 2021, we continued to work on a tool to help us better assess and manage cultural heritage risks and impacts, as part of the revised management system software that we are deploying. This software also allows for the geographic information system (GIS) mapping of cultural heritage sites.

In year two of our ongoing transition to Social Way 3.0, we delivered cultural heritage training to more than 240 people across our operations. This included capacity development on approaches to managing cultural heritage, aligned to the Social Way and SHE Way V2, and technical training on risk and impact mitigation. The training approach used case studies from within our operations to pass on lessons about what we have done right in the past and where we can do better.

Next steps

As part of the transition to our Social Way 3.0, we will continue training on cultural heritage and launch a new web-based module for our Learn+ platform in 2022. While we believe we have established an industry-leading approach to this topic, we will engage in an ongoing dialogue with our host communities, relevant NGOs and international bodies to ensure we continue to live up to the high standards we have set for ourselves.

Responsible supply chain management

Solving the challenges of inequality whilst respecting human rights aligns with our ambitions of a purpose-driven supply chain that is agile and resilient. Our 17,000+ suppliers are a critical part of this journey, supporting our commitment to fair and transparent business practices.

Our approach and policies

Responsible Sourcing Standard

As a condition of working with our business, suppliers must comply at a minimum with all relevant laws and industry regulations. We also expect them to meet Anglo American's policies, site requirements and other supply conditions, including our Responsible Sourcing Standard.

The standard summarises these requirements across five pillars:

- Protecting the health and safety of workers
- Protecting our environment, aiming to minimise and ultimately eliminate adverse impact
- Respecting labour and human rights throughout the value chain
- Contributing to thriving communities as good corporate citizens in the regions where they operate
- Conducting business with the utmost integrity, always acting properly, fairly and lawfully.

Updated in 2020, the standard reflects possible consequences of Covid-19 on human rights, calling for increased visibility of value chains and improved management of infectious diseases. It also builds on the role that suppliers can play in the circular economy. We supplement the standard with a Frequently Asked Questions (FAQ) guide and our supplier self-assessment questionnaire tool.

We are developing a Category Management Framework that will embed more deeply the practices outlined in the standard into our day-to-day supply chain work. This will ensure consistency in the way that we manage and link sustainability to sourcing events.

Managing sustainability risk

Global supply chains can generate economic growth and contribute significantly to social development – many businesses, therefore, seek to diversify sources of supply or further integrate into new jurisdictions or local economies. However, some markets or regions may not have safe workspaces and labour protection as a non-negotiable imperative, potentially leading to increased potential for human rights violations, including the use of child labour, modern slavery, forced labour and human trafficking.

Our responsible sourcing programme enables us to identify some of these risks and supports our business to make ethical decisions when purchasing goods and services.

We therefore require our centrally procured suppliers to comply with our responsible sourcing requirements.

Suppliers must:

- Commit to complying with relevant laws, including working towards the UN Guiding Principles on Business and Human Rights, and meeting our requirements concerning responsible sourcing
- Confirm that they will work towards combating modern slavery
- Agree to a series of external checks, such as sanctions, anti-money laundering, legal compliance and anti-terrorism financing
- Complete and regularly update an online self-assessment questionnaire, to help them better understand our sustainability requirements and their own practices
- If requested, provide evidence of previous on-site responsible sourcing assessments, or undergo a new, third-party on-site assessment
- Manage all risks that these processes identify, and develop plans for full compliance with legal requirements and our Standard, in a reasonable and realistic timeframe.

→ [For more information](https://www.angloamerican.com/suppliers/responsible-sourcing)
Visit <https://www.angloamerican.com/suppliers/responsible-sourcing>

Prioritising higher-risk suppliers

We use a heat map to identify those suppliers that have an increased potential for sustainability risk. These risks include unwanted safety events, industry specific risks – mapped across more than 120 procurement categories – country risks that emanate from the supplier's location, our transaction volume and expenditure profile.

In cases where we identify or suspect a risk, we engage with suppliers, expressing our concern and requiring them to develop a plan of corrective action. This gives them a fair opportunity to manage the risk and limit unintended consequences. If a supplier refuses the remediation, or is not able to demonstrate progress towards resolution, the matter is then escalated and may result in review of the supply relationship by our Supply Chain leadership team.

Activities in 2021

Strengthening our processes

We explored new ways to incorporate third-party information to identify new or emerging sustainability risks in existing suppliers.

For example, as part of our responsible sourcing programme, we engaged Dow Jones to run checks on all 27,000+ companies with which we have worked in the past 18 months against various external risk data and adverse media sources. We will perform additional due

diligence on the <1% of suppliers that these checks identified as posing risks, helping to focus our supplier due diligence on the greatest risks.

Addressing the ongoing potential human rights impact of Covid-19

During the year, we continued to work with suppliers in the many areas where Covid-19 raised new supply chain issues. As part of our continuous supplier engagement, we focused on the potential for modern slavery and other human rights abuses as a consequence of the pandemic. This included working directly with our supply chain partners to raise awareness about how they can prevent such abuses.

We also continued to help suppliers experiencing cash flow challenges to access relief resources, including available forms of government support, our capacity-building programme, Zimele, or by providing improved payment terms through our Covid-19 supplier site.

Enhancing our responsible sourcing practices

We worked to overcome the ongoing challenges that Covid-19 restrictions have posed for our responsible sourcing practices, including face-to-face supplier engagement. Face-to-face engagement was hampered by pandemic-related protocols, allowing us to conduct three supplier on-site assessments during the year and defer plans for face-to-face supplier workshops.

As part of our supplier capacity-building efforts, we commenced development of a Responsible Sourcing Management System in partnership with the IQ Business Group. When completed, this open source toolkit will be available to all potential and current suppliers, enabling them to implement management system principles into their businesses.

To complement our face-to-face and virtual supplier audit protocols, we rolled out the Informed 365 platform for supplier self-assessments. The platform generates risk reports and helps to flag potential issues, including in the areas of ethical sourcing, modern slavery and other critical supply chain aspects.

163

self-assessment questionnaires completed (2020: 432)

Engaging with suppliers

Mindful of the ongoing disruptions that Covid-19 has caused to supplier businesses because of lockdown and social distancing measures, we received assessments from 163 suppliers. We have completed over 1,200 supplier assessments since 2018.

During the year, we engaged with suppliers about alignment with the UN SDGs. We also began to work with supply chain partners in areas such as the circular economy and our emissions agenda. (For more information about these topics, see pages 40-41 and 24-31.)

Our experience is that most multinational and high-spend suppliers appear to understand and have controls around potential responsible

sourcing risks and have processes in place to identify and manage them. Smaller suppliers, however, often have difficulty in demonstrating procedures and practices linked to core legal requirements. We continue to focus on our supplier capacity-building efforts, including the development of the Responsible Sourcing Management System to support such businesses to meet requirements.

Common framework for the mining industry

In our Sustainable Mining Plan, we stated our objective to advocate for a common responsible sourcing standard for the mining industry. In 2021, we increased our engagement through the Minerals Council of Australia's Modern Slavery Working Group to drive industry alignment on due diligence.

In South Africa, as part of our ongoing work with the Minerals Council, we launched a human rights framework that integrates responsible sourcing principles. We have continued to build on this, including launching a collaborative approach with the Minerals Council and United Nations Development Programme in October to drive a consistent human rights dialogue in the country.

Engaging with stakeholders

Our customers are increasingly interested in sourcing responsible materials. We engage with them to share details of our supply management process and responsible mining practices, including how we approach due diligence and supply chain visibility.

Next steps

In 2022, we will continue to promote responsible supply chain management across our operations; in particular, by:

- Continuing to advance the level of integration of risk assessments into identifying new/emerging sustainability risks in existing suppliers, including potential integration of real-time data
- Enhancing the visibility of our supply chain through supplier traceability programmes
- Maintaining and building on our commitment to supplier capacity development, by creating materials and focused mentorship programmes to support the meeting of requirements
- Working towards achieving our Sustainable Mining Plan goals and ensuring that our value chain supports and reinforces positive human rights and sustainability outcomes
- Fully implementing our Responsible Sourcing Standard, while advocating for the development of a common responsible sourcing standard for the mining industry.

Business conduct

We understand that ethical reputation is a critical asset for building trust with our stakeholders. We expect our employees and relevant business partners alike to behave ethically and consistently show care and respect for colleagues, communities and the environment in which we operate. These expectations are embedded into our Code of Conduct and Business Integrity Policy.



▲ YourVoice is our confidential channel that allows employees to challenge any behaviour that conflicts with our Values and Code of Conduct, without fear of retaliation.

Our approach and policies

Our Code of Conduct

Our Code of Conduct is a single point of reference for everyone associated with us, providing a comprehensive understanding of our policies and procedures. It sets out how we behave in line with our Values, and how we live our Purpose: re-imagining mining to improve people's lives.

Our Business Integrity Policy and procedures

Our Business Integrity Policy sets out the standards of conduct we require at every level within our business – including our subsidiaries and those joint operations we manage – in combating all types of corrupt behaviour. Industry associations of which we are a member are also required to align with our policy positions, or an equivalent approach.

To bolster adherence to the policy, we require assurance aligning with the 'three lines' model: first line – risk owners/managers, second line – risk control and compliance, third line – risk assurance.

YourVoice

YourVoice is our confidential reporting service for employees, contractors, suppliers and other stakeholders, operated by an independent multilingual whistleblowing service provider. It enables them to raise concerns about potentially unethical, unlawful or unsafe conduct or practices that conflict with our Values and Code of Conduct.

Activities in 2021

Updating our Code of Conduct and Group policies

We continued to review our Code of Conduct and Group policies. We developed and revised 21 Group policies, a process that included subject matter experts performing risk reviews for areas within their fields of specialisation. Of these policies, 16 are existing and five have been newly developed. Among other policies, we have new guidelines for recognising and preventing domestic violence and a policy recognising the right to flexible working arrangements.

We regularly communicate with our employees about the Code of Conduct and our Values – Safety, Care and Respect, Collaboration, Accountability, Innovation, and Integrity.

Launch of Compliance Management System

We deployed the first integrated Compliance Management System (CMS) to business units and Group functions. The CMS covers key topics such as business integrity, competition compliance, tax and data privacy. In addition, we commenced deployment of an updated approach to intermediary risk management, which seeks to ensure that all potential third parties that act on our behalf are identified and risk assessed, with appropriate risk mitigation controls put in place accordingly.

A new disclosure tool was also launched, which provides for automated disclosures of conflicts of interest and the giving or receiving gifts, entertainment or hospitality.

Using YourVoice

During 2021, we received 797 reports through YourVoice, a 30% increase from 2020. We attribute the increase to a heightened awareness of the channel as a result of our pro-active engagement with stakeholders, a growing culture of trust to raise concerns with confidence and the promotion of this channel through other relevant Groupwide initiatives.

Of those allegations closed, 30% were substantiated or partially substantiated. Corrective actions were taken against allegations substantiated in accordance with our policies.

In September 2021, we launched the first Action for Integrity month, which we expect to become an annual event centred around the idea of 'doing the right thing'. Our chief executive launched the month's activities, underlining the importance of this topic for the entire Group. This year, we focused on YourVoice, revamping the website and providing leaders with briefing materials and a toolkit to facilitate conversations on integrity issues.

Integrating our ethical policies across our Group

We continued to support the embedding of the Group's policies across our business. For example, our Ethical Business Conduct team led risk discussions with our Group's subject matter experts and provided advice and guidance on improvement opportunities for their respective Policy implementation programmes.

Reinforcing our assurance, risk management and investigation processes

We conduct annual risk-based internal audits across our operations to obtain assurance on our risk mitigation programmes, using the Three Lines model developed by the Institute of Internal Audit. The model sets out discrete lines of control: the line manager, internal control and compliance, and internal audit, ensuring that risks are dealt with at each level and minimising the chance of risks being missed.

Benchmarking anti-corruption initiatives

We continue to deepen our collaboration with the Transparency International (TI) Corporate Anti-Corruption Benchmark and play a more active role in transparency programmes.

During 2021, we implemented several of the TI's recommendations. These include developing a skilled and independent investigation team and refining our third-party risk management process.

Engaging our people and industry

We developed and launched several new training processes and materials, including conducting virtual Code of Conduct training for more than 13,000 participants. We also continued to innovate to make our training methods more engaging and impactful – introducing gaming methods and developing animated materials. For face-to-face training, we introduced more customised content using real-world case studies.

Whistleblowing programme⁽¹⁾

People		
Employment, personnel policy and other people related matters	<div style="width: 21%;"></div>	21%
Bullying, harassment victimisation and other related matters	<div style="width: 28%;"></div>	28%
Legal and regulatory (including bribery, corruption, fraud, and criminal activity)	<div style="width: 19%;"></div>	19%
Suppliers and procurement	<div style="width: 13%;"></div>	13%
Safety and health (including Covid-19 related)	<div style="width: 11%;"></div>	11%
Information security and data privacy	<div style="width: 1%;"></div>	1%
Social and environment	<div style="width: 1%;"></div>	1%
Other	<div style="width: 6%;"></div>	6%

⁽¹⁾ Computational discrepancies may occur due to rounding.

In October 2021, we launched a new online Business Integrity training course for those in managerial positions.

We continue to engage with our industry on business ethics in order to share and learn from best practices. We also are a member of the board of the Extractive Industries Transparency Initiative (EITI).

Next steps

We have a robust plan of continuous improvement in collaboration with our business units, business integrity implementation managers, Group management, Audit Committee and Board. We will continue to refine and expand our Group policies to stay at the forefront of companies managing complex real-world issues.

Socio-economic contribution

We continued our work in the areas of health, livelihoods and education across our host countries, while supporting the continued Covid-19 response in 2021. At the same time, we remained committed to transparency around our social contributions and significant tax payments through proactive disclosure. We believe the enduring positive impact of our business – and the mining industry as a whole – can only be properly assessed by positively considering the total footprint of our contributions across the whole mining lifecycle.



▲ Building on the country's sophisticated micro-credit sector, our Emerge enterprise development programme is supporting businesses in the region around our Quellaveco project in Peru. Featured is entrepreneur Flor de Maria Mejía with olives and olive products originating from the Algarrobal olive plantation social project.

Our approach and policies

Our socio-economic contribution

The socio-economic contribution we make to the communities in which we operate takes various forms:

- The royalties and taxes we pay (and collect on behalf of governments) add economic value to a country
- Business operations that deliver economic value to communities, enhanced by policies on inclusive procurement, local recruitment and supporting local suppliers
- Long-running socio-economic development interventions, in collaboration with local partners, which address local needs, building and strengthening sustainable local economies so that they are less dependent on our mines.

Taking a long term view, we design our operations and community development initiatives so that communities and economies continue to thrive, even after our mines have closed.

→ For more information on our Collaborative Regional Development See page 54

The economic value we add

By employing people, paying and collecting taxes and spending money with suppliers, we make a significant positive contribution to both our host communities and their regional and national economies. Most of these are in developing countries. Thanks to the multiplier effect, our total economic contribution extends far beyond the direct value we add.

In 2021, we distributed \$30.4 billion of cash value to our stakeholders as detailed below:

\$11.4 bn

paid to suppliers

\$8.1 bn

to providers of capital

\$7.1 bn

in taxes and royalties borne and collected

\$3.7 bn

our employees through wages and related expenditure

\$138 m

spent on Corporate Social Investment (CSI)

Our national tax contributions

Public disclosure is essential to building trust in the mining industry. We have voluntarily provided information about tax payments in each of our business units for many years. Since 2015, we have published our Tax and Economic Contribution Report for all our major operating jurisdictions. In it, we provide details about the taxes and royalties we pay, the taxes we collect and the other key economic contributions that we make to local economies, such as wages and salaries, capital investment and procurement spend.

Since 2019, we have enhanced our disclosure by publishing our annual country-by-country report. This is an OECD standardised document that we were already submitting to tax administrations each year and details key data points across all countries.

We have also contributed to the development of the Global Reporting Initiative (GRI) 207 tax standard and aligned our reporting more broadly to it since it came into effect in 2021, which will improve comparability for stakeholders and provide better data from GRI participating groups by ensuring information is provided about:

- Approach to tax
- Tax governance, control and risk management
- Stakeholder engagement
- Country-by-country data, including narrative on effective tax rates.

We ensured that our 2020 Tax and Economic Contribution Report and its country-by-country appendix were fully compliant with GRI 207 in 2021, the first year that the standard came into effect.

As well as accelerating the publication of our 2021 Tax and Economic Contribution Report to coincide with our Sustainability Report, we have also updated the basis on which the report is prepared to align with our broader reporting suite and emerging industry best practices.

Our separate Payments to Governments Report has fully complied with Chapter 10 of the 2013 EU Accounting Directive (2013/34/EU) through its UK adoption (UK Reports on Payments to Government Regulations (SI 2014/3209)) and the Canadian Extractive Sector Transparency Measures Act since they were introduced.

We are an active supporter of the EITI, and one of four mining companies represented on the EITI board. We take part in the Multi-Stakeholder Groups initiative in Peru, Ecuador and Zambia – the three countries that are members of the EITI and where we have mining operations or exploration activities.

Taxes borne and collected: developed vs. developing countries

	\$'000	
Developing	6,349	89%
Developed	785	11%
Total	7,134	

GRI 201 – Economic performance*

\$ million	2021	2020
Revenue	42.1	26.2
Operating costs	24.0	19.8
Employee wages and benefits	3.6	3.2
Payments to providers of capital	8.2	2.9
Payments to government	4.5	1.9
Community investments	0.1	0.1
Economic value retained	1.8	(1.5)

* Includes data from financial statements prepared in accordance with IFRS, in line with GRI 201.

→ For more information Visit: angloamerican.com/tec-report-2021

Activities in 2021

Promoting education

The first phase of our education programme in South Africa, now in its fourth year, has made good progress to date, and aims to provide wide-ranging and quality education for an estimated 73,000 learners and 2,300 teachers at 109 schools for whole school development (WSD) and 100 early childhood development sites (ECD) in communities around our mining operations. The programme is designed to improve literacy, numeracy, mathematics and English levels by addressing some of the underlying reasons for poor education outcomes.

Throughout the pandemic, we have focused on providing schools and communities in our programme with wi-fi towers, devices and e-content to support remote learning.

In Chile, we are also in the fourth year of implementation of our Modelo Pionero programme. We now support 17 schools in the Metropolitana and Valparaiso regions, encompassing more than 5,000 students. We are continuing to work with local partners to identify additional schools that will benefit from this programme over the next decade.

In Canada, implementation of our education programme started in Gahcho Kué in January 2021. Situated in the Northwest Territories, the communities around the Gahcho Kué mine are 280 kilometres from the provincial capital and accessed by air. We donated 213 computers to nine local schools to support remote learning during the pandemic. We also donated eight mini-tablets to the Deninu Kué First Nation to help elderly residents stay connected with family and friends during the pandemic.

We have continued to develop our education programmes in the UK, Australia, Zimbabwe, Brazil and Peru.

Securing livelihoods

Sustainable Mining Plan Thriving Communities goal: Livelihoods

Covid-19 remained a central challenge for both Anglo American and our communities throughout the year. We focused on online training opportunities and continued to work with our partners to improve connectivity to increase access and opportunities for members of our communities. We believe that the work done to close the so-called digital divide – the uneven access to information communication technologies in both emerging and developed economies – will have a major impact on socio-economic development long after the pandemic has receded.

In 2021, we sought to positively impact livelihoods by continuing to pursue site-specific strategies. These included inclusive procurement, enterprise and skills development, corporate social investment and developing local government capacity.

We introduced a new agricultural strategy in Zimbabwe at the end of 2019, designed to improve income for smallholder farmers and foster socio-economic development in our host communities. Following the first successful harvest in 2020, we exported sugar snap peas to supermarkets in the UK and elsewhere in 2021.

We also continued our partnership with the Inter-American Development Bank (IDB) in Peru and Brazil. In Peru, we launched a new phase of the initiative in October. In Brazil, the programme is already under way and we are preparing for the official launch.

Improving community health

Sustainable Mining Plan Thriving Communities goal: Health and well-being

Our approach has been to move beyond occupational health and address the broader health issues in the communities where we operate. From infectious diseases to lifestyle-related impacts, health has a direct influence on the other two pillars of the Thriving Communities goal: education and livelihoods. We are taking a holistic approach to addressing these factors.

We have worked with the London School of Hygiene and Tropical Medicine (LSHTM) since 2019 to carry out baseline studies to inform our Community Health goals. The results have been shared with the sites involved in the studies.

We have continued to work with the LSHTM and local research partners in South Africa, including Research and Training for Health and Development and the University of Pretoria, to develop strategic partnerships for achieving our goals in our host communities. We have also continued our partnership with local research partners in other countries, including Chile and Brazil, where we have started to engage with relevant health authorities to align the proposed strategy building on the relationships developed through our collaboration to prevent the spread of Covid-19.

