

**RE-IMAGINING
MINING TO
IMPROVE
PEOPLE'S LIVES**

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This is Anglo American's clear and guiding Purpose, closely aligned with our longstanding reputation as a leader in sustainable mining and with the billions of people who rely on our products every day. At Anglo American, we are working to make a sustainable future a reality – combining integrity, creativity and smart innovation with the utmost consideration for all our stakeholders.

We are focused on enhancing the quality of our business through the disciplined allocation of capital, while staying attuned to the demands and expectations of our changing world, so that we grow our business safely, sustainably and responsibly, for the benefit of all.



Cover Images

1. Drone view of reforestation project at Nickel's Codemin operation in Niquelândia, Brazil.
2. Employees at Kumba's Kolomela mine in South Africa on Global Safety Day – a Groupwide programme to create a workplace that is injury and fatality free.
3. Students at Soy Técnico, an education facility supported by our Los Bronces copper mine in Chile to foster technical and professional education.
4. Nearby PGMs' Mogalakwena mine in South Africa, this farm and training centre at Groenfontein offers agricultural courses to local communities.
5. World AIDS Day campaign in partnership with UNAIDS to promote HIV testing.

Other sources of information More information about sustainability at Anglo American, including an Excel download of our sustainability data, business unit sustainability reports, and historical reports, can be found in our Integrated Annual Report and online at: angloamerican.com

- [Anglo American newsfeeds](#)
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PURPOSE AND SCOPE OF THIS REPORT

This report is produced to provide our stakeholders with a transparent account of how we addressed the most material sustainability issues our company faced during 2019.

The report is aimed at those who work for us, non-governmental organisations, investors, customers, businesses and governments. Several additional mechanisms are in place to ensure that we engage meaningfully with local stakeholder groups on matters that are of specific interest to them. Individual business unit reports are published annually for the De Beers, Platinum Group Metals, Copper and Kumba Iron Ore businesses, and provide greater detail on performance. These are available on the Anglo American website. The Anglo American Integrated Annual Report includes additional information about the management, operations and financial performance of the Group.

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

Scope of the report

The Sustainability Report covers companies, subsidiaries and joint ventures over which the Anglo American Group has management control or acts as operator. It does not include independently managed operations, such as Cerrejón, Collahuasi and Samancor, unless specifically stipulated where there have significant incidents. It also excludes De Beers' non-managed joint operations in Namibia and Botswana from our reporting scope, unless specifically stipulated in the reporting.

References to Anglo American plc

In this report, references to "Anglo American", the "Anglo American Group", the "Group", "we", "us", and "our" are to refer to either Anglo American plc and its subsidiaries and/or those who work for them generally, or where it is not necessary to refer to a particular entity, entities or persons.

The use of those generic terms is for convenience only, and is in no way indicative of how the Anglo American Group or any entity within it is structured, managed or controlled. Anglo American produces Groupwide policies and procedures to ensure uniform practices and standardisation across the Group, but is not responsible for the day-to-day implementation of such policies which constitute prescribed minimum standards only. Group operating subsidiaries are responsible for adapting those policies and procedures to reflect local conditions where appropriate, and for implementation, oversight and monitoring within their specific businesses.

Anglo American subsidiaries, and their management, are responsible for their own day-to-day operations, including, but not limited to, securing and maintaining all relevant licences and permits, operational adaptation and implementation of Group policies, management, training and any applicable local grievance mechanisms.

Assurance and basis of preparation

PricewaterhouseCoopers (PwC) has provided independent assurance over selected sustainability key performance indicators, and on our statement on compliance with the International Council on Mining and Metals (ICMM) Sustainable Development Framework Principles and reporting requirements.

The basis of preparation of this report takes into account guidance from the ICMM Sustainable Development Framework, the Global Reporting Initiative (GRI) Standards and related Mining and Metals Supplement, the EU Non-Financial Disclosure Directive, the UN Global Compact Reporting Framework and the UN Guiding Principles Reporting Framework.

Forward-looking statements

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

Units used in this report

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

Our values



Safety

We give our all to eliminating injuries because we value life and are unconditional about safety, health and well-being at work and at home.



Care and Respect

We believe in humanity and therefore show care and respect for all people and will not turn a blind eye to what is wrong.



Integrity

We always act honestly, fairly, ethically and transparently.



Accountability

We own our decisions, actions and performance, and are empowered to make choices and learn from our experiences.



Collaboration

We collaborate with colleagues and stakeholders towards a common purpose and to achieve exceptional outcomes



Innovation

We challenge assumptions, seek other perspectives and pursue innovative opportunities to transform our business.

OUR BUSINESS AT A GLANCE

Anglo American is a leading global mining company, with a world class portfolio of mining and processing operations and undeveloped resources.

We provide the essential metals and minerals that enable a cleaner, greener, more sustainable world and that meet the growing consumer-driven demands of the world's developed and maturing economies. And we do so in a way that not only generates sustainable returns for our shareholders, but that also strives to make a real and lasting positive contribution to society.

DIAMONDS

DE BEERS

\$558 million

Underlying EBITDA^①

6%

Group underlying EBITDA^①

30.8 Mct

Production (100% basis)^①

COPPER

COPPER

\$1,618 million

Underlying EBITDA^①

16%

Group underlying EBITDA^①

2

Greenfield projects
Peru (Quellaveco)
Finland (Sakatti)

638 kt

Production

PGMs

PLATINUM GROUP METALS

\$2,000 million

Underlying EBITDA^①

20%

Group underlying EBITDA^①

2,051 koz

Production platinum

1,386 koz

Production palladium

GLOBAL FOOTPRINT⁽²⁾



⁽¹⁾ With the exception of Gahcho Kué, which is on an attributable 51% basis.

⁽²⁾ Number of operating mining assets/major projects under development per business unit. More detailed maps can be found in the business unit reviews on pages 56 to 82 of the 2019 Integrated Annual Report.

OUR BUSINESS AT A GLANCE CONTINUED

BULK COMMODITIES AND OTHER MINERALS				CORPORATE AND OTHER
● IRON ORE	● METALLURGICAL COAL	● THERMAL COAL	● NICKEL AND MANGANESE	
\$3,407 million Underlying EBITDA ^o	\$1,707 million Underlying EBITDA ^o	\$125 million Underlying EBITDA ^o	\$634 million Underlying EBITDA ^o	\$(43) million Underlying EBITDA ^o
34% Group underlying EBITDA ^o	17% Group underlying EBITDA ^o	1% Group underlying EBITDA ^o	6% Group underlying EBITDA ^o	
42.4 Mt Production iron ore – Kumba	22.9 Mt Production metallurgical	26.4 Mt Production thermal – export	42.6 kt Production nickel	
23.1 Mt (wet basis) Production iron ore – Minas-Rio			3.7 Mt Production manganese ore and alloy	

GEOGRAPHIC OVERVIEW



NUMBER OF EMPLOYEES⁽³⁾

	Thousand
Brazil	4
Chile	4
Other South America	–
North America	1
South Africa	45
Other Africa	4
Australia/Asia	3
Europe	2
	63



TAXES BORNE⁽⁵⁾

	\$m
Brazil	178
Chile	381
Other South America	6
North America	10
South Africa	1,537
Other Africa	179
Australia/Asia	662
Europe	82
	3,035



WAGES AND BENEFITS PAID⁽⁴⁾

	\$m
Brazil	174
Chile	391
Other South America	46
North America	80
South Africa	1,751
Other Africa	212
Australia/Asia	441
Europe	372
	3,467



LOCAL PROCUREMENT SPEND⁽⁴⁾

	\$m
Brazil	93
Chile	71
Other South America	74
North America	66
South Africa	2,366
Other Africa	811
Australia/Asia	61
Europe	217
	3,759

⁽³⁾ Throughout this report, 'employees' is the average number of Group employees, excluding employees of contractors, associates' and joint ventures', and including a proportionate share of employees within joint operations.

⁽⁴⁾ Includes social security costs of \$182 million borne by the Group.

⁽⁵⁾ Based on numbers disclosed within the Group's income statement and excludes the impact of certain associates and joint ventures.

⁽⁶⁾ See page 87 for definition.

CHAIRMAN'S STATEMENT



Anglo American has long been known as a leader in responsible mining. We understand success is born from having long term horizons and we must listen to the needs of not only our shareholders, but our employees, host governments, host communities, suppliers, of course our customers, and society as a whole."

Stuart Chambers
Chairman



The past year saw a call by almost 200 US-based CEOs for business to be accountable to all stakeholders, and not shareholders alone. Capturing the mood of many stakeholders and the direction of many progressive companies, the statement of the corporation that has stood for the last several decades is being reframed. We welcome this shift, it being aligned to our company's Purpose and the full impact decision-making that Anglo American's Board encourages.

Sustainability has come to the forefront of many investors' minds. And rightly so. As a society, we have a small window of opportunity to reverse the effects of climate change, to transform our economies to espouse circular principles and ultimately separate economic growth – and all the benefits to society this entails – from increasing resource use and reducing waste. And we must do so while providing safe and inclusive workplaces for our people. At Anglo American, we are well placed to respond to these challenges as we continue to grow and improve our business.

In 2019, we have established the foundation for the next step-change in performance for our business. In the pages that follow, you will read how at the heart of our strategy lies our FutureSmart Mining™ programme where technology, digitalisation and our ambitious Sustainable Mining Plan are working together to fundamentally change the physical processes of mining, our impact on the environment and how our stakeholders experience us.

Safety – first and foremost

Let me first turn to safety. We have an unwavering commitment to ensuring each and every one of the people who work for us – employees and contractors – return home safe after work, every day. In spite of our advances in reducing injury rates and improving safety metrics across the business, in 2019 we lost four colleagues in work-related incidents at the Group's managed operations and one colleague at a non-managed joint venture.

This is simply unacceptable and I, the Board, and its Sustainability Committee in particular, continue to work with Mark Cutifani and his team to address the fundamental root causes of why fatalities occur, both at Anglo American and across much of the mining industry. No other goal than zero harm is acceptable.

FutureSmart Mining™ has shown us that we cannot underestimate the potential that technological innovation has to transform the environmental footprint of our business..."

Driving real business sustainability

The role of business in addressing climate change continues to evolve. We have seen increased interest from investors and regulators for companies to assess and disclose their strategic approach to a changing climate. We have embraced the challenge. From supporting initiatives such as the Task Force on Climate-related Financial Disclosures (TCFD), to assessing the resilience of our business (see our [2019 Climate Change report](#)), our vision of achieving carbon neutrality will continue to push us to find new, more resource efficient ways of providing the essential metals and minerals we all need.

CHAIRMAN'S STATEMENT CONTINUED



Chairman Stuart Chambers underground at Moranbah North during a visit to Metallurgical Coal operations in Australia in April 2019.

FutureSmart Mining™ has shown us that we cannot underestimate the potential that technological innovation has to transform the environmental footprint of our business, critical to us achieving the stretching environmental goals of our Sustainable Mining Plan – in many cases also embracing circular economy principles. Other technologies are helping us cater to consumers' understandable desire to trust the provenance of the raw materials they are ultimately buying, by using blockchain, for example, to trace our diamonds all the way back through the value chain to the mine.

Thinking circular

I am pleased to see that circular economy thinking is becoming more prevalent, both generally and within Anglo American's business strategy. The focus is on system transformation to eliminate waste – understanding waste beyond the traditional sense of physical waste, to encompass all its forms – including wasted energy, wasted lifecycles, wasted capacity, and so on. Applying such thinking into our business model in a systematic way is an opportunity to future-proof our business.

Creating the right culture

Anglo American is built on the trust of stakeholders – our shareholders entrust us with capital; our employees with their safety and livelihoods; our host nations with the responsible stewardship of their resources. As we face a global erosion of trust in business, we have taken proactive measures to understand and address trust around our business.

In 2019, as a Board, we have again considered the interests of a wider group of stakeholders than shareholders alone, in the performance of our duties. Anglo American has also conducted an in-depth global survey of our roughly 60,000 direct employees and we have intensified our efforts to align the everyday experience of Anglo American to our Purpose and our Values.

This cultural transformation is multi-layered and will take time, but we are enthusiastic about taking the whole of Anglo American on this journey. I am encouraged by the high levels of engagement of our workforce, their appetite for change and openness for further improvement.

■ The metals and minerals that we produce will help resolve our climate challenges while sustaining modern life."

Mining with purpose

While mining is often associated with its sometimes difficult legacy, we cannot allow ourselves to forget the critical role that many of our products play in enabling a low-carbon, more sustainable future for our planet. From modern communication technologies, to clean transport and renewable energy, the metals and minerals that we produce will help resolve our climate challenges, while sustaining modern life.

It is therefore our duty to find new ways to supply those products ever more safely, while using less energy and water, with a generally smaller environmental footprint and thriving, self-sustaining communities as our neighbours. Our Purpose – to re-imagine mining to improve people's lives – is aimed squarely in that direction.

Stuart Chambers
Chairman

CHIEF EXECUTIVE'S REVIEW



Guided by our Purpose, we are continuing to reposition our business for a cleaner, greener, more sustainable world."

Mark Cutifani
Chief Executive



We are unlocking the very significant additional potential that we see within the business – pushing productivity performance benchmarks, delivering volume growth from existing and new operations, and deploying FutureSmart Mining™ technologies. We continue to improve safety, our environmental controls and the way in which we connect with our communities while maintaining strict capital discipline and creating a sustainable business in every sense.

In this, our annual Sustainability Report, we share not only the achievements and challenges of 2019, but also our vision for the future of mining. Our metals and minerals are the essential ingredients in almost every aspect of modern life and are increasingly central to moving the world towards a cleaner, greener, more sustainable future.

Together with my 90,000 colleagues across Anglo American, we are working to make this future a reality – to better connect precious resources to all of us who need and value them.

Safety first

The safety of our people is always front of mind. Making sure every employee returns home at the end of each day, better for having worked at Anglo American, is our vision for safety and health across the business. In this context, it is tragic that we continue to experience serious safety incidents, in which four of our employees died in work-related incidents in 2019, in our Copper and Coal businesses.

Taking into account external incidents, including two off-site commuting road accidents, we lost a total of 18 colleagues in 2019. These losses highlight how important it is for us to continue to improve the safety of everyone associated with Anglo American and influencing safety good practice beyond the mine gate, including at our suppliers and non-managed joint ventures. Each of these tragic events is devastating and we extend our deepest sympathies to our colleagues' families, friends and co-workers.

Every individual who works at Anglo American must be unconditional about safety, no ifs and no buts. The *Elimination of Fatalities Taskforce* that we launched during 2018 has now covered all our managed operations, interrogating the drivers of fatal incidents, and is now prioritising actions to better identify and manage critical hazards to remove and reduce potential for serious and fatal incidents.

Across the breadth of our business, we recorded another all-time low total recordable

case frequency rate, representing a 17% improvement since 2018 and a 59% improvement over the last six years. While 2019 was our best overall safety performance in our history, our progress strengthens our determination to deliver on that clear commitment to zero harm.

■ Innovation and challenging the status quo are in our DNA as a company, part of our culture, and are at the heart of our Purpose."

Health

We know that a healthy workforce comes from a healthy community. Supporting the overall health and well-being of our employees, mitigating workplace health risks and promoting community health are therefore critical and longstanding commitments for us, embedded in our Sustainable Mining Plan. We continue with our world-leading HIV/AIDS and TB-management programmes and are seeing further declines in the incidence rates of these and other lifestyle diseases.

Tailings – a safer future

The topic of tailings storage again came to the fore for the industry following the horrific tailings dam collapse in Brazil in January 2019. In June, together with many of the more than 700 other extractives companies that were contacted, we published a comprehensive

CHIEF EXECUTIVE'S REVIEW CONTINUED

database of our tailings storage facilities and set out the stringent approach that we take on this critical issue, together with our full Group Technical Standard, which we believe goes beyond established regulatory and industry standards in many respects. We welcome appropriate scrutiny and are working towards making tailings ever safer through technology, including reducing the need for wet tailings at all.

Sustainable mining

Innovation and challenging the status quo are in our DNA as a company, part of our culture, and are at the heart of our Purpose. We are setting out a very different future for mining – a future designed to further improve how our stakeholders experience our business.

Our FutureSmart Mining™ programme brings together step-change innovation in technology, digitalisation and sustainability – working hand in hand towards a more sustainable mining configuration.

For instance, several of our new technologies are aimed at targeting the metal or mineral more precisely, with much less waste rock, and lower water and energy intensity, while others will ensure that our people are safely out of harm's way. These physical and digital technologies are all about mining sustainably.

Our Sustainable Mining Plan, integral to FutureSmart Mining™, commits us to a series of ambitious goals over the next decade. These goals relate to three major areas of sustainability aligned to the UN's Sustainable Development Goals: *trusted corporate leader* (i.e. advocating for the highest standards of governance to drive transparency and trust in mining and mined products); *thriving communities*; and *healthy environment*. While our environmental goals will rely on many of the technologies we are deploying, we are also thinking innovatively to create regional ecosystems of sustainable economic activity, collaborating with appropriate development partners.

The implementation of our Sustainable Mining Plan gathered pace in 2019, including in relation to addressing society's most pressing challenge – climate change – and to consumers' desire to understand the provenance of the products that they buy. As we work towards our vision of carbon-neutral mining, we have committed to using 100% renewable energy from 2021 in Chile, for example; and we have committed to the highest standards of ethical production by putting all our managed mines through rigorous social and environmental responsibility certification processes by 2025, starting with our Unki PGMs mine in Zimbabwe. You will find numerous other examples of our progress throughout this report.



Chief executive, Mark Cutifani, at the annual Joburg Indaba Mining Conference held in Johannesburg, South Africa during October 2019.

People are the business

Our Purpose is aimed squarely at people and how we can do things differently to improve the lives of those that come into contact with our business and our products. This approach begins with the people closest to our business, our employees, for whom we take great care to provide fulfilling work and clarity about their roles and the part they play towards our business objectives.

During 2019, we completed a global survey of our employees, achieving above-benchmark levels of engagement of 83%. This is extremely encouraging and is based on feeling proud to work for Anglo American and recommending the company as a good place to work.

In the context of our commitment to creating an inclusive, diverse and engaging working environment that enables every person to come to work each day and give their very best, we also recently refreshed the behaviours that we expect from our employees and that relate to each of our six Values. These are important building blocks towards the high performance culture that we seek for outstanding people who believe in and are guided by our Purpose.

Creating a more inclusive and diverse workplace is business-critical for us and a key component in building a sustainable and healthy business. Underpinned by our Code of Conduct and Values, our global inclusion and diversity policy and mandatory leadership training set out the behaviours we expect of all our colleagues.

We recognise that we have a long journey ahead of us in many instances. We should be providing more opportunities in the workplace to people who have physical and learning difficulties and issues relating to mental health, for example. We have established a number of colleague networks in support of greater inclusivity across its many dimensions in London, Chile and South Africa, and are partnering with the appropriate organisations to support us.

Gender imbalance has long been a feature of the mining industry and we have set clear pathways to greater female representation, including through recruitment and talent development. The executive team, supported by the Board, is committed to promoting an inclusive culture, with equality of opportunity for all – regardless of gender, race, ethnicity or disability – enabling us to appoint the right person to the right role, so that everyone can bring their full self to work.

People with purpose

None of our progress would be possible without the unwavering commitment of our people. Our 60,000 employees and 30,000 contractors come to work every day motivated to think differently about the future of mining and to make a positive difference in people's lives. This is our Purpose, which binds us together and, fittingly, is the theme of our reports this year.

Together, we will continue to work tirelessly to meet our stakeholders' and society's needs, and to do so sustainably. That must be the right future for our business.

Mark Cutifani
Chief Executive

OUR BUSINESS MODEL

OUR STRATEGY

Portfolio

The quality and long life of our mineral assets are the foundation of our global business. We focus on securing and continuously improving assets that offer the most attractive long term value-creation potential, as measured by sustainable cash flow and returns.

The scale and diversity of our portfolio allow us to leverage our financial resources, technical expertise, and supplier relationships towards delivery on our full potential and to the benefit of our customers, creating a measured risk profile and supporting strong returns, through the cycle.

Innovation

Across every aspect of our business, we are thinking innovatively about how we work to ensure the safety of our people, enhance our sustainability performance, and deliver industry-leading margins and returns.

Discovery

Operating Model
and P101
Marketing

Project development

FutureSmart Mining™ –
Technology, Digitalisation
and Sustainability

For more on Innovation:

See pages 26-35 of the Integrated Annual Report

People

Our people are critical to all that we do. The partnerships we build locally and globally are central to maintaining our regulatory and social licences to operate and our sustained commercial success.

We create inclusive and diverse working environments that encourage and support a high performance culture and innovative thinking.

Our Organisation Model ensures we have the right people in the right roles doing the right value-adding work at the right time, with clear accountabilities that minimise work duplication and increase capability and effectiveness.

MATERIALITY AND RISK

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

For our Material matters:
See pages 18-19

HOW WE CREATE SHARED VALUE

Anglo American draws upon a number of key inputs that, through targeted allocation, development, extraction and marketing, create sustainable value for our shareholders and our diverse range of stakeholders.

For our KPIs:
See pages 50-51 of the
Integrated Annual Report

GOVERNANCE

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

For our Governance Report:
See pages 84-109 of the Integrated Annual Report

OUR INPUTS

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

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

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

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

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

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

HOW WE MEASURE THE VALUE WE CREATE

 Safety and health  Environment  Socio-political  People  Production  Cost  Financial

For our pillars of value: See page 15 of the Integrated Annual Report

OUR VALUES

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

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

OUR BUSINESS MODEL CONTINUED

OUR VALUE CHAIN

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



Discover: Our geologists search for and discover new sources of the minerals that make our modern lives possible. Our search falls into two categories: greenfield exploration to find entirely new resources, and brownfield exploration to identify additional resources close to existing operations. We benefit from developing and using world class expertise and leading technologies, often that we have developed ourselves, to find deposits we can develop and mine in a safe and sustainable way.



Plan and build: Before we put a spade in the ground, our geologists and engineers work together using virtual mine planning systems to design the most effective, cost-efficient, environmentally sound construction and operational mine plan. This work can take several years, depending on the complexities of the orebody, the physical environment of the site, its location relative to power and energy supplies and the route to market.



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



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



Move and market: After processing, we then transport often enormous volumes – particularly in the cases of iron ore and metallurgical coal – of our products to where they are needed, to our customers. We use the latest logistics technologies to co-ordinate and optimise our global shipping needs to deliver on time, every time. And we use our scale and detailed knowledge of the markets for our products to offer our customers a stable supply to their exact specifications – adding value every step of the way.



End of life plan: We don't only plan for the lifecycle of the mine – we also take great care to look beyond and determine the rehabilitation of the site and the real benefits that will be felt by local communities, long after the site is closed. The technologies we use to rehabilitate help us get it right first time, which minimises our environmental footprint, while also safeguarding cash resources.

OUTPUTS

Our outputs are the products that meet the growing consumer and other demands of the world's developed and maturing economies. Mining and processing activities also result in the unavoidable disturbance of land, generation of mineral residue, use of fresh water and energy, as well as atmospheric emissions and water discharges. We strive to minimise our footprint through our innovative technologies that are designed to support our approach to sustainable mining.

ATTRIBUTABLE FREE
CASH FLOW^o

\$2.3 bn

GROUP ATTRIBUTABLE
ROCE^o

19%

GROUP PRODUCTION
GROWTH

12%

Since 2012

TOTAL WATER
WITHDRAWALS

209 Mm³

CO₂ EQUIVALENT
EMISSIONS

17.7 Mt

OUTCOMES AND STAKEHOLDER VALUE

As we strive to deliver attractive and sustainable returns to our shareholders, we are acutely aware of the potential value creation we can offer to our diverse range of stakeholders. Through our business activities – employing people, paying taxes to governments and procuring from host communities – we make a significant and positive contribution to the countries where we operate. Beyond our direct mining activities, we create and sustain jobs, build infrastructure, support education and help improve healthcare for employees and local communities. By re-imagining mining, we are improving people's lives.

INVESTORS

\$1.4 bn

Total dividends paid
and proposed

SUPPLIERS

\$3.8 bn

Local procurement
expenditure

GOVERNMENTS

\$3.0 bn

Taxes borne

LOCAL COMMUNITIES

132,082

Jobs created and
maintained through
enterprise development
programmes since 2008

EMPLOYEES

\$3.5 bn

Wages and
benefits paid



Safety



Care and
Respect



Integrity



Accountability



Collaboration



Innovation

EMBEDDING SUSTAINABILITY

1

PORTFOLIO

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

We focus on securing and continuously improving assets that offer the most attractive long term value-creation potential, as measured by sustainable cash flow and returns.

 **For more on Portfolio:**
See pages 18-23 of the Integrated Annual Report

OUR PURPOSE

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

We are reducing our physical 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.

2

INNOVATION

Across every aspect of our business, we are thinking innovatively about how we ensure the safety of our people, enhance our sustainability performance, and deliver enduring value for all our stakeholders.

 **For more on Innovation:**
See pages 26-35 of the Integrated Annual Report

3

PEOPLE

Our people are critical to all that we do.

The partnerships we build locally and globally are central to maintaining our regulatory and social licences to operate and our sustained commercial success.

 **For more on People:**
See Safety and Health – Social Performance – People

FutureSmart Mining™

FutureSmart Mining™ is our innovation-led pathway to sustainable mining. Technologies and digitalisation will fundamentally change how we mine, process, move and market our products; and our Sustainable Mining Plan will transform how our stakeholders experience Anglo American.

 **For more on FutureSmart Mining™:**
See the Integrated Annual Report



Technology

We are integrating technologies to enable safe mining, removing people from harm's way, and to more precisely target metal and mineral with less waste, water and energy.

 **For more on Technology:**
See Safety – Climate Change – Water

Digitalisation

Our vision is to create a truly smart, connected mine, transforming vast quantities of data into predictive intelligence with the ultimate aim of creating a self-learning operation that offers new levels of safety, stability and predictability.

 **For more on Digitalisation:**
See page 31 of the Integrated Annual Report

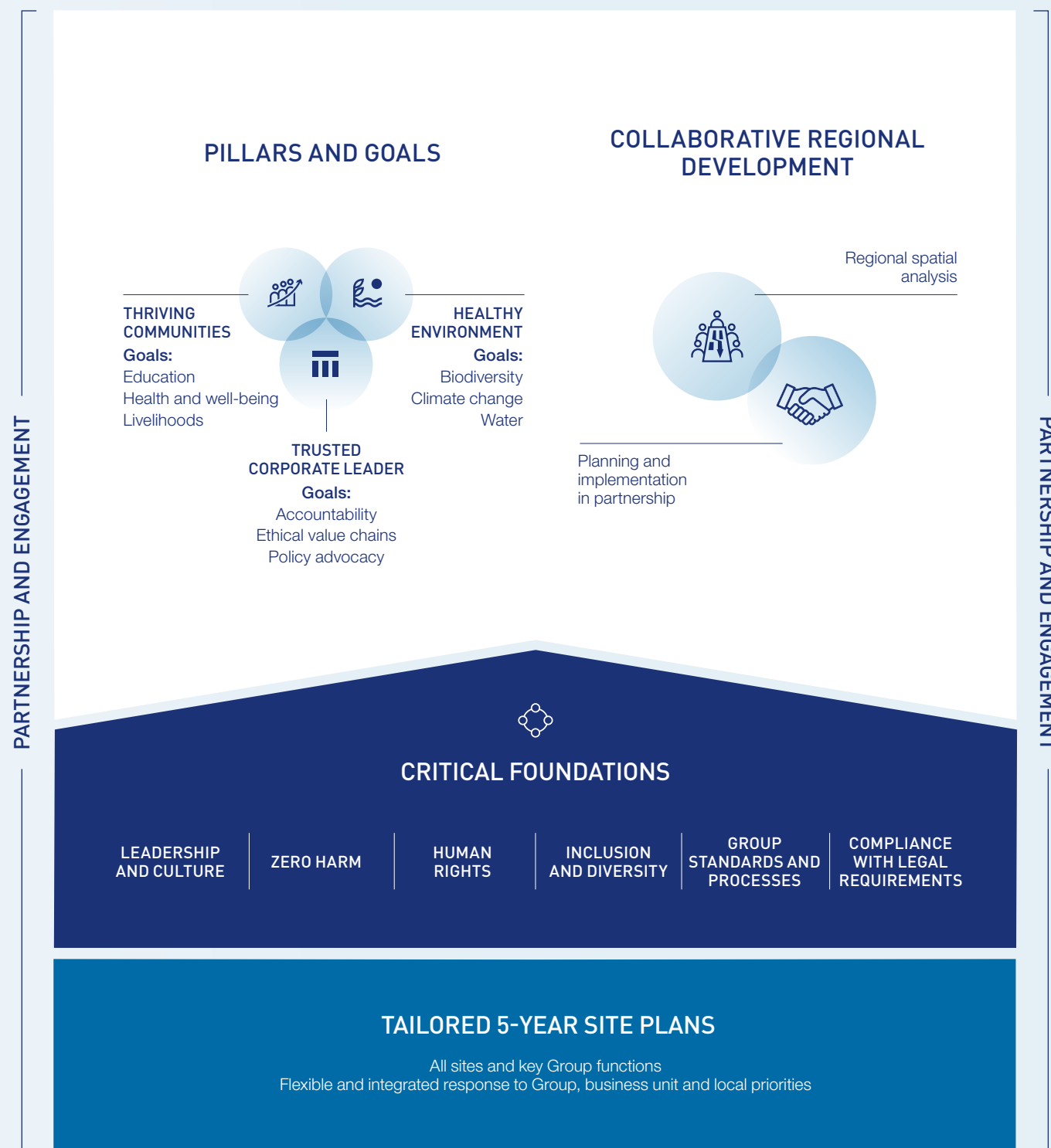
Sustainability

Our far-reaching Sustainable Mining Plan is built around three major areas or global sustainability pillars, which are aligned to the UN's Sustainable Development Goals.

EMBEDDING SUSTAINABILITY CONTINUED

SUSTAINABLE MINING PLAN

Integral to our FutureSmart Mining™ approach is our Sustainable Mining Plan, designed to tackle the most pressing environmental and social challenges and changing how our employees and stakeholders experience Anglo American, in line with our Purpose.



EMBEDDING SUSTAINABILITY CONTINUED

What sustainability means to us

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

By understanding the context and listening to stakeholders, we can stay ahead of evolving trends and provide the solutions to societal expectations. By solving the physical challenges of mining through restless innovation, and by constantly searching for more responsible ways to do business, we are changing the way our employees and stakeholders experience our business – creating enduring value for all stakeholders.

This is the vision behind our Sustainable Mining Plan, comprising:

- Three Global Sustainability Pillars, each with a set of global stretch goals
- Five-year plans for each of our operating sites, tailored to their particular circumstances
- A unique approach to catalysing sustainable local economies, that we call Collaborative Regional Development
- Underpinned by non-negotiable Critical Foundations.

Collaborative Regional Development

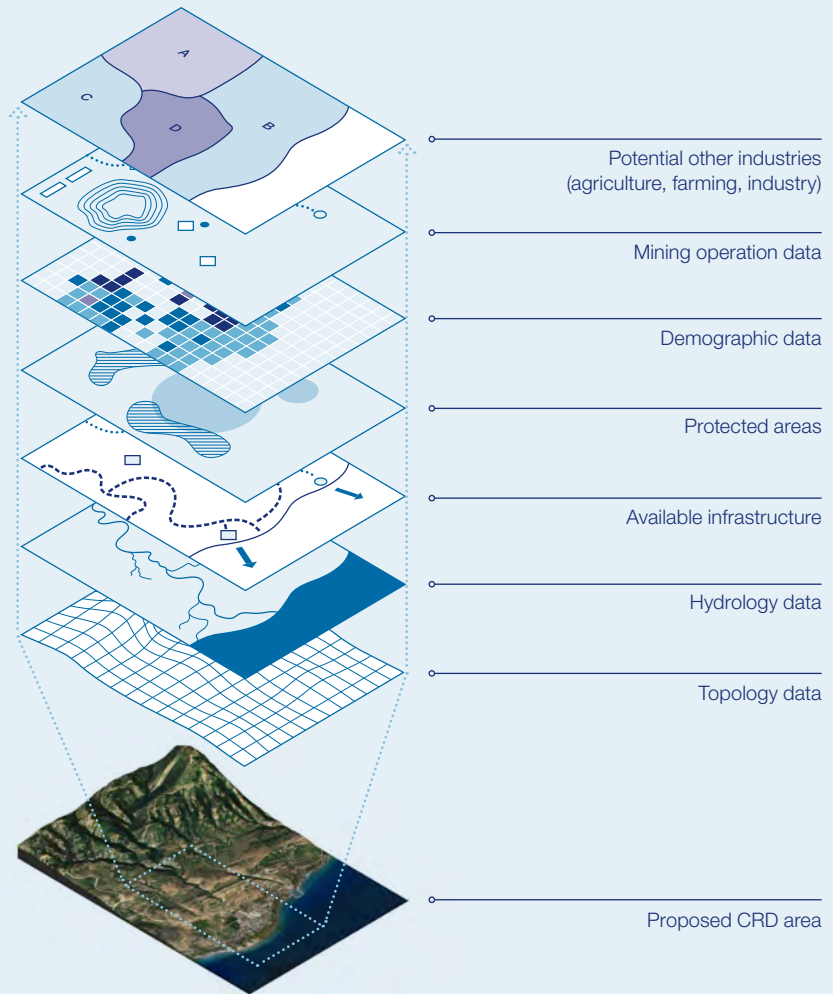
At the heart of our Sustainable Mining Plan is Collaborative Regional Development (CRD), our model for bringing long term sustainable economic opportunities to the regions around our operations. For our mines to be safe, responsible and productive, they need to operate in areas that are thriving; where mining has improved people's well-being by contributing to better living conditions. In many places, however, addressing the challenges to achieve this are simply too complex and large to be solved by one institution alone; they need to be tackled through collaboration and partnership.

CRD involves Anglo American acting as a facilitator and catalyst for change in the regions that host our operations. We look to form partnerships with other stakeholders, to jointly identify and then deliver long term social and economic development beyond our operations' immediate zones of influence.

We use spatial analysis and planning to identify these wider socio-economic development opportunities. Spatial planning involves aggregating multiple data sources in one region, helping partners explore challenges and opportunities by visualising them in one location.

COLLABORATIVE REGIONAL DEVELOPMENT SPATIAL ANALYSIS

The diagram illustrates how different layers of data can be aggregated to identify key development opportunities. In practice, more than 20 data layers are used.



In 2019, we piloted the approach in Limpopo province in South Africa, where our CRD initiative, the Impact Catalyst, now has four main partners. [See CRD section.](#)

We have also started implementing the CRD approach in the Northern Cape province of South Africa, as well as in Botswana, Brazil, Colombia and Peru.

Critical Foundations

We have identified six Critical Foundations that underpin our Sustainable Mining Plan. These are minimum requirements of our sustainability performance, which are essential for our long term credibility and success. They ensure that we operate responsibly across all areas and aspects of our business.

Our six Critical Foundations are:

- Zero harm
- Leadership and culture
- Human rights
- Inclusion and diversity
- Group standards and processes
- Compliance with legal requirements.

DELIVERING SUSTAINABILITY

Trusted corporate leader

We aim to transform the relationship between wider society and the mining industry, and this depends on earning trust as a corporate leader. We seek to do so by ensuring that we are accountable to our communities, by developing ethical value chains that support human rights, and by advocating in support of society's wider goals.

We are on track to meet all upcoming milestones and targets.

GLOBAL STRETCH GOALS AND VISIONS	MILESTONES AND TARGETS
Local accountability To transform the relationship between mines and communities, and wider society. Read more on page 62	2020: At local level, establish participatory accountability forums at every mine site. 2025: High-quality dialogue and programmes flowing from the forums. 2030: Establish multiple levels of open and accountable dialogue, leading to greater mutual trust.
National and international accountability To transform the relationship between mines and communities, and wider society. Read more on page 60	2020: Buy-in from governments and civil society to taking part in national and international stakeholder accountability forums. General agreement on benchmarks/indices and responsibilities that can be monitored year on year, including the Sustainable Development Goals (SDGs). 2025: An active and ongoing dialogue about reporting and responsibilities with external recognition that this is a step above other such processes. 2030: Widespread recognition of the benefits that responsible mining can bring, a collaborative openness about the challenges and a more consensual working relationship between Anglo American and society.
Policy advocacy To take a lead on issues that affect our business in a way that is collaborative and aimed at society's wider goals. Read more on page 60	2020: Finalise advocacy action plans in support of key sustainability issues. Provide scholarship and training opportunities for policymakers in regions in which we operate. 2025: Regular involvement in priority policy and governance debates. 2030: External recognition of our leadership on policy advocacy. Strong levels of engagement in policy debates.
Ethical value chains To be a part of a value chain that supports and reinforces positive human rights and sustainability outcomes. Read more on pages 61 and 69	Mine certification 2020: Half of operations to undergo third-party audits against recognised responsible mine certification systems. 2025: All operations to undergo third-party audits against recognised responsible mine certification systems. Responsible sourcing 2020: Responsible sourcing standard fully implemented. Advocate for the development of a common responsible sourcing standard for the mining industry.

Our progress in 2019

Local accountability

As part of our updates to the Anglo American Social Way, we have defined the requirements of our local accountability forums, and developed a baseline to guide our progress towards all sites having these forums by the end of 2020.

National and international accountability

We have held three workshops in South Africa, two global webinars on SDG16 (Peace, Justice and Strong Institutions) and a workshop in each of Brazil and Australia.

Public advocacy

In 2019, we held policy workshops on key subjects such as the circular economy, climate change and gender-based violence.

Ethical value chains – mine certification

PGMs' Unki mine committed to being independently audited against the Initiative for Responsible Mining Assurance (IRMA) 'Standard for Responsible Mining'. Barro Alto completed the IRMA self-assessment and commenced third-party assurance. De Beers' operations receive third-party certification under the Responsible Jewellery Council Code of Practices.

Ethical value chains – responsible sourcing

In 2019, we engaged with 452 suppliers to complete self-assessments and commissioned third-party site assessments for 43 suppliers to support the mitigation of sustainability-related risks. We continue to review and enhance our *Responsible Sourcing Standard for Suppliers* and ran tailored programmes for host community-based businesses.

Our work in advocating for a common responsible standard in the mining industry has continued, most notably, in Australia and South Africa.

DELIVERING SUSTAINABILITY CONTINUED

Thriving communities

Our vision is to create shared, sustainable prosperity for our host communities, supported by excellent education and training, and the achievement of the SDG targets for health.

We are on track to meet all upcoming milestones and targets.

GLOBAL STRETCH GOALS AND VISIONS	MILESTONES AND TARGETS
Health and well-being For the relevant SDG targets for health to be achieved in our host communities. Read more on page 30	2020: Baseline established and strategies in place at every site to achieve the SDG3 health targets. 2025: Operations to be halfway to closing the gap between baselines and 2030 targets. 2030: SDG3 targets for health to be achieved in our host communities.
Education For all children in host communities to have access to excellent education and training. Read more on page 71	2020: Baselines and strategies in place at every site to achieve targets. 2025: Schools in host communities to perform within the top 30% of state schools nationally. 2030: Schools in host communities to perform within the top 20% of state schools nationally.
Livelihoods Shared, sustainable prosperity in our host communities. Read more on page 73	2020: Baselines and strategies to achieve targets in place at every site. 2025: Three jobs created/supported off-site for every job on-site. 2030: Five jobs created/supported off-site for every job on-site.

Our progress in 2019

Health and well-being

The Sustainable Development Goals Health and Well-being Consortium, led by the London School of Hygiene & Tropical Medicine, has completed baseline assessments for all our host communities, which will enable us to develop tailored strategies for achieving SDG targets in each of them.

Education

The Anglo American Education Programme, in partnership with South Africa's Department of Basic Education, takes a systemic approach to improving reading, writing and numeracy levels. In 2019, we completed a situation analysis for 110 schools in our host communities.

Livelihoods

We have defined the baseline we will use to measure the number of jobs that we create in our communities.

DELIVERING SUSTAINABILITY CONTINUED

Healthy environment

Our ultimate vision is to maintain a *healthy environment* by operating carbon-neutral mines, which deliver net-positive biodiversity and conservation outcomes. In 2019, we met the greenhouse gas (GHG) emission target a year ahead of schedule, and are on track to meet the 2020 biodiversity target.

However, we are currently finding challenges around meeting the energy efficiency and water 2020 milestones.

GLOBAL STRETCH GOALS AND VISIONS	MILESTONES AND TARGETS
Climate change To operate carbon-neutral mines. Read more on page 51	2020: Reduce greenhouse gas (GHG) emissions by 22% relative to the business as usual (BAU) projection. Reduce energy consumption by 8% relative to the BAU projection. Implementation of four priority projects to meet 2030 targets. 2030: Reduce net GHG emissions by 30%. Improve energy efficiency by 30%.
Biodiversity To deliver net-positive impact (NPI) across Anglo American through implementing the mitigation hierarchy and investment in biodiversity stewardship. Read more on page 39	2020: NPI methodology, biodiversity value assessments and site-specific indicators in place at sites in high-risk environments. An established biodiversity framework, supporting processes, capacity and resources in place to enable rigorous application of the mitigation hierarchy across the mining lifecycle. Formalise partnerships to support NPI, which are aligned with existing regional and national biodiversity stewardship initiatives. 2030: Deliver NPI on biodiversity across Anglo American.
Water To operate water-less mines in water-scarce catchments. Read more on page 47	2020: Reduce the abstraction of fresh water by 20%. Increase water-recycling levels to 75%. No Level 3 or greater water incidents. 2030: Reduce the abstraction of fresh water in water-scarce regions by 50%.

Our progress in 2019

Climate change

In 2019, we met the 2020 milestone to reduce GHG emissions by 22% against BAU projection, a year ahead of schedule.

