



Tax and Economic
Contribution
Report 2023

Re-imagining mining to improve people’s lives

This 2023 report is our tenth Tax and Economic Contribution Report building on earlier tax transparency data released since 2005. This reflects the ongoing importance to Anglo American of responsibility, compliance and transparency in relation to our tax and economic contributions as we strive to be a Trusted Corporate Leader.

Our philosophy remains to be open, honest and transparent and we see this as a continual journey of progress where we listen to our stakeholders and regularly reassess ourselves against not only our standards, but also emerging best practice.

We hope the information contained within this report, together with our annual public country-by-country and payments to governments reports, will help readers to better understand the business contributions we make across our global footprint – from our tax payments to our wider economic and social contributions that benefit local communities and wider society.

Our Tax and Economic Contribution Report is also an opportunity to explain the principles and values that underpin our broader approach to tax, how we govern that approach, and how we engage with our stakeholders.

We welcome feedback on this report and others via GroupTaxReporting@angloamerican.com. In particular, we would like to hear if there are additional datapoints or contextual information that would aid understanding of our tax and economic contributions.

2023 headline metrics

Total tax and economic contribution ⁽¹⁾ \$m		
	2023	2022
Australia	3,310	2,789
Botswana	1,159	1,226
Brazil	2,030	1,630
Canada	280	237
Chile	4,406	4,365
Namibia	611	636
Peru	1,328	1,441
Singapore	393	381
South Africa	7,477	9,095
United Kingdom	2,039	1,728
Zimbabwe	269	318
Other	264	736
Total	23,566	24,584

Taxes and royalties borne ⁽²⁾ \$m		
	2023	2022
Australia	1,055	774
Botswana	473	594
Brazil	290	298
Canada	31	13
Chile	350	930
Namibia	144	113
Peru	223	9
Singapore	52	49
South Africa	831	1,657
United Kingdom	195	134
Zimbabwe	35	95
Other	28	19
Total	3,708^Δ	4,685[◊]

Number of employees ⁽³⁾		
	2023	2022
Australia	2,500	2,220
Botswana	3,500	3,400
Brazil	4,000	4,000
Canada	700	650
Chile	4,200	4,400
Namibia	1,600	1,500
Peru	1,400	1,000
Singapore	400	410
South Africa	36,100	36,100 ⁽⁵⁾
United Kingdom	2,000	2,000
Zimbabwe	1,300	1,300 ⁽⁵⁾
Other	2,200	1,620
Total	59,900	58,600

⁽¹⁾ Total tax and economic contribution comprises the sum of taxes and royalties borne, taxes collected, community and social investment, wages and related payments, and total country procurement (including capital investment). It does not include cash value distributed to Anglo American Plc shareholders and other providers of capital.

⁽²⁾ Taxes and royalties borne are payments in respect of taxes directly incurred by Anglo American as a result of its economic activity. This amount is made up of corporate income tax, royalties and mining taxes, and other payments borne.

⁽³⁾ Average number of Group employees, excluding employees of contractors, associates' and joint ventures' employees, and including a proportionate share, based on percentage shareholding of employees within joint operations.

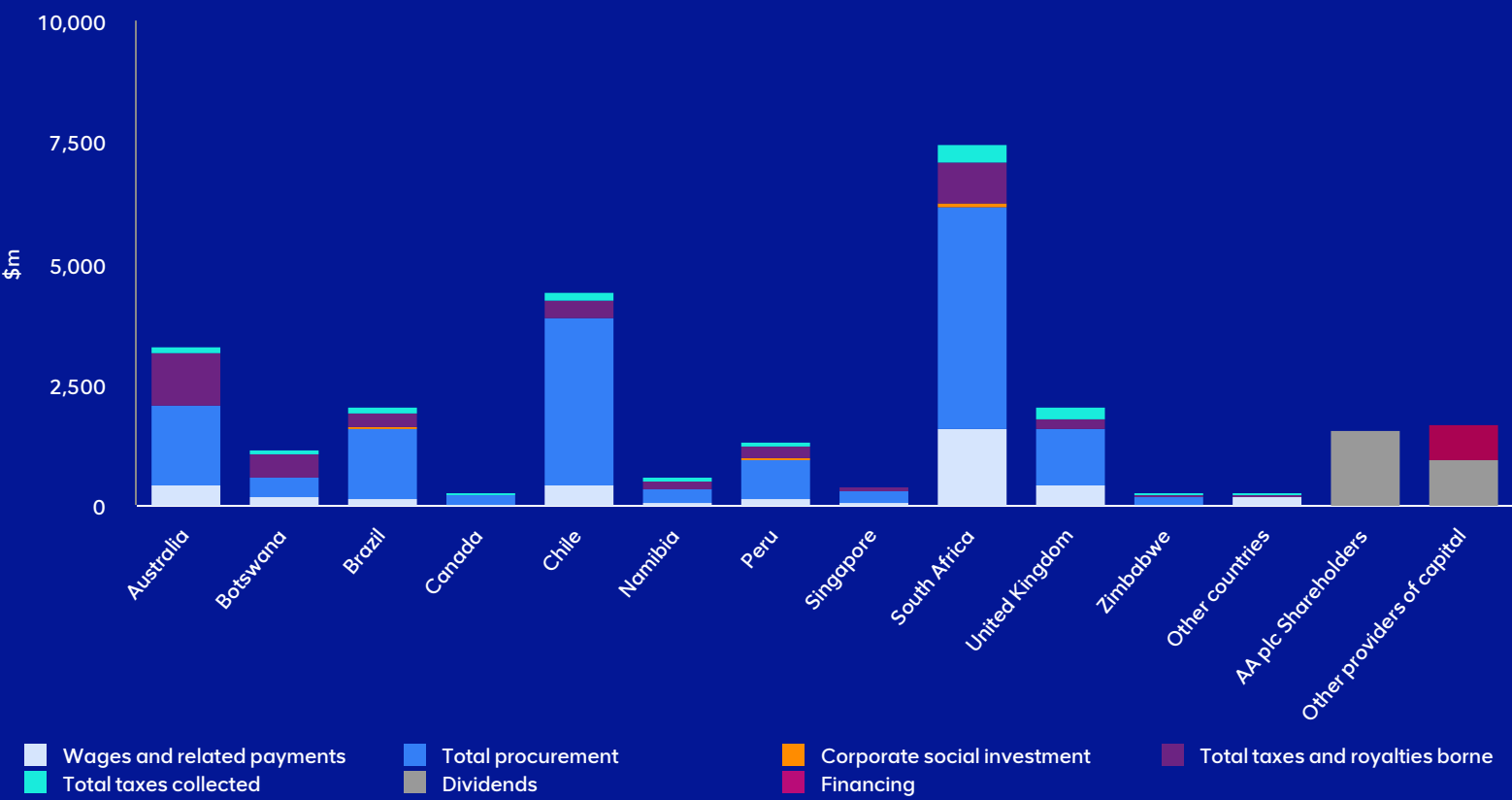
⁽⁴⁾ Further information provided on pages 8–10 and pages 31–42.

⁽⁵⁾ The 2022 figures have been restated for South Africa and Zimbabwe to exclude contractors.

^(Δ) This figure of \$3,708 million has been subject to external independent limited assurance by PricewaterhouseCoopers LLP and is referred to as the 'Subject Matter Information' in their assurance report on pages 47–48. Basis of report preparation as per page 44.

^(◊) This figure of \$4,685 million was subject to external independent limited assurance by PricewaterhouseCoopers LLP in the prior year. Refer to Tax and Economic Contribution Report 2022 for further details.

Total cash value distributed to stakeholders of \$26.8 billion⁽⁴⁾



Scope of the report

The purpose of this report is to provide an overview of the tax and economic contribution made by the Anglo American Group, and further transparency on how tax is managed as part of the Group's overall commercial activities. Numbers have been rounded to the nearest \$ million. Computational discrepancies may occur due to rounding.

Contents

- 04 Our business at a glance
- 06 Statement from our Chief Executive
- 07 Statements from our Finance Director and Group Head of Tax
- 08 Total cash value distributed to stakeholders
- 11 Our Tax Strategy
- 18 Our value chain
- 24 Tax and sustainability
- 31 Country highlights
- 43 Reconciliation of 2023 corporate income tax
- 44 Basis of report preparation
- 45 GRI 207: Tax
- 47 Assurance report
- 49 Glossary
- 50 Contacts and other information



Standing in front of her beehives is Lizet Aduviri, from a local community near our Quellaveco copper mine in Peru. Lizet has had training in beekeeping as part of our Ambassadors for Good programme.

Social channels

- Facebook: AngloAmerican
- Twitter: @angloamerican
- LinkedIn: Anglo American
- YouTube: angloamerican
- Instagram: angloamericanplc

Our reporting suite

You can find this report and others, including our Integrated Annual Report, Sustainability Report (including our wider GRI disclosures) and Climate Change Report on our corporate website:

► For more information visit [angloamerican.com/annual-reporting](https://www.angloamerican.com/annual-reporting)

Our corporate website also includes our country-by-country and payments to governments reports. These reports are prepared annually and provide more contextual information on tax paid by country and by project. The reports for 2022 are already available. The reports for 2023 will be released later in 2024.

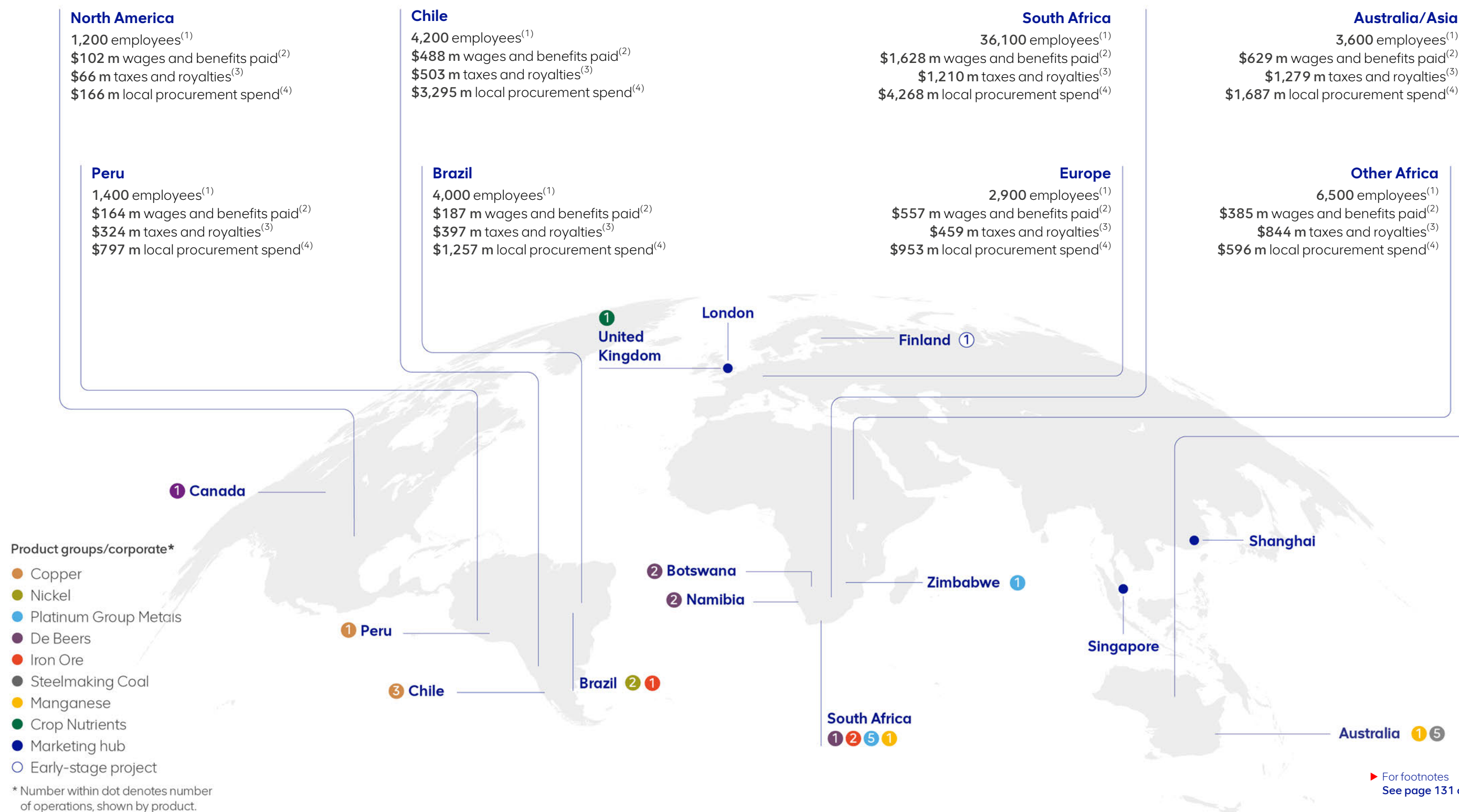
Other sources of information

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

Forward-looking statements, third-party information and Group terminology

This document includes references to the Anglo American Group, forward-looking statements and third-party information. For information regarding the Anglo American Group, forward-looking statements and third-party information, please refer to pages 49–50 of this report.