Investing in social initiatives

In 2021, our corporate social investment (CSI) reached \$138 million (2020: \$125 million). This represents 0.8% of underlying earnings

before interest and taxes (EBIT), less underlying EBIT of associates and joint ventures. Since the beginning of the pandemic in 2020, we have increased our CSI investment and slightly readjusted our funding priorities, investing more in health.

In mid-2021, we extended our UK employee match giving programme so that it is available to our employees worldwide. This follows the success of the global COVID 19 matched-giving programme.

We expanded our global employee volunteering programme, Ambassadors for Good, to include Peru, Ireland and Germany (Element Six). The number of employees involved in the programme increased by 45% from 2020 and addressed a range of areas from accountability, health and well-being, to biodiversity energy and education.

Anglo American Foundation

Building on the extensive in-kind support and financial contributions as part of the WeCare programme detailed above, in 2021 we donated \$100 million to create a special endowment for the Anglo American Foundation. The Anglo American Foundation is focused on accelerating progress towards the United Nations’ Sustainable Development Goals (UN SDGs), placing a particular importance on programmes that empower women, youth and vulnerable groups. By partnering with non-profit, public and private organisations, the Anglo American Foundation supports health, education, economic development and environmental projects aligned with the goals of our Sustainable Mining Plan – itself designed to align with the UN SDGs.

Supporting supplier and enterprise development

We work with many small suppliers, helping them to meet our supplier standards in areas such as health and safety, environmental protection and respecting human rights. For over 30 years, our capacity-building programme in South Africa, Anglo American Zimele, has helped to fund 4,701 small, medium and micro-sized enterprises and created 67,621 jobs. Where our small suppliers have been impacted by the ongoing pandemic, we have deferred loan repayments or accelerated payment terms to help them manage their finances and the impact of the pandemic. Participants in the Zimele loan programme received a three-month payment holiday at zero interest. We have also helped them to access government support programmes during the pandemic.

Our approach to inclusive procurement

Anglo American is committed to inclusive procurement and developing local supply chains that can support resilient communities. We aim to build these supply chains by supporting small-business growth in our host communities, stimulating job creation, building manufacturing capacity and focusing on creating economic opportunities for previously excluded groups.

In 2021, our operations spent approximately \$11.4 billion (2020: \$11.0 billion) with suppliers, of which \$10.0 billion was with local suppliers (2020: \$10.0 billion). Our expenditure with designated suppliers (Black Economic Empowerment in South Africa, Indigenous communities in Canada and Aboriginal Suppliers in Australia) was \$2.6 billion (2020: \$2.6 billion), representing 23% of total supplier expenditure, including \$0.9 billion with host communities in the direct vicinity of our operation (2020: \$0.7 billion).

Local spend numbers indicate spend on suppliers based in the relevant country of operation, whereas host community spend numbers reflect expenditure with suppliers based in communities in the direct vicinity of our operations.

Our approach to host community spend aligns with national and regional policies that are designed to increase opportunities for previously marginalised groups. These include the First Nation Impact and Benefit Agreements in Canada, the promotion of Aboriginal procurement in Australia, and broad-based black economic empowerment in South Africa.

Next steps

In 2022, our support programmes will continue to focus on our Thriving Communities pillars of education, health and well-being and livelihoods, among other areas, including implementing the Thriving Communities strategies that we put in place at every site in 2021.

At the Group, site and community level, we remain committed to our programmes and long term targets under the Sustainable Mining Plan. In 2022, we intend to expand further many of our socio-economic development programmes, working closely with our global and local partners.

We will also continue to support the immediate response to the pandemic and the longer term recovery of society. Our focus on expanding digital access in our local communities is enabling remote learning and helping people – especially the elderly – to overcome isolation. These investments are also helping our communities to join the digital economy, creating a crucial avenue for future economic development.

Local procurement

% of total addressable procurement expenditure by country

	\$ million	
South Africa	3,200	32%
Chile	1,800	18%
Australia/Asia	1,600	16%
Peru	1,200	12%
Brazil	1,000	10%
Europe	600	6%
Other Africa	500	5%
North America	100	1%
Anglo American total	10,000	

⁽¹⁾ Computational discrepancies may occur due to rounding.

Global CSI expenditure by type⁽¹⁾

	\$'000	
Community development	65,500	47%
Education and training	28,800	21%
Health and welfare	21,400	16%
Water and sanitation	6,500	5%
Other	4,700	3%
Institutional capacity development	3,700	3%
Disaster and emergency relief	3,300	2%
Environment	2,200	2%
Sports, art, culture and heritage	1,900	1%
Total	138,000	

⁽¹⁾ Discrepancies may occur due to rounding.

Global CSI expenditure by country⁽¹⁾

	\$'000	
South Africa	60,700	44%
Chile	30,800	22%
Peru	21,500	16%
Brazil	7,700	6%
Namibia	5,900	4%
Botswana	5,500	4%
United Kingdom	2,400	2%
Australia	1,100	1%
Rest of World	900	1%
Zimbabwe	900	1%
Canada	500	0%
Total	138,000	

⁽¹⁾ Computational discrepancies may occur due to rounding.

Anglo American enterprise development programmes

Country	Name of the programme	Partners
Brazil	Crescer	Crescer, which means ‘to grow’ in Portuguese, is our enterprise development programme in Brazil. Working with TechnoServe, we are focused on supporting entrepreneurs in the areas around our Minas-Rio iron ore and Barro Alto nickel operations.
Chile	Emerge	In partnership with Fondo Esperanza and TechnoServe, we have supported more than 50,000 entrepreneurs and small to medium-sized businesses (SMEs).
Peru	Emerge	The scheme focuses on supporting businesses in the Moquegua region in the south of Peru.
Botswana	Tokafala	In partnership with the Botswana government, De Beers and Debswana, we set up this programme to support up to 5,600 jobs and foster the growth of up to 1,000 SME businesses. The partnership aims to help Botswana leverage the power of the mining sector to diversify its economy.
South Africa	Zimele	Our flagship scheme, now administered by Absa Bank, empowers black entrepreneurs to start or grow businesses. We have now funded 1,885 businesses, which employ in excess of 38,000 people.
Zimbabwe	Takura	IFAD, Ministry of Lands, Agriculture & Rural Resettlement, TechnoServe, UK Trade Partnerships Programme (UKTP), ZIMTRADE

Collaborative Regional Development

Our innovative partnership model to catalyse independent, scalable and sustainable economic development in regions around our operations – the objective being to improve lives by creating truly thriving communities that endure and prosper well beyond the life of the mine.

We partner with governments, communities, other private sector companies, academia, financial development institutions and NGOs through our CRD work. This approach provides comprehensive and scalable benefits for us – as members of the community who benefit from its prosperity – and our stakeholders.

Our approach and policies

We recognise that our host communities face diverse and complex challenges today, from the continued impact of Covid-19 to the longer term socio-economic disruption of workplace automation, to name just

two. Society as a whole – including government, NGOs and business – must work together to address these issues comprehensively and in ways that can be accurately measured.

As an integral part of our Sustainable Mining Plan and in line with our vision and purpose, CRD addresses these needs by providing a partnership-based model designed to catalyse scalable and sustainable regional development in every geography where we have operations. Our approach includes building CRD into our future mining operations at the earliest stages of planning.

CRD uses a rigorous six-phased business-minded approach that is predicated upon engagement, data collection and analysis, and collaboration:

- Spatial and economic analysis
- Identifying opportunities
- Planning and partnership development
- Implementation
- Scaling
- Impact and evaluation.

This approach combines deep listening and engagement in our communities while applying innovation – using tools such as spatial analysis to understand the untapped potential of these regions. It allows for a consistent approach and follow-through that enables the scaling of projects, the accurate measurement of social impacts and continued refinement.

Our CRD initiatives are designed to provide long term job opportunities in communities independent of our mines, so they can prosper when an operation reaches the end of its lifecycle. We work with our partners to develop diverse new businesses to fuel these opportunities. We also invest in healthcare, education and institutional capacity development, essential for communities to be able to embrace new opportunities. And we seek both immediate solutions to pressing needs and long term social development.

The results should represent a win-win for all stakeholders. Importantly, the CRD approach also fosters greater prosperity for host communities and host regions, which, in turn, makes Anglo American a partner of choice, strengthens goodwill around our operations, and ultimately ensures future markets for our products and a skilled and motivated workforce for our business.

Scaling our impact globally

Our CRD vision to 2030 foresees the creation of a series of initiatives aimed at delivering socio-economic change on a regional scale, each with a unique set of partners, connected through a common purpose of improving lives. We launched the first such programme, Impact Catalyst, in 2019 in Limpopo, South Africa. We see it as a template for a global approach that can improve millions of lives, enhance communities and deepen collaboration with local partners for the benefit of all stakeholders. A specific focus is empowering youth, particularly those whose development is being hampered by systemic factors beyond their control. We plan to launch a global programme of these initiatives covering all our host countries.

Activities in 2021

We remained committed to our CRD agenda despite the ongoing local and global challenges posed by Covid-19. From the level of the Board and chief executive to individual sites, we view these projects as a collective commitment requiring consistent dedication of attention and resources over a timespan of several years, even decades.

South Africa

In Limpopo province, we continued to implement several initiatives with our partners to build and increase capacity in areas such as social and economic development, education, health and the environment.

Projects include a five-year community-orientated primary care programme (COPC) as part of Impact Catalyst. Working with the University of Pretoria and other partners, it focuses on bringing healthcare professionals into homes to identify critical health issues and support the care of community members. We anticipate helping to provide community health support for 3.6 million people through the programme, which we project could avert more than 5,500 premature deaths. We also continued projects focused on increasing broadband access and supporting regional development planning.

In 2021, the Industrial Development Corporation (IDC) of South Africa, a national development finance institution, joined the Impact Catalyst. Its participation provides a vital financial partner for projects in the country, alongside government, NGOs and other businesses.

During the year, we continued the roll-out of Impact Catalyst in the Northern Cape region. Following a spatial analysis assessment of the province, we worked in 2021 with our local partners – including the provincial government, Department of Mineral Resources, the IDC, NGOs and business – to identify priority areas. These include expanding community access to broadband and other communications technologies, as well as projects focused on economic development, education, health, tourism, municipal infrastructure and early childhood development. On this basis, several feasibility studies for potential projects were launched during 2021.

Botswana

We carried out a spatial analysis to identify potential opportunities for socio-economic development around Debswana’s Jwaneng and Orapa operations. We also reached out to relevant potential partners and other interested stakeholders to share the findings of the assessment.

South America

Our focus for South America in 2021 was to continue the roll-out of CRD programmes in our host regions.

In November, we launched the Moquegua Crece CRD programme alongside our key platform partners – the regional government of Moquegua, Mitsubishi Corporation, M.C. Inversiones Perú (MCIP), and the International Finance Corporation (IFC), a member of the World Bank Group, and supported by Engie and Forest Trends. Progress to date includes:

- Securing funding for a pilot focused on scaling up regional algae production. The pilot will be implemented in 2022
- Collaborating with the regional government on the 2030 Regional Development Plan, which incorporates the voices of the population in the identification of development priorities
- Assessing the institutional capacity of sub-national governments and designing a technical assistance programme focused on strengthening their investment management.

As part of our partnership with Forest Trends, we have also identified priority areas for natural infrastructure interventions aimed at water restoration and erosion control. We are now supporting initiatives to improve natural infrastructure in the region, aiming at enhancing water quality and availability.

We previously undertook a similar spatial analysis of opportunities in Brazil and Colombia. In 2021, our business unit teams in Brazil evaluated the most effective ways to establish collaborative partnerships to support the development of these opportunities going forward.

At Minas-Rio, building on the findings of the spatial analysis, we conducted feasibility studies for the development of the coffee and tourism industries in the region and explore opportunities for establishing a supplier park in the region. We are now in the process of reaching out to relevant stakeholders and putting in place the relevant governance structures in place to take the work forward.

At Barro Alto, we commenced a spatial analysis in collaboration with a local university, which will be completed in 2022.

In Chile, we conducted a spatial analysis for El Soldado, Chagres and Los Bronces. Opportunities identified include agriculture, tourism and commercial applications of quillay, an extract from the bark of a native tree. We aim to put pilots in place in 2022 to test the feasibility of the identified opportunities.



▲ In November 2021, we launched Moquegua Crece CRD programme in the Moquegua region surrounding our Quellaveco copper project in Peru. Pictured are (left to right) Gaëlle Dupuis, who is Manager of Institutional Relations and Sustainability at Engie Energia Peru; Governor Regional Moquegua Zenón Cuevas Pare; and Anglo American vice-president – corporate affairs Diego Ortega Meneses.



- ▲ In South Africa, we have worked in partnership with the University of Pretoria to develop the Community-Orientated Primary Care (COPC) programme, which has been facilitated by a variety of healthcare providers such as our PGMs business's Amandelbult hospital.

United Kingdom

We continued to explore CRD opportunities in and around North Yorkshire, England, the site of the Woodsmith polyhalite project acquired in 2020. We have worked closely with regional partners to identify local opportunities in low carbon technologies, cybersecurity, the food and agriculture sector, tourism, small business support and education. We are in the process of talking to existing and potential partners and shortlisting potential projects in areas ranging from local economic development to cybersecurity. (See case study on page 67.)

Next steps

A major focus in 2022 will be to establish and formalise our CRD platforms in countries where we have conducted planning and analysis, such as the UK and Australia. This will help to ensure that our efforts are consistent across our geographies, including both emerging and developed economies.

Covid-19 – which remains an immediate threat to our host communities around the world – has only underlined the value of the CRD approach. We have seen once again the interconnectedness of education, healthcare, connectivity, economic development, institutional capacity and other social issues, and how the pandemic has revealed weak points in many existing institutions.

An integrated approach based on partnership with local community members, NGOs, business and government is required to make lasting change. In 2022, we plan to broaden our partnerships and address additional areas of concern raised by our spatial modelling work in past years.

Human rights

Consistent with our Values, we are committed to upholding human rights across our value chains. To continually improve in this important area, we are embedding human rights as a foundation of the approaches and standards that we apply throughout our business.



▲ Employees preparing cupboards at Yobuningi Development (Pty) Ltd, a female co-owned enterprise involved in the Anglo American Zimele Programme.

Our approach and policies

Our Human Rights Policy and Framework

Our Group Human Rights Policy is aligned with the UN Guiding Principles on Business and Human Rights (UNGPs) and our commitment to the UN Global Compact Principles. Our Human Rights Framework underpins the policy, describes how it links to our standards, such as the Social Way, and outlines our salient human rights risks.

→ For more information on our Group Human Rights Policy
Visit angloamerican.com/human-rights-policy

→ For more information on our Human Rights Framework
Visit angloamerican.com/human-rights-framework

We are also a signatory of the UN Voluntary Principles on Security and Human Rights and the Business Network on Civic Freedoms and Human Rights Defenders.

Our Responsible Sourcing Standard for Suppliers

We have embedded our approach to human rights and our expectations for suppliers in our Responsible Sourcing Standard for Suppliers. To help ensure that our supply chain remains ethical and free of modern slavery, we require every supplier that we onboard to comply with specific standards related to the industries or sectors in which they do business.

The contractor social management section of the Social Way provides methods and approaches for our operations to manage the potential social and human rights impacts from our contractors. This includes defining whether a contractor's activities will be 'socially material' and detailing how potential impacts, risks and opportunities associated with these activities need to be managed.

Our Modern Slavery Statements

We aim to be part of an ethical value chain that respects human rights and is free from slavery. To date, we have published five Modern Slavery Statements in compliance with the UK Modern Slavery Act 2015 and one Modern Slavery Statement in compliance with the Australian Modern Slavery Act 2018. We have also communicated with suppliers key principles to manage additional pandemic-related risks within their supply chain.

Indigenous Peoples

With great respect for the close connection of Indigenous Peoples to the land, we remain committed to obtaining and maintaining Free, Prior and Informed Consent (FPIC) for all relevant projects, in line with the 2013 ICMM Position Statement on Indigenous Peoples and Mining and IFC Performance Standard 7. We have incorporated this commitment into the Social Way. In Canada, where our operations affect Indigenous Peoples, we work with the relevant authorities to reach Impact and Benefit Agreements (IBAs).

At our Metallurgical Coal operations in Australia, we have established cultural heritage management agreements with the traditional owners of the lands in which we operate. Developed through engagement with

traditional owners, our revised Reconciliation Action Plan is a framework for Anglo American to support the national reconciliation movement and to contribute to achieving reconciliation internally and in the communities in which Anglo American operates.

Adopting a rights-based approach to working with communities

Aligned with our Human Rights Policy and the UNGPs, respect for human rights is incorporated throughout the Social Way. For example, it underpins:

- Our approach to engagement with stakeholders, which is based on the principle of inclusion and diversity and must be open, meaningful, respectful and include vulnerable and disadvantaged groups
- The methodology for identifying vulnerable groups and ensuring specific consideration for these groups within our approaches
- Processes for identifying, assessing and addressing social and human rights impacts: the potential social consequences (meaning impacts to external stakeholders) of our activities are assessed and rated using the Anglo American Social Consequence matrix and the process to identify, assess, manage, monitor and evaluate these impacts requires the consultation and participation of stakeholders
- The social consequence matrix, which is used to rate incidents according to the scale of impact the vulnerability of those impacted and how easy it is to restore those impacted to their prior situation or state. The social consequence matrix can be found on the Social Way 3.0 website under section 3C.4
- The integration of the mitigation hierarchy into the approaches to human rights impact management, and the monitoring and evaluation of effectiveness of controls
- Site-level grievance mechanisms, which must be based on engagement and dialogue, and enable remediation. All grievances and incidents are investigated using the learning from incidents methodology, which requires sharing of lessons learned. Stakeholders are engaged throughout the grievance investigation and remediation process.

→ For more information
Visit angloamerican.com/PDCA

Activities in 2021

Progress against our 2023 human rights action plan

We continued to make progress against our five-year Human Rights Action Plan and enhance our human rights due diligence process.

We are committed to using our leadership role in our industry, where we have influence, to advocate for industry standards and training and are driving discussions on human rights and modern slavery with industry bodies in South Africa and Australia. Through various cross-sector initiatives, such as the UN Global Compact's UK Working Group on Modern Slavery, we use our voice to advance human rights, while learning and sharing with our peers.

Human rights due diligence

Consistent with UNGP requirements, we are performing a methodical review of human rights due diligence processes at an operational level to identify gaps and develop more robust guidance for operations. This follows a project conducted in 2019–2020, in which we assessed human rights due diligence gaps in our processes at the corporate level. We are addressing the gaps that we identified by updating corporate processes and, where relevant, adding further due diligence requirements to the five-year sustainable mining plans of corporate functions.

Engagement with NGOs on human rights

We remain committed to building and maintaining relationships with NGOs, both at a local and global level, around the world. We also recognise that partnering with organisations working specifically in the field of human rights is crucial to delivering a positive contribution to our stakeholders.

Incidents and grievances

Whereas in the past we have reported the % of grievances with a human rights element, following an integrated approach to human rights, we no longer specifically call out 'human rights' grievances as we recognise all complaints could potentially be linked to a human rights issue even when not explicitly phrased as such. Through the screening and investigation process we can identify where there is an actual incident (i.e. human rights impact) associated with a grievance and the significance of that incident, where Level 4 or 5 incidents are the most serious. In 2021, of all grievances received, the most serious related to perceptions of non-compliance to Covid-19 guidelines (52 grievances) and one relating to perceived surface water impacts. Following investigation, none of these were found to be associated with actual human rights impacts.

Gender-based violence

We believe that everyone has the right to dignity – in our homes, offices and everywhere in between. This is what we call 'Living with Dignity'. We recognise the material importance of this issue in an industry with a majority male workforce and operational environments with high levels of structural violence and gender discrimination. We have revised our sexual harassment policy and associated processes to reflect these concerns. Sexual harassment is a standing item at Executive Committee meetings and we have made the Living with Dignity approach the fourth pillar of our WeCare lives and livelihoods programme, launched in response to Covid-19.

In South Africa, we have used the results of baseline studies in two of our sites carried out in 2019 to shape our locally relevant approaches, in the workplace and in our communities. We have made wide-ranging changes in our South African workplaces with the unwavering support and commitment of our leadership team and underpinned by clear policies. These, in turn, are rooted in our 'zero tolerance' stance with regard to acts of bullying, harassment and victimisation. We are

currently launching a dedicated anti-harassment office covering all our managed operations in South Africa.

The Covid-19 pandemic and associated lockdowns and economic disruptions have reminded us of the significant intersections between gender-based violence (GBV) and a range of public-health issues. We have invested resources to develop holistic and integrated approaches to care and prevention in our communities. These will see our GBV prevention and victim-centred response work become woven into existing and new interventions in health, education and livelihood support. A strengths-based gender-transformative curriculum is under development that will provide our partners working in and with communities with additional space for reflection and growth in their work around gender norms and related behaviour. In South Africa, the Tripartite Health and Safety Initiative has developed a strong statement of commitment guiding our work on GBV across the South African business and in the labour unions. In South America, we have conducted assessments to identify the most impactful ways that Anglo American can support GBV response and prevention work in our communities and are working on closing the gaps that have been identified.