However, we see challenges ahead as we strive to meet the reduction in energy consumption milestone of 8% relative to the BAU projection.

Biodiversity

We assessed all operations against the new biodiversity technical standard, identifying gaps. We are on track to meet our 2020 milestone. In 2019, we shared the framework to identify conservation partners across our South American operations, building on a launch in southern Africa the previous year.

Water

Fresh water abstraction across the Group generally remained unchanged or decreased slightly, with several of our businesses operating in sustained drought conditions in Chile and southern Africa. Baseline data is to be reset in 2020 for future referencing, based on new water definitions aligned with ICMM requirements for water accounting. The improvements to water-accounting data, however, put our ability to meet the 2020 milestones at risk.

MEASURING OUR PERFORMANCE

-  Target met/on track
 Neutral/not applicable
 Target not met

The KPIs below are set and tracked at Group level to monitor performance against the seven pillars of value.

Performance is incentivised through several mechanisms. They are linked to reward through the bonus scheme; the Long Term Incentive Plan; and through the business scorecard process.

KPIs are proposed by business functions in line with their strategic objectives, the Sustainable Mining Plan and the seven pillars of value.

KEY PERFORMANCE INDICATORS (KPIs)	TARGET	2019	2018	STATUS	INFORMATION
 Safety and Health					
Work-related fatal injuries	Zero	4	5		Page 27
Total recordable case frequency rate	Year-on-year reduction	2.21	2.66		Page 28
New cases of occupational disease	Year-on-year reduction	39	101		Page 31
Employees and contractors potentially exposed to noise over 85 dBA ⁽¹⁾	Year-on-year reduction	73%	68%		Page 31
Employees and contractors potentially exposed to inhalable hazards over the occupational exposure limit ⁽¹⁾	10% reduction in the number of employees and contractors potentially exposed at levels over occupational exposure limits	14%	10% ⁽²⁾	 on track	Page 31
Number of employees who know their HIV status	More than 90% of employees in southern Africa by 2020	94%	88%	 on track	Page 32
Number of employees enrolled in HIV disease-management programmes	More than 90% of HIV-positive employees in southern Africa by 2020	92%	86%	 on track	Page 32
 Environment					
Energy savings	8% saving by 2020 ⁽³⁾	5%	6.5%	at risk	Page 51
Greenhouse gas (GHG) emissions savings	22% saving by 2020 ⁽³⁾	24%	25%	 on track	Page 51
Significant environmental incidents	No Level 4 or Level 5 incidents	0 Level 5 0 Level 4	0 Level 5 1 Level 4		Page 37
 Social					
Businesses supported by enterprise development initiatives (2008-2019)	—	65,548	64,830		Page 73
Jobs supported by enterprise development initiatives (2008-2019)	—	132,082	125,095		Page 73
Local procurement (\$)	—	3.8 bn	2.1 bn		Page 73
Compliance with the Social Way	100% compliance	96.0%	91.1%		Page 63
 People					
Voluntary labour turnover	<5% turnover	2.3%	2.4%		Page 81
Women in senior management	To increase female representation in senior management positions	24%	21%		Page 82
Women in management positions	To increase female representation in management positions	24%	23%		Page 82

⁽¹⁾ This figure reflects the number of employees who work in environments where there is potential for exposure above the exposure limit. All employees working in such environments are issued with protective equipment to prevent occupational illness.

⁽²⁾ The change in 2018 performance reflects a restatement of the 2017 baseline.

⁽³⁾ Energy and GHG savings are calculated relative to projected 'business as usual' consumption levels.

THE SUSTAINABLE DEVELOPMENT GOALS

The United Nations SDGs are an important framework for Anglo American, given we operate largely in developing economies, and we need to monitor and improve the extent to which our business makes a positive contribution to society's wider goals.

We used the SDGs as an input to the development of our ambitious Sustainable Mining Plan, launched in 2018, and we continue to refine how to incorporate them into how we measure progress. We have also started a series of SDG accountability dialogues in the countries where we operate, in order to consult external stakeholders, including government, about the impact we believe we are having.

In 2019, we held three workshops in South Africa, two global webinars on SDG16 (Peace, Justice and Strong Institutions) and one workshop each in Brazil and Australia.

In South Africa, we have looked carefully into how the Sustainable Mining Plan can help Anglo American's contribution to the wider national achievement against the SDGs aligned with the National Development Plan and [Agenda 2063](#), the African Union's strategic framework. To better understand our contribution and have a meaningful conversation with key stakeholders, we carried out a prioritisation exercise and mapped our impact against the SDGs.

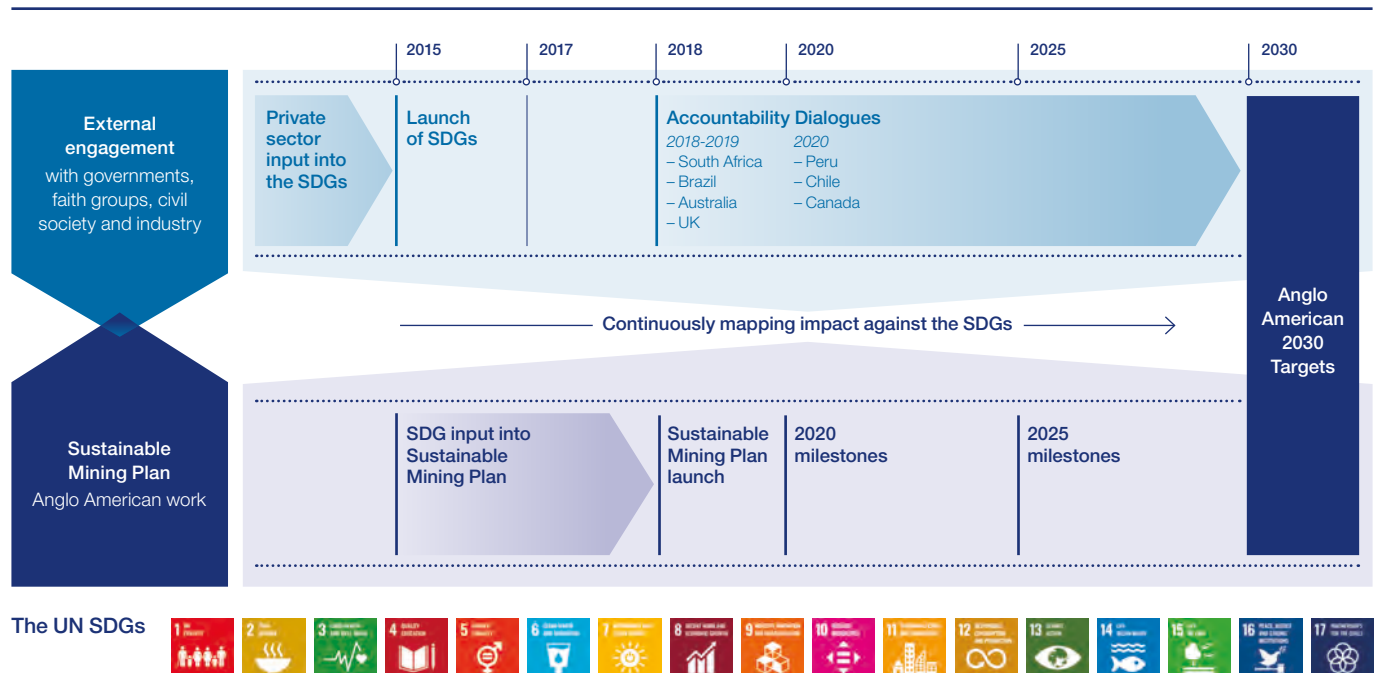
In Brazil, we mapped the SDGs against Anglo American's 373 existing sustainability initiatives, and have integrated 59 SDG targets into the business. The SDG work is communicated to all stakeholders and overseen by a multi-disciplinary committee that meets every two months. We held a national-level workshop in São Paulo in September, to draw some of the strategic lessons from this exercise and to assess our priority areas in the future.

In Australia, we held a joint workshop with Rio Tinto on the impact of our business against the SDGs. The workshops showed that this sort of consultation is equally relevant in OECD countries, and that the question of balancing negative environmental impact with socio-economic gains is more easily discussed against a holistic backdrop such as the SDGs.

As our experience of the SDGs progresses, we expect that the combination of feedback from our accountability dialogues, and the data we gather under the Sustainable Mining Plan, will ensure that this area of work will be even more important.

For more information:
Visit angloamerican.com/sdgs

ANGLO AMERICAN'S JOURNEY TOWARDS SUPPORTING AND INCORPORATING THE SDGs



OUR MATERIAL MATTERS

In line with best-practice corporate reporting, Anglo American's Integrated Annual Report includes a comprehensive assessment of the principal risks facing the business, as well as those matters that both our stakeholders and we believe have a material bearing on the success of the business in both the near and long term – beginning with safety and environmental sustainability.

By engaging with our stakeholders and being aware of their perspectives, and by understanding the risks we know we face, we are better placed to make informed decisions that help support the delivery of our strategy.

Determining what is important

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

Our process for determining those matters involves three steps: consultation, analysis and approval. The consultation process in 2019 involved extensive desktop research, including: review of the Group Risk Register;

global media coverage and analyst reports on Anglo American and the mining sector; and analysis of Board and executive discussions. During 2020, we will undertake the integrated materiality analysis in tandem with the in-depth sustainability materiality process we carry out every three years. The process will be led by a third party, who will liaise with external and internal stakeholders. Their findings will then be validated by the Group's leadership and the Board's Sustainability Committee.

At the heart of decision-making

Consideration of the wide spectrum of stakeholder and environmental interests is firmly embedded into Anglo American's governance structures and is guided by our Purpose. Stakeholder concerns and considerations therefore feature prominently in the discussions of our Board meetings and those of its committees.

The Board, through its role in setting the tone from the top, provides leadership to the Group and is responsible for promoting and safeguarding the long term success of the business, supporting the executive management team in its formulation and implementation of the Group's strategy.

The duties of directors with regards to ensuring there is effective dialogue between the Group and its shareholders and stakeholders are broadening in scope, while

society's expectations of company boards also continue to grow. At Anglo American, those matters considered by the Board and our stakeholders to be of material importance, and the views of our stakeholders in relation to those matters, are integral to the Board's discussions and decision-making, including in relation to the Group's strategy and any evolution thereof.

For more information on the matters considered and discussed by the Board: See pages 96-97 of the Integrated Annual Report

Pillars of value

- 🛡️ **Safety and health**
- 🏭 **Production**
- 🌍 **Environment**
- 💰 **Cost**
- 🗣️ **Socio-political**
- 📊 **Financial**
- 👤 **People**

For more information: See page 11 of the Integrated Annual Report

Material matters in 2019

The matters identified through our materiality process were naturally numerous and wide-ranging. These were analysed and prioritised by senior management and then reviewed and approved by the Board.

In order for us to report against these material matters effectively, and demonstrate how they affect the delivery of our strategy, we have set them out under the headings listed in the table opposite.

Engaging our stakeholders

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

For more information: See page 11 of the Integrated Annual Report

Industry/business associations

For more information: Page 29 • Page 35
Page 60 • Page 61

Investors

For more information: Page 45 • Page 55

Employees

For more information: Page 27 • Page 30
Page 65 • Page 79

Communities

For more information: Page 32 • Page 34
Page 48 • Page 62

Suppliers and contractors

For more information: Page 54 • Page 62
Page 65 • Page 69

Civil society (NGOs, Faith Groups, Academia)

For more information: Page 60 • Page 64
Page 65 • Page 71

Customers

For more information: Page 61 • Page 70
Page 77

Governments and multilateral institutions

For more information: Page 55 • Page 60
Page 75



OUR MATERIAL MATTERS CONTINUED

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

combination of risks, that would threaten the business model, future performance, solvency or liquidity of Anglo American and are shown with the following symbol (§).

An analysis of the Group's principal risks, including mitigation strategies, can be found on pages 44-49 of the Integrated Annual Report.

MATTERS IDENTIFIED AS MATERIAL TO OUR STAKEHOLDERS AND OUR BUSINESS INCLUDE:

Material matters	Pillars of value
Safety and health§ Protecting the safety and health of employees, contractors, local communities and other stakeholders is a fundamental responsibility for all mining companies. While protecting our workforce from harm's way is a moral imperative, our focus on zero harm also constitutes a direct investment in the productivity of the business and the physical integrity of our operations. A safe and healthy workforce translates into an engaged, motivated and productive workforce that mitigates operational stoppages, and reduces potential legal liabilities.	 Read more: Safety Health
Environmental impacts and climate change Responsible environmental management, including the monitoring and management of tailings storage facilities (TSFs) and management of water consumption and discharge, is not only a major factor in legal compliance and permitting, but also plays a significant role in improving the balance of value from mining for our local stakeholders. Anglo American goes beyond established regulatory and industry standards in many respects to ensure that our managed TSFs are held to the highest standards of safety and stewardship, sharing our experiences with others in the industry to help build and maintain trust with all our stakeholders. Understanding the effects of climate change on our business and how they may impact our value chain is important as we strive to optimise the opportunities associated with the transition to a low-carbon future.	 Read more: Environmental management Biodiversity Mineral residue management Non-mineral waste Air quality Water Climate change Mine closure
Meeting our commitments to business stakeholders and society Local communities and host governments rightly expect mining to bring significant economic benefits, and our ultimate goal is to leave host communities and governments better off than when we arrived. Anglo American aims to bring enduring economic prosperity to national and local economies through employment, our supply chain and the subsequent increase in local business and commerce, and a collaborative approach to regional development. Acting in an ethical, responsible and transparent manner is fundamental to Anglo American realising the significant business benefits gained from building trusted and constructive relationships with all our business stakeholders, and to maintaining our socio-political licence to operate.	 Read more: Public policy engagement Product stewardship Social performance Human rights Responsible supply chain management Socio-economic contribution
Workforce culture and capability To deliver on our strategic business objectives, we rely on a capable and engaged workforce that behaves ethically and responsibly, consistent with Anglo American's Values and Code of Conduct; these are also essential for us to maintain our social licence to operate. We aim to foster a high performance, inclusive culture, through an organisational structure that is fit for purpose, resourcing this structure with the right capabilities and empowering leadership to deliver the desired outcomes.	 Read more: Business conduct People Employee engagement and capability
Operational and cost performance§ The mining sector continues to face operating cost inflation, including labour costs, energy costs and the natural impact of ore-grade deterioration over time. In order to deliver our disciplined growth strategy and to maintain and improve our competitive position, Anglo American must deliver its financial improvement targets and minimise the number of unplanned operational stoppages that affect production and unit costs.	 For more information: Pages 27-28 of the Integrated Annual Report
Political and regulatory§ Anglo American operates or is otherwise active in a number of countries where there is political instability and where the regulatory environment for the mining industry is uncertain.	 For more information: Pages 30-33 of the Integrated Annual Report
Macro-economic environment§ Economic volatility in those countries that are major consumers of the Group's products could have a negative impact on demand for those products. Demand may also be negatively affected by product substitution and/or fundamental shifts in market forces.	 For more information: Pages 12-15 of the Integrated Annual Report

GOVERNANCE AND MANAGEMENT APPROACH

Sustainability is at the heart of Anglo American, and our governance structures are set up to support us in our progress. In this section, we review the roles of the Board's Sustainability, Audit and Remuneration committees, as well as the Group's sustainability governance structure.

The role of the Anglo American Board of directors is to promote and safeguard the long term success of the business, while considering the interests of its various stakeholders. The [Integrated Annual Report](#) includes a full account of our approach to corporate governance.

Four standing committees – the Sustainability, Audit, Nomination and Remuneration committees – are designated to take on certain responsibilities on the Board's behalf.

The Sustainability Committee holds accountability for overseeing how Anglo American manages its most material sustainability issues. The committee meets four times a year and currently comprises Ian Ashby (chairman of the committee since 30 April 2019); Stuart Chambers (chairman of the Board); non-executive directors Marcelo Bastos (from 1 April 2019), Mphu Ramatlapeng and Jim Rutherford; and executive directors Mark Cutifani (chief executive); and Tony O'Neill (technical director). Jack Thompson served as chairman of the committee until he stepped down from the Board on 30 April 2019 after nine years of service. Nolitha Fakude served as a member of the committee until she stepped down from the Board on 31 August 2019 to take up her new executive role as Group director – South Africa and a member of the Group Management Committee (GMC). Business Unit CEOs, the Group directors of corporate relations, and of people and organisation, the Group general counsel and company secretary, and the Group head of safety and sustainable development, also participate in meetings.

For more information:
See governance section of the Integrated Annual Report

As part of its overall mandate to oversee audit, internal control and risk management, the Audit Committee reviews the principal risks to the Group, including those related to potential catastrophic events and material sustainability issues.

The Audit Committee has responsibility for monitoring the Group's whistleblowing programme, described in more detail [on page 78](#).

The Remuneration Committee determines the remuneration of executive directors, the chairman and senior management, and oversees remuneration policy for all employees. At Anglo American, the performance-based remuneration of all employees considers our safety, health and environmental performance. Annual performance incentives for executive directors and senior management include targets relating to the following:

- HIV management
- Environmental management
- Safety.

From 2018, safety played an even bigger part in the calculation of our employees' compensation through the safety deductor, further aligning bonuses to our safety culture and our focus on the elimination of fatalities.

The performance conditions applicable to awards granted to executive directors and senior management in 2017, 2018 and 2019 under the Long Term Incentive Plan include metrics relating to occupational hygiene, emission reduction, concurrent rehabilitation, employee well-being, water and the implementation of the Sustainable Mining Plan.

For more information:
See remuneration report in the Integrated Annual Report

Executive structure

The Board delegates executive responsibilities to the chief executive, who is advised and supported by the GMC. This committee comprises the chief executive, business unit CEOs, Group directors of corporate functions, and the Group general counsel and company secretary. Tony O'Neill, technical director, has accountability for matters relating to safety, health, environment, supply chain and operational risk. Social performance, human rights and the implementation of our Sustainable Mining Plan fall within the ambit of Anik Michaud, Group director – corporate relations.

The GMC is supported by corporate, operational and investment committees and, from 2019, the Innovation Committee and the Marketing Risk Committee. The Innovation Committee supports and accelerates the development of technology projects that have the potential to transform the business – and the industry. The Marketing Risk Committee oversees the management of risk associated with the sales and marketing activities of the Group.

Given the wide nature of their impact, sustainability matters are included in all committees' considerations through the material they cover and the expertise of their members.

For more information:
See governance section of the Integrated Annual Report

GOVERNANCE AND MANAGEMENT APPROACH CONTINUED

Organisational structure

Anglo American is headquartered in the UK and its ordinary shares are listed on the London Stock Exchange (the primary listing), as well as the Johannesburg, Swiss, Botswana and Namibian stock exchanges. The business is managed as four operating units:

- De Beers
- Base Metals
- Platinum Group Metals (PGMs)
- Bulk Commodities and Other Minerals (Iron Ore, Coal, Nickel and Manganese).

Collectively, these business units manage more than 30 mining operations and 10 processing operations in Australia, Botswana, Brazil, Canada, Chile, Namibia, South Africa and Zimbabwe. De Beers also owns a range of commercial and industrial enterprises across various geographies. [See page 88 for a full list of managed and joint operations.](#)

Corporate functions and the Marketing business support our business units. The corporate centres host Technical and Sustainability, Corporate Relations, Human Resources, Finance, and Strategy and Business Development functions. Their role is to set the performance expectations we have of operations, offer expert advice and support services to operations facing complex challenges, and monitor the effectiveness of critical programmes.

The Marketing business maximises the value from our mineral resources and market positions by ensuring we provide products to our customers, meeting their specific technical and logistical requirements.

2019 Portfolio management

In 2019, the Group commenced, or completed, a number of transactions. We entered into a transaction, expected to complete in 2020, to provide for the equalisation of ownership across our integrated metallurgical coal operations at Moranbah North and Grosvenor through the sale of 12% in Grosvenor mine to the minority shareholders of Moranbah North.

We also completed the two-phased Atlatsa restructuring plan (PGMs), which entailed, amongst others, the acquisition and the incorporation of the exploration properties adjacent to Mogalakwena mine into the Mogalakwena mining right.

Namdeb Holdings, a joint operation between the Namibian government and De Beers, announced the sale of Elizabeth Bay in September 2019.

In January 2020, Anglo American announced that an agreement has been reached with the board of Sirius Minerals Plc ('Sirius') on the terms of a recommended cash acquisition for the entire issued and to be issued share capital of Sirius. The proposed transaction is subject to regulatory and Sirius shareholder approval.

Projects

Project execution at Quellaveco is on track, with all key milestones for 2019 achieved on schedule.

In May 2019, we announced the approval by Debmarmine Namibia, a 50:50 joint operation between De Beers and the Namibian government, for the construction of a new custom-built diamond recovery vessel.

In July 2019, the Board approved the Aquila project to extend the life of the Capcoal underground hard coking coal operations in Queensland, Australia, by six years, to 2028.

Suppliers

Anglo American has a large and diverse base of more than 18,000 suppliers around the world. Our most material purchases involve goods and services that are typical of large-scale infrastructure and manufacturing projects, including:

- Labour
- Heavy equipment
- Process chemicals
- Fuel and lubricating oils
- Explosives
- Motors
- A range of services.

We expect all suppliers to contribute actively to social and economic improvement and uphold the sustainability standards we set for the Group, including abiding by our Code of Conduct.

Policies and standards

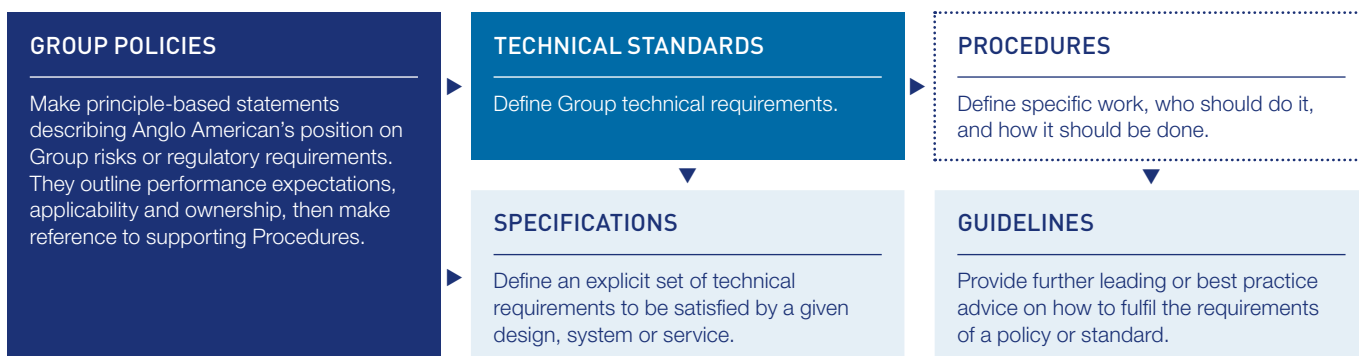
Anglo American has more than 30 Group Policies and Technical Standards, which describe how the principles set out in the Code of Conduct are deployed.

We have two management system frameworks that address the management of sustainability issues and align with topic-specific policies mentioned throughout this report:

- The Anglo American Safety, Health and Environment (SHE) Way
- The Anglo American Social Way.

These apply throughout the Group and set out the vision, principles, policies, management system requirements and performance expectations for addressing our core sustainability risks and opportunities.

THE ANGLO AMERICAN POLICY FRAMEWORK



■ Owned by Group functions
 ■ Owned by business units and/or sites

GOVERNANCE AND MANAGEMENT APPROACH CONTINUED

Where Anglo American does not manage or operate a site, but it is associated with a site through a business relationship (such as a joint venture or other business partnership), we will seek to influence the site to adopt a framework commensurate with our policy requirements and, at a minimum, to comply with local laws and requirements.

Group Technical Standards define the minimum requirements we set for our operations to manage a wide range of specific issues. In relation to sustainability, these include, for example, the management of water, energy, tailing storage facilities and various technical aspects of mining that relate to safety.

Through our responsible sourcing programme, we aim to ensure that those we do business with follow a set of minimum standards of responsible business conduct, that are comparable to what we expect of ourselves.

Permitting

Relevant authorities need to grant Anglo American legal permission to undertake various mining activities at every step of the mining process – from exploration to marketing. These permits incorporate binding commitments that we need to monitor to ensure we are compliant. Our Group permitting function is there to help our sites and business units navigate the increasingly complex permitting landscape. Its work is crucial, as delays in acquiring permits or failure to comply with their conditions and commitments can have significant financial, operational, legal and reputational consequences.

In 2019, we continued to see governments increase regulation and control over the mining industry. In the aftermath of the tragic Brumadinho tailings dam failure (a non-Anglo American operation), we have seen a shift towards more government oversight of tailings-related permits. Our proactive and transparent approach to permitting, supported by unconditional safety criteria, established the ground to obtain the [next phase of the operating licence](#) for the Minas-Rio tailings facility in Brazil, following the work to raise the dam as part of the Step 3 licence area of the mine.

As construction continues at Quellaveco in Peru, all major permits needed at this stage have been acquired in a timely manner and we are on track to get the necessary approvals to commence operation in 2022. We are also innovating permitting practices, as we work through the implications of new technology and mine modernisation in South Africa and Chile.



▼ Shift supervisor, Juan Manuel Toledo, near the tailings facility at Los Bronces' Las Tórtolas copper mine in Chile.

Smart Permitting at Los Bronces

Our permitting practice is enabling us to re-imagine mining through technological innovation. We call it Smart Permitting, an integrated approach to tackle the regulatory, social and technological challenges facing the development of our sites. At its heart, Smart Permitting looks to develop both a long term view of the needs of a mine and a transparent, respectful relationship with government agencies.

In 2019, Los Bronces started implementing this approach as the operation faces a dual challenge. On the one hand, the Los Bronces mine, Las Tórtolas plant and Chagres, its smelter, sit in a complex regulatory framework in which multiple authorities regulate their activities, which require many different types of permits. On the other, as part of FutureSmart Mining™, we plan to implement ambitious projects in these sites, which also require timely and adequate permits.

How best to ensure effective regulatory compliance? In 2019, representatives from Group, Copper and the sites, mapped all planned innovation activities against potential impacts to water, air, noise, energy waste, tailings dams, biodiversity and communities, creating action plans to strategically address permitting requirements.

Thus, Los Bronces is improving the permitting of all its future activities in an integrated way. Its approach is multi-disciplinary, impact-based and collaborative by design.

When operating a mine, a company must request permits from the government before carrying out almost any new activity – from, say, installing a new crusher to expanding a part of the mine – and, by default, these requests are made when initiatives have varied levels of maturity and incomplete information. The traditional permitting model carries the risk of permits being inadequate or late, and then needing amendments as the project progresses.

We believe there is a different way to work. Timely and adequate permits are achievable. The key is to incorporate permitting considerations early in project development, facilitating the future of the site in a holistic way, and work collaboratively to obtain permits that are complete and flexible enough to support the development of disruptive technologies. The Smart Permitting approach helps the site enable the new technologies and plan for innovation, without putting at risk the permits it needs to continue operating as planned.

▀ This approach is setting us up for success. It is helping us transform the way we mine and build long term trusting relationships with regulators and communities."

Aaron Puna,
CEO, Anglo American in Chile

GOVERNANCE AND MANAGEMENT APPROACH CONTINUED

Operating Model

An operating model describes both how an organisation adds value to its customers and the way a business is run. In 2014, Anglo American codified an Operating Model to deliver on our business expectations, focusing on the dimensions of effectiveness, efficiency and sustainability. A coherent framework based on well-researched principles, its implementation is critical for us to fulfil our strategy, meet our sustainability goals – including elimination of fatalities – and live up to our Purpose.

Three inter-related components of our Operating Model collectively guide how we set targets and operating strategies, how we manage our work, and how we constantly measure performance and improve the business.

Operational risk management

We safeguard our people, assets, legal position, reputation and the environment by understanding and managing risk, as well as ensuring we identify opportunities to best serve the long term interests of all our stakeholders. This goal is at the core of our Group Integrated Risk Management Policy.

The policy is supported by an Integrated Risk Management Framework and underpinned by the Operational Risk Management (ORM) Standard and implementation guidelines.

ORM helps operational managers identify, prioritise and control the risks that threaten their ability to meet their objectives. It is structured into four inter-related layers (baseline/issue-based/task-based and continuous risk management) that support all on-site personnel to ensure that we plan for managing unwanted events, understand and implement the necessary controls and execute work to minimise negative consequences and maximise positive outcomes.

To manage risk, we are also building a culture of appropriate risk management. We provide comprehensive training to all employees; in 2019, more than 600 senior operational managers and 15,000 supervisors participated in focused risk-management activities. Risk management also plays a role in how we evaluate performance: in 2019, we included leading and lagging indicators related to risk management in employees' key performance indicators and all business unit scorecards.

Assurance

Anglo American's Business Assurance Services (ABAS) provides independent internal assurance to the Board's Audit Committee about the design adequacy and operating effectiveness of the internal controls that mitigate risk across the Group.

In addition, the ABAS team works with colleagues across other functions to provide assurance about the controls associated with priority catastrophic and sustainability-related risks at operations. These operational risk audits are conducted on a rotational basis. In 2019, we conducted 45 full-scope and 33 follow-up operational risk audits.

The results are reported to the Board's Audit and Sustainability committees.

The SHE Way roll-out and implementation got under way during 2018. To date, 37 operations have developed implementation plans to implement and comply with the SHE Way by the end of 2020. There is ongoing tracking and monitoring of progress against defined plans.

Regarding external assurance: 36 operations assure their compliance with ISO 14001 and OHSAS 18001 management system standards; and 17 have started their transition from OHSAS 18001 to ISO 45001.

In 2019, PGMs' Unki mine in Zimbabwe became the first to publicly commit to be independently audited against the Initiative for Responsible Mining Assurance's (IRMA) Standard for Responsible Mining.



▶ (Left to right) Stanley Ross, Sinclair Mnisi and Reabetswe Mabe are Operating Model team officers at Thermal Coal's Greenside colliery in South Africa.

MINAS-RIO: LIVING UP TO OUR PURPOSE WHEN THINGS GO WRONG

In Brazil, Minas-Rio sits on a world class deposit of iron ore, the key to making steel and powering our modern way of life. Since Anglo American acquired the mine over a decade ago, we have been conscious that our ability to deliver the materials society needs goes hand in hand with working closely with communities and authorities, and ensuring that our operation treads lightly on the environment. This is never more important than when things go wrong.

Anglo American was determined to leave the affected areas in a much better condition than they were before."

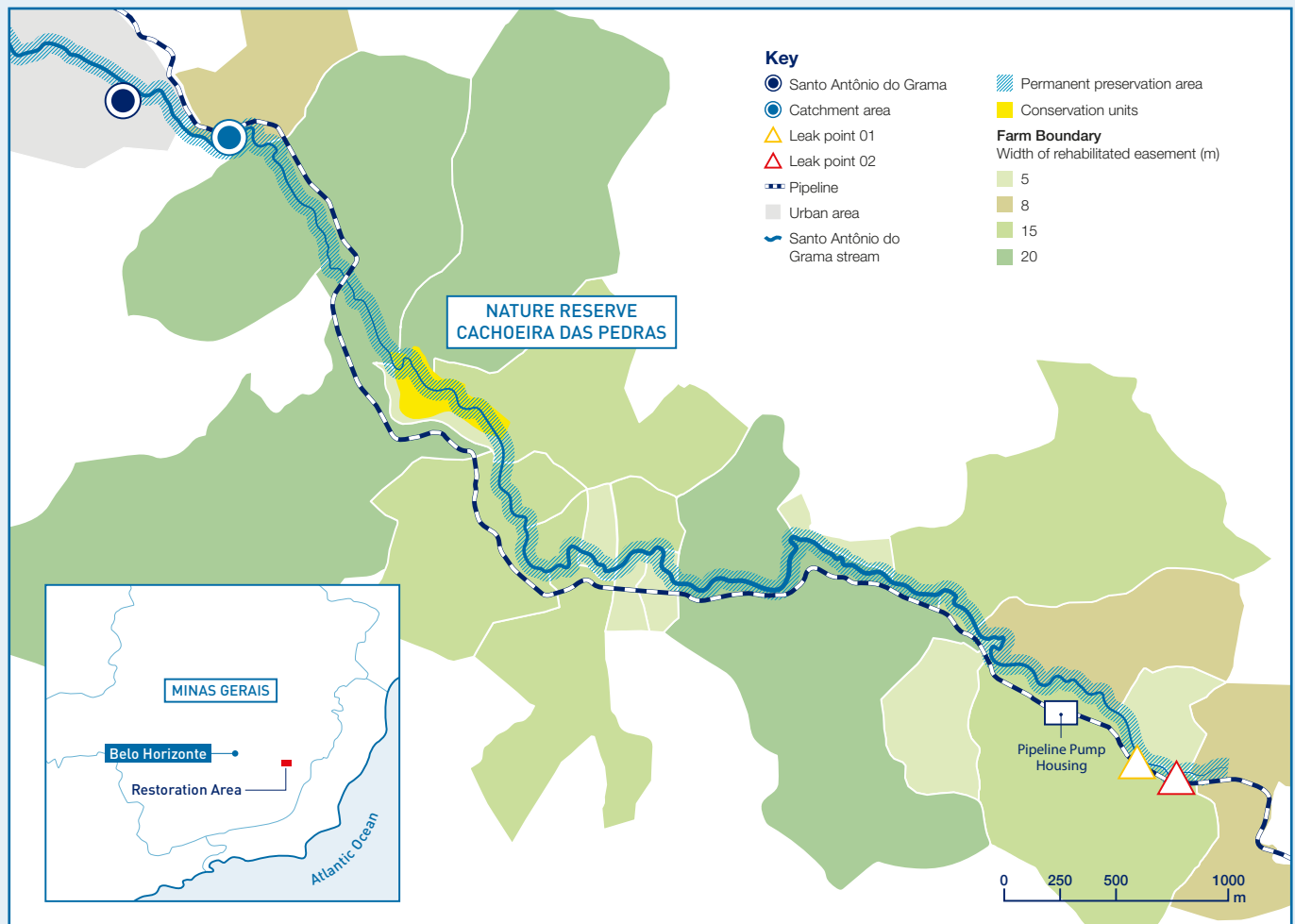
Marcelo Polesca Teixeira,
a landowner in Santo Antônio do Grama

In March 2018, we experienced two iron-ore slurry leaks from the pipeline that runs from Minas-Rio mine to Açú port on the Atlantic, 529 kilometres away. The leaks occurred in a rural area near the town of Santo Antônio do Grama and, to ensure safety and protect the environment, Minas-Rio stopped operations. Minas-Rio remained closed until December that year, during which time we carried out a comprehensive recovery and restoration process.

Our response reflected the seriousness with which Anglo American views any impact on the environment, even when – as in this case – no injuries or hazardous materials were involved. "Our first effort was to guarantee the safety of the communities and the personnel involved in the first response, and then to make sure we provided the best response to minimise the impacts to the communities, the environment and other stakeholders involved," explains head of safety, health and sustainable development, for Anglo American in Brazil, Aldo Souza.

After suspending operations, as a matter of urgency, we provided potable water and an alternative water-abstraction source for Santo Antônio do Grama. We also began the process of removing iron-ore sediment from the nearby river, while simultaneously developing a plan for the recovery of the affected land area. Following approval by the federal environmental agency, we spent the next nine months restoring vegetation along the river and rehabilitating a wider area of nearby land, to ensure a net-positive impact on the local environment. We completed this rehabilitation in December 2018. However, maintenance and monitoring of the recovery areas will continue into the future. Marcelo Polesca Teixeira, a landowner in Santo Antônio do Grama, comments, "Anglo American was determined to leave the affected areas in a much better condition than they were before the leaks. They put in a lot of effort; the restoration work was very well done and exceeded our expectations."

Map of the restoration area following the pipeline leaks in March 2018. The rehabilitation work was completed in December 2018, achieving a net-positive outcome in the local environment. Maintenance and monitoring are ongoing.



MINAS-RIO: LIVING UP TO OUR PURPOSE WHEN THINGS GO WRONG CONTINUED



Community relations assistant, Viviane Barbosa, part of the specialist team who engaged with homeowners in the affected community, speaks to a landowner to explain the interventions that will take place as part of the restoration.



Palisades – a specific type of wooden fence – were built along narrow, curved and other vulnerable stretches of water in order to minimise the effects of water erosion and promote vegetation growth.

Acting swiftly to address the impact of the leaks is just part of our responsibility to the community and the environment. As part of our rehabilitation plan, we conducted follow-up surveys to ensure there was no ongoing impact from the incident. We also took proactive measures, that went far beyond standard industry procedures, to protect the future integrity of the pipeline. We carried out a detailed technical inspection of the full pipeline length, using pipeline inspection devices known as 'PIGs' (pipeline inspection gauges), which confirmed the integrity of almost the entire pipeline. Despite this, we proactively replaced a four-kilometre stretch of pipeline that included the sites of the two leaks.

Following the incident, we took steps to clarify not only what happened, but how and why these incidents occurred. The causes of these leaks were unusual and outside of Anglo American's reasonable control, but we took steps nevertheless to minimise the risk of similar incidents happening in the future. We updated the operational risk management system, with emphasis on critical controls. Despite the pipeline conforming to applicable standards, we submitted a new Group Piping Standard and Piping Guideline to our Technical Standards Committee, with even more rigorous requirements for design, manufacture, supply and testing that will help further minimise the risks associated with pressurised piping systems. We have also further improved our operational standards, and increased the frequency with which we test pipelines.

400+

Employees performing environmental recovery work in the affected area

4 kilometres

Stretch of pipeline proactively replaced

5 hectares

Size of the area where vegetation restoration and rehabilitation took place

Throughout this process, we kept our stakeholders informed about the progress of our clean-up, issuing regular press releases and social media updates, as well as hosting site visits.

"Anglo American accepted what happened, stopped their activities, and went far beyond what environmental regulation required," says Hiram Firmino, general director and editor of the ecological magazine *Revista Ecológico*, and former State Environment Secretary and president of the State Environmental Foundation. "Rather than letting employees go, they invested intensely in training, and for the recovery of the affected area, where more than 400 employees performed the environmental recovery work. They spared no expense, the rivers and water recovered and, in 2020, they will launch an environmental education centre in Santo Antônio do Grama City. Their response changed the city for the better."

This collaborative rehabilitation strategy has helped to ensure that Minas-Rio can continue to deliver a positive impact to local communities and responsibly manage the local environment, while continuing to help meet the world's needs for iron ore. The mine has now resumed operations, and has received a green light from the Brazilian regulators to expand towards full capacity and continue to meet growing demand.

In late 2019, Anglo American Brazil won the Hugo Werneck Award – the most prestigious sustainability award in Brazil – for the Santo Antônio do Grama Creek recovery project.

SAFETY AND HEALTH

Our first priority is to keep our employees safe and healthy. There is no easy answer, but by leading with safety and investing in health and well-being, we're getting ever closer to our goal of zero harm.

While material matters are reported as isolated issues for ease of reference, in reality they are all complex and interconnected.

Our work in health and safety is directly linked to:

- ▶ Meeting our commitments to business stakeholders and society
- ▶ Workforce culture and capability



▼ Electrical coal-clearance co-ordinator, Katie Buttery, at Metallurgical Coal's Moranbah North mine in Queensland, Australia.

SAFETY

We have intensified our focus on the elimination of fatalities at our operations, refreshing our Values and linking them closely with cultural change at all levels of our business. As part of this initiative, we have launched a year-round Values-based safety campaign: Safety 365.

Our safety journey in 2019 has been challenging and emotional. We lost four colleagues in work-related incidents at the Group's managed operations, and one colleague at a non-managed joint venture.

During 2019, we lost Bradley Hardwick from Moranbah North; Fabio Eyzaguirre Flores from Los Bronces; César Wilinton Estrada Agüero from Quellaveco and Januarie Mokoena from Zibulo colliery, in the course of their work. All incidents are followed by thorough investigations.

We are also deeply saddened by the tragic loss of one colleague at a non-managed joint operation; two contractor colleagues who lost their lives in separate security-related events during the year; 10 colleagues who lost their lives in two separate after-work public road bus accidents; and one colleague who passed away while attending a voluntary off-site rescue training exercise.

Each of these tragic events is devastating and we extend our deepest sympathies to our colleagues' loved ones, friends and fellow workers. These losses highlight how important it is for us to seek improvement in the safety of everyone associated with Anglo American, including our contractors, and influencing safety good practice at our suppliers and non-managed joint ventures.

Fatalities are included in our reporting figures when they occur while executing work on behalf of Anglo American, and when we are responsible for working practices and health and safety standards. Other fatalities are no less tragic or devastating. All are described in this report, but they are recorded separately.

Of the 18 losses disclosed, four are included in our occupational safety statistics, which is in line with the International Council on Mining and Metals (ICMM) and internal reporting guidelines.

The Group's fatal injury frequency rate (FIFR) decreased to 0.017 at the end of 2019, compared with 0.024 in 2018. Our lost-time-injury frequency rate (LTIFR) decreased from 1.63 in 2018 to a record low 1.36 in 2019. Our total recordable case frequency rate (TRCFR), which includes any injury that requires more than first-aid treatment, decreased from 2.66 in 2018 to 2.21 in 2019. This represents a 59% improvement in six years.

Sustainable Mining Plan

 For more information: See pages 10-15



CRITICAL FOUNDATIONS: ► ZERO HARM

Providing a safe workplace

Our approach to safety management is built on five key pillars:

- Passionate leadership
- Resilient management systems
- Effective risk management
- Rapid organisational learning
- An engaged workforce.

We manage and improve safety through our Operating Model; the SHE Way; our system of global policies, standards and guidelines; our operational risk management and assurance processes; and continuous learning. We have defined what 'good' looks like, have developed tactical plans, and we monitor progress and correlate safety improvements.