Our business at a glance



Our business

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

► More detailed information and maps can be found in the business unit reviews
See pages 94–129 of the Integrated Annual Report



Our overview video gives a complete introduction to what we do and our ambitions for the future
Visit youtube.com/watch?v=cYUz_h97X0A

<div>Copper</div> <div>\$3,233 million</div> <div>Underlying EBITDA[◊]</div> <div>32%</div> <div>Group underlying EBITDA[◊]</div> <div>826 kt</div> <div>Production: Copper</div>	<div>Nickel</div> <div>\$133 million</div> <div>Underlying EBITDA[◊]</div> <div>1%</div> <div>Group underlying EBITDA[◊]</div> <div>40 kt</div> <div>Production: Nickel</div>	<div>PGMs</div> <div>\$1,209 million</div> <div>Underlying EBITDA[◊]</div> <div>12%</div> <div>Group underlying EBITDA[◊]</div> <div>3,806 koz</div> <div>Production: PGMs</div>	<div>Diamonds</div> <div>\$72 million</div> <div>Underlying EBITDA[◊]</div> <div>1%</div> <div>Group underlying EBITDA[◊]</div> <div>31.9 Mct</div> <div>Production (100% basis)⁽⁵⁾</div>
<div>Iron Ore</div> <div>\$4,013 million</div> <div>Underlying EBITDA[◊]</div> <div>40%</div> <div>Group underlying EBITDA[◊]</div> <div>35.7 Mt</div> <div>Production: Iron ore – Kumba</div> <div>24.2 Mt</div> <div>Production: Iron ore – Minas-Rio</div>	<div>Steelmaking Coal</div> <div>\$1,320 million</div> <div>Underlying EBITDA[◊]</div> <div>13%</div> <div>Group underlying EBITDA[◊]</div> <div>16.0 Mt</div> <div>Production: Steelmaking coal</div>	<div>Manganese (Samancor)</div> <div>\$231 million</div> <div>Underlying EBITDA[◊]</div> <div>2%</div> <div>Group underlying EBITDA[◊]</div> <div>3.7 Mt</div> <div>Production: Manganese ore</div>	<div>Crop Nutrients</div> <div>\$(60) million</div> <div>Underlying EBITDA[◊] Woodsmith is a greenfield project</div>
			<div>Corporate and other</div> <div>\$(193) million</div> <div>Underlying EBITDA[◊]</div>

◊ Words with this symbol are defined in the Alternative Performance Measures section of the Integrated Annual Report on pages 318 to 323.

A safer, smarter future for mining

In 2023, we took clear steps to improve the competitiveness and resilience of our business while continuing to progress our highly attractive growth options.

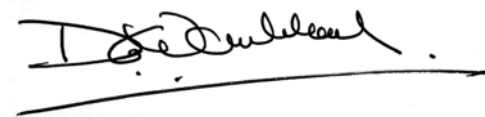
2023 was a challenging year for our business. The macro picture across geopolitics and the global economy has been volatile and we experienced prolonged cost inflation combined with cyclical lows in our PGMs and diamond businesses. We also continued to experience some major logistical constraints in South Africa that we are working with government and our industry partners to resolve. We took decisive action in 2023 to ensure our business is set up to be resilient over the longer term and to protect margins by focusing on operational stability and cost control, supported by production plans that prioritise value over volume. We also streamlined our global business support activities to be more effective. By taking these steps, we are well positioned to capitalise on our attractive suite of products that play a critical role in enabling the energy transition, improving global living standards and food security and drive value for our many stakeholders.

The business challenges we experienced in 2023 will, to some extent, feed through into our tax and economic contribution data; however, it is important to note that the impact is not linear and to recognise the enduring and significant tax and economic contribution we continue to make throughout both the commodity cycle and the life of our mines. Ours is a long term business and we are committed to being the partner of choice for local communities and host governments. We will continue to contribute to and support socio-economic development in line with our Sustainable Mining Plan throughout the lifecycle of our mines and throughout the economic cycles.

Looking forward, our mined products continue to have structurally attractive fundamentals. With Anglo American set up to be more agile and resilient, with an exceptional portfolio of future-enabling products and considerable growth optionality, we are well positioned to capitalise on the demand trends that will characterise the next several decades.

With our commitment to safety and sustainable mining practices, including a commitment to be carbon neutral across our operations by 2040 and an ambition to halve our Scope 3 emissions by the same date, we have much to offer all our stakeholders. In this context, our annual Tax and Economic Contribution Report and the rest of our reporting suite are important tools in demonstrating our longstanding commitment to transparency and the breadth of financial and other benefits our business activities bring to our stakeholders. Our country-by-country report and payments to governments report, which are published later in the year, will provide additional country and project level contextual data.

I am grateful to the continued work of our global tax team in the collation of meaningful data to aid stakeholders in understanding the value we create in its many forms across society.



Duncan Wanblad
Chief Executive

“We are ensuring that Anglo American is set up to be resilient over the longer term to seize the tremendous growth opportunities presented by the quality of our resource endowments and the major demand trends.”



Statements from our Finance Director and Group Head of Tax

During 2023, Anglo American welcomed our new finance director, John Heasley and our new Group head of tax, Kurt Burrows (who was previously head of tax for the Asia Pacific region). Here John and Kurt set out their thoughts on the 2023 Tax and Economic Contribution Report and on the importance of transparency and working together to build trust.



John Heasley
Finance Director

JH The importance of tax transparency and communication of our tax and economic contribution.

Our tax and economic contribution in the countries in which we operate is central to our licence to operate and ensuring we maintain our reputation as a mining partner of choice in the jurisdictions in which we invest.

As such I am proud to release my first Tax and Economic Contribution Report as Finance Director and hope to build on my predecessor's significant legacy in promoting tax transparency.

In this report (our tenth), we set out our Total Tax and Economic Contribution of \$23.6 billion for 2023 and place it into its full context – alongside and through this creation of value for our stakeholders, we generated \$3.2 billion of returns to providers of capital.

This year we are seeking to provide more context to our contribution by providing case studies to highlight particular aspects of our mining value chain, including an insight into the development of the Woodsmith project in the UK

Looking to the future, the design and operation of national and international tax systems are absolutely central to unlocking the metals and minerals needed for a low carbon future and in supporting the continued development of our host countries. We continue to play our part in those conversations and are engaging with stakeholders, aiming to ensure that tax and other relevant laws are globally consistent, technically robust and in line with policy objectives, provide a level playing field and ensure that the right taxes are paid, at the right time, in the right places. We have therefore added a new page this year on the changing tax policy landscape, where we highlight what we consider to be current defining issues.

We hope that you find the detail within this report of interest and that, by including selected examples, it gives you more clarity and context as to the many ways we deliver in line with our Values across everything that we do.

Readers looking for more detail on our tax contribution at a country and project level will also find a wealth of information in our country-by-country and our payments to governments reports which we publish annually. Reports for 2023 will be released over the coming months. Reports for 2022 are available on our [corporate website](#).



Kurt Burrows
Group Head of Tax

KB Working together to build trust

Our commitment to living the Values set out in our Tax Strategy sits at the heart of all that we do in relation to tax at Anglo American. A robust set of internal tax policies, standards and procedures as well as our Tax Governance and Risk Management Framework all operate to help us live up to this commitment day to day, in all our locations.

In a tax environment that continues to grow in complexity and where the demands on taxpayers are increasing considerably, this governance architecture is a key enabler for delivering on our Tax Strategy, including the core commitment to paying the right amount of tax, at the right time and in the right place.

Our commitment to tax transparency enables our stakeholders to understand the approach we take in managing our tax affairs and the very real impact it has for the countries where we operate; our investment in governance gives them confidence that this approach is stable and sustainable.

We were therefore delighted that on 8 December 2023, our transparent reporting of the Anglo American Tax Strategy and Group Values was again recognised with a 100% score for the three tax categories of: tax strategy and governance; tax reporting; and effective tax rate within the Dow Jones Sustainability Index 2023.

Together, tax transparency and governance provide a strong foundation to build the trust that we believe is crucial to the good functioning of tax systems today and in the future. That trust also paves the way for us to bring our experience and perspectives into open and constructive dialogues on the issues that matter most to our stakeholders, and to find mutual and sustained benefit in the challenges and opportunities that lie ahead.

“Building trust involves open communication, transparent operations, adherence to regulations, a commitment to sustainable and responsible mining practices and being accountable for responsibilities and actions.”

Total cash value distributed to stakeholders of \$26.8 billion

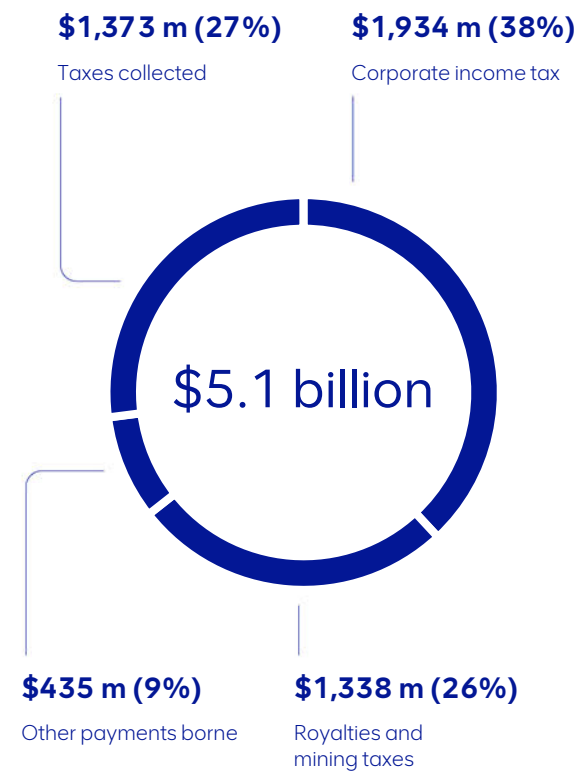
The value we add comes in many forms. On this page, we set out how our three key metrics are built up in order to provide greater clarity on the following terms:

- Total taxes and royalties borne and taxes collected
- Total tax and economic contribution
- Total cash value distributed to stakeholders.

