



South Africa Transformation Performance Report 2020

Re-imagining mining to improve people's lives

Transforming the very nature of mining for a safer, cleaner, smarter 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.

Our social and economic contribution in South Africa

Total tax and economic contribution¹

R140bn



Total taxes borne and collected

R33bn



Total wages and related payments

R27bn



Total procurement²

R58bn



Local procurement³

R51bn



Capital investment

R21bn



Corporate social investment⁴

R900m



Community development

R321m



Education and training

R172m



Other

R40m



Institutional capacity and development

R20m



Health and welfare

R233m



¹ As per published Anglo American Tax and Economic Contribution Report 2020, translated at 2020 average foreign exchange rate of US\$1:R16.46.

² This figure differs to the figure reported on page 28 because the Mining Charter uses different criteria for measuring expenditure. It is aligned to the Anglo American Group Tax and Economic Contribution Report.

³ This figure differs from the figure reported on page 28 due to new local content measurement approach in Mining Charter III. Anglo American is in the process of aligning its reporting to the Mining Charter's approach.

⁴ This CSI figure differs from that reported on page 18 as the business units use different bases for inclusion as "CSI spend" compared to the Anglo American Group Tax and Economic Contribution Report.

Scope of the report

Transformation has a special meaning in the South African context. It is more than a compliance requirement – it is a business imperative, and it is a moral imperative. Transformation helps us contribute to the building of a more just and equitable South Africa, one that takes into account South Africa's difficult history of inequality and exclusion. It means changing who we are at the most elemental level – thinking about and doing our work in entirely new ways.

Our commitment to transformation is longstanding. Reaching back to before the dawn of our democracy, the company has taken responsibility for transforming itself, the mining sector and the country to be a more equitable and inclusive one. Our approach to transformation has always gone beyond compliance – focusing on meaningful and impactful change wherever we have a footprint.

This report provides an overview of our performance against the Broad-Based Black Socio-Economic Empowerment Charter for the Mining and Minerals Industry of 2018 (Mining Charter III or the Charter). This is the second year Anglo American in South Africa is reporting against the targets in Mining Charter III.

All of the company's businesses in South Africa are covered in the report, including Anglo American Platinum (Platinum Group Metals – PGMs), De Beers Consolidated Mines (De Beers)*, Kumba Iron Ore (Kumba), and Coal. As applicable, the report also includes Anglo Corporate Services South Africa (Corporate Services) and Anglo American's Europe, the Middle East and Africa Shared Services (Shared Services).

Our performance against Mining Charter III's pillars – covering ownership; mine community development; procurement and enterprise development; employment equity; human resource development; housing and living conditions; and beneficiation – is illustrated using key data and case studies. This report excludes health, safety and environmental (HSE) content, which is separately reported on in other publications. To review Anglo American's HSE performance, view the Anglo American Sustainability Report at: www.angloamerican.com/sustainability.

This report emphasises Anglo American's wider transformation journey and illustrates how the United Nations' 17 Sustainable Development Goals (SDGs) are integrated into the business. Both Mining Charter III and the SDGs support our Purpose of *re-imagining mining to improve people's lives*.

Anglo American is committed to playing a significant part in South Africa's journey towards meeting the SDGs – our workplace, operations, community and supply chain activities already make a notable contribution. Alignment between the SDGs and Mining Charter III (where applicable) is highlighted at the end of each chapter.

Our Sustainable Mining Plan focuses on innovating and delivering step-change results across our entire value chain and makes a critical contribution to our transformation efforts. The plan addresses our intention to make a more strategic and holistic impact on the ground and looks to transform how our stakeholders experience our business.

* While the majority of the input in this report represents De Beers Consolidated Mines (De Beers), other data includes other parts of the De Beers Group in South Africa such as De Beers Marine (DBM) and De Beers Sightholders South Africa (DBSSA).

Contents

Introduction

02	Foreword
04	The UN's Sustainable Development Goals and our transformation journey
06	Anglo American's contribution in South Africa

Our performance

08	Ownership
16	Mine community development
26	Inclusive procurement
34	Employment equity
42	Human resource development
50	Housing and living conditions
56	Beneficiation
62	In closing
63	Glossary

A note on the Covid-19 pandemic

The Covid-19 pandemic has had a profound impact on the lives of billions around the world, and Anglo American is no different. From the outset in early 2020, we focused on overcoming the challenges it posed, and ensuring that, no matter the situation, we were able to continue to live up to our Purpose of *re-imagining mining to improve people's lives*. In every section of this report, we reflect on how our teams and stakeholders worked together, not only to overcome specific challenges but to go above and beyond in ensuring we delivered on our responsibilities. In areas where a significant impact was felt, we detail this at the beginning of the section – along with how our response was able to address so much more than simply the immediate issue at hand. In other instances, this is reflected within the narrative.

Please note that any photographs in this Report of people not wearing face masks were taken before the onset of the Covid-19 pandemic.

Applicable SDGs in this report



See more on Anglo American's focus areas and the Sustainable Development Goals on page 04.

**SUSTAINABLE
DEVELOPMENT
GOALS**

Foreword

Anglo American is an integral part of South Africa's fabric – a country we are so proud of, but where a great deal still needs to be done to reflect the democratic ideals enshrined in our Constitution. We acknowledge that South Africa has a chequered history when it comes to mining, an industry that forms the backbone of the country's economy.

As Anglo American, we are contributing towards South Africa's growth, prosperity and sustainability in so many ways, including by making mining in South Africa safer, smarter and more competitive. It's about bringing to life our Purpose of *re-imagining mining to improve people's lives* in a way that is relevant for South Africa and South Africans.

While guided by the pillars of the Mining Charter, our approach to transformation is rooted in the very foundation of our business and aligned closely with the pillars of our Sustainable Mining Plan.

I refer to the Sustainable Mining Plan because it is the lens through which I view transformation and goes far beyond compliance with mining law or regulatory requirements. It's about making a more strategic impact at all levels to positively transform the experience our stakeholders have of our business. The Plan is built around three Global Sustainability Pillars: *healthy environment; thriving communities; and to be a trusted corporate leader*. In essence, it's

The Covid-19 pandemic brought into sharp focus the inequalities that remain in our society. While we recognise the strides we have made as a country to overcome racial and economic oppression, we are acutely aware that, as a country and as a company, we must continue to take steps towards a more transformed society.

With mining classified as an essential service during the lockdown, we continued to operate responsibly and with the utmost care for the safety and health of our people, their families and our communities. We launched our WeCare programme at the start of the pandemic to provide critical information, broad employee and community support spanning many essential services, driven by the passion and professionalism of our team of health professionals, communicators and community liaisons to make this programme possible.

Remaining relevant and helpful to community members during the pandemic challenged us to tailor our support so that our interventions met their most pressing needs. Our work to deliver our Sustainable Mining Plan commitments allowed us to execute and scale-up projects as needed, demonstrating a long-held commitment to mine-community development that made it possible for us to adapt to challenges. We focused our efforts on supporting communities where we operate, working with them and NGOs to help build further capacity. This highlighted once again that collaboration is the key to our success.

Re-imagining mining to improve people's lives

about harnessing the knowledge, experience and potential of our people to respond to business and social issues and, ultimately, making the world a better place.

Partnering for sustainable positive impact is at the heart of our contribution to help unlock South Africa's full growth and development potential. We are the custodian of some of the country's precious natural resources, and we work together with our key partners and stakeholders to convert these resources into long-term and enduring value for all our stakeholders, including our employees, shareholders and host communities. This was reflected in our renewed focus on meaningful consultation with community stakeholders in identifying and implementing projects that are most closely aligned with their needs and aspirations.

Given the significant increase in cases of gender-based violence in South Africa, we accelerated our contribution towards combating this scourge, also through our WeCare programme. As many more women and children needed safe spaces, we supported the National Shelter Movement of South Africa and donated to shelters close to our operations, covering basic and Covid-19-related needs.

The socio-economic effects of the pandemic on South Africa are likely to persist for some time to come and, as a business, we are concentrating on how we can contribute most effectively to the country's economic recovery and future growth. Internally, and against the background of the pandemic amplifying the need for new and enhanced skills in the workplace, we continue to upskill our employees to participate increasingly in a world of work undergoing rapid change by the 'Fourth Industrial Revolution'.

“The socio-economic effects of the pandemic are likely to persist for some time to come and, as a business, we are concentrating on how we can contribute most effectively to the country’s economic recovery and future growth.”

Nolitha Fakude
Chair of Anglo American’s Management
Board in South Africa



Looking beyond to communities and broader society, we know that education will play a major role in recovery. The Anglo American Education Programme is in place to give learners access to quality education, one of the most transformative investments we can make. In 2020, we responded quickly to the need to provide online material and to help parents support their children in a virtual classroom environment, through the programme.

Enterprise development and job creation will continue to play a major role in recovery. The partnerships we have forged – through Zimele and our innovative Collaborative Regional Development, including the role of the Impact Catalyst, a partnership focused on creating mechanisms that drive large-scale, socio-economic development initiatives beyond mining – will continue to receive much of our attention.

As a leading South African employer, we truly believe that people are at the heart of our business and we are creating a culturally diverse and inclusive environment in which our people can thrive. Being in tune with the global movements for social change that heightened in 2020 – including civil rights, black lives and feminist-liberation efforts, we are dedicated to playing our part in making change happen in society, including through discussion and debates around inclusion and diversity. During the year we re-examined our global anti-bullying, harassment and victimisation policy. This outlines our no-tolerance stance and was supported by training for all staff.

Challenges along our transformation journey in 2020 included an awareness that we have to do better when it comes to stakeholder engagement. We need to continuously improve on how we engage with stakeholders – doing this through listening leads to better results. I do believe that, in the past year, we have really tried to listen to our stakeholders – employees, government, labour unions and host communities, and many more.

This report shows that there is much more we can do – and that is always the case for any company. But, based on the way we have responded to the Covid-19 pandemic, it also shows that we are headed in the right direction. This is a work in progress, and we realise that building a truly transformed company requires thoughtful care, strategic planning and bold action.

Transformation is a key component of our ability to live up to our Purpose of *re-imagining mining to improve people’s lives*.

Nolitha Fakude
Chair of Anglo American’s Management
Board in South Africa



A tribute to our Coal business

This report will be the last that includes the performance of our South African Coal business and I would like to take the opportunity to recognise and thank the people who have been part of that story. Coal has been an integral part of Anglo American for more than 80 years and many of our employees have spent part of their careers within Coal.

I would like to wish all those colleagues well as they continue their careers with Thungela Resources. We truly appreciate their contribution over the years.

The UN's Sustainable Development Goals and our transformation journey

Introduction

The process of confronting the Covid-19 pandemic has reinforced the importance of the United Nations' Sustainable Development Goals (SDGs) – not just as a lens through which we can understand and share our approach to transformation, but far beyond that.

Even before the pandemic we were seeing a significant shift in the pace of change, and an increase in the expectations placed on businesses to be partners in society. More and more, our stakeholders are looking to see how much value we contribute to society, and whether we align with their values – be they employees, communities or investors.

These increased expectations have been an invitation for Anglo American to critically reflect on our Purpose of *re-imagining mining to improve people's lives* and to question where our future focus should lie, whether on meeting the commitments we have made to stakeholders, or on playing a more active role in the wider development trajectory of our country – or a combination of the two.

The SDGs provide a useful framework for much of what we do. They help to create a unified sense across our various business units, functions and contribute and are a common language across functions and stakeholders.

SDGs overview

Anglo American is recognised as a leader for the way in which the company has integrated the SDGs into its strategy, notably through the Sustainable Mining Plan, as well as for the way in which we use data-led narratives to ensure accountability with our stakeholders.

The past year has seen a global increase in scrutiny of company performance to and reporting on the SDGs, including the expectation that companies will disclose their SDG-related performance in a meaningful way. We have already expanded our approach beyond simply mapping our activities to the SDGs.

The role of the SDGs in our Sustainable Mining Plan and transformation

Our Sustainable Mining Plan brings into sharp focus a set of 13 SDGs which, by informing the development and implementation of nine stretch goals, will ensure we contribute strongly to specific SDG targets between now and 2030. When the Sustainable Mining Plan was launched three years ago, we began mapping our activities to the SDGs to ascertain how they support these goals.

This business-as-usual footprint showed we were already making significant investments in the SDGs through a portfolio of workplace, operations, community and supply chain activities – we now map these to show an expenditure focus that is used to gauge progress and identify areas needing more attention.

How implementation of our Sustainable Mining Plan supports South Africa's SDG journey

Anglo American's Sustainable Mining Plan pillars

Environment



Healthy Environment

Social



Thriving Communities

Governance



Trusted Corporate Leader

Sustainable Mining Plan stretch goals

Water usage

Climate change

Biodiversity

Education

Health & well-being

Livelihoods

Accountability

Ethical value chains

Policy advocacy

United Nations' Sustainable Development Goals



In 2020, the mapping identified R86.4 billion being directed towards SDG-linked activities. As can be expected of a large corporate entity (see diagram to the right), we make the largest contributions towards decent work and economic growth, while also responding to the socio-economic development (SED) needs of our host communities and regional contexts – including our activities in the context of mine community development.

5Ps

The 5Ps – people, prosperity, planet, peace, partnerships – demonstrate that the SDGs cannot be approached in silos, but as an intertwined framework – with progress on one balancing and supporting another. The percentages across the 5Ps are expressed according to total expenditure in 2020 and show that Anglo American is making a significant contribution to the building of a prosperous South Africa.

People



29.40%

Prosperity



59.67%

Planet



5.35%

Peace



2.69%

Partnerships



2.90%

Expenditure in SDG focus areas



Anglo American's contribution in South Africa

Our Purpose

Re-imagining mining to improve people's lives

We are working together to develop better jobs, better education and better business. We are building brighter futures around our operations in South Africa.

Total contribution to communities

R1.2 bn

Operations



1 Venetia



1 Kolomela
2 Sishen



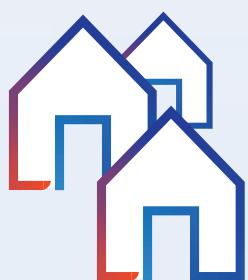
1 Goedeheop
2 Greenside
3 Isibonelo
4 Khwezela (Landau and Kleinkopje)
5 Mafube
6 Zibulo



1 Amandelbult
2 Mogalakwena
3 Mortimer Smelter
4 Waterval Smelter
5 Anglo Converter Plant (ACP)
6 Rustenburg Base Metals Refinery
7 Precious Metals Refinery
8 Mototolo
9 Polokwane Metallurgical Complex
10 Kroondal (JV)
11 Modikwa Platinum mine (JV)



Social investment in South Africa in 2020*



R321 m
Community development

R172 m
Education and training

R40 m
Sports, arts, culture & heritage, and other

R58 m
Water and sanitation

R233 m
Health and welfare

R20 m
Institutional capacity development

* Social investment spend excludes De Beers Group Services.

Economic contribution in South Africa in 2020

R140bn
Total tax and economic contribution

R58bn
Total procurement
R51bn
Local procurement

R21bn
Capital investment
R27bn
Wages and related payments

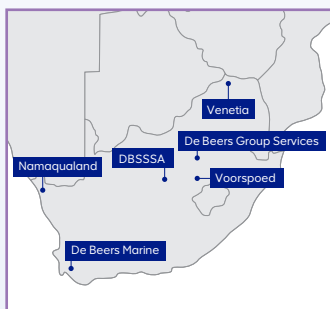
R33bn
Total taxes borne and collected
R900m
Corporate social investment

De Beers

 **1** operation
and **5** sites


5,059
employees and contractors


Social investment
R103.5m

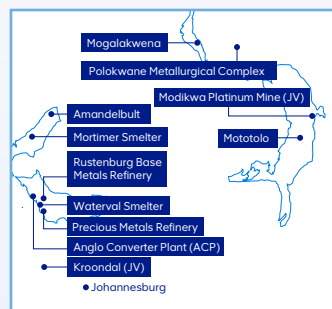


PGMs

3 operations
6 processing plants
2 joint ventures


23,058
employees and contractors


Social investment
R798.5m

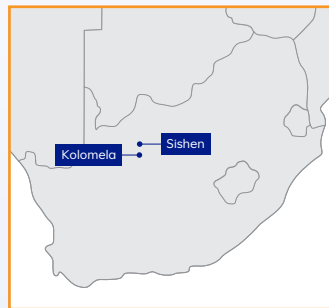


Kumba

 **2** operations


9,658
employees and contractors


Social investment
R263.6m

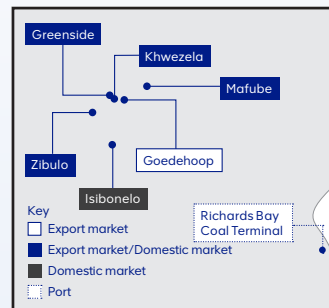


Coal

 **6** operations


6,724
employees and contractors


Social investment
R71.4m



Social contribution

R8.5m

Health and welfare

R10.9m

Water and sanitation

R1.5m

Institutional capacity and development

R23.6m

Education and skills development

R41.6m

Other (community development, charitable giving)

R7.7m

Enterprise development

R2.6m

Sport, arts and cultural heritage

R6.6m

Disaster and emergency relief

R587,000.00

Energy and climate change

R76.1m

Enterprise development

R65.5m

Education and training

R44.1m

Infrastructure

R86.1m

Health and social welfare

R400.0m

Community dividends

R126.7m

Other

R90.3m

Enterprise development and poverty alleviation

R37.8m

Education and training

R0.3m

Sports, arts, culture heritage, and other

R12.0m

Infrastructure

R115.6m

Health and welfare

R7.6m

Institutional capacity development and donations

R28.9m

Enterprise development

R6.9m

Health and social welfare

R3.2m

Other (disaster and emergency relief, environment, community development)

R25.5m

Education and skills development

R4.8m

Infrastructure

R2.1m

Institutional capacity development



Ngwaaga Matobela, William Ramashala and Gift Mphiela from Papanyana Developments discuss progress at PGMs' Mogalakwena mine where they have undergone business development through Zimele.

Ownership

We have been leaders in encouraging and facilitating the development of black business ownership since well before South Africa’s first democratic elections in 1994.

Alignment to the Sustainable Mining Plan

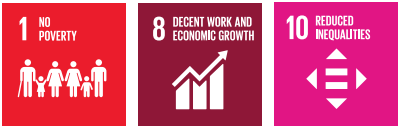
 **Trusted Corporate Leader**

Mining Charter III targets

Mining Charter III sets Black Economic Empowerment (BEE) ownership targets at 30%, split between BEE entrepreneurs, employees and communities for new rights granted after the gazetting of Mining Charter III (new mining rights).

Mining Charter III fully recognises all historical transactions that achieved the 26% BEE ownership target recommended in the 2004 and 2010 Mining Charters for existing mining rights granted prior to Mining Charter III. However, Mining Charter III does suggest that when existing mining rights are renewed and transferred, targets for new mining rights will apply.

Alignment to the SDGs



Facilitating black business ownership

Many of the companies that have acquired our assets have flourished – both in mining and in their diversification into other parts of the economy.

Anglo American's commitment to encouraging and facilitating black business ownership can be traced back to well before 1994 and the advent of democracy in South Africa. Anglo American has had a significant impact not just on ownership patterns on the Johannesburg Securities Exchange (JSE) but far beyond, changing the face and nature of mining ownership and the economy as a whole. To date, it has concluded more than 40 Black Economic Empowerment (BEE) transactions, worth more than R70 billion.

Since 1994, our BEE efforts have resulted in the creation of several black-owned and -managed South African companies, such as Exxaro Resources, Seriti Resources, African Rainbow Minerals, Royal Bafokeng Platinum, Phembani, Atlatla Resources, Ponahalo, Anglo American Inyosi Coal, and Siyanda Resources.

How we measure ownership

Anglo American's methodology for measuring our ownership contributions to socio-economic empowerment is derived from the analysis and interpretation of the following:

- The measurement approach articulated in the Mining Charter of 2018
- The measurement approach articulated in the Mining Charter of 2010
- The measurement approach articulated in the Mining Charter of 2004
- The measurement methodology stipulated in Code 100 of the Broad-Based Black Economic Empowerment Codes of Good Practice.