Our drive to eliminate fatalities

Since its inception in 2018, the *Elimination of Fatalities* Programme has been tackling the systemic issues underlying the safety challenges we continue to face. While we have seen an improvement in our overall safety record, fatal incidents still happen. Our work to eliminate fatalities is structured around thematic workstreams that report into the Group's Board and GMC, with regular updates shared through Group leadership.

We conducted assessments to take a hard look at safety across the Group and close the gap between what we expect and plan for and what actually occurs. In 2018, we appointed an *Elimination of Fatalities Taskforce* which visited all our sites globally, with a particular focus on the Group's culture around safety – specifically on identifying fatal and catastrophic risks, and on understanding the behaviours and mindsets surrounding risk. The multi-disciplinary taskforce reviewed approaches to management, accountability, systems and compensation structures at each site. The findings and identified risks were presented to the operation's general manager (GM) at the end of each review. Among the findings were opportunities for improvement in how line managers engage with the workforce to increase trust, care and respect, and collaboration; how monetary and non-monetary incentive systems promote safe behaviour; how we can help employees absorb lessons from training and take them to heart; and an opportunity to improve the standardisation of systems and programmes across the Group.

The taskforce's findings helped us prioritise urgent actions to prevent serious incidents and informed the formation of a programme of targeted workstreams to address systematic issues to ensure safe, responsible production.

For example, through the Operational Leadership Excellence workstream, we have made a significant investment in building a best-in-class cadre of GMs. Our efforts have centred on clarifying their role, as well as on developing GMs' safety leadership skills, and creating forums to help them collaborate with each other and learn as a leadership community.

In another important development, we completed a review of post-incident medical care at the Group's managed operations as well as De Beers' managed operations, and their non-managed joint operations Debswana and Namdeb. The review aimed to ensure that post-incident medical assistance delivers the best possible outcome for an injured person. Site-specific recommendations have been issued in areas such as training, trauma and emergency care, and control-room operations. In conjunction, we have undertaken a Groupwide review of the emergency preparedness and response capabilities at each operation, reviewing emergency response facilities, equipment, materials, supplies and systems, with site-specific recommendations given to each operation.

We are also incentivising the right behaviours by introducing a new Accountability Framework and building a Groupwide culture where everyone is a safety leader. Both contractors and employees should work to the same standards underpinning our Code of Conduct. Through a review of contractor performance management, and by embedding leading safety practice across the value chain, we are also working to ensure reward structures and incentives support safe and responsible production.

Finally, all of this work is underpinned by our Operating Model. Through the Operating Model, our safety and operational risk management systems are fully integrated into systematic operational planning and execution, delivering an inherently safer workplace.

SAFETY CONTINUED



Fitment technician, George Phirimi, inspects the radar sensors, which are fitted front and rear, and cameras for the auto-braking system on a Komatsu 730 haul truck.

Technology steers trucks towards zero harm

According to ICMM statistics, in 2018, haul trucks and other mobile equipment were involved in a third of mining industry fatalities. Through its risk assessment process, Kumba identified reducing the risk of mobile equipment machinery incidents as a priority to enable the elimination of fatalities, so it made sense to focus technological innovation on the application of collision-avoidance (CAS) technology in haul trucks.

This journey began in 2014, when Kumba's Sishen mine in South Africa started developing an anti-collision system for the mine's trackless mobile equipment. In 2019, all the Sishen mine-owned haul trucks were fitted with the latest CAS. Sishen became the first mine in South Africa to deploy this technology in an opencast mine with a fleet of large haul trucks (over 200 tonnes), and in an environment where traffic management and segregation form part of the mine's critical controls.

Kumba's success in rolling out CAS is due to the collaboration between Sishen, the truck manufacturer Komatsu and Hexagon Mining, a proximity detection system supplier. Together they were able to adapt the technology to the models of haul trucks in use at Sishen. The technology has the following features: SpeedAssist and RampAssist, which prevent trucks from over-speeding in designated areas; AssetProtect, which disables reverse functionality when the crusher is in maintenance and stops hoisting when the haul truck is under a powerline; and LaunchAssist, which prevents the vehicle from moving when a threat is

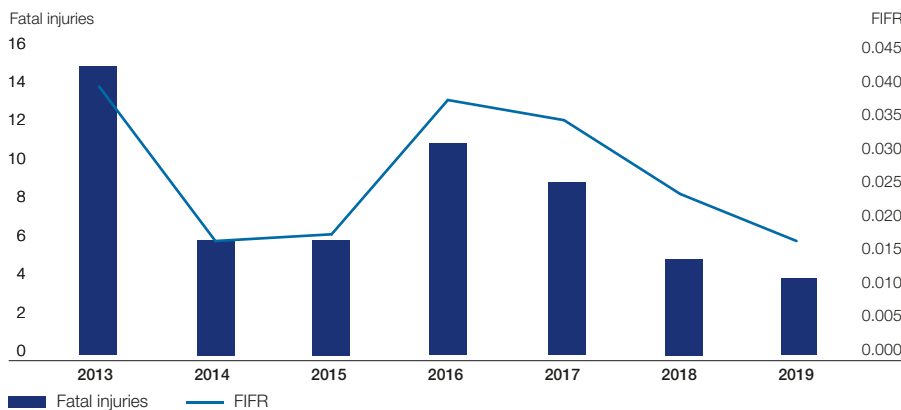
detected in the travel path. The most impressive feature is BrakeAssist, which applies brakes to prevent imminent collisions or incidents with other CAS-fitted vehicles or infrastructure.

Since the system was deployed, it has intervened in several incidents involving trucks at Sishen. Furthermore, as the reporting platform is being rolled out, its reports help management identify and address the causes of unsafe driving behaviour, and improve traffic management.

Kumba is now working on rolling out the collision-avoidance systems at its Kolomela mine fleet and to its contractor fleet – in order to improve safety and ensure compliance with government regulation, which requires mining operators to significantly reduce the risk associated with trackless mobile machinery. This requirement is also part of the [ICMM Innovation for Cleaner Safer Vehicles Initiative](#).

Up to now, solutions for increasing vehicle safety in mines have been rare. For Kumba, this has been part of a drive to achieve zero harm, aimed at making the workplace safer for employees.

TOTAL NUMBER OF FATAL INJURIES AND FATAL INJURY FREQUENCY RATE 2013–2019



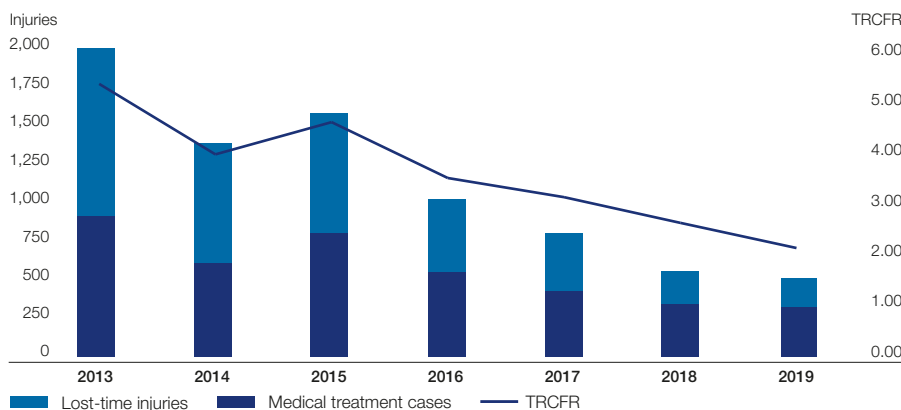
Safety management systems: progress in 2019

The SHE Way helps to clarify each site's safety requirements, by bringing together all our performance standards under a single framework. We continued to roll out the SHE Way system across our business in 2019, affording greater visibility of all safety-related risks, identifying gaps in performance, and developing action plans.

We have focused on maintaining regular training on Operational Risk Management (ORM), and have now trained more than 90% of our targeted employees. Our goal on risk management is to empower all employees and contractors to identify, prioritise and control risks. We require our front-line managers and practitioners to monitor and control common risks such as working at height, using heavy mobile equipment, and flying on charter aviation services.

Rapid organisational learning is a key element in our approach to managing safety. We are developing a more rigorous system for learning from safety incidents and sharing those lessons across the business. From these learnings, leadership teams at all sites are required to implement immediate actions to prevent the recurrence of similar incidents.

LOST-TIME INJURIES, MEDICAL TREATMENT CASES AND TOTAL RECORDABLE CASE FREQUENCY RATE 2013–2019



SAFETY CONTINUED

Technology for safety

Across every aspect of our business, we are thinking creatively about how we work to ensure the safety of our people, including the use of technical innovation to create a safer working environment. Our recent initiatives include a collision-avoidance system for heavy mobile equipment and support vehicles, autonomous haulage vehicles, tracking systems to ensure that all personnel are located outside blast exclusion zones, and technology for monitoring driver and operator fatigue, as well as mobile devices suitable for safe use in an underground environment. We are also testing video analytics at our Brazilian operations.

Advanced driver assist system (ADAS) technology has been successfully installed on light vehicles, buses and trucks at De Beers' Venetia mine with full scale roll-out in progress. Based on the positive results at Venetia, additional systems have been procured for trials at Jwaneng, and Orapa, Letlhakane and Damtshaa.

Safety 365: living our Values year round

To help us live our Values, we have put all six at the heart of our global Safety 365 programme. This year-long programme helps us focus on how living each of our Values contributes to keeping us safe.

Our Global Safety Day event on 10 October kicked off the Safety 365 programme. Throughout the year, until the next Global Safety Day, we will challenge ourselves to put our Values at the heart of safety leadership – at work, at home and in the community.

In refreshing and communicating our Values, we stress how they are inter-linked with, and support, safety. It requires our people to be vigilant in identifying any unacceptable level of risk.

Safety 365 supports the *Elimination of Fatalities* Programme, and provides all colleagues with ongoing opportunities to discuss key safety issues and concerns and to share personal commitments and successes.

🔗 **For further information:**
Our approach to Safety and Health



▼ (Left to right) CEO of our PGMs business; Chris Griffith; Chief Director: Technical Unit, Department of Mineral Resources and Energy, Xolile Mbonambi, and Group director – South Africa, Nolutha Fakude, during the meeting held in Johannesburg in November 2019 to mark 10 years of the Tripartite Health and Safety Initiative.

More than a decade of the Tripartite Health and Safety Initiative

In 2008, the senior leadership of Anglo American came together with stakeholders from the government, the mining industry and organised labour to create the Anglo American Tripartite Health and Safety Initiative. Commonly known as the Tripartite, its aim was to establish a leadership forum that would address the occupational health and safety challenges of the time, and influence the way in which Anglo American approached health and safety in the future. It is the only inclusive forum of its kind in the mining industry.

Charles Mkhumane from the South African National Union of Mineworkers (NUM), recalls how difficult it was at the start of the initiative, with stakeholders "coming from different backgrounds and clashing ideologies". The Tripartite represented a strategy for overcoming these barriers through effective relationship building and the sharing of industry knowledge and collaboration.

Over the years, the Tripartite created sub-committees and workstreams for a number of key strategic areas. One of the outcomes from these workstreams has been Anglo American's Visible Felt Leadership process, which we have now adopted globally.

The success of the Tripartite over the past 11 years has been largely attributed to the deep, sustainable personal relationships built between principal parties on the implementation team – a necessary foundation for progress in a group with such diverse agendas. Solidarity's Secretary-General, Gideon du Plessis, attests that they "have experienced an improved understanding of most of the management team, especially at senior levels, regarding the

health and safety challenges experienced by Anglo American mining employees".

However, as Anglo American's chief executive, Mark Cutifani, points out, "The job is not done, though we have made significant progress in the health and safety of workers... We have to eliminate high potential incidents".

"When we look at your stats, it does show a positive reflection of working towards a common goal of zero harm in as much as we still experience fatalities," says Joseph Mathunjwa, president of the Association of Mineworkers and Construction Union (AMCU).

The chief operations officer of UASA, Shadrack Motloung, concluded his speech at the recent Tripartite Summit on 28 November saying, "We are proud to be associated with a company whose objectives are to grow the economy of our country, South Africa."

Several challenges remain for the mining industry, for Anglo American and for the Tripartite. They include gender-based violence in the mining industry, the need to increase gender diversity, environmental challenges, and illegal mining that threatens health and safety of miners and others. A key objective of the 2019 Summit was to provide guidance on the challenges that the Tripartite should take on in the future and develop a list of priorities. As Dorian Emmett, adviser to Anglo American's chief executive, puts it, "Nothing we do in the Tripartite is done unilaterally. Nothing. We work together on making every single decision, as far as the Tripartite is concerned, as a group."

"It is hoped that the Anglo American Tripartite Initiative will grow in leaps and bounds and still be around for many more years to come," adds advocate Thabo Mokoena, director-general at the Department of Mineral Resources and Energy.

HEALTH

Our approach to health and well-being will consider all aspects of health for our employees, contractors and host communities. We aim to achieve all relevant targets for each host community under the UN Sustainable Development Goal on health by 2030.

In 2019, we achieved a key milestone, by reaching the performance targets linked to UNAIDS 90/90/90 for Anglo American employees in South Africa.

At Anglo American, we understand that a person's health and well-being involve physical, social, cultural and psychological factors. In 2019, we reframed our approach to what we call Total Health. Total Health is adapted from the World Health Organization's Healthy Workplace Model and provides our framework for managing health and wellness at Anglo American.

Our Safety, Health and Environmental management system, the SHE Way, sets out the requirements for managing occupational health risks. Together with health-related technical standards, it defines the requirements our sites must meet.

Sustainable Mining Plan

[For more information: See pages 10-15](#)



THRIVING COMMUNITIES

Health and well-being

2030: Relevant SDG3 targets for health to be achieved in our host communities.



CRITICAL FOUNDATIONS: ► ZERO HARM

In 2019, we launched a standard and a requirement covering occupational hygiene and occupational medicine.

Our health programmes focus on:

- Eliminating and mitigating health hazards in the physical work environment through occupational health risk management processes and practices
- Ensuring a workplace culture that supports all aspects of health and well-being
- Providing resources to help employees manage personal health risks, including the risk of HIV/AIDS, TB and non-communicable diseases
- Transforming health and well-being in our host communities by achieving the relevant health targets of UN SDG3 for all of these communities, by 2030.

Eliminating occupational health hazards

Where the health of our employees is concerned, our primary focus is to eliminate health hazards in the workplace. Where that is not possible, we aim to reduce hazards to levels as low as reasonably practicable.

Our main occupational health risks include, but are not limited to, potential excessive exposure to:

- Inhalable hazards
- Occupational carcinogens
- Noise
- Stress to muscles, bones and joints
- Fatigue, and
- Work-related stress.

In 2019, we launched an Occupational Hygiene Standard and expect all sites to have implemented the new standard by the end of 2020.

Achieving good occupational health and hygiene is a vital part of meeting our target of zero fatalities, we need to apply the same rigour to eliminating occupational health hazards as we do to eliminating workplace safety incidents. We are, therefore, taking a similar approach to safety: improving our ability to learn from serious health incidents and embedding critical-control management processes. We have increased the resources available for investigations and reporting, and focused on the way we manage health hazards that potentially lead to life-threatening illnesses or premature death. These include respirable crystalline silica, respirable coal dust, and occupational carcinogens such as welding fumes, diesel-particulate matter and ultraviolet radiation.

ANGLO AMERICAN TOTAL HEALTH MODEL



HEALTH CONTINUED

We provide employees with appropriate personal protective equipment (PPE), such as respiratory or hearing protection, wherever there is a risk of exposure levels exceeding safe limits. We also consider adjustments to our system of controls when these risks occur. We carry out intensive training to make sure our employees use and maintain PPE properly. In 2019, we developed a Group PPE Management Specification to ensure we issue appropriate PPE to protect our employees from occupational hazards that we are unable to remove, and that this PPE meets acceptable standards.

Innovation in technology is further helping us protect the health of our employees, reduce exposure to hazards, and give us early warning of when we need to take action. For example, in 2019, we continued to roll out our award-winning Operational Intelligence Suite (OiS), a real-time data analytics platform that monitors environmental conditions and the performance of engineering controls. OiS triggers alerts when exposure to hazards such as noise or inhalable particles reaches unsafe levels, or when a control fails. It has already significantly reduced exposure to potential health hazards for employees in our PGMs operations. [See: Using Data Analytics to Build A Safer Workplace: The OiS.](#)

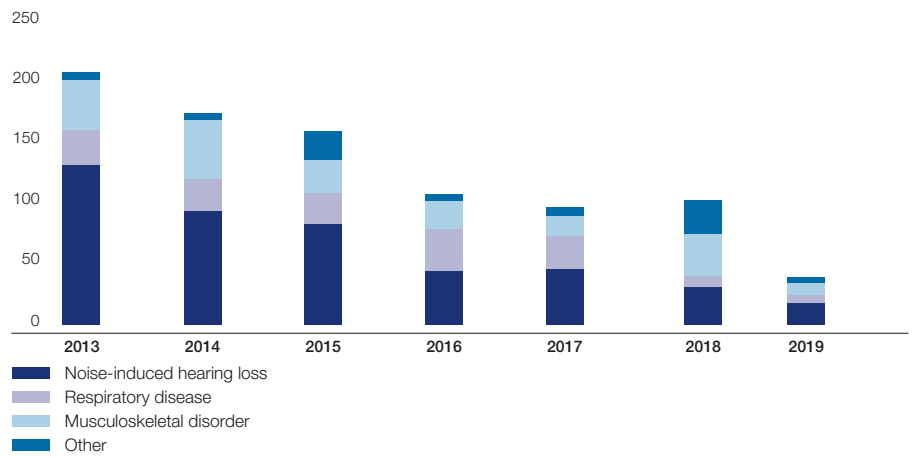
We have also launched a programme to improve how we manage and maintain engineering controls such as our local exhaust ventilation systems (LEVs) to remove inhalable health hazards from the workplace and dispose of them safely. We have trained our site occupational hygienists in the skills and equipment they need to optimise and maintain LEVs. In 2020, we will expand our training to cover mist-suppression systems.

The total number of employees and contractors potentially exposed to excessive workplace noise increased to 29,671 (2018: 29,089). This change is due to improvements in the accuracy of reporting.

The number who were potentially exposed to unsafe levels of inhalable hazards decreased to 2,474 (2018: 4,584). This improvement is the result of several Groupwide initiatives aimed at reducing our workers' exposure.

In future years, we will continue to focus on how we manage and evaluate our systems for controlling exposure and mitigating health risks. In 2019, we carried out work to improve the quality of the occupational hygiene baseline data, reflected in the data above.

NEW CASES OF OCCUPATIONAL DISEASE 2013–2019



Our approach to employee health and well-being

We have a five-year strategy for looking after the health and wellness of Anglo American employees, which aims to eliminate new cases of occupational disease and establish a globally consistent yet locally relevant approach for managing workplace and personal health risks for our employees.

We have identified the priorities that each Anglo American site needs to address to meet these targets. In addition to monitoring our employees' health and eliminating hazards at work, we help them to manage personal health risks, and run broader well-being initiatives.

Monitoring the health of our employees

We record the baseline health of every operational employee who joins Anglo American, and then periodically monitor the state of their health throughout the time they work for us. Our medical surveillance programme aims to detect early signs of ill health, whether due to occupational health risks or lifestyle factors, and carry out focused interventions. We screen for obesity, smoking and alcohol abuse, as well as hypertension, diabetes, TB and HIV.

In 2019, the number of new cases of occupational disease declined to 39 from the 101 new cases recorded in 2018. We believe that this is a direct result of initiatives such as training employees to use hearing protection. We have continued to see a significant reduction in new cases of life-threatening coalworkers' pneumoconiosis in South Africa and Australia (from 5 in 2018 to 1 in 2019).

Supporting employee well-being

In 2019, we finalised a comprehensive well-being strategy for Anglo American, which integrates mental health, and lifestyle risks that give rise to non-communicable diseases. This process has been driven by our global head of health, Stefaan Van der Borgh, who retired in early 2020.

We have responded to surveys showing high levels of stress among our employees through a focus on mental health. Our solutions include actions working with our Inclusion and Diversity team to address cultural issues. For example, we emphasised our zero-tolerance approach to bullying and harassment through a policy launched in November 2019.

At our South African operations, mental health and other well-being issues are often linked to financial difficulties, and we run financial well-being support services to address these causes. Our PGMs operations have helped more than 2,400 employees resolve financial difficulties over the past five years.

We have identified fatigue as another high-priority well-being challenge. Fatigue contributes to poor health and well-being, poor productivity, material losses, safety incidents and fatalities. We have developed a new fatigue management standard, with minimum mandatory requirements and controls. In 2020, we plan to launch a communications programme to raise awareness of the new standard.

HEALTH CONTINUED

Silicosis settlement

The issue of how to deal with compensation for silicosis is a diverse, emotive and complex one and, understandably, the views of our wide-ranging stakeholders differ significantly. We are all united, however, in our concern for those mineworkers and ex-mineworkers who have contracted silicosis, and we fully support initiatives of the mining industry, labour and government to ensure that those suffering from silicosis receive proper care, support and treatment, as well as fair and sustainable compensation.

Through our active participation in an Occupational Lung Disease Working Group, which was formed in 2014, Anglo American South Africa – together with six other mining companies (African Rainbow Minerals, AngloGold Ashanti, Gold Fields, Harmony, Sibanye Stillwater and Pan African Resources) – concluded a settlement agreement on 3 May, 2018 in the silicosis and tuberculosis class-action litigation with the claimants' lawyers, which was approved by the Johannesburg High Court on 26 July, 2019.

This is an historic settlement, resulting from three years of extensive negotiations. The agreement provides meaningful compensation to all eligible workers suffering from silicosis and/or tuberculosis who worked in these companies' mines from 1965 to date. This is the very first class-action settlement of its kind in South Africa.

The parties believe the settlement represents a fair outcome for claimants, and a sustainable outcome for the companies.

Managing TB and HIV/AIDS among employees and host communities

At the end of 2019, we succeeded in reaching the first two objectives under the UNAIDS 90/90/90 target for all employees at Anglo American operations where we have data available.

Achieving the UNAIDS 90/90/90 targets helps to break the link passing HIV/AIDS from generation to generation. As we have progressed towards these targets, we have significantly reduced the incidence of mothers passing HIV on to their children.



▼ In November 2016, UNAIDS Executive Director, Michel Sidibé, and Anglo American chief executive, Mark Cutifani, announced a public-private sector partnership to promote HIV testing worldwide.

Beyond 90/90/90 – ready for the next challenge in the fight against HIV

In 2014, the Joint United Nations Programme on HIV/AIDS (UNAIDS) set its strategy for ending AIDS as a public health threat by 2030. For Anglo American, this goal speaks to the heart of our effort to ensure our employees' health. We have felt the impact of AIDS first hand, particularly among our employees and host communities in South Africa.

UNAIDS set three ambitious targets for 2020: 90% of all people living with HIV would know their HIV status; 90% of those diagnosed with HIV would receive sustained anti-retroviral therapy; and 90% of those receiving anti-retroviral therapy would have viral suppression, where the viral load is so low as to be undetectable. Not only was Anglo American ready to accept this challenge, we had already spent decades working to tackle the impact of HIV on our employees, their families and our host communities. In South Africa, which has one of the world's highest infection rates for HIV, we have been running HIV testing and treatment programmes since 2000. In 2002, we became one of the first companies to introduce free anti-retroviral treatment for our employees.

Since the launch of the 90/90/90 targets, we have intensified our efforts, working to reduce the stigma associated with HIV/AIDS, adopting an always-on approach to awareness and engagement, and working with the governments and health bodies to overcome resistance to HIV testing. In 2016, we signed a collaboration agreement with UNAIDS to

promote HIV testing worldwide, building on the success of our employee programmes.

Our journey to eliminate AIDS as a public health threat, reached a key milestone when we achieved two of the three critical 90/90/90 targets for Anglo American employees in South Africa. Of these employees, 94% know their HIV status, and 92% of those identified as HIV positive are having anti-retroviral treatment. The proportion of our employees with viral loads so low as to be undetectable currently varies between 80% and 90%.

These achievements are significant – but they are only part of the journey. During 2020, we will be building an action roadmap, to address HIV prevention and other health challenges faced by our employees and communities. This will require new collaborations and initiatives to target the key drivers of HIV infection. In South Africa, for example, we have commissioned an in-depth study to better understand the social risk factors linked to new cases of HIV.

"Business cannot succeed unless societies are healthy. Private sector leaders recognise that the well-being and security of the communities they serve are essential to their shared futures. Anglo American has been a partner in our journey to ending AIDS as a public health threat," says Frauke Joosten, Advisor, Public-Private Partnerships, UNAIDS. "Their commitment demonstrates the role that business can play in reversing the tide of HIV infection."

HEALTH CONTINUED

HIV/AIDS INDICATORS⁽¹⁾

	2019	2018	2017	2016	2015	2014	2013
Employee voluntary testing and counselling cases (number of employees who know their status)	34,048	30,814	43,568	45,279	50,223	59,813	51,954
Contractor voluntary testing and counselling cases (number of contractors who know their status)	43,107	40,670	32,433	38,376	39,643	48,421	40,814
Employees who know their status (%)	94	88	83	88	68	86	75
Number of known HIV+ employees on anti-retroviral therapy (ART)	5,700	5,118	6,331	4,633	7,415	5,953	5,237
Known HIV+ employees on anti-retroviral therapy (ART) (%)	92	86	84	68	72	53	47
New HIV cases (employees)	400	540	506	611	349	543	529
AIDS deaths (employees)	0	3	12	68	91	89	125
New cases of tuberculosis (TB) (employees)	84	93	188	296	511	544	677
TB incidence rate per 100,000 (employees)	230	242	361	447	696	790	963
TB deaths (employees)	3	5	4	14	28	52	59

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

Despite our success, meeting the UNAIDS targets is just a first step in the fight against HIV/AIDS. While increasing take-up of testing and anti-retroviral treatment therapy, we still have a high number of new cases in our communities. In 2018, we saw a significant increase in the number of new HIV infections among our employees, partly driven by the level of HIV infection among people joining our business.

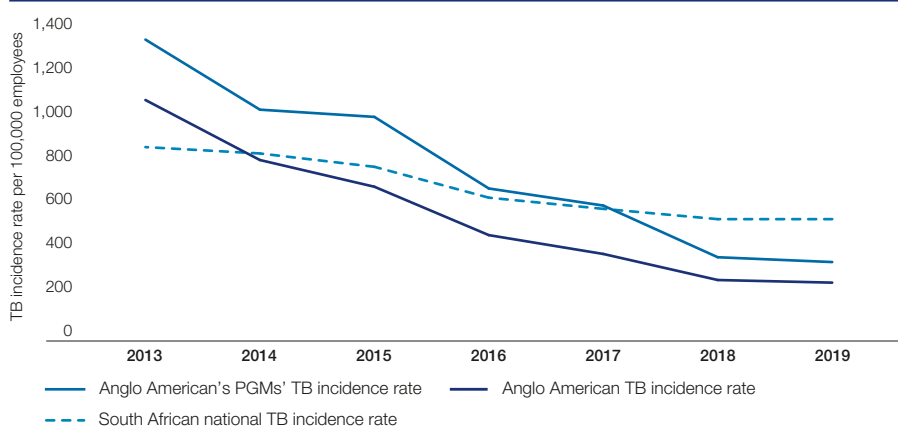
In 2020, we plan to launch a new strategy for preventing infection. By 2022, we aim to reduce the level of HIV infection among our employees by 50% compared with 2015.

We take a similar approach to reducing levels of TB infection among our employees. We set a target to reduce incidences of TB to 30% of 2015 levels by 2022, and have managed to reach this target three years early.

At the end of 2019, the infection rate for TB among our employees stood at 230 per 100,000 people, well below the 2018 national rate for South Africa of 520 per 100,000 people. This is a result of high ART uptake among HIV-positive employees in addition to implementing Isoniazid Prevention Therapy (IPT), which we have distributed to more than 70% of eligible employees.

In early 2020, Anglo American became a founding member of the [Business Alliance to End AIDS by 2030](#), a public-private coalition co-hosted by UNAIDS and GBCHealth.

ANGLO AMERICAN TB INCIDENCE RATE RELATIVE TO THE SOUTH AFRICAN NATIONAL AVERAGE 2013-2019



HEALTH CONTINUED

Thriving communities: our journey towards meeting the United Nations' health targets in our communities

Anglo American's ambitious goal is to achieve all relevant targets under the United Nations Sustainable Development Goal 3 (SDG3) within its host communities by 2030. Doing so will support healthy lives and promote well-being for our community members. Interventions, however, must respond to both the needs of the communities and our ability to make a difference. For this reason, Anglo American funded the establishment of the Sustainable Development Goal Health and Well-being Research Consortium, a multi-disciplinary group entrusted to help us benchmark our communities' health indicators against the SDG3's targets and recommend the most effective interventions. In 2019, the Consortium made rapid progress in helping to identify the priorities that Anglo American should focus on over the next decade.

The London School of Hygiene & Tropical Medicine acts as co-ordinator of the consortium, and works with local partners that conduct research in our communities in South Africa, Botswana, Zimbabwe, Chile, Peru, Brazil and Australia. Dr Mitzy Gafos and Dr Brian Rice, both Associate Professors at the School, are the lead researchers on the project. With their multi-disciplinary team of researchers, they have assessed each community against the nine targets under SDG3:

- 3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births.
- 3.2 By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births, and under-5 mortality to at least as low as 25 per 1,000 live births.
- 3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases, and combat hepatitis, water-borne diseases and other communicable diseases.
- 3.4 By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment, and promote mental health and well-being.
- 3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.
- 3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents.



▼ The waiting room at PGMs' Amandelbult hospital in South Africa, where patients are treated for HIV/AIDS and other communicable diseases.

- 3.7 By 2030, ensure universal access to sexual and reproductive healthcare services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes.
- 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
- 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

Dr Gafos and her team developed a multi-dimensional approach to benchmark where communities currently stand, and the gaps to be overcome if the targets are to be achieved. They identified the most robust sources of quantitative data available, and combined these with face-to-face workshops and interviews with local stakeholders to pinpoint the health and well-being issues that communities themselves perceive as most important. The researchers also spoke to Anglo American's health and social performance teams in each community, who were able to share their knowledge of local context and needs.

"Working with a company that shows such commitment to the health and well-being of local communities is inspiring," says Dr Gafos. "It's been exciting for us to see what Anglo American has done previously, and what they can do moving forward. It's been wonderful to see the commitment of all involved in making a difference to people's lives."

This collaboration between a private company, civil society and academia is a game-changer," says Stefaan Van der Borgh, former head of health at Anglo American. "As a mining company, we can definitely contribute to the health of our communities, but we have to be smart about where to intervene."

The research has confirmed the importance of issues such as HIV/AIDS, while highlighting previously underestimated challenges, such as the growth of substance abuse, for which little data is currently available. The consortium has identified the top priorities Anglo American should focus on in each community. It is now reviewing the types of intervention that are available, with a view to making evidence-based recommendations on those most likely to deliver results.

HEALTH CONTINUED

Community health: smart interventions

In 2019, we formed the multi-disciplinary Sustainable Development Goals Health and Well-being Consortium to help achieve SDG3 (health) targets in our host communities. The London School of Hygiene & Tropical Medicine is the Consortium's co-ordinator and principal investigator. The School has led a gap analysis across all the communities in which we operate, identifying the health priorities that we need to focus on at each location to achieve the relevant SDG targets. So far, we have completed analyses for 30 communities in eight countries. Our target is for every Anglo American site to have an implementation plan in place by the end of 2020. The plan will set out the interventions needed to meet the relevant SDG3 targets in host communities by 2030. For more details, see the [case study on our work with the London School of Hygiene & Tropical Medicine, on page 34](#).

This work builds on the many investments that Anglo American already makes in improving community health.

For instance, in 2019, we launched a programme to address childhood obesity at the Escuela Santa Matilde de Til-Til in Chile. Dieticians examined 174 children aged between six and 14, and found that a high number of children were overweight or obese and that there was an opportunity to help increase the proportion of healthy food in their meals. We worked with the school to maximise their role in promoting healthy eating and exercise. Teachers took part in an online course developed by the National Institute for Food (INTA) on educational programmes for healthy nutrition, while the school doubled the hours devoted to physical education and promoted healthy eating. The programme shows initial signs of success. Researchers found a reduction in obesity rates in both girls (from 21% to 17%) and boys (42% to 27%) against the study's baseline. This study will continue in 2020 to ensure its impact is sustainable. The researchers believe this experience in a small rural school may be considered as a pilot for similar interventions in the more than 4,000 rural schools in the country which have the highest levels of childhood obesity.

Also in Chile, the health team at Los Bronces partnered with the Centro Metropolitano de Sangre (Metropolitan Blood Centre) to hold a blood drive at the Las Tórtolas plant, which is now being replicated across our other copper operations in the country.

We also participate in partnerships that build community capabilities in occupational health. In July, for example, we sponsored a fatigue-management workshop for community-based occupational health professionals in Santiago, Chile, in partnership with Mutual de Seguridad. In August, we invited community-based occupational health professionals to a session on Emergency Preparedness and Response at our Copper corporate offices. At the Quellaveco project in Peru, we identified a lack of qualified physicians for interpreting chest X-rays and diagnosing pneumoconiosis. We therefore partnered with Universidad Peruana Cayetano Heredia in Lima to organise a course for 20 community physicians from Moquegua and Arequipa. We have also invested in programmes to prevent drug and alcohol abuse, and youth pregnancy, and to reduce cases of anaemia.

Engagement and collaboration

We collaborate with other mining companies and academic institutions to promote occupational health and well-being initiatives, and generate insight for a more informed approach to SDG3.

Among our most important health and well-being partnerships are:

- The Sustainable Development Goals Health and Well-being Consortium, which establishes the most important health and well-being needs for our host communities
- Our support for the UNAIDS goal to end the AIDS epidemic by 2030
- Research to reduce emissions of carcinogenic diesel particulate matter from mining vehicles, which is part of the [ICMM's Innovation for Cleaner, Safer Vehicles \(ICSV\) programme](#)
- Our partnership with the Brazil-based NGO, Reprolatina, to promote greater community well-being through gender equality
- The Chief Medical Officer network, through which the chief medical officers of large companies share best practices and new initiatives
- The Stop TB Partnership, which contributes to global efforts to control TB
- Our research collaboration with the North-West University, Potchefstroom, and the University of the Witwatersrand (both in South Africa), and the University of Wollongong (Australia), which includes research and occupational hygiene-training and skills-development programmes

- Under the auspices of the Minerals Council of South Africa and Business Unity South Africa, Anglo American is active in the policy discussions relating to occupational health and safety regulatory framework, reform of the workers' compensation system and national health insurance.

Looking ahead

We will continue to embed systems thinking, innovation and commitment in support of our Purpose of *re-imagining mining to improve people's lives*. The next step will be to roll out the Total Health framework in 2020. Our work will build on the leadership example we have set in addressing HIV/AIDS and TB.

Ultimately, we will look to eliminate all new cases of occupational disease through a holistic approach that allows our employees to take ownership of their health and well-being.

For example, in 2020, Copper will embark on a three-year implementation plan that includes piloting a wellness programme, which empowers employees to monitor and control seven simple measures: smoking, diet quality, physical activity, body mass index, blood pressure, blood cholesterol, and fasting blood sugar.

From an innovation point of view, we will build on the success of our OIS system by launching new technology pilots in 2020, including real-time exposure and control monitoring, and the digitalisation of occupational hygiene and control data.

 **For further information:**
Our approach to Safety and Health

ENVIRONMENTAL IMPACTS AND CLIMATE CHANGE

We are committed to demonstrating leadership in environmental stewardship. In this area, innovation can be a catalyst. Our FutureSmart Mining™ projects show that we can dramatically reduce our physical footprint, waste, water and energy used.

All material matters are interconnected. For example, Climate Change and Water have strong social components; and conserving biodiversity yields positive human development opportunities.

The content in this section connects to:

- ▶ Safety and health
- ▶ Meeting our commitments to business stakeholders and society
- ▶ Workforce culture and capability

▼ For many years, Anglo American has grown eucalyptus trees at the Horto Aranha farm near Nickel's Codemin office. The wood from the trees is used in our processing ovens. By the end of 2019, we had 6,887 hectares of eucalyptus trees on the farm.

ENVIRONMENTAL MANAGEMENT

We aim to protect the environment and minimise our impact. Our vision is to operate carbon-neutral mines that deliver net-positive biodiversity and conservation outcomes.

It is a journey and we have set ambitious targets for water, climate change and biodiversity performance to get us there. During 2019, we put many of the foundations in place that we need to guide our progress. This includes completing the analytical work required to turn our vision of carbon neutrality into a reality.

Our key environmental targets

We have set the following targets as part of our Sustainable Mining Plan:

- For all sites in high-risk environments, we will have an agreed plan for delivering and measuring net-positive impact (NPI) by the end of 2020 and deliver NPI on biodiversity across Anglo American by 2030
- We will reduce our energy use by 8% by the end of 2020, against the 2016 business-as-usual (BAU) projection, and achieve a 30% improvement in energy efficiency by 2030 against the 2016 baseline
- We will reduce our greenhouse gas (GHG) emissions by 22% relative to the 2016 BAU projection by the end of 2020, and achieve a 30% net reduction in GHG emissions by 2030 against the 2016 baseline
- We will reduce fresh water withdrawals by 20% by 2020, and by 50% in water-stressed areas by 2030, as an average across the Group against 2015 baseline data and definitions. We will also increase water-recycling levels to 75% by 2020, while eliminating all water incidents that are Level 3 or higher.

Improving our environmental management systems

Our Safety, Health and Environmental management system, the SHE Way, incorporates the requirements of ISO 14001, with standards that move us towards our ambition of zero harm to the environment. We recently updated our standards on air quality, biodiversity, hazardous-materials management, and carbon and energy and have been engaged in a gap analysis to ensure compliance across all our sites. We are updating our SHE Policy and the SHE Way, focusing on alignment with our Purpose, future compliance with our standards and ISO 14001 or equivalent certification.

During 2019, we made significant progress:

- We are on track for all sites in high-risk environments to have biodiversity-value assessments and site-specific indicators in place by the end of 2020
- We have met our 2020 target of reducing GHG emissions by 22%, and continue to pursue our challenging 2020 target of reducing energy use by 8%. Both 2020 targets are against BAU projections from a 2016 baseline
- Our PGMs operations are on course to achieve zero waste to landfill by the end of 2020
- We have made good progress incorporating environmental management into our Operating Model, including the development of an integrated data dashboard that will be fully functional by mid-2020.

We are also progressing towards full implementation of the SHE Way. By the end of 2019, 88% of our sites had completed self-assessments against its requirements and have action plans in place. In 2020, we aim for all our sites to have fully implemented the SHE Way.

Rehabilitating mines so that they leave a positive environmental legacy after closure is another important challenge. We launched a [concurrent rehabilitation strategy](#) and will set new targets for land rehabilitation in 2020.

We are working on integrating environmental risk management into our Group Operational Risk Management (ORM) processes. As part of this process, we are assessing the most important environmental risks for each of our sites, developing critical controls and measuring the effectiveness of these controls through an on site verification process.

Obtaining all necessary permits on time and complying with the required obligations supports good environmental performance. In 2019, we audited our operations' approach to permits against our Minimum Permitting Requirements (MPR) programme. Our target is for all sites to comply with the MPR by the end of 2021.

Managing and learning from environmental incidents

Incidents that result in negative impacts on the environment and our host communities represent a serious concern for our business. The way that we learn from these incidents is an essential aspect of improving our performance.

We classify incidents on five levels, according to the consequences for the environment. Our chief executive reports all Level 3-5 incidents (from moderate to significant) to the Board, which addresses them through its Sustainability Committee.

In 2019, we recorded one Level 3 (moderate) environmental incident for the Group and no Level 4 and Level 5 incidents (2018: one Level 4 and five Level 3).

The Level 3 incident took place in March 2019, when ongoing maintenance work on the pollution-control dam at PGMs' Unki site in Zimbabwe coincided with exceptionally heavy rainfall, and resulted in an overflow of the pollution-control dam and the release of water downstream. We took prompt action to contain and remedy the situation, temporarily blocking the overflow, informing communities, minimising the level of pollution and pumping the flooded water back into the process-plant system. As a result of this incident, we are increasing the capacity of the pollution-control dam and managing risk around maintenance work, volume-detection systems and back-up pumps and power supply.

In 2019, we were issued approximately \$74,455 in environment-related administrative fines at Minas-Rio, which we are contesting. There were no other significant environmental fines issued to the Group.

Transforming the way we mine

We are integrating all our environmental requirements into our Life of Asset Plans (LoAPs). These expand on traditional Life of Mine Plans, by focusing beyond production, and integrating sustainable development considerations into resourcing, planning and the full operational lifecycle. We are developing five-year Sustainability Plans for each of our operations that include LoAPs.

Innovation, in both processes and technology, has a vital role to play in reducing our environmental footprint. Over the next few chapters of this report, we explore several of these innovations, including our development of hydrogen-powered mine vehicles, a new approach to crushing rock, real-time environmental monitoring and other initiatives.

ENVIRONMENTAL MANAGEMENT CONTINUED

Re-imagining mining through the circular economy

A circular economy is one where economic growth does not have to involve ever-increasing consumption of finite resources: it designs out waste and pollution, keeps products and materials in use, and regenerates natural systems. We are working to embed these principles into our way of working, to better connect precious resources to all of us who need and value them.

In 2019, we explored the opportunities and challenges of applying circular approaches at Anglo American, going well beyond the traditional focus on recycling. We discovered that applying circular economy principles opens up opportunities to rethink the mining value chain – creating value by eliminating waste in all forms. It also allows us to explore new business models that make value chains efficient by design. We found there are pockets of excellence across the entire business where circular approaches are already taking flight, and identified opportunities to scale up these examples.