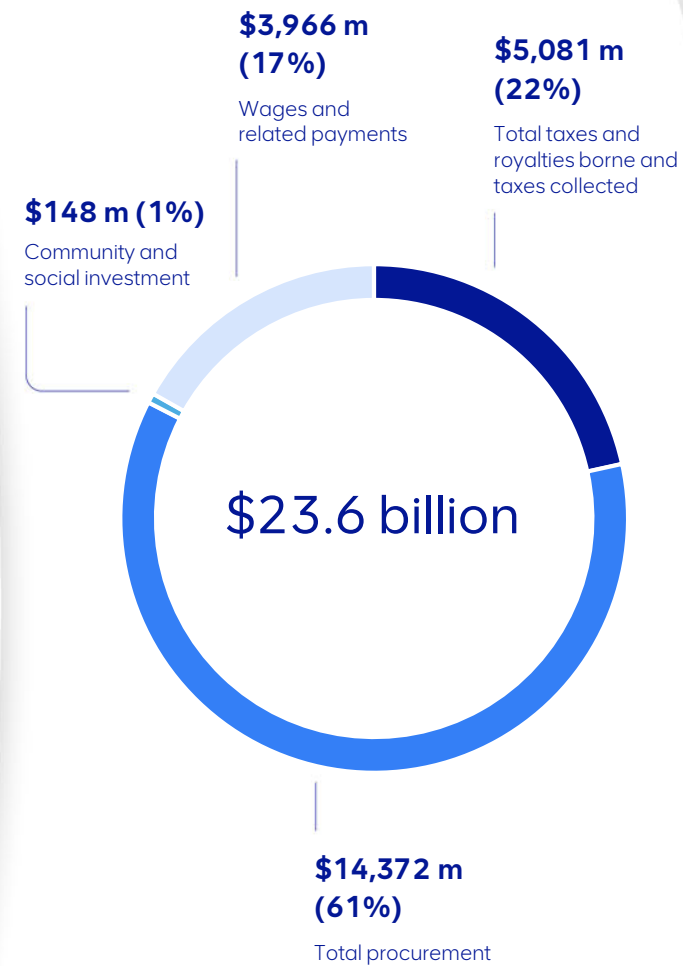
The bar chart on page 2 provides greater granularity on our total cash value distributed to stakeholders by presenting the data by jurisdiction.



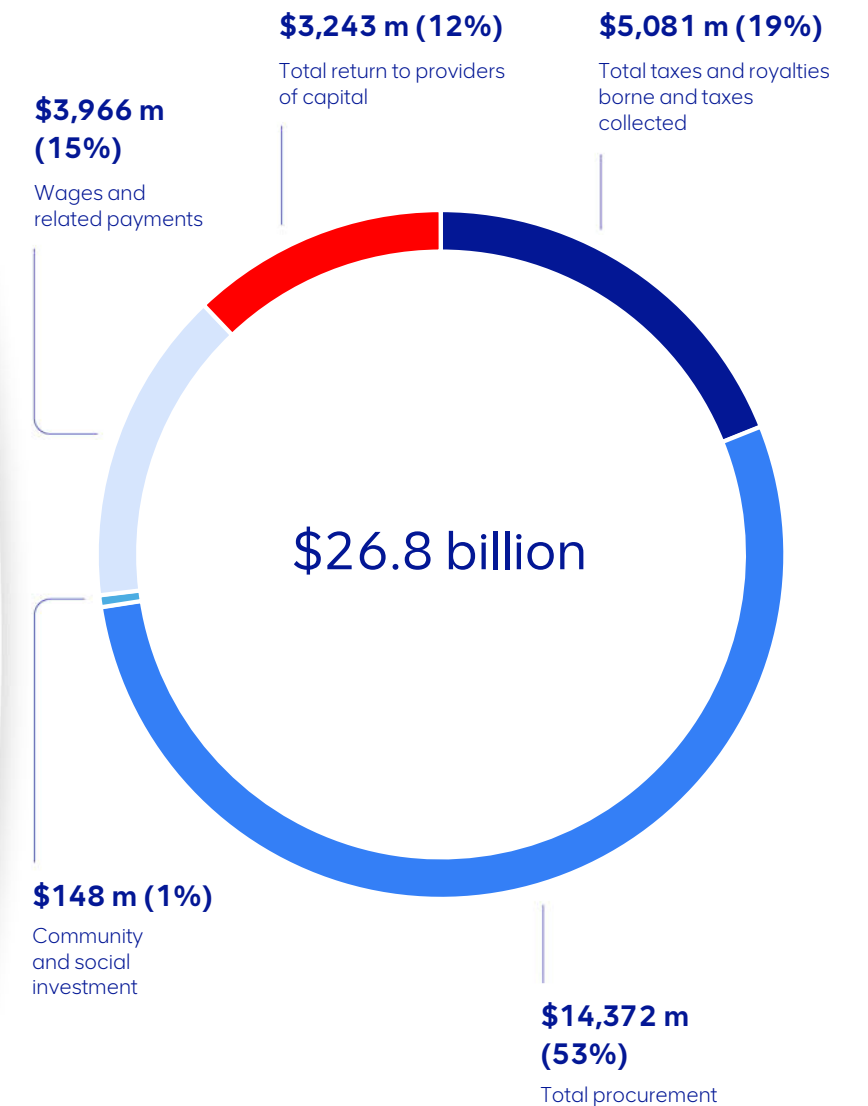
Total taxes and royalties borne and taxes collected



Total tax and economic contribution



Total cash value distributed to stakeholders



On the following two pages, we consider how each of our main stakeholder groups benefits economically from the \$26.8 billion total cash value distributed to stakeholders introduced on the previous page.

By employing people, paying and collecting taxes, spending money with suppliers and undertaking community and social investments, we make a significant positive contribution to both host communities and their regional and national economies. Most of these are in developing countries. Thanks to the multiplier effect, our total economic contribution extends far beyond the direct value we add. And our contribution does not stop there, with payments to providers of capital also providing returns to lenders and shareholders.

Total cash value distributed to stakeholders



Employees

\$4.0 billion

Wages and related expenditure

Our people are critical to all that we do. Local recruitment policies help to deliver economic value to our host communities. We aim to ensure that wages are competitive in the market to retain and attract the talented colleagues who are at the heart of our business performance and our ability to deliver the ambitions that we have.

We create working environments and an inclusive and diverse culture that encourages and supports high performance and innovative thinking.

Our first priority is always the safety of our workforce. Safety comes first; we train, equip and empower people to work safely every day.



Governments

\$5.1 billion

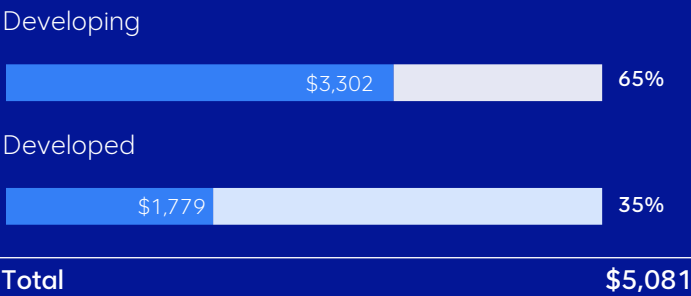
Taxes and royalties borne and taxes collected

The royalties and taxes we pay (and collect) add economic value to a country. They are levied by tax administrations to fund socio-economic projects in line with their government's ambitions.

We see the taxes and royalties that we pay as a critical part of our licence to operate and we are proud that we pay them in the countries where we undertake our economic activities.

Set out on pages 32–42 of this report are more details of the breakdown of total taxes and royalties borne and taxes collected for each of our key jurisdictions.

2023 Total taxes and royalties borne and taxes collected: developing vs developed countries \$m



Suppliers

\$14.4 billion

Total procurement spend (of which \$13.0 bn was local procurement)

We aim to deliver economic value to communities by our policies on inclusive procurement and supporting local suppliers.

By investing in local suppliers, we increase the wealth of the people who live and work in the countries in which we operate. In this report, we demonstrate the total procurement spend for each key operating country and, furthermore, show the relevant amount of local procurement by comparison. This helps our stakeholders understand the benefits that arise as a result of local procurement. For more information on local procurement policies see our Sustainability Report.

2023 Local Procurement spend \$m





Communities

\$148 million

Community and social investment (CSI)

Another key element of our economic contribution to society is our investment in our communities. This collaboration with local partners addresses local needs, provides skills and education, and builds sustainable local economies that are less dependent on our mines.

A full explanation of how we classify community and social investment (CSI) can be found in the Sustainability Report. Broadly, however, it consists of charitable donations, community investment and commercial initiatives.

There must, however, be a clear and primary element of public benefit. We prohibit the making of donations for political purposes to any politician, political party or related organisation, an official of a political party or candidate for political office in any circumstances, either directly or through third parties.

Examples of CSI include the funding of community partnerships which address social issues, the costs of providing public facilities to community members who are not employees or dependants, the marginal value of land or other assets transferred to community ownership and income creation schemes or mentoring/volunteering initiatives that do not have a principally commercial justification.



Providers of capital

\$3.2 billion

(of which \$0.7 billion was paid to lenders, dividends of \$1.0 billion were paid to non-controlling interests and \$1.6 billion was paid to Anglo American plc shareholders)

Investors who share in the risks of the Group via debt funding are compensated via interest paid on external financing. Investors who purchase shares in the Anglo American Group receive a return via dividends, or occasionally, via a share buyback programme. Underpinning our strategy, we have a value-focused approach to capital allocation; sustaining our operations and maintaining asset integrity; and the payment of a base dividend (determined on a 40% underlying earnings-based payment ratio), while ensuring a strong balance sheet. All remaining capital is then allocated based on a rigorous and balanced investment appraisal approach that identifies and delivers projects that will have a net positive impact for our shareholders and the communities in which we operate and that are aligned with our strategic priorities. Discretionary projects that further our strategic ambitions are assessed against financial and non-financial metrics to deliver holistic accretive value.

Non-monetary contributions

The previous two pages have focused on total cash value distributed to stakeholders. However, our contribution to the countries in which we operate extends beyond monetary metrics.

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

On pages 28–30, we set out a series of short case studies on each of the three pillars of our Sustainable Mining Plan to explain how Group tax is contributing in the areas of Healthy Environment, Thriving Communities, and Trusted Corporate Leader.

One area of particular pride for Anglo American is our Collaborative Regional Development (CRD) work. Through our innovative CRD approach, we act as 'a development partner that also happens to mine'. We use this mindset to improve lives by aspiring to create truly Thriving Communities that endure and prosper well beyond our presence. Through CRD, we aim to work together with society as a whole – including government, NGOs and other businesses – to address regional challenges comprehensively and in ways that can be accurately measured, analysed and replicated across our operating footprint. CRD addresses these needs by providing a partnership-based model designed to catalyse scalable and sustainable regional development in every geography where we have operations. For insight into activities undertaken in 2023, see our Sustainability Report 2023, pages 82–84.

Our Tax Strategy



Tax Strategy and our approach

Our Tax Strategy

Everything we do within Group tax is guided by our Board-approved [Tax Strategy](#).

Our published Tax Strategy was originally written in 2017 but it has been reviewed annually ever since to ensure it remains grounded in progressive and sustainable thinking in respect of the management of tax and reflects the Group's Purpose of re-imagining mining to improve people's lives. It is based on five key principles:

1. Governance overseen by the Board
2. Aligned with the Group's Values, Purpose and Sustainable Mining Plan
3. Pay the right amount, at the right time, in the right place and respect the spirit of the law
4. Only use business structures driven by commercial considerations, aligned with business and substance
5. Seek to engage positively and constructively.

Our approach

We remain committed to paying the right tax, at the right time, in the right place.

We recognise the importance of respecting the spirit and letter of the law, including ensuring that tax treatment reflects the commercial reality of our business.

We seek certainty on tax matters where possible. In all our dealings with tax administrations, including where we seek certainty, our relationships are centred on transparency. Where tax administrations have adopted co-operative compliance arrangements, we will favourably consider participation and we actively partner with host country governments, encouraging them to adopt such regimes because we believe proactive transparent discussions about potentially uncertain tax implications are in the interests of both parties.

We allocate value by reference to where it is created and managed within the normal course of commercial activity and we pay tax on that basis. We do not use tax haven jurisdictions to manage taxes and we follow international tax transfer pricing guidelines and local transfer pricing regulations, to ensure that the right value is allocated to each country in which we operate.

We give consideration to utilising tax concessions and incentives which are either offered or generally available and prescribed by relevant statute. These incentives must support genuine business activity and be sustainable.