Historically Disadvantaged Persons (HDP) ownership (%)

Actual current shareholding	De Beers	PGMs	Kumba	Coal
Effective shares held by HDP-controlled entities	26	0.5	9	3
Entrepreneurs (effective)	7	0	6	3
Employees and ex-employees (applicable to De Beers)	13	0	0	0
Community	6	0.5	3	0 ¹
HDP shareholding via mandated investments	5	9	5	6
Anglo American plc indirect effective interest	5	5	4	6
Direct interests	0	4	1	0
Actual effective shareholding 31 December 2020	31	9.5	14	9

Portion of business sold to HDPs

Actual current shareholding	De Beers	PGMs	Kumba	Coal
Portion of business sold to HDPs	26	49	29	104
Entrepreneurs	7	29	20	94
Employees and ex-employees (applicable to De Beers)	13	2	6	3
Community	6	18	3	7
HDP shareholding via mandated investments	3.5	6	4	4
Anglo American plc indirect effective interest	3.5	3	3	4
Direct interests	0	3	1	0
Total HDP economic interest at 31 December 2020	29.5	55	33	108 ²

¹ Coal community shareholding percentage is zero. However, there are several community trusts within the BEE consortia. In addition, the Inyosi Coal Community Trust has an effective 4% interest in Anglo American Inyosi Coal.

² Our ownership calculation methodology is derived from Code 100 Statement 102 of the BBBEE Codes of Good Practice issued under the Broad-Based Black Economic Empowerment Act read together with the Mining Charters of 2004, 2010 and 2018. In accordance with that methodology, it is possible for the value of assets disposed of into black ownership to exceed the value of the selling company, thereby producing a recognisable ownership equivalence in excess of 100%.



Corporate affairs manager, Mavis Kolberg at Kumba's Kolomela mine during a skills development handover event.

Community empowerment and development

Our Platinum Group Metals (PGMs) business's community share scheme, Alchemy, was established in December 2011 with the objective of creating sustainable shared value for host communities, and specific communities from where PGMs employees originate in the Eastern Cape and North West provinces of South Africa and the Southern African Development Community (SADC) countries.

Alchemy was structured to provide equity ownership of Anglo American Platinum Limited to the host communities around the mines and specific labour-sourcing communities, through development trusts. The trusts are managed by trustees, including transparently selected community trustees, independent trustees and company-selected trustees, and have been designed in consultation with communities.

The Lefa La Rona Trust (LLRT) is the umbrella trust that manages interests on behalf of the regional development trusts.

When Alchemy was established, shares were issued to LLRT, representing 2.33% of the total issued share capital. The subscription for the shares was funded through the National Vendor Financing (NVF) mechanism, facilitated by PGMs.

Of the total dividends paid to the LLRT relating to its 2.33% shareholding, 60% was used to service the NVF, and the balance of 40% is retained by the LLRT for deployment into community projects.

In August 2020, Anglo American Platinum announced the successful early settlement of the NVF. This was on account of the company's volume weighted average price reaching a trigger price on 27 July 2020 at a share price of R1,428.30 per share. Following the settlement of the NVF, LLRT now holds 1,400,685 unencumbered Anglo American Platinum shares (valued at c.R2 billion as at 31 December 2020).

With this important milestone, the development trusts are empowered to advance broad-based community development, including infrastructure, education and health development, as well as improving livelihoods. Through established governance structures, PGMs will work with the trusts to ensure the careful deployment of this capital so that it can further advance its efforts to deliver shared value and build thriving communities.

Community trusts as at December 2020

	Value of trust transactions	Financial flow into trusts since 2006
De Beers		
Ponahalo Women's Trust – effective 8.75% of Ponahalo Holdings	R826 million*	R23 million
Ponahalo Disabled Persons – effective 5% of Ponahalo Holdings		R13 million
Ponahalo Community Trust – effective 8.75% of Ponahalo Holdings		R23 million
PGMs		
Alchemy (which includes Lefa La Rona Trust)	R3.5 billion	R461 million
Rustenburg Community Development Trust		(dividends, safety net and corporate social investment (CSI))
Dikuno Tsa Sechaba Community Development Trust		
Zenzele Itereleng Non-Profit Company (NPC)		
Bohwa Bja Rena Community Development Trust		
Ditholwana Tsa Rena Community Development Trust		
Kumba		
Sishen Iron Ore Company (SIOC) Community Development Trust	R458 million	R4,5 billion
Coal		
Anglo Inyosi Coal Community Trust (which owns 15% of Inyosi Coal (Pty) Ltd, which, in turn, owns 27% of Anglo American Inyosi Coal)	R37 million	R120 million

* Since the R3.7 billion empowerment transactions were fully funded by debt, the equity value of these trusts was R nil at the 2006 transaction date.

Ownership

Employee share ownership plans

Historical and current ESOPs as at December 2020

Historical and current ESOPs as at December 2020					
Business	Scheme	Tenure	Total (R million)	Employees	Vested benefit per person (R'000)
De Beers	EAT, KET 1 and KET 2 ⁽¹⁾	2006–2018	887 ⁽²⁾	14,854 ⁽³⁾	59 ⁽⁴⁾
PGMs	Kotula	2008–2015	433	40,000	11
		Free shares	391		
		Dividends	42		
	ESOP Bonus	2018	172	19,308	9
		2019	320	20,398	4
		2020	128	19,554	4
Kumba	Envision 1&2	2006 – 2016	3,506	7,000	498
		Envision 1			
		Capital	2,670		
		Dividends	279		
	Karolo	Envision 2			
		Dividends	557		
		2018–2023	2019/2020 award	±5,500	64
		Free shares	350		
	Dividends	42			
Coal	Siyaphambili	2008–2019		3,869	11
		Vested shares	43		
		Dividends	3		
	Sisonke	2020–2024	30	3,752	8
Weighted average			5,914	134,235	44

⁽¹⁾ The De Beers EAT, The De Beers Key Employee Trust Number 1 (KET 1), The De Beers Key Employee Trust Number 2 (KET 2) and Ponahalo Capital RF (Pty) Ltd are shareholders of Ponahalo Holdings RF (Pty) Ltd. As at December 2020, EAT held 0% of Ponahalo Holdings (all underlying shares repurchased by the end of 2018 by KET 2) and KET 1 and KET 2, an aggregate of 50% in Ponahalo Holdings RF (Pty) Ltd. Ponahalo Capital RF (Pty) Ltd holds the remaining 50% of Ponahalo Holdings RF (Pty) Ltd.

⁽²⁾ De Beers: 58% of EAT unit holders accepted a voluntary offer to repurchase one-third of their vested units in 2013. The 2013 repurchase was implemented at the prevailing fair value at the time of R3,068 per unit, and a total of R50 million was paid out to EAT participants. The offer was extended to all vested units held by KET 1 and KET 2 participants and an additional R15 million was paid to KET 1 and KET 2 participants. The repurchase of EAT units over the period 2016–2018 equated to R772 million, calculated based on the prevailing fair value per unit when the EAT unit repurchase was implemented (2013 = R3,068 per unit, 2016 = R13,532 per unit, 2017 and 2018 = R8,408 per unit). This total increases to R872 million should the R50 million for the 2013 voluntary EAT repurchase, as well as the R43 million ex gratia payment to non-EAT unit holders paid in 2013, 2016 and 2017, be incorporated. The total repurchase equals R887 million for all EAT and KET unit holders since 2013. Vested benefit is based on independent annual valuation performed by an independent external auditor, BDO.

⁽³⁾ Approximately 7% of EAT participants were active employees, with the bulk (almost 50%) of the EAT participants being pensioners. The balance represents past employees of De Beers South Africa.

⁽⁴⁾ De Beers: ±R59,000 per person; R872 million/14,854 participants (EAT only): each EAT participant received six EAT units in 2006 for no consideration. Participants who opted to encash one-third of their EAT units in 2013 had only four remaining EAT units at the commencement of the 2016–2018 repurchase programmes.



⌘ All our employees adhere to Covid-19 safety measures in their places of work.

De Beers

All of De Beers' existing mining rights were issued prior to the gazetting of Mining Charter III, based on the company having achieved the socio-economic transformation objectives of the MPRDA. As such, this report reflects the extent of De Beers' ownership contributions but is not relevant to the company's continued entitlements under its existing mining rights.

De Beers is empowered through an ongoing relationship with its empowerment partner Ponahalo, which has a 26% shareholding in DBCM Holdings (Pty) Ltd through Ponahalo Investments RF (Pty) Ltd. DBCM Holdings (Pty) Ltd owns De Beers' mining, sorting and selling operations in South Africa and, through De Beers Sightholder Sales South Africa (Pty) Ltd, facilitates the beneficiation of De Beers Group's diamonds in the country.

The De Beers Equal Allocation Trust consisted of 14,854 current and ex-De Beers South Africa employees. In 2006, the date on which the empowerment transaction became effective, current and former employees owned 35% of Ponahalo Holdings RF (Pty) Ltd, and KET 1 and KET 2 held 9% and 6% of Ponahalo Holdings RF (Pty) Ltd, respectively. The last Equal Allocation Trust (EAT) interest was repurchased from beneficiaries during 2018.



De Beers Forevermark ring.

Summary of empowerment transactions

Company	Date	Transaction
DE BEERS GROUP	2006	Sale of 26% of DBCM (South African operations of De Beers) to Ponahalo














Venetia mine's underground project is designed to transition the mine from open pit to underground and in so doing extending its lifespan by 23 years to ensure Venetia remains a top performing diamond mine.

PGMs

All of PGMs' existing mining rights were issued prior to the gazetting of Mining Charter III, based on the company having achieved the socio-economic transformation objectives of the MPRDA. As such, this report reflects the extent of PGMs' ownership contributions but is not relevant to the company's continued entitlements under its existing mining rights.

PGMs has transferred 58% of its business (measured on attributable production, value of the business transferred and direct shareholding) to HDPs through the sale of assets and joint venture transactions, as well as through the participation of community trusts and ESOPs.

Summary of empowerment transactions

Company	Date	Transaction
 ROYAL BAFOKENG PLATINUM MORE THAN MINING	2018	Sale of 33% interest in the Bafokeng Rasimone Platinum joint venture to Royal Bafokeng Platinum
 Siyanda Resources	2018	Sale of Union mine and 50.1% interest in MASA Chrome to Siyanda Resources
 BBMIH	2016	Sale of 26% interest in the Amandelbult chrome plant to Baphalane Siyanda Chrome Company (Baphalane Ba Mantserre community and Siyanda Resources, through its subsidiary SIMA)
 Alchemy A sustainable future beyond mining, through mining.	2011	PGMs' shares sold, at a discount, to communities situated around its mines
Kotula Trust	2008	Establishment of an ESOP that owns 1.5% of PGMs (which has now vested). More than 90% of the scheme beneficiaries were HDPs
 wesizwe	2008	PGMs swaps its 37% interest in the Western Bushveld Joint Venture for a 26.6% interest in Wesizwe Platinum
 MVELAPHANDA RESOURCES LIMITED	2008	Sale of 22% share in Northam and 50% share in Booyendal project to Mvelaphanda Resources
 Siyanda Resources	2006	Development of a chrome-recovery plant at Union mine with Siyanda Chrome Investments, an HDP company
 BAKGATLA BA KGAFELA SEDIBELO	2006	Bakgatla Ba Kgafela community exchanged a royalty over certain properties; 15% interest in Union, 26% in the Magazynskraal project and 55% in the Rooderand project
 Atlatsa RESOURCES CORPORATION	2004	Sale to Anooraq Resources (now Atlatsa Resources) of 51% interest in Lebowa Platinum Mine and additional interests in Ga-Phasha, Boikgantsho and Kwanda
 MVELAPHANDA RESOURCES LIMITED	2002	PGMs contributed mining rights to form a joint venture with Mvelaphanda Resources and Bapo-Ba-Mogale
 ROYAL BAFOKENG PLATINUM MORE THAN MINING	2002/ 2010	PGMs and the Royal Bafokeng Nation contributed properties to form a joint venture in 2002. RBP listed on the JSE in 2010 after acquiring the controlling interest in the Bafokeng Rasimone Platinum mine joint venture from PGMs
 ARM African Rainbow Minerals	2001	PGMs contributed mining rights to form the Modikwa mine joint venture with African Rainbow Minerals
 MVELAPHANDA RESOURCES LIMITED	2000	Anglo American and Remgro sold their holdings, of 17.5% and 5%, respectively, in Northam to Mvelaphanda Resources

Kumba

All of Kumba's existing mining rights were issued prior to the gazetting of Mining Charter III, based on Kumba having achieved the socio-economic transformation objectives of the MPRDA. As such, this report reflects the extent of ownership contributions of Kumba but is not relevant to Anglo American's continued entitlements under its existing mining rights.


In 2006, Kumba completed a BEE ownership transaction at a company level, resulting in 26% HDP ownership.

The ownership consisted of a community trust and the Envision ESOP, each holding 3%. Exxaro Resources held 20%. The Envision ESOP schemes matured in 2011 and 2016, respectively.

Exxaro, Kumba's primary empowerment partner, replaced its BEE structure in 2017. Post this transaction, Exxaro is 30% HDP-owned.

At the end of 2019, Kumba had transferred at least 34% of its attributable capacity to HDP-owned and -controlled entities. In 2018, Kumba shareholders approved a new ESOP, named Karolo. Under Karolo, some 5,500 employees are awarded R20,000 worth of free Kumba shares on an annual basis for three years, with a three-year vesting period. Participants receive dividends over the vesting period. As at end-December 2020, Karolo owned a 0.24% stake in Kumba.

Summary of empowerment transactions

Company	Date	Transaction
	2006	Exxaro holds 20% of Sishen Iron Ore Company (SIOC) – the result of an empowerment transaction that involved the unbundling of Kumba's iron ore assets and the relisting of Kumba Resources as Exxaro
SIOC CDT	2006	SIOC Community Development Trust holds approximately 3% of SIOC
Envision	2006	The Envision ESOP schemes held 6% of SIOC. These schemes ended in 2011 and 2016

Coal

All of Coal's existing mining rights were issued prior to the gazetting of Mining Charter III, based on Coal having achieved the socio-economic transformation objectives of the Mineral and Petroleum Resources Development Act (MPRDA). This report reflects the extent of ownership contributions of Coal but is not relevant to Anglo American's continued entitlements under its existing mining rights.

At the end of 2020, Anglo Operations (Pty) Ltd, of which Coal is a division, had transferred at least 104% of its attributable production capacity to Historically Disadvantaged Persons (HDP)-owned and -controlled entities.

Three of the key transactions are included in the table below:

Summary of empowerment transactions

Company	Date	Transaction
	2018	Sale of New Largo Project to New Largo Coal, owned by Seriti Resources and Coalzar, both majority-owned and -controlled by HDPs, and the Industrial Development Corporation (IDC)
	2018	Sale of Eskom-tied mines (Kriel, New Denmark and New Vaal) to Seriti Resources
	2007	Sale of 27% interest in Kriel and coal projects to Inyosi Coal, a BEE consortium led by Pamodzi and Lithemba consortia (66%). Thereafter, they jointly developed the Zibulo mine



⌘ Global Safety Day 2020 at Kumba's Kolomela mine. Owing to social distancing requirements brought about by the Covid-19 pandemic, the event was held online.



⌘ Maintenance technician Andries Botha prepares a CM machine for the incoming shift at Greenside colliery's Thusanang underground production section.



⌘ Thoriso Mpamonyane using a water tap installed by Mogalakwena's Mapela Water Project to wash her hands. Easy access to potable water is critical to community health and women's empowerment.

Mine community development

Our approach to mine community development is informed by regulatory obligations, our Values, Code of Conduct and the Anglo American Social Way 3.0, which defines our social performance management system.

Alignment to the Sustainable Mining Plan

 Healthy Environment

 Thriving Communities

 Trusted Corporate Leader

Mining Charter III targets

Companies should target meaningful contributions towards mine community development, including labour-sending areas. Programmes should be aligned with community development needs and with local authorities expectations.

Alignment to the SDGs



Contributing to sustainable communities

In 2020, the world was thrown into turmoil by the Covid-19 pandemic and with it came the unprecedented challenge of delivering socio-economic projects in mine communities.

Our performance

At the start of the pandemic, Anglo American quickly turned to providing extensive community support around its mining sites, through its health-focused WeCare programme. In South Africa, through shifting attention towards emergency relief efforts and understanding and responding to the needs of host communities, Anglo American was able to leverage existing strong working relationships with various municipalities and other stakeholders to ensure the provision of food and water, personal protective equipment (PPE), healthcare and educational relief.

The pandemic has provided clear evidence of the value of collaboration and partnership between business, government and civil society. It has also drawn renewed attention to the role of business in society – the broad-based response we constructed was welcomed and well received by all our stakeholders. With the plan developed by engaging with communities, traditional and faith leaders, and government agencies, we could tailor our response to meet each community's specific needs.

Beyond pandemic-response efforts, investing in communities through local economic development (LED) is one of the ways in which we contribute to sustainable communities. The focus of LED is to improve the quality of life and living conditions of our communities through the delivery of programmes in education and skills, water and sanitation, energy and connectivity, employment, health and well-being, food security, and infrastructure development.

The ability to collaborate and leverage partnerships with key role players are proving to be important ways in which companies can respond to increasing stakeholder expectations. This extends to communities and government, but also to other industries, in order to broaden the scope of delivery. The resultant peer learning fosters a deeper understanding of how to deliver sustainable benefits.

Mine community development expenditure (R million)

	De Beers	PGMs	Kumba	Coal	Anglo American
SLP	71.5	88	83.1	11.3	253.9
CSI	31.9	229.5	180.5	55.5	497.4
Covid-19 spend	–	81	–	4.6	85.6
Community dividends	–	400	–	–	400
Total	103.5	798.5	263.6	71.4	1,237

Mine community development expenditure per focus area (%)



De Beers held a GirlEng programme for school children at Musina High School and Renaissance Secondary School.

Guided by our Purpose of *re-imagining mining to improve people's lives*, we actively engage and partner with our communities to co-create solutions for SED in a way that is inclusive and collaborative, delivering benefits to local communities, and those affected by our activities, beyond the life of our mines. We contribute to society by partnering with communities and directing resources towards their development priorities.

The Anglo American Social Way 3.0 defines our social performance management system. It enables us to engage meaningfully with our local stakeholders, demonstrate respect for human rights, create an environment in which communities can prosper, and manage our social impacts. Over the course of 2020, Social Way 3.0 was rolled out across our operations – representing a step change in how we manage our social performance and ensuring that social issues are integrated into decision-making at all levels. Each business unit develops and implements social and labour plans (SLPs) for each of

its operations in accordance with national legislation and executes SLP projects that form part of local Integrated Development Plans (IDPs). Anglo American also recognises the key role of government in service delivery as stipulated in the National Development Plan and the Municipal Integrated Development Plan and understands that for development to be sustainable there is a need to take a view of the total environment to support improved livelihoods.

Our Sustainable Mining Plan is a demonstration of the integrated nature of our approach to transformation. It goes far beyond compliance with mining law or regulatory requirements. It is about making a more strategic and comprehensive impact on the ground and it comprises mutually reinforcing elements that will positively transform how our stakeholders experience our business. Collaboration to deliver maximum positive impact is achieved through partnerships with contractors on mines, community trusts, government departments and other regional players.

Case study: Meaningful engagement with communities



✧ Providing clean water to communities is one of PGMs' community development priorities.

Collaboration starts with understanding and responding to the needs and priorities of communities to create an environment where stakeholders can prosper sustainably. We facilitate engagements, activities and outcomes with respect for local communities and other local stakeholders. Fulfilling this commitment is critical to our long-term success as a business. Several examples of constructive consultations took place during the year:

In 2019, PGMs' Mogalakwena mine embarked on a process with community stakeholder groups as a means of establishing an accountable, inclusive dialogue on the co-creation and co-design of community development projects and programmes. In 2020, this process was followed by SLP 3 consultation sessions, where 22 stakeholder groups were invited to attend sessions to discuss potential new SLP 3 projects across the thematic areas of education, health, livelihood, energy, connectivity and social cohesion.

Kumba's embedded Tswelopele (meaning 'moving forward') business strategy has adopted an integrated approach towards the implementation of the SMPs. This requires flexible and responsive plans through engagement and consultation to prioritise opportunities within the local context.