We continue to advocate for a deeper understanding of GBV, within the business and with external partners. We play an active role in business initiatives advocating for comprehensive approaches to address GBV through both response and prevention interventions. In addition, we have created and participated in campaigns; facilitated space for dialogue; and demonstrated the value of creating safe workplaces, homes, schools and communities in and around our operations.

Protecting human rights defenders

A human rights defender is any individual or group of people who acts to promote or protect human rights, at risk to their own safety and human rights. Having signed the Public Statement on Supporting Civic Freedoms, Human Rights Defenders and the Rule of Law in 2019, in 2021, we prepared a new protocol for the protection of human rights defenders. We also updated our internal policies governing human rights to reflect our commitment to civic freedoms and human rights defenders and to align with the 'three lines of defence' risk management approach.

→ [For more information](https://media.business-humanrights.org/media/documents/files/Statement_Public_v2.pdf)
Visit https://media.business-humanrights.org/media/documents/files/Statement_Public_v2.pdf

Through our engagement with organisations such as the Office of the United Nations High Commissioner for Human Rights and other multi-sectoral platforms, we add our voice to those who seek to protect, advocate for and empower human rights defenders. We also work to identify leading practices and learn from others how to improve our own approach and processes.

Responsible resettlement

Displacement and resettlement as a result of our activities is a complex and sensitive issue, which we handle in line with international best practice. While we always seek to avoid or minimise resettlement caused by our activities to the extent possible, we have a number of ongoing and planned resettlement projects.

With strengthened governance in place, we are able to identify instances more proactively where our long term life of asset plans may cause future displacement and resettlement. The identification of a potential pipeline of land access needs, integrated into long term mine planning, creates an opportunity to change technical project designs earlier in the planning process. In this way, we can avoid resettlement and find alternative solutions where possible, reducing impact for communities, and costs and risks for our projects.

Where we can no longer avoid or further minimise displacement and resettlement, our new standard on land access, displacement and resettlement – launched as part of the Social Way 3.0 – increases the robustness of our planning and preparation for execution. We believe that this approach will help us to deliver improved quality of life outcomes for the communities we impact.

We now treat all new resettlement projects as capital investment projects. This means resettlement planning is subject to rigorous and independently assured stage-gating, must be approved by the Investment Committee of the Group Management Committee, and undergoes thorough review by senior leaders, supported by subject-matter experts. In 2021, we assessed all sites where land access, displacement and resettlement requirement are applicable as part of our annual third-party Social Way assurance process.

We consult extensively with affected parties seeking to improve their quality of life and livelihoods post-resettlement. Strict monitoring and evaluation enable us to take relevant corrective measures to ensure we meet our standards.

At our Mogalakwena PGMs mine in South Africa, engagement is ongoing to facilitate the relocation of the households remaining resident at Motlhotlo village. In 2021, we commenced a comprehensive monitoring and evaluation programme to track the post-resettlement living conditions of the affected households.

In Brazil, a voluntary resettlement programme was created by Anglo American and host communities. This programme aims to provide a voluntary relocation alternative for those families in our host communities who do not wish to live near our operations.

Next steps

In 2022, we will focus on continuing to embed respect for, and protection of, human rights throughout our policies and practices. We will also continue to deliver training across our business to ensure that all relevant staff understand how the business can impact human rights and what is expected of them.

We will remain focused on the problem of GBV in our operations and surrounding communities as part of a connected approach to confronting broader health issues. We will also continue to implement our five-year action plan and embed human rights considerations as a foundational element of our business processes.

Our work to eliminate gender-based violence

In response to the scourge of GBV in societies worldwide, Anglo American launched the Living with Dignity Programme at the end of 2019. In doing so, Anglo American recognised the crucial role that business can play in reversing the high levels of violence that often characterise the communities in which we operate, and which find their way into the offices, change rooms, and other corners of the business. We recognise that re-imagining mining to improve people's lives calls for a whole-of-mine perspective on improving the conditions in which Anglo American employees and their families work and live.

Our Living with Dignity efforts are designed to create safe spaces for people – at work, at home, at school, and in the community. We act to protect both our workforce and their families in partnership with health authorities, government actors and local non-profit organisations.

Gender discrimination and GBV have an impact on safety and health, and well-being, and ultimately compromise economic performance and social advancements. This is particularly true for the three spheres of our Sustainable Mining Plan's Thriving Communities pillar: they hold back progress in providing equitable health care through our community health services and have a direct negative bearing on health outcomes; they compromise efforts to improve educational outcomes among both boys and girls through our education programmes; and they lead to reduced impact of our livelihoods initiatives targeting young and female community members.

Internally, gender discrimination and gender-based harm hold back efforts to improve inclusion and diversity across the company and compromise the significant progress made in recent years regarding safety. By tackling gender-based discrimination and violence, we make a crucial contribution to ongoing efforts across the organisation to create safe environments in which every employee can bring their whole self to work, and work and live in dignity.

We want everyone at Anglo American to feel valued for who they are and work in an environment that promotes dignity and respect. Together with our unions, we have committed to creating a safe workplace that is caring, free of judgement, welcoming and that offers security and peace by ensuring that we are a community that is connected.

As part of our Living with Dignity aims, our Group Policy on Recognising and Responding to Domestic Violence was put in place to provide sector-leading support to all survivors of GBV in the world of work, including male survivors. Introduced in March 2021, the policy provides support regardless of gender and sexual orientation, including paid leave; flexible working time; financial assistance; safe emergency accommodation; and access to a comprehensive risk assessment and safety plan.



▲ Gender-based violence has increased during the pandemic and is holding back our efforts to improve inclusion and diversity across the organisation, and compromising the significant progress we are making regarding safety.

We want to completely eliminate GBV and sexual harassment at Anglo American. Just like safety, it will take sustained effort over many years to get there – and stay there.

Outside of work, we want to make a meaningful contribution, along with governments, NGOs, and other players, to realise the UN's vision of safe spaces for all. Gender norms are deeply rooted in our belief systems and behavioural scripts. Understanding these holistically, and with respect for local beliefs and values, enables Anglo American to respond with care and respect, and with the highest levels of integrity and trust, to collaboratively build evidence-driven interventions in the communities in which we operate – with staff, community members, and local partners.

In a joint statement of commitment, the company and our unions have committed to constantly seek ways in which we can better understand our own role, personally and within the workplace, in perpetuating gender inequality, bullying, sexual harassment and GBV, by commission or omission. This means that we acknowledge that if we want to break cycles of violence, we all have a role to play, in our personal and professional spaces.

As parents, we can break the cycle by eliminating violence in our own homes; by modelling to our children peaceful conflict resolution and gender equality; and by allowing our boys to express healthy emotions. As family members, community members and colleagues, we must not accept any form of sexism or abuse. As accountable leaders, we have to avoid minimising a colleague's experience and rather address it with compassion and pass it on to those who are best placed to deal with it. And we must never stay silent about GBV, be that at work, at school, at home, or in our communities.

Product stewardship

We recognise the importance of product stewardship: ensuring our customers know that the materials they purchase are not only of the highest quality but produced safely and responsibly. We are committed to maintaining an ethical value chain and working with our peers and local and international organisations to develop and integrate the highest standards.



▲ Close examination of a diamond during the cutting and polishing process. De Beers continues to play a leading role in the Code of Practices of the Responsible Jewellery Council to raise sustainability performance across our operations.

Our approach and policies

Compliance

The starting point in our product stewardship approach is to ensure regulatory compliance for products across our business. This includes implementation of the UN's Globally Harmonized System of Classification and Labelling of Chemicals, and the EU's Registration, Evaluation, Authorisation and Restriction of Chemicals, as well as variants emerging in other jurisdictions. We have also established structures to ensure continued compliance in the UK, following Brexit.

As well as keeping informed of any new or upcoming regulations, we also actively engage with market stakeholders to ensure ongoing compliance in other regions and in other parts of the value chain, including transport and shipping.

Our membership of industry associations – such as the ICMM, Eurometaux, the Nickel Institute and the International Copper Association – also helps us in this endeavour.

Internally, all our sites are also required to comply, at a minimum, with our Group Technical Standard on Hazardous Materials Management. The standard covers planning and design, systems implementation and management, and performance monitoring related to all aspects of hazardous materials used in mining and processing. It also includes local legal compliance.

We apply our Operational Risk Management approach to the review of product risks, taking steps to strengthen controls where necessary, including enhanced critical controls over hazardous materials.

“We understand that our customers today expect us to employ the highest standards of ethical production, meeting or exceeding industry standards for sustainability across both our supply and value chains.”

A holistic approach

Stakeholder groups have made clear that a key component of meeting downstream expectations is ensuring that our sites are assessed against credible, third-party performance standards. The Ethical Value Chains commitment in our Sustainable Mining Plan means we are well positioned to do so. This is reflected in our ongoing work to implement the Standard of the IRMA across Anglo American sites.

As customers increasingly seek assurances that our products are produced responsibly, we engage with all our business units, co-ordinating across our technical and marketing functions, to make relevant information available.

Activities in 2021

Controlling hazardous materials

We continued the roll-out of a new software platform for the control of hazardous materials at all of our sites. Consistent with the goals of our updated SHE Policy, this platform is an important step in the implementation of our Group Technical Standards and monitoring of related critical controls.

Ensuring ethical value chains

In line with our global stretch goals and commitments in our Sustainable Mining plan, we continued the assessment of sites across our operations against the IRMA Standard. We actively participated in the development of the IRMA Standard, a process that spanned more than a decade. Seven mines underwent an IRMA audit in 2021.

→ [For more information](#)
See case study on page 44

De Beers sites continue to participate in and play a key role in the Code of Practices of the Responsible Jewellery Council (RJC) to raise sustainability performance across our operations. Our Los Bronces, El Soldado and Chagres copper operations met the Copper Mark certification criteria.

In addition, our PGMs business unit in South Africa has been audited and certified against the LPPM Responsible Platinum/Palladium Sourcing Guidance. This step has served to strengthen due diligence in our PGMs value chain.

In addition, we support the efforts of the Mining, Minerals and Metals (M3) Standards. M3 is a collaborative effort between the Mining Association of Canada's Towards Sustainable Mining (TSM) globally recognised sustainability programmes, the ResponsibleSteel™ certification initiative, the RJC and IRMA. It is aimed at developing cross recognition of the various independently verified standards ensuring alignment and collective action, and driving continuous improvement.

Next steps

In 2022, we will continue to implement site assessments at our sites, in line with the revised Sustainable Mining Plan targets. We will also proactively engage with our peers and all stakeholders to promote broad recognition and uptake of the IRMA Standard. In addition, we will continue to monitor global and national regulatory development to ensure ongoing compliance for our products.

Helping our people thrive

Topics discussed in this section

- Attracting, retaining and developing our talent
- Inclusion and diversity
- The future of work

▲ Featured at our Metallurgical Coal's Dawson mine are (left to right) service delivery specialist Donovan Bellingham, production superintendent Julia O'Neill, contractor Adrian Brown and social performance specialists Ashlea Fitzpatrick and Caitlin Loader.

We aim to attract the best people in the industry, putting them into the right roles to suit their talents and meet our business objectives – now and into the future. Empowering our employees through professional and personal development opportunities, we give them the support they need to thrive. Living our Values, we aim to be an inclusive workplace where everyone – without exception – can bring their full selves to work. Engaging with our employees enables us to build relationships based on trust.

How this connects to other sustainability topics

Our work in helping our people thrive is directly linked to:

- Playing our role in society
- Adopting a zero mindset

Progress against our Sustainable Mining Plan

SMP element	Critical foundations	Read more
Critical Foundations	Leadership and culture	Pages 63-64
	Inclusion and diversity	Pages 65-66

Section highlights



Amplifying our women leaders

Amplify is our leadership development programme focused specifically on women. Part of our Leadership Academy, it aims to provide the women of Anglo American with the tools, networks and space to develop their own authentic, impactful and effective leadership style

→ [For more information](#)
See page 61



Embedding inclusion and diversity more deeply into our Group policies

To empower every colleague to bring their whole self to work, we introduced our new Group Recognising and Responding to Domestic Violence Policy, Group Family-Friendly Policy, and Group Flexible Working Policy

→ [For more information](#)
See page 65



Future of work

Using the platform of our Sustainable Mining Plan, we are working with stakeholders to understand changes and technologies related to the Future of Work. We are working to create sustainable jobs outside of our sites, taking the local economic dynamics of each jurisdiction into account

→ [For more information](#)
See page 67



Empowering our female leaders

Amplify is a leadership programme designed to take our female talent's existing capabilities and combine them with specialised development to foster the growth of confident, authentic leaders. With an interactive and collaborative curriculum, Amplify participants learn how to find their voice and strengthen their leadership capability. Together, they develop the skills and clarity to take charge of their careers and use their power to mentor and raise those around them too.



"I feel incredibly privileged to be the sponsor of Anglo American's first leadership programme dedicated to women. The team has worked hard to put together a programme that provides an encouraging and supportive environment for everyone to share experiences, build networks and discuss career development and management."

Froydis Cameron
Group Head of International
Government and Sustainability Relations



Fostering core leadership skills

Amplify is Anglo American's first leadership development programme designed specifically for women. It provides the tools, networks and space for participants to develop their own authentic, impactful and effective leadership style. Aligned with our Inclusion and Diversity strategy, this is one way that we are working to achieve our target of 33% female representation in our senior leadership by 2023. We have also set a goal of 33% female representation by 2023 at all management levels, in every business unit and Group function. We have made good progress, with women serving in 29% of senior leadership, and 31% of management roles at the end of 2021, achieving our annual interim goals.

The Amplify programme seeks to live up to its motto – Rise Together, Change the Future – by uplifting female leaders across the spectrum of our company, both in terms of geographical regions as well as our operating businesses and corporate functions. This helps to ensure that the programme represents the full diversity of women throughout Anglo American. For example, our inaugural cohort of 50 women leaders in 2021 included geologists and production engineers based in South Africa and Brazil, as well as legal, human resources and finance professionals based in London and Johannesburg.

31%

female representation in management
in 2021 (target: 33% by 2023)

50

women leaders from across our business
formed the inaugural Amplify cohort

▲ Women in mining: distinguished by their red clothing, members of an all-female drilling team at Sishen iron ore mine hold a pre-work meeting at the Dingleton expansion site.

The Amplify journey

Our female leaders start the Amplify journey by attending regional open programmes hosted by leading international business schools. They then join an Anglo American Leadership Academy integration programme, set over five modules, to create space for peer learning, senior leader engagements, business integration and networking. Self-directed learning is also required.

The regional open programmes cater for regional emerging trends and challenges and consider potential nuances in language or culture, reflecting Anglo American’s global presence and the diverse pool of women taking part. More importantly, they provide the opportunity to network with colleagues from other organisations and learn from other sectors, a crucial aspect of career development.

Amplify integrates the global lessons learned from the open programmes into our specific business context. This is designed to be a stimulating virtual learning journey oriented towards growth and development as a female leader, both personally and in the organisation. The programme combines group and individual learning experiences, including live online sessions with Anglo American’s senior leaders covering key topics.

These experiences are complemented with one-on-one professional coaching from Ezra, a professional, customised digital coaching platform. Professional coaching helps participants to define their career path and identify opportunities for continuous development to reach their professional and leadership goals.



“Amplify has been a fantastic opportunity to learn from a diverse group of female leaders. Through collaboration, we have grown in confidence, strengthened our leadership skills and developed our networks. We were privileged to interact with inspirational leaders from across the Group, and have been empowered to mentor those around us and inspire the female leaders of tomorrow.”

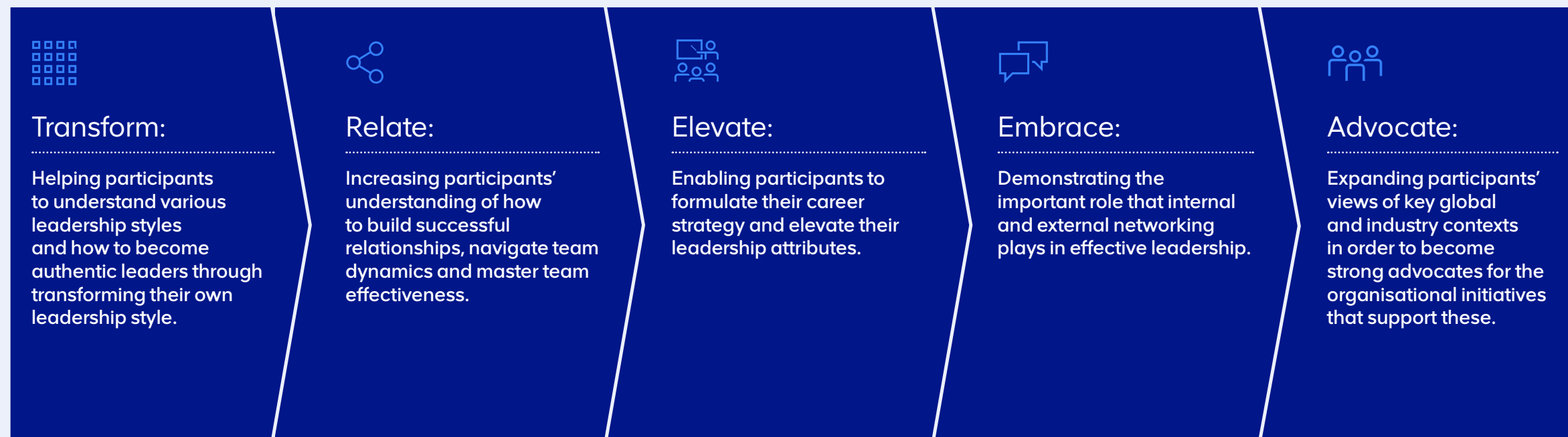
Jenny Schnell
Metallurgical Technical Engineer
Rustenburg Base Metals Refinery, Platinum Group Metals



“My Ezra coach has been wonderful. He has provided me practical tips for overcoming challenges that I encounter, especially those that require a change in mindset. What I have liked the most about my interaction with him, is that he reinforces what I have learned in the Amplify sessions. There is seamless alignment with the messages we have been getting from company and external leaders, which not only provides me assurance but reinforces the messages and learning.”

Thando Njoko
Social Performance Manager

The five in-house modules that participants attend as part of the Anglo American Leadership Academy focus on the following outcomes:



What’s next?

In 2022, we will be launching our second Amplify cohort of 100 female leaders. Based on the initial success and lessons learned from the first cohort, we plan to improve the programme in the following ways:

- As the 2022 programme will comprise leaders from across the world, the cohort will be split into two time zones while including global networking opportunities where the full cohort will come together
- Amplify alumni will facilitate some of the Amplify sessions – particularly in topics where they are subject matter experts
- We will also assess the length of the modules to determine the optimal programme duration with a view to extending the learning journey.

Through the Amplify programme, we are committed to helping our women leaders rise together to change our collective future for the better.



▲ SHEC field co-ordinator Liisa Kropsu (left) and field safety co-ordinator Viivi Savelius during winter drilling work at our Sakatti polymetallic project in northern Finland.

→ For more information, visit: angloamerican.com/careers/life-at-anglo-american

Attracting, retaining and developing our talent

We understand that achieving our current and future business objectives depends on recruiting and retaining the best talent across the world – and ensuring our people can develop their full potential within Anglo American. We use innovative approaches and technology to foster future leaders to live our values, and prepare them to shape our purpose-led high performance culture.

Focusing on lifelong learning and dissolving the division between learning and work are critical aspects for successful businesses.



▲ Drilling and blasting are remotely operated at Kolomela. Pictured (left to right) are auto drill operator Herman Wagner, work management planners Jenike Puley and Mphikeleli Mbele, and auto drill operator Gilbert Manamela.

Our approach and policies

Our Organisation Model

As a company, we firmly believe that how we deliver results is inextricably linked to the outcomes we deliver. Our Organisation Model ensures we have the right people in the right roles doing the right value-adding work, with clear accountabilities minimising work duplication and increasing organisational capability and effectiveness. Along with our Values and our Operating Model, the Organisation Model supports the delivery of positive outcomes through a set of structures, systems and processes. The model creates consistency in how we approach organisational issues, by providing a common language about organisations and management.

One of the key components of the Organisation Model is leadership and team effectiveness, which touches on all employees. Our structured process streamlines the way work is aligned to business outcomes, assigned and monitored, as well as how feedback is given to teams and individuals. Team+, our performance optimisation approach, utilises shared targets and commitments to promote active collaboration and collective responsibility. This approach directly supports over 10,000 employees.

Our approach to learning

We strive to enable a continuous learning culture and a passion for breakthrough performance and innovative thinking, driven by agile development approaches that unlock the full capabilities of our people. This leads us to develop more integrated learning journeys and experiences, including learning in the flow of work, learning from each other, and through formal channels.