We embrace international best practice

Our Tax Strategy and the approach outlined in it, embrace international best practice. In particular, we align with:

- The [Responsible Tax Principles](#) of The B Team (a not-for-profit initiative that aims to encourage a better way of doing business)
- [Best Practices for Good Governance](#) released by the European Business Tax Forum (EBTF) in partnership with The B Team and the Tax Executives Council
- Business @OECD (BIAC)'s [Statement of Best Practices for engaging with tax administrations in developing countries](#) ('the Best Practices')
- OECD's [Tax Morale II: Building Trust between Tax Administrations and Large Businesses](#) report.

Our Tax Strategy in operation

Responsibility for ensuring compliance with our Tax Strategy is delegated by the Board to our Group head of tax, Kurt Burrows, who is overseen by our finance director, John Heasley and the Group audit committee.

Our Group head of tax is supported by a global team of qualified and experienced tax professionals, all of whom are required to undertake continued professional development, with annual training provided in-house. This year, tax training has included introductory training on Pillar 2 (the new global minimum tax), the tax reporting process, the Chilean tax environment, decarbonisation and the role of green taxes and training on newly launched Group tax standards. The tax team have also completed mandatory Group-wide training, including content on doing business with integrity.

Our Tax Control Framework and our Tax Risk Management system ensure that our Tax Strategy is lived day to day. Further details on our approach to governance are on page 17.

Our tax policy positions

Our tax policy positions are based on our Tax Strategy, our Values and our commitment to responsible tax practices set out by the external groups of which we are a member, notably The B Team and the EBTF. All our positions are based on clearly defined, immutable principles with foundations in our Sustainable Mining Plan and are consistent globally across issues and geographies. We believe it is possible for tax policy to both support new and ongoing mining investment (providing returns to those taking on project risk), while delivering appropriate tax revenues to governments over the life of the mine.

Tax factors affecting the mining industry

- Mining is a long term business; therefore, fiscal factors, as well as political and economic factors, impact investment decisions and long term operational strategies
- Jurisdictions with the following tax characteristics assist in the development of strong longer term relationships with taxpayers.



Basis of taxation

- Tax should be levied on a fair and equitable basis, enabling risk and reward to be shared between the investor and government, supporting long term investment and job and wealth creation
- Revenue or production royalties may be appropriate when they are set at reasonable (and stable) rates and reflect a payment for ceding the resource
- Profit taxation should be used as the primary mechanism for governments to share in the economic rewards of successful projects
- Detailed tax rules should take account of the specific characteristics of the mining industry, such as appropriate and timely relief for exploration and capital (including remediation) expenditure.



Tax policy and administration

- Tax regimes which are stable and with predictable rules, introduced prospectively, with stakeholder consultation
- Tax legislation that follows internationally agreed principles and therefore fosters certainty
- Tax administration procedures which give reliability over acceptable reimbursements and timing of any due refunds
- Tax administrations should be provided with tools and resources to implement policies and practice in a consistent way.

Living our Tax Strategy: the importance of tax transparency and building trust

The benefits of tax transparency

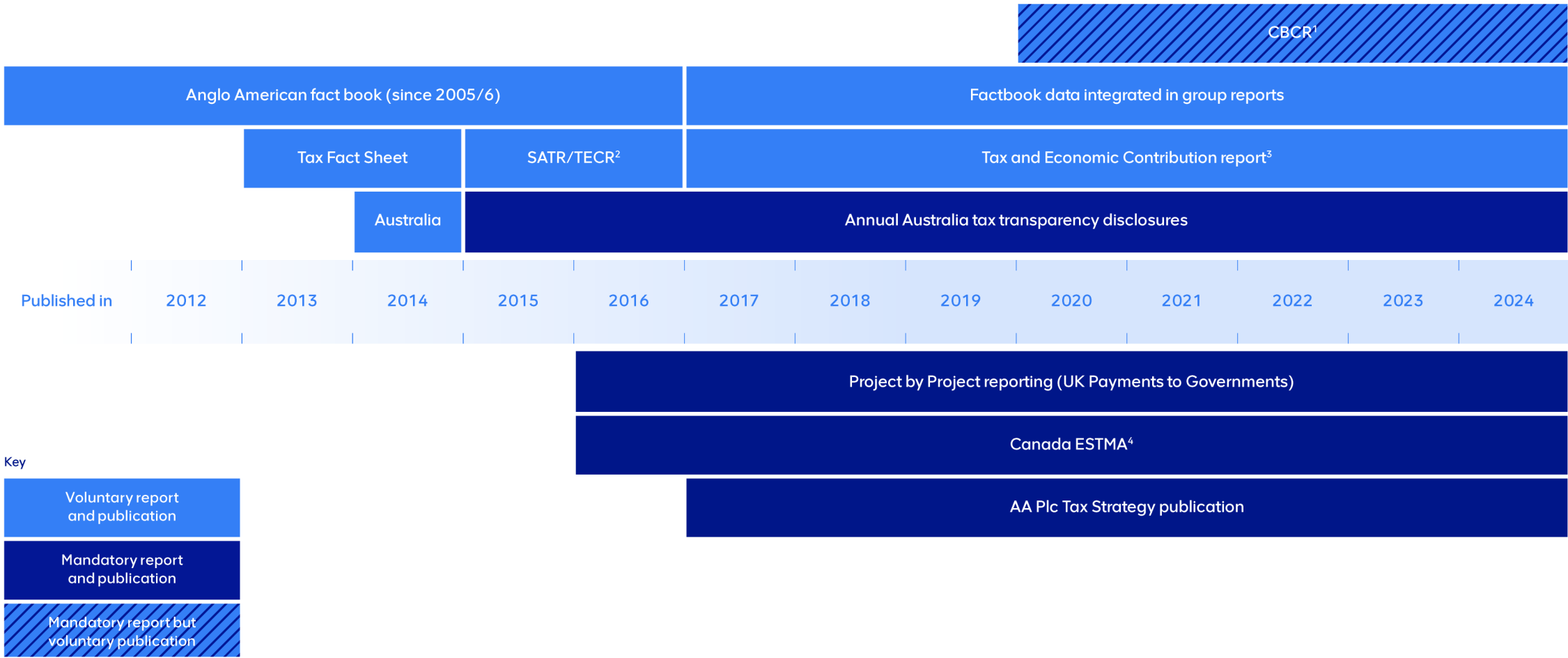
A key pillar of our Tax Strategy is transparency.

Public disclosure is essential for building trust with our stakeholders. We see the benefits of this transparency with all our stakeholders, including:

- Investors: the knowledge that we are deeply committed to good tax governance and responsible tax practices, thereby mitigating tax risk
- Host countries: the development and maintenance of long term, open and constructive relationships between tax administrations and taxpayers
- Communities: understanding the economic benefits that are generated by mining activities in each country and by project
- Employees: understanding the approach to tax and that we are committed to paying the right amount of tax, at the right time in the right place and respect the spirit of the law
- Customers: knowledge about the provenance of our products and the Tax Strategy that sits behind it
- Others: the knowledge that we are making a meaningful tax and economic contribution to the countries where we operate, are actively participating in ongoing tax and transparency debates and proactively engage with industry bodies, business forums and civil society.

We have voluntarily provided information about the tax contributions we make for many years. The timeline on this page shows key dates in our transparency journey under both voluntary and mandatory requirements.

Overview of key events in the tax transparency journey of Anglo American plc



⁽¹⁾ Country-by-country reporting – mandatory filing but published voluntarily from 2020 in the following formats (2020 publication in respect of the years ended 31 December 2018 and 2019 under OECD standardised format, 2021 publication in respect of the year ended December 2020 and all subsequent periods under GRI 207). Note Country-by-country reports were filed with HMRC in earlier years in line with legal requirements.

⁽²⁾ ‘SATR’ was the South Africa transformation report which set out social and economic contribution made in SA. The TEC report superseded the SATR but both reports were published in 2015 and 2016.

⁽³⁾ Translations of the Tax and Economic Contribution report into key jurisdiction languages of Portuguese and Spanish have been undertaken and published since 2019.

⁽⁴⁾ Extractive Sector Transparency Measures Act report (‘ESTMA’).

We would encourage all stakeholders to view not just this Tax and Economic Contribution Report, but also our annual public country-by-country and payments to governments reports, which provide additional context to our country and project level tax data. The [reports for 2022 are already available](#). The reports for 2023 will be released later in 2024.

Country-by-country reporting

We first chose to publish our country-by-country data in 2020 (in respect of the year ended 31 December 2018) based on the OECD standardised format. We subsequently adopted the newer Global Reporting Initiative (GRI) 207 tax standard format in 2021 (in respect of the year ended 31 December 2020 and all subsequent periods) and at the same time accelerated our publication. We believe GRI 207 gives stakeholders better comparability and better data from GRI participating groups by ensuring data is provided on the approach to tax, tax governance, control and risk management, stakeholder engagement and country-by-country data, including narrative on effective tax rates. Our latest country-by-country data can be found on our [corporate website](#).

Project level reporting – payments to governments

We first published project level data across all our projects in 2016. We believe this information can be extremely useful for host communities as it shows the payments made to national governments on a project by project basis. Our latest payments to governments report can be seen on our [corporate website](#).

Furthermore, we support the Extractive Industries Transparency Initiative (EITI). In June 2023, the EITI International Secretariat confirmed that we met Expectation 3 of its supporting company expectations. Expectation 3 covers public disclosure of taxes and payments to governments at a project-level. The EITI's assessment can be viewed here: [2023 Assessment of EITI supporting companies | EITI](#).

Summary of compliance with transparency initiatives

During the year, as a result of the above public reports, we disclose information that satisfies the requirements of the following transparency initiatives:

- UK Reports on Payments to Governments Regulations 2014 (SI 2014/3209)
- Chapter 10 of the EU Accounting Directive (2013/34/EU)
- Global Reporting Initiative 207 (Tax:2019) which include public country-by-country reporting
- Australian Board of Taxation Voluntary Tax Transparency Code
- UK's 'Publish Your Large Business Tax Strategy' (which is a requirement as a result of our UK listing)
- Expectation 3, Extractive Industries Transparency Initiative

Our historical tax transparency reports can all be found on our [corporate website](#), by navigating to the relevant year and searching under either the voluntary or mandatory fields.

Provision of tax data to other organisations

Finally, in order to inform the public debate on tax contribution, we also provide data to the following organisations to support their own sectoral or regional tax transparency reports.

- International Council on Mining and Metals ([ICMM](#))
- European Business Tax Forum ([EBTF](#))
- [The 100 group](#), which represents UK FTSE 100 companies.

Co-operative compliance

2023 has also been a key year in the field of co-operative compliance. Co-operative compliance is a way that tax administrations and taxpayers can secure strong, accurate tax compliance through more targeted use of resources by leveraging tax transparency and building trust. It can deliver greater tax certainty and predictability which are both critical components of a tax environment that encourages cross-border trade and investment.

National co-operative compliance programmes are in place in many countries (both OECD and non-OECD) and recent work by the Global Tax Policy Centre (GTPC) at Vienna University of Economics and Business in co-operation with the International Chamber of Commerce (ICC) and Commonwealth Association of Tax Administrators (CATA) has brought over 200 people together from more than 25 countries to consider best practice and enhance the concept.

Anglo American has been a proactive participant in the workstreams run by this project and embraces the introduction of co-operative compliance programmes in countries in which we operate because we have already witnessed the positive benefits it can bring to all parties.

It was for this reason that in October 2023 we agreed to host the keynote co-operative compliance conference of GTPC in London at our offices. The conference brought together over 70 attendees, including 15 different tax administrations, where many spoke about their experiences of co-operative compliance and the building of trust. The main focus of the conference was considering how to take forward work in three areas:

- Exploring how to develop an assurance standard for tax control frameworks that can be used by internal and external auditors and tax administrations
- Examining the way that interested countries and multi-national enterprises could develop multilateral project related co-operative compliance programmes
- Developing a robust methodology to measure the costs and benefits of such programmes.