De Beers has progressed the establishment of community engagement forums (CEFs) in the Venetia mine host communities of Blouberg and Musina in Limpopo. The CEFs include members from local municipalities, the Venetia mine NUM branch, business chambers, civil organisations, religious groups, and representatives from women, youth, disabled persons and senior citizens groups. The focus of the CEFs will be to establish an effective engagement



✧ Masala Mutangwa, general manager at Kumba's Kolomela mine inspects water tanks the mine has installed in its neighbouring communities.

channel between the community and the mine, engage in and monitor the implementation of SLPs and SED projects within the host communities of Blouberg and Musina, and to identify and proactively deal with emerging community issues relating to the mine.

During 2020, the mine focused on finalising discussions on the terms of reference with the CEF members to prepare for launch during the first half of 2021.

Coal delivers substantial interventions which are meaningful to our communities through SLP processes. At the centre of our SLP process are robust engagements with various stakeholders (i.e. communities, local government district and provincial government) to ensure developmental priorities are agreed upon. Interventions implemented are those endorsed by the relevant local municipalities and memoranda of understanding (MOUs) signed by relevant stakeholders. Coal's approach to meaningful consultation enables the business to identify opportunities for collaboration. A number of projects are implemented with other stakeholders, including government, industry peers and other Coal operations. Examples include the cemetery at Mafube, the Impungwe hospital at Khwezela and Greenside, and the industrial hub at Goedehoop. The collaboration is best demonstrated whereby the local government makes land available, Coal builds according to specification, and the relevant sector department in government ensures the staffing and maintenance thereof.

An update on Collaborative Regional Development

At the core of our plans to bring long-term and sustainable development opportunities to the regions around our operations is what we call Collaborative Regional Development (CRD). CRD is a rigorous approach that assembles the right partners from business, government and civil society to deliver scaleable development solutions that create opportunities independent of the mine. In 2019, we saw the launch of the Impact Catalyst (www.impactcatalyst.co.za), a collaborative initiative with South Africa's Council for Scientific and Industrial Research (CSIR), fellow mining company Exxaro, engineering company Zutari, and global NGO World Vision.

In 2020, this partnership began delivering joint programmes, including helping the provincial government of Limpopo in the development of the new Limpopo Development Plan. CRD also delivered joint programmes on community-orientated primary care, worked to provide internet connectivity for schools to deliver the curriculum digitally and further developed business plans with South African partners to establish several fresh-produce markets. The Impact Catalyst expanded into the Northern Cape and Mpumalanga during the year.

water was provided to 27 villages, six municipalities and two schools. In South Africa, 14,000-litre water tankers were provided to six municipalities, 48 water tanks were supplied to three municipalities and water reticulation took place in four villages. In Zimbabwe, 10 boreholes benefited 19 villages.

The Foundation also provided 52,500 food parcels and vouchers over three months to vulnerable households around operations in South Africa (43,500), Namibia (6,000) and Zimbabwe (3,000), in collaboration with Gift of the Givers, supporting more than 200,000 people. The programme assisted 144 clinics with the provision of PPE and medical equipment, support in setting up screening and testing stations, and training – 116 clinics in South Africa, 24 in Botswana, two in Namibia and two in Zimbabwe. Through the National Shelter Movement in South Africa, 2,079 victims of gender-based violence were supported through various shelters.

Total income to the Anglo American Foundation (R million) – inclusive of WeCare and annual contributions

	De Beers	PGMs	Kumba	ACSSA *	Anglo American
Total contribution to the AAF	9.3	37.6	26.6	69.1	142.6

*Contribution includes Coal and donation of R22.8 million from Group Corporate Relations

The Anglo American Foundation

The Anglo American Foundation (the Foundation) supports programmes that address the United Nations' Sustainable Development Goals and that bring about greater social and economic development within the communities in which we operate. Supported programmes are also aligned with the company's Sustainable Mining Plan, focusing on areas of accountability, policy advocacy, health and well-being, education, livelihood, water and biodiversity. There are three main categories of investments:

1. Strategic, longer-term SED programmes aligned with the objectives of the Sustainable Mining Plan.
2. A capacity-building programme to provide targeted, high-level organisational development support to strengthen community-based organisations.
3. Community development funding that seeks to support community driven social solutions

Education was a key focus for the Foundation, with 24% of total investments provided to that sector. Social investments included a donation to the Anglo American Education Programme. The Ivory Park School benefited from a school hall that allows matriculants to sit together for exams, as well as hosting extra-curricular activities, assemblies and events.

A total of 147 grants (129 in 2019) was awarded, including 44 Ambassadors for Good grants to employee volunteerism projects.

Capacity-development programme work commenced with the identification of a project-implementation partner and stakeholder engagements to establish a sound foundation for the three-year-long programme.

Anglo American's Covid-19 response necessitated extraordinary support from the Foundation to best serve its communities. The contributions from business units increased to R142 million (2019: R52 million) and the Foundation granted donations to the value of R176 million (2019: R71 million).

During the year, the Foundation became a strategic partner to WeCare – Anglo American's extensive health awareness and support programme in response to Covid-19. The Foundation worked with multiple stakeholders, including various government departments, implementation partners, local and traditional leaders, and service providers. More than 176,500 people benefited from a water-extension programme in South Africa and Zimbabwe through which

De Beers

De Beers continued to implement projects in line with addressing the current and future socio-economic landscape of the country and the communities where its operations are based. The SED programmes are implemented through the approved Venetia mine SLP for 2018–2022 and the Voorspoed mine SLP for 2017–2021.

Community development projects focus on:

- Education and training
- Infrastructure development
- Water and sanitation
- Health and welfare
- Job creation and enterprise development
- Energy and climate change

Owing to Covid-19-related delays, some projects were expedited for completion in the final quarter of the year, with others shifting into the 2021 financial year. Another notable result of the pandemic was the impact on small business, which further affected the creation of jobs. De Beers supported small businesses remotely during 2020, including helping them to understand the impact of Covid-19 and the lockdown on their operations, sharing information on government relief funds and helping to build capacity.

De Beers focuses on education as a powerful tool to transform lives and help community members to access jobs. In 2020, the Anglo American Education Programme continued with its implementation plan in selected schools in Musina and Blouberg. All 25 selected schools received remote support that focused on Maths and Science, as well as educator and learner development. While the selection of early childhood development (ECD) centres was completed in 2020, further analysis of these ECDs will be completed in 2021.

De Beers will continue to work in partnership with a wide range of regional and provincial stakeholders from the Department of Basic Education (DBE), taking a 'whole school' approach, with interventions ranging from investment in school infrastructure, to teacher development workshops and mentoring and, in particular, focusing on building the capabilities of teachers and school governing bodies. Further partnerships will look at the impact of the lack of Information and Communications Technology (ICT) in schools and how this affects learning.

Expenditure	2020 (R million)	%
SLP	71.5	69
CSI*	31.9	31
Total	103.5	100

* Total CSI spend includes Covid-19-related activities as part of the community response plans.

PGMs

Community development has long been a focus area for our PGMs business, with funds set aside for education, health, infrastructure, agriculture and enterprise development. The company's five-year plan was well on track when the pandemic hit – but this meant that the PGMs social investment budget was increased.

As planning for post-pandemic recovery begins, PGMs will accelerate some of the projects initiated before the disruption, including agricultural projects to promote food security and manufacturing projects to drive job creation. Responding to the socio-economic challenges exacerbated by the pandemic will become a key focus – from child-headed households to struggling health infrastructure, and the need to strengthen the education system.

In 2020, our PGMs business spent R798.5 million on its SLPs and corporate social investment projects, of which R236 million was claimed as a contribution towards our Mining Charter III performance. Despite delays experienced due to Covid-19, more than 80% of its SLP projects were completed. A revised plan to fast-track the delivery of the delayed projects is in place.

In terms of Mogalakwena mine's SLP for the next five years (2021–2025), plans have been co-created through engagement with a broad base of stakeholders on their preferred projects. This demonstrated PGMs' commitment to working and collaborating with government structures, partners and local stakeholders.

Education remained a key focus area for PGMs, with the year under review yielding positive results through the Lighting Tomorrow Education Programme aimed at character building and improving morale to create conducive learning environments and enhanced learning outcomes. In 2020, Maerunyane Secondary school, which is part of this programme, achieved a 100% matric pass rate and a 100% pass for English as a second language for the first time.

The company had already been providing water to some communities through an initiative which should ultimately see those communities and their municipalities owning and running the water-provision service. With the onset of the pandemic, the decision was taken to expand the number of communities participating in the programme, given the critical role that potable water plays in good health and hygiene.

Two key challenges identified for resolution were the need to engage with communities about the need for realistic expectations and to limit the adjustment of needs once a process is under way, as well as the challenge that where municipal service provision fails the expectation for provision falls on to the company – which has neither the mandate nor the budget to do so. These are not challenges faced exclusively by PGMs, or just by Anglo American, but they have to be addressed in the context of the company's relationships with communities.

Expenditure	2020 (R million)	%
SLP	88	11
CSI	229.5	29
Covid-19	81	10
Dividends	400	50
Total	798.5	100



Restoring dignity at a local disability centre

Community centres are often important gathering places, but when these centres lack accessible infrastructure and capacity to provide assistive equipment, this contributes to the many existing barriers faced by differently abled persons to participate in daily-life activities.

Venetia mine and contracting partner, Howden Africa (Pty) Limited collaboratively have made substantial contributions to the Musina Disability Centre, to ensure that the facility fully supports the needs of differently abled persons. Accommodating a total of 70 people, the centre provides a crucial service to the community, as it is currently the only specialised facility that caters to and offers care and development specifically for differently abled persons in the area. With the much-needed revamp, the centre is now far better able to improve the lives of those who rely on it by making everyday tasks simpler.

The upgrades made to the facility during the first phase of the project include the installation of handrails and a wheelchair ramp at the entrance, fitting of brand-new built-in cupboards, painting, signage and the donation of a fridge, stoves and chairs. The facility's toilets and showers have also been made to bigger than standard-size and incorporate equipment such as support rails, curtains and benches to enable accessibility for differently abled people.

Speaking at the handover, Howden's Corporate Affairs and Marketing Director, Geoffrey Chingwaru, said, "We as contractors under the leadership of Venetia mine are enablers for the differently abled in our communities. In terms of this specific facility, we want to thank De Beers' Venetia mine for guiding us in terms of where we should contribute to these kinds of projects in our communities."

In supporting the centre in its plans to expand its services to offer specialised educational support to differently abled youths who are currently studying, contracting partner, Servest, donated 25 chairs, 25 tables, branded masks and a sanitiser stand.

Representing the Musina community, Ward Councillor Peggy Nyabane said, "I would like to say to De Beers' Venetia mine that what you are doing here for our community is very special. The initiative that you took by going to your stakeholders and asking them to assist this disability centre is something we appreciate. Our people at the centre will sleep peacefully today knowing that they received something special and that they were recognised today." In addition to this, a vegetables tunnel, tuckshop and a car-wash site have been constructed as means for the centre to generate income.

De Beers Trust

The objective of the De Beers Trust is to promote SED and social justice, with the aim of building and strengthening engaged, sustainable communities across Limpopo, Northern Cape and the Free State. Focus areas in 2020 were:

- Education and training
- Health and well-being
- Institutional capacity development
- Sports, arts, culture and heritage.

The De Beers Trust invested R13.5 million in 2020, and implemented eight projects. While the national Covid-19 lockdown hampered the timeous implementation of infrastructure projects, measures have been put in place to expedite their implementation in 2021.

Corporate social investment expenditure per focus area

Focus area	2020 (R million)	%
Health and social welfare	9.1	67
Education and skills development (includes infrastructure for schools)	1.4	11
Institutional capacity development	0.5	3
Other (sports, arts, culture and heritage)	2.5	19
Total*	13.5	100

* Total same as overall CSI expenditure



Anglo American - Zibulo colliery supports the Zamelani Abadala Old Age home in Leandra. Zibulo donated the greenhouse, shade-port fencing and irrigation equipment for the gardens.

Kumba is implementing a Municipal Capacity Development Programme (MCDP) in partnership with the national department of Cooperative Governance and Traditional Affairs (CoGTA), as well as the targeted local municipalities. The MCDP is designed to assist and enable host municipalities to fulfil their service delivery mandate, become sustainable institutions, tackle challenges specific to mining towns and prepare for eventual mine closure. Key outcomes in 2020 included roadmaps and implementation plans for 2021 to 2023 developed with Gamagara and Tsantsabane municipalities, with a focus on water infrastructure and management. To meet immediate infrastructure needs, Kumba's support also includes road construction, installation of water tanks, funding of critical positions (such as town planners and engineers), road safety, environmental management planning and landfill site maintenance, and bulk-water and reticulation infrastructure.

In terms of Kumba's participation in the Anglo American Education Programme, the company targets 26 schools in the vicinity of the Sishen and Kolomela mines. The focus in 2020 was on supporting Grade 12 teachers, learners, school governing bodies and parents in host-community high schools during the lockdown period. In adjusting to Covid-19 limitations, the company provided remote training and engagement through digital platforms, including WhatsApp groups, to enable continuity and the safety of all involved. Kumba engaged continuously with the Department of Basic Education on refining plans for re-opening schools and aligning with current Covid-19 restrictions. Education and skills development expenditure decreased to R37.8 million (2019: R60.7 million).

By year end, 96% of Kumba's planned SLP projects had been implemented. The remainder were carried over to 2021.

Expenditure	2020 (R million)	%
SLP	83.1	31.5
CSI	180.5	68.5
Total	263.6	100

Coal

In 2020, Coal focused its efforts on implementing its SLP programmes and CSI initiatives. The presence of the Covid-19 pandemic made this

Kumba

Kumba continues to deliver socio-economic investment that supports growth, focusing on infrastructure, health, education and enterprise and supplier development. The company's 2020 community development budget was R213.2 million, which was revised to make provision for supporting Covid-19 interventions within mine communities, and subsequently increased to R263.6 million. Support included the provision of relief funding and additional small and medium-sized enterprise (SMME) support, food parcels, and bulk-water supply to the community of Babatas.

In delivering its SED initiatives, in line with Covid-19 restrictions, all physical contact became impossible and programmes had to revise their offering to ensure continuation during and beyond lockdown. For example, education projects proceeded online with virtual learner support, the introduction of tablets and strengthening of internet connectivity. In Sishen, both the Klein Neira road and the bulk-water infrastructure projects were able to successfully meet their catch-up plans. In Kolomela, infrastructure projects had to be reworked and reprioritised based on the restrictions and as a consequence of land challenges being experienced by the municipality. At Kolomela, two SLP projects were delayed further, as the local municipality was unable to provide or re-zone community land originally committed to the projects. A plan is in place to secure the necessary land and fast track the construction of a disability centre and an SMME supplier park in Tsantsabane.

Unfortunately, Covid-19 worsened socio-economic conditions and exposed service delivery challenges- especially water and waste management. This increased social tension around Sishen, Kolomela and the neighbouring mines, ahead of 2021 municipal elections. The company engaged robustly with all stakeholders in order to align on the work being done in support of Covid-19 relief initiatives. To help meet host-community requests for employment, Kumba works with partners to provide diversified workforce development opportunities and to develop non-mining jobs in host communities.

Mine community development

commitment difficult to fully achieve. However, despite this challenge, Coal managed to implement some SLP and CSI initiatives, with total expenditure of R71,4 million in 2020. The SLP and CSI spend was mainly on education- and training-related programmes; health and welfare projects (include Covid-19-related support); enterprise development, water and sanitation infrastructure; investment in sport, arts, culture and heritage; institutional capacity development; disaster and emergency relief; and the environment.

Coal invested a total amount of R11,3 million towards SLP commitments, R4,5 million towards the Covid-19 response plan, while a significant amount of R55,5 million was invested towards CSI, which is inclusive of Anglo American-led programmes.

The R55,5 million invested towards CSI is inclusive of R28,89 million invested towards the enterprise and supplier development programme. This programme supports small businesses with access to finance and develops suppliers providing services to Coal with business skills, enabling them to sustain their business. In addition, an amount of R14,6 million was invested in the Anglo American

Education Programme which benefits 24 schools (both primary and high schools) and 26 early childhood centres within the Emalahleni municipality. Additionally, Coal invested a total amount of R2 million in the municipal capacity development programme which is focused on the development of its key host municipalities – Emalahleni and Steve Tshwete. Finally, R9.9 million was invested in other CSI programmes bringing the total CSI spend to R55.5 million.

Including the SLP, Covid-19 response plan and CSI spend, Coal invested a total amount of R71.4 million in community initiatives.

Expenditure	2020 (R million)	%
SLP	11.3	15.8
CSI	55.5	77.8
Covid-19	4.6	6.4
Total	71.4	100

Education programme adapts to teaching during a pandemic

True to our Purpose, education changes and improves lives. Ensuring local communities benefit from our partnerships with local government and our peers, the Anglo American Education programme is focused on teachers and improving school governance. In 2020, through the programme, we continued to train principals and deputy principals virtually on two key learnings for teaching during a pandemic – managing schools remotely and managing schools in small groups. Matric results for the year show progress made in these schools through the programme.

The resilience of those schools participating in the programme was noticeable as they adapted to the challenges and uncertainties of teaching and learning during the pandemic.

The focus areas for 2020 included:

- **Leadership and management support** – School management teams were supported in preparing for the safe re-opening of schools. Online sessions on managing schools were held, followed by individual virtual coaching. The support focused on assisting schools develop a Covid-19 safety management plan in preparation for the safe return of teachers and learners. Support was also extended to department heads on revised teaching plans and timetabling
- **Grade 1 to 3 educator development** – Teachers continued to receive support on English first additional language, home language, and maths methodologies and routines, via video, with additional teacher coaching via WhatsApp.

Grade 12 learner support in maths and physical science – Learners received support through WhatsApp groups, with subject experts and tutors available seven days a week between 07:00 and 23:00 to support learners as they worked through exercises developed based on the curriculum. Data was provided to children who actively participated in the groups. Once schools re-opened face-to-face tutor support was provided for two hours a day during the week and six hours a day on Saturdays.



Children at Assmang Primary School in Postmasburg return to school after the Covid-19 lockdown. Kumba's Kolomela mine supported the Grade 1 learners with school bags and stationary.

WeCare – supporting our mine communities



PPE donation keeps children in the classroom

In October 2020, Coal handed over a R2.2 million consignment of Covid-19 PPE to the benefit of 50,000 learners and 600 teachers at 50 schools in its areas of operation. This helped ensure that learning could continue uninterrupted in the changed circumstances caused by the pandemic. The donation comprised cloth face masks, face shields, anti-bacterial soap and thermometers.



PGMs delivers focused community interventions

The Community Response Action Plan (CRP) is a plan supported by the Anglo American Solidarity Fund in response to Covid-19. PGMs developed a CRP to review, evaluate and assess risks in order to manage negative effects on employees, communities and other stakeholders. Thereafter, focused interventions were implemented to provide food security for vulnerable households and isolated people, local healthcare and clinic support, water provision (including the increase of available supply), and community awareness and education.



PGMs stands against gender-based violence

The scourge of gender-based violence (GBV) was spotlighted during the Covid-19 lockdowns. GBV (which disproportionately affects women and girls) is systemic, and deeply entrenched in institutions, cultures and traditions. To help create a South Africa where every home is a safe space, every school and street and community is safe, PGMs, across all its sites in South Africa, supports victim empowerment centres that cater for victims of abuse. Centres were supported with food parcels, while some were refurbished, supplied with furniture, equipment and appliances to ensure the safety and security of victims accommodated there.



De Beers donates 270 laptops to students at the University of Venda

De Beers, in partnership with the Anglo American Foundation, donated 270 laptops to students at the University of Venda in support of their online learning in recognition of the impact of the Covid-19 pandemic on the institution and students. The laptops went a long way in helping post-graduate students perform their research work and enabled students to continue with their classes during the lockdown period.



Water provision helps protect De Beers communities

As part of its 2018–2022 SLP commitments, Venetia mine identified the provision of clean water to the host communities of Musina and Blouberg as one of the mine community development projects. This need was identified owing to the need of the local municipalities to upgrade their dilapidated water infrastructure.