Learn+, our main learning platform, offers a single, user-friendly interface that makes it easy for our employees to access a growing range of online learning resources. This experience-based platform feeds from other areas to provide learning experiences, with a focus not only on what people learn, but how learning can be delivered in the line of work, at the time of need.

Our Technical Academy

Drawing on expertise from across the business, the Technical Academy looks to transform our technical skills and capabilities using the latest approaches – from immersive technologies to scenario-based training – to create uniquely engaging learning content.

Our Leadership Academy

Our Leadership Academy is a talent and development engine designed to accelerate the development of our most talented people. Since March 2020, the Leadership Academy moved to virtual delivery, which has made it increasingly accessible to more leaders while significantly reducing both our CO₂ emissions and costs. Through our collaboration with world class partners, we are re-imagining leadership development for a virtual world. The outputs are a cadre of leaders who live our values, are steeped in Anglo American’s Purpose, and shape our high performing teams.

The six programmes in our Leadership Academy provide development for our emerging leaders at the outset of their careers through to our senior executives and include:

- Achievers – focused on leadership effectiveness and impact
- Accelerators – developing the skills needed to drive change and deliver our Purpose
- Connect – supporting the development of a leadership community through networking opportunities and exposing emerging leaders to the business challenges of the future
- GameChangers – encouraging responses to social, economic and environmental challenges that align with our Purpose
- FutureShapers – helping leaders grow value by executing our strategy, inspiring teams and being an enabler of change
- Amplify – ensuring that women have the tools, networks and space they need to become authentic, impactful and effective leaders.

Our global mentoring programme

Launched in 2019, our global mentoring programme brings together people from different cultures, geographical regions, areas of expertise and levels of seniority, to share knowledge, experiences and perspectives.

360 participants in 2021 mentoring programme

210 mentees

150 mentors

Building strong foundations in our early talent

We have a globally consistent process to the way we recruit, develop and position graduate talent across our business. Our processes have largely pivoted to virtual delivery and have allowed us to broaden our reach. Our early careers approach is holistic and supported by three key pillars:

- A differentiated university engagement and partnership strategy that supports global and local context
- A candidate-centric recruitment process that attracts top quality, diverse graduate talent
- Graduate development that supports learning outcomes aligned to our Values and technical and leadership competencies in support of our Future of Work programme.

Our graduate programme is aligned to our broader strategic imperatives of inclusion and diversity. It links closely to FutureSmart Mining™ and our Sustainable Mining Plan, ensuring that we purposefully attract, develop and retain young talent.

Activities in 2021

Investing in learning and development

In 2021, Anglo American continued to invest \$65 million on direct training activities, an increase of 5% on 2020.

We continued to see increased utilisation of our online learning infrastructure across the Group, with 460,000 items viewed (up 60% from 2020) and 175,000 courses completed (up 50% from 2020). In addition 2,550 items were shared (up 110% from 2020), reflecting an ongoing trend of moving towards more peer-to-peer learning.

As part of our focus on immersive learning, we also used virtual reality to enhance our training at several of our operations. (See case study on page 64.)

Building a repository of safety learning for employees

Partnering with Group Safety, the Technical Academy launched a range of e-learning courses (38 in total) to over 5,000 employees to support the Elimination of Fatalities, Fatal Risks and Controls, and Learning from Incidents programmes. These courses support our colleagues to do the right work, in the right way.

Launching technical learning hubs

Utilising Learn+, our Technical Academy has launched several engaging learning hubs to support key projects across the Mining, Asset Strategy & Reliability, Business Improvement, and Safety disciplines. These hubs deliver both required and recommended technical learning in a structured and visual manner. Learn+ hubs have been an innovative method of delivering technical learning throughout 2021.

Technical learning for frontline workers

We developed and began to deploy targeted Technical Standards learning for around 40,000 frontline employees across our business to drive sustainable behavioural change. A pilot approach to delivering this Safety learning to frontline workers was launched across two operations in 2021, expanding into others in 2022.

Evolving the candidate experience

We standardised our recruitment processes throughout our global operations. One of the core principles of the candidate experience focuses on being customer-centric, which aligns to our commitments under the Candidate Charter to treat applicants with dignity and respect and ensure equity in the recruitment process.

We also implemented a sentiment analysis tool as part of our integrated process to ensure that we solicit and onboard feedback directly from the applicants’ experience of the recruitment journey. We use this to focus on areas of improvement, as well as to acknowledge where processes improve the overall experience. Our talent acquisition organisation remains keenly focused on continuously improving our service in relation to time and quality of candidates to support the ambition of attracting the best talent.

Inducting our global graduates

Our graduate programme is an important aspect of creating a sense of community and graduate unity, and provides a solid platform for developing leaders. In 2021, we held our first graduate induction ceremony through a remote event hosted by our chief executive.

205

current number of graduates

Our graduates learn by doing meaningful work in operational roles and are supported by line manager coaching conversations and feedback. In 2021, we recruited graduates to join our Marketing, Metallurgical Coal, Copper, Iron Ore Brazil, Kumba Iron Ore, PGMs, and De Beers businesses. Graduates drive their development by leveraging our in-house learning management system for self-paced and self-directed learning content, as well as through instructor-led virtual training. Opportunities to engage with leadership and subject matter experts on a wide range of topics are intentionally built into their development journey.

Anglo American's graduate programme has been benchmarked with industry peers. In 2021, it won the prestigious South African Graduate Employees Association (SAGEA) award as the No. 1 Mining & Resources Employer of Choice.

Offering internships and vacation work experience

In addition to our graduate programme, we also offer internships and vacation work experience in various of our operating regions. In the UK, we offered a cybersecurity internship from 2021, that is aligned to the UK government cybersecurity skills framework. Our Australian and South African businesses have a strong track record of offering meaningful vacation work for students engaged in Science, Technology, Engineering and Maths (STEM) related undergraduate studies. In 2021, our Marketing business also recruited interns from Singapore and China for its internship programme.

Promoting excellence, more sustainably

In 2021, 490 leaders participated in our various Leadership Academy events during the year, compared with 400 participants in 2020, when attendance was limited because of the pandemic and before we added the Amplify programme.

Moving our Leadership Academy events to a virtual format in 2021 to prevent the spread of Covid-19 was also consistent with our broader sustainability agenda. It allowed us to cut the estimated carbon emissions from these programmes from 1,011 tonnes of CO₂e in 2019, before the pandemic changed the way we meet and interact with our colleagues, to just 24 tonnes of CO₂e in 2021.

In addition to this remarkable reduction in emissions, the virtual format made it possible to extend the length of our Achievers programme from 10-15 days in previous years to 39 days in 2021.

With our 2021 cohort, we also implemented a graduate development framework connecting our Technical Academy, Leadership Academy, coaching and mentoring programmes.

Amplifying women in leadership

The Amplify programme is the latest addition to our Leadership Academy and our first leadership initiative focused specifically on women. In 2021, 50 of our women leaders formed the inaugural cohort of Amplify. The programme aims to provide the women of Anglo American with the tools, networks and space to develop their own authentic, impactful and effective leadership style. The course has been designed to address the three areas of Self Acceptance, Self Development and Self Management. (See case study on page 61.)

Next steps

We are on an ambitious, multi-year journey to transform learning from a programme of distinct training modules, to an experience fully integrated into work as we do it. Learning will become increasingly personalised as we move into 2022. The blanket approach of skills development is evolving into a highly personalised journey that is role specific. It maps the requirement of each role to the specific skill set of the employee and is tailored to the employee's needs. We are also expanding our learning offerings beyond our employees, to contractors and partners.

To ensure that we continue to deliver the innovation this journey requires, we are exploring knowledge-management approaches that support the shift from content curation to content creation, with an emphasis on giving our employees the knowledge they need, when they need it.

In 2022, our focus for learning is to create a very strong infrastructure across the business with specific discipline-focused initiatives. We will further refine our Learning Strategy to develop the skills required for performance today and needed for the future of work, enabled by integrated learning journeys and increasingly immersive experiences. Our Technical Academy's learning interventions will prioritise specific requirements from the technical disciplines that support critical tasks.

We will continue to evolve our talent acquisition and retention programmes, from finding and hiring the best candidates and helping to develop graduate talent, to mentoring our people and enhancing their leadership skills.

We will build on the effectiveness of the remote offerings that we have introduced throughout the pandemic. Incorporating face-to-face and virtual elements in the programmes that we develop has proven to make them more resilient, significantly more sustainable and increase the number of participants.

Embracing technology to enhance learning

In 2021, our PGMs business, launched its Virtual Reality (VR) operator programme to rapidly and safely onboard and train new operators, as well as improve the skills of existing operators, of its Trackless Mobile Machinery (TMM) at our PGMs' Amandelbult mine in South Africa. We recognised the need to improve mining operator training to use new technology as part of the transition from conventional to mechanised mining under our Sustainable Mining Plan. Since the programme was launched, competent operators have undergone training using VR to verify the results in the training modules.

The Amandelbult TMM VR training programme creates an end-to-end immersive experience for the learner in a completely safe space. The learning experience simulates a day in the life of a TMM operator. The VR experience is designed to deliver cutting-edge detail and exceptional functionality – two key factors in delivering fully immersive VR experiences, that are realistic and believable. The programme has been designed to use this virtual reality to enhance operator knowledge of the machines, reinforce safe operating procedures, reduce wear and tear on equipment and provide greater efficiency than the existing process. VR training is expected to reduce training costs and result in improved productivity and a higher uptime for equipment.

Beyond onboarding, the VR programme allows existing operators to continually refine their skills and operating practices in a safe and controlled environment. Continuous training is expected to reduce the risk of accidents and maximise efficient use of equipment. Importantly, the technology allows users to experience 'accidents' in virtual scenarios that are randomly generated by the software. It then provides detailed feedback on how the operator has performed within the augmented reality environment.

VR training not only helps to avoid accidents, it also provides operators with enhanced insight into their equipment, allowing them to use it to its full potential. The experience shows them how to use the correct procedures without putting unnecessary strain on the mining equipment, increasing its working life and efficiency. Learning to maximise the functionality of the equipment, while also using it efficiently, ensures TMM operators make the most of the technology in their hands.

The VR experience has been designed to provide a holistic experience of working at the mine. It includes components such as arrival at the mine, the surface environment and infrastructure, the use of a chairlift, and various equipment. The equipment, although 'built' in a VR space, is controlled, and behaves exactly like the real thing in the actual operating environment.



▲ Jacob Jacobs, HRD trainer, demonstrates the VR stope training at Amandelbult.

The programme is designed to allow the operator four to five hours of intense VR training, which includes 40 sections. More than 1,000 voice-over clips have been used and the experience is enhanced with more than 400 animated video clips. Each of the pieces of equipment has more than 100 steps that the operator needs to complete to successfully finish the training.

The Amandelbult TMM VR training programme offers new and experienced operators the unique opportunity to experience real-life scenarios as part of a potentially risky real-world mining environment in a zero-risk environment. Rather than answering questions on paper, they can now visualise critical scenarios with a level of authenticity we could not have previously imagined before. This allows operators to hone their skills and recognise situations that could not have been simulated with real equipment. Based on the early success of this project, we will continue to review additional opportunities to use VR in training scenarios across our business as a safe and cost-efficient alternative to traditional training methods.

Inclusion and diversity

We strive to create a workplace that is inclusive and empowers every colleague to bring their whole self to work. In 2021, we continued to build on the strategic foundations of inclusion and diversity that we have put in place over the past three years.

While there is always more to do, we have made a positive difference in key areas, such as psychological safety and mental wellness. We will continue to embed and launch initiatives that will allow us to realise our vision of a truly inclusive workplace where each of us can reach our full potential.



▲ Geologists Henri Höytiä (left) and Saara Silventoinen inspect drill cores while on field work during winter-drilling activities at our Sakatti polymetallic project in northern Finland.

Our approach and policies

At Anglo American, we aim for:

- Our leaders to demonstrably value the diversity and unique contribution of every employee
- Our colleagues to feel able to bring their whole selves to work, regardless of gender, sexual orientation, age, race, ethnicity, religion, national origin or disability, including mental health
- Our workplace to be supportive, fair, adaptable and involving for all
- Our work environment to be safe, effective and enabling.

Our zero-tolerance approach

We are committed to eliminating all forms of bullying, harassment and victimisation across our organisation, through our global policy and Stand Up for Everyone campaign. Our zero-tolerance approach extends to include domestic violence and abuse that might occur outside the immediate workplace. We provide mandatory bullying, harassment and victimisation training for our colleagues to ensure they are aware of our zero-tolerance approach, are familiar with our reporting structures, and feel confident to act as inclusion and diversity advocates.

Our training is intersectional in focus and explores case studies across different diversity characteristics. We also provide inclusive leadership training to all senior leaders and managers, helping them to understand and role-model consciously inclusive behaviours, and facilitate a psychologically and physically safe environment for their teams.

Our Global Mental Health Framework

Our Global Mental Health Framework aims to help our people feel supported and safe to bring their whole selves to work. (See *Health* on pages 19-20.)

Our colleague networks

Our colleague networks play a vital role in fostering a sense of belonging for employees. They host regular events on issues such as gender, LGBTQ+, age, disability, families and caring, race, ethnicity, nationality, culture and socio-economic background. All networks have an executive sponsor and an inclusion and diversity team representative, are provided with financial support, and are partnered with an external specialist organisation in their respective field.

We have 15 colleague networks globally, including Real You (LGBTQ+ network); YouThink (generational) and Enabling You (for colleagues living with, or caring for someone living with, a disability) in South Africa; the WoMine (women's) network in Brazil and Chile; Enabling You (disability focused network); and Your Origins network (covering race, ethnicity, culture and religion); You Care, and Women@CHS in the UK.

Our measuring and reporting mechanisms

We evaluate all our inclusion and diversity initiatives to understand their impact. By implementing agile reporting mechanisms, we are able to capture progress quickly and in detail. For example, we provide quarterly reports to our Group Management Committee and Human Resource leads, outlining areas of improvement.

Similarly, our talent acquisition system enables us to identify applications, offers and acceptances by gender and other diversity characteristics. This means we can understand patterns and target interventions around representation that will affect pay gaps.

Our employee relations and engagement strategy

The strategy that governs our employee relations and engagement efforts, which we refreshed in 2021, has four pillars: trade unions; Human Resource (HR) excellence; psychological safety; and physical safety. The strategy recognises and embraces the interdependent nature of human, corporate and community relations. By centralising our resources, governance and framework, we seek to adopt a co-ordinated approach to how we work together to find solutions and take advantage of the changing environment to benefit our diverse stakeholder groups.

Our approach to employee representation

We take a decentralised approach to working with trade unions, works councils and other representative bodies, enabling our business units to address specific issues and concerns affecting different areas of our business.

Our Global Workforce Advisory Panel

Established in 2019, our Global Workforce Advisory Panel helps the Board to better understand the views of our workforce, in line with the recommendations of the UK Corporate Governance Code. The Panel is made up of employee representatives from each country where we have a significant presence, and is currently chaired by our senior independent director, Byron Grote. From April 2022, the panel will be chaired by non-executive director, Marcelo Bastos, following the retirement of Byron Grote.

Activities in 2021

Recognising and responding to domestic violence

As a continuation of our Stand Up for Everyone campaign and in support of our desire to ensure everyone is able to Live with Dignity, we introduced our Group Recognising and Responding to Domestic Violence Policy.

We provide practical support to help colleagues affected by domestic violence, either directly or as a bystander, regardless of gender and sexual orientation. We also offer various types of support, including paid leave, flexible working time, financial assistance, safe accommodation and access to a comprehensive risk assessment and safety plan.

Importantly, we hold perpetrators who are employees of our operations accountable for their behaviour at the workplace through disciplinary action where appropriate. We may also make referrals to perpetrator treatment and counselling programmes where those services exist and where appropriate; and/or referral to external support or other resources for perpetrators who are concerned about their behaviour and recognise their need to access help.

Meeting the needs of our family carers

We strive to nurture a culture of open dialogue to ensure that we meet the needs of employees with family caring responsibilities.

In 2021, our efforts in this area were recognised when Anglo American Services Ltd (UK) received the Best for Carers and Eldercare Award at the UK's Working Families Best Practice Awards 2021. We also were named among the Inclusive Top 50 UK Employers and were listed in the Bloomberg Gender Equality Index. In addition, our strategy has been recognised externally by HR Excellence.

Embracing flexible working arrangements

Recognising the need to ensure that our employees have access to and feel supported in utilising flexible working arrangements, we introduced our Group Flexible Working Policy. The policy acknowledges that the nature of work being performed, and the impact of various technologies provide options for increased flexibility in the way work is scheduled and performed, and the location where some work can be done.

Additionally, we recognise that recent global events have changed the way that many are able to perform their roles, with an increased focus on hybrid working to help ensure our employees are kept safe.

We wish to support the maintenance of a work-life balance that enables colleagues to meet family responsibilities and pursue their own interests alongside their commitment to their careers and contributing to the Group's ambition.



▲ At our London head office, we pride ourselves on a holistic approach to inclusion and diversity, with all our employees being offered the opportunity to join employee networks to support their colleagues. Pictured in a meeting are (left to right) SHE administrator Laurence Ball, invoicing administrator Ayotomi Disu and HR administrator Georgina Foster.

Supporting the mental wellness of our teams

Through our Global Mental Health Framework, which supports the building of a psychologically and physically safe environment for everyone, we continued to deliver mental wellness support.

We worked to raise awareness of how to support the mental wellness of teams through training, learning opportunities and engagement campaigns, with a focus on the challenges of managing remote teams during lockdowns and changes to ways of working brought about by the pandemic.

Line managers were provided with access to a new online mental health awareness module that was developed in the year. Licences for Headspace, an online platform focused on improving health and happiness, continued to be offered to employees and mental health first aider training was provided. We also developed and offered new menopause awareness and training resources.

Providing training and mentoring

We moved our awareness sessions and events online and designed any face-to-face training to be delivered via digital collaboration platforms because of continued caution around events being held in our offices amid the ongoing pandemic.

We delivered an updated inclusive leadership toolkit for team leaders. It features a new online training module supported by materials and slide decks for inclusive leadership exercises within teams. We also reached the milestone of having trained 95% of our people on the issue of bullying, harassment and victimisation.

We secured permanent employment within the Group or with external organisations for 80% of the initial cohort of our UK apprenticeship scheme, which supports young people from under-represented backgrounds. The recruitment of our second, larger cohort of apprentices started from November 2021 and, by the end of the year, we had 14 apprentices participating in the scheme, which enables them to earn a salary while learning and gaining a nationally recognised qualification.

Through our global mentoring programme, we also provided a platform for 360 participants from different cultures, geographical regions, areas of expertise and levels of seniority to share their knowledge, experiences and perspectives.

Supporting our colleague networks

Our colleague networks continued to facilitate important conversations on inclusion and diversity areas of focus. They also managed events around awareness days, such as International Women's Day, Pride, Black History Month, International Day of Persons with Disabilities, and World Mental Health Day.

Building a more data-driven approach

To enhance our data insights and gathering, we worked with our human resources data team on our reporting mechanisms and the data available to us. We continue to use our inclusion index questions in our broader colleague surveys and pulse surveys to measure progress. We have also launched a global diversity data gathering campaign.

Learning from our employee engagement survey

In December 2021, we shared the results and Groupwide actions from the global colleague survey undertaken in September 2021 with all colleagues and the Group Management Committee and, in February 2022, the findings were presented to the Board. Almost 28,000 employees answered questions in the survey, which covered engagement, culture and values, physical and psychological safety, strategic direction and purpose, leadership and inclusion and diversity. The survey suggested an employee engagement score of 91%

Labour relations

In 2021, approximately 71% of our permanent workforce was represented by worker organisations and covered by collective bargaining agreements. During the year, there were no recorded incidents of industrial action lasting more than one week at our managed operations.

There were no reported incidents of under-age or forced labour at our operations during 2021.

Employee retention

Our employee voluntary turnover rate for the year was 3.5%, compared with 2.8% in 2020. New hires represented 8% of our permanent employees in 2021, compared with 11% the prior year.

Diversity performance in 2021

We report on our gender pay gap in UK operations, in line with legislative requirements. As of 4 April 2021, our UK average (mean) gender pay gap for Anglo American Services Ltd (UK) was 44% and our median pay gap was 36%. This was primarily due to the high representation of men in the most senior management roles in our UK head office – an issue mirrored across our sector, and one that we continue to address.

We continue to make progress against our gender representation goal of 33% female representation by 2023 at all management levels, in every business unit and Group function. We have set a similar target for 33% of our Group Management Committee and those reporting to the committee to be women by 2023. The proportion of women at this level grew to 29% (2020: 27%). The percentage of female employees across our organisation stands at 23% in 2021.

At year end, the proportion of our permanent employees aged under 30 was 9%, 72% were aged between 30 and 50, and the remaining 19% were over 50 years of age.