Work in each of these areas will be taken forward by multi-stakeholder working groups in 2024, with the results leading to best practice guidelines, which will be presented at a Conference to be held at the GTPC in Vienna on 24–25 October 2024. We look forward to participating in this work during 2024 and beyond.



In October 2023, we hosted a co-operative compliance conference led by the University of Economics and Business in Vienna.

“The world is getting more complex and changing value chains and the international tax system are two good examples of this. Complying with and administering tax rules follow suit, so building trust through transparency and dialogue such as co-operative compliance programmes is vital to ensuring that businesses and tax administrations can be more certain that the right taxes are paid, in the right places, at the right times.”

David Murray
Head of Tax Policy and Sustainability

Living our Tax Strategy: external stakeholder engagement

External tax engagement in 2023

Our external memberships demonstrate how we strive to be a Trusted Leader but also our willingness to engage and be an active member of industry associations, to learn from others on relevant technical, political and social developments and pass on the benefits of our experiences across a broad range of formal and informal consultations on domestic and multilateral issues of relevance to the Group and to broader society.

► The full list of Industry Associations with which the Group engages can be seen on our website at angloamerican.com/policy-advocacy

In terms of international tax policy, the key bodies we engage with are ICM, BIAC, ICC, the Confederation of British Industry (CBI) and the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF). We also engage with networks such as the EBT and The B Team.

In 2023, we participated directly and indirectly in a number of consultations. We typically participate via industry or business bodies but we will respond directly to consultations where we believe we can offer a unique and valuable perspective. Activity in 2023 included:

- Responding to consultations undertaken by the OECD and national governments on, or as a consequence of, Pillar 2
- Responding to industry consultations led by the IGF, including:
 - The Future of Resource Taxation
 - Determining the Price of Minerals: A Transfer Pricing Framework (issued in collaboration with the OECD)
 - Financial Benefit Sharing Issues for Critical Minerals: Challenges and opportunities for producing countries.
- Responding to sector consultation led by the OECD on alternative taxing provisions under Article 5 of Double Tax Treaties as regards ‘Provision on Activities in Connection with the Exploration and Exploitation of Extractable Natural Resources’
- Responding to consultations on a number of other topics including:
 - Australian carbon leakage review
 - Australian Intangible Integrity measures
 - Australian public country-by-country reporting
 - Australian thin capitalisation and debt creation rules

- Botswanan tax reform regarding bills on the Income Tax, VAT and Administration Act
- Brazilian transfer pricing regime
- Brazilian VAT reform
- EU Carbon Border Adjustment Mechanism (CBAM)
- Singaporean transfer pricing guidelines on commodity marketing and trading activities
- South African VAT
- The UK’s double tax treaty network development
- The UK’s research and development tax regime.

Members of our Group tax team also engage in a range of external public speaking engagements in relation to these issues and on broader tax policy issues, such as the future of mining taxation, environmental tax policy and the tax challenges of digitalisation. When we speak publicly, or write articles in external publications, our objectives are always to deliver constructive input that leads to long term sustainable value for all our stakeholders, as well as trying to broaden the understanding of tax issues beyond policymakers and large businesses.

Speaking engagements in 2023 have covered topics including global corporate income tax reform and the future of tax incentives, tax transparency and governance, carbon pricing, ESG and tax, co-operative compliance and best practice on VAT disputes. Group tax members have spoken at events including:

- Chile Day in London
- the IGF’s Future of Resource Taxation conference in Zambia
- The IGF’s Annual General Meeting in Geneva
- the ICC business summit held immediately prior to the first ever Latin American and Caribbean Summit for an Inclusive, Sustainable and Equitable International Tax Order in Colombia
- ICC UK International Trade and Prosperity Week
- Tax Controversy Leaders meeting in London
- TP Minds International Conference in London
- WU Global Tax Policy Centre at Vienna University of Economics and Business’s Co-operative compliance conference in London.

Other external commitments during 2023 have included:

- Our head of tax policy and sustainability chairing both the Tax and Development sub-committee at the BIAC and the International Tax Committee at the UK Chartered Institute for Taxation (CIOT) and acting as vice-chair of the UK CBI Tax Committee and the BIAC Tax Committee
- In collaboration with Vienna University of Economics and Business, our head of international tax has contributed to the 3rd edition of the book Fundamentals of Transfer Pricing, due for release in 2024, by writing a chapter on transfer pricing and the mining value chain. The chapter explores the key drivers of value in the mining sector from the investor perspective and how they may evolve over time, considering how common transfer pricing methods are applied in practice in the mining sector and reflecting on some of the key challenges and ways these could be addressed. This is part of our broader commitment to increasing awareness of taxation issues in our sector
- The tax policy team also wrote articles on the following topics during 2023:
 - (1) Tax morale (Tax Advisor Magazine, UK February 2023). The article highlights the link between the OECD work on tax morale and trust and belief in the tax system (which influences tax compliance behaviours and therefore the intrinsic motivation to pay taxes)
 - (2) Pillar 2 (British Tax Review, Issue 4, 2023), exploring Pillar 2 from the perspective of business in the period to June 2023.

External tax achievements in 2023

In terms of external achievements:

- As referenced above, in June 2023, the EITI International Secretariat confirmed that we met Expectation 3 of its supporting company expectations. Expectation 3 covers public disclosure of taxes and payments to governments at a project level. The EITI’s assessment can be viewed here: [2023 Assessment of EITI supporting companies | EITI](#). Our latest payments to governments report can be seen on our [corporate website](#)

- On 8 December 2023, our transparent reporting of the Anglo American Tax Strategy and Group Values was again recognised with a 100% score for the three tax categories of: tax strategy and governance; tax reporting; and effective tax rate within the Dow Jones Sustainability Index 2023, where the Group scored 75 out of 100, putting us in the 99th percentile in the Metals & Mining sector



► More details can be found at spglobal.com/esg/csa/yearbook/

- We were proud to be shortlisted for ‘Best in House Tax Team’ at the Tolley’s Tax Awards for 2023
- In January 2024, we were also highlighted as one of the top performing companies in Latin American (and the top performing company in Chile) in a tax sustainability study co-authored by the Centro Contributo think-tank and the UC School of Government in Santiago. The study used a new Tax Sustainability Index to analyse data from 2021 and 2022 for over 100 major listed companies from Chile, Peru, Mexico and Colombia, along with six copper mining and lithium companies from Chile. The study evaluated the companies based on principles such as sustainability, governance, engagement and transparency. So, it is very encouraging to see Anglo American scoring 90.2%, significantly higher than the mining industry average at 47.2% and, indeed, the overall average for the study, which was also below 50%.

The changing tax environment

2023 has seen an almost unprecedented level of activity and interest in international tax policy. The Anglo American tax team has continued to be proactively engaged in this debate to both share our knowledge and experiences and learn from the journey of others.

Good tax policy to facilitate the transition to a low carbon future

One area of particular relevance to us has been the ongoing policy debate on how to secure the increased investment needed to deliver the metals and minerals needed for a low carbon future and, specifically, how to utilise existing legal and tax systems to facilitate that activity.

We were therefore pleased to have been invited to speak at a number of forums during 2023 where this issue was specifically addressed, including the AGM of the IGF in November.

Good tax policy for critical mineral projects is, in many ways, similar to good tax policy for any long term capital intensive mining project. There are many different examples globally of domestic tax systems which successfully support mining projects. From a business perspective, tax systems which are stable, with predictable rules which are introduced prospectively and with consultation, offer a strong investment landscape. When reaching an investment decision, the multinational enterprise (MNE) will evaluate the likely post tax economic return alongside the risks associated with the project. Of course, host governments also rightly need to see tax revenues or other forms of economic return from the mining project, however, the objectives of governments and miners need not be mutually exclusive. Good tax policy can optimise investment even for marginal high risk projects while providing host governments with the return that they rightly need to support development.

We look forward to working with interested stakeholders at global and national levels on this topic in 2024.

The role of tax incentives

There are many good reasons for the use of tax incentives by countries wishing to support specific investment – promoting activity that might not be economically viable without it, supporting employment, or ensuring a country participates in a certain industry or has access to a resulting product.

The scale of the challenge of transitioning to a low carbon future and the pace at which it needs to be delivered, together with uncertainty around emerging technologies and future prices of minerals, means that government support in many cases may be vital. However, tax incentives should be proportionate and targeted to achieve their policy aims, thus protecting the revenues of host governments.

Our Tax Strategy is clear that we will only utilise incentives where we believe they are sustainable. Key features of good tax investment incentives, include:

- Based on economic analysis and engagement with all stakeholders (including investors)
- Based on clear legal provisions
- Target marginal investment (i.e. encouraging investment that otherwise would not have taken place at the same level)
- Include mechanisms for assessing the success of the regime for future learning
- Aligned with international standards and regimes such as domestic controlled foreign company (CFC) rules or the OECD's Pillar 2 rules.

We willingly engage in discussion of the evolving role of tax incentives and its place in good tax policy design. For example, in July, we spoke on this topic at an ICC conference in Colombia on the eve of the first ever Latin American and Caribbean Ministerial Summit on Taxation.

We have also recently refreshed our in-house tax incentive and concession standard to help Group tax navigate this increasingly complicated area, in a way that is consistent across businesses and geographies.

International developments

In line with our published Tax Strategy, the Group actively monitors tax developments at a national level, as well as global themes and international policy trends, on a continuous basis. We have active engagement strategies with governments, regulators and other stakeholders within the key countries in which the Group operates, or plans to operate, as well as at an international level.

One particular area of focus in 2023 has been global tax reforms, specifically those being agreed through the OECD's Digitalisation of the Economy Project which seeks to reallocate taxing rights for very large profitable groups ('Pillar 1') and to implement a minimum effective tax rate of 15% on profits of large multinational groups in each country in which they operate ('Pillar 2').

On Pillar 1, our focus has been on the Extractives Exclusion (while ensuring that other activities are not inadvertently or inappropriately excluded from scope) and feeding thoughts into the OECD and other stakeholders to explain the mining value chain as it applies in our business, with the primary purpose of protecting the tax revenues of resource rich countries. We welcome the release of the Multinational Convention in October 2023, while noting that a number of issues remain to be resolved prior to the Convention being open for signature. We continue to assess the impact on our business should the Convention enter into force.

On Pillar 2, 2023 has been a decisive year with a number of countries enacting implementation legislation. As a UK head-quartered group, Pillar 2 applies to our business from 1 January 2024 when the UK legislation came into effect.

We are supportive of the objective of Pillar 2 in preventing a 'race to the bottom' on tax rates and reducing concerns in respect of tax haven jurisdictions. We have worked over a number of years with the OECD through the BIAC and subsequently with national governments on Pillar 2 policy design and implementation, with the aim of ensuring that the rules are as coherent, co-ordinated and practicable as possible.

Although these rules will only apply to the Group from the financial year ended 31 December 2024 onwards, the Group has carried out an assessment of its potential exposure to Pillar 2 taxes. This assessment is principally based on the application of the transitional safe harbour exemptions within the UK's Pillar 2 legislation and uses data from the most recent submission of the Group's country-by-country report, being for the year ended 31 December 2022. As part of this assessment, the Group has adjusted for one-off events in the year ended 31 December 2022, which are not expected to be repeated in future periods. The Group is not aware of any events in the current year ended 31 December 2023 which would give a materially different result. The assessment has identified a potential exposure where the Pillar 2 effective tax rate is expected to be lower than 15%. This exposure is estimated to have had an impact of less than one percentage point to the Group's underlying effective tax rate based on underlying profit before tax for 2022.

The Group continues to review legislation to evaluate the potential impact and is engaging with policymakers in efforts to ensure that guidance and any required additional legislation, is aligned to the stated policy objectives and that the Group is well placed to comply.