There are three dimensions of circularity that align with our Purpose:

- Operationally, we are optimising the use of resources and eliminating waste and inefficiency, to achieve a neutral or even net-positive impact on the environment and communities. In the Non-Mineral Waste section of this report, there are details of several of these initiatives.
- Through our value chains, we are working to maintain the value of resources in the economy for as long as possible, maximising their benefit to society and ensuring the elimination of waste across the full lifecycle of our products. For instance, our PGMs business, with the Public Investment Corporation, established an independent venture capital fund to invest in sectors such as hydrogen infrastructure, fuel-cell electric mobility and energy storage platforms.
- Through holistic business transformation, whereby the circular economy provides a lens to re-imagine mining by growing our business, while reducing global resource use to sustainable levels.



▼ The *It's Fresh!* product delays the ripening process of fresh produce, extending shelf life and reducing waste. The technology, developed under our PGMs business's Market Development research initiative, uses a palladium-based catalyst. Today, PGMs, through its venture capital spin-out, AP Ventures, remains invested in the company. This is an example of how circular economy principles can be applied through the value chain.

"As a leading producer of many of the materials critical to a cleaner, greener, more sustainable world, the circular economy goes to the heart of Anglo American's Purpose," says Mark Cutifani "It is a challenge we are addressing directly through our FutureSmart Mining™ approach, coupling step-change innovations in technology and sustainability to change the future footprint of mining across the entire value chain."

The circular economy can never be an initiative for just one company, or even one industry. The partnerships we are able to build are essential – including with policymakers and others that will help to bring it into being. Henry Roman, director of environmental services and technologies at South Africa's Department for Science and Innovation, supports this belief. "As South Africa works to craft its own circular economy roadmap, it is encouraging to see a company like Anglo American proactively contribute to the development of this economy of the future."

In 2019, we incorporated the principles of the circular economy into the strategy development discussion. The concept was also covered during Anglo American's GMC and Board meetings.

In 2020, we are implementing a circular-aligned Group waste strategy, engaging employees with the principles of circular thinking, and exploring the linkages between the circular economy, responsible sourcing and the traceability of our materials.

BIODIVERSITY

We have set an ambitious target of a measurable net positive impact (NPI) on biodiversity as a result of Anglo American's activities, and are moving quickly to put this vision into practice.

Actively managing our impact on biodiversity is essential for reducing risk, and ensuring that Anglo American is able to access land for mining in the future.

Our NPI target means that any impact on biodiversity owing to Anglo American's activities must be outweighed by the biodiversity gains that we achieve. For this strategy to be meaningful, we need to assess our full biodiversity impact rigorously, ensure plans are in place to minimise that impact, rehabilitate land, and take appropriate offsetting measures. During 2019, we made important progress in applying our new biodiversity technical standard, which we launched at the end of 2018. We have also worked to identify the partnerships that we need with conservation agencies, governments, local communities and non-governmental organisations (NGOs), to deliver projects that appropriately balance our impact.

The biodiversity Technical Standard defines the minimum requirements of any site, if we are to achieve NPI. Our target is for all sites in high-risk environments to have an agreed plan for delivering and measuring NPI by the end of 2020, including having partnerships in place for additional conservation actions. These biodiversity plans will include site-specific indicators that reflect the local ecosystems in which we are operating. Biodiversity will now form part of the long term business plan for every Anglo American site, and we will incorporate the site-specific indicators into the SHE Way, our safety, health and environment performance-management system. In addition, we continue to uphold our 2003 commitment to neither explore nor develop new mines in World Heritage sites. We also respect legally designated protected areas, in line with the ICMM's Position Statement on Mining and Protected Areas.

In 2019, we launched an updated version of our Biodiversity Overlay Assessment Tool, which helps to screen and map biodiversity risks for any existing or proposed mining project.

Sustainable Mining Plan

For more information: See pages 10-15



HEALTHY ENVIRONMENT

Biodiversity

2030: Deliver NPI on biodiversity across Anglo American.



In recent years, Brazil has suffered devastating losses of its rainforest habitat. At our Barro Alto Nickel business, we continue to regenerate former mine areas by replanting them with a variety of indigenous trees.

We also focused on assessing sites in high-risk environments against our standard and identifying gaps. As a result, we are on course to achieve our 2020 target. We have set a target for all Anglo American sites to be on track to deliver NPI by 2030.

In some cases, offsetting and compensating for our environmental impact is already a condition of operating mines in sensitive areas. In these cases, we comply with all relevant government regulations.

Habitat loss is more than just local and regional biodiversity. Loss of rainforest habitat in Brazil, for example, has implications for global climate change that must be addressed urgently. We recognise that moving quickly to demonstrate a positive biodiversity contribution and, ultimately, NPI in these environments, will be essential for our licence to operate.

Operational developments

Our Debmarine Namibia offshore diamond mining operations overlap with an Ecological or Biologically Sensitive Area (EBSA) that has been designated offshore, near the mouth of the Orange River. We are working with representatives of the EBSA to understand the scientific background for this designation, and the implications for our operations.

In Brazil, we are partnering with the Federal University of Goiás to monitor regional biodiversity and inform rehabilitation initiatives for our nickel mining operations. As a result, we are now working to identify partners for appropriate offsetting conservation initiatives.

In Chile, our Copper business collaborates with the Wildlife Conservation Society, to ensure protection for wildlife sanctuaries near Los Bronces. We are also engaged in reforestation and rehabilitation initiatives in Los Bronces and El Soldado.

BIODIVERSITY CONTINUED

OPERATIONS LOCATED IN SENSITIVE ENVIRONMENTS

In 2019, we managed a total of 1,321,916 hectares across 35 sites, including De Beers' non-managed joint operations in Botswana and Namibia. Over the past five years, we have assessed and mapped biodiversity risks for all of them. Our assessment has identified biodiversity risk at 10 sites, spanning 951,889 hectares, all of which have a biodiversity-management programme in place.

In addition, we estimate that the Group owns 591,524 hectares of non-operational land, of which 370,889 are managed for conservation which include non-operational lands, security zones and, in some cases, corridors.

Assets adjacent to globally or nationally important biodiversity by business and country	Number of assets	Managed land (hectares)	Land disturbed (hectares)	Biodiversity programme in place
Coal South Africa	1	1,269	324	
South Africa	1	1,269	324	✓
Copper	2	33,194	5,341	
Chile	1	33,189	5,341	✓
Finland	1	5		✓
Iron Ore	1	26,991	2,858	
Brazil	1	26,991	2,858	✓
PGMs	2	22,638	4,251	
South Africa	2	22,638	4,251	✓
De Beers	4	867,797	21,933	
Botswana	1	66,360	5,352	✓
Namibia	2	795,184	14,552	✓
South Africa	1	6,253	2,030	✓
Total	10	951,889	34,707	100%

Engagement and collaboration

Anglo American has developed a framework for identifying conservation partners and putting formal projects in place. In 2019, we shared this framework across our South American operations, building on a launch in southern Africa the previous year.

Since 2008, Anglo American has partnered with Fauna & Flora International (FFI). FFI has provided us with independent strategic advice on biodiversity, and is working with us to develop the site-specific performance indicators that will help manage our progress towards achieving NPI.

One important area of work for the partnership involves assessing our impact on marine environments and developing a framework for NPI in this area. FFI has worked with De Beers on developing a guideline on marine mining, and a full assessment of the NPI prospects for marine mining activities for Anglo American.

Our commitment to building partnerships that can help to balance regional development and biodiversity extends beyond the impact of our operations. In the Limpopo province of South Africa, we operate a Collaborative Regional Development (CRD) platform to promote sustainable agriculture and other economic activities. This is an important part of our initiative to promote *thriving communities*. [See CRD section.](#)

For more information:
[Our approach to the environment](#)

MINERAL RESIDUE MANAGEMENT

Management and storage of waste rock and the processed mineral residue known as tailings is a critical issue for our industry. It represents a social, safety and environmental challenge that we are determined to meet.

The failure of the Brumadinho tailings dam in Brazil in January 2019 has demonstrated the tragedy and devastation that can result as consequences of a potential catastrophic tailings dam failure. Brumadinho is not an Anglo American site; however, the incident has increased public scrutiny of the approach of all mining companies to managing and storing mineral residue.

Our approach to mineral residue management

Mineral residue from mining includes both the waste rock from which we extract the ore, and the mineral residue that remains after we process it. Tailings are the materials left over following the processing of mined ore that separates the valuable metals or minerals from the host rock. Tailings are not the same as waste rock, which refers to material that surrounds an orebody and is displaced during mining but is not processed. Tailings can be stored in mined-out pits or in underground mine openings, provided the groundwater impacts can be managed. Often, they are stored in specially constructed above-ground tailings storage facilities (TSFs). TSFs for wet tailings are referred to as tailings dams, and TSFs for dry tailings are referred to as dry stacks. Where possible, we store mineral residue in dry stacks and in mined-out areas, which reduces both safety risks and impact on the environment.

Tailings dams represent one of the top catastrophic risks for our organisation. In managing and storing tailings material, we aim for zero harm by adhering to our industry-leading Group Technical Standard. The standard addresses the risks that TSFs pose, and sets minimum requirements for design criteria, monitoring, inspection and surveillance. It covers both water-retaining dams and waste-rock dumps, and its requirement represents best practice in every jurisdiction where we operate.

Sustainable Mining Plan

For more information: See pages 12-17



CRITICAL FOUNDATIONS: ► GROUP STANDARDS AND PROCESSES
► COMPLIANCE WITH LEGAL REQUIREMENTS

To reduce their impact on the environment, we try to place tailings and waste rock together, to improve stability of the outer walls and reduce the size of the area we disturb. This also enables greater water recovery by reducing evaporation losses, and optimises mine closure efforts. Our approach integrates the latest technologies with sound engineering and scientific judgement, based on our extensive experience and specialist knowledge.

We have encouraged an industry-wide conversation about tailings and the role that they play in the mining process. We are also committed to developing new technologies that will reduce the volume of residue that mining produces, enable more of it to be stored in a dry form, and reinforce the stability and safety of the tailings dams we operate.

We have confidence in the integrity of our managed storage facilities, and we have requested and received appropriate assurances from the operators of non-managed joint ventures in which we have an interest. The recent tragedies involving tailings dams have not involved any Anglo American facilities. This does not mean, however, that we are complacent about the measures that we need to take.

In total, Anglo American manages 91 TSFs, of which 40 are in active use, 33 are inactive or in care and maintenance, and 18 are closed or rehabilitated.

We take a holistic approach to the safety of our tailings dams, which starts with our technical standards on design, monitoring, inspection and surveillance, and includes the way that we communicate with people living near the dams. As part of our updated Social Way management system, where relevant, we require sites to develop emergency-preparedness plans and run drills with local communities.

Managing the risks of tailings dams

We have classified tailings dam failure as a potentially catastrophic risk for our business, which could threaten Anglo American's licence to operate, reputation, solvency, viability, business model or performance. Categorising the risk in this way directs our approach to managing and mitigating it to the highest standards. [See Integrated Annual Report page 46.](#)

Our Mineral Residue Facilities and Water Management team provides the strategic direction and technical support to manage the risks associated with the TSFs. The team owns our updated Group Technical Standard, which sets out five key requirements for facilities:

- Every facility must have a consequence classification of structure rating based on the consequences of credible failure modes. We base design, monitoring and surveillance requirements on this rating
- Every operation with a major or high-rated structure must have a competent person in charge, meeting the competencies set out in the standard
- Every facility must have an engineer of record working continuously with the owners, to ensure that the structure is constructed and operated according to the design intent, and that it performs in line with expectations
- An independent technical review panel (TRP) of senior external engineers must conduct systematic, ongoing reviews of each facility. In 2019, we completed TRP appointments and site visits at De Beers mining operations in Canada, South Africa and Botswana. Our Quellaveco copper project in Peru, which is still under construction, received a second independent review in September 2019
- Every facility must have a minimum set of 25 required documents and studies signed off, including design criteria and engineering documents, operation, maintenance and surveillance manuals, risk-assessment and emergency-response plans, and permit and incident registers.

The Group Technical Standard also specifies which surveillance, inspection and assurance programmes should apply to our managed TSFs, and the frequency with which we carry them out.

MINERAL RESIDUE MANAGEMENT CONTINUED

Following the industry's tragedies at Brumadinho and Mariana, we have intensified the scrutiny of our own upstream tailings dams. We conducted a Groupwide technical review to evaluate how we manage risks of instability at these facilities, and shared key learnings across our operations. We have always taken proactive action to address any risk of instability that we identified.

- For example, In South Africa, we temporarily stopped deposition from PGMs' Mototolo concentrator on the Helena tailings dam for four months in 2017, after our assessment indicated the presence of tailings in a loose state; we restarted deposition after we evaluated the condition, installed additional instrumentation and constructed a rockfill buttress to improve overall dam stability
- In South Africa, PGMs is currently constructing a waste-rock buttress at Mogalakwena's Vaalkop 1 tailings dam to improve its stability. Various buttresses have been successfully constructed in the past at similar dams and, if properly designed and planned, are considered to be a proven technique to increase dam stability
- Orapa diamond mine in Botswana decommissioned two tailings dams, FRD1 and FRD2, after our assessment indicated the presence of tailings in a relatively loose state, and tailings deposition was diverted to the new tailings facility, FRD3, in April 2019.

We are using waste rock from our mines to convert several upstream dams to centre-line or downstream facilities, including at De Beers' Venetia diamond mine in South Africa, Debswana's Jwaneng diamond mine in Botswana, and Kumba's iron ore mine at Sishen in South Africa.

Developing our capabilities

Greater focus on managing tailings facilities is exacerbating a global shortage of skills in areas such as hydrology, hydraulics and geotechnical engineering. Our Technical Standard requires site-level specialists, but securing the capabilities that we need across our operations is challenging. We have launched several initiatives to fill these potential skills gaps.

We provide annual face-to-face training and other forms of engagement to maintain awareness of the risks that tailings facilities present, exchange ideas and experiences, and underscore our commitment to leading practices. At operational level, we appoint competent persons, with a preference for registered professionals in geotechnical engineering, water and tailings. We also appoint industry leaders in geotechnical engineering, water and tailings at corporate level, to provide governance and support to operations.

New solutions for tailings management

Technology has a vital role to play in strengthening the monitoring of tailings dams, reinforcing the construction of existing structures, and reducing the amount of water used in tailings transport, deposition and storage, minimising water losses and maximising water re-use.

The technologies we use, and are in the process of developing, include:

- Filtration technologies and specialist flocculants and additives that we can use to reduce moisture levels in tailings, increasing stability and improving water recovery
- Fibre-optic cables to monitor strain, temperature, leakage and stability in real time
- Floating photovoltaic panels to decrease evaporation, and improve water recovery, while generating electricity. [See case study](#)
- Satellite technology and drones to monitor environmental and critical controls and document inspections through photos and video
- An online dashboard for risk management across a large portfolio of dams
- Continuous micro-seismic monitoring that allows targeted monitoring of geological foundation features and construction materials.



Surveying operations at the El Torito tailings facility at El Soldado, Chile.

MINERAL RESIDUE MANAGEMENT CONTINUED

A partnering approach

We believe that working transparently and in collaboration is the only way to advance the safety of tailings dams globally. We are also committed to sharing technical knowledge and good practice with other mining companies, to ensure improvement across the industry.

Anglo American actively responded to the Investor Mining Tailings Safety Initiative disclosure request ([see case study](#)) to encourage full disclosure from mining companies about their mineral-residue storage facilities. We support the global review co-convened by the ICMM, the Principles for Responsible Investment (PRI) and the United Nations Environment Programme (UNEP).

We are part of a three-year research project in Australia, [tailliq.com](#), which involves four universities and six major mining companies. The project, led by the University of Western Australia, investigates tailings-material behaviour and evaluates potential conditions for the development of static liquefaction. The project addresses one of the most complex behavioural factors in potential dam failures, and could significantly increase the industry's ability to detect and manage risk.

In collaboration with government departments, academia and professional organisations such as the South African Institution of Civil Engineering, the South African National Committee on Large Dams and the Council for Geoscience of South Africa, we are updating our seismic hazard maps of South Africa, and are extending these to include Botswana, Namibia and Zimbabwe.

 **Read more:**
[Managing tailings safely](#)



▼ Anglo American has actively responded to the Investor Mining Tailings Safety Initiative, which calls for full disclosure and transparency from mining companies about their tailings storage facilities. Here, at Copper's Las Tórtolas tailings dam, operators Patricio Guajardo (left) and Carlos Vasquez supervise mineral-storage operations.

Responding to investors' call for transparency on tailings

On 25 January 2019, a catastrophic tailings dam failure occurred at Brumadinho in Brazil. Anglo American did not own or manage the facility in question, but the scale of the tragedy shook the industry. In response, a coalition of investors led by the Church of England Pensions Board and the Council of Ethics of the Swedish National Pension Funds, with \$13 trillion under management, launched the Investor Mining and Tailings Safety Initiative. The initiative called for improved international standards and requested detailed public disclosure around the management of tailings storage facilities.

Anglo American has been a strong supporter from the start. We recognise the opportunity that investor leadership represents for accelerating a transformation in industry-wide tailings management, and we are determined to play our part.

First, investors called for a new global standard on tailings management that would be based upon the consequences of failure. In response to their call, ICMM, the Principles for Responsible Investment and the United Nations Environment Programme, co-convened an independent global process to develop a new international standard for tailings.

Secondly, the initiative called for disclosure. The coalition asked more than 700 companies to publish details of tailings facilities where the companies had any interest. The collective response, including Anglo American's, was swift and comprehensive. Over 73% of the mining industry by market capitalisation responded, including all publicly owned companies that are members of the ICMM. In addition to the requested defined information, Anglo American has also published its full Group Technical Standard in respect of Mineral Residue Facilities and Water Management Structures.

"The impact of the standard, and the disclosures required, is that tailings will be dealt with very differently," says Adam Matthews of the Church of England Pensions Board. "The standard will be global, will have been independently developed and clearly set out what best practice is. Adherence to the standard will be reinforced by investors and the disclosures that we have required of mining companies."

In early 2020, the Investor Initiative launched a [global database](#), which aims to bring additional transparency to the risks associated with tailings, and the urgency with which our industry is addressing them. On the basis of this data, investors may ask more searching questions of any mining company regarding its tailings facilities, including addressing emerging issues such as the impact of climate change and extreme weather events on dam stability. Investors have also already begun engaging with companies who have not made adequate disclosures.

Throughout this process, Anglo American has taken a lead role in disclosure and engagement, making our expertise and insight available to help guide the disclosure process. "Anglo American acknowledged and embraced the challenge at both a company level and a sector level," says Adam Matthews. "We respect the leadership role that the company takes and recognise that it represents a lot of good practice. We had all the access we needed to understand the perspective of the company, and we appreciate Anglo American's openness and commitment."

As Anglo American's chief executive, Mark Cutifani, puts it, "As an industry, we have a clear ethical and moral imperative to do everything possible to ensure that tailings storage facilities are managed to the highest standards of safety as we work together, as an industry, to build greater levels of trust with all our stakeholders."

For more information on the initiative visit: churchofengland.org/investor-mining-tailings-safety-initiative

NON-MINERAL WASTE

Anglo American is taking a holistic approach to the way that we manage waste, as we reconfigure our business in line with circular economy principles. This is accelerating our initiatives to build sustainable business cases around reducing and managing waste.

In 2019, we began a new Groupwide initiative to reduce the amount of non-mineral waste that we generate and improve the way we manage it. This initiative will be founded on the application of the waste-management hierarchy of 'avoid, reduce, re-use, recycle' and will help to accelerate innovation to treat all waste as a resource of value. We are working to identify new solutions at the site level and broaden the application of initiatives already in existence.

In mining, main waste streams include tyres, oils and greases, rubble and office consumables.

Although our waste-management journey is in its early stages, already there are pockets of excellence throughout the Group. Each of them brings ideas and lessons that we will consider incorporating into the next steps. Much of our new strategy builds on the experience of our PGMs operations, which are on course to achieve the target of sending zero waste to landfill by 2020. In 2019, these operations sent 4,116 tonnes of waste to landfill, an 80% reduction from the 2016 total.

Some of the highlights of this initiative, which we hope to replicate, include separating the components of air filters for recycling, improving the quality of sodium sulphate and sodium chloride by-products so that they can be sold rather than disposed of as hazardous waste or sent to landfill, burning low-grade materials to recover metals, and re-using flux pots.

The bioremediation facility at PGMs' Mogalakwena operation in South Africa treats soil that has been contaminated with hydrocarbons so that it can safely be re-used, in a process that we are now implementing at our other operations. At Mogalakwena, the initiative has significantly reduced the amount of hazardous waste sent to landfill, while reducing the cost of dealing with contaminated soil. The facility can reclaim 250 tonnes of soil per month when operating at full capacity, and reclaimed 1,650 tonnes during 2019. We have processed close to 2,500 tonnes of contaminated soil since September 2017, saving nearly \$693,000. In addition to the cost savings, this programme delivers the environmental benefit of reduced emissions by processing on site, instead of having to transport contaminated soil. We are implementing the process at other operations.

At our Minas-Rio iron ore operation in Brazil, we are working with the company, Rubberbras, which has developed a process to shred tyres and separate the rubber and metal elements for re-use. The initial benefit of this approach is a reduction in waste-disposal

costs, as Rubberbras takes our used tyres without charge. However, its long term significance is far wider, providing us with a basis for re-using the tyres' metal and rubber materials elsewhere across the business.

We have also started supplying slag material from our ferronickel operations in Brazil to fertiliser manufacturers. The programme has initial potential savings of 380,000 tonnes per year, and the market could absorb all of the slag produced within 10 years.

In 2020, we will conduct data gathering and categorisation, aiming to publish baselines in 2021 as part of a global transparent approach to waste management.



Frank Daniels is the operator-manager of Tsantsabane Recycling Waste management, a company which received funding from Kolomela's iron ore mine to remove much of the mine's waste material.

AIR QUALITY

Addressing the impact of air quality on human health is vital, if our operations are to have a positive impact on people's lives. We have established a new standard for how we monitor and manage air quality, which addresses growing concerns about this issue.

Every stage of the mining lifecycle has a potential impact on air quality through dust or gaseous emissions: exploration, construction, operation, rehabilitation and closure. To manage these risks, in 2018, we approved a new Group Air Quality Standard. The standard provides a framework for how we monitor and manage emissions of dust and gas from our sites. It is our ambition that all Anglo American sites will fully comply with this standard by 2023.

In 2019, we made significant progress in assessing our sites' compliance through voluntary questionnaires. So far, 72% of our sites, 23 sites in total, have completed questionnaires. Of these, 12 have been independently verified. This process has helped six of our sites to improve their air quality performance rating through actions taken in the past two years.

The assessments have helped to identify gaps in the development of air quality management plans and a lack of real-time air quality monitoring systems. We will prioritise developing these systems in the next two years. Our Enablon action management system assigns responsibilities and due dates to relevant employees to ensure that we implement our plans, and we will continue to track the progress our sites make in complying with the standard.

Sustainable Mining Plan

 For more information: See pages 10-15



CRITICAL FOUNDATIONS: ► GROUP STANDARDS AND PROCESSES
► COMPLIANCE WITH LEGAL REQUIREMENTS

Mapping and managing air quality risks

Our most material air quality issues involve sulphur dioxide (SO₂) emissions from our copper and PGMs smelters, nitrogen dioxide (NO₂) emitted by burning diesel and marine fuel, and particulate emissions at opencast mines. Our highest-priority particulate emissions are those classified as PM₁₀ and PM_{2.5}, which involve particulate matter of fewer than 10 and 2.5 microns, respectively.

In South Africa, Australia and Chile, Anglo American has 19 sites located in areas that are designated 'saturated zones' for certain air quality pollutants. These countries have emission standards for specific pollutants that they use as indicators of air quality. Regulators monitor levels of these pollutants and declare an area a 'saturated zone' when the levels consistently exceed emissions standards. At this point, the law specifies an air quality management action plan for all polluters in the zone.

In South Africa, SO₂ emissions from PGMs smelters are regulated by the Air Quality Act. It sets requirements for reductions in SO₂ emissions by 2015, and has further requirements for additional reductions by 2020. The government has agreed to postpone the requirement for PGMs' Mortimer and Polokwane smelters to comply with the 2015 requirements while we develop technology to capture SO₂ from the smelters' furnaces and convert it into sulphuric acid. Owing to a unique off-gas strength with low SO₂ gas concentrations, we cannot rely on existing technology. We are investing \$188 million in this project, which will reduce emissions by 96%.

We have started construction on an SO₂ abatement project at the Polokwane smelter, and therefore applied for postponement of the regulator's requirements which was granted in late 2019. Once the Polokwane smelter has been successfully commissioned, we will begin a similar SO₂ abatement project at the Mortimer and Waterval smelter complexes, which will incorporate all the lessons learnt from the Polokwane SO₂ abatement project. Taking a phased approach is essential, owing to the breakthrough nature of the technology.

We have upgraded the Waterval smelter complex throughout its lifespan, in line with increasing demand, changing feeds, environmental initiatives and advances in available technology. These upgrades have included a double-contact sulphuric acid plant, which was commissioned in 2005 and has significantly reduced SO₂ emissions since. The new SO₂ abatement project will deliver additional reductions that ensure full compliance with the requirements of the Air Quality Act.

We are implementing comprehensive dust action plans to reduce levels of particulate matter from our managed mines. They are delivering steady improvements in ambient PM₁₀ levels through systems to disperse dust from roads, waste dumps and crushing operations.

AIR QUALITY CONTINUED

Our air quality performance

In 2019, we generated a total of 28,400 tonnes of SO₂ (2018: 35,700 tonnes) and 29,600 tonnes of NO_x emissions (2018: 28,700 tonnes). However, Group SO₂ data will reflect a more accurate picture from April 2020 due to PGMs' smelters' regulatory reporting cycle changes to align with South African regulatory requirements. The updated data will be available online at [Sustainability Data \(2013-2019\), Reports, Policies and Standards](#).

The increase in NO₂ emissions is mainly due to an increase in production and related fuel consumption at our Minas-Rio iron ore operation, and an increase in construction activity at Copper's Quellaveco project.

We record all air quality incidents that affect our communities, and are implementing an investigation protocol to develop appropriate mitigation measures. We also investigate all air-quality-related complaints that we receive.

Responding to regulatory developments

In Australia, the federal government has introduced stricter PM₁₀ and PM_{2.5} air quality standards for 2025 through the National Environment Protection Measures (NEPMs), which will align with international standards. The conditions of environmental licences for our Queensland sites will reflect these new standards. Data for some of our existing Metallurgical Coal operations indicates a potential risk of non-compliance with the new PM_{2.5} and PM₁₀ standards during certain months of the year. We are requesting confirmation of timing for implementation of the transitional arrangements with the regulators to reduce our risk of non-compliance for existing operations.

The Queensland regulator recently released a draft Air Environmental Protection Policy (EPP), which highlights the changes the state will require by 2025, to comply with the Federal Air NEPMs:

- A PM_{2.5} health and well-being threshold at 25 µg/m³ (24-hour) and 8 µg/m³ (annual)
- An annual average PM₁₀ threshold of 25 µg/m³
- Replacing the five allowable days of exceeding 24-hour PM₁₀ and PM_{2.5} in a year with an exceptional-event rule.

The metropolitan region of Santiago de Chile, where our Los Bronces mine is located, is classified as a 'saturated zone' and requires any project that generates new emissions (PM₁₀, PM_{2.5} and NO_x) over a defined threshold to implement compensation plans. As part of its integrated EIA, Los Bronces put in place an additional air quality management plan. This plan prevents emissions from Los Bronces from affecting the metropolitan region. We are currently establishing new air quality real-time monitoring aligned to meteorological forecast models.

In 2019, the Chilean government declared Quillota province, where our El Soldado mine and Chagres smelter are located, to be a zone of 'air quality interest', where it will evaluate the implementation of stricter emission rates for industry. We are well placed to respond to this potential regulatory requirement through the implementation of our Air Quality Standard. We have started a comprehensive plan for reducing particle emissions in process facilities and mining roads.

The introduction of the new source point standard for SO₂ in May 2019 represents an operational challenge for the Chagres smelter. Regulators have modified the annual limit from 80 to 60 µg/m³N and the daily regulatory limit from 250 to 150 µg/m³N, with a new hourly limit of 350 µg/m³N. We are studying how to capture emissions from conversion, to comply with the enhanced regulations.



On our mines, dust suppression on roads, waste dumps and crushing operations is a vital daily activity in helping to reduce the amount of airborne particulate material. Here, in PGMs' Mogalakwena North's open pit, dust is controlled through regularly spraying the surface area with a dust suppressant and recycled water.

WATER

Water is a vital resource for our operations and our communities alike, and we have taken important steps to improve the way we define, account and report our water use. We take a catchment-wide, risk-based approach to water management, addressing the risks of flooding, discharge, water scarcity, mine dewatering and contamination.

Since 2010, Anglo American has been on a journey to improve our water management. In 2016, we launched a new Group Water Management Standard that transformed the way we assess and control our water risks and how we find opportunities for collaborative solutions with communities. In 2019, we progressed with the completion of our operations' detailed self-assessments and gap analyses, improved site-wide water balances at multiple sites and initial regional balances in Brazil and South Africa. In addition to these self-assessments and gap analyses, in 2020 we will start standardising holistic site water management plans.

We take a risk-based approach to water management, both within our own operations and on a regional level. This requires a detailed understanding of site-specific water risks, including water balances, mine dewatering, flooding, water security, discharge, efficiency and governance of water.

To this end, every Anglo American site must complete a site-wide and regional water balance summarising each site's water withdrawals, consumption and discharge, as well as catchment demands, and how these uses will change in the future, considering, among other factors, climate change effects and heat maps. We are also in the process of building a complete picture of the catchments in which we operate, by incorporating data from regional water balances quantifying the present and future water needs and uses of other stakeholders, as well as their impact on our water security.

In 2018, about 50% of our sites had completed water balances. We had expected this work to be completed in 2019; however, we faced the dual challenge of a limited availability of specialist consultants and the installation of additional monitoring instruments needed to recalibrate the water balances. By the end of 2019, this had increased to 62%, and we expect all sites to have completed water balances with high-quality data by the end of 2020.

Sustainable Mining Plan

For more information: See pages 10-15



HEALTHY ENVIRONMENT

Water

2030: Reduce the abstraction of fresh water in water-scarce regions by 50%.

Developing the water balances provided an opportunity to revisit our approach to water accounting and to streamline our definitions. This clarified approach to water management and reporting will help drive more meaningful change, and ensure consistent reporting aligned with ICMM requirements and based on validated data. Until 2020, we will report water performance under the definitions we used from 2015. In 2020, we will re-baseline all data and will be introducing improved ICMM-aligned definitions. This will serve as a baseline to the 2030 targets

Based on current definitions, approximately 80% of our water withdrawals take place at 10 of our sites, mostly opencast mines, with extensive dewatering. After the 2020 re-baselining exercise, we will evaluate opportunities at priority sites, and will set up action plans for each of the selected sites. These sites will be the focus of intense technological changes and digitalisation, to monitor water management and optimise water systems and water balances, to ensure step-change towards best in class.

Our Sustainable Mining Plan includes three milestones to be met in 2020:

- Reduce the abstraction of fresh water by 20%
- Increase water-recycling levels to 75%
- Have no Level 3 or greater water incidents.

The first one is currently 'at risk' given our current water-accounting challenges.

We classify environmental incidents into five levels, depending on the severity of their actual or potential consequences. Since 2015, Anglo American has experienced two to three Level 3 water incidents each year. In 2019, we had one Level 3 water-related environmental incident at PGMs' Unki mine in Zimbabwe. [See page 37.](#)

We are working to eliminate these incidents completely by improving the maintenance and de-silting of water storage dams; introducing effective operational controls; ensuring the size of new return-water dams, stormwater and sedimentation ponds meets design requirements; and increasing water recycling.

Management of water risks and opportunities

Using the World Resources Institute's Aqueduct tool, about 75% of our sites would fall within water-stressed areas. Work is under way to develop site and catchment-specific assessments that will provide us with a more complete assessment of business water risk.

The integrated site and regional water balances will help us understand the impact of any changes in the catchment area, including heat maps related to future climate change and increased water demand within the catchments. This assessment takes into account factors such as climate models, population, agriculture and industry growth.

We then use these water balances to develop water management action plans, with site-specific priorities for ensuring water security, managing discharge and flood risks, and protecting our social licence to operate. We take a critical-control approach to prioritising measures that will prevent high-impact water events.

We are developing a water information management system that handles the collection, quality control, accounting and reporting of water data, and we intend to roll this out to all our sites. All new Anglo American projects follow the investment criteria by stage for water management, as part of the Investment Development Model (IDM), the process we use to design and execute projects. The IDM includes water-management targets and specifies requirements for infrastructure and technology to meet those targets.

We assess water-related risks each year as part of our enterprise risk management framework. This includes operational risks resulting from limited water supplies, and social risks resulting from competition with other water stakeholders.

WATER CONTINUED

Water in our operations

Our main water consumption/loss and use activities include:

- Mining
- Dewatering to access ore reserves
- Ore processing
- Mineral residue deposition and discharge control
- Cooling during smelting
- Beneficiation of metals
- Refrigeration and ventilation cooling
- Transportation and dust suppression

Main water management activities include:

- Water resource management
- Stormwater management, diversions and flood control
- Water balances and critical monitoring instrumentation
- Water storage and fresh water supply
- Evaporation control
- Mineral residue dewatering technologies
- Conveyance, pumping and recycling.

We also provide access to fully functioning water, sanitation and hygiene (WASH) services at all our mining operations and hostels.

More than 70% of the water we consume is related to entrainment in tailings, and evaporation losses. In addition, water is used in transport and processing ore, separating out metals, disposing of mineral residue and cooling smelters. We focus on improving efficiency of water use in these processes as our water-recycling performance improves. At Group level, we recycle approximately 60% of water used.

Our sites withdraw water from different sources. In South Africa, the Mogalakwena operation's main source of water is treated municipal sewage effluent and rainfall run-off, and we are providing seed funding for a municipal water distribution and sewage-improvement programme that will increase potable water supplies. The Rustenburg and Polokwane beneficiation plants and smelters use potable water from a third-party supplier. Der Brochen, Mototolo and Twickenham use raw water from a third-party supplier. In Chile, Los Bronces uses primarily surface run-off and recycled water from its tailings dam. Unki in Zimbabwe, Minas-Rio in Brazil and Venetia in South Africa all withdraw surface water.

Engaging with stakeholders on water

Our catchment-based approach depends on working with other stakeholders to manage the water supply. This also involves managing the social, reputational and operational risks that result from our water use.

We use The Social Way to understand our water-related socio-economic impacts, and to enhance stakeholder dialogue and the management of social issues. [See section on Social Performance](#). Our ongoing stakeholder engagement provides us with internal company knowledge, which allows us to integrate these issues into our risk-management processes.

We have set up regional partnerships for water-stressed areas, and develop water stewardship projects with local communities and municipalities, to help conserve water and manage demand.

In South Africa, we have worked with other mining companies to establish the Olifants River Mine Coordinating Body, which includes a range of local stakeholders and looks to address issues such as acid mine drainage and the feasibility of using water from mines for irrigation.

At PGMs' Polokwane, we are working with AB InBev and the Strategic Water Partners Network to fix water leaks that lead to 54% of the potable water supply being lost.

In Limpopo province, we are evaluating options for investments to improve the water supply to the region and, in Mogalakwena municipality, we are partnering with Hall Core Water Mapela to provide 3.5 million litres of potable water daily to more than 70,000 people.

The region around Los Bronces in Chile is currently facing the longest 'mega-drought' on record. We are responding by developing climate change forecasts, contingency plans and breakthrough innovations to ensure a sustainable water supply. The Integrated Los Bronces Project is currently undergoing an environmental impact assessment, and no use of additional water is a key component of its sustainability principles. In addition, we are working with communities near Los Bronces and El Soldado to optimise rural potable water supply wells with equipment and technology.

More than 55,000 people in the Chacabuco province will benefit from Anglo American's collaboration with WeTechs to develop a sensor-based technology to automate and monitor water levels in 23 rural potable water systems. The project contributed to a 30% increase in water availability, 40% reduction in pipe ruptures and 25% reduction in energy consumption.

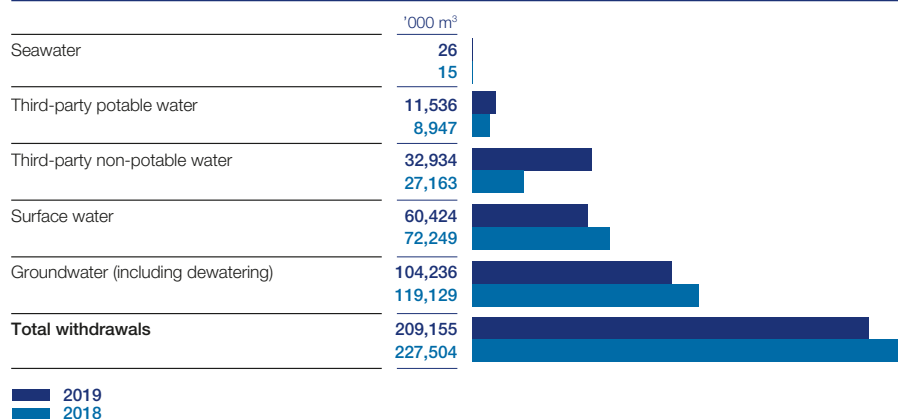
WATER CONTINUED

Responding to community concerns

We have also faced challenges regarding water risks in our communities. In 2018, the Centre for Environmental Rights (CER) commissioned a study to look into the compliance of eight large coal mining operations with their water-use licences. From Anglo American, they chose Isibonelo colliery near Secunda in South Africa's Mpumalanga province. We submitted all the relevant information and co-operated fully with the CER. Since the report was launched, the Department of Water and Sanitation visited the site and was satisfied with our approach to water management. We also engaged with the CER to ensure we work together to deal with some of the topics and concerns that were raised related to the water-use licences. Most of the CER findings referring to Isibonelo are administrative, relating to action or lack thereof, by the Department of Water and Sanitation. One finding, relating to the water quality limits exceedances has been addressed through an amendment to the water use licence. We are also assessing water dams and desilting.

In Peru, the risk of reduced access to fresh water can raise serious community concerns. Our community engagement around the Quellaveco project builds on the [Dialogue Table](#), a formal consultation process carried out to develop the Quellaveco copper project in a sustainable way. We are continuing community-engagement efforts focused on addressing their concerns. Quellaveco's plans ensure that the mine does not affect the host communities' access to water. The mine itself will reach exceptional levels of water efficiency, with just 0.44 m³ of fresh water withdrawal per tonne of ore processed, a significant reduction from the 0.5-0.7 m³ of fresh water per tonne of ore withdrawn.

WATER WITHDRAWALS BY SOURCE IN 2018-9⁽¹⁾



⁽¹⁾ We are in the process of rebaselining the data, including improving the accuracy of groundwater data, and to include rainfall/stormwater currently not reported.

In 2019, a group of water users in Tumulaca, Peru, raised concerns to the regulator about past activities of other mining companies in the neighbouring areas, as well as the potential impact Quellaveco may have on the water of the Asana River. Tumulaca is 18 kilometres downstream of Quellaveco's site and outside our direct area of influence; in addition, the mine will not come in contact with the Asana River. The Peruvian government has established a technical committee to address the group's concerns and demands. While not part of the technical committee, Anglo American has engaged in a proactive and transparent manner with the users in Tumulaca. We are also engaging with the relevant authorities to strengthen the activities of the committee overseeing the participatory environmental monitoring.

Technical innovation: changing the game for water

Our ambition is to develop mines that are water-neutral during their operational phase. This means a mine without additional water introduced to the process, nor fresh water diverted or affected by it. Innovation is key to realising this goal.

Through FutureSmart Mining™, we are currently exploring several promising technologies:

- Computational Fluid Dynamics (CFD) that informs the design of new stormwater management features for our dams, and reduces the risk of Level 3 discharges
- Two-dimensional studies that map flood risk and help to identify structural and design improvements
- Water covers and floating solar panels that also minimise evaporation
- Under-drainage systems for tailings dams that recycle water and are reducing fresh water withdrawals at Los Bronces mine
- Tailings dewatering technologies (cycloning, thickening or filtered tailings pilot systems) that allow improved water recovery and recycling rates. [See section on mineral residue management](#)
- Piloting of Coarse Particle Recovery (CPR) technology that uses a coarser grind when processing ore; by combining CPR with dry-disposal or filtered tailings technology, we can reduce water intensity by more than 50%.

🔗 **For more information:**
Our approach to water

CLIMATE CHANGE

Climate change is one of the defining challenges of our time. As we live up to our Purpose of *re-imagining mining to improve people's lives*, it is incumbent upon us to be part of a global solution.

Anglo American has participated in developing climate change policy for the mining industry for almost 20 years. We believe that mines can be carbon-neutral, and we are developing a pathway to carbon neutrality. We are also exploring how we could work with others to influence the greenhouse gas emissions (GHG) of our products throughout the value chain.

In 2019, a key focus has been the analytical work to understand our emission footprint. Today, we have a clear view of the challenges and opportunities for carbon neutrality in the different regions where we operate. Each site will require a tailored approach and, in some cases, we will need to develop new technology to drastically reduce our emissions. In this section, we touch upon some of the actions we have started to take to achieve this goal, from sourcing renewable energy, to eliminating diesel through Smart Power, to operational solutions such as bulk ore sorting.

Our strategic approach

Climate change considerations are part of our strategic planning and business decision-making. This includes our investment decisions, the industry associations we belong to, and the way we position Anglo American for the future.