In South Africa, historically disadvantaged South Africans held 73% of our management positions.

Next steps

In 2022, our inclusion and diversity initiatives will continue to focus on gender representation, where we have made significant progress. We will also work to ensure that our colleagues feel empowered to access mental health wellness support without stigma or barriers; develop our global disability strategy; develop our colleague networks; and continue to embed our domestic violence and bullying, harassment and victimisation policies and training. We will continue to build on our established strategic areas of focus and embed the policies and initiatives we put in place in 2021.

The future of work

The accelerated pace of global change is shaping a transition in the nature of work, and the workforce, that presents opportunities and challenges for us all. We are committed to being a leader in the public debate and to addressing the expectations concerning our industry. This includes bringing partners together to create a collective response in our delivery of technological advancements and step-changes in the approach that our industry takes to sustainability.

Our approach and policies

Our Future of Work programme

Through our Future of Work programme, we embrace the evolution of this change by taking a long term approach to planning for the roles and skills that we will need in the future. We seek to actively engage and shape the outcomes for our workforce and wider stakeholders. We are guided on every step of this journey by our deep responsibility to society and our commitment to work with our employees and communities to create sustainable positive impact.

As the pace of change in our industry, and indeed the world, continues to increase, this organisational capability will help us to be proactive, giving us a competitive advantage. Using this insight, we can ensure we have the appropriate people and strategies in place to deliver business expectations, today and into the future. Our objective is to provide our people with the tools they will need to step up to roles that have evolved, and completely new ones.

Throughout 2021, we have continued our journey which has included:

- Understanding in detail the drivers of change for our industry, current and future, and how these are impacting work, workers and society
- Identifying the implications of these for Anglo American, including how they play out differently across regions
- Engaging with key stakeholders to understand their perspectives and goals
- Building our vision for a positive Future of Work in which Anglo American and our stakeholders can thrive
- Understanding how Anglo American might take a leadership role in initiating and convening groups across the ecosystem to drive a collective response at scale.

Activities in 2021

Strategic workforce planning

We defined and further refined our approach to strategic workforce planning, which is an extension of our Future of Work vision and FutureSmart Mining™ agenda. We continued to use strategic workforce planning as a guide to anticipate workforce composition and skills of the future. By drawing insights from this approach, we can inform other aspects of how we develop the people strategy for our business, which sits holistically alongside the broader questions of strategy and capital allocation.

We generated strategic workforce planning insights for several assets in two countries – South Africa and Chile – covering three types of operations. This provided us with a much clearer view of the key themes and work programmes required to ensure that the transition to a technology-led future will have the right workforce driving it. It also helped us to understand how to align these efforts with the broader needs of our host communities.

→ For more information

[Visit \[angloamerican.com/sustainability/collaborative-regional-development\]\(https://www.angloamerican.com/sustainability/collaborative-regional-development\)](https://www.angloamerican.com/sustainability/collaborative-regional-development)

→ For more information

[Visit \[southafrica.angloamerican.com/our-difference/anglo-american-south-africa-education-programme\]\(https://www.southafrica.angloamerican.com/our-difference/anglo-american-south-africa-education-programme\)](https://www.southafrica.angloamerican.com/our-difference/anglo-american-south-africa-education-programme)

Stakeholder engagement

We initiated conversations with stakeholders, including governments, regulators, trade unions and others, across the business to discuss key Future of Work themes as we seek to understand perspectives, look for shared goals and build a collective response.

At the same time, business units have initiated and led local Future of Work plans, identifying and addressing local challenges and opportunities to work with local partners.

University relations

We also worked to develop an approach to university relations that will ensure we continue to have access to best-in-class talent in key institutions. Through this approach, we can guide learning institutions on how to evolve curricula to be in line with new skills that will be relevant in the evolving nature of work and workplaces.

Future of work and the pandemic

In the second year of the pandemic, we have seen an acceleration of future of work trends. Our business units have continued to implement new ways of working, including remote work, that also enable our colleagues to work safely and maintain operations. We continued in our efforts to ensure new work patterns are equitable and support our people at every level.

Understanding the Fourth Industrial Revolution

We worked to create a global narrative using the platform of our Sustainable Mining Plan around the changes and technologies underlying the concept of the Fourth Industrial Revolution. As part of our efforts in this area, we are working to create sustainable jobs outside of our sites, taking the local economic dynamics of each jurisdiction into account. An important aspect of this work is paying close attention to how people are experiencing the workplace.

All future of work programmes are grounded in our guiding principles of listening, collaborating, investing in the future, being transparent and acting in accordance to our Purpose.

Next steps

In 2022, we will further develop our integrated Future of Work programme as we move from building a shared understanding of the drivers of change, challenges and opportunities to setting out a clear vision and towards initiating a collective response. This will include transitioning from piloting our strategic workforce planning approach to working in more depth on the process. We will draw on our insights from having piloted this approach in several countries. Having identified broad patterns, we now know how to adapt to individual situations to ensure a more holistic and proactive approach to workforce planning.

We will also continue to focus on university relations and other initiatives to support an inclusive transition for all stakeholders. This includes proactively developing no-regret actions across all aspects of the future of work i.e; upskilling and re-skilling, community support, partnerships and public leadership.



▲ Enthusiastic schoolchildren at the two-day CyberFirst session, a collaboration between the UK's GCHQ and our Crop Nutrients business.

Supporting the next generation of cyber security specialists

Our Crop Nutrients business recently launched a pioneering cyber security apprenticeship. The two-year programme is one of the outcomes of our Collaborative Regional Development (CRD) work in the UK, where cyber security was identified as a potential high value cluster to support. The programme will see seven trainees learn how to thwart a range of cyber security threats and also learn general business skills, while gaining valuable experience of working in a large multinational organisation.

Our wider cyber security strategy also includes supporting the CyberFirst programme of the National Cyber Security Centre (NCSC), part of GCHQ, the UK's intelligence, security and cyber agency. CyberFirst aims to open the world of cyber security to young people and to inspire and support the next generation of cyber security specialists in one of the fastest-growing sectors in the world.

For many years, GCHQ has had a site in Scarborough, about 30 kilometres from Crop Nutrients' Woodsmith site. In November, the town was the location for a two-day CyberFirst session in which Anglo American worked collaboratively with the NCSC to give more than 300 schoolchildren from seven local schools a taste of what a career in cyber security could look like.

The sessions included digital forensic work, data games, code-cracking against the clock and a deeper look at the varied roles and jobs in the world of cyber security. With cyber attacks against businesses increasing almost daily, and an estimated growth in cyber security roles of 31% by 2029, there has never been a better time to consider a career in cyber security.

NCSC Deputy Director for Cyber Growth, Chris Ensor, commented: "The NCSC is committed to offering young people the support, skills, opportunities and exposure they need to excel in cyber security, and our work with industry partners plays a vital role in making this possible. We'd like to thank Anglo American for supporting these courses and our ambition to inspire the next generation of cyber experts."



▲ In South Africa, PGMs field manager Judah Mojalefa carries out an environmental audit in the Der Brochen area of the Mototolo/Der Brochen life extension project.

Governance

Sustainability is at the heart of Anglo American, and our governance structures are set up to support us in our progress. In this section, we review the roles of the Board's Sustainability, Audit and Remuneration committees, as well as the Group's sustainability governance structure.

Governance and management approach

Topics covered in 2021 by the Sustainability Committee

- Progress of the Group’s Elimination of Fatalities programme, designed to achieve a zero fatality business
- The Group’s strategy and roadmap for energy and decarbonisation
- Tailings and water storage facilities stewardship
- Social performance, community engagement and resettlement
- Anglo American’s 2020 Sustainability Report
- Group Principal Risks relating to sustainability
- Mine closure liabilities
- The Elimination of Fatalities risk assurance and governance workstream
- Fire and explosion risk management framework
- The Group’s carbon neutrality Scope 1 and 2 targets review, and the Group’s Scope 3 reduction ambition
- Anglo American’s first dedicated Climate Change Report
- Climate change litigation risk
- Stakeholder feedback from the Climate Change Report
- An update on the Group’s global lives and livelihoods support programme (WeCare), and the status of the health and wellness and vaccination programmes
- Delivery of the Group’s Sustainable Mining Plan and approval of revised 2022 commitments
- Safety, Health and Environment Policy review
- Consideration of the findings and recommendations of the Grosvenor Board of Inquiry
- Grosvenor mine restart readiness
- Governance of non-managed joint venture operations
- The definition of fresh water for external reporting and related 2030 goals
- Review of a new Group policy on processed mineral residue facilities and water management structures
- The Committee’s effectiveness review.

The role of the Anglo American Board of directors is to promote and safeguard the long term success of the business, while considering the interests of its various stakeholders. At the date of this report, the Board comprises 13 directors: the chairman, three executive directors and nine independent non-executive directors. The Integrated Annual Report includes a full description of our approach to corporate governance.

Four standing committees – the Sustainability, Audit, Nomination and Remuneration committees – are designated to take on certain responsibilities on the Board’s behalf.

The Sustainability Committee holds accountability for overseeing how Anglo American manages its most material sustainability issues. The committee meets four times a year and its members are: Ian Ashby (chairman of the committee); Stuart Chambers (chairman of the Board); independent non-executive directors Marcelo Bastos, Nonkululeko Nyembezi and Elisabeth Brinton (appointed 1 September 2021); executive directors Mark Cutifani (chief executive); and Tony O’Neill (technical director). Business unit CEOs, the Group directors of corporate relations and sustainable impact, and of people and organisation, the Group general counsel and company secretary, and the Group heads of safety and sustainable development also participate in meetings. Other non-executive directors and members of senior management are invited to attend meetings as necessary, at the invitation of the chair.

→ See terms of reference of Sustainability Committee
[Visit angloamerican.com/susco-tor](http://angloamerican.com/susco-tor)

As part of its overall mandate to oversee audit, internal control and risk management, the Audit Committee reviews the principal risks to the Group, including those related to potential catastrophic events and material sustainability issues.

The Audit Committee has responsibility for monitoring the Group’s whistleblowing programme, described in more detail on page 52.

The Remuneration Committee determines the remuneration of executive directors, the chairman and senior management, and oversees remuneration policy for all employees. At Anglo American, the performance-based remuneration of all employees includes targets that measure our safety, health and environmental performance. Annual performance incentives for executive directors and senior management include targets relating to the following:

- Total recordable case frequency rate (TRCFR) or total recordable injury frequency rate (TRIFR)
- Environmental systems
- Health systems
- Elimination of Fatalities.

From 2018, safety played an even bigger part in the calculation of our employees’ compensation through the safety deducter, further aligning bonuses to our safety culture and our focus on the Elimination of Fatalities.

The performance conditions applicable to awards granted to executive directors and senior management in 2019, 2020 and 2021 under the Long Term Incentive Plan include metrics relating to:

- Employee well-being
- Water management standards
- GHG emissions
- Energy efficiency
- Management of tailings storage facilities
- Social responsibility.

→ See governance section of the Integrated Annual Report
[Visit angloamerican.com/annual-report-2021](http://angloamerican.com/annual-report-2021)

→ See remuneration report in the Integrated Annual Report
[Visit angloamerican.com/annual-report-2021](http://angloamerican.com/annual-report-2021)

Executive structure

The Board delegates executive responsibilities to the chief executive, who is advised and supported by the Group Management Committee (GMC). This committee comprises the chief executive, business unit CEOs, Group directors of corporate functions, and the Group general counsel and company secretary. Tony O’Neill, technical director, has accountability for matters relating to safety, health, environment, supply chain and operational risk. Social performance, human rights and the implementation of our Sustainable Mining Plan fall within the ambit of Anik Michaud, Group director – corporate relations and sustainable impact.

The GMC is supported by the corporate, operational, investment, innovation, and marketing risk committees. Given the wide nature of their impact, sustainability matters are included in all committees’ considerations through the material they cover and the expertise of their members.

→ See governance section of the Integrated Annual Report
[Visit angloamerican.com/annual-report-2021](http://angloamerican.com/annual-report-2021)

Organisational structure

Anglo American is headquartered in the UK and its ordinary shares are listed on the London Stock Exchange (the primary listing), as well as the Johannesburg, Swiss, Botswana and Namibian stock exchanges.

The business is managed as five operating units:

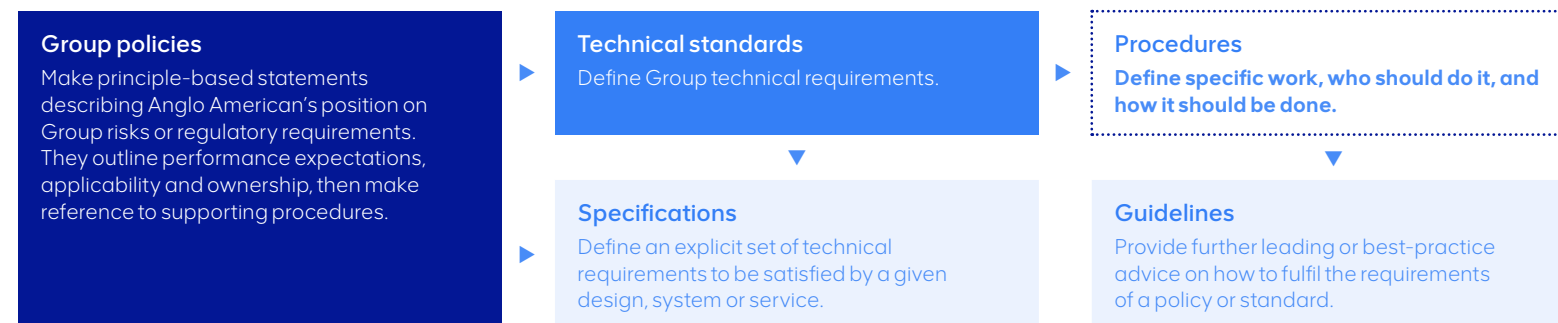
- De Beers
- Base Metals (Copper and Nickel)
- Platinum Group Metals (PGMs)
- Bulk Commodities (Iron Ore, Metallurgical Coal and Manganese)
- Crop Nutrients.

Collectively, these business units manage more than 30 mining operations and 10 processing operations in Australia, Botswana, Brazil, Canada, Chile, Namibia, South Africa, the United Kingdom and Zimbabwe. De Beers also owns a range of commercial and industrial enterprises across various geographies. (See page 74 for a full list of managed and joint operations.)

Corporate functions and the Marketing business support our business units. The corporate centres host technical and sustainability, corporate relations and sustainable impact, human resources, finance, and strategy and business development functions. Their role is to set the performance expectations we have of operations, offer expert advice and support services to operations facing complex challenges, and monitor the effectiveness of critical programmes.

The Marketing business seeks to maximise the value from our mineral resources by ensuring we provide products to our customers, meeting their specific technical and logistical requirements.

The Anglo American policy framework



■ Owned by Group functions
 □ Owned by business units and/or sites

Portfolio management

Our diversified portfolio provides us with a well-sequenced range of high-return growth options. During the year, we have continued to shape our portfolio around products that support a low carbon economy and consumer demand – from everyday essentials to luxury. We are still firmly on track to deliver first copper production from the new Quellaveco mine in Peru in mid-2022. Our addition of the Woodsmith crop nutrients project in the UK and our exit from thermal coal operations exemplifies our approach towards upgrading the overall quality and long term resilience of the business.

Our commitment to the responsible production of premium quality metals and minerals tailored to customers' requirements is well aligned with the rapidly evolving needs of a consumer-driven world and its growing population. And the transition to a greener, decarbonised world is focusing efforts to deliver the full promise of renewable energy and zero emission transport – again supported by our suite of base and precious metals and our pioneering work to help realise the potential of hydrogen for transport and integrated clean energy systems.

Projects

Project execution at Quellaveco is on track, with all key milestones for 2021 achieved on schedule, despite the impact of Covid-19-related disruptions.

Our Woodsmith polyhalite project continues to progress. A detailed technical review to ensure the technical and commercial integrity of the mine design and its associated transportation and port infrastructure, is largely complete. Several aspects of the project have been identified for modification that will bring the project up to Anglo American's safety and operating integrity standards, as well as optimise the value of the asset for the long term.

Anglo American expects to make changes to the design of the mine infrastructure, including the installation of additional ventilation earlier in the development of the underground mining area to enable the use of only continuous miners. These configuration modifications will result in a different and longer construction schedule.

Longer term, the Group has a number of organic growth options under consideration.

→ See portfolio section of the Integrated Annual Report
Visit angloamerican.com/annual-report-2021

Suppliers

Anglo American has a large and diverse base of more than 17,000+ suppliers around the world. Our most material purchases involve goods and services that are typical of large-scale infrastructure and manufacturing projects, including:

- Labour and other services
- Heavy mining equipment
- Process chemicals
- Fuel and lubricating oils
- Explosives
- Motors
- A wide range of mining related consumables.

We expect our suppliers to contribute actively to social and economic improvement and uphold the sustainability standards we set for the Group, including all sited-related requirements.

Policies and standards

Anglo American has 36 Group Policies and Technical Standards, which describe how the principles set out in the Code of Conduct are deployed.

We have two management system frameworks that address the management of sustainability issues and align with topic-specific policies mentioned throughout this report:

- The Anglo American Safety, Health and Environment (SHE) Way
- The Anglo American Social Way.

These apply throughout the Group and set out the vision, principles, policies, management system requirements and performance expectations for addressing our core sustainability risks and opportunities.

In 2020, we launched an updated SHE Policy, which outlines our three principles of Zero Mindset, No Repeats, and Simple Non-negotiable Standards, and provides the foundation of the SHE Way. (See page 16.) The updated SHE Way was rolled out in the first quarter of 2021, supported by a YouTube channel and Community of Practice for all Anglo American SHE practitioners.

→ See our public-facing policies and standards
Visit angloamerican.com/sustainability/approach-and-policies

Operating Model

An operating model describes both how an organisation adds value to its customers and the way a business is run. In 2014, Anglo American codified an Operating Model to deliver on our business expectations, focusing on the dimensions of effectiveness, efficiency and sustainability. A coherent framework based on well-researched principles, its implementation is critical for us to fulfil our strategy, meet our sustainability goals – including elimination of fatalities – and live up to our Purpose.

Three inter-related components of our Operating Model collectively guide how we set targets and operating strategies, how we manage our work, and how we constantly measure performance and improve the business.

Permitting

Relevant authorities need to grant Anglo American legal permission to undertake various mining activities at every step of the mining process – from exploration to marketing. These permits incorporate binding commitments that we need to monitor to ensure we are compliant. Our Group permitting function is there to help our sites and business units navigate the increasingly complex permitting landscape. Its work is crucial, as delays in acquiring permits or failure to comply with their conditions and commitments can have significant financial, operational, legal, safety, and reputational consequences.

In 2021, governments continued to increase regulation over the mining industry. In the aftermath of the blasting of Juukan Gorge in Australia by another company, we witnessed an increased awareness of public opinion and expect a tightening of regulatory requirements around permitting activities in or near archaeological, aboriginal and heritages sites, possibly at global level.

In Quellaveco, all major permits needed at this stage have been acquired in a timely manner and we are on track to get the necessary approvals to commence operation in the second quarter. We obtained the Environmental Authorisations for the first Anglo American solar PV facility in Mogalakwena, successfully delivering on the first step of permitting the renewable energy project across Chile and South Africa. We also continue to evolve our Smart Permitting approach – an approach implementing multi-functional and innovative permitting practices and driving flexibility – as we work through the implications of introducing new technology and progressing mine modernisation across our operations. Driving excellence in permitting practice throughout the lifecycle needs to be an integral element of our licence to operate, including building trustful partnership with regulators and permit granting agencies.

The Anglo American policy framework

Our policy framework (illustrated on page 69) applies to all our managed operations. Where Anglo American does not manage or operate a site, but it is associated with a site through a business relationship (such as a joint venture or other business partnership), we will seek to influence the site to adopt a best-practice framework commensurate with our policy requirements and, at a minimum, to comply with local laws and requirements.

Group Technical and Safety and Sustainable Development Standards define the minimum requirements we set for our operations to manage a wide range of specific issues. In relation to sustainability; these include, for example, the management of water, energy, tailing storage facilities and various technical aspects of mining that relate to safety.

Through our responsible sourcing programme, we aim to ensure that those we do business with follow a set of minimum standards of responsible business conduct, that are comparable to what we expect of ourselves.

Operational risk management

We safeguard our people, assets, legal position, reputation, communities and the environment by understanding safety and risk to best serve the long-term interests of our stakeholders and deliver on our strategy and commitment. This goal is at the core of our Group Integrated Risk Management Policy.

The policy is supported by an Integrated Risk Management Framework and underpinned by the Operational Risk Management (ORM) Standard and specifications.

ORM is key to helping operational managers identify, prioritise and control the risks that threaten their ability to meet objectives. ORM is structured into four inter-related layers (baseline/issue-based/task-based and continuous risk management) that support personnel to ensure that we plan for managing unwanted events, understand and implement the necessary controls and execute work to minimise negative consequences.