Tax governance and risk management

Our approach

Our approach remains the same as in 2022. Our Board sets our Tax Strategy and is ultimately accountable for overseeing the Group's compliance with it. Operational accountability for ensuring compliance with the Tax Strategy is delegated to the Group head of tax who, supported by a global team of experienced tax practitioners, is responsible for managing the tax affairs of the Anglo American Group and ensuring that our tax policies (which govern the way tax is managed across the Group) fully embed our Tax Strategy throughout the business.

The Tax Strategy defines our approach to tax through three key pillars, being: responsibility, compliance and transparency. Tax governance and the management of tax risk are core to the responsibility pillar of our approach to tax.

Our Tax Risk Management Policy (TRMP) establishes a consistent and comprehensively applied methodology for the identification, assessment, management, escalation and reporting of tax risks.

The TRMP applies to taxes across all jurisdictions and addresses:

- Specific/judgement based risks – providing clear management pathways and decision criteria for dealing with areas of genuine uncertainty in the tax law
- Operational/process risks – establishing clear principles for analysing, evaluating and treating (with mitigating controls) tax risks which are inherent in our business activities.

All members of Group tax attend compulsory tax risk management training, covering the core requirements of the TRMP.

Operational and process tax risks are managed through our Tax Control Framework (TCF). Having a robust TCF is an integral component of our Tax Governance and Risk Management Framework.

The TCF, which is aligned with our broader approach to risk management, is a global framework which sets clear accountabilities and responsibilities for tax risk management and assurance and reflects the need for specialist tax expertise and knowledge of the business. It operates through a three lines of defence model:

- The first line: our team of tax professionals and broader business stakeholders, responsible for delivering on the Tax Strategy in the context of the broader business objectives. The first line owns and manages risks and controls in accordance with the Tax Risk Management Framework

- The second line: our dedicated tax governance, risk and compliance team, responsible for developing and maintaining the Tax Risk Management Framework within which the first line operates. The second line provides oversight, support, monitoring (through control review and testing) and ultimately a level of assurance over the effectiveness of the Tax Risk Management Framework
- The third line: the internal or external independent assurance provided to management and the audit committee on the adequacy and effectiveness of the Tax Risk Management Framework.

The TCF sets a global minimum standard of control across the Group and provides the framework within which we dynamically respond to new and changing tax risks across the Group. We believe the TCF helps facilitate transparent and co-operative relations with the tax administrations.

We periodically monitor and review tax risk and the effectiveness of controls within the TCF, which informs the reporting and assurance provided to the Group audit committee in respect of the management of taxes across the Group. We also monitor compliance with the broader Tax Governance and Risk Management Framework (including the TRMP).

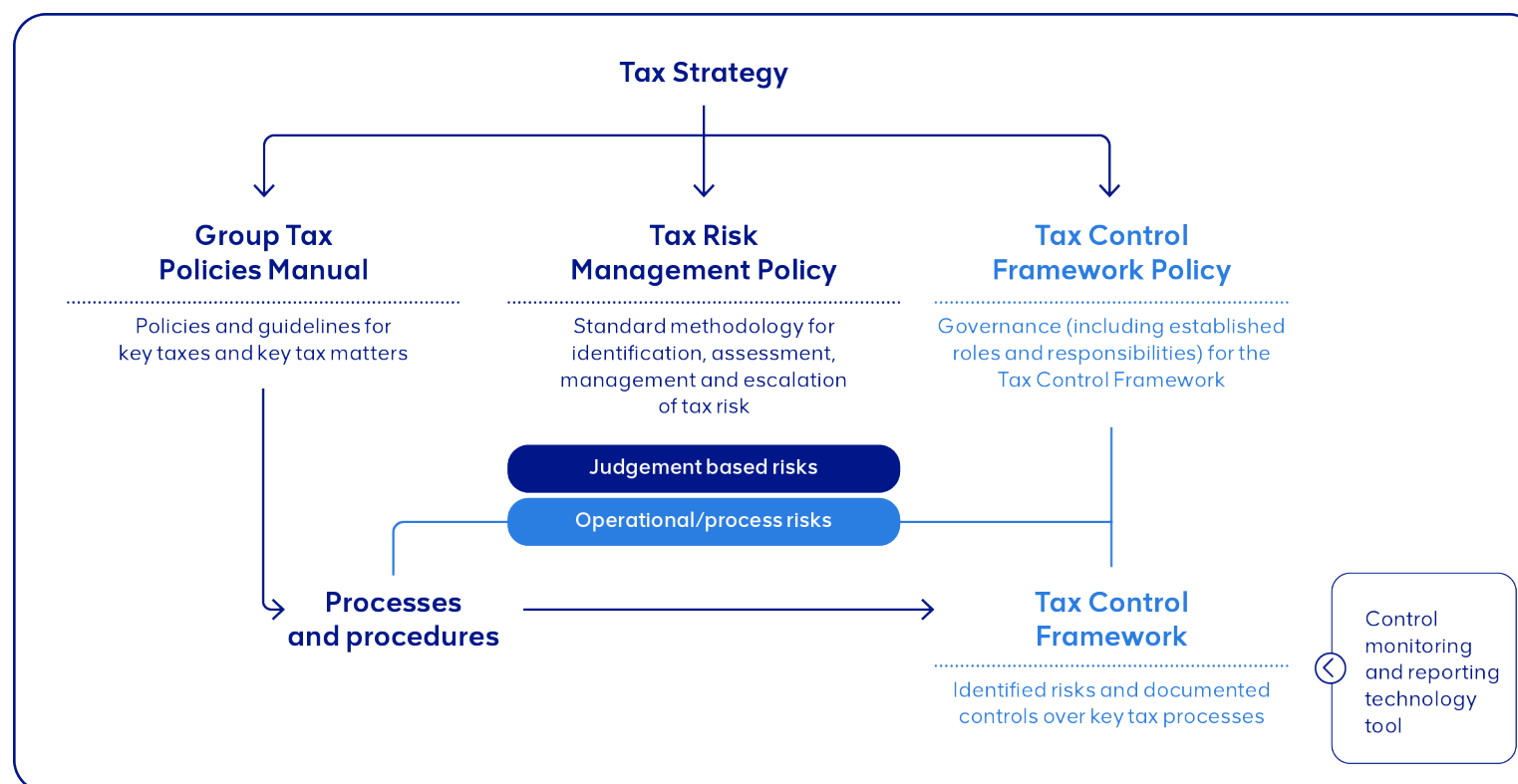
The Tax Governance and Risk Management Framework has been deployed across the Group and, as at 31 December 2023, the global minimum standard of control prescribed by the TCF is operational in all our major operating jurisdictions. We continue to engage in the debate on the evolution of good tax governance through our membership of The B Team.

2023 highlights

Following a detailed review in 2022 of our internal tax policies and procedures, in 2023 we refreshed our internal standard on tax incentives and concessions (which now includes specific consideration of the implications of Pillar 2). Further enhancements and refinements to internal policies and standards will continue throughout 2024, to ensure they remain up to date, in line with best practice and appropriately support the principles outlined in our Tax Strategy.

Also, during 2023, we participated in a peer-review exercise arranged by The B Team, where we explored alignment with The B Team Responsible Tax Principles which embrace accountability, governance and transparency. Anglo American signed up to The B Team in 2018 and since then we have worked hard to ensure our approach to tax is consistent with that of The B Team. The exercise was a valuable opportunity to discuss the Responsible Tax Principles in detail, learn from others and review progress to date. During 2024, we will continue to work to strengthen our approach.

Finally, in 2023, we continued our engagement in the area of co-operative compliance, culminating in hosting, at our London head office, a two-day conference in October on co-operative compliance led by the University of Economics and Business in Vienna. More detail on the conference is set out on page 14 but in the context of tax governance and risk management it is important to note that one of the key topics for discussion was the use of TCFs to build external comfort on the approach to tax within a business and what best practice on TCFs looks like. We are currently involved in workstreams that seek to explore how to develop an assurance standard for TCFs, how multilateral co-operative compliance can be used to good effect in international tax projects and how to develop a robust methodology to measure the costs and benefits of co-operative compliance programmes. This work will continue in 2024.



Our value chain



Our value chain

Across every aspect of our value chain, 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.



Tax and economic contribution through the value chain

As set out in our Tax Strategy, we are committed to paying the right tax at the right time in the right place.

The UN, the OECD and the World Bank recommend that where transactions take place between two related parties, transfer prices should be set in accordance with the 'arm's length principle'. This is the price that would have been charged by an unrelated party for carrying out comparable transactions.

At Anglo American, transfer pricing is established with a globally consistent approach to be compliant with local law and international best practice. Pricing of related party transactions reflects the economic substance of the relevant entities and commercial substance of the transaction, to ensure that taxable profits arise in the jurisdictions where the operations create value.

Where possible, we enter into real time discussions with tax administrations to agree this approach upfront and reduce the risk of any possible disputes later.

On this page, we set out how we contribute at each stage of our current value chain and in the following pages we provide case studies to provide additional insight into three components of the value chain:

- Plan and build
- Mine
- Move and market.

Looking ahead, we may choose to evolve the extent and nature of our value chain over time as our business looks to deliver our carbon neutral ambitions, including opportunities that may arise relating to the broader energy transition. Our adoption of new mining related processes and technologies and changing consumer demand patterns, may also present such opportunities. We are working with stakeholders to better understand the nature of such potential changes, to ensure that we continue to allocate the creation of value to the appropriate jurisdictions.

End of life plan

How we contribute

- Significant payments to suppliers and contractors, when placing a mine onto care and maintenance and in rehabilitation of the land, generating sales taxes
- Wages paid to employees and payroll taxes
- Corporate income tax and royalties on residual sales from mining operations
- Withholding taxes on services provided from other parts of the Group
- Ongoing contributions to host communities, including technology, infrastructure, jobs and upskilling
- Payments to shareholders and lenders

Move and market

How we contribute

- Payments to suppliers and contractors, including transportation companies, generating goods and services taxes and import/export duties
- Wages paid to employees and payroll taxes
- Various taxes, including corporate income taxes, on marketing, shipping and logistics activities
- Withholding taxes on services provided from other parts of the Group
- Ongoing contributions to host communities, including technology, infrastructure, jobs and upskilling
- Payments to shareholders and lenders

Discover

How we contribute

- Payments to suppliers and contractors, generating sales taxes and import duties
- Wages paid to employees and payroll taxes
- Permits and licence fees
- Contributions to host communities, including jobs and upskilling
- Withholding taxes on services provided from other parts of the Group



Process

How we contribute

- Payments to suppliers and contractors, generating sales taxes and import duties
- Wages paid to employees and payroll taxes
- Mining royalties and resource taxes paid from extraction
- Corporate income taxes on net profits of mining operations
- Withholding taxes on services provided from other parts of the Group
- Ongoing contributions to host communities, including technology, infrastructure, jobs and upskilling
- Payments to shareholders and lenders

Plan and build

How we contribute

- Payments to suppliers and contractors, generating sales taxes and import duties
- Wages paid to employees and payroll taxes
- Permits and licence fees
- Significant local capital investment
- Contributions to host communities, including technology, infrastructure, jobs and upskilling
- Withholding taxes on services provided from other parts of the Group

During the discovery and plan and build phases no mining royalties or corporate income taxes are due because production has not started nor revenues generated.

Mine

How we contribute

- Payments to suppliers and contractors, generating sales taxes and import duties
- Wages paid to employees and payroll taxes
- Significant local capital investment
- Mining royalties and resource taxes paid from extraction
- Corporate income taxes on net profits of mining operations
- Withholding taxes on services provided from other parts of the Group
- Ongoing contributions to host communities, including technology, infrastructure, jobs and upskilling
- Payments to shareholders and lenders

Plan and build case study – Woodsmith, UK

The Woodsmith project is currently under construction in North Yorkshire in the UK. From a portfolio perspective, we intend for it to be a cornerstone, long life, lowest quartile of the cost curve asset, delivering strong cashflows for many decades. We are leveraging our capabilities and experience, including in respect of marketing and are drawing on our technical processes and our innovation platforms to deliver this project.

The Woodsmith project will set the standard for the future of sustainable mining through innovative design, small footprint, care for our environment and wider community and regional benefits.