We are exploring growth opportunities, including in PGMs, copper, iron ore and nickel, the metals required for the transition to a low-carbon economy, and we have reduced our thermal coal production footprint by more than half in the past five years.

Our management approach to climate change is built around five principles:

- Building internal agility and ensuring resilience to climate change
- Reducing energy use and carbon emissions throughout our business
- Understanding and responding to risks and opportunities related to the carbon lifecycle of our products, including consumer perceptions
- Developing and implementing collaborative solutions with our stakeholders
- Contributing our skills and knowledge to the development of responsible public policy.

Sustainable Mining Plan

For more information: See pages 10-15



HEALTHY ENVIRONMENT

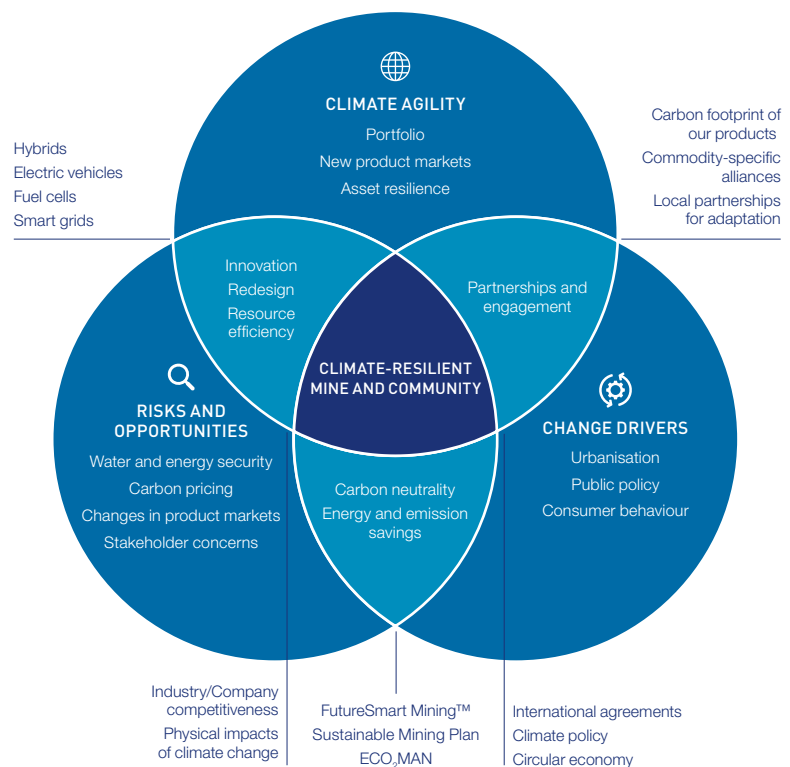
Climate Change

2030: Reduce net GHG emissions by 30%. Improve energy efficiency by 30%.

These principles align with the vision set out by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). Anglo American has been a TCFD supporter since September 2018. In line with the TCFD's recommendations, in 2019, we published the report [Climate Change: Our Plans, Policies and Progress](#). This report explored the impact of climate change across our portfolio through quantitative scenario analysis. The analysis helped us understand that our business is fundamentally resilient.

We also align with TCFD recommendations, by including our approach to climate change in our Integrated Annual Report, which we have done for the last two years.

We have developed our approach on climate change, recognising the importance of a portfolio-wide inter-disciplinary strategy, which considers the implications of climate change for our operations, communities and downstream markets.



CLIMATE CHANGE CONTINUED

Our progress made to date reaffirms that we will meet our 2020 GHG target, and we are progressing towards our 2030 goals and our ultimate ambition of carbon neutrality.

We have included our performance on energy and carbon on our chief executive and business unit CEOs' scorecards, and our 2020 GHG target is included in our 2017 Long Term Incentive Plan (LTIP). To receive the LTIP benefit in full, Anglo American needed to achieve the 2020 GHG target a year ahead of schedule, in 2019, which we have met.

Our climate change performance in 2019

In 2019, our operations were responsible for 17.7 million tonnes of CO₂-equivalent emissions (Mt CO₂e). This represents a 9% increase compared with 2018. The change reflects a rise in fugitive methane in our Metallurgical Coal business, related to a change in the mining area. This increase already considers an additional 1.3Mt CO₂e methane abatement initiatives implemented in the year. The total GHG reduction of 24% was achieved against our BAU scenario, which meets our 2020 target a year ahead of schedule.

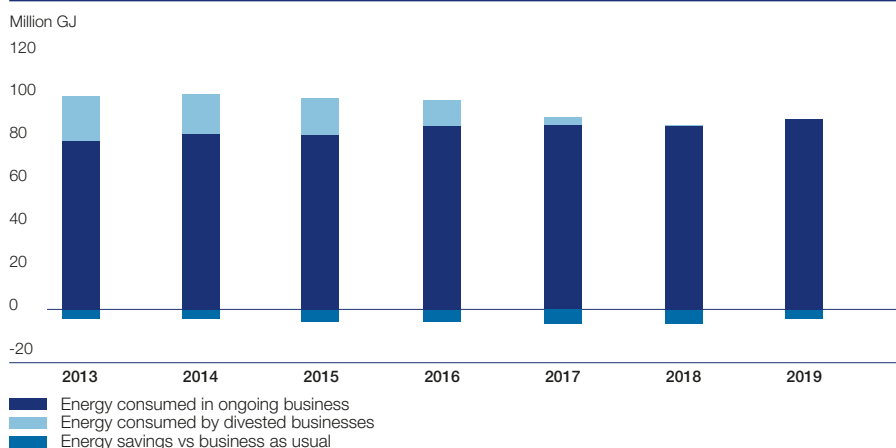
Our total energy consumption increased to 86.5 million GJ (2018: 83.9 million GJ). This represents a 3% increase compared with 2018, and a 5% reduction against our BAU scenario. The rise in energy consumption, driven by the return to production at Minas-Rio and construction progress at the Quellaveco copper project, was partly offset by lower consumption at Los Bronces, where drought affected production.

In 2019, we completed a detailed inventory on our Scope 3 emissions, which are emissions that arise primarily from the transport and use of our products. Our Scope 3 emissions total, which, for the first time, incorporated a portfolio-wide calculation, was 226 Mt CO₂e. To be available online at [Sustainability Data \(2013-2019\), Reports, Policies and Standards](#) by mid-2020.

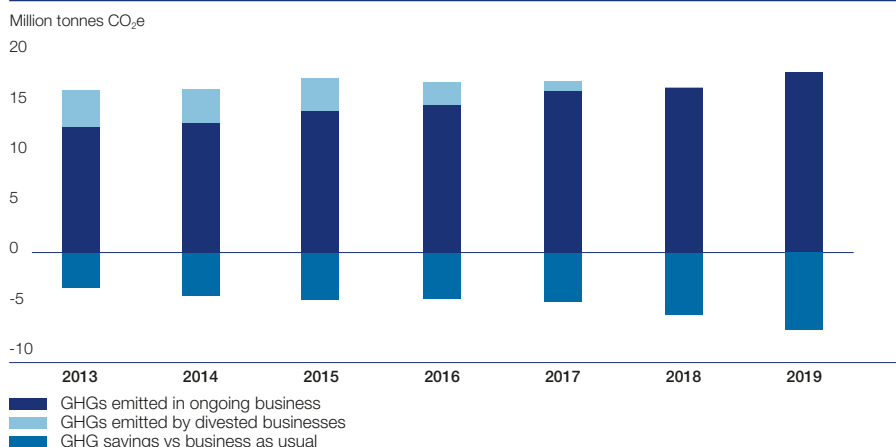
Reducing energy consumption and emissions

ECO₂MAN, our energy and carbon management programme, identifies projects that can help our sites meet their targets on energy use and GHG emissions. We reviewed and refreshed the programme's guidelines and standards in 2019. These updates reflect new innovations in reducing energy use and alternatives for increasing our use of renewable energy and ensuring alignment with ISO requirements.

TOTAL ENERGY CONSUMED AGAINST BUSINESS AS USUAL 2013-2019



TOTAL GHG EMISSIONS AGAINST BUSINESS-AS-USUAL 2013-2019



To achieve carbon neutrality across our operations, we are focusing on radically reducing energy consumption through our FutureSmart Mining™ programme, switching to low-carbon energy sourcing and increasing the role of renewables in our energy mix. [See case study.](#)

Radically reducing energy consumption

Our FutureSmart Mining™ programme includes technology solutions that substantially reduce energy use through changes to processes and equipment. Comminution (the grinding and crushing of rock) is the biggest consumer of energy in mineral processing. We are implementing bulk sorting and developing new comminution technologies that fragment particles using 30% less energy than conventional means.

Advancing carbon-capture research

When kimberlite is brought to the Earth's surface and crushed, it acts like a sponge, taking CO₂ out of the atmosphere and locking it into stable, non-toxic carbonate minerals. These carbonates form naturally in our processed ore, and De Beers is looking at ways of speeding up that process. They are working with experts from universities in Canada and Australia to test different mineral carbonation technologies. In July 2019, the Clean Growth Program run by Natural Resources Canada awarded a grant to a team of researchers to continue exploring kimberlite's carbon-capturing potential at Gahcho Kué. We are also carrying out similar assessments in Botswana and South Africa, to allow comparisons between different climates and geology.

CLIMATE CHANGE CONTINUED



At Los Bronces' Las Tórtolas tailings dam in Chile, a pilot photovoltaic plant built over a tailings pond is the first of its kind. Its 256 panels, located on a floating island, are designed to generate 150,000 kWh of renewable electric power annually and reduce CO₂ emissions by 51 tonnes a year.

Floating breakthrough ideas on energy in Chile

The grid of photovoltaic solar panels that floats on the surface of the tailings storage facility at Los Bronces copper mine in Chile, is more than just an innovative piece of engineering. It's also a vitally important symbol of cultural change. It signals just how prized energy and water resources should be – and how Anglo American is focusing on reducing how much they are used.

"The impact of this pilot project is massive," says Copper's lead of energy and carbon, Ignacio Pérez, "It changes our way of thinking, and embodies the shift towards intelligent and sustainable mining; it's an example that has motivated other companies to call us and for us to collaborate with them."

Ignacio is on a mission to embed cultural change and awareness across Anglo American's copper operations. He sees this as the essential foundation for reaching the business's stretch goals for 2030, of reducing energy intensity and absolute GHG emissions by 30% against 2016 levels.

As a result of a contract signed in 2019, by 2021 all electricity used by the Los Bronces mine and the facilities at El Soldado and Chagres will come from renewable sources. This will be a key milestone in the journey to carbon-neutral mining.

For Ignacio, it's vital to keep building on this foundation. He argues that the vision of a carbon-neutral mine depends on building a culture where every action is focused on reducing energy intensity and carbon. "We need everyone to understand that energy is the lifeblood of our processes," he says. "Its optimisation makes our entire operation more efficient and responsible."

That's where the floating solar panel array comes in: an example of FutureSmart Mining™ that's visible, effective and can inspire other initiatives. The floating panels generate renewable energy on site, preventing 51 tonnes of CO₂ emissions per year, which is equivalent to a year's driving for 11 passenger vehicles – a good beginning, and great motivation to think even bigger. It does so without the need to use additional land, while saving water by reducing evaporation in the covered area of the dam by 90%.

Vice-president of permits and environment, Leonel Sierralta, says, "This project is a demonstration of the commitment of Anglo American to achieving a *healthy environment*; in this case, we are tackling climate change with innovation in low-carbon technologies."

Project manager, Loreto Maturana, says, "This project was a challenge; not only was it the first one in the world over a tailings storage facility, but also it was my first project with Anglo American. Collaboration and motivation were critical for its execution. We worked very closely with the vendor and operation team from the beginning, incorporating in the design all the necessary flexibility to be a successful solution for sustainable mining."

However, it is far from the only emissions-reducing initiative under way at Los Bronces, which is also exploring a range of options for reducing the carbon footprint of its haulage fleet. Ignacio Pérez ends with, "We really want to re-imagine mining to be able, with this project and other initiatives, to improve people's lives."

CLIMATE CHANGE CONTINUED

Increasing the role of renewables in our energy mix

We have undertaken an assessment of our options for increasing the use of renewable energy and incorporated these into our Sustainable Mining Plan.

In South Africa, our Waterval smelter generates electricity from waste heat recovered from the converting process, and we are investigating options for recovering energy from truck braking systems and pipeline slurry flows. We are also piloting the use of hydrogen-powered haul trucks. See Smart Energy case study.

In Brazil, more than 85% of the electricity we use comes from renewable sources. In 2019, we signed contracts to enable our Copper operation in Chile to draw all electricity from renewable sources from 2021. Also in Chile, we are rolling out a fleet of electric buses for transporting mine workers to and from Santiago, reducing air and noise pollution in the local area. Los Bronces mine has also initiated a pilot to generate power through floating photovoltaic cells located over its tailings facility, which will reduce evaporation for an operation facility constrained by water supplies. [See Floating breakthrough ideas on energy in Chile case study.](#)

In Australia, our Moranbah North, Grosvenor and Capcoal metallurgical coal operations capture waste methane for power generation. In 2019, we increased this capacity to 140 MW, by reducing low concentrations of methane emissions in ventilation air. Ventilation air methane is the dilute methane within the return-air exhaust, which represents a significant share of our GHG emissions. We are exploring technology options to mitigate this.



▼ In October 2019, on the Thames in London, Anglo American and leading global energy and energy-services company, ENGIE, chose the solar-powered *Energy Observer*, the world's first fully electric vessel powered exclusively by hydrogen and renewable energies, as the venue to launch their partnership to develop the world's biggest hydrogen-powered haul truck.

Smart energy: the hydrogen-based haul system

Can you imagine mines where solar energy is harnessed, converted to hydrogen and used to replace more than 1.5 billion litres of diesel currently consumed by haul trucks at Anglo American's operating sites?

By the end of 2020, it will require a lot less imagination. During the year, we plan to start testing a haul truck at our Mogalakwena mine: that has been specially adapted to fit the hybrid hydrogen and battery power plant, which is replacing the existing diesel engine. In addition, the 4,500-litre diesel tank is being replaced with hydrogen tanks to fuel the power module.

At the same time, we are installing photovoltaic solar panels at Mogalakwena, so that the solar energy we capture can be used to power the electrolyser, a device which splits water into hydrogen and oxygen using electrical energy, generating hydrogen to fuel the truck.

The new power plant will be able to deliver more power than the diesel engine installed today, enabling it to power a fully-laden truck

up the slope from the mine; and it will then capture energy from the wheel motors on the return journey.

Not only does this initiative have the potential to eliminate diesel consumption at Anglo American and reduce up to 14% of GHG emissions in our mines; it also results in cleaner air for employees and communities, reduces noise and vibrations, and delivers maintenance savings. In the future, it will enable Anglo American to leverage other sources of renewable energy to power vehicles.

Such a radical transformation requires collaboration. So, in 2019, we signed a partnership with ENGIE, a leading global energy and energy services company, to develop the hydrogen generation, storage and dispensing solution, for what will be the world's largest hydrogen-powered mine haul truck.

This is part of our plan to create a smart energy mix that moves us closer towards our carbon and energy targets for 2030 and, ultimately, our vision of operating a carbon-neutral mine.

CLIMATE CHANGE CONTINUED

Working with suppliers

Our supply chain has a vital role to play in meeting our carbon-neutral ambitions, through helping us develop and source energy-efficient technology.

In 2019, we rolled out new electro-hydraulic rock drill technology across selected underground PGM operations. Developed in collaboration with suppliers, the new drills significantly improve energy efficiency and productivity compared to our previous, pneumatic rock drills.

We have worked with vehicle suppliers on upgrading the engine-management systems of our large dump-truck fleets, helping to reduce our fuel consumption by 4%. Working with suppliers on more consistent vehicle capacities has also helped us to plan payloads more effectively, and driven further fuel savings. We have implemented a start-stop system for trucks at our major opencast operations, to further reduce engine idling and driving further fuel savings.

We are also working with suppliers to develop new processing equipment for crushing, grinding, flotation and fine-particle recovery.



Advanced processing control (APC) principal, Sergio Rubilar (standing), and control room operator, Mario Salinas, work on the deployment of APC at the Los Bronces mine milling control room in Chile.

An energy game changer: Advanced Process Control

To deliver the metals society needs, the material we mine must go through processing to separate the valuable minerals from the waste rock. In our processing plants, operators in the control room are responsible for making sure the ore passes in the right quantity, at the right time, through a complex circuit of equipment. The Advanced Process Control (APC) project is making their job easier, safer and more energy-efficient.

APC refers to a software tool that, through sensors, collects data from the different points of processing and applies a mathematical algorithm to predict any adjustments that should be made to improve performance. In the control room, the operator uses information displayed on a screen to adjust – for example – how full a crusher is or to respond in real time when something is not working properly.

APC not only brings technology to optimise performance, it fundamentally changes the way people work, making the management of processing more predictable, stable and allowing the operator to focus on the tasks

that matter most. The stability leads to a safer, more productive and significantly less energy-intensive process.

Our APC project commenced in 2017, when we investigated and learned lessons from the oil & gas and manufacturing industries. Although APC technology is not new, the pace and scale with which we are implementing it are groundbreaking. In a little over two years, it has gone from a proposal to a reality operating in the majority of our sites, including all managed processing operations in PGMs, Coal, Iron Ore, Copper, and Nickel.

Since 1996, when APC was first used in mining operations, it has delivered estimated worldwide benefits of \$5 billion. So far, at Anglo American, we have seen throughput increase by 2%-6%; total recovery rates by 0.5%-2%; and, importantly for sustainability, energy consumption savings, across a number of our operations, of more than 2% (and as high as 12% for high-energy-input comminution processes).

We have ambitious plans to deliver APC Groupwide, and are confident of its contribution to help Anglo American become safer, more productive and less energy intensive.

CLIMATE CHANGE CONTINUED

Public-policy positions and engagement

We have set out our position on climate change in our climate change policy, which we refreshed in 2019, and which aligns with the most recent ICMM position statement on climate change. We included the policy in our [2019 climate change report](#).

In addition to our work with ICMM, we engage in policy processes through other local and international forums. We are a founding sponsor of the World Bank's [Climate-Smart Mining Facility](#), which will help resource-rich developing countries benefit from the increasing demand for minerals and metals, while ensuring the mining sector is managed in a way that minimises its environmental and climate footprint.

In 2019, we also joined the Carbon Pricing Leadership Coalition, a voluntary initiative that catalyses action towards the successful implementation of carbon pricing around the world. The initiative, run by the World Bank, brings together leaders from government, business, civil society and academia to support carbon pricing, share experiences and enhance the global, regional, national and sub-national understanding of carbon pricing implementation. Our aim is to support the development and implementation of effective, efficient and equitable climate change policies.

In South Africa, we participate in policy-engagement processes through our membership of the National Business Initiative, Business Unity South Africa and the Industry Task Team on Climate Change. In Brazil, we submit data annually into the GHG Protocol programme, which awarded Iron Ore Brazil gold-level accreditation in 2019, for the third consecutive year.

Anglo American is a founding member of the Hydrogen Council, and we support investment in hydrogen and fuel-cell technologies.

In South Africa, our operating sites have complied with reporting requirements under the national GHG emission reporting regulations. The government also implemented a bill on carbon tax in 2019. We are evaluating further opportunities to limit our exposure through both reduced energy use and GHG emissions, and opportunities to source carbon-offset credits.

In Australia, the federal government implemented the Climate Change Safeguard Mechanism in July 2016, to restrict GHG emissions. The safeguard mechanism is designed to accommodate operational growth while managing emissions. In 2018, our Metallurgical Coal emission levels increased, owing to operating in more gassy conditions. The primary reason that underground mines extract gas is to create safe working conditions for the workforce. We have an opportunity to reduce emissions through capturing gas to generate power and deploying ventilation air methane technology.

In 2018, we completed an independent audit of the international and national industry associations of which we are a member, to ensure that their approach was not inconsistent with our own in climate change and human rights positions. The auditor made certain recommendations for engagement, which [we published on our website](#). During 2018 and 2019, we further engaged with a small number of organisations whose position appeared to diverge from our own and ensured we were aligned.

We have further refined the governance of all our memberships of industry associations and are making information about our memberships publicly available for the first time in mid-2020.

We are in the early stages of working with the Initiative for Responsible Mining Assurance (IRMA), to develop a consistent approach to assess the carbon footprint of our products across the value chain, from the mine site to the end-user product.

We have consistent and constructive engagement with investors with an interest in climate change, including with Climate Action 100+ initiative.

🔗 **For further information:**
[Climate change: Our plans, policies and progress](#)
[Climate change and mining](#)

CLIMATE CHANGE

CONTINUED

Related disclosure

Anglo American's response to the risks posed by climate change is multi-disciplinary and is covered throughout our reporting suite – from the Integrated Annual Report to our climate-change supplements published in 2017 and 2019. The table below offers guidance on where to find information relating to each of the TCFD's recommendations.

GOVERNANCE

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

Recommended disclosures	References
a) Describe the Board's oversight of climate-related risks and opportunities.	<i>Climate change: Our plans, policies and progress (2017)</i> , pages 6-7. <i>Climate change, Integrated Annual Report 2019</i> , pages 96 and 101.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	<i>Climate change: Our plans, policies and progress (2017)</i> , page 7. <i>Our Material Matters, Integrated Annual Report 2019</i> , page 13.

STRATEGY

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

Recommended disclosures	References
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	<i>CDP Climate Response 2019</i> , question CC2 Risks and opportunities.
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<i>Climate change: Our plans, policies and progress (2019)</i> , page 20. <i>CDP Climate Response 2019</i> , question CC2 Risks and opportunities. <i>Sustainability Report 2019</i> , page 48.
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<i>We have conducted a qualitative scenario analysis included in: Climate change: Our plans, policies and progress (2017)</i> , pages 12-15. <i>We have undertaken a quantitative scenario analysis. Included in Climate change: Our plans, policies and progress (2019)</i> , pages 10-20.

RISK MANAGEMENT

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

Recommended disclosures	References
a) Describe the organisation's processes for identifying and assessing climate-related risks.	<i>Climate change: Our plans, policies and progress (2017)</i> , pages 4 and 7. <i>CDP Climate Response 2019</i> , question CC2.2b, processes for identifying and assessing climate-related risks.
b) Describe the organisation's processes for managing climate-related risks.	<i>CDP Climate Response 2019</i> , questions CC2.1, CC2.2, CC2.5 and CC2.6.
c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management.	<i>Climate change: Our plans, policies and progress (2017)</i> page 7. <i>CDP Climate Response 2019</i> , questions CC2.1, CC2.2, CC2.5 and CC2.6.

METRICS AND TARGETS

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

Recommended disclosures	References
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<i>CDP Climate Response 2019</i> , questions CC2.2b, CC2.3a and CC11.3a.
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, greenhouse gas (GHG) emissions, and the related risks.	<i>Sustainability Report 2019</i> , page 50 and data table page 89. <i>Integrated Annual Report 2019</i> , pages 34, 44-45 and 237.
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<i>Integrated Annual Report 2019</i> , page 32.

MINE CLOSURE AND REHABILITATION

The end of a mine's operational life is far from being the end of its social and environmental impact. Anglo American recognises that it has a responsibility to close mines in a way that leaves a positive, healthy and sustainable legacy. Taking the lead on closure and rehabilitation planning will have a positive effect on people's lives and on our financial performance.

Our Mine Closure Toolbox (MCT) provides a structured framework for planning and managing the closure of mines. It encourages our long term business plans to consider, before a mine even starts operating, what will happen to it after we close it. During 2019, we expanded the MCT to include additional focus on key components such as social transition, as well as incorporating our Integrated Closure Planning System, which focuses on multi-disciplinary closure planning and execution integration. As a result, we now have a single, consistent framework for closing mines that guides operations on how to meet the Group Technical Standard for Closure and aligns with leading practice guidance from the ICMM. We refer to this toolkit as [MCT V3](#).

The MCT V3 includes six tools relating to the key areas involved in planning and executing mine closure:

- **Tool 1 – Strategic planning:** identifies the legal and regulatory requirements, collates physical, biophysical, social and economic baselines, identifies a post-closure vision, and incorporates a risk-assessment framework
- **Tool 2 – Rapid assessment:** identifies knowledge gaps in the mine's existing closure plan and defines what level of detail the closure plan should contain relative to the remaining life of the asset
- **Tool 3 – Closing the gaps:** identifies the approach to closing the gaps identified in Tool 2, through the development of a master action plan
- **Tool 4 – Integration:** focuses on integrating mine closure into Life of Asset Planning to realise value and/or de-risk closure
- **Tool 5 – Execution:** focuses on the last five years of a mine's operation, and covers the closure, monitoring and maintenance phases, as well as relinquishment where appropriate. It also covers concurrent rehabilitation

Sustainable Mining Plan

For more information: See pages 10-15



CRITICAL FOUNDATIONS: ► GROUP STANDARDS AND PROCESSES

- **Tool 6 – Review and continuous improvement:** focuses on the cyclical nature of closure planning and execution, including the acceptability of the closure plan to the various stakeholders.

Our approach emphasises the need to manage our financial liabilities rigorously, work with stakeholders to address social impacts, and start rehabilitating mines while they are still active. Under our Concurrent Rehabilitation Strategy, we are committed to reducing the backlog of our disturbed land that requires rehabilitation, during the lifetime of our current mines rather than after operations cease.

In 2019, we undertook a gap analysis of all our mining operations against the Group Technical Standard for Closure, which was endorsed in 2018. We have developed action plans for every mine to address shortfalls, and we are tracking progress towards complying with our framework. By the end of 2019, 100% of our mines had closure plans that meet the requirements of our original MCT. Our target is for all mines to meet the requirements of MCT V3 by the end of 2021.

Progressing towards more sustainable mine closure

During 2019, we completed closure-planning projects at Dawson, Minas-Rio and Sishen mines, that align them more closely with the updated MCT. A similar project was completed at Cerrejón, a non-managed joint venture in Colombia where we hold a one-third interest. In South Africa, we have been working with the Minerals Council to help develop substantial new regulations related to concurrent rehabilitation and mine closure. These include mining operations making financial provision for their closure liabilities and enacting concurrent rehabilitation plans. We are on track to meet the Department's deadline of 19 June 2021.

In the next five years, we will close three De Beers operations (Snap Lake, Victor and Voorspoed), as well as Namdeb's land-based mines. Our global framework for mine closure underpins our intent to close these mines in a sustainable fashion.

Another big challenge related to mine closure, involves legacy sites. A legacy site is an exploration, mining or processing site currently owned by Anglo American that is no longer in operation. Legacy sites exclude operations sold as part of disposal transactions, although there may remain a risk of future environmental liability. A legal review was undertaken in 2019, to ensure that we are fully informed of the legal implications of our legacy sites, and to assess any residual risk of divested assets. In 2019, the South African Department of Environment, Forestry and Fisheries (DEFF) issued a notice requiring an assessment of a site we had acquired in the late 1990s from a South African company. We have submitted a Strategic Assessment Report, and have committed to undertake a Tier Two risk assessment that will indicate if mitigation is required.

At Khwezela's Kromdraai thermal coal operation, which is approaching closure, we have been able to reduce an original water-treatment liability estimate of \$190 million over a 150-year period to less than \$40 million. We achieved this through new surface-rehabilitation techniques that have reduced the levels of acidic metal-rich mine water that has the potential to discharge into adjacent streams.

Engagement and collaboration

We work with industry and other international organisations on sharing best practice for mine closures. We are working with the ICMM mine-closure working group and contributing to the development of an International Organization for Standardization (ISO) mine-closure standard. Our head of mine closure planning chairs the Australian committee for the development of an international standard for closure.

MINE CLOSURE AND REHABILITATION CONTINUED

Rehabilitation strategy

In total, Anglo American manages 650,200 hectares of land, of which approximately 86,900 hectares have been disturbed by our operations. Of this disturbed land, 15,100 hectares have been rehabilitated, and a further 10,300 hectares are no longer being used, and require rehabilitation.

The growing backlog of land requiring rehabilitation represents a significant financial liability for Anglo American. Consequently, concurrent rehabilitation targets were included as a performance measure in the Long Term Incentive Plan for executives from 2018 to 2020. During 2019, we endorsed a concurrent rehabilitation strategy that commits us to reducing the backlog and integrating rehabilitation into the long term planning of all mines. When fully implemented, the strategy will establish Anglo American as a leader in land stewardship. We are now in the process of integrating targets for rehabilitation and developing rolling five-year rehabilitation plans and associated sustainable-rehabilitation prescriptions. A rehabilitation guidance document has been developed and endorsed to support the rehabilitation strategy. In 2019, rehabilitation on waste-rock dump slopes was undertaken at Debswana's Letlhakane mine in Botswana.

Innovation has an important role to play in helping us to scale rehabilitation. At Dawson mine, for example, we have trialled using drones to capture data on the success of rehabilitation operations. This enables us to undertake landscape scale assessments of erosion, weed invasion, plant cover and slope angles in a manner that is safer, cheaper and faster. At Sishen, new initiatives have significantly accelerated rehabilitation, with 10 times more land rehabilitated in the past three years than in the previous 60.

Responsible divestment

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

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

For more information
[Anglo American Mine Closure Toolbox \(MCT\), Version 3](#)
[Anglo American Code of Conduct](#)
[Mine closure conference papers](#)



▼ The concurrent rehabilitation project identified 165 hectares of land suitable for rehabilitation east of Dawson mine Pit 25 in Australia. The area was landscaped, top-soiled and then seeded with native pasture grasses.

Bringing rehabilitation forward

It is our responsibility to rehabilitate the land and return it to a condition for others to use. Anglo American aims to accelerate this rehabilitation, reducing our environmental footprint, environmental impact on our neighbouring communities, and the financial liabilities that result from leaving land in a disturbed state.

In 2019, we launched a Concurrent Rehabilitation Strategy, to show our commitment to our stakeholders, bring the work of rehabilitation forward and ensure that our mines can be closed in a sustainable way. The strategy envisions incorporating a five-year rehabilitation plan into the Life of Asset Plan or Life of Mine Plan for every site. Across the Group, we are developing new technologies and techniques that can enable rehabilitation to begin earlier – and move faster.

Anglo American's Group rehabilitation lead, Todd Bell says: "The combination of our expertise in rehabilitation with the use of

technical innovation shows great promise. This five-year strategy is the roadmap to accelerate our ability to deliver on our commitments."

At Metallurgical Coal's Dawson mine in Australia, we have formed an innovative partnership with Emapper, an environmental mapping company that uses drones to photograph land, and artificial intelligence to analyse the images and assess environmental conditions. This has enabled us to capture detailed data on areas that would be time-consuming and dangerous to monitor manually. As a result, we have been able to develop detailed rehabilitation plans for the entire site.

Scaling these techniques has a vital role to play as we progress. We have already extended our Emapper partnership to Capcoal and Grasstree in Australia, where we are using planes to capture the aerial images. In 2019, we launched a further trial of the technology at Khwezela in South Africa.

MEETING OUR COMMITMENTS TO BUSINESS, STAKEHOLDERS AND SOCIETY

The relationships we build, both within Anglo American and with our stakeholders – locally and globally, are central to our ability to operate sustainably and, as a provider of society's much-needed resources, find solutions to the world's most pressing challenges.

This content in this section connects to:

- ▶ Safety and health
- ▶ Environmental impacts and climate change
- ▶ Workforce culture and capability

▼ In support of sustainable land reform in South Africa, our PGMs business recently donated a further 270 hectares of land to the Rustenburg Local Municipality and the Rustenburg Community Development Trust.



PUBLIC POLICY ENGAGEMENT

Engaging with governments and civil society on public policy is an essential element of operations for a major mining company such as Anglo American. Our business is subject to extensive regulation and approval processes at international, national, state and local levels. We engage with our stakeholders to meet the increasing expectations around our contribution to society and, thus, fulfil our Purpose.

Anglo American engages regularly with national governments, elected leaders, departmental experts and regional and local officials, as well as with broader civil society and multilateral institutions. Our engagement is essential for meeting regulations and participating in approval processes. However, it goes beyond legal compliance. Our vision is to transform the relationship between mining and wider society.

Our approach to stakeholder engagement, and how stakeholders' concerns are considered a part of our Board's decision-making process, are further explained in the [Integrated Annual Report](#). Examples of how external engagement feeds into our work are included throughout this report.

Our approach to public policy engagement

In all our interactions, we expect all employees to adhere to the [Code of Conduct](#) and our policies and standards.

Specifically, Anglo American has a strict policy of not making political donations or donations that could be perceived as political donations. We have a clear set of parameters for engaging with government, and an annual assurance process to ensure we adhere to them. Our Government Relations Handbook, aligned with our Code of Conduct, sets out these requirements. Business unit CEOs approve government relations plans for each jurisdiction on an annual basis.

We recognise the need to ensure that governments and other public-policy stakeholders do not suffer from an imbalance of power or knowledge when dealing with global industries such as mining. As a result, we are committed to supporting the strength and capacity of public-policy institutions in the countries where we operate. We sponsor the participation of our host countries in leading global public-policy courses, and have made a start-up contribution to the Nelson Mandela School of Public Governance in Cape Town. Anglo American also holds a board position as part of the Extractive Industries Transparency Initiative (EITI).

Sustainable Mining Plan

For more information: See pages 10-15



TRUSTED CORPORATE LEADER

National and international accountability

2030: Widespread recognition of the benefits that responsible mining can bring, a collaborative openness about the challenges and a more consensual working relationship between Anglo American and society.

Public advocacy

2030: External recognition of our leadership on policy advocacy. Strong levels of engagement in policy debates Milestones.

We are also signatories of the World Economic Forum's Partnering Against Corruption Initiative, joining global business in a commitment to zero tolerance of corruption in all its forms; increase public trust in business; deliver fair markets; and level the playing field by fighting corruption.

Taxation system and standards

We are committed to paying tax in the countries where we operate, and see this as an important part of our wider societal and development contribution. We support standardised taxation systems, based on internationally recognised standards such as OECD guidelines. We participate in technical industry groups, public consultations, multilateral institutions, working groups and consultations, and sometimes have one-on-one meetings with relevant officials to clarify specific matters or provide an industry perspective. In 2019, as part of our ongoing desire to continue to improve tax transparency, we held discussions with groups such as Publish What You Pay, Transparency International and Global Witness, to discuss ways in which we can ensure we give continued meaningful tax data to stakeholders. We also worked together on a joint response from civil society and multinationals to the European Commission in respect of the EU Accounting Directive, Fitness Check on Public Reporting by companies. For more details, [see section on Socio-Economic Contribution](#).

Responsible mining and society

We participate in multilateral initiatives aimed at improving best practice in key areas of sustainability and advancing the UN SDGs. These initiatives, such as the World Bank's Climate Smart Mining Initiative and the Carbon Pricing Leadership Coalition ([See Climate Change section](#)), often involve government-linked institutions, as well as multilateral institutions, investors and civil society. See sections on [Trusted Corporate Leader](#) and the [SDGs](#).

Engaging with NGOs

During 2019, we made a deliberate effort to engage more actively with NGOs, in order to build trust and gain a better understanding of external perspectives. These discussions addressed issues such as the protection of human rights and human rights defenders, management of scarce water resources, transparency on mineral revenues, noise, dust and resettlement. We used the insights that we gained from this process in the redevelopment of our social performance management system, The Social Way.

Our interaction with NGOs also takes place through public forums. For example, our chief executive Mark Cutifani participated in a panel discussion at the 2019 Alternative Mining Indaba in Cape Town. This event heard from representatives of mining-affected communities, and brought together civil-society organisations from across southern Africa.

For more information:
Our approach to Policy Influence

PRODUCT STEWARDSHIP

Responsible-product stewards should seek to positively influence environmental and social impacts of their products through the value chain and throughout their lifecycle. Companies maximise value to society when they produce materials responsibly, and then engage downstream to promote their beneficial use.

Responsible stewardship is crucial for maintaining our reputation and our ability to market products. Our approach focuses on ensuring responsible production, meeting regulatory obligations, and responding to the increasing demand from our customers for assurance that the minerals and metals they buy are produced responsibly.

For example, our Iron Ore business has improved its production processes and focused on new commercial routes and applications to drive long term benefits for end-users. In South Africa, Kumba has increased the quality of its product, which requires less processing, reducing the environmental footprint. In both South Africa and Brazil, producing higher-grade products with lower moisture levels allows a more efficient shipping process, which, in turn, reduces the carbon footprint of the iron ore. We are also exploring new routes and markets, which will help us reduce freight distance and, as a consequence, carbon emissions.

Meeting regulatory obligations

Implementation of product-focused regulation such as the UN's Globally Harmonized System of Classification and Labelling of Chemicals (GHS) is growing. We comply by developing quality hazard data on our products and communicating it – either to customers, through Safety Data Sheets, or to authorities where required, for example under the European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). In 2019, we have ensured continued compliance with REACH, should the UK leave the EU in a way that does not preserve the existing framework. We are also working proactively to ensure we comply with upcoming regulation, such as 'Korea REACH'. Finally, we enable our sites to manage hazardous materials effectively.

In 2019, we continued to support implementation of our Group Technical Standard on Hazardous Materials Management and defined the relevant minimum mandatory critical controls each site must implement.

Sustainable Mining Plan

For more information: See pages 10-15



TRUSTED CORPORATE LEADER

Ethical value chains – mine certification

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

This work helps protect the environment and human health, by informing downstream risk-management decisions, and ensures we maintain licence to market. We also work closely with industry peers, academia and government to improve the science and test methods used for minerals and metals, and ensure they are appropriately applied – for example, in the shipping codes that ensure safe transport of our products. This is part of a programme of continuous learning and development, to ensure our sector remains abreast of emerging issues.

Ethical value chains and the circular economy

While originally the major focus of product stewardship was complying with regulation, today leading companies are putting emphasis on how their products affect the key social and environmental challenges facing society – including climate change – and the need to decouple economic growth from resource consumption.

At Anglo American, we are looking beyond compliance and engaging proactively with those who are interested in the impacts and contribution of our materials and the products manufactured from them. To better understand this, in 2019 we took a deep dive into our role in the circular economy. While the concept means many things to many people, we explored it openly and agreed on three dimensions that are relevant for the future of Anglo American and aligned with our Purpose. Initial internal research shows there are pockets of excellence throughout our business, and a cohesive corporate narrative is under way to bring them together. [See case study on the circular economy.](#)

In parallel, conscious consumers are increasingly choosing 'responsible' brands and products while boycotting others. As the definition of 'responsible' continues to evolve, several industries, including mining and metals, have developed responsible sourcing programmes and standards. While the theme of 'ethical value chains' has been part of our internal discussion and our engagement with customers for quite some time, we have seen an increasing interest in responsible sourcing programmes and sustainability matters from a myriad of stakeholders. They are all fundamentally seeking assurance that minerals and metals have been produced responsibly.

One of our responses is to provide this assurance by assessing our sites against the standard developed by the Initiative for Responsible Mining Assurance (IRMA). In 2019, PGMs' Unki mine was the first in the world to announce it will undergo independent assurance against IRMA. In Brazil, Nickel's Barro Alto completed a self-assessment against the standard and is moving into third-party assurance. We have a roadmap in place to ensure that we meet our related Sustainable Mining Plan goals.

As implementation continues, we will engage with customers so they trust this external standard, and we will explore how to move our ethical value chain programme further downstream – through targeted engagement and partnerships with key stakeholders. For example, in 2019 Anglo American joined [ResponsibleSteel™](#), the steel industry's first global, multi-stakeholder standard and certification programme.

For more information:
[ResponsibleSteel™ press release](#)
[IRMA press release](#)

SOCIAL PERFORMANCE

We are committed to delivering a lasting, positive contribution to our host communities, beyond the life of our mines. This starts with understanding and responding to their needs and priorities. Fulfilling this commitment is critical to our long term success as a business.

Our social performance requirements

At Anglo American every site must meet the following requirements:

- Identify, assess and manage social risks and impacts throughout the life of the mine, according to the International Finance Corporation (IFC) Performance Standards
- Develop, document and implement a long term social performance strategy and annual social management plan
- Develop a stakeholder engagement plan to be updated at least annually
- Detail strategic objectives on socio-economic development and how they will be implemented
- Monitor implementation through a social commitments register
- Implement a site-level social complaints and incident procedure
- Assess and manage the safety, health and security impacts of our activities on external stakeholders
- Establish procedures to manage social impacts resulting from work with contractors, suppliers and business partners
- When required, develop specific management plans for resettlements, benefit-sharing agreements, and protecting cultural heritage and Indigenous Peoples
- Ensure site and operational teams have the resources they need to meet these requirements.

Sustainable Mining Plan

 For more information: See pages 10-15



TRUSTED CORPORATE LEADER

Local accountability

2030: Establish multiple levels of open and accountable dialogue leading to greater mutual trust.



CRITICAL FOUNDATIONS: ► GROUP STANDARDS AND PROCESSES
► COMPLIANCE WITH LEGAL REQUIREMENTS

We manage the relationship with our host communities through our social performance management system, the Anglo American Social Way. It sets out the requirements all our managed or operated sites need to meet. It also covers how we engage with communities, mitigate adverse social impacts and pursue development opportunities. Our industry-leading Socio-Economic Assessment Toolbox (SEAT) helps our sites comply with The Social Way. It provides tools for measuring sites' socio-economic effects, and guides their approach to managing human rights, grievances and the social impact of mine closures.

Updating our performance management systems

In 2019, we developed The Social Way 3.0, an update to our management system that is designed to meet stakeholders' evolving expectations. The updated Social Way is an integrated social performance management system that brings under one umbrella the Policy (what we do), Toolkit (how we do it), and Assurance Framework (monitoring of implementation and ensuring continuous improvement). It aligns with our Sustainable Mining Plan, our Code of Conduct and our Safety, Health and Environmental management system — the SHE Way. Designed with our Purpose of *re-imagining mining to improve people's lives* at its heart, it brings about a step-change in the way we manage sites' overall performance, and embeds respect for human rights across all aspects of how we operate.