This need was exacerbated by Covid-19 and the necessity to ensure the safety and well-being of De Beers' host communities. In response, De Beers brought forward the water projects planned for Blouberg and Musina local municipalities. In Musina, additional boreholes were drilled and equipped, electrical works in the pump station upgraded, repairs made to the bulk-supply line and the current pumps refurbished.

In Blouberg, some of the community members were without water, and had to walk for over a kilometre to the nearest water source. The project included upgrades to the local municipality's systems, water reservoir, and the installation of communal taps to bring water closer to community members. As a result of this project, more than 80% of community members now have access to water within a 250-metre radius of their homes. The upgrade of the reservoir has contributed to community members having sustainable access to water supply.



Kumba supplies care packs to employees and communities

Kumba's Kolomela and Sishen mines stayed true to their values of care and respect during the Covid-19 lockdown period by extending support to protect the health and well-being of their employees, contractors and host communities. The company issued Monitor Myself care packs to all of its 14,000+ employees, contractors and their households, as well as to more than 5,000 identified vulnerable community households. The care packs helped with monitoring symptoms, as well as general hygiene, and contained a thermometer, anti-bacterial soap, bleach, hand sanitiser, vitamin C tablets and an information leaflet. Kumba worked in collaboration with the Provincial Social Development Department, as well as the local municipalities, to distribute the packs.

Kumba increased access to healthcare through making the UGM Wellness clinic in Kathu available for screening and testing for employees and the surrounding communities, and by increasing screening, testing, bed capacity and overflow tent structures at Postmasburg District Hospital. Working with the Department of Health, the company also identified quarantine and isolation facilities to serve the greater Tsantsabane and Gamagara municipal areas. Critical PPE such as surgical masks, gloves, disposable gowns and thermometers was distributed to the Kuruman and Postmasburg hospitals.



➤ In eMalahleni, Maduka Resources provides services to Coal's Zibulo colliery. The company has received over R2 million in loan funding from Zimele's community fund since 2013. Maduka Resources marketing director Thobeka Thwala is featured onsite at the colliery.

Inclusive procurement

Inclusive procurement helps build thriving and sustainable communities. Promoting inclusive procurement is fundamental to our transformation drive.

Alignment to the Sustainable Mining Plan



Mining Charter III targets

The 2018 Mining Charter emphasises the need to drive the inclusion of Historically Disadvantaged Persons (HDPs), women, and youth in procurement opportunities, as well as the new BEE contributor level of Level 4, over and above Mining Charter II minimum BEE qualification of 25% plus one vote. There is a strong drive to create South African manufacturing capability through the inclusion of local-content in the procurement targets for mining goods. Mining Charter III measures the extent to which mining companies purchase mining goods with local content of at least 60%. After an initial two-year grace period, 20% of goods supplied in the mining supply chain should carry a local-content certificate, issued by the South African Bureau of Standards (SABS). Expenditure on fuel is no longer included in the overall calculations, which has a significant impact on the scores of larger mines and/or opencast operations. Mining Charter III now classifies all expenditure in two categories – mining services and mining goods.

Alignment to the SDGs



Generating shared prosperity

Anglo American is committed to the creation of a more inclusive and transparent supply chain that generates shared and sustainable prosperity in the communities around our operations.

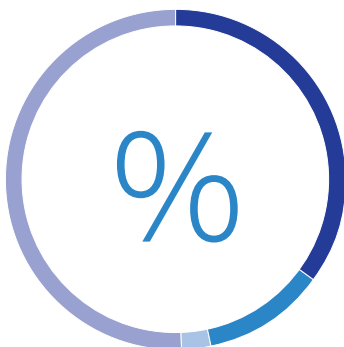
This includes supporting thriving and sustainable communities and local economies by stimulating job creation, building manufacturing capacity and focusing on the transformation of our supplier base through opportunities for previously excluded groups.

We continue to drive access to development opportunities through Zimele, our enterprise and supplier development programme, which assists beneficiaries with funding, mentorship and coaching. Our business units also collaborate with government development agencies, independent development partners and our original equipment manufacturers (OEMs) to provide support beyond Zimele's mandate.

We remain committed to transformation and meeting the recommendations of Mining Charter III and the associated alignment with the Broad-Based Black Economic Empowerment (B-BBEE) Codes. Our mining-right holders continue to closely monitor the implementation of inclusive procurement plans, and re-assess the plans to ensure maximum positive impact.

Anglo American in South Africa supports the Mining Charter's ultimate objective of supporting employment opportunities and revitalising our economy and we continue to collaborate with all stakeholders in this regard.

Mining services expenditure



■ HDP – 66.5%
 ■ Woman – 22.2%
 ■ Youth – 5%
 ■ BEE-compliant – 95.3%

Inclusive procurement expenditure (R billion)

Mining goods*	De Beers	PGMs	Kumba	Coal	Anglo American
HDP	0.146	4.022	1.088	1.382	6.638
Women/youth	0.029	0.816	0.66	0.365	1.870
BEE-compliant	0.205	5.599	3.242	2.595	11.642
Total goods	0.359	8.473	4.595	3.652	17.079

Mining services*	De Beers	PGMs	Kumba	Coal	Anglo American
HDP	1.878	5.266	4.112	2.627	14.911
Women	0.088	1.026	2.705	0.483	4.979
Youth	0.013	0.346	0.325	0.363	1.130
BEE-compliant	2.48	7.155	6.464	3.657	21.732
Total services	3.384	7.613	6.216	4.575	22.426
Total discretionary spend	3.744	16.085	10.81	8.227	39.505

* Local content not determined

Mining goods – 70% of mining goods to contain 60% local content*

	De Beers	PGMs	Kumba	Coal	Anglo American
2020 target	%	%	%	%	%
21% HDP	40.7	47.5	23.7	37.8	38.9
5% Women/youth	8.1	9.6	14.4	10.0	10.9
44% BEE-compliant	57.1	66.1	70.6	71.1	68.2

Mining services – 80% of mining services to be with South African-based companies

	De Beers	PGMs	Kumba**	Coal	Anglo American
2020 target	%	%	%	%	
50% HDP	55.5	69.2	66.2	57.4	66.5
15% Women	2.6	13.5	43.5	10.6	22.2
5% Youth	0.4	4.5	5.2	7.9	5.0
10% BEE-compliant	73.3	94.0	104.0	80.0	95.3

* Local content not determined

** Calculated against 80% on mining services discretionary spend.

Our performance

In 2020, Anglo American mining operations procured goods and services worth R39.5 billion – of this, R33 billion (83.6% of operational discretionary spend) was spent with BEE-compliant suppliers. Expenditure with women- and youth-owned entities was R7.9 billion (20.2% of discretionary spend). Expenditure with HDP-owned companies totalled R21.5 billion (54.4% of discretionary spend).

A majority of our South African operations met and exceeded the Mining Charter's goods-procurement targets. We are conscious of the ongoing challenge of procuring more goods from companies owned by women and young people. We also continuously engage with suppliers and the South African Bureau of Standards (SABS) to identify local content in the goods we procure. Almost all mining services procurement spend is with BEE-compliant suppliers and, with the assistance of Zimele and business-specific development initiatives, we are now focused on developing suppliers owned by HDPs, women and young people – especially those based in the communities around our operations.

More than R8 billion was spent with host community-based suppliers who meet the minimum black ownership target of 51%. This has been made possible by ongoing efforts to improve procurement transparency and an integrated, inclusive and demand-driven procurement strategy.

Research and development (R&D)	(R million)
Annual R&D expenditure on SA-based entities	R263.5
Total annual R&D expenditure	R263.5
% Expenditure by SA-based entities	100%

Research and Development (R&D) spend is recognised at business unit (trading entity) level rather than at mining-right holder level and is one reporting cycle in arrears, consistent with the South African Revenue Services (SARS) and Department of Science and Technology (DST) methodology.

The impact of Covid-19 on procurement

The Covid-19 pandemic has had a substantial impact on the way Anglo American procures goods and services. Despite tight lockdown regulations, our supply chain function was central in ensuring that suppliers had necessary work permits, employees and communities had access to essential PPE, and that the business continued to operate with limited disturbances in the supply of goods and services. We also worked to mitigate the impact of lockdowns on our communities and smaller suppliers through supplier-relief initiatives and leveraging our expenditure with large suppliers to create opportunities for our communities.

Challenges and actions

Despite our commitment to driving inclusivity and diversifying supply, we are still constrained by the limited participation of skilled suppliers owned by women and young people. This remains a key focus area for development.

A key commitment in previous years has been to improve procurement transparency by widely advertising opportunities. Unfortunately, this transparency has seen some unintended consequences, with an increase in interested parties demanding access to information (such as personal details of successful suppliers, as well as detailed information

on the companies concerned) which we are legally required to keep confidential in line with our personal data privacy policy. These demands have extended to the point of the intimidation of the successful bidders themselves. They are thought to be based on concerns that contracts are awarded to bidders who are not local. Anglo American always ensures it reviews all relevant documentation provided, and that we confirm the veracity of the information thus provided.

Other unforeseen challenges have delayed the implementation of inclusive procurement strategies, including:

- A high volume of request for information (RFI) responses, increasing the time taken to verify details and allocate opportunities. We are exploring the use of digital platforms and are reviewing the RFI process to ensure greater efficiency. This is necessary to ensure effective governance.
- Increased time needed for the registration of high numbers of SMMEs on the SAP Ariba system. We now intend to implement the supplier-onboarding process after contracts have been awarded in order to make the process easier and quicker.
- Many SMMEs struggle to match market-related prices when they participate in the tender process. This means time must be spent understanding their costs and negotiating prices based on that information. More support will be given to suppliers in this regard, including around costing and price modelling.
- New vendors seem to find the SAP vendor registration process to be too long and complex, which can make it difficult for suppliers to start their contract on time. The systems teams are available to provide appropriate support.
- Some SMMEs struggle to secure funding to acquire equipment owing to poor credit records, further impeding opportunities.

De Beers

De Beers continues to engage host communities to ensure that its supply chain makes a positive contribution to job creation and skills development, and to be cost-effective in securing goods and services. The company continues to empower its suppliers through supplier development initiatives that support them with the technical skills and business acumen required to compete globally.

Discretionary spend for 2020 on the categories identified in Mining Charter III for mining goods was R359 million, while expenditure on services was R3.4 billion.

De Beers has not reached its target in terms of youth-owned businesses as many of them do not comply with required criteria such as valid tax-clearance certificates; being registered with COIDA and/or UIF; holding a business bank account; or being affiliated with required accredited bodies in their operational sector.

Supplier development is a pillar of De Beers' procurement strategy, aiming to identify and develop local SMMEs, supporting them to become sustainable, and focusing on the development of current and future local suppliers that can participate in mainstream procurement activities. The company helps suppliers to overcome the barrier of access to finance through low-interest loans, which assist with working capital and the purchase of equipment.

In 2020, 39 suppliers received mentorship, coaching and other support through partnerships with government entities such as the Small Enterprise Development Agency (SEDA). These suppliers supported 479 jobs, which contributed to local employment. Ten of those suppliers graduated from the supplier development programme and 19 were onboarded.

Anglo American recorded an investment of R263.5 million in R&D in the 2019 financial year. Sampling is undertaken at licence-holder level and reported as such – R329 million was spent on processing 100% of samples in South Africa through unbundling, JV partnerships and sub-contracting.

Processing of samples	De Beers	PGMs	Kumba	Coal	Anglo American
Annual sample analysis expenditure (R million)	5.7	70.4	253.1	2.4	329.2
Total annual sample analysis expenditure (R million)	5.7	70.4	253.1	2.4	329.2
% expenditure by SA-based entities	100%	100%	100%	100%	100%



Barloworld Equipment getting ready to deliver Toro-Entle's newly purchased fleet to service the topsoil contract at Mafube colliery.

Making mining fleet ownership possible for emerging contract miners

Coal's supply chain team engaged with Barloworld Equipment and Caterpillar Finance to provide Thabang Monyele (managing director of Toro-Entle) with a financing solution that enabled this SMME to secure a fleet of nine mining machines. This, coupled with Thabang's vast experience in coal mining, has enabled him to put his business on a different trajectory. His new fleet includes articulated dump trucks, excavators, and a dozer. Toro-Entle is currently engaged in a lengthy topsoil-stripping contract at Mafube colliery.

"Having Coal, with its huge credibility, involved in all negotiations was invaluable," he says, explaining that fleet ownership significantly underlines his status as a serious contract miner.

Thabang established Toro-Entle in 2014, and has provided roof and sidewall support, dyke development, drilling and blasting, hauling and rehabilitation services for the biggest names in South African coal mining. His work at Mafube has enabled him to increase his staff complement from 55 to 100 people and will open the way for a further 20 job opportunities as the contract unfolds.



Barloworld Equipment getting ready to deliver Toro-Entle's newly purchased fleet to service the topsoil contract at Mafube colliery.

PGMs

PGMs has adopted a collaborative approach to inclusive procurement and its supply chain teams work in an integrated manner to ensure efficiency. The business unit aims to get the most value from resources and investments through synergies, such as its Supply Chain, Zimele Enterprise and Supplier Development and Social Performance teams, and suppliers and colleagues in PGMs, in order to accelerate economic growth and to empower South African businesses. PGMs continued to exceed expectations in the achievement of Mining Charter III procurement targets and is committed to continuously raising the bar in company expenditure with HDP-owned host-community suppliers.

The five-year implementation plan developed in 2019 by PGMs to close gaps on Mining Charter III implementation in order to meet or exceed targets by 2023 is progressing well, as demonstrated in its results. PGMs is also making good progress with the project launched in 2020 to identify areas where enterprise resource planning transactions and reporting will have to be changed to enable successful reporting against Charter targets.

Expenditure with host-community HDP-owned companies increased to R3.8 billion in 2020, from R2.8 billion the previous year; and spend with host-community BEE enterprises rose to R4.9 billion (2019: R4.2 billion). Procurement of mining goods from HDP-owned companies increased from 40% in 2019 to 47% in 2020, and procurement of mining services from HDP-owned companies climbed from 38% in 2019 to 69% in 2020.



Director of Maphalakarabo, Mamorafi Ntjana, assisting her employees with construction of the road.

Empowering women through inclusive procurement

One of De Beers' priorities is empowering women through inclusive procurement, to promote the participation of women-owned businesses.

Maphalakarabo Trading Enterprise, a black-woman-owned company from Blouberg that specialises in construction and civil works, was awarded a contract to the value of R2 million for paving roads in Alldays. It has a good record in terms of construction projects such as paving, water reservoirs, and the installation of water pipelines, with work completed on time and meeting specifications.

The Alldays project is integral to Venetia mine's Social and Labour Plan (SLP) commitments to better the lives of people in our host communities. The project scope includes road paving and installation of cement cubes on the side of the road to ensure traffic safety.

The company supports 24 jobs to date, thus contributing to local employment.

Kumba

Kumba works to set ambitious host-community supplier-spend targets and has implemented rigorous processes to ensure the availability and capacity of such suppliers. The number of host-community suppliers on Kumba's database has increased from 162 in 2017 to 360 at the end of 2020. Of this total, 115 are companies owned by black women, and 42 are companies owned by black youth.

The increase in supplier numbers resulted in a concomitant increase in the company's expenditure target, from R500 million in 2017 to R3.6 billion direct spend in 2020 – while combined first- and second-tier spend reached an all-time high of R3.7 billion in 2020.

Collaboration within the business value chain is critical in supporting inclusive sourcing strategies, while also making sure information shared with all stakeholders is accurate. The teams (at all organisational levels, including the CEO) conduct recurring engagements with local business forums, as well as non-affiliated SMMEs.

Access to funding and development constitute two significant aspects towards the well-being of host-community suppliers. Partnerships such as those that Kumba has formed with Zimele and the SIOC Community Development Trust are focused on accessing funding and development. Other partnerships included: working with the University of Cape Town to provide online training on construction management. In-house training includes topics such as general conditions of contracting and finance for SMMEs, with 102 suppliers participating; partnering with the University of Pretoria to provide Introduction to Mining training for 35 host-community suppliers; and collaborating with

Aurik to assess the capacity of the current pool of community suppliers in terms of business readiness and more specialist skills.

Despite the challenges posed by Covid-19, the team worked diligently to secure training programmes for SMME development, which continues to remain a focal point. As a result, in 2020, 345 suppliers were trained across various training programmes.

Coal

Coal continues to focus on diversifying its supply chain base to drive inclusivity and increase expenditure with black-owned, black women- and youth-owned companies, particularly SMMEs. The business unit achieves this through continuously identifying procurement opportunities and suppliers. The use of an RFI process has resulted in a significant increase in tender participation by local suppliers. Coal also engages with major suppliers to encourage them to improve their transformation status. This has resulted in some suppliers opening branches with host-community participants and/or forming joint ventures.

In 2020, Coal's total discretionary spend amounted to R10.5 billion, with mines accounting for R8.2 billion, or 78%, of this total. Overall expenditure with BEE-compliant suppliers was R6.3 billion, while HDP, women and youth spend amounted to R3.9 billion, and R365 million, respectively. Overall, the business unit met and exceeded Mining Charter III targets.

Looking ahead, Coal's focus will be to increase the proportion spent on companies owned by black women and young people – the 2021 Enterprise and Supplier Development intakes will target black women and youth-owned businesses, as will procurement opportunities advertised on the RFI platform.



🔗 Gladwin Rainers, owner of Excell Mining Services.

Excell Mining Services

Excell Mining Services is a youth-owned business operating in Kathu. Its owner, Gladwin Rainers, is a qualified boilermaker who started the company because he had identified a need in the market and wanted to provide a solution to the high unemployment rate in the area. Gladwin participated in an enterprise development incubation programme offered by one of the solar parks in the Gamagara area, which assisted with increasing business acumen and building systems in the business.

Excell currently provides employment to 72 people from the area (a substantial increase from 25 people in 2019). The majority of the workforce are skilled individuals, along with administrative and safety support staff. One of Excell's key targets is to become a leading supplier of mining-support services in the Northern Cape.

During the Dingleton resettlement project in 2015, the company was a sub-contractor to the major contractor to offer steel works. To date, the company has completed various mechanical and piping projects for Sishen mine and it is also one of the ground-engaging tools maintenance contract holders in the mining maintenance department.



🔗 To ensure suppliers continued to be supported throughout the pandemic, our Supply Chain team in South Africa developed a series of customised modules to engage with suppliers remotely on issues of particular concern to them.



⤵ KEC director, Kgaugelo Mogapi.

⤵ From left, Hendrick Legodi, Albert Thema, Freddie Hlangwane, on the vehicle Eddie Mhazu and Kenneth Kekae.

⤵ KEC director, Nkosinathi Tshuma.

Case study: KELE Engineering and Construction and Mogalakwena – building a mutually beneficial relationship

In the year since KELE Engineering and Construction (KEC) began its three-year R37.7 million contract with Mogalakwena mine, both parties have seen improvements to their operations through their mutually beneficial relationship.

When KEC was awarded the contract for the maintenance and repair of air-conditioning systems in Mogalakwena's heavy-mining mobile equipment, it set out to improve the availability of the operation's vehicle air-conditioning systems, reducing breakdown incidences and downtime.

The company, which is based in Mahwelereng, one of Mogalakwena's host communities, is a Level 1 BEE, woman-owned business which prides itself not only on its service delivery, but also on the continuous development of its employees. The 18 employees at Mogalakwena all hail from the operation's host communities and, within the first year of KEC's contract with the operation, KEC promoted two of its technicians to the positions of foreman and site manager, respectively.

The vehicle-air-conditioning contract awarded to KEC was one of PGMs' inclusive procurement opportunities that had been ring-fenced for Mogalakwena mine's host communities. The service was previously performed by a non-host-community supplier.

With monthly review meetings, the KEC and mining engineering teams review performance and set objectives to continuously improve quality. These objectives are implemented monthly and tracked to ensure efficiency and effectiveness of the service provided by KEC.

An employee-incentive scheme that includes quarterly bonuses, to further motivate employees to work safely and effectively, is being developed by KEC. The company is also finalising a technical-skills development programme that will see each employee have a customised development plan that will include training.

During the remaining two years of its contract with Mogalakwena mine, KEC plans to establish a training academy that will develop up to six young people from disadvantaged families in Mogalakwena's host communities to become air-conditioning technicians. Academy participants will also benefit from practical work exposure at Mogalakwena mine.