With capital build costs to date in excess of \$2.5 billion, this is a substantial investment by Anglo American in a project that will help to feed the world through products based on polyhalite, a natural mineral with four of the six macro nutrients that all plants need to grow.

Polyhalite will be mined and then granulated to create POLY4, a patented product, which is a comparatively low carbon fertiliser suitable for organic farming that will allow farmers to maximise crop yield and increase crop quality with one simple product. It supports soil health and contains more nutrients than traditional fertilisers, as it naturally contains important plant nutrients: potassium, sulphur, magnesium and calcium.

POLY4 can also have a positive effect on the quality of land we use to farm globally. And it's not only the end product that will change the world, Woodsmith is a living example of the future of mining.

Importance of sustainability

The Woodsmith project represents a mine of the future, a mine being built in a national park with a very small footprint. Due to its sustainable design, you would never know it was there. All mining operations will be out of sight underground, with the number and size of surface buildings kept to a minimum and sustainably designed to be sympathetic to its location. Construction of the two deep shafts is all taking place beneath the surface using cutting edge shaft boring roadheaders (SBRs), the first time they have been used in the UK.

The use of the SBR on the service shaft is leading to development of new technologies and tools to progress the main production shaft. As an example, the service shaft has tested new picks, cutting technologies and methods of operation.

The 37 km long tunnel that will transport the polyhalite for processing is underground, meaning all transportation is hidden, with no need for carbon heavy haulage. In 2023, the tunnel boring machine became a record breaker after reaching 25.8 km – the longest distance ever achieved with a single drive – an incredible feat of engineering.

Economic contribution through the value chain

The tax and economic contribution from the plan and build element of our value chain typically encompasses:

- Payments to suppliers and contractors, generating sales taxes and import duties
- Wages paid to employees and payroll taxes
- Permits and licence fees
- Significant local capital investment
- Contributions to host communities, including technology, infrastructure, jobs and upskilling.

During the plan and build phase, corporation tax is not due because meaningful production has not yet started.

In the following paragraphs we provide an insight into the contribution of our Woodsmith project, focusing on activity in 2023.

The substantial investment in the Woodsmith project continues to deliver significant economic benefits in the local community, wider region and across the UK. The region in which the project is being constructed has high areas of deprivation, so our Social Performance Plan is focused on improving the long term prospects of the area. Throughout construction, more than 1,700 new jobs have been created, with approximately 70% of these positions currently filled by local people – this local participation will continue as the mine goes into operation.

Engaging local businesses in the supply chain is another way the project is supporting the local economy. In 2023, \$623 million was spent sourcing goods and services from companies both in the immediate region and the wider UK and the team is currently recruiting a local procurement manager to increase that number moving forward.

As noted on page 20, although no corporation tax is currently due because the Woodsmith project is still in construction, taxes, such as employment and sales taxes, are still borne and collected. Taxes and royalties borne and taxes collected in 2023 amounted to \$20 million. UK country level data, which includes the results of our corporate office and UK marketing team, can be found on page 41 of this report and also in the country-by-country report for 2023 which will also be released later in 2024.

In addition to direct economic contribution, there is a significant focus on supporting broader, long-lasting social and environmental benefits in the local community by implementing our Sustainable Mining Plan (see further, page 26).

Our Thriving communities programme, launched in 2021, is part of that plan. It focuses on four key pillars; livelihoods, education, health and neighbourhoods.

As an example, the livelihoods pillar supports the growth of key sectors of the local economy that will have the most impact on the region; sectors that are forecast to grow and have a synergy with our business, namely:

- Bioeconomy
- Low carbon and clean energy, supporting the UK's first carbon neutral industrial cluster in Teesside
- Cybersecurity.

A number of business support programmes have been funded, including one local project to support small and medium sized enterprises in the bioeconomy to develop their products and processes and create a local bioeconomy network. This has led to the creation of a new 'Made in Whitby' brand promoting high quality, locally sourced products.

To date, as part of the thriving communities programme, 968 businesses have been supported in some way. Support has also been given to people to develop their skills and business ideas, which has resulted in 115 new business start-ups and enabled 165 people to move into employment.



Enthusiastic schoolchildren at a two-day cybersecurity programme, a collaboration between the UK's GCHQ and our Crop Nutrients business.

The education pillar is another key component of the thriving communities programme. The aim here is to equip disadvantaged students with the skills they need to succeed. The three year pilot encompasses 150 students from six local schools and is designed to help each student reach their potential.

Considered holistically, the local economic impact of the Woodsmith project will be significant – however the wider economic impact of 13 million tonnes of exported goods could be even more.

The project offers a significant opportunity for innovation and there are a number of ongoing workstreams. The borehole remediation programme is employing cutting edge magnetic and acoustic technology to perform world first drilling activities to reduce shaft sinking risk and enable safe and efficient construction.

The R&D Plant is continuing at pace to research and develop improved processes for making POLY4 and polyhalite products.

In terms of operational readiness a number of key innovative developments are being explored as part of FutureSmart Mining™.

The Woodsmith project is a unique opportunity to create a sustainable mining operation, for the benefit of all stakeholders, that will support the demands of a growing population, producing food in a sustainable way, while also improving soil health.

Mine case study – Nickel, Brazil

Our Nickel operations are well placed to serve the global stainless steel industry, which depends on nickel and drives demand for it. Our nickel assets are in Brazil, with two nickel laterite mines and ferronickel production sites: Barro Alto and Codemin-Niquelândia, in the state of Goiás.

The Barro Alto nickel deposit was discovered in the late 1960s and we completed our purchase of the deposit for \$35 million in 2002. We began to mine nickel ore in 2004 in an open-pit, initially transporting the nickel to our Codemin-Niquelândia plant for processing but, following capital expenditure of \$1.9 billion, a processing plant was built at Barro Alto and on-site processing of ferronickel commenced in 2011. Today, nickel ore from Barro Alto is processed at both the Barro Alto and the Codemin-Niquelândia plants, the latter providing extra processing capacity.

The Codemin-Niquelândia site is Anglo American's oldest in Brazil and has been in operation since 1982. It comprises an open-pit mine and the processing plant; however, the mine currently has reduced activity, with the primary focus being on using the Codemin-Niquelândia plant to process material from Barro Alto.

The products from our Nickel operations are either marketed and sold domestically, or are sold at the port to the Group's marketing entities which, in turn, market and sell the product to overseas customers in their respective regions. For more information in respect of our Marketing business, see the case study on page 23.

Importance of sustainability

Our Nickel operations embrace sustainable practices. 2023 was a milestone year, with 100% of electricity consumption coming from renewable sources for the first time, reducing greenhouse gas emissions by an estimated 13%. In terms of water efficiency, this now ensures that over 93% of water is reused in our Nickel operations.

Sustainability is also at the heart of many of the socio-environmental initiatives supported by our Nickel operations, some of which we showcase on this page.

Economic contribution through the value chain

The value we add from any mining operation comes in many forms and our Nickel operations, while a small part of our global business, are no exception. Typical contributions include:

- Payments to suppliers and contractors, including transportation companies, generating goods and services taxes and import/export duties
- Wages paid to employees and payroll taxes
- Mining royalties and resource taxes paid from extraction
- Various taxes on marketing, shipping and logistics activities
- Corporate income taxes on net profits of mining operations
- Withholding taxes on services provided from other parts of the Group
- Ongoing contributions to host communities, including technology, infrastructure, jobs and upskilling
- Payments to shareholders and lenders.

In the following paragraphs we provide an insight into the contribution of our Nickel operations focusing on activity in 2023.

In 2023, our Nickel operations spent more than \$420 million in local procurement, benefiting local suppliers directly and helping to drive the local economy.

Taxes and royalties borne and taxes collected in 2023 amounted to \$37 million. Further data on our monetary contribution at a project level can be found in our payments to governments reports. The report for 2023 will be released later in 2024. Brazilian country level data, including results for our Brazilian Iron Ore business, can be found on page 34 of this report and also in the country-by-country report for 2023 which will also be released later in 2024.

2023 has also seen a significant number of local initiatives undertaken by the Nickel operations as part of our Sustainable Mining Plan.

Two important environmental regeneration projects are ongoing in the Cerrado Biome and have shown significant progress toward biodiversity conservation.

'Together for Araguaia' is an environmental programme spearheaded by the State Government of Goiás, in partnership with other regional governments and the federal government, NGOs and the private sector, aimed at building differentiated



Aspiring drummers from a community close to our Barro Alto nickel operation in Brazil participating in a music workshop financially supported by the mine.

models of environmental restoration, forest restoration and water soil conservation. Anglo American was the first company to support the programme, in partnership with the NGO, Espinhaço Institute. This initiative will provide water for communities and businesses and reduce erosive processes and turbidity of water courses. Through Anglo American's investment, approximately 133 hectares of the Araguaia River Basin has been restored as at December 2023 and by 2026 a further 263 hectares will be restored through our investment alone.

A second conservation project has seen Anglo American undertaking the restoration of approximately 170 hectares of degraded land through the planting of approximately 300,000 plants including endangered species. The project aims to contribute to the expansion of native vegetation in the Cerrado Biome, specifically in Niquelândia, as well as the conservation of endangered species crucial for biodiversity conservation. In this initiative, Anglo American has prioritised the acquisition of seedlings from local communities, instead of producing them or buying from a single large supplier. This initiative was made possible through partnerships that involved 15 local families receiving supplies, infrastructure

and technical assistance for the production of the necessary seedlings. So far, 170,000 seedlings of endangered native species have been acquired. With the guarantee of the purchase of seedlings, the local families are working to produce all the necessary stock for the project. Thus, the producers have created a new source of income and a new skill, improved their quality of life and contributed to the conservation of Cerrado biodiversity.

Our Nickel operations also support social projects. Ten projects have been approved and are in the process of receiving investment of \$0.2 million over the period 2023–2024. The projects were selected, for the first time, following consultation with members of our Community Engagement Forum.

Camerata de Violões is one such project. It promotes the social and cultural development of children and adolescents from vulnerable backgrounds through music and guitar lessons, educational content and psychosocial support.

In 2023, we were also able to train more than 400 health, education and social welfare professionals on sexual and reproductive health, transmittable diseases and drug and alcohol abuse. We have also promoted seminars to share best practice for teachers and education professionals and were able to train and develop school professionals in management skills.

In Brazil, Anglo American's Crescer Programme promotes economic diversification and the reduction of local dependence on the mining sector. In 2023, we started a new phase of the programme, seeking to develop 70 milk producers and train up to 400 young people by 2025.

Finally, donations made by our Nickel operations in 2023 include:

- Computers for the municipal health authorities and education system in Barro Alto and Niquelândia
- An ambulance for the local authority in Niquelândia.

In addition, the Nickel operations also made the following institutional investments in 2023 to help drive socio-economic development together with local partners:

- Drilling a well for the Tomás Cardoso rural community in Barro Alto
- Donation towards the building of a headquarters for Barro Alto municipal government's secretariat of the environment and
- Sponsorship of Josephina's gastronomy festival in Niquelândia and Barro Alto's Agro Expo.

Move and Market case study- Marketing

Our Marketing business was created in 2012 to optimise the value from our mineral assets and product offerings* for the benefit of all our stakeholders. We focus on shaping long term, direct commercial relationships that place the expectations of our customers firmly at the centre of our approach. Our marketing offices, located in London, Singapore and Shanghai, are the centres through which we undertake international commodity sales, trading and transport activities. This allows central direction and strategy-setting, while working closely with customers to deliver a response that addresses specific challenges and enables greater flexibility and risk mitigation. This also helps build robust customer relationships, in part, by locating marketing teams in key geographies as well as facilitating the sharing of expertise, best practice and market intelligence.

Whether from our own-mine portfolio or sourced through complementary third-party production, our Marketing business offers a reliable supply of essential resources to our customers and the industries they support, which are key to the development of a cleaner and more connected future. By understanding, addressing and anticipating our customers' specific needs and evolving capabilities in the financial and physical markets, the Marketing business is taking an active role in building customised solutions and successfully bringing them to the industries we serve.