The Social Way 3.0 sets out additional, new requirements in the following key areas:

- Integrating social performance with the way we plan the operational life and closure of our mines
- Monitoring and evaluating socio-economic development
- Carrying out social and human rights impact and risk analysis, and integrating this with Operational Risk Management
- Managing contractors in a way that aligns with The Social Way
- Addressing issues concerning land access, displacement and resettlement
- Ensuring emergency preparedness and response.

We have designed The Social Way 3.0 to make it easier for sites to understand and implement the policy requirements. It includes a successor to SEAT, known as the Social Way Toolkit, which contains specific tools and guidance that relate to our social performance standards. We have put more emphasis on planning for the social impact of mine closures and protecting communities through emergency planning, including plans for emergency evacuations in the event of tailings dam failure.

We will roll out The Social Way 3.0 across all Anglo American's managed or operated sites during 2020.

SOCIAL PERFORMANCE CONTINUED

Assessing social performance

Every year, we commission independent assessments of our sites' social performance and compliance with The Social Way through the Social Way Assurance Framework. We use the results of these assessments to drive improvements. When we identify cases of non-compliance, we require the sites in question to develop and implement an immediate improvement plan.

At the end of 2019, we assessed social performance against the current version of The Social Way. We will introduce assessments based on The Social Way 3.0 at the end of 2020. As a result of the higher standards in the new Social Way, we expect it to become more challenging for sites to achieve compliance. We will be working to address shortcomings as part of a two-year change-management process.

Addressing non-compliance

The results of the 2019 assessment reflect a significant improvement across almost all Social Way requirements. Risk management remains one of the strongest performing ones (as it was in 2018), an important element in any social performance management system. This good performance links to impressive and multi-disciplinary risk identification and management processes rolled out as part of the ORM process.

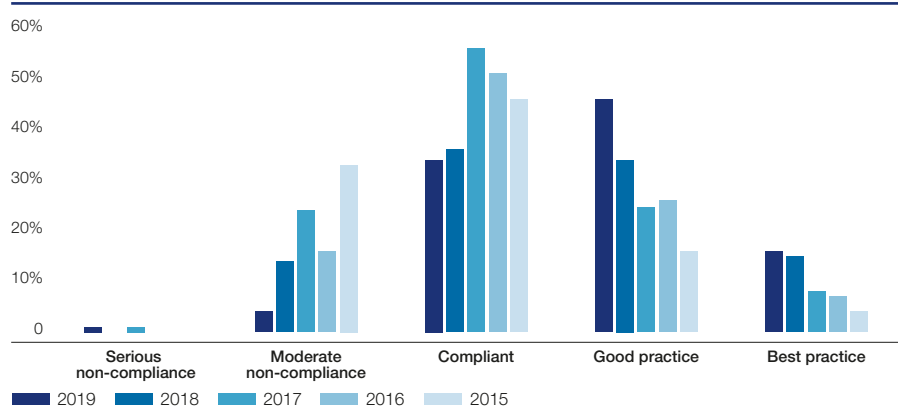
There were no serious cases of non-compliance against The Social Way across the Group. The cases of moderate non-compliance did not impact stakeholders and plans are in place to remedy these non-compliances. Each operation implements an improvement plan to meet requirements that are not met in full. The chief executive's quarterly performance scorecard includes progress in achieving Groupwide compliance with The Social Way.

Engaging communities

Ongoing, inclusive, meaningful and transparent engagement with our communities is essential, if we are to understand and respond to their concerns, and manage our sites in a way that aligns with their priorities.

Our Connected Community Project connects our sites to their host communities through mobile text-message surveys. It helps us to understand community concerns, and generates trust and support scores to track changes in sentiment. We piloted Connected Community surveys in 2017, and rolled them out in 2018 and 2019.

SOCIAL WAY ASSESSMENT SCORES, 2016-2019



We now conduct regular surveys at 13 sites and use the lessons from our early projects in South Africa to help increase participation rates – for example, through incentives to complete the surveys, and communication strategies for sharing the results.

At our Quellaveco project, we are working with local communities to monitor the environmental impacts of our operations, with a view to increasing transparency and driving local engagement. In 2014, we established a monitoring committee to track the fulfilment of our Dialogue Table commitments, and we are working with civil-society representatives and national and local government in order to increase transparency and public confidence. Since 2016, we have carried out environmental monitoring with community participation.

Complaints, grievances and incidents

We have a Groupwide procedure for reporting social incidents and grievances. This aligns with the UN Guiding Principles for Business and Human Rights, Principle 31, which requires that grievance mechanisms are legitimate, accessible, predictable, equitable, transparent, rights-compatible and a source of continuous learning.

We report all Level 3-5 (moderate to significant) social incidents to our Board, and include them on the chief executive's quarterly performance scorecard. These incidents and grievances are important indicators of deeper community concerns, and can help our operations to manage social risks proactively. Our procedures commit us to dealing with them in a transparent, accountable and respectful way.

During 2019, we recorded and reviewed approximately 2,227 complaints and grievances across the Group. Following the review, 592 were at Levels 3-4 and none at Level 5. During the same period, 633 social incidents were recorded, of which 176 were Level 3-4 incidents, and none at Level 5.

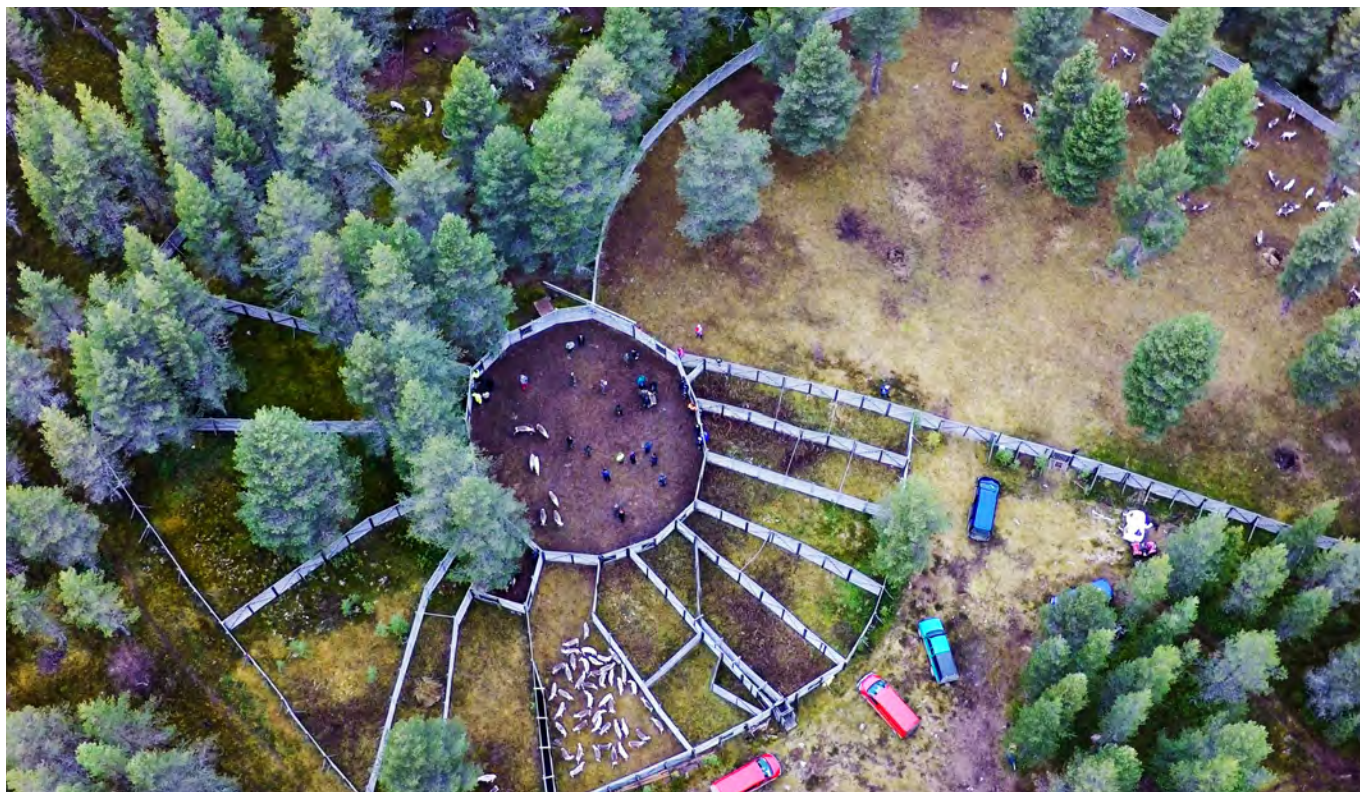
In 2019, we saw a significant increase in reported Level 3-5 social incidents. This was driven by increased construction activity at Quellaveco, and work on an unsurfaced road at Minas-Rio that generated excessive dust. We have also responded to incidents of pipeline vibrations at Minas-Rio affecting the local community, and we are investigating potential mitigating solutions.

When communities around the Quellaveco copper project in Peru raised concerns about pollution of water supplies, we reached out to demonstrate the steps we had taken to protect local rivers and other water sources. We invited representatives of the local community to inspect our site, alongside government representatives, to reassure them that rivers had been diverted to avoid being affected by our operations.

The National Inspection Agency has confirmed that we are complying with our environmental obligations and that there is no risk of contamination.

[For more information:
The Social Way](#)

SOCIAL PERFORMANCE CONTINUED



▼ Reindeer on the Oraniemi grazing area near the Sakatti project, a significant discovery of copper-nickel-platinum group elements.

Sakatti: giving our communities a voice in mine planning

In Finland, 150 kilometres north of the Arctic Circle, lies Sakatti – a copper-nickel-platinum group elements deposit with excellent potential to provide society with the metals of the future.

We are committed to building and operating mines sustainably and with respect for the environment and the local communities. But we know we cannot do it alone. So we have embarked on a journey with the local and regional stakeholders, to ensure that the project evolves with the highest environmental and social standards. Sakatti sits in a protected area, and some environmental NGOs are concerned about the potential development of a mine under a protected area. Our team in Sakatti continuously engages with them, and is working closely with biodiversity experts and authorities to ensure we avoid or minimise impacts, and deliver net positive impact on biodiversity.

Hand in hand with members of the local community, we have identified their worries, shared our plans, heard their concerns, and

chosen options to protect the environment and respect the needs of the people near the mine.

For instance, an important consideration has been where to locate the mine's tailings storage facility and processing plant, to protect the natural resources of Viiankiaapa, where the deposits are located, which is part of the Mire conservation area. We began with a list of 12 potential locations, and worked with all five of our stakeholder groups – residents, land and water rights holders, reindeer herders, environmental groups and recreational users, and municipal authorities and business – to identify the most suitable option. Based on their feedback, our plan is to locate the waste facilities on the southern flank of the Kuusivaara Ridge, some distance to the south of the mine and outside the boundary of the protected area, reducing its environmental impact.

Another example is how we have decided to build an access tunnel with an opening five kilometres from the ore deposit, to reduce disturbance to the land above ground and the impact on reindeer herders. The operation will

use electric equipment as far as possible, resulting in a low-carbon operation.

We have also responded to the concerns of villagers, by developing plans for bridges and bypass roads that will prevent traffic passing close to residential areas. As Riika Ylitalo, a local research engineer explains, "The company has listened and responded well and was receptive to the villagers' suggestions, for example by considering creating a bridge south of one village to avoid mining traffic passing through it."

Planning for the positive economic impact of Sakatti is also a priority. This will involve investing in local services and infrastructure, to support a rise in population with the arrival of mobile workers, and increasing the supply of affordable flats and family housing. "The company acted exemplarily by listening to the villagers," says Jorma Moberg, a local entrepreneur.

🔗 **For more information:**
[Anglo American Finland](#)

HUMAN RIGHTS

Governments, investors and civil society expect businesses to meet their responsibilities under the United Nations Guiding Principles on Business and Human Rights. Anglo American takes these responsibilities extremely seriously. Our global Human Rights Policy lays out our commitment and expectations. We explicitly state our respect for human rights in our Code of Conduct, and our Values reflect this. In 2019, we focused on reinforcing human rights due diligence across our operations.

Our approach to human rights is aligned with the UN Guiding Principles on Business and Human Rights, and we are committed to implementing the UN Global Compact Principles. Our global Human Rights Policy articulates our commitment to these principles, and has done so since 2014. The policy is available to employees on the company intranet and external website, and we run an annual awareness campaign around International Human Rights Day, to encourage employees to read and understand the policy.

Our Human Rights Framework ([see page 66](#)) underpins our policy. It describes how the policy links to our standards, such as The Social Way, and what our main human rights risks are.

In 2019, we revised The Social Way ([see page 62](#)) to incorporate explicit human rights considerations throughout the framework. As part of this process, we have transformed our outlook on risk. Our view of business risk is now complemented by an equal focus on identifying and managing human rights risks, and the potential impact of our work on the lives of others. We are developing new guidance to ensure robust human rights due diligence for risk areas that are not covered in The Social Way, such as labour rights and third-party suppliers.

Our Responsible Sourcing Standard for Suppliers reflects our determination to ensure an ethical supply chain that is free of modern slavery.

We have developed a five-year action plan to 2023, to drive continuous improvement in how we identify and manage human rights risks. The plan tackles the need to build human rights expertise into our business, engaging with stakeholders, and initiatives in key risk areas such as security and human rights, and our supply chain. [See our Human Rights Framework on the subsequent page.](#)

Sustainable Mining Plan

 For more information: See pages 10-15



CRITICAL FOUNDATIONS: ► HUMAN RIGHTS

Human rights due diligence

Governments and regulators are moving in the direction of making human rights due diligence a mandatory requirement for businesses. Finland and France have already passed laws in this respect, and the European Union is considering its regulatory options. We are embedding due diligence across our operations. Every Anglo American operation carries out an annual social risk assessment to identify human rights risks and potentially vulnerable groups. Over the past two years, we have conducted human rights due diligence at all our sites. Through these exercises, we have identified some gaps in parts of the business, which are being addressed. These relate to integrating human rights risks into operational risk-management processes, engaging external stakeholders and vulnerable groups in human rights due diligence, improving the effectiveness of grievance mechanisms, and feedback to local stakeholders on how human rights risks are being managed.

Human rights in our supply chain

We are determined to ensure that Anglo American is part of an ethical value chain that respects human rights and is free from slavery. This includes complying with the UK Modern Slavery Act of 2015 and the strengthened reporting requirements that the UK government is currently considering. Australia's new Modern Slavery Act has similar requirements for reporting on potential modern slavery risks across our value chain, and the actions we take to address them. We have formed a working group to identify what Anglo American's reporting requirements will be under the new act, once it comes into force in 2020.

Engaging with human rights stakeholders

We seek out opportunities to engage with NGOs and community activists, so that we can incorporate their perspectives into our planning. During 2019, the groups we engaged with included International Alert, Human Rights Watch, Business and Human Rights Resource Centre, the Institute for Human Rights and Business, Global Witness, Transparency International and several local NGOs.

Security and human rights

Anglo American is a longstanding signatory to the Voluntary Principles on Security and Human Rights (VPs) and we are working in partnership with International Alert to strengthen our implementation of these principles. We assess our compliance with the VPs' requirements through our annual Social Way audits. In 2019, we identified the need to improve public security due diligence at most operations. As a consequence, we contracted a service provider to conduct regional due diligence on public security. In 2019, we trained 6,710 employees and contractors on security and human rights.

As part of our Responsible Sourcing programme, we continue to engage security service providers to complete self-assessments, confirming awareness of our policies and the human rights-related risks at Anglo American sites.

HUMAN RIGHTS CONTINUED

HUMAN RIGHTS FRAMEWORK

Below, we have summarised the areas where the company is likely to have the greatest positive or negative impact on human rights, as well as the different mechanisms in place to tackle any potential risks. Given that human rights issues touch on every aspect of our business, the assessment of our salient human rights areas has

been extended beyond our own operations and we have considered the wider extractive value chain from discovering, planning and building, through to end of life plan. We have now conducted human rights due-diligence exercises across all our sites and at a Group level. Human rights is one of the six Critical Foundations of our sustainability approach.

ANGLO AMERICAN CODE OF CONDUCT

The Anglo American Code of Conduct makes a commitment to respecting labour and human rights

ANGLO AMERICAN HUMAN RIGHTS POLICY

The policy requires ongoing human rights due diligence: engaging with rights holders in assessing and addressing impacts; including human rights-related requirements within relevant contractual arrangements; and access to effective complaints and grievances procedures

MANAGING SALIENT HUMAN RIGHTS RISKS

Human rights due diligence is a mandatory requirement within the Anglo American Social Way

LABOUR RIGHTS	SECURITY	COMMUNITY IMPACTS	SUPPLY CHAIN	SAFETY, HEALTH AND ENVIRONMENT
Potential for abuse of direct or contractor employees.	Potential for degrading treatment, injury or death of employees and community members.	Potential for long term impact and disruption of community lives, livelihoods and traditions.	Potential for complicity in third-party harm.	Potential for damage to health, safety and environment.
72% of our permanent workforce is represented by work councils, trade unions or other bodies.	6,710 personnel trained in Voluntary Principles on Security and Human Rights.	96% compliance with the Social Way.	40% of our global procurement expenditure targeted for self-assessments and potential audits.	88% of our operations have completed self-assessments against the SHE way.
 Supporting labour rights	 Voluntary Principles on Security and Human Rights	 Social Way	 Responsible Sourcing Standard	 SHE Way

MONITORING AND REPORTING

We are working on a more structured approach to ensure any potential human rights risks, trends and causes are identified on time and dealt with through the appropriate controls.

GRIEVANCE MECHANISMS

We have mandatory Groupwide complaints and grievances reporting procedures in place to allow all stakeholders to report confidentially on issues and concerns. These are available at Group, business unit and operational levels, and are tailored to those specific contexts. Our current focus is on improving the effectiveness of those mechanisms in line with the UN Guiding Principles criteria.

STAKEHOLDER ENGAGEMENT

We believe an open and honest stakeholder engagement process is critical for the continuous improvement of our human rights practice and efforts.

CULTURE CHANGE AND CONTINUAL LEARNING

Human rights is part of our culture through its incorporation into the Code of Conduct and our Values. An emerging focus for us is on sharing learnings across the Group and to ensure any future risks are prevented before they arise.

HUMAN RIGHTS CONTINUED

Protecting human rights defenders

'Human rights defender' refers to any individual or group of people who act to promote or protect human rights, and whose activities can often put their own safety and human rights at risk. Anglo American has signed the Public Statement on Supporting Civic Freedoms, Human Rights Defenders and the Rule of Law, which was published by the Business Network on Civic Freedoms and Human Rights Defenders. In 2019, we started work on an operational Human Rights Defenders protocol, with specific guidelines for identifying human rights defenders and ensuring they are protected. We have also included a statement of support for human rights defenders and civic freedoms in our Code of Conduct.

We have intensified our efforts to protect human rights defenders following allegations, in 2018, regarding our Minas-Rio operation. We responded openly and transparently to the UN's special procedures branch, which investigated reports of Anglo American's hindering efforts to protect human rights defenders. We engaged extensively with the UN, with the Working Group on Business and Human Rights, with NGOs and with other human rights defender experts regarding the incident.

Tackling gender-based violence

We have identified gender-based discrimination and violence as a priority area for our efforts to protect human rights. We are taking a holistic approach, which combines workplace interventions with community programmes and wider advocacy; for example, through the UN Women's #OrangeTheWorld campaign and the Business Fights Poverty Gender-Based Violence challenge.

We are conducting baseline studies to evaluate our approaches to protecting women at our sites. So far, we have completed a baseline study at the PGMs' Amandelbult mine in South Africa, and launched a second study at the Goedeheop thermal coal site. Every Anglo American site will develop gender-based violence prevention plans, to address the issues identified in the baseline studies. We have worked with Business Fights Poverty and other private-sector partners on a toolkit for preventing gender-based violence at work, which draws on our experience and insights from these early baseline studies.

Our community initiatives include the victim-centric justice project, which works to make it safer and easier for victims to report crimes.



▼ At Anglo American, we have identified gender-based discrimination and violence as a priority area in our endeavour to protect the human rights of our employees, such as drill operator, Beauty Teffor, at PGMs' Mogalakwena plant.

Breaking new ground on eliminating gender-based violence in mining

An inclusive environment, where all can feel safe, confident and able to thrive, is one of the Critical Foundations of Anglo American's Sustainable Mining Plan. In many of the regions where we operate, gender-based violence (GBV), and the culture of bullying and harassment that exists across society, remain one of the most significant barriers to building that environment. In Africa, it is estimated that 45% of women experience such violence at some point in their lives.

For many years, our business has run programmes and initiatives aimed at tackling the particular risks that the mining industry faces in this area. Mining communities often present characteristics that enable GBV, such as unequal power relationships, women who are financially dependent on men, weak institutions, migrant labour and substance abuse.

We have sought to address these issues through a range of initiatives, including a five-step toolkit for tackling GBV in the workplace, and programmes that reach out to male colleagues, asking them to take the lead in tackling toxic masculinity. In 2019, we built on these with the launch of a new strategy for tackling GBV that aligns us with global campaigns on this issue, and is rooted in new levels of insight into Anglo American's own culture.

We launched our Living with Dignity programme in November 2019, aligning with South Africa President Cyril Ramaphosa's call for all sectors of society to combat GBV. At the same time, we announced that Anglo American is joining UN Women's #OrangeTheWorld campaign, which fights to end violence against women and girls.

Ahead of the launch of Living with Dignity, we commissioned International Alert to conduct a study of the experience of women at Anglo American operations, which we believe to be the first research of its kind in the mining industry. The work revealed significant challenges in the form of habitual verbal, and sometimes physical, harassment, combined with negative power dynamics in the workplace. We are responding to the findings through a commitment for every Anglo American operation to create a GBV-elimination plan. These plans will extend beyond the workplace, to include awareness programmes in schools and an initiative to increase safety in homes and communities, where many GBV issues begin.

"Anglo American has gone to great lengths to understand how these issues manifest themselves in mining, as opposed to in an office environment," says Anglo American's Group director, corporate relations, Anik Michaud. "Our vision is to provide a working environment that is safe, supportive, effective and enabling. And we know that we can do more to deliver this."

HUMAN RIGHTS CONTINUED

Addressing human rights incidents

During 2019, grievances that involved human rights aspects constituted around 3% of the total grievances received. The main drivers for these grievances are incidents impacting potentially vulnerable groups, and land and resettlement.

In South Africa, we experienced three separate road incidents involving our contractors and resulting in fatalities in our local communities. These losses highlight how important it is for us to continue to work with stakeholders and strive to improve the safety of everyone associated with Anglo American, including our contractors, and influencing safety good practice at our suppliers and non-managed joint ventures.

At our PGMs' sites, grievances relating to land and resettlement were raised at Twickenham and Mogalakwena, where we are managing several legacy issues around resettlements, as well as an ongoing resettlement. During the 2019 Social Way assessment, both sites demonstrated challenges in engaging with stakeholder on remedial plans and monitoring and evaluation in a post-resettlement environment. This remains a key focus area.

In Brazil, we received six grievances against contractors who were accused of sexual harassment and/or assault. We are keeping track of the contracting companies' measures to address the allegations and will strengthen our expectations of contractors and their employees in a forthcoming contractor management standard.

Responsible resettlement

Displacement and resettlement of people as a result of our mining activities is a complex, emotive issue for our host communities, with long term consequences. Resettlement projects can pose significant business risks to both our new projects and ongoing operations, and can affect community relations and our licence to operate. We have made human rights a central consideration in how we plan and implement resettlements. Our aim is always to plan and design new projects in a way that avoids or minimises displacement.

We manage resettlement projects in line with the IFC Performance Standard 5 on Land Acquisition and Involuntary Resettlement, which is embedded within our Social Way. We carry out extensive consultations with the affected people, and aspire to improve post-resettlement quality of life and livelihoods when compared to the pre-resettlement conditions. We apply strict monitoring and evaluation to all resettlement projects. Three years after resettlement is complete, we commission an audit from an independent service provider, and take any corrective measures required to ensure we meet our standards.

In 2019, we made a decision to apply strict governance and assurance to all resettlement projects. This is achieved through mandating that resettlement projects be treated as capital projects and adhere to the requirements of our Investment Development Model. This ensures assurance at various stages of resettlement planning, in order to ensure a robust process.

The continued operation of our Sishen iron ore mine in South Africa's Northern Cape depends on expanding the boundary of the mine's footprint to the nearby Dingleton settlement, necessitating the relocation of hundreds of households. We treated the resettlement as a capital project and planned it accordingly. Most households have been successfully relocated to a new neighbourhood in the nearby town of Kathu. Agreements have yet to be reached with six households who currently reside in Dingleton, and negotiations are ongoing. This does not impact short to medium term mine plans.

Indigenous Peoples

Indigenous Peoples can be particularly affected by mining activity, owing to their often-close connection to natural resources and the special cultural significance of, and connection to, certain areas of land.

As a member of the ICMM, we committed to the 2013 ICMM Position Statement on Indigenous Peoples and Mining, which endorses the principle of Free, Prior and Informed Consent (FPIC). We have incorporated this commitment into our Social Way. We seek the consent of Indigenous Peoples for all new projects, and any material changes to existing projects, which impact the land they traditionally own or use.

Very few of our operations affect Indigenous Peoples. De Beers' operations in Snap Lake, Gahcho Kué and Victor in Canada, are located near traditional lands used for hunting and fishing. We have signed Impact and Benefit Agreements (IBAs) with the groups using this land, and we seek to increase the benefits to the community by awarding contracts to First Nation-owned companies. IBAs associated with Snap Lake mine remain on hold while the operation is under care and maintenance.

At Gahcho Kué, De Beers has worked to build strong relationships with First Nations communities through a focus on providing employment opportunities for community members. The company has partnered with relevant government departments to launch school-engagement programmes, apprenticeships, scholarships and recruitment workshops, aimed at increasing the number of indigenous community members that we employ. In 2018, 26% of the workforce at Gahcho Kué came from indigenous communities, while De Beers also spent CA\$51 million with indigenous suppliers, which represents 28% of Gahcho Kué's 2018 total spend. This brought our total spend with indigenous suppliers since 2015 to CA\$207 million. We also hold quarterly workshops at the mine's cultural centre, to promote traditional skills and heritage. We work closely with Ni Hadi Xa, a joint environmental monitoring agency comprising six indigenous communities, to manage the environmental impact of the mine.

In Australia, Metallurgical Coal's managed operations are located in the Bowen Basin in Queensland, where according to the most recent government census data, it is estimated that Aboriginal or Torres Strait Islander people make up about 4% of the population. We value our relationship with the Traditional Owners of the land on which our operations are located, and their rights to protect and manage their cultural heritage. We seek to work with them in this area, consistent with the State and Commonwealth legislative framework. We participate in a range of supply chain, employment and community engagement activities, to continue to enhance our relationships with Indigenous Peoples. In 2020, Metallurgical Coal will continue the next phase of the Reconciliation Action Plan. This will involve comprehensive engagement with local indigenous representatives throughout the first half of 2020, and will determine a set of refreshed priorities to continue to support Indigenous Peoples in Australia.

 **For further information:**
[Our approach to Human Rights](#)
[Our approach to responsible sourcing](#)

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Anglo American's vision is to be part of a value chain that supports and reinforces positive human rights and sustainability outcomes. We prioritise ethical decision-making when purchasing goods and services, allowing us to work more closely with suppliers.

Anglo American worked with more than 18,000 suppliers in 2019, these range from small businesses located at mining host communities to global producers of mining equipment and commodities. Suppliers provide us with goods, labour and services that support exploration, mining, transportation, aggregation, processing and technology development.

Our responsible sourcing approach focuses on four areas:

- **Progressive standards and policies:** that provide suppliers with clear, simple guidance on sustainability requirements
- **Raising awareness and building supplier capacity:** to support the identification and management of potential sustainability risk
- **Risk-based due diligence:** through a series of checks, self-assessment questionnaires and third-party on-site supplier assessments
- **Industry collaboration:** working with other companies to benchmark approaches; develop common requirements, and share non-competitively-sensitive sustainability information in an attempt to reduce duplication for common suppliers.

Our Responsible Sourcing Standard for Suppliers

Our *Responsible Sourcing Standard for Suppliers* sets out our expectations for current and prospective suppliers. It requires our suppliers to commit to:

- Protect the safety and health of their workforce
- Demonstrate the protection of the environment
- Respect all labour and human rights through their value chain
- Be good corporate citizens within the communities and regions where they operate
- Conduct business with the utmost integrity, and always act in a proper manner, fairly and lawfully.

Sustainable Mining Plan

For more information: See pages 10-15



TRUSTED CORPORATE LEADER

Ethical value chains – responsible sourcing

2020: Responsible sourcing standard fully implemented. Advocate for the development of a common responsible sourcing standard for the mining industry.

Our standard defines minimum expectations for each of these areas, and sets more ambitious goals for our suppliers to work towards. We set out requirements for risk assessments, for a safe working environment, and for responsible employee relations. We also expect all suppliers to contribute actively to social and economic improvement. We have aligned the standard closely with our own policies, including our Human Rights Policy, Safety, Health and Environment Policy, and Business Integrity Policy. In particular, it highlights the importance of inclusion and diversity, and the role we expect suppliers to play in identifying and addressing modern slavery risk.

Our approach to managing sustainability risk in our supply chain

We apply the following four steps, in order to manage sustainability risk in our supply chain:

1. During registration, we require all suppliers to commit to comply with relevant laws and meet our requirements concerning responsible sourcing.
2. We require suppliers in high-risk categories to complete and regularly update a self-assessment questionnaire, and we will make this mandatory for all new suppliers. The questionnaire helps suppliers to better understand our sustainability requirements and their own practices. We have posted a copy of the questionnaire on our website for easy reference.

3. On a sample basis, we may require suppliers to provide evidence of previous responsible sourcing on-site assessments, or submit to a new, third-party, on-site assessment.
4. We expect suppliers to manage all the risks this process identifies, and develop plans for them to comply fully with legal requirements and our standard in a reasonable and realistic timeframe.

During 2019, we made updates to our supplier onboarding processes, which compel suppliers to meet requirements linked to modern slavery, the elimination of child labour, and to respect our commitment to conflict-free minerals. We also continued a range of engagement initiatives to raise awareness of the standard's requirements, and focused extensively on managing tailored programmes aimed at supporting small and medium-sized supplier businesses to meet our requirements. Our standard is available in multiple languages and supported by a Frequently Asked Questions document, which provides additional guidance.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT CONTINUED

Identifying higher sustainability-risk suppliers

We use a multi-pronged approach to identify suppliers who have an increased potential for sustainability risk; this includes a risk 'heat map' and a nomination system. Since 2018, we have used a heat map that considers potential risk to people, the environment or society that could result from the type of goods or services supplied. It also includes country-specific risks that emanate from where a supplier operates, and our transaction volume and expenditure profile. Under our detailed engagement plan, we engage with suppliers that have heightened potential for risk, and high-spend suppliers who constitute a majority of our expenditure. In 2019, we conducted on-site assessments at 43 suppliers as part of this plan.

Our engagement with suppliers indicates that most high-spend suppliers understand their potential responsible sourcing risks and have processes to identify and manage those risks, including risks related to human rights and modern slavery. On-site contractors, including security-services providers, have provided evidence to demonstrate their compliance with relevant legal requirements, as well as our site-specific requirements. Smaller suppliers often have difficulty in demonstrating procedures and practices linked to core legal requirements. To address this, we have intensified our efforts to support small businesses to meet our requirements.



Through its Emerge programme in Chile, Anglo American continues to provide support to entrepreneurs such as egg supplier Pablo Itumeta.

An example of how we support small businesses to meet these standards

We are committed to driving the social and economic well-being of mining host communities through our supply chain. We do this through our choice of suppliers, and through identifying opportunities for new entrants and host-community-based small businesses to supply goods and services to Anglo American. We acknowledge that small suppliers may have difficulty in meeting the complex requirements of multinational customers such as Anglo American. We have therefore invested heavily in capacity-building programmes to bridge these gaps. These include tailored programmes and access to training, as well as mentorship for small businesses. In 2019, our capability-building programme was rolled out to 286 host-community suppliers.

Advocating for industry-wide supplier standards

It is our ambition to develop a common responsible sourcing standard for the mining industry, which will help suppliers to identify and address relevant sustainability issues, and manage their risks proactively. We have worked with the Responsible Sourcing Working Group of the ICMM to benchmark the approach of other mining companies. In 2019, we reached an agreement with more than 10 global mining, energy and resources companies on a common supplier assessment to support the Australian Modern Slavery Act requirements. An external statement on the commitment against modern slavery and supplier toolkits were launched in October 2019. Similar work is currently under way in South Africa through the Minerals Council, which is supportive of a wider industry approach.

For more information:
Our approach to responsible sourcing

SOCIO-ECONOMIC CONTRIBUTION

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

Anglo American's socio-economic contribution takes place on several levels:

- The economic value added to a country through royalties and taxes
- The economic value that our business operations add for communities, which is enhanced by our policies on inclusive procurement and supporting local suppliers
- Our long-running socio-economic development work, through which we partner with local institutions, address local needs, and build sustainable local economies that are less dependent on our mines
- Our Collaborative Regional Development (CRD) work, through which we partner with governments, communities and NGOs to help diversify and strengthen the regional economy as whole.

We take a long term view, designing our operations and community development interventions to enable communities and economies to thrive well beyond the closure of our mines.

Sustainable Mining Plan

 For more information: See pages 10-15



THRIVING COMMUNITIES

Education

2030: Schools in host communities to perform within the top 20% of state schools nationally. All operations will implement measures to support education. Operations in large urban areas or in countries whose school systems score very highly in the Programme for International Student Assessment (PISA) rankings may propose alternative meaningful measures.

Health and well-being

2030: SDG3 targets for health to be achieved in our host communities.

Livelihoods

2030: Five jobs created/supported off-site for every job on-site. Mines in communities with low unemployment have the flexibility to set an alternative meaningful target. The targets apply at a regional level and are not directly linked between mines and mine communities.

Rolling out Collaborative Regional Development

Our Collaborative Regional Development (CRD) approach, integral to our Sustainable Mining Plan, was launched in South Africa's Limpopo province, and now sits at the heart of our approach to socio-economic development. We recognise the need to undertake certain initiatives on a larger, regional scale, to achieve measurable social change and establish diversified and resilient regional economies. We also appreciate the need to develop and implement these initiatives in collaboration with other regional stakeholders. Our approach is designed to meet the need for sustainable, regional development that does not rely solely on the employment and supply chain opportunities provided by mining.

CRD uses spatial planning and analysis and a high-level, systemic approach to identify the industries and sectors that have the greatest potential for resolving a region's priority social issues. We then seek to establish partnerships with other businesses, government, community, entrepreneurs, academics and faith-based groups. Through these partnerships, we develop plans, secure funding and implement sustainable development models that can realise the opportunities.

We started our CRD work in Limpopo province, South Africa, forming a cross-sectoral partnership with the Council for Scientific and Industrial Research (CSIR), World Vision International, the mining company Exxaro and the Limpopo provincial government. The partnership, known as the Impact Catalyst, has started to launch several projects, including: integrated game farming, agricultural markets and agri-processing, and community-orientated primary care.

On the basis of this work, we adopted the approach as part of our Sustainable Mining Plan in 2018, and explored undertaking the same approach in other regions where we operate. In 2019, we began an assessment process to identify further CRD opportunities related to our operations in Peru, Brazil and South Africa's Northern Cape province. We are also supporting Debswana, as it undertakes a spatial assessment of development opportunities in Botswana, and the non-managed joint venture, Cerrejón, in which the Group has a one-third shareholding, is assessing CRD opportunities in La Guajira in Colombia.

SOCIO-ECONOMIC CONTRIBUTION CONTINUED

Progress towards our socio-economic development targets for thriving communities

Our CRD programme is designed to complement our established SED activities. These apply a more granular, local lens to opportunities for our business to create social value. Our aim is to strengthen the institutions that support local economies, and build the skills and capabilities that diversify economic activity beyond mining.

In 2019, we achieved our initial objective of completing baseline studies for each objective at every Anglo American site, in order to measure progress over the next 10 years. We will use these studies to publish detailed targets for each site during 2020.

- For our goal of positively impacting **livelihoods**, in 2019 we agreed on our target definitions and how to measure the number of jobs that we create. In 2020, we will focus on developing site-specific strategies to meet our targets through inclusive procurement, enterprise and skills development, social investment, and developing local government capacity
- For our goal of positively impacting **health and well-being**, we collaborated with the London School of Hygiene & Tropical Medicine, to conduct baseline assessments and gap analyses that will inform the development of tailored interventions and strategies in 2020. [See case study](#)
- For our goal of providing excellent access to **education and training**, we have completed a situation analysis for 110 schools in our host communities in South Africa, in partnership with the Department of Basic Education. Following the launch of the Education Initiative in South Africa, the programme is now looking at establishing appropriate education programmes and associated targets across the other countries in which we operate. In regions where the Programme for International Student Assessment (PISA) score is low, we will adopt a similar target as South Africa, but where the PISA score is high, we will, in consultation with relevant stakeholders, look to develop situation-relevant education goals and targets.



▼ Pupils at Philip Ndumandla Secondary School in eMalahleni, Mpumalanga province, South Africa. One of the schools involved in the 100 Schools Education Programme.

Helping transform the quality and impact of education in South Africa

Anglo American is working with South Africa's Department for Basic Education on an ambitious programme to transform the quality of education in the communities local to our operations. Our Education Programme for South Africa focuses on improving educational outcomes for learners and takes a holistic approach by supporting school management and governance, and providing the training and coaching that teachers need. The Programme also works with the early childhood development sites that feed into each school, so that quality education begins at a younger age. To achieve this, we are partnering with excellent service providers and non-profit organisations whose skill and passion are to improve the quality of education in South Africa.

Launched in early 2019, the first stage of the programme aimed to drive cultural change, encouraging schools to assess their current standard of education, understand the factors holding quality back, and take ownership for improvements. We achieved this through empowerment and transformation retreats hosted for each of the 110 participating schools located near our operations. The retreats provided schools with the opportunity to identify the process and behaviour changes needed to deliver better learning experiences for the children. Many of the school heads identified the experience as a turning point for the teaching culture at their schools.

Mr Mmakola, the Head of School in one of the Anglo American Thermal Coal communities, says the weekend retreat for the entire school team has already had a positive effect on the levels of teaching and learning at his school. "The strategic retreat and team-building session set a strong foundation for the way forward by helping us identify our strengths and weaknesses, and come up with an implementation plan. I'm really excited about further improving the functionality of our school, and helping our learners get better results."

Following the retreats, we provided training and follow-up coaching to the school heads, school management teams and administrators. This focused on school leadership, planning, and information systems, and will continue through 2021.

In 2020, we will begin to spearhead educator development. We will start by supporting grade one to three teachers (who teach six to nine-year-olds) in instilling "reading for meaning" and in helping learners better grasp mathematical constructs. As part of this, every Grade 1, 2 and 3 teacher will see a coach at least three times each month, to ensure they have the support they need to make this change. We then plan to work with Grade 4 to 9 teachers who teach mathematics and English first additional language, and Grade 10 to 12 teachers who teach mathematics and science. At the same time, we are working to extend and tailor our approach to the early childhood development sites that children attend before moving up to our communities' schools.

SOCIO-ECONOMIC CONTRIBUTION CONTINUED

Our approach to inclusive procurement and local supply chains

Anglo American is committed to inclusive procurement and developing local supply chains that can support resilient communities. We aim to build these supply chains by supporting small-business growth in our host communities, stimulating job creation, building manufacturing capacity, and focusing on creating economic opportunities for previously excluded groups.

Our inclusive procurement vision rests on four pillars to help us meet our *Thriving Communities* objective:

- **Economic enablement:** co-creating shared, sustainable value in our host communities to promote economic growth and improve the quality of life in the area
- **Sustainability:** going beyond compliance targets and ensuring that host communities thrive beyond the life of our mines
- **Sound governance:** fair and inclusive sourcing processes, and a commitment to helping new suppliers achieve our standards on quality, delivery, service, safety, health and environmental considerations
- **Working in partnership:** creating an enabling environment for inclusive procurement through working with internal and external partners, including our major suppliers, communities, government, industry and development institutions.

LOCAL PROCUREMENT⁽¹⁾

% of total addressable procurement expenditure by country

	\$ million	%
South Africa	2,366	63%
Botswana	596	16%
Europe	217	6%
Namibia	215	6%
Brazil	93	2%
Peru	74	2%
Chile	71	2%
Canada	66	2%
Australia/Asia	61	2%
Anglo American Total	3,759	

⁽¹⁾ Discrepancies may occur due to rounding.

In 2019, our operations spent approximately \$11.6 billion (2018: \$10.2 billion) with suppliers, which accounted for nearly 47% (2018: 47%) of the total economic value that we contributed. Of this, we spent a total of \$2.9 billion (2018: \$2.8 billion) with local and marginalised groups, representing 24% of total supplier expenditure (2018: 27%). Our total spend with suppliers based in our host communities amounted to \$0.6 billion (2018: \$2.1 billion).

To improve accuracy in our reporting and ensure maximum positive impact on our host community and local suppliers, in 2019 we started redefining how we measure our support for local and host community suppliers. This new definition was first rolled out in South Africa and will be rolled out in the rest of the world in 2020. This process means that our 2019 reporting numbers are not comparable to 2018. We expect to harmonise the data in 2020.



▼ In South Africa, our long-running host-community capacity-building initiative, Zimele, is extending its influence through a partnership with Absa, one of the country's biggest banks, to provide loans to black-owned businesses.