We continuously provide comprehensive risk management training to employees. In 2021, around 40 risk practitioners were trained on ORM implementation and risk tools; more than 400 operational managers were trained on ORM implementation; and 4,000 supervisors participated in focused risk-management courses.

Risk management also plays a role in how we evaluate and reward performance: We include leading and lagging indicators related to risk management in employees' key performance indicators and business unit scorecards.

The effectiveness of ORM is being further strengthened by the Risk and Assurance Governance Policy and Framework that is based upon the Institute of Internal Auditors Three Lines Model.

Assurance

Anglo American's Business Assurance Services (ABAS) provides independent internal assurance to the Board's Audit Committee about the design adequacy and operating effectiveness of the internal controls that mitigate risk across the Group.

In addition, the ABAS team works with colleagues across other functions to provide assurance about the controls associated with priority catastrophic and sustainability-related risks at operations. These operational risk audits are conducted on a rotational basis, with follow-up audits planned to verify that significant findings have been addressed. Priority is given to catastrophic risks. In 2021, we audited 60 focus areas in operational risk audits and conducted follow-up interventions over 31. The results are reported to the Board's Audit and Sustainability committees.

Regarding external assurance: A total of 40 sites are eligible to assure their compliance with ISO 14001 and ISO 45001. To date, 22 sites (55%) have ISO 14001 certification and 27 sites (68%) have received their ISO 45001 certification. We have a number of certification gap analysis and audits planned across the Group in 2022.

Assurance statement

Independent auditor’s Assurance Report on the selected sustainability information in Anglo American Plc’s Sustainability Report

As a member of the International Council on Mining & Metals (ICMM), Anglo American is committed to obtaining assurance over specified assertions related to its Sustainability Report in accordance with the ICMM’s Sustainable Development (SD) Framework: Assurance Procedure.

IBIS ESG Consulting Africa (Pty) Ltd (IBIS) was commissioned by Anglo American Limited (Anglo American) to conduct an independent third-party assurance engagement in relation to the sustainability information in its Sustainability Report (the Report) for the financial year that ended 31 December 2021.

IBIS is an independent licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from a multidisciplinary team of health, safety, social, environmental and assurance specialists with extensive experience in sustainability reporting. Petrus is a Lead Certified Sustainability Assurance Practitioner (LCSAP) with more than 25 years’ experience in sustainability performance measurement involving both advisory and assurance work.

Assurance standard applied

This assurance engagement was performed in accordance with AccountAbility’s AA1000AS v3 (2020) (“AA1000AS”) and was conducted to meet the AA1000AS Type II Moderate and High level requirements respectively as indicated below.

Respective responsibilities and IBIS’ independence

The directors of Anglo American are responsible for preparing its Sustainability Report and for the collection and presentation of sustainability information within the Report. The directors are also responsible for the preparation and presentation of a compliance statement in accordance with the ICMM Sustainable Development Framework, principles, and reporting commitments. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues and commitments with respect to sustainability performance, as well as for the design, implementation, and maintenance of internal controls relevant to the preparation of the report as well as the compliance statement that is free from material misstatement, whether due to fraud or error.

IBIS’ responsibility is to the Directors of Anglo American alone and in accordance with the terms of reference agreed with Anglo American. IBIS applies a strict independence policy and confirms its impartiality to Anglo American in delivering the assurance engagement. This assurance engagement is the second assurance engagement conducted for Anglo American by IBIS.

Assurance objectives

The purpose of the assurance engagement was to provide the management of Anglo American and its stakeholders with an independent assurance opinion on whether the Report meets the following objectives as per the ICMM Sustainable Development Framework: Assurance Procedure.

- **ICMM SUBJECT MATTER 1:** Anglo American’s alignment with the ICMM Sustainable Development Framework, including the enhanced 10 Mining Principles and associated mandatory requirements set out in the ICMM Position Statements. (Moderate)
- **ICMM SUBJECT MATTER 2:** Anglo American’s material sustainability risks and opportunities that form the basis of its review of the business and the views and expectations of its stakeholders. This involves Anglo American’s approach to identify, prioritize and respond to its material sustainable development (SD) risks and opportunities, assessed through Anglo American’s application of the AA1000 Accountability Principles (2018). (Moderate)
- **ICMM SUBJECT MATTER 3:** The existence and status of Anglo American’s implementation of systems and approaches used to manage its identified material SD risks and opportunities. (Moderate)
- **ICMM SUBJECT MATTER 4:** Anglo American’s performance during the reporting period reflected by the following subject matter disclosures relating to Anglo American’s material SD risks and opportunities.
- **ICMM SUBJECT MATTER 5:** Anglo American’s application of disclosures regarding the company’s prioritisation process for selecting assets for third-party Performance Expectations (PE) Validation. (Moderate)

Assessment criteria

The following suitable assessment criteria were used in undertaking the work:

- ICMM Sustainable Development Framework and the ICMM assurance and validation procedure defining the following subject matter criteria:
ICMM SUBJECT MATTER 1: ICMM Principles and relevant PEs and mandatory requirements set out in the ICMM Position Statements.

ICMM SUBJECT MATTER 2: Anglo American’s description of its process for identifying material issues that meet the principles of completeness and materiality as defined in Global Reporting Initiative (GRI) as well as AA1000AP (2018) adherence criteria for the Principles of Inclusivity, Materiality, Responsiveness and Impact as published.

ICMM SUBJECT MATTER 3: Anglo American’s description of systems and approaches (as reported) that meet the reporting requirements for management of SD risks and opportunities in line with the requirements of GRI 103.

ICMM SUBJECT MATTER 4: Completeness, accuracy and validity of reported sustainability data as per the “basis for preparation of key sustainability data” documented on page 73 of the Report as well as Anglo American operational Safety and Sustainable Development Indicator Definitions and Guidance Notes.

ICMM SUBJECT MATTER 5: The description of the Anglo American’s asset prioritisation process and its application.

Assurance procedures performed

Our assurance methodology included:

- Telephonic interviews with relevant functional managers from Anglo American Group and inspection of information to test and verify the existence and completeness of procedures and processes in place for adherence to AA1000 AP and ICMM Subject Matter criteria of selected disclosures in the assurance scope.
- Desktop reviews at Anglo American Group, as well as at 24 sample operations across the globe with representation across six of eight Business Units. This involved testing, on a sample basis, the measurement, collection, aggregation and reporting of selected sustainability information at each operation.
- Inspection and corroboration of supporting evidence to evaluate the data generation and reporting processes against the assurance criteria.
- Reporting the assurance observations to management as they arose to provide an opportunity for corrective action prior to completion of the assurance process.
- Assessing the presentation of information relevant to the scope of work in the Report to ensure consistency with the assurance observations.
- Inspected Anglo American’s assessment of their reporting of performance in accordance with the GRI Standards.

High assurance

Disclosure	Unit of measurement
Total work-related fatal injuries	Number
Fatal injury frequency rate (FIFR)	Rate
Total recordable case frequency rate (TRCFR)	Rate
Total Scope 1 emissions	MtCO ₂ e
Total Scope 2 emissions	MtCO ₂ e

Moderate assurance

Disclosure	Unit of measurement
Total number of new cases of noise-induced hearing loss (NIHL)	Number
Total number of employees potentially exposed to inhalable hazards over the occupational exposure limit	Number
Total number of employees potentially exposed to carcinogens over the occupational exposure limit	Number
Total number of employees who know their HIV status (South African managed operations only)	Number
Total number of Level 3, 4 and 5 environmental incidents reported	Number
Corporate Social Investment Spend	USD (million)
Land Rehabilitation – Reshaping; growth material construction completed; seeding completed; and backfill completed	hectares
Management’s description of alignment with the relevant governance processes and control activities in operation for the 2021 reporting year, to meet the ICMM Assurance Procedures	Qualitative
Management’s description of alignment with the relevant governance, processes and control activities in operation for the 2020 reporting year, to meet the ICMM Assurance Procedures	Qualitative

Engagement limitations

IBIS planned and performed the work to obtain all the information and explanations believed necessary to provide a basis for the assurance conclusions for High and Moderate levels of assurance respectively in accordance with AA1000AS v3.

The procedures performed at a Moderate assurance level vary in nature from and are less extensive than for High assurance in relation to risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. As a result, the level of assurance obtained for a Moderate assurance engagement is lower than for High assurance as per AA1000AS v3.

Conversion factors used to derive emissions and energy used from fuel and electricity consumed, are based upon information and factors derived by independent third parties. The assurance work did not include an examination of the derivation of those factors and other third-party information.

Assurance conclusion

High assurance opinion

In our opinion, based on the work undertaken for High assurance as described, we conclude that the subject matters in the scope for High assurance have been prepared in accordance with the defined reporting criteria and are free from material misstatement.

Moderate assurance opinion

In our opinion, based on the work undertaken for Moderate assurance as described, we conclude that the subject matters in the scope for Moderate assurance are supported by the evidence obtained.

Key observations and recommendations

Based on the work set out above, and without affecting the assurance conclusions, the key observations and recommendations for improvement are as follows:

In relation to ICMM subject matter 1

The Anglo American Purpose driven statement, linked to the Group's Values, and associated Group level policies, management standards and procedures documented in the Sustainability Report underpin Anglo American's corporate commitment towards ICMM SD Principles and the related Position Statements.

In relation to ICMM subject matter 2

Inclusivity: Stakeholder inclusivity forms the foundation of the Anglo American Purpose driven statement and Group strategy on delivering sustainable value to its stakeholders. Anglo American recognised a wide spectrum of stakeholders in 2021 and has made a public commitment in both the Chairman and Chief Executive statements towards inclusivity of stakeholder. Inclusivity of stakeholder considerations are integrated into the operating model Anglo American and central to the organisation's decision making procedures. The Anglo American Sustainable Mining Plan provides the foundation to integrate stakeholder expectations around sustainable development. Through the Anglo Social Way 3.0 requirements, each operation in the Group has implemented a Stakeholder Engagement Plan that includes materiality mapping, an engagement strategy, roles and responsibilities,

milestones and targets. Compliance to the Group's procedures, guidelines and frameworks are governed through the Social Way 3.0 assurance framework annually.

Materiality: Anglo American follows an annual materiality process reperformed for 2021, that identifies the issues that are material to its stakeholders and the business, based on their potential impact and Anglo American's ability to influence these. Materiality has been considered at Board level and also intersects with the Group Risk Register and subsidiary level materiality.

Responsiveness: Anglo American's responses to stakeholder issues observed across different stakeholder groups and case studies in 2021 as observed, indicate a high level of maturity and accountability to stakeholder issues raised through the materiality process, Social Way 3.0, investor days, accountability forums and the implementation of Stakeholder Engagement Plans at the subsidiary level. Grievance mechanisms are in place for the timely receiving, assessing, resolving and monitoring of grievances from those affected by Anglo American's activities. Responses to stakeholders during 2021 were found to be directly related to the stakeholder concerns and were conducted in a timely, fair and appropriate manner without prejudice to any specific stakeholder group.

Impact: Anglo American Sustainable Mining Plan, which defines the Group's ambitious sustainability goals, was developed through consideration of various critical sustainability risks and opportunities and inclusive of the UN Sustainable Development Goals (SDGs). Each sustainability pillar was linked to individual SDGs and include defined Group targets to be achieved by 2030. The Group measures performance against the defined targets as presented in both qualitative and quantitative performance outcome in the 2021 Sustainability Report. It is recommended that Anglo American maintain its ambitious Sustainable Mining Plan as a driver for positive sustainability impact and expands its target setting to additional SDGs within its sphere of influence and control.

In relation to ICMM subject matter 3

The processes observed to manage the Group's material risks and opportunities have been applied throughout the Group through the implementation of standards and programmes and have been well articulated in the Sustainability Report and company website.

In relation to ICMM subject matter 4

It was observed that appropriate measures are in place to provide reliable source-data related to the selected sustainability disclosures in the assurance scope for 2021. During the year, Anglo American continued making use of the Enablon sustainability data management system, which assisted with the collection and consolidation of sustainability information. A new system was implemented at the end of 2021, Isometrix, which will improve sustainability data management further.

Discrepancies in data identified during the assurance process for 2021 mostly related to manual capturing errors on Enablon that were subsequently corrected. IBIS recommends the implementation of a more rigorous review process, including a review of data directly against supporting evidence, before finalisation and submission. Where possible, consideration should also be given towards the replacement

of manual data-related processes with automated alternatives.

A comprehensive management report detailing specific findings and recommendations for continued sustainability reporting improvement has been submitted to Anglo American management for consideration.

In relation to ICMM subject matter 5

Anglo American has adopted equivalent responsible mining standards which include the Initiative for Responsible Mining Assurance (IRMA) Standard, Responsible Jewellery Council's (RJC) Code of Practice, The Copper Mark and Towards Sustainable Mining (TSM) which aims to enable the Group to achieve global ethical value chains. Anglo American defined prioritisation for third-party assurance against these recognised certification systems by 2025. Anglo American aligned the prioritisation to conform with the ICMM PE with the prioritisation for certification against equivalent responsible mining standards of its assets. In 2021 Anglo American completed third party assurance over seven of its operations against either IRMA Standard, RJC Code of Practice and The Copper Mark. A review of Anglo American's asset prioritisation process for assurance against equivalent schemes and its application confirmed adherence to the PE validation requirements for 2021.



Petrus Gildenhuys

Director, IBIS ESG Consulting South Africa (Pty) Ltd
Johannesburg, 7 March 2022



The assurance statement provides no assurance on the maintenance and integrity of sustainability information on the website, including controls used to maintain this. These matters are the responsibility of Anglo American..

Basis for the preparation of key sustainability data

Our data governance process, definitions, calculation methodologies and additional guidance notes are documented in the **Anglo American Sustainability Indicators, Definitions and Governance business process standard, which is mandatory throughout the business. External verification was, for the purposes of reporting, carried out against this basis of preparation document.**

Organisational boundaries and scope

Anglo American accounts for 100% of operations over which it holds management control. During 2018, we took the decision to exclude the De Beers non-managed joint operations of Debswana and Namdeb from our sustainability reporting. This is in line with industry practice and aligns with the scope and boundary of sustainability reporting. A full list of those operations is available on page 74. Our proportional share of independently managed or non-managed operations is not included in our sustainability reporting scope unless specifically stated. Acquisitions and divestments are accounted for from date of acquisition/until date of sale.

Data sources

Anglo American hosts a single database for reporting key sustainability metrics, including those relating to energy, GHG emissions, water consumption, environmental incidents, occupational health, social performance and safety. Corporate social investment figures are captured in our financial reporting system and collated in a spreadsheet. Consistent reporting processes and indicator definitions have been implemented and applied for all indicators in the assurance scope.

This data is captured on a monthly basis by more than 50 reporting entities and subject to integrity reviews by corporate analysts each quarter. A selection of material indicators is reported internally on a monthly basis and to the executive and Board at each meeting.

It should be noted that while indicators in the assurance scope are reported with a high degree of accuracy, estimates are allowed in December for energy and water consumption data as they are dependent on invoices from utility providers.

Reporting period

Our reporting year runs from 1 January to 31 December 2021. Changes to historical data follow a formal change request process, which is signed off by relevant heads of functions and restated externally, if material.

Definitions

Scope 1 emissions

Scope 1 emissions include CO₂e emissions from fossil fuels, coal seam gas fugitive emissions, renewable fuels and operational processes. Process emissions include those associated with on-site and managed sewerage facilities, on-site water-treatment facilities, the use of carbonates in acid leaching processes at copper-processing facilities, and fugitive emissions during the production of phosphates.

Scope 2 emissions

Scope 2 emissions include CO₂ from electricity purchased and reported in million tonnes of CO₂e.

Total energy use

Total energy use is calculated from electricity purchased, energy from fossil fuels and energy from renewable fuels, and reported in million GJ.

Total work-related fatal injuries

A fatality is an employee or contractor death resulting from a work-related injury. In addition to being work-related, the activity performed must be subject to management control. Anglo American records all work-related losses of life for the purposes of internal and external investigation, management action, legal process and compensation. However, while fatal injuries that result from criminal activity and public-road incidents are recorded for management purposes, these are not included in formal statistics and frequency-rate calculations.

Fatal injury frequency rate (FIFR)

The FIFR is the rate of fatality per million hours worked for both employees and contractors.

Total recordable case frequency rate (TRCFR)

The TRCFR is a rate per million hours worked of employee and contractor fatal injuries, lost-time injuries, and medical treatment cases. First-aid cases – minor work-related injuries which, in normal circumstances, are able to be treated successfully in accordance with recognised first-aid training – are not included in this calculation. Injuries are diagnosed by medical and safety professionals according to Anglo American criteria. These criteria are additional to local legal reporting and compensation requirements.

Inhalable hazards and carcinogens

Total number of employees assigned to homogeneous exposure groups in an 'A' classification band, i.e. ≥OEL (without taking into account PPE) for inhalable hazards for the reporting period.

Inhalable hazards and carcinogens include the following:

- Coal dust (respirable particulate)
- Respirable crystalline silica
- Diesel particulate matter
- Nickel (water soluble compounds)
- Copper dusts and mists
- Sulphuric acid mists

- Sulphur dioxides

- Arsenic

- Coal tar pitch volatiles

- Cobalt

- Dust (respirable and inhalable)

- Welding fumes

- Volatile organic compounds (VOCs).

Total number of employees (including long term contractors) exposed to one or more known causes of occupational cancer including, but not limited to, arsenic, coal tar pitch volatiles, cobalt, diesel particulate matter, nickel (soluble and insoluble) and solar radiation at levels ≥ OEL. For solar radiation: the number of workers working in open environments (without roof cover) for periods in excess of four hours per shift exposed to excessive sunlight.

Cases of noise-induced hearing loss (NIHL)

Number of employees diagnosed with NIHL during the reporting period. New cases are recorded when:

- The rules for diagnostic criteria for occupational disease in Anglo American have been met

- There is a pattern consistent with NIHL on the audiogram

- The average hearing loss at frequencies 0.5, 1, 2, 3 and 4 kHz for both ears is greater than 25 dBA

- There has been a 10 dB change in the average hearing loss since the pre-placement audiogram recorded on employment with Anglo American

- The employee has not previously been counted as NIHL.

Number of employees who know their HIV status

The total of all employees who are known to be HIV+ on the medical records (irrespective of year of testing or testing facility) – and who are still in employment at the end of the last reporting year.

Plus the total of all employees whose last test confirmed an HIV sero-negative status (based on a VCT result during a calendar year) – and who were still in employment at the end of the last reporting year.

Total amount spent on corporate social investment (CSI)

Categories for corporate social investment expenditure include charitable donations, community investment and commercial initiatives. CSI contributions can take the form of cash donations, contributions in kind and employees' working hours spent on charity and volunteering projects during work hours. Not included is expenditure that is necessary for the development of an operation (e.g. resettlement of families) or receiving a licence. Training expenditure for individuals who will be employed by the company following completion of training is not included. CSI is reported in US dollars and converted from the currency of the operations at the average foreign exchange rate applied by

Anglo American for financial reporting purposes. Charitable donations include charitable and philanthropic gifts and contributions that tend to be ad hoc.

Community investment includes the funding of community partnerships which address social issues, the costs of providing public facilities to community members who are not employees or dependants, the marginal value of land or other assets transferred to community ownership, and income creation schemes or mentoring/ volunteering initiatives that do not have a principally commercial justification. Commercial initiatives include enterprise development and other community initiatives/partnerships that can also directly support the success of the company (such as supplier development). There must, however be a clear and primary element of public benefit. We prohibit the making of donations for political purposes to any politician, political party or related organisation, an official of a political party or candidate for political office in any circumstances either directly or through third parties.

Environmental incident classification

We classify environmental incidents on a scale of 1 to 5 based upon increasing severity, in accordance with the Anglo American 5x5 risk matrix, which plots potential incidents against their likelihood of occurring and the severity of their consequence.

A Level 1 incident will have a minor impact on the environment, while at the other extreme, a Level 5 incident will have a major impact on the environment. Correct classification of incidents is important as it determines the level of response, investigation and reporting required.

The following components are taken into consideration when rating the severity of environmental incidents:

Scale: How significant is the size/scale of the impact relative to the size/scale of the receiving environment?

Sensitivity: How sensitive is the receiving environment to the impact? How special or unique is the area that has been impacted?

Remediation and clean-up: How difficult is the impact to contain, remediate and/or clean up? How much time and/or resources are required to manage the incident?

The classification criteria for environmental incidents match the potential complexity of actual environmental incidents. They were developed by our global environmental leadership team, with input from practitioners and piloted in two sites, before being approved by the Sustainability Committee.

Reporting scope

As at 31 December 2021

Unless otherwise stated, data included in this report accounts for 100% of the businesses managed by Anglo American. Data for acquisitions is included from the date of acquisition, and divested businesses discontinue reporting from the date of disposal. Data for our South African thermal coal operations is included up to the end of May 2021.