⤵ Haul vehicles at PGMs' Mogalakwena mine.

Zimele – stepping up the pace of change for South African SMMEs

Since its establishment more than 30 years ago, Zimele has played a pioneering role in stepping up the pace of change in South Africa's SMME market, mainly through funding. Zimele's current approach, however, focuses as much on mentorship as on enabling funding, in order to build sustainable SMMEs that can grow their businesses and, in turn, create and sustain jobs.

The three key programmes that underpin Zimele's strategy are:

- **Enterprise development** – greater mentorship to increase the pace of economic development around Anglo American's mining operations
- **Supplier development** – leveraging Anglo American's existing inclusive procurement spend to help host-community suppliers and enterprises access new markets
- **Youth development** – youth from host communities are trained in skills that make economic opportunities more accessible.

In response to the Covid-19 outbreak and subsequent lockdowns, Zimele has adapted its service, offering to utilise digital platforms to deliver training, mentorship and access to market services to programme beneficiaries.

Additionally, the advisory and mentorship service provided in the Zimele hubs was adapted to deal with the immediate challenges faced by businesses, with the development and provision of a business survival toolkit addressing areas including cash preservation, fast-tracking business digitisation, digital marketing, support required with the payment of outstanding invoices, and support with human resources challenges due to cash shortfalls as a result of Covid-19-related restrictions.

Zimele also assisted SMMEs in host communities to apply for external support grants and loan packages that have been launched by government as well as the private sector. A loan-payment holiday was implemented from April to June in 2020 to give relief to SMMEs that were on the Zimele loan funding programme against the effects of the restrictions on their businesses.

In addition, Zimele established partnerships for youth development to enable digital upskilling and vocational training as part of the existing workforce-readiness programme for youth in host communities. This was made possible through online mobile learning platforms, with data cards and smart devices sponsored by Anglo American provided to the beneficiaries.

The work at Zimele's physical business hubs, located in host communities, is multi-functional and incorporates all three of these key elements.

As a demand-led programme, Zimele not only offers development and access to funding, but also invests in partnerships that assist entrepreneurs and youth to gain access to markets that are within the mining value chain and beyond it. This is an enabler for job creation, in that it supports participants in the programmes with tools and networks that will help them in their personal or business journeys.

In 2020, Zimele managed and operated seven business hubs spread across Coal (eMalahleni and Middelburg), Kumba (Sishen and Kolomela) and PGMs (Mogalakwena, Rustenburg and Amandelbult).

In total, Zimele has assisted host-community-based SMMEs to gain R21 million's worth of Covid-19 relief support from the government and the private sector. Overall, the Zimele programmes worked with 833 beneficiaries in 2020, supporting a total of 2,597 jobs in the process. As a result of these interventions, the survival rate of businesses in our programmes stands at 97% and the loan recoverability rate at 95%.

Loan funding

Taking into account that, under normal lending conditions, banks use the applicant's strength of balance sheet and underlying security as a basis for their decision to lend, Zimele has developed a partnership with Absa for a loan-funding approach that allows for lending to SMMEs based on a business's ability to generate future cash flows.

This funding can be used for short-term working capital, as well as finance for transactions up to R5 million over a maximum period of 60 months at a beneficial interest rate of 6% per year. Through the Absa partnership, Zimele has been able to minimise its impairment to about 14.9% of the loan book for the year ended 31 December 2020, despite the impact of Covid-19 on SMMEs.

Zimele has concluded 49 (2019: 46) loan transactions and provided R52.2 million (2019: R65.3 million) in funding for 33 (2019: 41) businesses in 2020. This supported an estimated 1,265 (2019: 977) jobs in host communities.



⤴ Zimele is a catalyst for emerging black businesses in South Africa. Left to right, Ngwaaga Matobela, William Ramashala and Gift Mphiela from Papanyana Developments have been part of Zimele's supplier development programme.

Zimele loan performance 2020

Number of transactions

49

Jobs supported

1,265

Funding

R52.2 m



⤴ As part of its support to employees and communities, Kumba set up a Covid-19 diagnostics lab at the UGM health centre in Kathu.

Employment equity

We aim to foster a purpose-led and inclusive culture. This allows us to harness the rich diversity of ideas and perspectives of all our country's people.

Alignment to the Sustainable Mining Plan



Thriving Communities



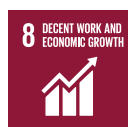
Trusted Corporate Leader

Mining Charter III targets

Mining Charter III stipulates that a right holder should meet the following minimum threshold targets of Historically Disadvantaged Persons (HDPs), reflective of the provincial or national demographics, at different levels of employment:

- Board: 50% HDPs with proportional exercisable voting rights, 20% of whom should be women;
- Executive management (Exco): 50% HDPs, 20% of whom should be women;
- Senior management: 60% HDPs, 25% of whom should be women;
- Middle management: 60% HDPs, 25% of whom should be women;
- Junior management: 70% HDPs, 30% of whom should be women;
- Core and critical skills (i.e. science, technology, engineering and mathematical skills, across all organisational levels): 60% HDPs; and,
- People with disabilities should make up at least 1.5% of all employees.

Applicable SDGs in this section



Embracing diversity of ideas and perspectives

Promoting equity in the workplace has been a firm feature and focus of the South African business landscape for almost three decades.

In the country's local context, the objective of the policy is to create workplaces that are more accurately reflective of broader demographics and, similarly, to redress the historical disadvantages in employment experienced by certain groups.

Anglo American, as one of South Africa's largest private-sector employers, has fully embraced the objective of employment equity and strives to create a workforce that reflects the country's demographics. This allows us to harness the rich diversity of ideas and perspectives of all our country's people. We also support the government's employment-equity objectives, with each of our businesses working hard to ensure that we, as a Group, meet the latest targets.

However, we seek to achieve far more than ensuring our workforce is reflective of country demographics – 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.

Our performance

Unlike other aspects of delivery, employment equity was not an area that was significantly hampered by the pandemic, with most of our business units being able to continue their transformation agendas and initiatives, albeit in a more remote capacity.

Supported by an effective and efficient organisation design and operating model, the progress we have made in recent years in creating our desired culture and leadership behaviours has underpinned the resilience and ability shown by our leaders in navigating Covid-19-related challenges to human resource

management, and of our teams in adapting to new ways of working in line with evolving Covid-19 impacts and implications.

In adapting to the pandemic, we have shifted to remote working where possible and strictly enforce effective physical distancing in the workplace.

We have rapidly increased our use of mobile technology to enable direct communication with employees, including through video calls and virtual meetings.

A collective view of Anglo American's employment equity performance indicates that, in 2020, momentum was maintained in increasing the representation of HDPs at all levels of management and core functions.

Focus was also maintained on increasing the representation of women across the organisation.

As the inclusion of people with disabilities in the workforce remained below target in most business units, there was dedicated focus on developing and implementing disability strategies to promote awareness and training and address issues such as stigma and attendant infrastructural constraints.

From the perspective of the economically active population (EAP) numbers, while we did record some progress in aligning more closely to the national EAP target, we continue to underperform in some areas. All business units recorded an over-representation of White males and an under-representation of African females, generally. An under-representation of Coloured females and males was also noted by most business units.



⤴ Dispatch controller Nkadi Mashishi in PGMs' Mogalakwena mine's dispatch control room.

Employment equity

HDP representation in management and core functions

%	2020 target	De Beers	PGMs	Kumba	Coal	Shared Services	Corporate Services	Anglo American
Board	50	67	50	64	25	–	–	57
Executive directors ¹	50	75	50	50	33	–	–	55
Exco ²	0	71	44	50	33	–	100	53
Senior management ³	60	52	54	55	57	57	51	53
Middle management	60	62	73	72	65	92	70	71
Junior management ⁴	70	87	84	82	80	98	93	84
Core and critical skills ⁵	60	85	89	89	85	–	–	88
Aggregated HDPs in management		76	80	80	76	96	70	79

¹ CEO and CFO

² Exco – there are no targets in the Mining Charter for this occupational level

³ Including Exco

⁴ C1 – C5

⁵ Core and critical skills: includes all occupational levels

Female representation in management and core functions

%	De Beers	PGMs	Kumba	Coal	Shared Services	Corporate Services	Anglo American
Women in management	32	25	23	25	72	46	28
Women in core functions	20	19	19	20	–	–	19

Representation of employees with disabilities

%	2020 target	De Beers	PGMs	Kumba	Coal	Shared Services	Corporate Services	Anglo American
Employees with disabilities	1.5	2.2	0.2	0.7	0.3	0.5	0.5	0.4

Challenges and actions

While employment equity and transformation objectives were not impacted materially by Covid-19, the pandemic did affect the recruitment process, including interviews, psychometric assessment and certain training initiatives. To overcome any potential disruptions, Anglo American moved swiftly to take the processes online as far as possible.

Another potential challenge lies in the career advancement of women. As the Covid-19 pandemic continues to wreak socio-economic havoc across the globe, evidence is mounting that business worldwide is facing a 'female recession', where women are at significantly increased risk of dropping out of the workforce and the gender gap in the workplace is likely to grow. The current crisis threatens to roll back gains for women, particularly working mothers and African women. As a company, we endeavour to ensure that the significant gains in increasing the representation of women across all levels are not lost and that female participation continues to be encouraged and promoted, so that we reach our objective of gender equity.



At Kumba's Sishen mine, an all-female drill team operate a remotely operated exploration drill rig that improves the safety of operations at the site. Featured is drill assistant, Innocentia Bolokang Mere.

De Beers

The commitment to advancing equity in the workplace and achieving a demographically representative workforce continued to yield positive results in 2020. The overall trend in HDP representation in management maintained an upward trajectory, increasing from 68% in 2019 to 76% in 2020. This primarily reflected an improvement of HDP representation at Exco from 71% to 75%, and in middle and junior management from 59% to 62%, and 81% to 87%, respectively, as a result of promotions and new hires within these levels. While HDP representation at De Beers Consolidated Mines board level remained static at 67%, a decline was experienced at senior management level from 58% to 52% as a consequence of the restructuring process and resignations. Overall HDP representation in core functions was maintained at 85%.

With the progress made in HDP representation, De Beers edged closer towards aligning to its EAP targets in 2020. However, the under-representation of African females and over-representation of White males, Coloured males and White females continued to hamper efforts in this regard. While there has been some change in the representation, African females still show the largest margin between company and national representation at 15.4% and 36.2%, respectively.

In an effort to address the under-representation of certain population groups, the national EAP was the focal point in the development of the company's Employment Equity Plan. This three-year plan, which will span 2021-2023, was developed through an extensive, bottom-up consultative process and also took into consideration Mining Charter III and B-BBEE targets. Furthermore, the Building Forever targets and initiatives have been incorporated to drive transformation and, notably, gender parity within management, technical roles and the greater workforce.

A priority focus continued to be embedding gender diversity across the business. De Beers has committed to achieving 40-50% parity in workplace representation, with 30% female representation specifically in technical roles. Progress made in 2020 was illustrated by the slight increase in female representation at managerial levels. However, while the number of women in core functions remained constant at 20%, females as a percentage of the total workforce decreased marginally from 29% to 28% between 2019 and 2020.

The representation of people with disabilities as a percentage of the total workforce remained constant at 2.2%. In 2020, De Beers continued its efforts to attract and retain people living with disabilities, which included the provision of reasonable accommodation, tailored interventions to cater to individual needs, and disability-awareness initiatives.

PGMs

PGMs has put in place a number of initiatives to transform its business, including a framework to accelerate leadership development, building a healthy talent pipeline and targeted recruiting to fill vacant positions. Combined, these efforts have yielded positive results, as illustrated by the increase in overall HDP representation at management level from 72% in 2019 to 80% in 2020. The executive director level, in particular, was given a substantial boost in HDP representation from nil in 2019 to 50% following the appointment of a CEO. Senior, middle and junior management experienced increases from 51% to 54%, 71% to 73%, and 76% to 84%, respectively.

The healthy talent pipeline also aided PGMs' improved performance against the EAP guidelines in 2020 and against its Employment Equity Plan. Improvement is required, however, with regard to the number of women in senior management positions, as there is still an over-representation of White males against the national EAP.

While the total number of women in PGMs marginally increased from 19% to 20% between 2019 and 2020, there was a recognition that a greater effort needs to be made to achieve gender equity across the business. To this end, a number of initiatives were pursued in the year under review, which ranged from the development of a gender-equity policy to focused recruitment, closing the gender pay gap, and the provision of female-specific facilities.



↳ Zibulo colliery's work management team, operations clerk Morethe Motau (foreground) and call centre operator Amos Zwane.

Another key focus area in 2020 was the inclusion of people with disabilities. PGMs developed a Disability Charter, one element of which concentrates on the provision of training and awareness programmes to manage stigma against people who are differently abled. Another initiative was the introduction of a voluntary declaration and medical verification process to encourage employees to register their disabilities. Although still a fledgling initiative, it has yielded results: the number of persons with disabilities increased to 0.2% of workforce in 2020 from 0.1% in 2019.

Kumba

During the year under review, Kumba continued to make good progress in promoting equitable representation across the business. This was particularly evident at core functions and most management levels, where the workforce profile meets or exceeds Mining Charter III targets. At year-end, HDPs represented 89% (2019: 88%) of the total workforce and held 80% of total management positions (2019: 71%). The one area of concern continued to be senior management, where HDP representation only comprised 55% in 2020.

Kumba's women in mining strategy and intervention plan, designed to promote the integration of women in the workplace and especially at core functions, is yielding positive results. By the end of 2020, females comprised 24% of the company's overall workforce (2019: 23%) and 27% of management positions (2019: 25%). As capacity building is critical, Kumba continued to ensure at least a 30% female representation in its talent-pipeline programmes.

While improvements in EAP representation were seen in 2020, Kumba acknowledges the need to increase the recruitment of Coloured and African females, and Coloured males, to align with the Northern Cape province's EAP. As White male representation at management levels remains significantly higher than the national EAP, this is an ongoing concern.

Kumba currently employs 40 people with disabilities (2019: 36), with 13 in managerial positions. This represents 0.6% of the company's workforce. As part of its drive to provide a working environment that is safe, effective and enabling, Kumba has been fostering a commitment to involve, support and enable colleagues living with a physical disability, learning difficulty or mental health issue, to reach their full potential. In 2020, a persons with disabilities strategy was implemented aimed at attracting and retaining more people with disabilities.

The strategy is about having the right inclusion culture that will result in targets being achieved as opposed to just 'chasing' disability numbers.

Coal

The highlight of the year was Coal's talent review and career advancement initiative. Following the 2020 talent review process, 30% of the company's workforce was identified as having the potential to operate one level higher. On the back of that review, some 35% of its talent population was promoted during the course of the year. This had a positive impact on HDP representation throughout the business.

HDP performance increased in all managerial occupational levels from 67% in 2019 to 76%. This was largely due to the significant rise in HDP representation at Exco level, from 22% to 33%, and junior management from 72% to 80%. HDP representation in senior and middle management increased only marginally, from 55% to 57% and 64% to 65%, respectively. The increase in representation at Exco can be attributed to the increase in female representation, while the increase within the other managerial bands owed itself to promotions that occurred during 2020.

Female representation, however, only experienced a marginal increase from 23% to 25%, with 25% of women in management positions and 20% in core functions. Recognising the need to promote greater gender diversity across the business, Coal implemented a number of initiatives, ranging from the prioritisation of female-succession readiness, to focusing on female retention, particularly at senior management level, by proactively identifying and managing key issues and risks while also increasing awareness of unconscious bias, bullying and harassment through training in order to ensure a more conducive working environment.

From an EAP perspective, while African female representation in management increased from 16.1% to 17.3%, this remains the most significantly under-represented group. At management level, White males are still the most over-represented, even though their proportion decreased over the year from 29.7% to 28.1%.

The employment of people with disabilities similarly experienced little traction in 2020, with their representation of the total workforce remaining static at 0.3%. Disability is one of the areas identified for improvement and will be a key focus of inclusion and diversity training in the future.

The number of migrant workers employed by Coal has steadily decreased from 428 in 2011 (4% of the workforce) to 83 in 2020, representing 1.8% of the workforce.

Shared Services

Shared Services made good progress in 2020 in its drive to transform its workforce, particularly at management level where HDP representation increased to 93% compared to 90% in 2019. The most significant gains were recorded at senior and middle management levels, with increases from 50% to 57% and 82% to 92%, respectively, between 2019 and 2020. Junior management level HDP representation increased by two percentage points to 98% (2019: 96%). HDP representation of the total workforce remained constant at 96% for the year.

There was an overall improvement with regard to aligning to the national EAP in all categories except African males. The number of White males and females in management was reduced to more closely align with the EAP targets. With the five-year Employment Equity Plan expiring in 2021, the strategic focus in 2021 will be to increase the representation of the African, Indian and Coloured population, specifically at management level.

The improved performance in EAP and HDP representation has been facilitated to a large extent by a cadet programme, which was implemented in partnership with the South African recruitment specialist, Afrizan. This programme allows Shared Services to onboard young, qualified, unemployed youth with high potential. In 2020, 33 cadets joined Shared Services.

Shared Services continued to experience a significant under-representation of people with disabilities, primarily owing to people leaving, fear of stigma, lack of awareness and environmental/building limitations. As a result, the total number of people with disabilities as a percentage of the workforce declined from 0.6% in 2019 to 0.5%. To remedy this, a disability framework was developed and successfully embedded. The business also undertook to raise awareness about different types of disabilities and the legislative framework thereof.

A series of facilitated information sessions was held throughout the business. Following the sessions, there was a drive to increase disability disclosures across Shared Services.

Corporate Services

Against the backdrop of a challenging year, Corporate Services was able to continue its drive to transform its workforce to become one that is far more demographically diverse and inclusive. In particular, positive growth was recorded in African and female representation, with both HDP and female representation increasing by four percentage points between 2019 and 2020. Aggregated total HDP representation at management level rose from 62% in 2019 to 70% in 2020.

While progress has undoubtedly been made, the overall profile of the workforce still reflects an under-representation of African females and males compared to the national EAP. Corporate Services has, however, made significant strides to increase its numbers; this has been reflected, in part, by the growth in African female representation from 15.5% in 2019 to 19.3% in 2020.

In the year under review, Corporate Services' employment equity forum was more engaged in critically reviewing and giving input on the state of employment equity within the division. A new employment equity plan was subsequently developed, with priority concentration on people with disabilities. In collaboration with the Inclusion and Diversity team, as well as partnerships with external partners, the focus will be to increase awareness internally, and access the external pool of candidates who are differently abled.



At Kumba's Kolomela mine, where the autonomous-drilling programme continues to yield significant operational efficiencies. Drill operator Lizinda Members operates drill rigs from a central control room.

Case studies



Breaking barriers

Mogalakwena mine has made great strides in embracing our PGMs business's transformation framework, which seeks to create an inclusive and diverse non-discriminatory environment where all are treated with care and respect, irrespective of race, gender, cultural beliefs or disability status. This was particularly illustrated by the mine's participation in the International Day of People living with Disabilities (IDPD) and the South African National Disability Rights Awareness Day on 3 December 2020. It was while observing these days that the mine cemented its commitment to the United Nations' 2020 theme for the IDPD: Building Back Better: towards a disability-inclusive, accessible and sustainable post-Covid-19 world.

More notably, PGMs' commitment to inclusion and diversity, particularly for those living with disabilities, is evidenced in the inspiring story of Witness Netshikulwe, Mogalakwena's chief mine planner.

In September 2002, Witness was left a quadriplegic after he broke his spine in a car accident. At the time of the accident, he was a mining engineering student, having successfully obtained a PGMs bursary to pursue his diploma. The accident came two weeks before his final BTech examination, which he wrote from his hospital bed.

As part of his recovery, he spent 15 months in a rehabilitation centre. For five years he was wheelchair-bound. However, he never gave up. It took hard work and determination, but Witness defied his circumstances and today he is no longer classified as quadriplegic and can move around without a wheelchair.

He obtained his degree in September 2003. Since then, he has gained vast industry experience and has held various positions, from shift supervisor to mining engineer, to planning manager and, today, chief mine planner.

Witness has greatly contributed to a more inclusive working environment over the years and is especially proud of the role he played in the design of the offices at De Beers' mine to accommodate people living with disabilities. He made this contribution in keeping with the theme: "Nothing about us, without us". His advice to other people living with a disability is: "You only have one life. Live it! Accept your condition and allow friends and family to be part of your life".