Zimele and Absa: unlocking the potential of small businesses

Collaboration is proving the key to extending the impact of Anglo American Zimele, our long-running programme for building the capacity of businesses in our host communities in South Africa. By connecting Zimele to the capacity and expertise of the South African bank Absa, we are rapidly unlocking more of its potential for generating economic opportunity and employment.

For over three decades, the Zimele programme has focused on providing loans to black-owned businesses in Anglo American's supply chain, helping to build their capacity, grow their customer base and, in the long run, provide employment in our host communities that is

Our approach aligns with national and regional policies that are designed to increase opportunities for previously marginalised groups. These include the First Nation Impact and Benefit Agreements in Canada, the promotion of Aboriginal procurement in Australia, and Broad-Based Black Economic Empowerment in South Africa.

Supplier and enterprise development

Many of our small suppliers need help to meet our supplier standards in areas such as safety and health, environmental protection and respecting human rights. In South Africa, we help suppliers meet these requirements through our capacity-building programme for small businesses in our host communities, called Anglo American Zimele. For three decades, Zimele has helped to fund 2,300 small, medium and micro-sized enterprises (SMMEs) and created more than 50,000 jobs.

independent of the mining industry. Through our collaboration, which launched in January 2018, Absa now acts as the administrator of these loans. The bank helps Zimele to meet compliance requirements while using its expertise in banking services, credit due diligence and non-traditional credit approach to ensure finance flows to those businesses able to create economic opportunity at scale. The partnership is opening up new possibilities for extending the programme beyond Anglo American's immediate supply chain.

In its first year, the partnership has already had a major impact on the commercial value generated by Zimele, with loans repaid at a significantly higher rate. A second partnership, with the development organisation, TechnoServe, is making mentorship available to those businesses that need additional guidance, further strengthening the impact of Zimele's loans on host communities.

One of the many businesses benefiting from the strengthened Zimele programme is Ahoy Enterprises, a 100% black-owned supplier that provides maintenance and hazardous waste management services to our Mogalakwena operation. "Zimele helped us with the finance to purchase critical equipment, like our three skip trucks and 200 hazardous waste skips," says one of Ahoy Enterprises' directors, Thabo Valoyi. "They have also provided intensive business skills training and mentorship, which has really helped us understand what is needed to run a sustainable, healthy business."

Anglo American and Absa are now exploring options for growing the financing pool, including leveraging the bank's own funding sources.

SOCIO-ECONOMIC CONTRIBUTION CONTINUED

ANGLO AMERICAN ENTERPRISE DEVELOPMENT PROGRAMMES

Country	Name of the programme	Partners
Brazil	Crescer	Crescer, which means 'to grow' in Portuguese, is our enterprise development programme in Brazil. Working with TechnoServe, we are focused on supporting entrepreneurs in the areas around our Minas-Rio iron ore operation.
Chile	Emerge	In partnership with Fondo Esperanza and TechnoServe, we have supported more than 50,000 entrepreneurs and small to medium-sized businesses (SMEs).
Peru	Emerge	Building on Peru's sophisticated micro-credit sector, our enterprise development programme helps SMEs get access to capital. The scheme focuses on supporting businesses in the Moquegua region of southern Peru.
Botswana	Tokafala	In partnership with the Botswana government, De Beers and Debswana, we set up this programme to support up to 5,600 jobs and foster the growth of up to 1,000 SME businesses. The partnership aims to help Botswana leverage the power of the mining sector to diversify its economy.
South Africa	Zimele	Our flagship scheme, now administered by Absa Bank, empowers black entrepreneurs to start or grow businesses. We have now funded 1,885 businesses, which employ in excess of 38,000 people.

In recent years, we have focused the Zimele programme on enterprise development, to ensure that the funding we provide translates into sustainable SMMEs that can create economic opportunity over the long term. We are working in collaboration with local banks and development institutions to roll out new programmes that provide mentorship, help suppliers access new markets and develop skills among young people. These programmes are delivered through host-community hubs that we are rolling out in collaboration with TechnoServe, an international nonprofit.

Building local capacity

Strong and capable local government is essential for delivering basic services to local communities, and for generating the revenue to fund these services. When local government institutions are poorly developed, it undermines social stability, the management of local resources and the investment environment.

The challenges faced by many of the regions where we operate exceed the capacity of current local government institutions, and Anglo American recognises the role that we need to play in strengthening those institutions.

In South Africa, we have aligned our Municipal Capacity Development Programme with the National Development Plan and its emphasis on developing partnerships between government and third parties. We are partnering with the national department of Cooperative Governance and Traditional Affairs (CoGTA), which sponsors our initiatives at provincial and local levels.

In 2019, we revamped our support programme for municipal authorities to look at the full value chain involved in delivering local services. We are seeking to partner with other organisations that aim to support local government, thereby avoiding duplication of effort. We have also extended our support for district-level planning in response to an approach from CoGTA to help implement a new government initiative. The new initiative aims to develop and implement longer term district development plans with the support of partners across different sectors. By participating in district-level planning for the regions where we operate, we hope to provide a blueprint that can be replicated across the country as a whole.

Employee volunteering

Ambassadors for Good is Anglo American's employee-led, pro bono volunteering initiative that creates opportunities for our people to support local NGOs that address local and global social challenges. Our employees use their skills to strengthen the capacity of their non-profit partners, with the support of a grant from our business.

First developed in Chile, in 2018 we partnered with PYXERA Global and Tshikululu Social Investments to launch Ambassadors for Good in the UK and South Africa as part of a phased Groupwide roll-out. To date, 228 employees have contributed 5,472 hours of work through the programme, supporting 63 NGOs and benefiting more than 100,000 people.

Our colleagues successfully completed 90% of all the projects approved under the programme, which included initiatives to support education, health and well-being and more inclusive work opportunities.

Building on this success, Ambassadors for Good was introduced in Brazil and Canada and expanded its scope in South Africa in 2019. As a result, over 200 employees have worked on 85 projects in four countries.

In September 2019, Ambassadors for Good was recognised with an IMPACT 2030 award for innovation. The award recognises collective action that advances the UN Sustainable Development Goals (SDGs).

Ambassadors for Good 2020 will see a further expansion to Singapore, Ireland and Germany (Element Six), with ambitious goals to reach more local partners and colleagues in its third year.

GLOBAL CSI EXPENDITURE BY TYPE⁽¹⁾

	\$'000	%
Community development	41,700	37
Education and training	28,625	25
Water and sanitation	20,664	18
Health and welfare	11,919	10
Sports, art, culture and heritage	3,003	3
Other	2,558	2
Disaster and emergency relief	2,070	2
Environment	1,968	2
Institutional capacity development	1,501	1
Energy and climate change	119	0
Total	114,127	

⁽¹⁾ Discrepancies may occur due to rounding.

SOCIO-ECONOMIC CONTRIBUTION CONTINUED

GLOBAL CSI EXPENDITURE BY REGION⁽¹⁾

	\$'000	%	
Africa	56,191	49	
Americas	54,567	48	
Australia	1,541	1	
United Kingdom	1,598	1	
Rest of World	230	0	
Total	114,127		

⁽¹⁾ Discrepancies may occur due to rounding.

Social investment

In 2019, our Corporate Social Investment (CSI) reached \$114 million (2018: \$82 million), which represents 2% of underlying earnings before interest and taxes (EBIT), less underlying EBIT of associates and joint ventures.

We focus our CSI on health, education and community development, in line with our Sustainable Mining Plan. We invested \$29 million on education and training initiatives in 2019, and \$12 million on health and welfare projects.

In 2019, we combined the operations of the Anglo American Chairman's Fund and the Anglo American Group Foundation, our respective foundations in South Africa and the UK, to create the [Anglo American Foundation](#). The new foundation will promote sustainable development in our host communities by supporting effective solutions to social, economic and environmental issues. It will also contribute to public policy on sustainability matters that are relevant to our industry and value chain. We have aligned the Foundation's aims with our Sustainable Mining Plan.

Building our community health strategy

In 2019, we partnered with the London School of Hygiene & Tropical Medicine, to develop a comprehensive strategy for achieving the relevant and material targets of SDG3 in every one of our host communities by 2030. The School collaborated with local research institutions on a baseline assessment of the health priorities for the communities around each of our mining operations. We will use this assessment to identify targets for each site and develop programmes to achieve them.

[See Health section on page 30.](#)

Supporting education in our host communities

In 2018, we partnered with South Africa's Department of Basic Education to launch an Anglo American Education Programme that takes a systemic approach to improving reading, writing and numeracy levels. The partnership will play a central role in meeting our targets for education in the country.

The programme currently covers 110 schools in our host communities, and we have now completed a situation analysis for each of these schools. We held Empowerment and Transformation Retreat events at each of the schools, with representation from school staff, school governing bodies and secondary schools' student leadership councils. Based on the insights from this process, we will provide guidance and coaching for school administrators and training for all teachers from grades one to three, in 77 primary schools. We have also analysed 200 early childhood development sites near our host-community schools, and we will develop a programme of support for these sites in 2020. We also operate a range of adult education programmes in South Africa, which are designed to build basic literacy and numeracy skills.

The economic value we added in 2019

The people we employ, taxes we pay and money that we spend with suppliers represent our most significant positive contribution to economies and our host communities. The majority of this expenditure is in developing countries, and the multiplier effect means that our total economic contribution extends far beyond the value that we add directly.

In 2019, we contributed \$24.9 billion of direct economic added value. This includes:

- \$11.60 billion paid to suppliers
- \$3.47 billion to our employees through wages and related expenditure
- \$4.08 billion in taxes and royalties borne and collected
- \$1.42 billion paid to Anglo American plc shareholders
- \$0.33 billion to providers of capital
- \$3.84 billion that was reinvested in the Group
- \$114 million on Corporate Social Investment (CSI).

ECONOMIC VALUE DISTRIBUTION 2019⁽¹⁾

	\$ billion	%	
Suppliers	11.60	47%	
Employees	3.47	14%	
Reinvested in the Group	3.84	15%	
Company taxes	4.08	16%	
Dividends	1.42	6%	
Providers of capital	0.33	1%	
Corporate social investment	0.11	0%	
Total	24.86		

⁽¹⁾ Discrepancies may occur due to rounding.

TAXES BORNE AND COLLECTED: DEVELOPED VS. DEVELOPING COUNTRIES

	\$'000	%	
Developing	2,852	70	
Developed	1,232	30	
Total	4,084		

Payments to governments

Anglo American has voluntarily provided information about its tax payments on a country-by-country basis for the past 13 years, and we have fully complied with the 2013 EU Accounting Directive since it was introduced. We see public disclosure as a key means of building trust in society around mining. We are an active supporter of the Extractive Industries Transparency Initiative (EITI), and Anglo American is one of four mining companies represented on the EITI board. We participate in the Multi-Stakeholder Groups initiative in the three countries where we have a presence that are members of the initiative: Peru, Ecuador and Zambia.

Since 1 January 2015, Anglo American has been subject to the project-by-project reporting requirements of the UK Reports on Payments to Government Regulations (SI 2014/3209) and Chapter 10 of the EU Accounting Directive (2013/34/EU). These rules require us to submit a full analysis of tax and other payments to governments, on a project-by-project basis, to Companies House, the UK registrar of companies.

Anglo American releases an annual Tax and Economic Contribution Report. The 2019 report will be available in April 2020.

🔗 **For more information:**
Sustainable change for our communities
Tax and economic contribution report

WORKFORCE CULTURE AND CAPABILITY

We are a global business which brings together people from all backgrounds. In 2019, we further helped our people to thrive through changes to our organisational management system and learning platforms.

We expect all our employees, contractors and associates to live up to our Values and Code of Conduct.

The content in this section is also connected to:

- ▶ Safety and health
- ▶ Environmental impacts and climate change
- ▶ Meeting our commitments to business stakeholders and society

▼ At Thermal Coal's Zibulo colliery in South Africa, organisation and methods clerk Morethe Motau, (right) and call centre operator Amos Zwane (left) form part of an increasingly inclusive and diverse workforce.

BUSINESS CONDUCT

Anglo American expects our employees and relevant business partners to behave ethically, always. We recognise society's enhanced expectations that we should act with integrity, and display consistent care and respect for colleagues, communities and the environment in which we operate. We have aligned our Code of Conduct and Business Integrity Policy with these expectations.

Our Code of Conduct sets out the expectations for ethical behaviour and provides guidance on how to:

- Prioritise safety, health and the environment
- Treat people with care and respect
- Conduct business with integrity
- Protect our physical assets, information and interests.

By requiring those who work with us to live our company Values, the Code not only delivers positive impacts internally, but also supports the communities that we operate in and with which we interact. Our Code underpins our Values, and promotes compliance with applicable laws and regulations in each social and economic area. It requires integrity and consistency in following our Values and behaving ethically, both within and outside the workplace.

We review the content of the Code on an annual basis and update as necessary. We also review our Business Integrity Policy and Procedures every two years, and update when required.

We embed reminders about the Code in our regular communications with our employees, and support it with guidelines that help all our employees make the right decisions when faced with ethical dilemmas. We have appointed Code of Conduct programme managers throughout the business, who develop implementation plans to raise awareness of the Code in their business units. We carry out internal audits on a sample basis to check that these plans are in place and being implemented. We also commission external reviews of key areas of the Code.

Sustainable Mining Plan

 For more information: See pages 10-15



CRITICAL FOUNDATIONS: ► GROUP STANDARDS AND PROCESSES
► COMPLIANCE WITH LEGAL REQUIREMENTS

Anglo American's Group head of risk management and business assurance presents business conduct and integrity matters directly to the Board's Audit Committee on a regular basis.

Business integrity – anti-bribery

Our Business Integrity Policy states that we will neither give nor accept bribes, nor permit others to do so in our name. We support the policy through 11 Prevention of Corruption Procedures, that set out the conduct required in areas where bribery and corruption risk may be present. We have a network of business integrity implementation champions and managers across the Group, who administer this policy by developing an annual business integrity plan and manage its implementation. The Group Ethical Business Conduct team regularly monitors the progress of the business units' plans. Any employee can escalate concerns about business integrity through reports to their line manager, by contacting the Group Ethical Business Conduct team, or by using YourVoice, our anonymous whistleblowing programme. All concerns are assessed for investigation, and if a breach of our Business Integrity Policy is substantiated, disciplinary actions or sanctions are taken, up to termination of employment or contract, as appropriate.

Our Business Integrity Policy prohibits the making of political donations of any kind on behalf of the company; with assurance over the processes and controls that support this to be provided by the Internal Audit function. In 2019, no funds from the Anglo American Foundation nor from our corporate social investment spend have been allocated to political donations.

Our Ethical Business Conduct team helps business units implement our Business Integrity Policy and Procedures, and provides online training for relevant employees. In 2019, we updated the online training on business integrity that helped to deepen awareness across our organisation. In total, 8,500 employees completed the online training during the year. We have supplemented our online course by including business integrity in employee-induction programmes, and we are rolling out face-to-face training for employees in higher-risk areas. In 2019, for the first time, we took part in Transparency International's Corporate Anti-Corruption Benchmark, a comprehensive tool that measures and compares the performance of anti-corruption programmes across companies. The exercise provided us with valuable insight and helped us identify improvement opportunities.

Anglo American also holds a Board position as part of the Extractive Industries Transparency Initiative (EITI).

Addressing bribery and corruption risk

We assess bribery and corruption risks as part of the ethical-risk assessments that we carry out at business unit and Group levels. Our key bribery risks arise out of the use of intermediaries, and our interactions with government officials, customers, suppliers and communities. When we determine bribery risk to be high, we develop an action plan to strengthen our internal controls and manage the risk. The Ethical Business Conduct team provides guidance and support to the business units, to better understand the top risks and develop appropriate mitigating actions. Our Internal Audit team audits these processes and controls on a regular basis, as part of wider business integrity audits.

BUSINESS CONDUCT

CONTINUED

Anglo American's whistleblowing programme

We are committed to promoting a culture that is inclusive and diverse, which necessarily includes appropriately dealing with any form of retaliation and victimisation against employees raising concerns. The introduction of our new Groupwide policy on bullying, harassment and victimisation sets out a zero-tolerance approach to all of them.

Our multilingual whistleblowing facility is operated by an external service provider. In 2019, the programme was refreshed and rebranded from Speak Up to YourVoice. This transformation supports the Groupwide culture we are building and better aligns an already trusted programme with our Purpose.

YourVoice is available to our employees and all external stakeholders. Reports raised cover a broad spectrum of concerns, including ethical, legal, supplier relationship, safety and health, and human resources issues.

All reports are confidential and reporters are able to submit their disclosure(s) anonymously. We review, assess, and, where necessary, investigate all reports made.

YourVoice incorporates technology that enables us to better protect confidentiality and personal information. It is aligned with the requirements of the EU General Data Protection Regulation, and seeks to ensure that people can use the system without fear of retaliation.

During 2019, we received 505 reports through YourVoice, a 55% increase from 2018, following a successful awareness campaign and a concerted effort to foster a culture where employees can raise their concerns with confidence. The increase in reports also speaks to the good level of trust in the programme and allows management to take early remedial actions and address any systemic issues identified.

Another factor in the increase of reports related to people matters such as bullying and harassment (15% since 2017) is the shift in social attitudes in the wake of significant external events such as the #MeToo movement.

We received a further 248 reports about procurement fraud committed by an external criminal syndicate in South Africa, and we continue to work closely with law enforcement authorities on this. Of the 505 reports received, 63% were closed-out in 2019, with a 24% substantiation rate. Corrective actions were taken against allegations substantiated in accordance with our policies.

🔗 **For more information:**
[Code of Conduct](#)
[YourVoice whistleblowing platform](#)
[Policy influence](#)

WHISTLEBLOWING PROGRAMME



PEOPLE

We aim to attract the best people in the industry, and provide professional and personal development opportunities that empower everyone to fulfil their potential. In this way, we will deliver safe, productive outcomes and extraordinary business performance.

Our People and Organisation strategy is focused on achieving three outcomes:

1. Creating a safe and caring environment, where every colleague experiences a work environment free of physical and psychological harm, and everyone can bring their whole selves to work every day.
2. Igniting growth and extraordinary performance by helping all employees and teams to realise their full potential and harness it to deliver our Purpose and Business Strategy.
3. Empowering our business to achieve new possibilities, by understanding potential opportunities and disruptors, understanding the implications for our people, and enabling the business to adapt.

Our Organisation Model

Our Organisation Model is the foundation for achieving our objectives as a business. It is a set of structures, systems and processes that define the way we lead and work together to deliver safe, productive outcomes. It works alongside the Operating Model, to ensure we have the right people, in the right roles, doing the right work.

Our Organisation Model has three core elements that are designed to support high performance across our business:

- **Organisation and role design:** how we structure our work to achieve the right outcomes
- **People systems:** which match capability to requirements of a role
- **Leadership and team effectiveness:** how our leaders create a purpose-led, high-performing culture where people work together effectively in teams and willingly give their best.

Sustainable Mining Plan

For more information: See pages 10-15



CRITICAL FOUNDATIONS: ► LEADERSHIP AND CULTURE
► INCLUSION AND DIVERSITY

A team-based approach to performance management

In 2019, we introduced an innovative approach to managing the performance of about 11,000 of our senior employees or 18% of Group employees at Anglo American, which puts the emphasis on teams delivering against shared goals.

Under TEAM+, we evaluate team performance against collective targets and commitments, rather than individual performance. TEAM+ promotes active collaboration and collective responsibility. It has helped to align the way that teams work with the Purpose and strategy of our business in mind, and will enable faster progress in important areas, such as safety.

To support our teams, we also launched a data analytics tool, ANALYTICS+, which captures accurate, real-time people data. Our ANALYTICS+ dashboards provide data on headcount, gender-diversity profile, organisation structure, safety and other important areas of performance. They do so through a common platform that complies with the European Union's General Data Protection Regulation.

Delivering continuous, personalised learning

Innovation and new technology are transforming the work that our employees do. It is vital that we provide learning opportunities to equip teams and individuals with the skills they will need.

In 2019, we launched LEARN+, a single, user-friendly interface that makes it easy for our employees and people in our communities to access our growing range of online learning resources. This is part of our Centre of Excellence model for learning, which provides access to web-based resources, augmented reality and virtual reality learning experiences through a single-content repository.

Safety has been a priority area for our learning content in 2019, supporting our intense programme of culture and behaviour change. Our training courses have focused on safety leadership and behaviours, as well as key technical skills. For more details, [see section on Safety](#).

Anglo American spent \$90 million on training in 2019, a 5% decrease over the previous year (\$94 million). After 12 months, 52,000 employees had engaged with LEARN+ content, with participants spending an average of four hours per month consuming learning content.

PEOPLE CONTINUED



At PGMs' Rustenburg Base Metals Refinery (RBMR), general manager Fortune Mashimbye, uses smart glasses to liaise with the Technical and Sustainability team in Australia.

Entering the future of workforce development with LEARN+

LEARN+, our new learning approach, provides learning resources through a single, user-friendly interface for all employees. We want learning to become a personal and meaningful experience, with technology as a key enabler to help us achieve our ambitious goals.

Take safety, for example. Imagine that when an employee encounters a new and unexpected situation, they were able to see those situations through the eyes of an expert? Not only would they be safer; they would also be able to learn new skills more effectively and, with confidence, tap into the collective Anglo American knowledge.

At PGMs, we are already making ground-breaking progress. In 2019, we piloted augmented reality (AR) technology at the Rustenburg Base Metals Refinery (RBMR) site in South Africa. General manager at RBMR, Fortune Mashimbye, championed the pilot in which employees wore AR-powered 'smart glasses', which consist of a high-definition camera, screen and sound-cancelling microphone. Through the smart glasses, employees in South Africa were able to talk directly to experts from Technical and Sustainability based in Australia, discussing thermal images of equipment to collaboratively decide what steps to take. Besides relaying images around the world, the smart glasses detect exactly where employees are – and display reminders of good practice and safety advice, to ensure they have the information they need exactly when they need it.

"The demonstration was eye-opening, both literally and figuratively," says Fortune Mashimbye. "It impressed upon me the need to invest more resources in the further development of this technology, so that it can deliver its full potential. This will help us implement our Operating Model and move the needle on both productivity and safety."

The smart glasses deliver a hands-on learning experience and increase the confidence that employees have in their skills.

"Using technological innovations like AR at Anglo American allows us to address some of the key challenges that are vital to our success," says Anglo American's head of learning, Jennifer Rogers. "It provides our workforce with new, language-independent opportunities to acquire new skills that will help them transition to the future of work."

In 2019, Anglo American was recognised as the only corporate finalist in the XRIL Awards, the world's global network of early adopters and top innovators in augmented, virtual and mixed reality for learning.

In the year ahead the LEARN+ team will work to embed relevant, immediate and significant learning into daily workflows, processes and equipment. They will also use a combination of data analytics and capability frameworks to predict personalised learning in real time, driving both operational excellence and workforce skills development.

Developing inspiring leaders

We believe that inspiring, accountable and safety-conscious leaders are the foundations of a high performance culture. We invest in equipping leaders at all levels of the organisation with the skills they need to motivate employees and encourage their teams' development.

We have a structured Leadership Academy to develop our leaders' capabilities. The Academy runs five programmes, which focus on achieving our Purpose as a business, ensuring the safety of our people, and delivering industry-leading margins and returns:

- The Achievers programme focuses on leadership effectiveness and impact, by developing personal and inter-personal skills, along with business acumen
- The Accelerators programme develops the skills needed to drive change and deliver our Purpose of *re-imagining mining to improve people's lives*
- The Connect programme supports the development of a leadership community through networking opportunities and exposes emerging leaders to the business challenges of the future
- The Gamechangers programme encourages responses to social, economic and environmental challenges that align with our Purpose and create long term value
- The Futureshapers programme aims to help leaders grow value by executing on our strategy, including inspiring teams and being an enabler of change.

More than 400 leaders participated in Leadership Academy programmes in 2019.

Attracting and developing early talent

In 2019, to drive a more systematic and consistent approach, we started a review of how we recruit, develop and deploy graduate talent in our business. We piloted a centralised graduate-recruitment approach in South Africa and Chile. The learnings from the pilot will be extended to other geographies next year.

In 2020, we will develop a globally consistent learning and development pathway for graduates and review internships and vacation work experience, as they are key to our early-talent pipeline. This will align with ongoing education work, part of the Sustainable Mining Plan.

PEOPLE CONTINUED

Sourcing the skills that Anglo American needs

To re-imagine mining, we need to develop new skills among our existing employees, and bring new kinds of talent into our business. We are continuing to evolve our approach to talent acquisition. This includes improving our recruitment capability, investing in training and tools to eliminate unconscious bias, and launching a new application-tracking system. We aim to establish a consistent global recruitment process that can attract, source and anticipate the skills that the business will need in the future.

PERMANENT EMPLOYEES AND CONTRACTORS BY REGION 2019⁽¹⁾

		%	
Africa	61,526	62	
South America	27,777	28	
Australia	5,769	5.8	
Europe	2,325	2.3	
North America	1,031	1	
Asia	724	0.7	
Middle East	11	-	
Total	99,163		

⁽¹⁾ These figures reflect the annual average of permanent employees and contractors at managed operations during the year.

PERMANENT EMPLOYEES AND CONTRACTORS BY BUSINESS UNIT 2019⁽¹⁾

		%	
Platinum	25,531	25.7	
De Beers	19,652	19.8	
Copper	19,456	19.6	
Nickel	2,651	2.7	
Kumba Iron Ore	10,005	10.1	
Iron Ore Brazil	5,018	5.1	
Coal	13,699	13.8	
Marketing	363	0.4	
Group departments	2,788	2.8	
Total	99,163		

⁽¹⁾ These figures reflect the annual average of permanent employees and contractors at managed operations during the year.

Employee engagement and workplace relations

We recognise that there are many different aspects to employee engagement.

These include the way that we work with and build relationships with unions and other representative bodies, our success in building a diverse and inclusive working environment, and the steps we take to engage employees directly.

In 2019, we established a Global Workforce Advisory Panel to better gather views from the workforce in line with the recommendations of the revised UK Corporate Governance Code. The Panel is made up of employee representatives from each country where we have a significant presence, and is chaired by our senior independent director, Byron Grote. It met for the first time in October 2019 in South Africa, and the outcomes of its discussions were shared with the Anglo American Board at its meeting in December 2019. In the future, the Panel expects to convene at least twice a year and, along with the other established channels of communication we have with our employees, this forum should be of considerable benefit in helping the Board better understand the views of our workforce when making strategic decisions.

Our employee voluntary turnover rate was 2.3% in 2019, which compares with 2.4% in 2018. New hires represented 11.3% of our permanent employees in 2019, against 10.5% in the previous year.

We take a decentralised approach to working with trade unions, works councils and other representative bodies, which enables our business units to address specific issues and concerns affecting different areas of our business. In 2019, approximately 72% of our permanent workforce was represented by worker organisations and covered by collective bargaining agreements.

There was one incident of unprotected (i.e. the strike took place without the authorities granting the union a strike certificate) industrial action in South Africa at PGMs' Mototolo mine which lasted three weeks and related to wage demands and employee concerns about medical coverage. These issues were resolved in early 2020.

Employee engagement survey

In 2019, we carried out a global employee engagement survey. Almost 39,000 employees answered questions across the dimensions of culture and values, safety, strategy and Purpose, leadership, inclusion and diversity. The previous survey (2017) was aimed at around 6,000 employees with an employee engagement score of 81%. The 2019 survey was extended to all employees, in both digital and paper versions, and revealed an employee engagement score of 83%.

Of the 66% of employees who participated in 2019, 84% reported they are proud to work for the company and 82% would recommend the company as a good place to work. Since 2017, some areas improved by 20% or more such as the company having a clear organisational structure which supports working effectively, and the GMC providing a clear direction and vision for the future. By contrast, areas for the Group to strengthen employee engagement include building on the culture of care and respect and improving practices of recognition.

Supporting labour rights

Anglo American has signed the United Nations Global Compact, and our Human Rights Policy commits us to the labour rights principles set out in the core conventions of the International Labour Organization. These include the right to freedom of association and collective bargaining, non-discrimination, and the eradication of child and forced labour. There were no reported incidents of under-age or forced labour at Anglo American operations during 2019.

Our Responsible Sourcing Standard stipulates that all suppliers shall respect all labour and human rights throughout their own value chain. This includes commitments to:

- Not use child labour
- Combat all forms of modern slavery
- Oppose unfair or inhumane treatment, such as bullying and harassment
- Allow freedom of association
- Maintain fair and legal terms of employment
- Eliminate illegal and unfair discrimination
- Promote an inclusive workplace.

PEOPLE CONTINUED

Building an inclusive and diverse working environment

Inclusion and diversity are essential foundations of a high performance culture. They ensure that Anglo American has access to the widest possible pool of talent, while providing all employees with opportunities to fulfill their potential. Diversity is a conscious decision to access all talent pools and ensure Anglo American benefits from diversity of thought and perspectives. An inclusive culture is essential for attracting those candidates, retaining them and enabling them to thrive in our business.

We have made significant progress during the past 12 months in creating a more inclusive and diverse workplace. We recognise, however, that we still have much more to do as we address the issues associated with mining, historically, being a male-dominated industry.

Our Inclusion and Diversity strategy aims to achieve the following four outcomes:

- Leaders demonstrably value the diversity and unique contribution of every employee
- Colleagues feel able to bring their whole selves to work, regardless of gender, sexual orientation, age, race, ethnicity, religion, national origin or disability, including mental health
- Our workplace is supportive, fair, adaptable and involving for all
- The working environment is safe, effective and enabling.

During 2019, we rolled out inclusive leadership training to all leaders globally, following the unconscious-bias training the senior leadership team received in 2018. The inclusive leadership programme puts the focus on conscious inclusion and the actions that our leaders can take to address barriers to inclusion within their own teams.

We have introduced global policies covering inclusion and diversity, bullying, harassment and victimisation, and flexible working.

We also launched several new initiatives designed to eliminate bullying and harassment, provide stronger support on mental health, and ensure colleagues are comfortable in bringing their whole selves to work. These include:

- A zero-tolerance policy on bullying and harassment, with learning and awareness initiatives to inform behavioural change
- Piloting partnerships with external organisations such as Business Disability Forum and Mental Health First Aid England, which will provide the basis for a global mental health framework that includes awareness sessions and accredited training for mental health first-aiders
- A global mentoring programme to bring together people from different cultures, geographical regions areas of expertise and levels of seniority, to share knowledge, experiences and perspectives
- An apprenticeship programme in London for people living with a disability, or from an under-represented minority ethnic or low socio-economic background
- An inclusion and diversity event in South Africa, which about 700 of our colleagues attended.

Our colleague networks play a vital role in building a sense of belonging for diverse groups. In 2019, we launched YouThink and Enabling You (for colleagues living with, or caring for someone living with, a disability) in South Africa; the WoMine (women's) network in Brazil and Chile; and the Your Origins network (covering race, ethnicity, culture and religion) in the UK. These join our women's network currently operating in South Africa and the UK: our Real You (LGBT+ network) in the UK and South Africa; our Enabling You network in the UK and Chile; You Care, a network for all carers in the UK; and our inclusion and diversity networks in Singapore and Australia.

Towards the end of 2018, we surveyed 15,000 employees anonymously and in confidence, to get a clearer picture of their diversity and to understand how inclusive our culture is. This enabled us to measure perceptions of inclusion within Anglo American for the first time, and will provide a benchmark for measuring progress.

Our performance on gender equality

We have identified gender equality as a business imperative for Anglo American, and have set a target for 33% female representation within all management levels in every business unit and Group function, by 2023. At the end of 2019, women made up 21% of our overall workforce, compared with 20% in 2018.

We have set a similar target for 33% of our Group Management Committee and those reporting to the committee to be female by 2023. The proportion of female representation at this level has increased from 15% in 2016 to 24% in 2019.

We report on the gender pay gap for our UK operations, in line with legislative requirements. On 5 April 2019, our gender pay gap reporting date, women represented 53% of the 249 employees at our UK head office and 25% of senior management roles. The average hourly pay gap was 50% and the median hourly pay gap 38%. While there has been a significant improvement in representation, our gender pay gap reflects our UK senior management population having a substantially higher proportion of men (75%) than women (25%).

Our other key indicators for diversity performance

At the year-end, the proportion of our permanent employees aged under 30 was 12%, 69% aged between 30 and 50, and the remaining 19% over 50 years of age. In South Africa, historically disadvantaged South Africans held 65% of our management positions.

🔗 **For more information:**
[Inclusion and diversity](#)
[Gender pay gap report](#)
[Human Rights Policy](#)

ASSURANCE STATEMENT

Independent auditor's Assurance Report on the selected sustainability Information in Anglo American Plc's Sustainability Report

To the directors of Anglo American Plc

We have undertaken an assurance engagement in respect of the selected sustainability information, as described below, and presented in the 2019 Sustainability Report of Anglo American Plc (the 'Company', "Anglo American" or "you") for the year ended 31 December 2019 (the Report). This engagement was conducted by a multidisciplinary team including health, safety, social, environmental and assurance specialists with relevant experience in sustainability reporting.

Subject matter

We have been engaged to provide a reasonable assurance opinion and a limited assurance conclusion on the selected sustainability information listed below. The selected sustainability information described below has been prepared in accordance with the Company's reporting criteria that accompanies the sustainability information on the relevant pages of the Report (the accompanying reporting criteria).

REASONABLE ASSURANCE

Selected Sustainability Information	Unit of measurement	Boundary	Page
Total work-related fatal injuries	Number	Anglo American plc (managed operations)	89

LIMITED ASSURANCE

Selected Sustainability Information	Unit of measurement	Boundary	Page
Fatal injury frequency rate (FIFR)	Rate	Anglo American plc (managed operations)	89
Total recordable case frequency rate (TRCFR)	Rate	Anglo American plc (managed operations)	89
Total number of new cases of noise-induced hearing loss (NIHL)	Number	Anglo American plc (managed operations)	89
Total number of employees potentially exposed to inhalable hazards over the occupational exposure limit	Number	Anglo American plc (managed operations)	89
Total number of employees potentially exposed to carcinogens over the occupational exposure limit	Number	Anglo American plc (managed operations)	89
Total number of employees who know their HIV status	Number	Anglo American plc (South African managed operations)	33
Total Scope 1 emissions	Mt CO ₂ e	Anglo American plc (managed operations)	90
Total Scope 2 emissions	Mt CO ₂ e	Anglo American plc (managed operations)	90
Total energy consumption	GJ (million)	Anglo American plc (managed operations)	90
Total number of Level 3, 4 and 5 environmental incidents reported	Number	Anglo American plc (managed operations)	90
Corporate Social Investment Spend	USD (million)	Anglo American plc (managed operations)	92
Management's description of alignment with the relevant governance, processes and control activities in operation for the 2019 reporting year, to meet the ICMM Assurance Procedures.	Qualitative	Anglo American plc (managed operations)	ICMM compliance statement 2019

We refer to this information as the "selected sustainability information for Reasonable Assurance" and "selected sustainability information for Limited Assurance", respectively, and collectively as the "selected sustainability information".

ASSURANCE STATEMENT CONTINUED

Your responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected sustainability information in accordance with the accompanying reporting criteria as set out on pages 86 to 87 of the Report (the "Reporting Criteria").

This responsibility includes:

- the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance, and
- the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability information and for ensuring that those criteria are publicly available to the Report users.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

In particular, where the information relies on carbon, energy and other emissions conversion factors derived by independent third parties, or internal laboratory results, our assurance work will not include examination of the derivation of those factors and other third party or laboratory information.

Our independence and quality control

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018) and parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.

The firm applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express either a reasonable assurance opinion or limited assurance conclusion on the selected sustainability information as set out in the Subject Matter paragraph, based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000(Revised)), and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board. These Standards require that we plan and perform our engagement to obtain the appropriate level of assurance about whether the selected sustainability information is free from material misstatement.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Reasonable assurance

A reasonable assurance engagement in accordance with ISAE 3000 (Revised), and ISAE 3410, involves performing procedures to obtain evidence about the measurement of the selected sustainability information and related disclosures in the Report. The nature, timing and extent of procedures selected depend on the auditor's professional judgement, including the assessment of the risks of material misstatement of the selected sustainability information, whether due to fraud or error.

In making those risk assessments we have considered internal control relevant to the Company's preparation of the selected sustainability information. A reasonable assurance engagement also includes:

- evaluating the appropriateness of quantification methods, reporting policies and internal guidelines used and the reasonableness of estimates made by the Company;
- assessing the suitability in the circumstances of the Company's use of the applicable reporting criteria as a basis for preparing the selected sustainability information; and
- evaluating the overall presentation of the selected sustainability performance information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

**ASSURANCE STATEMENT
CONTINUED****Limited assurance**

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised), and ISAE 3410, involves assessing the suitability in the circumstances of the Company's use of its reporting criteria as the basis of preparation for the selected sustainability information, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, for the selected sustainability information where limited assurance was obtained, we do not express a reasonable assurance opinion about whether the Company's selected sustainability information has been prepared, in all material respects, in accordance with the accompanying reporting criteria.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- inspected documentation to corroborate the statements of management and senior executives in our interviews;
- tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- performed a controls walkthrough of identified key controls;
- inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in the preparation of the selected sustainability information; and
- evaluated whether the selected sustainability information presented in the Report is consistent with our overall knowledge and experience of sustainability management and performance at the Company.

Reasonable assurance opinion and limited assurance conclusion**Reasonable assurance opinion**

In our opinion and subject to the inherent limitations outlined elsewhere in this report, the selected sustainability information set out in the Subject Matter paragraph above for the year ended 31 December 2019 is prepared, in all material respects, in accordance with the reporting criteria.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability information as set out in the Subject Matter paragraph above for the year ended 31 December 2019 is not prepared, in all material respects, in accordance with the reporting criteria.

Other matter(s)

Our report includes the provision of limited assurance on the total number of employees who know their HIV status. We were previously not required to provide assurance on this selected sustainability information.

The maintenance and integrity of Anglo American's website is the responsibility of Anglo American's Directors. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on Anglo American's website.

Restriction of liability

Our work has been undertaken to enable us to express a reasonable assurance opinion and a limited assurance conclusion on the selected sustainability information to the directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company, for our work, for this report, or for the conclusion we have reached.



PricewaterhouseCoopers Inc.

Director: Jayne Mammatt
Registered Auditor
Johannesburg

28 February 2020

BASIS FOR THE PREPARATION OF KEY SUSTAINABILITY DATA

Our data governance process, definitions, calculation methodologies and additional guidance notes are documented in the Anglo American Sustainability Indicators, Definitions and Governance business process standard, which is mandatory throughout the business. External verification was, for the purposes of reporting, carried out against this basis of preparation document.

Organisational boundaries and scope

Anglo American accounts for 100% of operations over which it holds management control. During 2018, we took the decision to exclude the De Beers non-managed joint operations of Debswana and Namdeb from our sustainability reporting. This is in line with industry best practice and aligns with the scope and boundary of sustainability reporting. A full list of those operations is available on page 88. Our proportional share of independently managed operations is not included in our sustainability reporting scope. Acquisitions and divestments are accounted for from date of acquisition/until date of sale.

Data sources

Anglo American hosts a single database for reporting key sustainability metrics, including those relating to energy, GHG emissions, water consumption, environmental incidents, occupational health, social performance and safety. Corporate social investment figures are captured in our financial reporting system and collated in a spreadsheet. Consistent reporting processes and indicator definitions have been implemented and applied for all indicators in the assurance scope.

This data is captured on a monthly basis by more than 50 reporting entities and subject to integrity reviews by corporate analysts each quarter. A selection of material indicators is reported internally on a monthly basis and to the executive and Board at each meeting.

It should be noted that while indicators in the assurance scope are reported with a high degree of accuracy, estimates are allowed in December for energy and water consumption data as they are dependent on invoices from utility providers.

Reporting period

Our reporting year runs from 1 January to 31 December 2019. Changes to historical data follow a formal change request process, which is signed off by relevant heads of functions and restated externally, if material.

Definitions

Scope 1 emissions

Scope 1 emissions include CO₂e emissions from fossil fuels, coal seam gas fugitive emissions, renewable fuels and operational processes. Process emissions include those associated with on-site and managed sewerage facilities, on-site water-treatment facilities, the use of carbonates in acid leaching processes at copper-processing facilities, fugitive emissions during the production of phosphates.

Scope 2 emissions

Scope 2 emissions include CO₂ from electricity purchased and reported in million tonnes of CO₂e.

Total energy use

Total energy use is calculated from electricity purchased, energy from fossil fuels and energy from renewable fuels, and reported in million GJ.

Total work-related fatal injuries

A fatality is an employee or contractor death resulting from a work-related injury. In addition to being work-related, the activity performed must be subject to management control. Anglo American records all work-related losses of life for the purposes of internal and external investigation, management action, legal process and compensation. However, while fatal injuries that result from criminal activity and public-road incidents are recorded for management purposes, these are not included in formal statistics and frequency-rate calculations.

Fatal injury frequency rate (FIFR)

The FIFR is the rate of fatality per million hours worked for both employees and contractors.

Total recordable case frequency rate (TRCFR)

The TRCFR is a rate per million hours worked of employee and contractor fatal injuries, lost-time injuries, and medical treatment cases. First-aid cases – minor work-related injuries which, in normal circumstances, are able to be treated successfully in accordance with recognised first-aid training – are not included in this calculation. Injuries are diagnosed by medical and safety professionals according to Anglo American criteria. These criteria are additional to local legal reporting and compensation requirements.

Inhalable hazards and carcinogens

Total number of employees assigned to homogeneous exposure groups in an “A” classification band, i.e. ≥OEL (without taking into account PPE) for inhalable hazards for the reporting period.

Inhalable hazards and carcinogens include the following:

- Coal dust (respirable particulate)
- Respirable crystalline silica
- Diesel particulate matter
- Nickel (water soluble compounds)
- copper dusts and mists
- Sulphuric acid mists
- Sulphur dioxides
- Arsenic
- Coal tar pitch volatiles
- Cobalt
- Dust (respirable and inhalable)
- Welding fumes
- VOCs.