Businesses included in reporting scope

	Country
Platinum Group Metals	
Mining operations	
Amandelbult	South Africa
Mogalakwena	South Africa
Mototolo	South Africa
Unki	Zimbabwe
Twickenham project (care and maintenance – C&M)	South Africa
Processing operations	
Waterval smelter	South Africa
Mortimer smelter	South Africa
Polokwane smelter	South Africa
Rustenburg Base Metals Refinery	South Africa
Rustenburg Precious Metals Refinery	South Africa
Unki smelter	Zimbabwe
Other	
De Beers	
De Beers Jewellers	Global
De Beers Operations Canada	
Gahcho Kué	Canada
Snap Lake (C&M)	Canada
Victor (closed)	Canada
De Beers Operations South Africa	
Namaqualand (closed)	South Africa
Venetia	South Africa
Voorspoed (closed)	South Africa
Commercial and industrial	
Element Six	Global
Sales and Brands	Global
Copper	
Chagres smelter	Chile
El Soldado	Chile
Los Bronces	Chile
Quellaveco project	Peru
Nickel	
Codemin	Brazil
Barro Alto	Brazil
Kumba Iron Ore	
Kolomela	South Africa
Sishen	South Africa
Iron Ore Brazil	
Minas-Rio	Brazil
Metallurgical Coal	
Grosvenor/Aquila	Australia
Capcoal	Australia
Dawson	Australia
Jellinbah	Australia
Moranbah North	Australia
Peace River Coal (C&M)	Canada

Businesses included in reporting scope

	Country
Crop Nutrients	
Woodsmith	United Kingdom
Other	
Vergelegen wine farm	South Africa
Corporate offices	Global
Discovery	Global

Joint ventures, associates, investments and other interests excluded from reporting scope, unless specified

	Country
Platinum Group Metals	
Masa Chrome Company	South Africa
Modikwa Platinum Joint Operation	South Africa
Kroondal Pooling and Sharing Agreement	South Africa
Bokoni (C&M)	South Africa
Atlatsa Resources Corporation	South Africa
Wesizwe Platinum Limited	South Africa
De Beers	
Botswana	
Damtshaa	Botswana
Jwaneng	Botswana
Orapa	Botswana
Lethakane	Botswana
Diamond Trading Company Botswana	Botswana
Namdeb	
Namdeb Diamond Corporation	Namibia
Debmarmine Namibia	Namibia
Namibia Diamond Trading Corporation	Namibia
Copper	
Collahuasi	Chile
Iron Ore and Manganese	
Iron Ore Brazil – Ferroport	Brazil
Samancor	Australia and South Africa
Thermal Coal	
Dalrymple Bay Coal Terminal Pty Ltd	Australia

2021 data

The 2018 to 2021 data excludes the De Beers non-managed joint operations, Debswana and Namdeb. The data for prior years (2013-2017) includes these De Beers operations. An Excel file with detailed sustainability data is available at www.angloamerican.com/sustainability/performance.

Safety	2021	2020	2019	2018	2017	2016	2015	2014	2013
Anglo American total									
Work-related loss of life	1	2	4	5	9	11	6	6	15
Lost-time injuries (LTIs)	376	277	325	343	429	548	802	609	918
Medical treatment cases (MTCs)	177	165	199	212	372	481	783	780	1,088
First aid cases (FAC)	1,565	1,370	1,424	1,562	1,500	1,604	2,234	2,387	2,423
Total recordable cases (fatal injuries + LTIs + MTCs)	554	444	528	560	810	1,040	1,591	1,395	2,021
Total injuries (recordable cases + FACs)	2,119	1,814	1,952	2,122	2,310	2,644	3,825	3,782	4,444
Total hours worked (thousand)	246,758 ⁽¹⁾	207,021	239,351	210,500	255,879	293,259	341,319	346,900	372,880
Fatal injury frequency rate	0.004	0.010	0.017	0.024	0.035	0.038	0.018	0.017	0.040
Total recordable case frequency rate	2.24	2.14	2.21	2.66	3.17	3.55	4.66	4.02	5.42
Lost-time injury frequency rate	1.52	1.34	1.36	1.63	1.68	1.87	2.35	1.76	2.46
Employees potentially exposed to hazards⁽²⁾	2021	2020	2019	2018⁽¹⁾	2017	2016	2015	2014	2013
Inhalable hazards and carcinogens									
Workers potentially exposed to inhalable hazards above the exposure limit ⁽³⁾	1,796	1,994	2,151	2,249	2,514 ⁽⁵⁾	-	-	-	-
Workers potentially exposed to carcinogens above the exposure limit ⁽⁴⁾	837	828	664 ⁽³⁾	2,335	1,657 ⁽⁵⁾	-	-	-	-
Noise									
Total number of workers at risk of exposure to noise ⁽⁴⁾	38,388	46,309	40,708	42,508	75,761	-	-	-	-
Workers potentially exposed to noise above 85 dB(A) ⁽⁴⁾	30,832	33,253	29,598	29,016	35,070	-	-	-	-
New cases of occupational disease⁽⁵⁾	2021	2020	2019	2018	2017	2016	2015	2014	2013
Diseases related to inhalable hazard and carcinogen exposure	2	2	6	9	27	35	29	26	30
Diseases related to noise exposure	14	12	18	31	46	48	83	94	132
Diseases related to other health hazard exposure	0	16	15	61	23	28	47	55	47
Total	16	30	39	101	96	111	159	175	209

HIV/AIDS ⁽⁶⁾	2021	2020	2019	2018	2017	2016	2015	2014	2013
Number of employee voluntary testing and counselling cases	27,181	31,744	34,048	30,814	43,568	45,279	50,223	59,813	51,954
Number of contractor voluntary testing and counselling cases	41,951	37,184	43,107	40,670	32,433	38,376	39,643	48,421	40,814
Employees in southern Africa who know their status (%)	88	89	94	88	83	88	68	86	75
Known HIV+ employees on anti-retroviral therapy (ART) (%)	93	93	92	86	84	68	72	53	47
Number of new employee HIV cases	128	233	400	540	506	611	349	543	529
Number of employee AIDS deaths	0	0	0	3	12	68	91	89	125
HIV incidence rate	0.51	0.89	1.31	2.20	1.16	1.35	0.69	0.91	1.02
Tuberculosis	2021	2020	2019	2018	2017	2016	2015	2014	2013
New cases of tuberculosis (TB) ⁽⁷⁾	48	50	84	93	188	296	511	544	734
TB incidence rate per 100,000 employees ⁽⁸⁾	152	138	230	242	361	447	696	790	1,064
Proven TB deaths	0	1	3	5	4	28	52	63	59

⁽¹⁾ Hours worked include Thermal coal up to the date of divestment on 4 June.

⁽²⁾ Exposure is above the Occupational Exposure Limit 'A' classification band (without taking personal protective equipment (PPE) into account).

⁽³⁾ Workers exposed to carcinogens was updated to include Mototolo Mine post year-end 2019.

⁽⁴⁾ All workers, including long-term contractors, potentially exposed above Occupational Exposure Limit classification bands (without taking PPE into account). In 2019, we stopped reporting all noise HEGs. Data in 2018 and 2019 was restated to reflect the new definition.

⁽⁵⁾ The 2017 occupational hygiene data for inhalable hazards and carcinogens was restated upon examination of historical data sets.

⁽⁶⁾ HIV/AIDS and TB data in 2015 and 2016 included De Beers operations in Botswana and Namibia for the first time. 2012-2014 data included Anglo American operations in South Africa and Zimbabwe only.

⁽⁷⁾ New cases of tuberculosis (TB) data from 2016-2013 has been restated.

⁽⁸⁾ TB incidence rate from 2018 onward is calculated using the annual average number of employees. Previously stated TB incidence rates were calculated using the number of employees at the end of the reporting year.

Environment	2021	2020	2019	2018	2017	2016	2015	2014	2013
GHG emissions (Mt CO₂e)⁽¹⁾									
Scope 1	9.02	9.95	10.88	9.70	9.90	9.00	8.80	8.00	7.30
Scope 2	5.74	6.13	6.86	6.50	8.00	8.90	9.50	9.30	9.80
Total CO₂e	14.76	16.08	17.74	16.20	18.00	17.90	18.30	17.30	17.10
Energy consumption (million GJ)									
Energy from electricity	36.99	35.96	38.16	36.20	43.10	46.90	46.60	44.30	46.00
Energy from fossil fuels	45.57	42.42	46.32	45.60	52.50	56.00	56.80	61.10	57.50
Energy from renewable fuels	2.25	2.16	2.02	2.10	1.80	2.60	2.90	2.40	2.20
Total energy	84.81	80.54	86.51	83.90	97.40	105.50	106.30	107.70	105.70

⁽¹⁾ The 2018 energy and GHG emissions were restated.

Water	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operational water withdrawals – Total Group ('000 m³)⁽¹⁾									
Surface water (high quality ICMM)	81,475	92,797	81,999	87,486	102,024	84,076	76,605	–	–
Ground water (high quality ICMM)	35,297	35,315	39,499	39,281	34,365	31,863	44,518	–	–
Third-party water (high quality ICMM)	12,559	14,180	18,826	16,863	11,675	12,257	12,341	–	–
Total water (high quality ICMM)⁽²⁾	129,331	142,292	140,324	143,630	148,064	128,196	133,464	–	–
Surface water (low quality ICMM)	622	792	584	748	731	1,150	1,050	–	–
Ground water (low quality ICMM)	13,953	13,938	10,570	14,756	12,334	10,697	9,162	–	–
Seawater (low quality ICMM)	0	0	0	0	0	0	28	–	–
Third-party water (low quality ICMM)	32,622	40,467	30,966	27,895	25,677	31,347	14,732	–	–
Total water (low quality ICMM)⁽³⁾	47,197	55,197	42,120	43,399	38,742	43,194	24,972	–	–
Surface water Total ICMM	82,097	93,589	82,583	88,234	102,755	85,226	77,655	–	–
Ground water Total ICMM	49,250	49,253	50,069	54,037	46,699	42,560	53,680	–	–
Seawater Total ICMM	0	0	0	0	0	0	28	–	–
Third-party water Total ICMM	45,181	54,647	49,792	44,758	37,352	43,604	27,073	–	–
Total	176,528	197,489	182,444	187,029	186,806	171,390	158,436	–	–
Other managed water – total ⁽⁴⁾	56,411	53,020	–	–	–	–	–	–	–
Operational efficiency (re-use/recycle) ⁽⁵⁾	633,148	569,327	–	–	–	–	–	–	–
Operational water use ⁽⁶⁾	760,335	700,721	–	–	–	–	–	–	–
Change in storage ⁽⁷⁾	9,018	18,109	–	–	–	–	–	–	–
Operational efficiency (re-use/recycle) ⁽⁵⁾	83%	81%	–	–	–	–	–	–	–
Operational water withdrawal – water stressed sites ('000 m³)⁽²⁾									
Surface water (high quality ICMM)	43,417	49,372	46,409	51,378	67,846	60,637	46,015	–	–
Ground water (high quality ICMM)	29,923	31,440	35,799	36,942	31,218	30,588	38,088	–	–
Third-party water (high quality ICMM)	12,419	14,040	17,653	16,698	11,438	12,087	12,139	–	–
Total water (high quality ICMM)⁽²⁾	85,759	94,852	99,861	105,018	110,502	103,312	96,242	–	–
Surface water (low quality ICMM)	622	792	584	748	731	1,150	1,050	–	–
Ground water (low quality ICMM)	13,338	13,376	10,166	11,722	10,080	10,697	9,162	–	–
Seawater (low quality ICMM)	0	0	0	0	0	0	28	–	–
Third-party water (low quality ICMM)	32,617	40,467	30,966	27,895	25,677	31,347	14,732	–	–
Total water (low quality ICMM)⁽³⁾	46,577	54,635	41,716	40,365	36,488	43,194	24,972	–	–
Surface water Total ICMM	44,039	50,164	46,993	52,126	68,577	61,787	47,065	–	–
Ground water Total ICMM	43,261	44,816	45,965	48,664	41,298	41,285	47,250	–	–
Seawater Total ICMM	0	0	0	0	0	0	28	–	–
Third-party water Total ICMM	45,036	54,507	48,619	44,593	37,115	43,434	26,871	–	–
Total	132,336	149,487	141,577	145,383	146,990	146,506	121,214	–	–
Water stressed sites – Operational Water re-use/ recycle ('000 m ³)	478,567	421,879	–	–	–	–	–	–	–
Water stressed sites – Operational water use ('000 m ³)	571,255	515,017	–	–	–	–	–	–	–
Water stressed sites – Change in storage ('000 m ³) ⁽⁷⁾	3,066	7,597	–	–	–	–	–	–	–
Operation efficiency (re-use/recycle)	84%	82%	–	–	–	–	–	–	–
Total discharges – Total Group ('000 m³)⁽⁸⁾									
Surface water Total ICMM	11,045	12,979	–	–	–	–	–	–	–
Ground water Total ICMM	5,031	7,711	–	–	–	–	–	–	–
Seawater Total ICMM	9,893	8,646	–	–	–	–	–	–	–
Supply to third-party water Total ICMM	17,337	24,132	–	–	–	–	–	–	–

Water	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total	43,306	53,468	–	–	–	–	–	–	–
Total discharges – water stressed sites ('000 m³)⁽⁸⁾									
Surface water Total ICMM	5,343	7,513	–	–	–	–	–	–	–
Ground water Total ICMM	4,208	6,045	–	–	–	–	–	–	–
Seawater Total ICMM	0	2	–	–	–	–	–	–	–
Supply to third-party water Total ICMM	17,337	24,016	–	–	–	–	–	–	–
Total	26,888	37,576	–	–	–	–	–	–	–
Land (hectares)									
Company-managed land	526,526	623,410	650,205	666,815	1,565,438	1,567,624	1,652,959	1,684,186	466,613
Land altered by mining activities and supporting infrastructure	97,228	94,695	86,906	91,743	110,824	109,411	130,352	114,921	84,214
Land rehabilitated ⁽⁹⁾	11,530	13,090	15,079	14,225	19,265	20,662	20,322	20,418	16,827
Environmental incidents									
Level 3	1	1	1	5	2	4	6	14	30
Level 4	0	0	0	1	0	0	0	1	–
Level 5	0	0	0	0	0	0	0	0	–
Air emissions									
Total SO ₂ emissions from diesel, marine, and intermediate fuel oil used and processes (1,000 tonnes) ⁽¹⁰⁾	8.2	30	28	36	30	40	43	34	36
Total NO ₂ emissions from diesel, marine, and intermediate fuel oil used and processes (1,000 tonnes)	27	26	30	29	27	35	42	44	40
Ozone depleting compounds (ODCs) vented/ released to the atmosphere (tonnes)	0	0	0	0	0	3	4	4	6
ODCs remaining in use (tonnes)	0.24	0.24	0.24	1	1	1	3	1	2
Non-mineral waste⁽¹¹⁾									
Hazardous waste to legal landfill (tonnes)	19,759	18,864	26,253	13,968	41,427	23,293	40,782	17,750	22,621
Non-hazardous waste to legal landfill (tonnes)	35,984	38,412	29,249	28,871	26,467	38,290	239,747	51,163	87,986

(1) Operational water withdrawals: water that enters the operational water system used to meet the operational water demand.

(2) ICMM high quality water: typically has high socio-environmental value with multiple potential beneficial uses and/or receptors, including water supply for drinking, agriculture, food production, amenity value, industrial uses and ecosystem function.

(3) ICMM low quality water: typically has lower socio-environmental value as the poorer quality may restrict potential suitability for use by a wide range of other users or receptors, excluding potential industrial uses and adapted ecosystem function. However, lower quality water may often be used by the mining and metals industry, where available and appropriate, to help meet the operational water demand and reduce the take of higher quality water.

(4) Other managed water withdrawal: water that is actively managed (e.g. physically pumped, actively treated or has material consumptive losses) without intent to supply the operational water demand.

(5) Efficiency (re-use/recycle): water that has been used in an operational task and is recovered and used again in an operational task, either without treatment (re-use) or with treatment (recycle).

(6) Operational water use: the volume of operational water used in operational tasks.

(7) Change in storage: the net change (positive or negative) in the volume of water in storage during the reporting period.

(8) Discharge: all water that is released to the water environment (surface water, groundwater or seawater) or to a third party, including operational water and other managed water.

(9) Land rehabilitated includes land both fully rehabilitated and signed off by the regulator, and land rehabilitated but not yet signed off as meeting agreed land use objectives.

(10) SO₂ emissions in this table for current year exclude stack emissions from PGM processing plants in South Africa. This data is updated post publication of this report, as we cannot publish the SO₂ emissions before we inform the regulator.

(11) Hazardous waste and non-hazardous waste is either reported in mass (tonnes) or volume (m³) as is appropriate to each operation. Volumes in mass were introduced for reporting at relevant operations in 2015.

Biodiversity

Operation	Country	Company managed land (hectares)	Land disturbed	Adjacent to globally or nationally important biodiversity areas	Biodiversity management plan in place
Kumba Iron Ore					
Sishen mine	South Africa	36,144	13,871	No	Yes
Kolomela mine	South Africa	47,258	2,529	No	Yes
Minas-Rio					
Minas-Rio	Brazil	26,991	5,491	Yes	Yes
Met Coal					
Dawson	Australia	30,940	12,539	No	Yes
Capcoal complex	Australia	31,294	9,186	No	Yes
Moranbah	Australia	9,938	3,657	No	Yes
Grosvenor	Australia	9,507	782	No	Yes
PGMs					
Amandelbult	South Africa	10,774	2,298	No	Yes
Mogalakwena	South Africa	11,890	2,677	Yes	Yes
Unki	Zimbabwe	0	858	No	Yes
Twickenham	South Africa	384	129	No	Yes
Mototolo Der Brochen	South Africa	7,218	180	No	Yes
Copper Chile					
Los Bronces	Chile	33,189	3,252	Yes	Yes
El Soldado	Chile	8,030	1,236	No	Yes
Copper Peru					
Quellaveco	Peru	46,419	1,241	No	Yes
Projects					
Sakatti	Finland	5	0	Yes	Yes
Woodsmith ⁽¹⁾	United Kingdom	404	147	n/a	n/a
De Beers					
Orapa, Letlhakane, Damtshaa (JV)	Botswana	66,360	8,970	Yes	Yes
Jwaneng (JV)	Botswana	43,889	3,826	No	Yes
Namdeb (JV)	Namibia	693,377	18,974	Yes	Yes
Debmarine Namibia (JV)	Namibia	0	0	Yes	Yes
Venetia	South Africa	6,253	2,032	Yes	Yes
Voorspoed	South Africa	2,797	501	No	Yes
Gahcho Kué	Canada	2,400	883	No	Yes
Victor	Canada	6,686	1,246	No	Yes
Nickel					
Codemin	Brazil	28,494	416	No	Yes
Barro Alto	Brazil	6,251	1,416	No	Yes

⁽¹⁾ Assessments are to be completed when project moves into next phase.