Eliminating bullying and harassment

The past three years have seen rapid development in the corporate regulation of harassment, victimisation and bullying within the workplace:

- On 21 June 2019, the International Labour Organization adopted its "Convention concerning the elimination of violence and harassment in the world of work", better known as Convention 190;
- On 3 October 2019, Anglo American adopted its Group Policy on Bullying, Harassment and Victimisation (BHV Policy); and
- On 20 August 2020, the South African Department of Employment and Labour published for public comment its "Draft Code of Good Practice on the Prevention and Elimination of Violence and Harassment in the World of Work", which proposed to adopt Convention 190 as policy within South Africa.

Anglo American recognises that eliminating all forms of bullying, harassment and victimisation in our working environments is an essential pillar of the transformation of our business. For this reason, the Management Board has established a task team to develop a South Africa wide integrated reporting, investigation and assist model to support people in our working environments who may be exposed or subjected to bullying, harassment, or victimisation. An express requirement for the model is that it should ensure that appropriate monitoring and evaluation processes be implemented. This will allow progress towards eliminating bullying, harassment, violence or victimisation in our working environment to be measurable and reportable.

In the future, this Transformation Performance Report will report extensively on:

- the finalisation and implementation of the new model from 2022; and,
- actual data relating to the management of incidents of bullying, harassment, violence or victimisation in our working environment from 2023.



Organisational culture initiatives

In seeking to create an inclusive and diverse workforce and working environment, each of our business units conducts various initiatives that seek to entrench these objectives in the organisational culture. These initiatives have focused mainly on facilitating the inclusion of more people with disabilities and promoting greater gender diversity. Two flagship initiatives include Shared Services' #RaiseYourHand Campaign and PGMs' Real You programme.

#RaiseYourHand Campaign

Our #RaiseYourHand initiative was inspired by the work started in the Journey to Excellence in the area of incident management. One of the key shifts needed was to create a climate in our teams that, if an incident occurred, there would be a mechanism for employees to raise their hands.

The concept was then expanded to create an environment in Shared Services in which every employee can raise their hand in any situation, with a call to action that will result in the necessary action help or assistance. In essence, it is about creating an environment where we live our Values.

Four key focus areas were identified as:

- **Incident management** – upholding quality and control
- **Personal well-being** – taking good care
- **Safety** – remains our priority
- **Getting involved** – commitment, collaboration and accountability.

The #RaiseYourHand initiative is well under way and thus far we have successfully launched numerous campaigns focused on incident management and personal well-being. To accommodate employees who may lack the confidence to raise their hands, a special mailbox was created to help maintain their confidentiality.

Changing perceptions towards the LGBTQI+ community

During the women's month celebrations, PGMs CEO Natascha Viljoen hosted the 'Real You' talk campaign, which was also a virtual engagement session. The speaker, Jay Matlou from the Thami Dish Foundation, presented educational information on terminology and definitions about gender and sexual orientation, including various broad groups within the LGBTQI+ community.

Key lessons taken from the talk were the changing of perceptions towards the LGBTQI+ community:



Being transsexual (transgender/bodily characteristics altered) has got nothing to do with being lesbian or gay



Transsexual people can be heterosexual, lesbian, gay or bisexual (attracted to both men and women)



Being a cross-dresser has got nothing to do with sexual orientation



Intersex (neither male or female) is a biological variant and not a sexual orientation, nor does it refer to sexual behaviour



Our language is too limited to fully describe a human being's sexuality and sexual expression



⌘ Haul truck operator Pule Moriri and safety, health and environment training officer Nosipho Besnaar were amongst the first employees to undergo training in the newly revamped training centre at Kumba's Kolomela mine.

Human resource development

Anglo American's Human resource development (HRD) function plays a critical role in the business, both because of the central role that a skilled workforce plays in our success, but also because of the important contribution it makes to transformation.

Alignment to the Sustainable Mining Plan



Healthy Environment



Trusted Corporate Leader

Mining Charter III targets

Mining Charter III established a target of 5% of total leviable amount to be spent on essential skills development of employees and communities. Areas of focus can include science, technology, engineering and mathematical skills, and graduate training programmes, as well as research and development initiatives. This 5% contribution, however, should reflect provincial or national demographics – whichever is most relevant to the mining-right holder.

Alignment to the SDGs



Empowering people to do their best

The importance of skills development to the transformation agenda of not just Anglo American, but of South Africa as a whole, is undoubted. And the positive impact that transformation has on the economy – more relevant now than ever before – means that our contribution can be felt far beyond our operations.

At Anglo American, we have long understood our purpose in society. We know that without an intensive and intentional focus on transformation and diversity across the business, the business will not perform at its peak. We work together to provide our people with better jobs, a better education and better businesses.

Within the business, HRD is a wide-ranging spectrum – from developing and maintaining highly specialised and sought-after scarce skills and the development of qualified core mining professionals, to critical cross-business safety training and more generalised skills development work that will allow those trained to become employed or activate their entrepreneurial ambitions outside of the mining industry. This training is offered in a range of formats, appropriate to the skills, the participants and their contexts.

A critical part of our HRD work has always been focused on the need to empower the communities where we operate and from where we draw our employees with skills that will allow them to become economically active independent of the mining industry. Mining Charter III includes HRD expenditure of non-employees

within reported HRD expenditure. The context of 2020 as a year when Covid-19 brought not just operations but everyday lives to a halt means that HRD participation and expenditure statistics were noticeably different to previous years.

The total number of employees participating in a range of HRD initiatives across the business in 2020 was 40,163 – a decline of 401 from the 40,564 reported in 2019 – which can be entirely ascribed to Covid-19.

While some training can be provided online, and providers worked to ensure they transitioned their systems, much is dependent on face-to-face or hands-on training – which was severely limited under the circumstances.

This impact was not felt however in Anglo American's community HRD initiatives – 11,687 community members had access to a range of training and skills development initiatives in 2020, a significant increase from 7,537 in 2019.

HRD expenditure on HDPs (R million)

Year	2020	2019	2018	2017	2016
De Beers	45.3	60.5	84.8	92.2	106.7
PGMs	582.1	563.8	500.5	493.7	671.1
Kumba	263.2	225.6	241.0	161.9	211.3
Coal	76.7	116.5	135.5	211.8	202.9
Shared Services	1.6	2.2	1.6	2.1	2.1
Corporate Services	30.9	34.2	41.3	62.4	75.0
Anglo American	999.8	1,002.8	1,004.7	1,024.1	1,269.1

Training expenditure as % of HDPs leviable amount (%)

De Beers	6.1	7.7	10.0	8.19	12.2
PGMs	6.4	7.8	7.2	6.18	6.0
Kumba	5.5	6.0	10.3	5.8	4.6
Coal	2.4	3.6	6.0	6.0	5.0
Shared Services	0.9	2.0	1.0	1.0	1.0
Corporate Services	2.0	4.0	6.0	6.0	7.4
Anglo American	4.0	5.1	7.5	6.6	11.3

Human resource development

Summary of human resource development for employees – 2020

	De Beers	PGMs	Kumba	Coal	Shared Services	ACSSA	Anglo American
Bursaries	18	63	13	34	11	33	172
Internships	8	–	–	21	–	–	29
Learnerships	44	–	178	10	–	–	232
Learnerships or apprenticeships	1	82	18	20	–	–	121
Work-integrated learning	417	1,267	5,954	628	–	25	8,291
Informal training/short courses	681	7,450	2	3,056	436	–	11,625
Informal training	2,330	15,487	3	1,365	–	508	19,693
Total	3,499	24,349	6,168	5,134	447	566	40,163

Summary of human resource development for non-employees – 2020

	De Beers	PGMs	Kumba	Coal	Shared Services	ACSSA	Anglo American
Bursaries	21	71	39	51	–	7	189
Internships	7	–	45	3	–	–	55
Learnerships	–	–	332	10	–	–	342
Learnerships or apprenticeships	25	188	252	–	–	–	465
Work-integrated learning	419	340	9,359	480	38	–	10,636
Total	472	599	10,027	544	38	7	11,687

Challenges and actions: the impact of Covid-19 and how we adapted

It was clear as soon as the severity of the Covid-19 pandemic became known that it would have a significant impact on Anglo American's HRD initiatives, both in the workplace and in our communities. At the same time, much has been learned from these circumstances and, in some cases, positive changes were speeded up as a result – which will ultimately contribute to our transformation journey.

The pandemic meant that in-person training interventions were at first prohibited, then capacity was reduced and, at all times, posed a risk to health. Virtual classrooms played an important role in allowing at least some training to continue, and our understanding of how best to implement these was refined in the process. Much of 2020 was spent in adapting the format of various training initiatives to allow them to be held virtually.

Key learnings included the need to use the best-possible available technology (such as augmented and virtual reality), as this is crucial to increasing how much training we are able to offer and to improving uptake. It is also critical to improve levels of digital literacy both within and outside Anglo American – contributing to a future where employees and communities have the skills they and the business require for success.

The closure of learning-delivery centres as a result of the pandemic affected the delivery of legally mandatory training at operations. Employees are normally required to undergo regular training for specific skills sets (e.g. operating certain machinery) and this certification has a validity period – after which retraining and relicensing must occur. Covid-19 meant that this training could not be conducted on time, and operations were faced with large numbers of employees with expired licences on their return to work. As a result, representations were made to the DMRE for the extension of the validity period of training and licensing, to allow for the process to be conducted gradually when employees returned to work – thus also accommodating social distancing protocols. This training has now been completed successfully.

De Beers

De Beers has always recognised the importance of having a skilled workforce in order to achieve its strategic and operational objectives. HRD is an integral part of the company's drive to establish a workforce that is reflective of South Africa as a whole.

De Beers is committed to developing the knowledge, skills and abilities of the entire workforce, through a blend of learning methods, including mentoring and coaching, on-the-job training, formal courses, learnership programmes and stretched assignments. Internal performance and talent management processes allow De Beers to identify training needs and offer employees support in terms of career options, preparing those with the ability to take on additional or different responsibilities for future career progression.

Over the course of 2020, De Beers achieved most of the commitments laid out in the HRD component of its SLP, despite the delays caused by Covid-19. The company continues to ensure that the skills programmes and learnerships comply fully with the National Qualification Framework. With this in mind, the Venetia mine training centre has retained its full MQA accreditation and ISO certification.

Given the challenges faced in attracting and retaining skills in remote locations, De Beers has invested resources in the training and development of individuals in surrounding communities. Community HRD interventions include: identifying bursars and graduates from surrounding communities, developing apprentices, running full-time Grade 12 classes, offering study financial assistance programmes, and supplementing formal schooling through additional English, maths and science classes.

As the Venetia underground project is a high priority for De Beers, significant work has gone into ensuring that Venetia has the required skills sets for those employees that transition to underground work. Venetia transitioned the first 36 employees to underground by providing focused competency training in 2019. The first eight underground miners continued with their programme into 2020 and began working underground. A further 58 operators and two learner miners started their transition in 2020.

PGMs

PGMs focuses on the importance of developing its human resources as a key component in achieving overall strategic objectives. The past year has had a significant impact on the learning landscape in which PGMs operates, including how employees will want to work in the future; what benefits employees will value; and what technology platforms they will use and how they will connect to them.

In respect of talent management, PGMs has adopted an integrated approach to growing talent and building a strong leadership pipeline. PGMs aims to ensure that its people have the necessary skills and capabilities by:

- Growing and finding the right talent for all roles, with specific focus on management and critical-skills roles
- Improving the standard of talent in the organisation over time
- Enhancing succession planning across the company
- Fostering the motivation and engagement of talented people and their managers to ensure the company has the best talent in the right place at the right time to meet the business's needs now and, in the future.

The PGMs 2020 talent plan successfully achieved its objectives – the capabilities of all employees at middle management or above were reviewed; succession planning was focused on business-critical roles; development plans were rolled out; the leadership pipeline was strengthened by improving all employees' access to learning and development opportunities (especially Leadership Academy programmes); and the pipeline for women in leadership positions was strengthened.

PGMs' HRD future focus includes improving the succession pipeline; achieving greater diversity, with a specific focus on women in future leadership positions (including accelerating the plan for women at senior management level); working with other business units to ensure that positions are filled internally and that talent opportunities are spread across business units; and developing an early-talent strategy to identify and develop those who show promise early on in their careers.

PGMs is also aware that it needs to rapidly extend its ability to identify and engage with talent in local communities in order to create technological nodes where communities can bridge the digital divide and provide generations of highly skilled mining talent for years to come.

Kumba

Kumba's HRD team focuses on modelling the impact of FutureSmart Mining™ on the workforce and skills required. It also sets the pace by offering and continuously developing a portfolio of high-quality, high-impact HRD-specific services in order to deliver industry-leading employee development and outstanding administrative practices.

Delivery of these is being achieved through Kumba's Engineering and Artisan Apprenticeship Centre, as well as the mining, plant and civils training centres, through which the company provides essential skills and occupational training to local communities and employees alike. To this end, in 2020, these training centres combined produced 736 trained learners from local communities – of whom 689 (almost 94%) were historically disadvantaged.

Participation in these programmes allows beneficiaries to acquire essential portable skills, expanding their potential for employment within Kumba, across the Anglo American Group, with other mining houses, and through entrepreneurship endeavours in local communities. Portable skills training is offered in areas that include plumbing, carpentry, welding, bricklaying, cabinet-making, plastering/tiling, scaffolding and upholstery.

Kumba's world-class engineering learnership training facility – Sivos – is accredited with the National Artisan Moderation Body to provide a range of artisanal training, including for roles such as diesel mechanic, welder, structural plater, electrical, fitter and turner, mechanical fitter, millwright, and transportation electrician. In addition, an artisan aid

skills programme covers fitter, fitter and turner, diesel mechanic, plater/welder, and electrical training.

In order to supplement the functional competency-based training, to ensure both operational requirements and individual employee development ambitions are met, Kumba also offers coaching and on-the-job training to make certain that employees acquire and maintain appropriate skills – at the right time – to meet required production and safety targets.

Coal

Coal has shifted to a more focused and optimised HRD function to ensure that training initiatives and key focus areas are aligned with strategic objectives, ensuring it drives sustainable impact for the business, particularly the impact the HRD pillar has on both Mining Charter and B-BBEE reporting.

Coal's approach is centred around enabling employees to gain the relevant knowledge and skills needed to perform at their best – with direct impact on sustainable growth of the individual as well as that of the organisation. The shift is geared towards utilising more accredited internal and external programmes. Internally, the business unit has focused on prioritising the MQA re-accreditation of the Coal central training centre on core skills programmes, with operational trainers being registered as assessors and moderators. These programmes will provide employees and contractors with nationally recognised training qualifications, resulting in improved training and increased opportunities for future employment.

The educational support provided by Coal to employees and community members through interventions such as the bursary scheme and scholarships continues to play a significant role in making a difference to the lives of employees and host communities.

A constructive effect of the disruptions caused by Covid-19 was that the response to the pandemic unlocked agility and changed the training-delivery model, as the team had to fast-track digital transformation strategy and related initiatives. A key learning from the year was that training systems must be aligned with the requirements of Anglo American's Future of Work, in having training methodologies that will allow for off-site access to training content as well as focused 'in the workplace' coaching. This will allow Coal to concentrate on core workforce training needs, as well as embed the transition of knowledge to skills. The business unit has already completed its transition to Anglo American's Group Learning Management System with the implementation of the online booking process on the Learning Administration platform.

Shared Services

Skills development makes a critical contribution to Anglo American's goal of re-imagining delivery through innovation and partnerships. It has afforded the business an improved people management capability, enhanced service delivery, individual development and greater employee engagement. Shared Services' focus areas for 2020 were data analytics, design, thinking and automation skills. Additionally, in the context of Covid-19, a strong emphasis was placed on mental health and coping skills to build resilience and adaptability with the new ways of working.

Shared Services spent R1.6 million on training HDP employees in 2020. This equates to 1% of the total HDP leviable amount for 2020 – a 1 percentage point decrease from 2019. This was as a result of learning and development (L&D) supporting the business by reallocating its budget to other areas that have been impacted by Covid-19. Another significant impact on training was the limited availability of learning content on virtual platforms from current training suppliers. The time taken for providers to switch to virtual training solutions affected delivery of training interventions, thus creating a knock-on effect for executed training interventions.

The study assistance programme encourages employees to improve their academic performance through part-time studies. In 2020, study assistance to the value of R176,437 was provided to eight employees. The Study Assistance Policy has been reviewed to ensure

it accommodates the changing needs of the business and employees. The new policy is more generous, and the division expects to see a higher intake in the coming year.

As a result of Covid-19 limitations, all leadership development programmes were halted in 2020, with the year being spent altering the training format to accommodate a virtual environment, ensuring that the programmes could safely recommence in 2021.

Corporate Services

The focus for 2020 was on online and virtual learning as a result of the pandemic, with a knock-on effect on wider training plans. At the same time as these new ways of training were being rolled out, the team had to ensure that development and training opportunities were nevertheless available to all employees. Corporate Services invested in a number of internal and external learning and development initiatives in support of its commitment to continuously develop employees, albeit virtually, and was able to adapt to a different norm.

Along with mandatory training, other focus areas such as bullying, harassment and victimisation, inclusive hiring and mental health training were introduced as part of their inclusion and diversity drive. Much emphasis was placed supporting all staff in relation to mental well-being and psychological safety, as well as on leading and being part of virtual teams. Other support included sessions on work-life balance, agility and resilience. We continue to encourage all employees to manage and direct their development in line with their career aspirations and encourage the use of Anglo American's e-learning platform *Learn+* for self-directed study.



Training officers Eric Beukes and Rowan Cloete test out the loader simulator at Kumba's Kolomela mine's training centre.



Virtual reality goggles worn by trainer supervisor – mining Le Roux Buckle are being implemented at the Kolomela training centre to train staff in areas such as vehicle pre-checks. A virtual vehicle is used in the virtual reality exercise, allowing the actual vehicles to operate in the field.

Use of augmented reality and virtual reality technology at Kumba's Kolomela mine

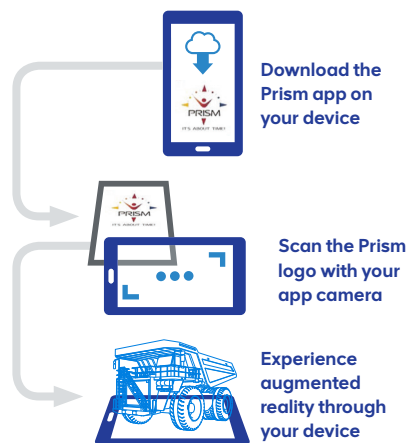
The adoption of new technology in the HRD domain is critical to ensure that training remains up to date with industry norms, as well as with Anglo American's digitalisation drive. We need to deliver training at scale to users who are increasingly technologically aware and willing and able to engage with new technology.

At Kumba's Kolomela mine, the team has been focusing on the need to provide consistently high-quality, high-impact training in a way that does not compromise safety or have a negative impact on operational production. With this at front of mind, and as part of the wider HRD digitalisation initiative, Kolomela has been developing training tools that use augmented reality (AR) and virtual reality (VR) technology.

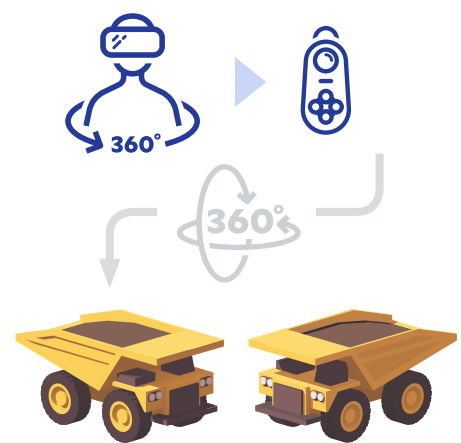
Among many others, one distinct advantage of using AR/VR technology for training is that digital platforms do not require actual operational equipment to be made available to HRD – so no equipment has been removed from operations and production. Deployment of AR/VR technology also increases learner safety when undertaking training in the field. Furthermore, training costs can be drastically reduced – there is no need to use physical equipment or machines.