Total number of employees (including long term contractors) exposed to one or more known causes of occupational cancer including, but not limited to, arsenic, coal tar pitch volatiles, cobalt, diesel particulate matter, nickel (soluble and insoluble) and solar radiation at levels ≥ OEL. For solar radiation: the number of workers working in open environments (without roof cover) for periods in excess of four hours per shift exposed to excessive sunlight.

New cases of noise-induced hearing loss (NIHL)

Number of employees diagnosed with NIHL during the reporting period. New cases are recorded when:

- The rules for diagnostic criteria for occupational disease in Anglo American have been met
- There is a pattern consistent with NIHL on the audiogram
- The average hearing loss at frequencies 0.5, 1, 2, 3 and 4 kHz for both ears is greater than 25 dBA
- There has been a 10 dB change in the average hearing loss since the pre-placement audiogram recorded on employment with Anglo American
- The employee has not previously been counted as NIHL.

BASIS FOR THE PREPARATION OF KEY SUSTAINABILITY DATA CONTINUED

Number of employees who know their HIV status

The total of all employees who are known to be HIV+ on the medical records (irrespective of year of testing or testing facility) – and who are still in employment at the end of the last reporting year.

Plus the total of all employees whose last test confirmed an HIV sero-negative status (based on a VCT result during a calendar year) – and who are still in employment at the end of the last reporting year.

Total amount spent on corporate social investment (CSI)

Categories for corporate social investment expenditure include charitable donations, community investment and commercial initiatives. CSI is reported in US dollars and converted from the currency of the operations at the average foreign exchange rate applied by Anglo American for financial reporting purposes. Data is prepared in accordance with the principles of preparation for financial information.

Charitable donations include cash donations; contributions in kind; employees' working hours spent on charity projects during work hours; and the cost of initiatives designed to inform communities about community-benefit initiatives (e.g. the production of reports that are issued to communities for the purpose of reporting progress). Not included is expenditure that is necessary for the development of an operation (e.g. resettlement of families) or for receiving a licence. Training expenditure for individuals who will be employed by the company following completion of training is not included.

Community investment includes the funding of community partnerships which address social issues; the costs of providing public facilities to community members who are not employees or dependants; the marginal value of land or other assets transferred to community ownership; and income-creation schemes or mentoring/volunteering initiatives which do not have a principally commercial justification.

Commercial initiatives include enterprise development and other community initiatives/partnerships that also directly support the success of the company (such as supplier development). There must, however, be a clear and primary element of public benefit.

We prohibit the making of donations for political purposes to any politician, political party or related organisation, any official of a political party or candidate for political office in any circumstances, either directly or through third parties.

Environmental incident classification

We classify environmental incidents on a scale of 1 to 5 based upon increasing severity, in accordance with the Anglo American 5 x 5 risk matrix, which plots potential incidents against their likelihood of occurring and the severity of their consequence.

A Level 1 incident will have a minor impact on the environment, while at the other extreme, a Level 5 incident will have a major impact on the environment. Correct classification of incidents is important as it determines the level of response, investigation and reporting required.

From 1 January 2018, we implemented an updated classification process for environmental incidents. The updated approach maintains the Level 1-5 classification scale, while providing substantially greater guidance and rigour to the classification process. This change was flagged in our 2017 SD Report and, as predicted, the tighter controls associated with the new process have resulted in a small increase in reported Level 3 environmental incidents in 2018 (five).

The following components are taken into consideration when rating the severity of environmental incidents:

Scale: How significant is the size/scale of the impact relative to the size/scale of the receiving environment?

Sensitivity: How sensitive is the receiving environment to the impact? How special or unique is the area that has been impacted?

Remediation and clean-up: How difficult is the impact to contain, remediate and/or clean up? How much time and/or resources are required to manage the incident?

The classification criteria for environmental incidents match the potential complexity of actual environmental incidents. They were developed by our global environmental leadership team with input from practitioners and piloted in two sites, before being approved by the Sustainability Committee.

REPORTING SCOPE

As at 31 December 2019

Unless otherwise stated, data included in this report accounts for 100% of the businesses managed by Anglo American. Data for acquisitions is included from the date of acquisition, and divested businesses discontinue reporting from the date of disposal.

BUSINESSES INCLUDED IN REPORTING SCOPE

	Country
Platinum Group Metals	
Mining operations	
Amandelbult	South Africa
Mogalakwena	South Africa
Mototolo	South Africa
Unki	Zimbabwe
Twickenham project (care and maintenance – C&M)	South Africa
Processing operations	
Waterval smelter	South Africa
Mortimer smelter	South Africa
Polokwane smelter	South Africa
Rustenburg Base Metals Refinery	South Africa
Rustenburg Precious Metals Refinery	South Africa
Unki smelter	Zimbabwe
Other	
De Beers	
De Beers Jewellers	Global
De Beers Operations Canada	
Gahcho Kué	Canada
Snap Lake (C&M)	Canada
Victor (in closure process)	Canada
De Beers Operations South Africa	
Namaqualand (in closure process)	South Africa
Venetia	South Africa
Voorspoed (in closure process)	South Africa
Commercial and industrial	
Element Six	Global
Sales and Brands	Global
Copper	
Chagres smelter	Chile
El Soldado	Chile
Los Bronces	Chile
Quellaveco project	Peru
Nickel	
Codemin	Brazil
Barro Alto	Brazil
Kumba Iron Ore	
Kolomela	South Africa
Sishen	South Africa
Iron Ore Brazil	
Minas-Rio	Brazil
Metallurgical Coal	
Capcoal	Australia
Dawson	Australia
Grosvenor	Australia
Grasstree	Australia
Moranbah North	Australia
Peace River Coal (C&M)	Canada

BUSINESSES INCLUDED IN REPORTING SCOPE

	Country
Coal South Africa	
Goedehoop	South Africa
Greenside	South Africa
Isibonelo	South Africa
Khwezela	South Africa
Zibulo	South Africa
Other	
Vergelegen wine farm	South Africa
Corporate offices	Global
Discovery	Global

JOINT VENTURES, ASSOCIATES, INVESTMENTS AND OTHER INTERESTS EXCLUDED FROM REPORTING SCOPE

	Country
Platinum Group Metals	
Masa Chrome Company	South Africa
Modikwa Platinum Joint Operation	South Africa
Kroondal Pooling and Sharing Agreement	South Africa
Bokoni (C&M)	South Africa
Atlatsa Resources Corporation	South Africa
Wesizwe Platinum Limited	South Africa
De Beers	
Botswana	
Damtshaa	Botswana
Jwaneng	Botswana
Orapa	Botswana
Letlhakane	Botswana
Diamond Trading Company Botswana	Botswana
Namdeb	
Namdeb Diamond Corporation	Namibia
Debmarine Namibia	Namibia
Namibia Diamond Trading Corporation	Namibia
Copper	
Collahuasi	Chile
Iron Ore and Manganese	
Iron Ore Brazil – Ferroport	Brazil
Samancor	Australia and South Africa
Coal	
Jellinbah	Australia
Dalrymple Bay Coal Terminal Pty Ltd	Australia
Newcastle Coal Shippers Pty Ltd	Australia
Phola plant	South Africa
Mafube	South Africa
Richards Bay Coal Terminal	South Africa
Carbones del Cerrejón	Colombia

2019 DATA

The 2018 and 2019 data excludes the De Beers non-managed joint operations, Debswana and Namdeb. The data for prior years (2013-2017) includes these De Beers operations. An Excel file with detailed sustainability data is available at www.angloamerican.com/sustainability/performance

SAFETY

	2019	2018	2017	2016	2015	2014	2013
Anglo American total							
Work-related loss of life	4	5	9	11	6	6	15
Lost-time injuries (LTIs)	325	343	429	548	802	609	918
Medical treatment cases (MTCs)	199	212	372	481	783	780	1,088
First aid cases (FAC)	1,424	1,562	1,500	1,604	2,234	2,387	2,423
Total recordable cases (fatal injuries + LTIs + MTCs)	528	560	810	1,040	1,591	1,395	2,021
Total injuries (recordable cases + FACs)	1,952	2,122	2,310	2,644	3,825	3,782	4,444
Hours worked (thousand)	239,351	210,500	255,879	293,259	341,319	346,900	372,880
Fatal injury frequency rate	0.017	0.024	0.035	0.038	0.018	0.017	0.040
Total recordable case frequency rate	2.21	2.66	3.17	3.55	4.66	4.02	5.42
Lost-time injury frequency rate	1.36	1.63	1.68	1.87	2.35	1.76	2.46

EMPLOYEES POTENTIALLY EXPOSED TO HAZARDS⁽¹⁾

	2019	2018	2017	2016	2015	2014	2013
Total number of workers	105,745	102,606	124,726	–	–	–	–
Inhalable hazards and carcinogens							
Total number of workers at risk of exposure to inhalable hazards and carcinogens ⁽²⁾	–	72,097	72,695	–	–	–	–
Workers potentially exposed to inhalable hazards above the exposure limit ⁽³⁾	2,151	2,249	2,514 ⁽⁴⁾	–	–	–	–
Workers potentially exposed to carcinogens above the exposure limit ⁽³⁾	323	2,335	1,657 ⁽⁴⁾	–	–	–	–
Noise							
Total number of workers at risk of exposure to noise ⁽³⁾	40,781	42,581	75,761	–	–	–	–
Workers potentially exposed to noise above 85 dB(A)	29,671	29,089	35,070	–	–	–	–

NEW CASES OF OCCUPATIONAL DISEASE

	2019	2018	2017	2016	2015	2014	2013
Diseases related to inhalable hazard and carcinogen exposure	6	9	27	35	29	26	30
Diseases related to noise exposure	18	31	46	48	83	94	132
Diseases related to other health hazard exposure	15	61	23	28	47	55	47
Total	39	101	96	111	159	175	209

HIV/AIDS⁽⁴⁾

	2019	2018	2017	2016	2015	2014	2013
Number of employee voluntary testing and counselling cases	34,048	30,814	43,568	45,279	50,223	59,813	51,954
Number of contractor voluntary testing and counselling cases	43,107	40,670	32,433	38,376	39,643	48,421	40,814
Employees in southern Africa who know their status (%)	94	88	83	88	68	86	75
Known HIV+ employees on anti-retroviral therapy (ART) (%)	92	86	84	68	72	53	47
Number of new employee HIV cases	400	540	506	611	349	543	529
Number of employee AIDS deaths ⁽⁵⁾	0	3	12	68	91	89	125
HIV incidence rate	1.31	2.20	1.16	1.35	0.69	0.91	1.02

TUBERCULOSIS

	2019	2018	2017	2016	2015	2014	2013
New cases of tuberculosis (TB)	84	93	188	511	544	734	677
TB incidence rate per 100,000 employees ⁽⁶⁾	230	242	361	669	790	1064	963
Proven TB deaths	3	5	4	28	52	63	59

⁽¹⁾ Exposure is above the Occupational Exposure Limit 'A' classification band (without taking Personal Protective Equipment into account).

⁽²⁾ All workers, including long term contractors, potentially exposed above the A, B, C, and D Occupational Exposure Limit classification bands (without taking Personal Protective Equipment into account). In 2019, we stopped reporting HEG C & D categories in inhalable hazards and carcinogens.

⁽³⁾ All workers, including long-term contractors, potentially exposed above, Occupational Exposure Limit classification bands (without taking Personal Protective Equipment into account). In 2019 we stopped reporting all noise HEGs and the 2018 data for employees exposed to noise is restated to reflect the 2019 definition.

⁽⁴⁾ The 2017 occupational hygiene data for inhalable hazards and carcinogens was restated upon examination of historical data sets.

⁽⁵⁾ HIV/AIDS and TB data in 2015 and 2016 include De Beers operations in Botswana and Namibia for the first time. 2012-2014 data included Anglo American operations in South Africa and Zimbabwe only.

⁽⁶⁾ TB incidence rate from 2018 onward is calculated using the annual average number of employees. Previously stated TB incidence rates were calculated using the number of employees at the end of the reporting year.

2019 DATA CONTINUED

ENVIRONMENT

	2019	2018	2017	2016	2015	2014	2013
GHG emissions (Mt CO₂e)⁽¹⁾							
Scope 1	10.9	9.7	9.9	9.0	8.8	8.0	7.3
Scope 2	6.9	6.5	8.0	8.9	9.5	9.3	9.8
Total CO ₂ e	17.7	16.2	18.0	17.9	18.3	17.3	17.1
Energy consumption (million GJ)⁽¹⁾							
Energy from electricity	38.2	36.2	43.1	46.9	46.6	44.3	46.0
Energy from fossil fuels	46.3	45.6	52.5	56.0	56.8	61.1	57.5
Energy from renewable fuels	2.0	2.1	1.8	2.6	2.9	2.4	2.2
Total energy	86.5	83.9	97.4	105.5	106.3	107.7	105.7

WATER⁽²⁾

	2019	2018	2017	2016	2015	2014	2013
Water withdrawals by source ('000 m³)							
Surface water	60,424	72,240	86,435	77,418	89,520	69,679	71,900
Groundwater ⁽³⁾	104,236	119,132	144,046	152,366	180,089	135,819	128,565
Seawater	26	15	33,935	26,850	31,695	31,207	28,818
Third-party potable water	11,536	8,947	19,163	17,123	20,326	19,627	24,672
Third-party non-potable water	32,934	27,163	22,696	22,020	17,018	19,566	22,118
Total withdrawals	209,155	227,497	306,275	295,778	338,648	275,898	276,072
Dewatering as a percentage of withdrawals ⁽⁴⁾	25%	19%	24%	23%	27%	23%	23%
Freshwater as a percentage of withdrawals ⁽⁵⁾	84%	88%	82%	83%	86%	82%	82%
Water discharges ('000 m³)							
Surface water	12,475	44,130	25,648	69,578	83,206	–	–
Groundwater	2,103	1,726	3,495	31	159	–	–
Seawater and estuaries	8,907	4,298	32,008	38,680	30,110	–	–
Third party	34,692	36,241	39,224	8,694	11,004	–	–
Land (hectares)							
Company-managed land ⁽⁶⁾	650,205	666,815	1,565,438	1,567,624	1,652,959	1,684,186	466,613
Land altered by mining activities and supporting infrastructure	86,906	91,743 ⁽¹⁰⁾	110,824	109,411	130,352	114,921	84,214
Land rehabilitated ⁽⁷⁾	15,079	14,225	19,265	20,662	20,322	20,418	16,827
Environmental incidents							
Level 3	1	5	2	4	6	14	30
Level 4	0	1	0	0	0	1	–
Level 5	0	0	0	0	0	0	–
Air emissions							
Total SO ₂ emissions from diesel, marine, and intermediate fuel oil used and processes ('000 tonnes)	28.4	35.7 ⁽¹⁰⁾	29.5	40.1	43.0	34.0	36.0
Total NO _x emissions from diesel, marine, and intermediate fuel oil used and processes ('000 tonnes)	29.6	28.7	27.3	35.3	41.9	43.5	40.4
Ozone depleting compounds (ODCs) vented/released to the atmosphere (tonnes)	0.0	0.1	0.1	2.8	3.5	3.5	5.7
ODCs remaining in use (tonnes)	0.2	1.0	1.1	1.4	2.9	1.3	1.5
Non-mineral waste⁽⁸⁾							
Hazardous waste to legal landfill (tonnes)	26,253	13,968	41,427	23,293	40,782	17,750	22,621
Hazardous waste to legal landfill (m ³) ⁽⁹⁾	3,479	1,017	3,032	3,049	–	–	–
Non-hazardous waste to legal landfill (tonnes)	29,249	28,871	26,467	38,290	239,747	51,163	87,986
Non-hazardous waste to legal landfill (m ³) ⁽⁹⁾	9,718	12,294 ⁽¹⁰⁾	82,108	73,643	–	–	–

⁽¹⁾ The 2018 energy and GHG emissions were restated.

⁽²⁾ In 2017, we revised our water reporting requirements to ensure alignment with the International Council for Mining and Metals guidance, in addition to the 2018 GRI Standards requirements. This revision has fundamentally shifted our site-level reporting of water and as a result we are currently ensuring data consistency and validity for many of the reporting requirements. As such our reporting from 2018 includes only water withdrawals by source (previously disclosed) and discharges, and we are working towards ensuring readiness to disclose consumption and re-use/recycling. This work is progressing and should be complete in 2020.

⁽³⁾ Groundwater withdrawals includes dewatering, for example for slope stability in open cut operations.

⁽⁴⁾ Dewatered volumes are in most instances diverted to a third party (for example a community treatment facility) for beneficial use including municipal supply or agriculture.

⁽⁵⁾ Freshwater includes all withdrawals from surface creeks, dams, rivers (including precipitation harvested), groundwater sources (including dewatering), and third party potable water.

⁽⁶⁾ Land data for De Beers included between 2014 and 2017. 2018 and 2019 excludes De Beers non-managed joint ventures.

⁽⁷⁾ Land rehabilitated includes land both fully rehabilitated and signed off by the regulator, and land rehabilitated but not yet signed off as meeting agreed land use objectives.

⁽⁸⁾ Hazardous waste and non-hazardous waste is either reported in mass (tonnes) or volume (m³) as is appropriate to each operation. Volumes in mass were introduced for reporting at relevant operations in 2015; however the information is incomplete and is reported from 2016 onwards.

⁽⁹⁾ Reported specifically at De Beers operations.

⁽¹⁰⁾ Data was restated.

BIODIVERSITY

Operation	Country	Company managed land (hectares)	Land disturbed	Adjacent to globally or nationally important biodiversity areas	Biodiversity Management Plan in place
Kumba Iron Ore					
Sishen mine	South Africa	39,228	11,837	No	Yes
Kolomela mine	South Africa	47,255	2,795	No	Yes
Minas-Rio					
Minas-Rio	Brazil	26,991	2,858	Yes	Yes
Met Coal					
Dawson	Australia	34,160	21,606	No	Yes
Capcoal complex	Australia	31,294	7,025	No	Yes
Moranbah	Australia	6,598	1,678	No	Yes
Grosvenor	Australia	7,890	473	No	Yes
Thermal Coal					
Kwezela	South Africa	17,251	5,227	No	Yes
Isibonelo	South Africa	1,269	324	Yes	Yes
Goedehoop	South Africa	10,145	130	No	Yes
Greenside	South Africa	3,642	2,223	No	Yes
Zibulo UG/Opencast	South Africa	4,356	1,200	No	Yes
PGMs					
Amandebult	South Africa	11,172	1,423	No	Yes
Mogalakwena	South Africa	15,416	4,074	Yes	Yes
Unki	Zimbabwe	8,500	1,500	No	Yes
Twickenham	South Africa	650	130	No	Yes
Mototolo	South Africa	565	430	No	Yes
Der Brochen	South Africa	7,222	177	Yes	Yes
Copper Chile					
Los Bronces	Chile	33,189	5,341	Yes	Yes
El Soldado	Chile	8,030	1,213	No	Yes
Copper Peru					
Quellaveco	Peru	46,412	1,241	No	Yes
Projects					
Sakatti	Finland	5	0	Yes	Yes
De Beers					
OLDM (JV)	Botswana	66,360	5,352	Yes	Yes
Jwaneng (JV)	Botswana	43,889	2,865	No	Yes
Namdeb (JV)	Namibia	795,184	14,552	Yes	Yes
Debmarine Namibia (JV)	Namibia	0	0	Yes	Yes
Venetia	South Africa	6,253	2,030	Yes	Yes
Voorspoed	South Africa	2,797	501	No	Yes
Gahcho Kué	Canada	2,400	493	No	Yes
Victor	Canada	6,686	1,080	No	Yes
Nickel					
Codemin	Brazil	28,494	1,251	No	Yes
Barro Alto	Brazil	6,652	1,254	No	Yes

2019 DATA CONTINUED

PRODUCTION AND THROUGHPUT

	2019	2018	2017	2016	2015	2014	2013
Diamonds ('000 cts)	30,800	35,300	33,454	27,339	28,692	32,605	31,159
PGMs (produced ounces) (koz)	4,400	5,200	5,000	4,100	4,400	3,300	4,100
Copper (kt)	638	668	579	577	709	748	775
Nickel (t)	42,600	42,300	43,800	44,500	30,300	37,200	34,400
Iron Ore – Kumba (Mt)	42.4	43.1	45.0	41.5	44.9	48.2	48.2
Iron Ore – Minas-Rio (Mt)	23.1	3.4	16.8	16.1	9.2	0.7	–
Metallurgical coal (Mt)	22.9	21.8	21.3	30.4	33.5	33.2	31.2
Coal South Africa (Mt)	17.8	18.4 ⁽¹⁾	60.5	64.4	61.3	67.0	56.6

TAXES PAID DIRECTLY TO GOVERNMENT BY CATEGORY AND COUNTRY (\$M)

	South Africa	Chile	Australia	UK	Brazil	Peru	Zimbabwe	Canada	Botswana	Other	Total
Profits	914	302	234	56	27	0	2	0	34	59	1,629
Royalties and environmental	315	39	349	0	73	0	0	3	0	43	821
Transactions	4	2	0	1	49	0	4	0	0	14	73
Labour	302	32	45	13	28	2	1	2	0	24	450
Capital gains	0	0	0	0	0	0	0	0	0	0	0
Other	2	6	15	2	1	1	3	0	0	29	61
Total borne	1,537	381	643	73	178	4	10	5	35	170	3,035
Total collected	474	104	85	173	100	7	13	31	11	51	1,049
Total	2,010	484	728	246	279	11	23	36	45	221	4,084

HUMAN RESOURCES

	2019	2018	2017	2016	2015	2014	2013
Full-time employees (annual average)	61,132	61,527	67,095	82,869	99,630	99,908	101,074
Employees below 30 years of age (%)	12	12	13	14	16	16	–
Employees between 30-50 years of age (%)	69	70	68	67	65	65	–
Employees more than 50 years of age (%)	19	18	19	18	19	19	–
Women in senior management (%)	24	21	–	–	–	–	–
Women in management (B5 and above) (%)	24	23	–	–	–	–	–
Women as % of total workforce	21	20	19	18	18	18	–
Contractors (annual average)	38,031	29,603	31,018	32,559	41,451	51,320	57,818
Resignations (%)	2.3	2.4	2.3	2.2	1.9	2.0	2.0
Redundancies (%)	1.2	0.7	0.7	7.1	3.5	0.0	4.1
Dismissals (%)	1.2	1.2	1.4	1.8	1.4	1.0	1.5
Other reasons for leaving (%)	5.1	5.8	4.0	3.5	4.2	1.9	2.7
Historically disadvantaged South Africans in management (% of South African management)	65	65	66	62	60	60	64

SOCIO-ECONOMIC

	2019	2018	2017	2016	2015	2014	2013
CSI expenditure (\$ million)	114	82	88	84	124	135	128
CSI expenditure (% of pre-tax profit)	1.8	1.6	1.7	3.0	6.0	2.8	2.2
Businesses supported through enterprise development initiatives	65,548	64,830	64,291	62,447	62,394	58,257	48,111
Jobs created/sustained through enterprise development initiatives	132,082	125,095	120,812	116,298	110,780	96,873	76,543
Total supplier expenditure (\$ billion)	11.6	10.2	9.0	8.8	10.0	12.3	16.1
Procurement: local expenditure (\$ billion)	0.6	2.1	2.1	2	1.5	1.8	1.6
Procurement: local expenditure (% of total)	15	21	23	23	15	15	12
Procurement: BEE expenditure in South Africa (\$ billion)	2.9	2.8	2.6	2.9	3.8	3.1	3.8

⁽¹⁾ Restated data in 2018.

COMMITMENTS TO EXTERNAL INITIATIVES AND MEMBERSHIPS

Commitments to external initiatives/standards

- UN Guiding Principles on Business and Human Rights
- UN Resolution on Human Right to Water and Sanitation (64/292)
- UN Global Compact
- UN Women's Empowerment Principles
- Office for the Commissioner for Human Rights Guidelines
- Voluntary Principles on Security and Human Rights
- Initiative for Responsible Mining Assurance (IRMA)
- ISO Standards
 - ISO 14001 (Environmental)
 - ISO 14064 (GHGs)
 - ISO 14065 (GHGs)
 - ISO 45001 (Safety and Health)
 - ISO 26000 (Social Standards)
 - ISO 50001
- Occupational Health and Safety Advisory Services (OHSAS) Standards
 - OHSAS 18001
- World Health Organization (WHO) Standards
 - HIV/AIDS Standard
 - TB Standard
- International Finance Corporation (IFC)
 - Environmental and Social Performance Standards
 - Edge Business certification standard
- International AIDS Transparency Initiative (IATI)
- Extractive Industries Transparency Initiative (EITI)
- Bettercoal Initiative
- Responsible Jewellery Council (RJC) and certification to the RJC's Code of Practice
- Kimberley Process (participation through the World Diamond Council)
- KIN Development Partner Framework
- ICMM Sustainable Development Framework
- Responsible Steel™

Strategic partnerships

- Business Action for Africa
- Danish Institute for Business and Human Rights
- Fauna & Flora International
- International Alert
- TechnoServe
- Shift
- UNAIDS
- Women in Mining
- Council for Scientific and Industrial Research (CSIR)
- Word Vision International

GRI STANDARDS CONTENTS INDEX

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (Core option) and the GRI Mining & Metals Sector Supplement. The content index shows our material topics and reporting against related disclosures and management approach. Where information is available, we have also included additional disclosures beyond our core material topics. To locate the

topics and our responses, please refer to the reference column where we have provided the source of information and, in some instances, we have included a direct response within the index.

 The data table is also available at www.angloamerican.com/sustainability/performance

GRI 101: FOUNDATION

Indicator	Disclosure	Reference
1.1	Stakeholder inclusiveness	Integrated Annual Report (AR): 10-11
1.2	Sustainability context	Sustainability Report (SR): 10-17
1.3	Materiality	SR: 18-19
1.4	Completeness	SR: 01; 86-88. Boundaries are described in the relevant sections.
1.5	Accuracy	SR: 83-85
1.6	Balance	SR: throughout document
1.7	Clarity	SR: throughout document
1.8	Comparability	SR: throughout document
1.9	Reliability	SR: 83-85
1.10	Timeliness	Financial year end: 31 December 2019. Report release date: 09 March.

GRI 102: GENERAL DISCLOSURES

Indicator	Disclosure	Reference
102-1	Name of organisation	Anglo American
102-2	Activities, brands, products and services	SR: 02-03; 08-09
102-3	Location of headquarters	London, United Kingdom
102-4	Location of operations	SR: 02-03
102-5	Ownership and legal form	AR: 192-204
102-6	Markets served	AR: 16-20
102-7	Scale of the organisation	SR: 02-03; AR: 02-03
102-8	Information on employees and other workers	SR: 81-82
102-9	Supply chain	SR: 69-70
102-10	Significant changes to the organisation and its supply chain	AR: 193. There were no significant changes to the supply chain.
102-11	Precautionary Principle or approach	Anglo American supports the intent of the Precautionary Principle, but has not expressed a specific commitment in the public domain.
102-12	External initiatives	SR: 93; 100
102-13	Membership of associations	SR: 93
102-14	Statement from senior decision maker	SR: 06-07
102-16	Values, principles, standards and norms of behaviour	SR: 01; 77
102-18	Governance structure	SR: 20-21; AR: 90-97
102-40	List of stakeholder groups	SR: 18; AR: 10-11
102-41	Collective bargaining agreements	SR: 81
102-42	Identifying and selecting stakeholders	SR: 18
102-43	Approach to stakeholder engagement	SR: 18-19, 60; AR: 10-11
102-44	Key topics and concerns raised	SR: 19
102-45	Entities included in the consolidated financial statements	AR: 194-195
102-46	Defining report content and topic boundaries	SR: 01; 18-19
102-47	List of material topics	SR: 19
102-48	Restatement of information	SR: 89-92; AR: 51, 206, 219, 231

GRI STANDARDS CONTENTS INDEX

CONTINUED

Indicator	Disclosure	Reference
102-49	Changes in reporting	None during the reporting year
102-50	Reporting period	1 January — 31 December 2019
102-51	Date of most recent report	9 March 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions about the report	SR: Back page
102-54	Claims if reporting in accordance with the GRI Standards	SR: 1; 94
102-55	GRI content index	SR: 94-99
102-56	External assurance	SR: 83-85

MATERIAL TOPIC — GRI 201: ECONOMIC PERFORMANCE

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 71-75; 86-87; AR: 1; 194-195
103-2	Management approach and components	SR: 71-75; 86-87; AR: 140
103-3	Evaluation of the management approach	SR: 71-75; 86-87; AR: 142-147
201-1	Direct economic value generated and distributed	SR: 75
201-2	Financial implications and other risks and opportunities due to climate change	SR: 50-56
201-3	Defined benefit plan obligations and other retirement plans	AR: 187-190
201-4	Financial assistance received from government	None received

MATERIAL TOPIC — GRI 203: INDIRECT ECONOMIC IMPACTS

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 10-15
103-2	Management approach and components	SR: 62-68; 71-75
103-3	Evaluation of the management approach	SR: 63
203-1	Infrastructure investments and services supported	SR: 71-75
203-2	Significant indirect economic impacts	SR: 71-75

MATERIAL TOPIC — GRI 204: PROCUREMENT PRACTICES

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 69-75. Local and responsible procurement is an effective way of delivering value from mining to local stakeholders and is one of the most commonly cited expectations of mining companies. The topic is relevant throughout the business and in developing countries in particular.
103-2	Management approach and components	SR: 69-75
103-3	Evaluation of the management approach	SR: 69-75. Total local procurement expenditure is measured on an annual basis to track progress against targets.
204-1	Proportion of spending on local suppliers	SR: 73

MATERIAL TOPIC — GRI 205: ANTI-CORRUPTION

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 77. Ethical business conduct is material throughout the Group.
103-2	Management approach and components	SR: 77
103-3	Evaluation of the management approach	SR: 77
205-1	Operations assessed for risks related to corruption	SR: 77. Anglo American's disclosure focuses on bribery risk, which is the most material aspect of corruption for the business.
205-2	Communication and training about anti-corruption policies and procedures	SR: 77

GRI STANDARDS CONTENTS INDEX

CONTINUED

MATERIAL TOPIC — GRI 302: ENERGY

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 50-56
103-2	Management approach and components	SR: 50-56
103-3	Evaluation of the management approach	SR: 50-56
302-1	Energy consumption within the organisation	SR: 50-56
302-4	Reduction of energy consumption	SR: 51

MATERIAL TOPIC — GRI 303: WATER

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 47-49
103-2	Management approach and components	SR: 47-49
103-3	Evaluation of the management approach	SR: 47-49
303-1	Interactions with water as a shared resource	SR: 47-49
303-3	Water withdrawals	SR: 49; 90
303-4	Water discharges	SR: 90

MATERIAL TOPIC — GRI 304: BIODIVERSITY

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 39-40
103-2	Management approach and components	SR: 39-40
103-3	Evaluation of the management approach	SR: 39-40
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR: 40, 91

MATERIAL TOPIC — GRI 305: EMISSIONS

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 46; 50-56
103-2	Management approach and components	SR: 46; 50-56
103-3	Evaluation of the management approach	SR: 46; 50-56
305-1	Direct (Scope 1) GHG emissions	SR: 51; 90
305-2	Energy indirect (Scope 2) GHG emissions	SR: 51; 90
305-3	Other indirect (Scope 3) GHG emissions	SR: 51
305-4	GHG emissions intensity	8 tonnes of CO ₂ /tonnes of CuE
305-5	Reduction of GHG emissions	SR: 51
305-6	Emissions of ozone-depleting substances	SR: 90
305-7	Nitrogen oxides, sulphur oxides and other significant air emissions	SR: 90

MATERIAL TOPIC — GRI 306: EFFLUENTS AND WASTE

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 41-44; 47-49
103-2	Management approach and components	SR: 41-44; 47-49
103-3	Evaluation of the management approach	SR: 41-44; 47-49
306-1	Water discharge by quality and destination	SR: 90
306-2	Waste by type and disposal method	SR: 90
306-3	Significant spills	SR: 37
306-5	Water bodies affected by water discharges and/or runoff	SR: 37

GRI STANDARDS CONTENTS INDEX

CONTINUED

GRI 307: ENVIRONMENTAL COMPLIANCE

Indicator	Disclosure	Reference
307-1	Non-compliance with environmental laws and regulations	SR: 37

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT

Indicator	Disclosure	Reference
308-1	New suppliers that were screened using environmental criteria	SR: 69-70
308-2	Negative environmental impacts in the supply chain and actions taken	—

MATERIAL TOPIC — GRI 401: EMPLOYMENT

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 79-82
103-2	Management approach and components	SR: 79-82
103-3	Evaluation of the management approach	SR: 79-82
401-1	New employee hires and employee turnover	SR: 79
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
401-3	Parental leave	—

MATERIAL TOPIC — GRI 403: OCCUPATIONAL HEALTH AND SAFETY

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 26-35
103-2	Management approach and components	SR: 26-35
103-3	Evaluation of the management approach	SR: 26-35
403-1	Occupational health and safety management system	SR: 28
403-2	Hazard identification, risk assessment and incident investigation	SR: 27-28; 30-31
403-3	Occupational health services	SR: 30-35
403-5	Worker training on occupational health and safety	SR: 28
403-6	Promotion of worker health	SR: 30-35
403-9	Work-related injuries	SR: 27; 89 Absenteeism rate for 2019 was 4.2% (excluding work related injuries, which are recorded separately)
403-10	Work-related ill health	SR: 89

MATERIAL TOPIC — GRI 404: TRAINING AND EDUCATION

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 79-82
103-2	Management approach and components	SR: 79-82
103-3	Evaluation of the management approach	SR: 79-82
404-1	Average hours of training per year per employee	Anglo American measures training in monetary terms as well as the number of individuals in structured programmes. See SR: 79
404-2	Programmes for upgrading employee skills and transition assistance programmes	SR: 79-82
404-3	Percentage of employees receiving regular performance and career development reviews	SR: 79

GRI STANDARDS CONTENTS INDEX

CONTINUED

MATERIAL TOPIC — GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 82; AR: 40-41
103-2	Management approach and components	SR: 82; AR: 40-41
103-3	Evaluation of the management approach	SR: 82; AR: 41
405-1	Diversity of governance bodies and employees	SR: 20; 82. AR: 86-91, 93, 236-237
405-2	Ratio of basic salary and remuneration of women to men	AR: 139

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Indicator	Disclosure	Reference
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No operation is considered at risk regarding freedom of association and collective bargaining. The number of high-risk suppliers is not disclosed, but the risk is managed via the Anglo American Responsible Sourcing Standard. SR: 69; 73

GRI 408: CHILD LABOUR

Indicator	Disclosure	Reference
408-1	Operations and suppliers at significant risk for incidents of child labour	No operation is considered to be at significant risk for incidents of child labour. The number of high-risk suppliers is not disclosed, but the risk is managed via the Anglo American Responsible Sourcing Standard. SR: 69-70; 73. No instances of child labour were reported in 2019.

GRI 409: FORCED OR COMPULSORY LABOUR

Indicator	Disclosure	Reference
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	No operation is considered to be at significant risk for incidents of forced or compulsory labour. The number of high-risk suppliers is not disclosed, but the risk is managed via the Anglo American Responsible Sourcing Standard. SR: 73

GRI 410: SECURITY PRACTICES

Indicator	Disclosure	Reference
410-1	Security personnel trained in human rights policies or procedures	SR: 65-66

GRI 411: RIGHTS OF INDIGENOUS PEOPLES

Indicator	Disclosure	Reference
411-1	Incidents of violations involving rights of Indigenous Peoples	SR: 68

MATERIAL TOPIC — GRI 412: HUMAN RIGHTS ASSESSMENT

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 65-68 Human rights impact assessment is relevant throughout the business.
103-2	Management approach and components	SR: 65-68
103-3	Evaluation of the management approach	SR: 65-68
412-1	Operations that have been subject to human rights reviews or impact assessments	SR: 65
412-2	Employee training on human rights policies or procedures	SR: 65

GRI STANDARDS CONTENTS INDEX

CONTINUED

MATERIAL TOPIC — GRI 413: LOCAL COMMUNITIES

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 62
103-2	Management approach and components	SR: 62-64
103-3	Evaluation of the management approach	SR: 63-64
413-1	Operations with local community engagement, impact assessments and development programmes	SR: 62-63

GRI 414: SUPPLIER SOCIAL ASSESSMENT

Indicator	Disclosure	Reference
414-1	New suppliers that were screened using social criteria	SR: 69-70
414-2	Negative social impacts in the supply chain and actions taken	SR: 69-70

MATERIAL TOPIC — GRI 415: PUBLIC POLICY

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 60; 77-78
103-2	Management approach and components	SR: 60; 77-78
103-3	Evaluation of the management approach	SR: 60; 77-78
415-1	Political contributions	SR: 77

GRI 416: CUSTOMER HEALTH AND SAFETY

Indicator	Disclosure	Reference
416-1	Assessment of the health and safety impacts of product and service categories	SR: 61

OMISSIONS

Indicator	Disclosure	Reference
GRI 202	Market presence	GRI 202-1 and 202-2 are not currently reported. Plans are in place to report on the proportion of senior management hired from the local community.
GRI 402	Labour/management relations	Labour relations are critical to Anglo American and are discussed on page 73 of the Sustainability Report. However, GRI 402-1 cannot be reported on meaningfully given the diverse nature of the business.
GRI 406	Non-discrimination	Details associated with potential incidents of discrimination are confidential. However, gender-based discrimination is a priority area for our efforts to protect human rights. SR:67
GRI 417	Marketing and labelling	Not applicable to the mining industry.
GRI 418	Customer privacy	Not applicable to the mining industry.

ICMM AND GLOBAL COMPACT PRINCIPLES

International Council on Mining and Metals

As a member of the International Council on Mining and Metals (ICMM), Anglo American adheres to the 10 ICMM Principles, which serve as a best-practice framework for sustainable development in the mining and metals industry. We also adhere to ICMM Position Statements on various issues that are critical to the mining industry.

Anglo American complies with the ICMM Sustainable Development Framework, Principles, Position Statements and reporting requirements

Our compliance with the ICMM's requirements is addressed throughout this report and a comprehensive account of our approach is available on www.angloamerican.com/icmm-compliant-statement-2019. This account includes the following elements of the ICMM Assurance Procedure:

- The alignment of our sustainability policies against the 10 Principles and mandatory requirements of the Position Statements
- Our process for identifying specific sustainable development risks and opportunities
- The existence and implementation of systems and approaches for managing sustainable development risk and opportunities
- Our performance across a selection of identified material sustainable development risks and opportunities
- Our disclosure in accordance with the GRI standards core option and related Mining and Metals Supplement.

10 Principles

- Principle 1: Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development
- Principle 2: Integrate sustainable development in corporate strategy and decision-making processes
- Principle 3: Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities
- Principle 4: Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks
- Principle 5: Pursue continual improvement in health and safety performance with the ultimate goal of zero harm
- Principle 6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change
- Principle 7: Contribute to the conservation of biodiversity and integrated approaches to land-use planning
- Principle 8: Facilitate and support the knowledge base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals
- Principle 9: Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities
- Principle 10: Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.

Position statements

- Water stewardship
- Tailings governance
- Indigenous Peoples and mining
- Principles for climate change policy design
- Mining partnerships for development
- Transparency of mineral revenues
- Mining and protected areas
- Mercury risk management.

United Nations Global Compact

Anglo American is a signatory to the United Nations (UN) Global Compact Principles, through which we commit to:

- Supporting and respecting the protection of internationally proclaimed human rights
- Ensuring that we are not complicit in human rights abuses
- Upholding the freedom of association and the effective recognition of the right to collective bargaining
- Eliminating all forms of forced and compulsory labour
- Ensuring the effective abolition of child labour
- Eliminating discrimination in respect of employment and occupation
- Supporting a precautionary approach to environmental challenges
- Undertaking initiatives to promote greater environmental responsibility
- Encouraging the development and diffusion of environmentally friendly technologies
- Work against corruption in all its forms, including extortion and bribery.

Our approach to complying with the UN Global Compact Principles is integrated throughout this report.

CONTACTS AND OTHER INFORMATION

Comments or queries related to this report

Irene Caddy

Head of systems and reporting

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Other Anglo American reports

Integrated Annual Report

Tax and Economic Contribution Report

Climate Change: Our plans, policies
and progress

UK Modern Slavery Act statement

Voluntary Principles on Security and
Human Rights

UK Gender Pay Gap Report

Transformation Performance Report

Ore Reserves and Mineral Resources Report

Business units

Building Forever at www.debeersgroup.com

Anglo American Platinum Integrated and
Supplementary Report

Copper Sustainable Development and
Financial Report

Kumba Iron Ore Integrated Report and
Sustainable Development Review

For the latest reports, visit:

www.angloamerican.com/reporting

Forward-looking statements and third party information:

This document includes forward-looking statements. All statements other than statements of historical facts included in this document, including, without limitation, those regarding Anglo American's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Anglo American's products, production forecasts and reserves and resources positions), are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Anglo American's present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, the availability of mining and processing equipment, the ability to produce and transport products profitably, the availability of transportation infrastructure, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by

governmental authorities such as permitting and changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in the section titled "Managing Risk Effectively" of the Anglo American plc Integrated Annual Report 2019. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this document. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers (the "Takeover Code"), the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SIX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Nothing in this document should be interpreted to mean that future earnings per share of Anglo American will necessarily match or exceed its historical published earnings per share. Certain statistical and other information about Anglo American included in this document is sourced from publicly available third-party sources. As such, it has not been independently verified and presents the views of those third parties, though these may not necessarily correspond to the views held by Anglo American and Anglo American expressly disclaims any responsibility for, or liability in respect of, such third party information.

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