Economic and social data

Production	2021	2020	2019	2018	2017	2016	2015	2014	2013
Diamonds ('000 cts)	32,300	25,100	30,800	35,300	33,455	27,300	28,700	32,600	31,200
PGMs (produced ounces) (koz)	4,300	3,800	4,400	5,200	5,000	4,100	4,400	3,300	4,100
Copper (kt)	647	647	638	668	579	577	709	748	775
Nickel (t)	41,700	43,500	42,600	42,300	43,800	44,500	30,300	37,200	34,400
Iron Ore – Kumba (Mt)	41	38	43	44	45	42	45	48	48
Iron Ore – Minas-Rio (Mt)	23	24	23	3	17	16	9	1	–
Export metallurgical coal (Mt)	15	17	23	22	21	30	34	33	31
Export thermal coal South Africa (Mt)	9	21	18	18	61	64	61	67	57
Human resources									
Full-time employees (annual average)⁽¹⁾	63,600	65,000	61,132	61,527	67,095	82,869	99,630	99,908	101,074
Employees below 30 years of age (%)	9	10	12	12	13	14	16	16	–
Employees between 30–50 years of age (%)	72	70	69	70	68	67	65	65	–
Employees more than 50 years of age (%)	19	20	19	18	19	18	19	19	–
Women in management (%)	–	–	–	28	26	25 ⁽²⁾	25 ⁽²⁾	24 ⁽²⁾	23
Women in senior management (CE EoR) (%)	29	27	24	21					
Women in management (B5 and above) (%)	31	27	24	23					
Women as % of total workforce	23	23	21	20	19	18	18	16 ⁽²⁾	–
Voluntary turnover⁽³⁾	3.5	2.8	2.9	2.9	2.7				
Resignations (%)	2.2	1.5	2.3	2.4	2.3				
Other reasons for leaving (%)	1.3	1.3	0.6	0.5	0.4				
Involuntary turnover⁽³⁾	6.9	7.6	6.9	7.2	5.7				
Redundancies (%)	0.8	0.5	0.8	0.5	0.6				
Dismissals (%)	0.8	1.0	1.2	1.2	1.4				
Other reasons for leaving (%)	5.3	6.1	4.9	5.5	3.7				
Historically disadvantaged South Africans in management (% of South African management)	73	68	65	65	66	62	60	60	64
Contractors (annual average)⁽⁴⁾	45,510	36,423	38,031	29,603	31,018	32,559	41,451	51,320	57,818
Socio-economic									
CSI expenditure (\$ million)	138	125	114	82	88	84	124	135	128
CSI expenditure (% of pre-tax profit)	0.8	2.3	1.8	1.6	1.7	3.0	6.0	2.8	2.2
Businesses supported through enterprise development initiatives	67,909	66,625	65,548	64,830	64,291	62,447	62,394	58,257	48,111
Jobs created/sustained through enterprise development initiatives	147,374	137,777	132,082	125,095	120,812	116,298	110,780	96,873	76,543
Total supplier expenditure (\$ billion) ⁽⁵⁾	11.4	11.0	11.6	10.2	9.0	8.8	10.0	12.3	16.1
Procurement: local expenditure (\$ billion) ⁽⁵⁾	10.0	10.0	9.1	2.1	2.1	2.0	1.5	1.8	1.6
Procurement: local expenditure (% of total)	88	91	79	21	23	23	15	15	1
Procurement: designated supplier spend (BEE in South Africa, Indigenous communities in Canada and Aboriginal suppliers in Australia) (\$ billion)	2.6	2.6	2.9	2.8	2.6	2.9	3.8	3.1	3.8

⁽¹⁾ Data for 2021 and 2020 is the average number of Group employees, excluding employees of contractors, associates and joint ventures, and includes a proportionate share, based on the percentage shareholding of employees within joint operations.

⁽²⁾ This data has been restated.

⁽³⁾ From 2017, we have been able to track employee turnover reasons at a more granular level.

⁽⁴⁾ Reflects annual average of contractors at managed operation during the year.

⁽⁵⁾ Supplier expenditure and procurement includes expenditure from the Group's subsidiaries and a proportionate share of the Group's joint operations, based on shareholding. 2021 and 2020 have been presented on this basis. The definition for local procurement was amended in 2020 to reflect in-country procurement. The 2019 data was restated in line with this definition.

Commitments to external initiatives and memberships

International Council on Mining and Metals

As a member of the International Council on Mining and Metals (ICMM), Anglo American adheres to the 10 ICMM Principles, which serve as a best-practice framework for sustainable development in the mining and metals industry. We also adhere to ICMM Position Statements on various issues that are critical to the mining industry.

Anglo American complies with the ICMM Sustainable Development Framework, Principles, Position Statements and reporting requirements

Our compliance with the ICMM's requirements is addressed throughout this report and a comprehensive account of our approach is available on www.angloamerican.com/ICMM-assurance-procedure-2021.

This account includes the following elements of the ICMM Assurance Procedure:

- The alignment of our sustainability policies against the 10 Principles and mandatory requirements of the Position Statements
- Our process for identifying specific sustainable development risks and opportunities
- The existence and implementation of systems and approaches for managing sustainable development risk and opportunities
- Our performance across a selection of identified material sustainable development risks and opportunities
- Our disclosure in accordance with the GRI standards core option and related Mining and Metals Supplement.

10 Principles

- Principle 1: Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development
- Principle 2: Integrate sustainable development in corporate strategy and decision-making processes
- Principle 3: Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities
- Principle 4: Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks
- Principle 5: Pursue continual improvement in health and safety performance with the ultimate goal of zero harm
- Principle 6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change
- Principle 7: Contribute to the conservation of biodiversity and integrated approaches to land-use planning

- Principle 8: Facilitate and support the knowledge base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals
- Principle 9: Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities
- Principle 10: Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.

Position statements

- Water stewardship
- Tailings governance
- Indigenous Peoples and mining
- Principles for climate change policy design
- Mining partnerships for development
- Transparency of mineral revenues
- Mining and protected areas
- Mercury risk management.

United Nations Global Compact

The UN Global Compact (UNGC) is a principles-based approach to sustainability, derived from UN declarations. Our Communication on Progress highlights our progress toward implementation of the principles and our support for the UNGC's development objectives.

Anglo American is a signatory to the United Nations (UN) Global Compact Principles, through which we commit to:

- Supporting and respecting the protection of internationally proclaimed human rights
- Ensuring that we are not complicit in human rights abuses
- Upholding the freedom of association and the effective recognition of the right to collective bargaining
- Eliminating all forms of forced and compulsory labour
- Ensuring the effective abolition of child labour
- Eliminating discrimination in respect of employment and occupation
- Supporting a precautionary approach to environmental challenges
- Undertaking initiatives to promote greater environmental responsibility
- Encouraging the development and diffusion of environmentally friendly technologies
- Work against corruption in all its forms, including extortion and bribery.

Our approach to complying with the UN Global Compact Principles is integrated throughout this report.

UN Guiding Principles on Business and Human Rights

The UN Guiding Principles on Business and Human Rights (UNGPs) is a framework, which aims to show the progress an organisation is making regarding respecting human rights. Anglo American is committed to operating in a manner consistent with the guiding principles.

SDGs

We have developed our Sustainable Mining Plan through extensive internal and external engagement and analysis of critical opportunities and risks, including the UN Sustainable Development Goals (SDGs). By looking closely at practical issues we've found some real opportunities to make a difference that align closely to the UN's Sustainable Development Goals.

GRI Standards

The Global Reporting Initiative (GRI) standards were the first, common sustainability standards for organisations to report their sustainability impacts in a consistent and credible way, while meeting the needs of multiple stakeholders. Our sustainability report is prepared in accordance with the GRI standards core-level option.

Our GRI table is found on pages 79-81 of this report.

TCFD

The Task Force on Climate-related Financial Disclosures (TCFD) is a framework which enables companies to provide better information to investors across four key areas: climate change governance, risk, strategy and, metrics and targets.

Anglo American's response can be found on pages 30 to 31 of this report and the Integrated Annual Report on pages 102–103.

EITI

We have been a signatory to the Extractive Industries Transparency Initiative (EITI) since its inception. This is built on the belief that to build trust and a sustainable licence to operate, we need to have open and inclusive conversations about the cost-benefits of mining. We remain committed to the multi-stakeholder group approach that lies at the heart of the EITI accountability process and aim to replicate this approach everywhere we operate including in countries which are not EITI signatories.

Voluntary Principles on Security and Human Rights

The Voluntary Principles on Security and Human Rights are an internationally recognised set of principles that guide companies on how to conduct their security operations while ensuring respect for human rights.

IRMA

The Initiative for Responsible Mining Assurance (IRMA) offers third-party verification and certification against a comprehensive standard for all mined metals. Anglo American's commitment to IRMA is linked to our Sustainable Mining Plan commitment for all mines to undergo third-party audits against recognised responsible mine certification systems.

Industry associations

Industry associations play an important role for Anglo American around the world. Our memberships of, and partnerships with, industry associations allow us to share best practice and be well informed on relevant technical, political and social developments. They also offer a route for Anglo American's voice to be amplified alongside peer companies in policy and other debates. We expect the same standards of behaviour from the industry associations of which we are a member as we would from any other organisation with which we partner.

In 2020, we updated the 'Working with Institutional Stakeholders' element of the Business Integrity section of our Code of Conduct to make this clear. Similarly, we updated our Group Business Integrity Policy to clarify that it also applies to our dealings with industry associations. We publish details regarding all of our association memberships on our website.

In 2019, we committed to a biennial disclosure outlining an analysis of policy alignment, and how the governance process has been applied during the reporting period. One element of the governance process is designed to respond to potential misalignment between industry associations and Anglo American.

Its key elements include:

- Escalating issues of concern to the head of the relevant business unit and then, if necessary, to the Group head of international and government relations and ultimately to the Group Management Committee.
- Engaging with the industry association, seeking the necessary policy change.
- In the event of continued misalignment, we will consider all potential actions, up to and including suspension or termination of our membership.

GRI standards contents index

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (Core option) and the GRI Mining & Metals Sector Supplement. The content index shows our material topics and reporting against related disclosures and management approach. Where information is available, we have also included additional disclosures beyond our core material topics. To locate the topics and our responses, please refer to the reference column where we have provided the source of information and, in some instances, we have included a direct response within the index.

→ [The data table is also available at](#)
Visit www.angloamerican.com/sustainability/performance

GRI 101: Foundation

Indicator	Disclosure	Reference
1.1	Stakeholder inclusiveness	Integrated Annual Report (AR): 15, 20-21; Sustainability Report (SR): 12
1.2	Sustainability context	SR: 09
1.3	Materiality	SR: 12
1.4	Completeness	SR: 01; 73-74. Boundaries are described in the relevant sections.
1.5	Accuracy	SR: 71-73
1.6	Balance	SR: throughout document
1.7	Clarity	SR: throughout document
1.8	Comparability	SR: throughout document
1.9	Reliability	SR: 71-73
1.10	Timeliness	Financial year end: 31 December 2021. Report release date: 7 March 2022.

GRI 102: General disclosures

Indicator	Disclosure	Reference
102-1	Name of organisation	Anglo American
102-2	Activities, brands, products and services	SR: 03; 06-07
102-3	Location of headquarters	London, United Kingdom
102-4	Location of operations	SR: 03
102-5	Ownership and legal form	AR: 228-229
102-6	Markets served	AR: 26-28
102-7	Scale of the organisation	SR: 03; AR: 02-03
102-8	Information on employees and other workers	SR: 63-67
102-9	Supply chain	SR: 51
102-10	Significant changes to the organisation and its supply chain	AR: 226-227. There were no significant changes to the supply chain.
102-11	Precautionary Principle or approach	Anglo American supports the intent of the Precautionary Principle, but has not expressed a specific commitment in the public domain.
102-12	External initiatives	SR: 78. Memberships of external initiatives are discussed in each material topic (where relevant).
102-13	Membership of associations	SR: 78. Please also refer to the Group website.
102-14	Statement from senior decision maker	SR: 05
102-16	Values, principles, standards and norms of behaviour	SR: 06; 52
102-18	Governance structure	SR: 69 – 70; AR: 108-110
102-40	List of stakeholder groups	SR: 12; AR: 15
102-41	Collective bargaining agreements	SR: 66; 78
102-42	Identifying and selecting stakeholders	SR: 12
102-43	Approach to stakeholder engagement	SR: 12, 64; AR: 15-16
102-44	Key topics and concerns raised	SR: 12
102-45	Entities included in the consolidated financial statements	AR: 228-229

Indicator	Disclosure	Reference
102-46	Defining report content and topic boundaries	SR: 01; 02; 12
102-47	List of material topics	SR: 12
102-48	Restatement of information	SR: 75-77; AR: 178, 187
102-49	Changes in reporting	AR: 178, 187
102-50	Reporting period	1 January–31 December 2021
102-51	Date of most recent report	31 December 2021, published 7 March 2022
102-52	Reporting cycle	Annual
102-53	Contact point for questions about the report	SR: 82
102-54	Claims if reporting in accordance with the GRI Standards	SR: 01; 79
102-55	GRI content index	SR: 79-81
102-56	External assurance	SR: 71-72

Material topic – GRI 201: Economic performance

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 53-54; 73; AR: 01; 228-229
103-2	Management approach and components	SR: 53-54; 73; AR: 162
103-3	Evaluation of the management approach	SR: 53-54; 73; AR: 164-172
201-1	Direct economic value generated and distributed	SR: 53-54
201-2	Financial implications and other risks and opportunities due to climate change	SR: 26-31
201-3	Defined benefit plan obligations and other retirement plans	AR: 218-221
201-4	Financial assistance received from government	None received

Material topic – GRI 203: Indirect economic impacts

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 08-15
103-2	Management approach and components	SR: 48-58
103-3	Evaluation of the management approach	SR: 48-49
203-1	Infrastructure investments and services supported	SR: 53-54
203-2	Significant indirect economic impacts	SR: 53-54

Material topic – GRI 204: Procurement practices

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 51; 53-54. Local and responsible procurement is an effective way of delivering value from mining to local stakeholders and is one of the most commonly cited expectations of mining companies. The topic is relevant throughout the business and in developing countries in particular.
103-2	Management approach and components	SR: 51; 53-54
103-3	Evaluation of the management approach	SR: 51, 53-54. Total local procurement expenditure is measured on an annual basis to track progress against targets.
204-1	Proportion of spending on local suppliers	SR: 54; 77

Material topic – GRI 205: Anti-corruption

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 52. Ethical business conduct is material throughout the Group.
103-2	Management approach and components	SR: 52
103-3	Evaluation of the management approach	SR: 52
205-1	Operations assessed for risks related to corruption	SR: 52. Anglo American's disclosure focuses on bribery risk, which is the most material aspect of corruption for the business.
205-2	Communication and training about anti-corruption policies and procedures	SR: 52

Material Topic – GRI 207: Tax

Indicator	Disclosure	Reference
207-1	Approach to tax	2021 Tax and Economic Contribution Report
207-2	Tax governance, control, and risk management	2021 Tax and Economic Contribution Report
207-3	Stakeholder engagement and management of concerns related to tax	2021 Tax and Economic Contribution Report
207-4	Country-by-country reporting	2021 Tax and Economic Contribution Report

Material topic – GRI 302: Energy

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 26-31
103-2	Management approach and components	SR: 26-31
103-3	Evaluation of the management approach	SR: 26-31
302-1	Energy consumption within the organisation	SR: 26-31
302-4	Reduction of energy consumption	SR: 24; 28

Material topic – GRI 303: Water

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 38-39
103-2	Management approach and components	SR: 38-39
103-3	Evaluation of the management approach	SR: 38-39
303-1	Interactions with water as a shared resource	SR: 38-39
303-3	Water withdrawals	SR: 38; 76
303-4	Water discharges	SR: 38; 76

Material topic – GRI 304: Biodiversity

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 37
103-2	Management approach and components	SR: 37
103-3	Evaluation of the management approach	SR: 37
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR: 37; 77

Material topic – GRI 305: Emissions

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 23-31, 42
103-2	Management approach and components	SR: 23-31, 42
103-3	Evaluation of the management approach	SR: 23-31, 42
305-1	Direct (Scope 1) GHG emissions	SR: 28; 75
305-2	Energy indirect (Scope 2) GHG emissions	SR: 28; 75
305-3	Other indirect (Scope 3) GHG emissions	SR: 28
305-4	GHG emissions intensity	6.5 kt CO ₂ e /tonnes CuEq.
305-5	Reduction of GHG emissions	SR: 28
305-6	Emissions of ozone-depleting substances	SR: 75
305-7	Nitrogen oxides, sulphur oxides and other significant air emissions	SR: 42; 75

Material topic – GRI 306: Effluents and waste

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 22; 37-39; 41
103-2	Management approach and components	SR: 22; 37-39; 41
103-3	Evaluation of the management approach	SR: 22; 37-39; 41
306-1	Water discharge by quality and destination	SR: 38-39
306-2	Waste by type and disposal method	SR: 76
306-3	Significant spills	SR: None in 2021.
306-5	Water bodies affected by water discharges and/or run-off	SR: 36

GRI 307: Environmental compliance

Indicator	Disclosure	Reference
307-1	Non-compliance with environmental laws and regulations	SR: 36

GRI 308: Supplier environmental assessment

Indicator	Disclosure	Reference
308-1	New suppliers that were screened using environmental criteria	SR: 51
308-2	Negative environmental impacts in the supply chain and actions taken	SR: 51

Material topic – GRI 401: Employment

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 63-67
103-2	Management approach and components	SR: 63-67
103-3	Evaluation of the management approach	SR: 63-67
401-1	New employee hires and employee turnover	SR: 77
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	–
401-3	Parental leave	–

Material topic — GRI 403: Occupational health and safety

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 16-20
103-2	Management approach and components	SR: 16-20
103-3	Evaluation of the management approach	SR: 16-20
403-1	Occupational health and safety management system	SR: 16
403-2	Hazard identification, risk assessment and incident investigation	SR: 16-18
403-3	Occupational health services	SR: 14-15; 19-20
403-5	Worker training on occupational health and safety	SR: 14-15; 19-20
403-6	Promotion of worker health	SR: 19-29
403-9	Work-related injuries	SR: 16; 75
403-10	Work-related ill health	SR: 75

Material topic — GRI 404: Training and education

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 61-67
103-2	Management approach and components	SR: 61-67
103-3	Evaluation of the management approach	SR: 61-67
404-1	Average hours of training per year per employee	Anglo American measures training in monetary terms, as well as the number of individuals in structured programmes. See SR: 63
404-2	Programmes for upgrading employee skills and transition assistance programmes	SR: 63-64
404-3	Percentage of employees receiving regular performance and career development reviews	SR: 63. 16% of employees had a formal performance review on Team+

Material topic — GRI 405: Diversity and equal opportunity

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 69-70; AR: 56
103-2	Management approach and components	SR: 69-70; AR: 56
103-3	Evaluation of the management approach	SR: 65-66; AR: 56
405-1	Diversity of governance bodies and employees	SR: 69; AR: 56, 111, 115
405-2	Ratio of basic salary and remuneration of women to men	SR: 65; AR: 156

GRI 407: Freedom of association and collective bargaining

Indicator	Disclosure	Reference
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No operation is considered at risk regarding freedom of association and collective bargaining. The number of high-risk suppliers is not disclosed, but the risk is managed via the Anglo American Responsible Sourcing Standard. SR: 51

GRI 408: Child labour

Indicator	Disclosure	Reference
408-1	Operations and suppliers at significant risk for incidents of child labour	No operation is considered to be at significant risk for incidents of child labour. The number of high-risk suppliers is not disclosed, but the risk is managed via the Anglo American Responsible Sourcing Standard. SR: 51. No instances of child labour were reported in 2021.

GRI 409: Forced or compulsory labour

Indicator	Disclosure	Reference
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	No operation is considered to be at significant risk for incidents of forced or compulsory labour. The number of high-risk suppliers is not disclosed, but the risk is managed via the Anglo American Responsible Sourcing Standard. SR: 51

GRI 410: Security practices

Indicator	Disclosure	Reference
410-1	Security personnel trained in human rights policies or procedures	SR: 5842 employees and contractors were trained in the Voluntary Principles on Security and Human Rights.

GRI 411: Rights of Indigenous Peoples

Indicator	Disclosure	Reference
411-1	Incidents of violations involving rights of Indigenous Peoples	SR: 57-58

Material topic — GRI 412: Human rights assessment

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 57-58. Human rights impact assessment is relevant throughout the business.
103-2	Management approach and components	SR: 57-58
103-3	Evaluation of the management approach	SR: 57-58
412-1	Operations that have been subject to human rights reviews or impact assessments	SR: 57
412-2	Employee training on human rights policies or procedures	SR: 51; 57-58

Material topic — GRI 413: Local communities

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 48-49
103-2	Management approach and components	SR: 48-49
103-3	Evaluation of the management approach	SR: 48-49
413-1	Operations with local community engagement, impact assessments and development programmes	SR: 48-49

GRI 414: Supplier social assessment

Indicator	Disclosure	Reference
414-1	New suppliers that were screened using social criteria	SR: 51
414-2	Negative social impacts in the supply chain and actions taken	SR: 51

Material topic — GRI 415: Public policy

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 46-47
103-2	Management approach and components	SR: 46-47
103-3	Evaluation of the management approach	SR: 46-47
415-1	Political contributions	SR: 46. No political donations were made in accordance with Anglo American's Code of Conduct.

GRI 416: Customer health and safety

Indicator	Disclosure	Reference
416-1	Assessment of the health and safety impacts of product and service categories	SR: 59

Omissions

Indicator	Disclosure	Reference
GRI 202	Market presence	GRI 202-1 and 202-2 are not currently reported. Plans are in place to report on the proportion of senior management hired from the local community.
GRI 402	Labour/management relations	Labour relations are critical to Anglo American and are discussed on page 66 of the Sustainability Report. However, GRI 402-1 cannot be reported on meaningfully given the diverse nature of the business.
GRI 406	Non-discrimination	Details associated with potential incidents of discrimination are confidential. However, gender-based discrimination is a priority area for our efforts to protect human rights. SR: 58
GRI 417	Marketing and labelling	Not applicable to the mining industry.
GRI 418	Customer privacy	Not applicable to the mining industry.

Contacts and other information

Group terminology

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 licences 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.

Forward-looking statements and third party information:

This document includes forward-looking statements. All statements other than statements of historical facts included in this document, including, without limitation, those regarding Anglo American's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations, prospects and projects (including development plans and objectives relating to Anglo American's products, production forecasts and Ore Reserve and Mineral Resource positions) and sustainability performance related (including environmental, social and governance) goals, ambitions, targets, visions, milestones and aspirations, are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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