By embracing AR and VR platforms, the Kolomela HRD team is now able to fully immerse learners in a safe and controlled learning environment that looks and feels real, and is not dependent on external conditions – all the while tracking and assessing progress and performance on an auditable system which can be used to review learner performance and identify areas for further development.

Augmented reality technology



Virtual reality technology



Minerals Education Trust Fund

The Minerals Education Trust Fund (METF) was founded in 1999 by the then Chamber of Mines (now, Minerals Council South Africa) with the intention of supporting quality tertiary undergraduate teaching in key minerals disciplines. Anglo American has supported the METF since its inception.

In 2020, the METF was able to support the salaries of 254 lecturers in geology, mining and metallurgy departments at nine South African universities – ultimately benefiting 4,471 students. Anglo American's funding of the METF has played a key role in allowing departments to attract and retain scarce technical skills in disciplines such as rock engineering, ventilation, ore evaluation and minerals processing.

Anglo American contribution levels for 2020 were based on the number of employees holding tertiary qualifications in mining engineering, metallurgical (extractive) or chemical (minerals processing) engineering, and geology from a South African university who are appointed to permanent roles in the company.

Contributions are not restricted to monetary values – we are involved in ongoing engagement with university departments to ensure their work aligns with industry priorities. This not only ensures a pipeline of high-quality graduates enters the industry (contributing to our long-term viability) but also makes a significant contribution to the growth of the South African economy.

Breakdown of contribution

	Total contribution (R million)
De Beers	2.0
PGMs	4.6
Kumba	3.3
Coal	6.3
Corporate Services	3.1
Total	19.3

Breakdown of academic staff supported

Field	Number of academic staff supported	Total contribution (R million)
Metallurgy/ Chemical engineering	44	6.1
Geology	35	5.1
Mining	17	8.1
Total	96	19.3

Anglo American South Africa's Education Programme

The Anglo American South Africa Education Programme forms a core part of our Sustainable Mining Plan, guiding education investment in host communities. It is aligned to the Department of Basic Education's current policy and strategy and implemented in partnership with them.

The Programme focuses on early childhood learning and a 'whole school' systemic approach to facilitate a significant positive impact on the educational outcomes of children in selected early childhood development (ECD) sites, primary and secondary schools located in communities local to Anglo American's South African operations.

A total of 109 schools and at least 100 ECD sites in three provinces are participating in the Programme as part of Phase 1. Phase 2 of the Programme, to be launched in 2022, seeks to support the addition of more than 100 schools and ECD sites. A partnership with the Sishen Iron Ore Company (SIOC) Community Development Trust provides additional funding that has allowed the Programme to support a further eight additional schools and nine ECD centres in the Thabazimbi area.

The challenges posed by Covid-19 in 2020 were met by the Programme team in a range of ways. One of these was the critical support provided to Grade 12 maths and physical science learners both while schools were closed and after they re-opened. During the lockdown periods, support was offered via established WhatsApp groups, with subject experts and tutors available seven days a week between 07:00–23:00 and data provided to facilitate access. Once schools re-opened, face-to-face tutor support was provided on weekday afternoons and on Saturdays. Struggling learners could also access additional Sunday support as exams approached.

Breakdown of academic staff supported

	No. of schools selected	No. of educators in selected schools	No. of learners in selected schools	Total expenditure (R million)
De Beers	25	361	18,254	12.0
PGMs (including SIOC CDT)	34	468	15,075	15.3
Kumba	26	572	16,393	12.6
Coal	24	739	23,896	14.8
Corporate Services	0	0	0	9.5
Total	109	2,140	73,618	64.4



✎ The Phillip Ndimande Secondary School in eMalahleni is one of the schools supported by the Education Programme.

Case study



PGMs' school project covers three technical high schools near the mine's operations in Limpopo. Featured here is Phaladingoe Technical High School in which PGMs invested nearly R7 million to renovate classrooms, upgrade the administration block, establish technical workshops and refurbish science laboratories.

The PGMs schools project

The socio-economic realities of the mine communities in which our partner technical schools are located are such that the majority of households are significantly affected by persistent poverty, inequality and unemployment. This means properly funded and targeted investment in the technical education provided through the PGMs schools project can do much to change that reality by promoting improved life-chances for beneficiaries and facilitating pathways to further study, which also supports the supply of a skilled and productive labour force.

In an effort to make meaningful investments that can positively contribute to growth of technical skills, the schools project is delivering a spectrum of variables in partnership with the Department of Basic Education and its three partner technical schools. These include investment in the practical machinery used in technical classrooms, basic infrastructure improvement to relieve classroom over-crowding, professional development of teachers to ensure relevant, quality, educational outcomes, and the success and achievement of learners.

Importantly, the partner-school model and related intervention solutions provide an evidence-based, 'fit for purpose', scaleable and replicable good-practice model, while addressing individual technical school needs and PGMs' broader industry supply requirements.

It was critical that the impact of Covid-19 and the associated lockdowns and restrictions on the 2020 Grade 12 classes participating in the schools project were mitigated and managed as far as possible. Working with stakeholders, the team made the decision that the academic support programme intervention should be migrated to manageable WhatsApp sessions. This enabled learners to continue to receive lessons and engage with exercises that they would otherwise have done in class and during extra-tutorial-support programmes.

After the critical stages of lockdown were relaxed, PGMs again collaborated with stakeholders to implement an exam-preparation incubation programme, which has been fruitful in addressing some of the challenges experienced in 2020. These included the loss of teaching time; the need to catch up on the syllabus within a short period; high levels of anxiety among learners about their performance in exams, given the disruptions; and poor attendance, for a range of reasons, by learners since schools re-opened. The average pass rate of the three schools was 91.1%, compared to 68.2% for Limpopo and 76.2% nationally.



Gobotse School is in one of PGMs' Der Brochen resource's neighbouring communities.



⌘ Johannes Mathebula and his family outside their house at Coal's housing project in Duvha Park, eMalaheni.

Housing and living conditions

Anglo American’s purpose extends beyond just the work we do – we are part of people’s lives and our employees and their families deserve quality housing and living conditions.

Alignment to the Sustainable Mining Plan


 **Healthy Environment**

 **Thriving Communities**


Mining Charter III targets

Mining Charter III encourages mining-right holders to improve housing and living conditions for mineworkers and to ensure that accommodation is consistent with the Housing and Living Conditions Standard for the Mining and Minerals Industry.


Alignment to the SDGs




6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES

Improving employees' quality of life

Making home ownership more attainable is part of the foundation for empowered and sustainable communities. Across our businesses, the focus is on making it possible for eligible employees to buy their own homes in areas near our mining operations.

We realise that our employees have diverse circumstances and preferences, and we cater to their needs by facilitating home-ownership options, providing housing allowances and, in some cases, loan subsidies, for eligible employees. In doing so, we know that partnerships with government, organised labour and third parties are essential in order to successfully implement our housing projects. We work closely with them in this regard.

To build thriving communities, our housing projects also consider infrastructure needs and include the provision of roads, electricity, water supply, and sewerage. We invest in a portion of the bulk services for property development and, in return, receive discounted building packages that we can pass on to employees.

Housing performance in 2020

	De Beers	PGMs	Kumba	Coal	Anglo American
Total housing expenditure (R million)	22	485	499	479	1,485
Number of employees residing in company-provided accommodation	450	4,359	3,578	136	8,523
Number of houses built	0	0	0	0	0
Cumulative number of houses built as at end December 2020	–	677	3,628	396	4,701

Improving housing and living conditions – a five-year view

	2020	2019	2018	2017	2016	Anglo American
Number of houses built	0	0	2	14	33	49
Total expenditure (including houses and services) (R million)	1,485	1,622	1,505	1,663	1,572	7,847
Number of employees in company accommodation	8,523	8,589	7,777	9,440	9,362	43,691

Our performance

By the end of 2014, all Anglo American's businesses had met the 2010 Mining Charter targets to convert all traditional mining hostels into single or family units, with a one-person-per-room occupancy rate in single accommodation.

The promotion of home ownership has yielded positive results. Over the past five years, the number of employees residing in company accommodation has decreased, from 10,430 in 2015 to 8,523 by the end of 2020. Affordability, however, continues to present a challenge for many employees who are heavily indebted and do not qualify for mortgage agreements or rent-to-buy options. We are working with our employees to improve their finances and offer extensive debt-relief solutions and financial literacy programmes.

[See indebtedness case study on the following page](#)

The Housing and Living Conditions Standards were revised towards the end of 2019 and now stipulate:

- that mining companies must review living-out allowances for employees not living in decent accommodation
- extending housing and home-ownership aid to contractors
- that housing and living conditions plans must be submitted to the DMRE
- that mining companies provide housing assistance at employees' place of origin.

In 2020, each of our businesses submitted their housing and living conditions plans to the DMRE ahead of the December deadline.

Case study



⤴ Mayfan Saal is a Summit consultant employed at Kumba's Sishen mine to give financial advice and counseling to employees.

Overcoming indebtedness in the face of Covid-19

Across Anglo American's businesses, housing programmes have delivered houses to 4,701 employees and initiatives aimed at facilitating the ownership of affordable homes are well advanced. We are acutely aware, however, that many people in South Africa earn too much to qualify for state housing subsidies, but not enough to qualify for a mortgage. This is one of the major barriers to home ownership. Indebtedness is also a critical issue and one of the main factors preventing employees from qualifying for a mortgage. In fact, high levels of employee indebtedness remain an ongoing concern across the mining industry.

For this reason, over the past seven years, much has been done to implement plans to deal with debt, and to provide financial literacy and planning programmes in partnership with Summit Financial Partners, a company that provides professional, confidential financial wellness services. Summit consultants are stationed at operations and develop personalised debt-relief programmes for each employee they consult with. This forms just one part of our commitment to investing in our employees.

The biggest challenge in addressing indebtedness during 2020 was the impact of Covid-19, as household income was hit and job security threatened. This was compounded by the inability to physically interact with employees owing to the various levels of lockdown and restrictions placed on movement.

In response, Anglo American's financial well-being programme remains focused on improving employees' financial health status

through virtual services to ensure easy access to financial well-being services; increasing onsite visibility to ensure more face-to-face consultations (in line with Covid-19 guidelines) and re-implementing financial literacy awareness sessions.

These ongoing interventions have led to tangible results for employees. For Malusi Mokwatlo, who works at PGMs' Mogalakwena concentrator, being part of the Nkululeko indebtedness programme has led to his monthly debt payments being reduced by 101%. Prior to this, he was trapped in a debt spiral. He says, "I was struggling to repay my accounts; now the financial burden is reduced, I can manage to support my family."

Gerrit Louw, a critical-monitoring operator from Kumba, had found himself overly in debt and found financial relief from Summit, which helped him reduce his monthly debt commitments from R8,859 to R5,903.

De Beers continued to work with Synrec to monitor, verify and reduce garnishee orders, but because of limited access to employees and the impacts of Covid-19 physical distancing, the company was unable to provide further financial training and interventions to address the indebtedness challenges at its operations during 2020.

Shared Services has been working with Summit since 2018 to help steer Shared Services' employees towards financial wellness. During 2020, 218 employees accessed Summit's services – including 36 on the new digital platform.

De Beers

For De Beers, improving living conditions helps to shape the future of its employees. Making home ownership more attainable is part of the foundation of empowered and sustainable communities. In 2020, the company spent R6.9 million on housing for its employees. An additional R15.3 million was paid to employees as housing, water and electricity allowances, although facilitating home ownership is the company's preferred means of providing decent accommodation to employees.

De Beers provides company housing to 450 skilled employees working at the Venetia mine in Limpopo. Company accommodation is not provided for semi-skilled employees, who form part of De Beers' Facilitated Home Ownership Programme.

Launched in 2015, the programme currently caters for employees earning less than R35,000 a month at the Venetia mine. Participating employees may access the programme to either build a new home, renovate their existing home or complete partially built houses. At the end of 2020, 143 of the 225 participants were paid grants totalling R2.9 million.

Facilitated Home Ownership Programme status

Grant investment (De Beers Consolidated Mines – DBCM)*

Number of employees who benefited from home ownership grant

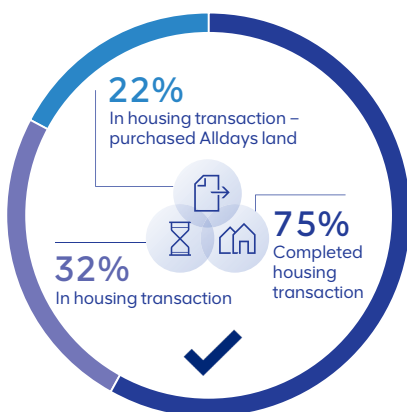
111 employees

Amount of grant applied into housing transactions

R11.1 million

* DBCM refers to the grants that were paid from the start of the programme up to December 2019

Transaction types: completed



Buy a house in secondary market

1 person

New build on own land

5 people

Complete half-build house

30 people

Upgrade/rectification

39 people

Highlights of De Beers' Facilitated Home Ownership Programme

Over the years, the home-ownership programme has helped many employees to either build a new home, renovate their existing home or complete partially built houses with a grant of R125,000.



⌘ Duncan Tlharaka used the money to complete his house, adding a roof, doors and tiling the floors.



⌘ Vusani Netshisaulu used her grant to fix and renovate her house in Musina.



⌘ Jape Moswana was able to add a kitchen with cupboards and a built-in stove, cupboards to the bedroom, an air-conditioning unit, and tile his house, with his grant.



83

Endorsed but not in housing transaction yet

17

New enrolments in advisory process

154

No longer on housing programme anymore

127

Preparing for housing transaction, in progress or completed

17

Advisory process under way

121

Partial completion and advisory process

14

Not eligible

12

Withdrew

7

Withdrew after endorsement

Housing and living conditions

The company also facilitated the potential purchase of 50 serviced stands in Alldays in order to improve access to affordable serviced stands around the Venetia mine and improve uptake of the scheme. 17 employees used part of their home-ownership grants to each purchase one of these stands and will be able to start building their homes as soon as their building plans have been approved.

Venetia mine's housing policy has been incorporated into the Housing and Living Conditions Plan.

It comprises five components:

- A housing allowance provided to all employees who form part of the bargaining unit
- A one-off home-ownership grant to all qualifying employees to purchase, build or renovate a house
- Home-ownership advice and transactional support
- Creditworthiness support for employees who are over-indebted
- Access to serviced sites by working together with the relevant local municipalities.

PGMs

The company's strategy is based on supplying decent accommodation to employees in need in the short term, and on keeping company accommodation as a measure to attract and retain skilled employees in the long term.

The need for short-term accommodation will reduce over time as more employees choose home ownership and as PGMs' efforts to provide financial and development aid make home ownership more affordable for employees. Continued ownership development aid is central to the company's efforts in 2021.

With regards to the new Housing and Living Conditions Standards, PGMs agreed to a consultative process with the DMRE in 2020, starting with an agreement between labour and management on what constitutes decent living conditions, and then moving on to assessing qualifying and non-qualifying employees.

The company is also reviewing all contracts to ensure contractors assist its employees in gaining access to decent accommodation.

In terms of providing housing assistance to employees at their place of origin, PGMs has resolved to aid employees with bonded

loan applications, sourcing government assistance and accessing pension-backed loans.

Despite progress made, PGMs faced a number of challenges during 2020, including invasions and occupation of its vacant land intended for housing, as well as the increasing cost of housing and land development. Limiting the number of vacant land holdings and considering financial aid as a safer and more affordable choice are options being investigated.

Kumba

Kumba provides a housing allowance to employees on a monthly basis and assists in the form of a bond subsidy/home-loan subsidy for first-time homeowners. The company supports home ownership through facilitated housing units and renting subsidised rental units to employees who qualify. In 2020, additional houses were rented in Owendale and Danielskuil to accommodate more employees working at Kolomela. Kumba provides company transport for these employees to travel to and from work on a daily basis. There were no new applications during the year for the bond-subsidy scheme, owing to lack of availability and affordability. This is an ongoing challenge in the Northern Cape, as accommodation is extremely scarce and expensive in the region; Kumba's newly transformed housing strategy aims to address this over time.

Coal

Coal's long-term goal is for all employees to live in their own, sustainable accommodation. With the benefit of monthly housing allowances that are in line with current market conditions, employees are encouraged to choose home ownership. As a result, at the end of 2020, 96% of employees lived in their own accommodation.

The company is also doing away with its company accommodation and all vacant houses are being sold to employees. In 2020, 15 vacant houses were sold to employees. Employees currently living in company houses are also showing interest in buying the houses and 13 were sold to employees during the year.

Coal is also administering the rent-to-buy option, as an alternative to a regular mortgage agreement, for those employees who do not qualify for a home loan. This option is subject to an affordability assessment and four employees were approved for the scheme in 2020.

Progress, however, has been slow because many employees are heavily indebted and do not qualify for either a mortgage or the rent-to-buy option. Coal has contracted Summit Financial Services to help employees improve their finances.

Progress in addressing employee indebtedness

Business unit	Number of employees signed up for indebtedness programmes (Nkululeko or other)	Number and % of employees who signed debt-relief solution (includes all solutions implemented) ¹	Collective saving achieved through reduced debt instalments ²	Collective saving achieved through loan audits (R million)	Total savings in Capitec rescheduling (R million)	Total amount saved and refunded to employees by auditing administration and irregularities (Obtained from Qlink)	Number of garnishee orders reduced	Number of employees attending financial training
De Beers	N/A	N/A	30,500	N/A	N/A	27,500	N/A	N/A
PGMs	1,361	491 (36.1%)	31,562,160	790,031	110,318	485,694	60	1,793
Kumba	647 (onsite) 20 (digital and call centre)	167 (25.0%)	17,107,200	138,816	37,031	626,538	58	460
Coal	478	162 (33.9%)	10,532,220	397,505	91,993	83,003	7	0
Shared Services	36	8	82,908	25,955	N/A	4,366	1	148
Total	2,542	828 (37.7%)	59,314,988	1,352,307	239,342	1,227,101	126	2,401

¹ Assisting employees who could not afford their debt repayments by providing them with reduced instalments and/or challenging irregularities on their loan agreements or orders, resulting in refunds or savings.

² Employees overcharged as a result of inflated interest rates have been refunded accordingly, supplementing their disposable income to spend on living expenses.



⌘ Greenside colliery metallurgy professional in training Pilwane Matlala inspecting flow meters on filter press machines at the coal beneficiation plant.

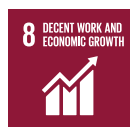
Beneficiation

The beneficiation of minerals is the process by which a primary material produced by mining is transformed into a higher-value, more processed or more finished item. The more processing levels the material goes through, the more the value of the product increases.

Alignment to the Sustainable Mining Plan



Alignment to the SDGs



Transforming our minerals

Beneficiation processes range from the basic treatment of a raw material through to final-stage processes such as the manufacture of electronics components or jewellery.

Often, such processes deliver a product aimed at the export market, as its export-sales value is far higher than could be fetched locally.

South Africa's approach to minerals beneficiation is guided by the Department of Mineral Resources and Energy's 2011 beneficiation policy, which aims to move South Africa from being a producer of raw materials that are processed and beneficiated elsewhere, resulting in limited local returns further down the value chain, to one whose beneficiation value chain makes a significant positive impact on the economy and facilitates job creation. The policy also acknowledges the role that beneficiation can play in empowering historically disadvantaged persons (HDPs) and fostering entrepreneurship.

For Anglo American, it is these indirect benefits that allow us to contribute to and support local economic development. Each of our businesses focus on identifying and pursuing beneficiation opportunities that are economically viable, cost-effective, and produce the maximum possible benefits for all our shareholders and our community stakeholders. They also look to transform the by-products of our industry into economically viable resources wherever possible.

Although beneficiation is often seen as being focussed on the production of down-stream end-products suitable for the relevant markets, Anglo American's focus is substantially on upstream beneficiation, processing products to enter the value chain at an earlier point in the process. In this context, De Beers is an exception, beneficiating to end-product state. PGMs are also involved in side-stream beneficiation by facilitating market development in the jewellery, auto catalysts and energy sectors.

Anglo American is also responding to challenges facing beneficiation in South Africa, and supporting government and the rest of the industry in their efforts to do the same. This means that our approach to beneficiation focuses on working together with stakeholders in addition to researching, developing and implementing new technologies and building new skills.

De Beers

Beneficiation core to De Beers' business model

In implementing sustainable beneficiation, De Beers Group aligns its strategy to government's imperatives of sustainable growth and employment in the downstream diamond industry in South Africa. It is in this regard that the company's strategic beneficiation objective is to "Implement initiatives that are aligned and are confirmed by government to be supporting it in addressing some or all of the inhibitors for achieving its beneficiation objectives."

In playing its part to address the decline in the sector, De Beers is focusing its efforts on the following areas; training and development, supplying rough diamonds for local cutting and polishing and facilitating jewellery design and manufacture.

Training and development

In 1999, working in partnership with the Diamond Manufacturers Association of South Africa, De Beers established the Harry Oppenheimer Diamond Training School. Today, the school is an internationally recognised educational institution, providing specialised training in diamond cutting and polishing, and evaluation.

Following on this success and with Kimberley being the birthplace of De Beers, in 2011, the company, working in partnership with the Northern Cape Provincial Government, launched the Kimberley International Diamond and Jewellery Academy (KIDJA). Since inception, KIDJA has trained 500 students, and about 90 of them are students living with disabilities. Annually, De Beers also provides bursaries to disadvantaged learners who register at KIDJA for diamond cutting and polishing, and rough valuation courses.



^ This diamond pendant is Malefa Phoofole's winning design for the 2018/2019 Shining Light Awards.

Facilitating jewellery design and manufacture

De Beers' Shining Light Awards (SLA) competition is held every two years. Recently, the competition has moved away from being a jewellery design competition to a youth skills enablement initiative focused on celebrating and capacitating jewellery design talent found in De Beers' diamond producer countries.

The SLA is a tangible representation of De Beers' youth beneficiation strategy and focuses on creating an enabling environment for growth, skills transfer, entrepreneurship, global experiences and mentorship in the jewellery design sector for young aspiring jewellery designers.

To ensure the viability of the SLA during the Covid-19 restrictions, De Beers' operations in each country delivered a virtual roadshow in partnership with in-country training institutions to inform, inspire and engage youth on the 2020/2021 SLA.



➤ A Hydrogen Fuel Cell Electric Vehicle

Supplying rough diamonds for the local beneficiation

Providing a consistent and predictable supply of rough diamonds to its clients, referred to as Sightholders, has been core to ensuring the sustainability of local cutting and polishing factories and maintaining jobs within the local beneficiation sector. Sightholders employ approximately 80% of the cutters and polishers in South Africa.

In 2015, De Beers Group introduced a new customer category, Accredited Buyers, to create an opportunity for beneficiators, who are not as yet Sightholders, to access rough diamonds from De Beers Group on an *ad hoc* basis. In time, Accredited Buyers may apply to be Sightholders.

The company continues to supply the State Diamond Trader (SDT) with up to 10% of its South African production as per the legislative requirements. The production supplied to the SDT is important for the continued supply of rough diamonds to the local secondary beneficiation industry.

Driving beneficiation through enterprise development

De Beers Group welcomed the second intake of five diamond polishing and jewellery manufacturing companies that will participate in its Enterprise Development Project for Diamond Beneficiators.

Launched in 2016, the project aims to facilitate the growth and transformation of the diamond beneficiation sector in South Africa, with a holistic approach that seeks to optimise interventions in all aspects of the diamond pipeline from rough diamond purchasing, state-of-the-art manufacturing of diamonds and jewellery to marketing and distribution.

The five companies, which specialise in cutting and polishing of diamonds, precious metals refining and jewellery making include; B&H Mining, Irresistible Rough Diamonds, Isabella Jewellers, Outclass Crystallized Gems, and Sunrise Gemstone. Of these companies, four have beneficiation licences; one has a jeweller's permit and precious metals refining licence; two are 100% African-female-owned; with, overall, three female owned, and one is based in Kimberley.

PGMs

Growing demand for PGMs is a strategic priority. One of the pillars underpinning the business's downstream beneficiation strategy is its approach to market development. By developing and encouraging new end-user applications and working with partners worldwide, this provides a framework to rapidly shape and kick-start the new initiatives needed to facilitate both near- and long-term demand. This goes on to facilitate job creation for our local mine communities. Today, PGMs' Market Development team has a broad ecosystem of programmes nurturing opportunities from the spark of an idea showing potential, through commercialisation to engineering and sustaining scale.

Nurturing ideas

Early-stage development programme includes venture-led research and venture building that aims to co-create ventures through strategic external collaboration. This allows PGM Market Development to regularly discover and cultivate promising demand prospects by connecting opportunities with talent and capital at a global level, and subsequently progressing proven commercially feasible propositions ready for additional investment and scaling. Examples of this work include:

- **Creating next-generation PGM-enabled battery technologies**

Anglo American Platinum and Platinum Group Metals (PTMs) created Lion Battery Technologies to jointly fund a research group based at Florida International University in the US that is developing next-generation Li-air and Li-sulfur battery technology that uses platinum and palladium. Li-sulfur and Li-air chemistries have power densities far superior to today's best-in-class technologies. But, so far, neither of the two chemistries has achieved the cycle life needed to make a commercial product. Adding PGMs to the chemistries aims to address this issue.

- **Mitigating pollution from industrial waste-gas streams**

PGM Market Development has partnered with Eastern China University of Science and Technology to launch Yibai Environmental Protection Technologies (Yibai). Yibai is working to progress the development of a platinum photocatalyst used to reduce pollution from industrial waste-gas streams. The technology is well placed to meet growing demand from industry seeking solutions to ensure compliance with increasingly stringent emissions legislation.

Commercialising concepts

Shaping new demand opportunities and scaling new business models and technology ventures requires a robust and comprehensive continuum of capital. The business continues to invest directly in select opportunities with PGMs at their core, including via AP Ventures LLP and remains invested in AP Ventures LLP, a venture capital initiative that was launched in 2018 by Anglo American Platinum in partnership with the PIC, and subsequently with other major partners joining.

- **Accelerating the development and adoption of new PGM alloys**

PGM Market Development is growing its partnership with Alloyed (formerly OxMet Technologies) to accelerate the development and adoption of new PGM alloy compositions for use in diverse applications. The PGM computational platform developed under the programme is now able to predict the performance of thousands of PGM alloy formulations simultaneously, accelerating the discovery of new alloy compositions that use PGMs to address specific market needs.

Beneficiation

- **PGMs to minimise food waste and loss**

A joint venture in partnership with Japan's Furuya Metal Co. Ltd was launched to develop and commercialise a low-temperature PGM-containing catalyst that maintains food freshness and extends the shelf life of perishable goods. Applications include direct use in household refrigerators, food retail stores, and food transport and logistics.

- **AP Ventures**

In 2020, two new strategic partners, Sumitomo Corporation and Impala Platinum, invested in AP Ventures, joining the five existing limited partners. These investments, from major global organisations continue to validate the market development approach and secure AP Ventures' position as the premier hydrogen and fuel-cell-focused venture-capital fund globally.

Engineering growth

PGMs actively enables and scales-up the adoption of existing technologies and products. Its strategic partners offer a global footprint and network to amplify knowledge and increase end-user affinity for platinum group metals.

Spearheading the creation of hydrogen freight corridors

Heavy-duty, high-utilisation applications, such as heavy-duty trucks and buses, are perfect-use cases for hydrogen and fuel cells and can be competitive with existing alternatives under the right conditions. The business has helped to create consortia of strategic industry partners to promote the development of hydrogen freight corridors in key geographies such as South Africa and the United Kingdom. These initiatives are designed to accelerate the uptake of heavy-duty fuel cell vehicles by aggregating end-user demand and then aligning the development of requisite hydrogen refuelling infrastructure, thereby creating the opportunity for local industry and supply chain development.

Jewellery market development

Jewellery market development is conducted both directly and through Anglo American Platinum's partnership with Platinum Guild International (PGI). Initiatives in China, Japan and the US markets are co-funded together with a select group of other primary PGM producers in South Africa. The jewellery market development work in India is funded exclusively by Anglo American Platinum.

- **South Africa**

In 2020, the 21st Annual PlatAfrica Jewellery Design & Manufacturing Awards partnered with African Fashion International (AFI), in addition to Anglo American Platinum's longstanding partnerships with PGI

India and Metal Concentrators, to achieve a number of firsts: the first men's platinum jewellery collection, the inaugural inclusion of PlatAfrica in AFI Joburg Fashion Week; the first digital production of the PlatAfrica awards showcase, and the launch of online stores for the full 2020 collection through PGMs' strategic partners, AFI and Metal Concentrators.

- **China**

Platinum jewellery sales have experienced a strong recovery, thanks in large part to the effective control of the Covid-19 pandemic from the second quarter of 2020. PGI also supported market recovery by extending support to the industry. PGI continues its work to research and develop alloys and technologies to improve platinum's cost competitiveness and suitability for gem-set jewellery.

- **India**

In a market severely disrupted by an extended lockdown, PGI aimed to maintain platinum's salience and relevance amongst consumers. A partnership with Oxfam India, aimed at driving consumers into stores stocked with new designs at more affordable price points, resulted in the donation of relief packages to 4,500 families of migrant workers who depend upon the jewellery industry for a living and whose lives have been severely disrupted.

- **Japan**

PGI sustained the business throughout a disrupted year with various initiatives, including a focus on investment jewellery, while the metal-only Hello Me, Platinum collection, launched in 2019, was expanded to over 75 stores. PGI also launched Platinum Woman to reposition platinum to younger consumers.

- **USA**

Platinum jewellery sales improved from the third quarter, when business resumed, driven by a strong growth in platinum's core market of higher-ticket bridal and diamond jewellery. PGI also experienced a significant increase in requests for support from retailers seeking to capitalise on the more accessible platinum price and PGI's Platinum Crown.

Investment demand

Activities to create investment demand are undertaken by the industry-funded World Platinum Investment Council (WPIC). In 2020, the WPIC gained further momentum, expanding to 18 active, ounce-producing product partnerships by year-end, and growing research insight distribution to investors globally. In addition, local South African PGM producer, Sedibelo Platinum, joined as a new member and funder of the WPIC from the third quarter of the year.



⌘ PlatAfrica Jewellery Design & Manufacturing Awards is hosted annually by PGMs, in partnership with PGI India & Metal Concentrators. This year, with AFI as a new partner, saw the introduction of a men's platinum jewellery collection.

Beneficiation

Communicating and advocating

PGM Market Development's proactive advocacy and communications programme assists in creating new opportunities and forging meaningful relationships by engaging key audiences; the programme underpins all strands of the business's market-development activity.

Global advocacy activities continued to make an impact in creating conducive policy environments for hydrogen and fuel cell technologies in the major early-adopter markets of China, the EU, United Kingdom and the US. This work involves actively participating in several industry associations, including the global Hydrogen Council, to whose board Anglo American's chief executive, Mark Cutifani, was appointed in 2020.

Kumba

Kumba is one of the largest haematite ore producers in the world to beneficiate its run-of-mine (ROM) material before marketing it as a niche high-grade product. The beneficiation process involves upgrading the element of interest and removing unwanted gangue (waste) material before further processing stages. Kumba predominantly utilises dense media separation (DMS), jigging (JIG) and new ultra high-dense media separation (UHDMS) processing techniques to upgrade mined iron ore.

Kumba has a long-term strategy to utilise the latest technologies to enhance the beneficiation of current resources and future low-grade resources at both of its mines, increasing production from existing resources and extending their life of mine.

Sishen mine produces around 30 million tonnes per annum (Mtpa) of high-grade products through beneficiating 100% of all of its run-of-mine material. It employs three different beneficiation methods, with each technology optimised to treat the specific characteristics of its dedicated feed stream. Kolomela mine produces around 14 million tonnes per annum (Mtpa) of high-grade iron ore product from its Postmasburg operations.

In 2020, Kumba produced 37.0 Mt of product for the market. The lump ratio was maintained at 69%.

Kumba has the capability to supply up to 6.25 Mtpa of iron ore (approximately 15% of total supply) to the local market through a long-term cost-plus sales agreement with ArcelorMittal South Africa (AMSA). Under this agreement, iron ore can be supplied at a price that is capped and calculated according to the Sishen export-parity price at the mine gate. In 2020, Kumba supplied AMSA with 0.4 Mt of iron ore (around 1% of total production).

Beneficiation technology

Kumba follows a strategy based on the development and use of new technologies that will expand its potential to maximise resource utilisation. This will enable the company to improve its processing and cost efficiency, reduce mining costs and maximise its resource utilisation in a safe manner. In 2020, Kumba spent R180 million on technology development, including beneficiation.

Advances in beneficiation

The Sishen project to upgrade from DMS to the new UHDMS processing technique is progressing well and will enable the Sishen DMS to reduce cut-off grade from 58% Fe to 40% Fe, thereby maximising resource utilisation.

Coal

The primary beneficiation focus of Coal is to facilitate the development of technologies that mitigate the downstream impacts of its product through the reduction of carbon emissions related to coal consumption. This is particularly important in the face of climate change and the pressing need for climate warming to be limited to 1.5°C in line with the goals of the Paris Agreement.

Innovation, research and development projects

Coal facilitates research into and the development of clean-coal technologies and transition pathways through its active membership and support of various key organisations.

Two technologies are believed to have the greatest potential impact in terms of reducing the emissions from the downstream use of coal.



At Greenside colliery, Coal has installed a 90 Kw grid-tied solar farm. The plant produces enough energy to power all the surface offices at the mine.

These are high-efficiency, low-emission coal combustion technology and carbon capture and storage.

To this end, in 2020, Coal was involved in the development of the following research reports:

- A pathway to reducing emissions from coal power in India (by the International Energy Agency's Clean Coal Centre (IEACCC) on behalf of the Coal Industry Advisory Board (CIAB))
- Carbon capture, utilisation and storage: status, barriers and potential
- The high-efficiency, low emission roadmap
- Carbon prices and their impact on coal power
- Uses for coal fly-ash
- Increasing the efficiency of pulverised coal-fired power plants.

Coal continued to supply weathered coal for the production of a specialised humic acid-based fertiliser, with roughly 2,000 tonnes supplied in 2020. Gypsum waste produced at the eMalaheni water-reclamation plant continues to be used in the agricultural industry for soil amelioration following extensive trials in collaboration with the Department of Environmental Affairs.

Coal is a supporter and active participant of Coaltech, an industry-wide collaborative research initiative exploring technologies and approaches to develop the local coal industry and maximise the economic opportunities for coal as a resource.

The beneficiation-related projects completed during 2020 include:

- Comprehensive literature study on the use of coal discards
- Fine-coal beneficiation with a Knelson concentrator
- Purchase and erection of a Sepair dry-treatment pilot plant
- Brine treatment with a Saltech DyVar pilot plant.

Re-imagining mining to improve people's lives



"As Anglo American, we are committed to make a real contribution not just to transforming within the organisation, or having an impact on our communities, but to continue contributing to transformation in South Africa."

Lindiwe Zikhali

Head of Transformation and Regulatory Affairs

The question we at Anglo American must always ask ourselves in assessing our progress is how our transformation work is felt and received by our stakeholders. It is not enough to say that "we are transforming", or to limit our reporting to the pillars of the Mining Charter, critical though that is as a tool for holding us accountable.

We make sure that we do not limit our thinking and understanding about what transformation is and what it entails. At Anglo American, we focus on the bigger picture..

At Anglo American we are committed to make a real contribution not just to transforming within the organisation, or having an impact on our communities, but to continue contributing to transformation in South Africa.

I was pleasantly surprised – given the global disruption wrought by Covid-19 – by just how well we performed on our transformation targets in 2020. So much work was done, notwithstanding how much harder it became, and the disruption was not used as an excuse not to achieve our targets. It was a difficult year, yes, but we marched on nevertheless and made a meaningful impact.

I especially want to recognise the work of the teams who pivoted from their usual roles to design, launch and run the WeCare programme – the medical teams, corporate relations teams, supply chain teams and many others – who have quite literally performed miracles over the last year. We are able to continue to work, and reach our goals and more, notwithstanding the different circumstances. And the WeCare team helped to make that possible in 2020.

I also want to commend the team at Coal for their significant employment equity progress last year. Their substantial tranche of internal promotions signals massive progress towards equitable representation in the workplace and demonstrates the translation of skills development and education programmes into equity progression.

Looking ahead, we must also always ask ourselves what more we can do. In truth, there is so much still to be done. We need to further explore what transformation means in broader terms. We need to better understand what it looks like to transform the communities where we operate – to leave them in a better position than they were previously. We need to understand how we can make transformation felt at a far wider level – beyond the immediacy of the company and the community. And we need to ensure that our transformation initiatives are developed in partnership with our stakeholders – even if that may result in longer timelines.

At its heart, transformation – especially in South Africa – is about justice. This is what we are committed to – to doing our part as a company to ensure justice and equity. Everything we do, as an organisation, to transform ourselves, our communities, and our country, is tied back to the heart of Anglo American – our Purpose, of *re-imagining mining to improve people's lives*.

Finally I want to thank all the colleagues who contributed to this report.

Lindiwe Zikhali

Head of Transformation and Regulatory Affairs

Glossary

ACSSA	Anglo Corporate Services South Africa	ECD	Early Childhood Development
AFI	African Fashion International	ESOP	Employee Share Ownership Plan
AMSA	ArcelorMittal South Africa	Exco	Executive committee
AP Ventures LLP	Established as an independent venture capital fund, subscribed by Anglo American Platinum and Public Investment Corporation	GBV	Gender Based Violence
AR	Augmented Reality	HDP	Historically disadvantaged person
BEE	Black Economic Empowerment	HRD	Human resource development
B-BBEE	Broad-based Black Economic Empowerment	HSE	Health, safety and environment
BHV	Bullying, Harassment and Victimisation	ICT	Information and Communications Technology
CEO	Chief Executive Officer	IDC	Industrial Development Corporation
CEF	Community Engagement Forum	IEACCC	International Energy Agency's Clean Coal Centre
CFO	Chief Financial Officer	IDP	Integrated Development Plan
CIAB	Coal Industry Advisory Board	IDPD	International Day of People living with Disabilities
CRD	Collaborative Regional Development	ISO	International Organization for Standardization
CRP	Community Response Action Plan	JSE	Johannesburg Stock Exchange
CSI	Corporate Social Investment	KEC	KELE Engineering and Construction
CSIR	Council for Scientific and Industrial Research	KET	De Beers Key Employee Trust
COIDA	Compensation for Occupational Injuries and Diseases Act	KIDJA	Kimberley International Diamond and Jewellery Academy
CoGTA	Cooperative Governance and Traditional Affairs	Kumba	Kumba Iron Ore
DBCM	De Beers Consolidated Mines	L&D	Learning and Development
DMRE	Department of Mineral Resources and Energy	LED	Local Economic Development
DMS	Dense media separation	LGBTQI+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex
DST	Department of Science and Technology	LLRT	Lefa La Rona Trust
EAP	Economically active population	METF	Minerals Education Trust Fund
EAT	Equal Allocation Trust	Mining Charter	Broad-Based Black Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry

Glossary

MCDP	Municipal Capacity Development Programme	ROM	Run of mine
MOU	Memorandum of Understanding	SABS	South African Bureau of Standards
MQA	Mining Qualifications Authority	SADC	Southern African Development Community
MPRDA	Mineral and Petroleum Resources Development Act	SAP	Systems Application and Products
Mtpa	Million tonnes per annum	SARS	South African Revenue Service
NGOs	Non-Governmental Organisations	SDGs	Sustainable Development Goals
NPC	Non-profit company	SED	Small Enterprise Development
NVF	National Vendor Financing	SEDA	Small Enterprise Development Agency
OEM	Original Equipment Manufacturer	SIOC	Sishen Iron Ore Company
PGI	Platinum Guild International	SLA	Shining Light Awards
PGMs	Anglo American Platinum	SLP	Social and Labour Plan
PGI	Platinum Guild International	SMME	Small, medium and micro enterprise
PIC	Public Investment Corporation	UGM Wellness clinic	Ulysses Gogi Modise Wellness Clinic at Kathu
PPE	Personal Protective Equipment	UHDMS	Ultra-high dense media separation
RBP	Royal Bafokeng Platinum	UIF	Unemployment Insurance Fund
R&D	Research and Development	UN	United Nations
RFI	Request for Information	VR	Virtual Reality
		WPIC	World Platinum Investment Council

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