Across our activities, the Marketing business harnesses the potential of our diversified portfolio to provide a commercial offering that responds to customer requirements, is supported by consistently high quality service and reflects society's increasing expectations for responsible production and sourcing. Our trading activities have continued to evolve, allowing us to use our scale and market insight to help ensure security of supply and mitigate risk. Through our third-party sourcing framework, we can flex and expand our supply capabilities, responding to evolving industry demand, while also helping partners bring their resources to market and extend their reach.

Importance of sustainability

We endeavour to match our commitment to reliable supply with robust assurance around responsible production. With reference to Anglo American's Responsible Sourcing Standard, we are building a consistent and comprehensive approach to sustainability screening, due diligence and post-deal management of sustainability risks and opportunities so that, when buying Anglo American products, our customers know that our processes are underpinned and guided by our Values and focus on ethical value chains. We also recognise the value of independent assurance to verify these aspects of our performance, against which we can test our internal criteria for alignment with best practice. This is demonstrated by our goal to have all our operations assessed against an independent, globally recognised, third-party mining standard by 2025.

Work continues on developing digital solutions that can help us trace the journey of our products – part of our efforts to drive visibility of the provenance and value chain of the metals and minerals we produce. For example, we are working with customers such as Aurubis, Jiangxi Copper and Mitsubishi Materials to bring greater transparency of provenance through the complex copper supply chain. In November 2023 we launched Valutrax™, a proprietary digital traceability solution designed to provide customers with greater assurance about the origins of the products they purchase.

As part of the Group's ambition to reduce our Scope 3 emissions by 50% by 2040, we are focusing on hard-to-abate sectors such as steel, from which most of our value chain emissions derive. The Marketing business is working with steelmakers in Europe and Asia to research efficient feed materials – capitalising on the premium physical and chemical qualities of our minerals, including iron ore pellets and lump iron ore, which are suited for use in the direct reduced iron (DRI) process, a technically proven and significantly less carbon-intensive steel production method. The collaboration agreements with Japan's Nippon Steel Corporation and Germany's Thyssenkrupp Steel, signed in 2022, as well as with Swedish hydrogen and steel producer H2 Green Steel and Singapore based Meranti Green Steel in 2023, are examples of this approach.



Members of our Marketing team in Singapore participating in activities for Global Safety Day, the most important day in our calendar.

We have developed trading capabilities which allow us to source carbon offsets for our customers, which can be packaged together with our existing product and service portfolio to meet our clients' needs. Finally, through focused investment, industry collaborations and stakeholder engagement, we are looking to unlock the potential of technology development, materials science and circularity to discover, accelerate and scale-up climate positive innovations for long term decarbonisation, with a focus on those industry sectors which most contribute to our Scope 3 emissions profile.

The Marketing business also continues to nurture additional sources of sustainable demand for our products, with a focus on PGMs. Our integrated approach includes advancing, financing and backing new technologies, from the spark of an idea through to commercialisation, to create and sustain scale.

Our shipping operations

We connect our customers with the metals and minerals they need in a way that is safe, efficient and sustainable. Anglo American's shipping desk, with operations in Singapore and the UK, co-ordinates the transport of over 70 million tonnes of raw materials and metals annually.

We set out an ambition to achieve carbon neutrality for our controlled ocean freight by 2040, a natural extension of our commitment to be carbon neutral across our mining operations by the same year. Our approach to helping decarbonise the shipping sector includes exploring a comprehensive framework of complementary solutions, supporting technological development and exploring the use of more sustainable fuel alternatives – such as LNG, sustainable biofuel and green ammonia. The launch of our Ubuntu fleet, a chartered fleet consisting of 10 LNG dual-fuelled Capesize+ vessels, marks a key milestone in this direction. As at the end of 2023, eight of these vessels are in operation with the final two to be launched in the first quarter of 2024, bringing emissions reductions of some 35% as compared with traditional marine fuel vessels.

Economic contribution through the value chain

The tax and economic contribution from the move and marketing element of our value chain typically encompasses:

- Payments to suppliers and contractors, including transportation companies generating goods and services taxes and import/export duties
- Wages paid to employees and payroll taxes
- Various taxes, including corporate income taxes, on marketing, shipping and logistics activities
- Withholding taxes on services provided from other parts of the Group
- Ongoing contributions to host communities, including technology, infrastructure, jobs and upskilling
- Payments to shareholders and lenders.

To understand the contribution of our Marketing business it is important to consider, in particular, total taxes and royalties borne and taxes collected.

Total taxes and royalties borne and taxes collected in 2023 amounted to \$120 million. UK and Singapore country level data, which incorporate the results of the Marketing business, can be found on pages 41 and 39 of this report and also in the country-by-country report for 2023, which will also be released later in 2024.

* Excluding diamonds which are distributed and marketed through the separate De Beers model

Tax and sustainability



Our approach to sustainability

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

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

At Anglo American, our work has evolved to match this complexity. Sustainability is embedded within our strategy, and is integrated into how we work and how we make decisions as we strive to understand the full impact of each decision we take.



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

Portfolio

The quality and long life of our mineral assets are the foundations of our global business. We actively manage our asset portfolio to improve its overall competitive position, providing metals and minerals essential for a cleaner, greener, more sustainable world and that meet the needs of a growing global population, from homes and electronics, to food and luxuries.

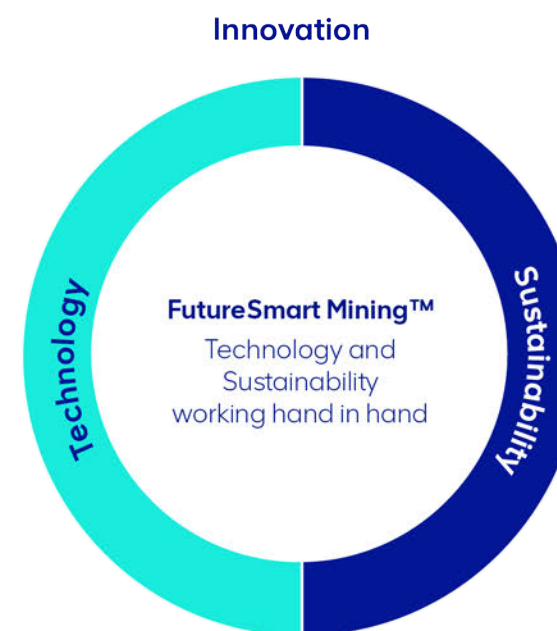
Innovation

Across 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 from a foundation of operational excellence. We are developing a replicable model of differentiated practices and capabilities that is designed to deliver sustainable value to all our stakeholders.

People

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

► For more information
See pages 30–75 of our Integrated Annual Report 2023



The combination of the stability and consistency provided by our Operating Model, our innovative Marketing business, and our FutureSmart Mining™ approach to technology and sustainability, is fundamentally changing the way we extract, process and market metals and minerals, supporting our operating and financial performance.

Operating Model

Our Operating Model is the foundation of operational excellence, by providing structure, stability and predictability in the way we plan and execute every task.

Marketing

Our Marketing business optimises the value from our Mineral Resources and product offerings, including by tailoring solutions for customers and demonstrating the high sustainability standards we are committed to.

FutureSmart Mining™

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

► For more information
See pages 40–65 of our Integrated Annual Report 2023



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

Under each of the Sustainability Pillars we have a set of Global Stretch Goals. We are making great efforts to deliver them between now and 2030. These Global Stretch Goals are deliberately ambitious and designed to challenge us to lead and innovate.

Our Sustainable Mining Plan is designed to be a flexible, living plan and we will continue to evolve it as we learn and make progress and as technologies develop, while also ensuring it stays relevant and suitably stretching, in tune with our employees' and stakeholders' ambitions for our business. We are currently exploring a number of areas of the Sustainable Mining Plan that we feel may benefit from being updated to align more closely with our stakeholder expectations or deliver improved sustainability outcomes and will update the plan when we have developed these options more fully.

Healthy Environment

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

Thriving Communities

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

Trusted Corporate Leader

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

► For more information on our Sustainable Mining Plan
See page 17 of the Sustainability Report 2023


Our Sustainable Mining Plan


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


Partnership and engagement

Environment

Healthy Environment

**Climate change**
2030: Reduce absolute Scope 1 and 2 GHG emissions by 30%, relative to the 2016 baseline; improve energy efficiency by 30%; carbon neutral at 8 sites
2040: Carbon neutral at all operations; reduce Scope 3 emissions by 50%, relative to the 2020 baseline


**Biodiversity**
2030: Deliver net-positive impact (NPI) on biodiversity across our managed operations


**Water**
2030: Reduce absolute withdrawal of fresh water by 50% in water scarce areas, relative to the 2015 baseline


► For more information See pages 52–73 of the Sustainability Report 2023

Social

Thriving Communities

**Health and well-being**
2030: Relevant SDG3 targets for health to be achieved in our host communities (operations to be halfway to target by 2025)


**Education**
2025: Host community schools to perform within top 30% of state schools nationally
2030: Host community schools to perform within top 20% of state schools nationally


**Livelihoods**
2025: Three jobs supported off site for every job on site
2030: Five jobs supported off site for every job on site


► For more information See pages 74–89 of the Sustainability Report 2023

Governance

Trusted Corporate Leader

**Accountability**
2025: High quality dialogue and programmes resulting from forums.
2030: Establish open and accountable dialogue with host communities and wider society, leading to greater mutual trust and recognition of the benefits/challenges of mining

**Policy advocacy**
2025: Continued dialogue on reporting and responsibilities.
2030: Recognition of our leadership in policy advocacy. Strong levels of engagement in policy debates

**Ethical value chains**
2025: All operations to undergo third-party audits against responsible mine certification systems

► For more information See pages 90–101 of the Sustainability Report 2023

Partnership and engagement

Collaborative Regional Development

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

► For more information See pages 82–84 of the Sustainability Report 2023

Our Critical Foundations

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

Zero mindset

► For more information See pages 25–30 of the Sustainability Report 2023

Leadership and culture

► For more information See pages 31–39 of the Sustainability Report 2023

Inclusion and diversity

► For more information See pages 40–43 of the Sustainability Report 2023

Human rights

► For more information See pages 44–46 of the Sustainability Report 2023

Group standards and processes

► For more information See pages 47–51 of the Sustainability Report 2023

Compliance with legal requirements

► For more information See pages 47–51 of the Sustainability Report 2023

Tax and the Sustainable Mining Plan

Our Sustainable Mining Plan is integral to the Group's strategy and how we live our Purpose. As part of our commitments, each site and Group function, including Group tax, has developed a five-year sustainability plan.

This ensures we are playing a key role in embedding sustainability in finance, in collaboration with the Sustainability Team and our businesses, in order to achieve our Purpose.

In 2020, we developed a formal tax sustainability plan to embed sustainability and align to the Sustainable Mining Plan, signed off by the Group's finance director.

In 2021, we explained how our Tax Strategy and Values align to our Sustainable Mining Plan.

Since then, we have expanded on that mission by explaining ways in which we demonstrate those sustainable ambitions and live our Values.

We set out on the following pages a series of short case studies on each of the three pillars of our Sustainable Mining Plan in relation to tax under the following three headings:

- Healthy Environment
- Thriving Communities
- Trusted Corporate Leader.

While all three pillars of the Sustainable Mining Plan are important, tax is fundamentally part of the relationship between business and societies; so, from a tax perspective, striving to be a Trusted Corporate Leader is not just a series of projects – it also holds us to account on how we deliver all of the elements of our tax sustainability plan.

This means that as well as supporting the business in delivering its objectives around Healthy Environments and Thriving Communities, we also proactively deliver tax policy insights, compliance and transparency that will help communities and the environment. We do not only comply with the requisite tax laws; we want to help lead and shape the relevant tax debates that will create sustainable tax systems of the future, fostering and supporting investment and growth for host jurisdictions beyond the life of the mine.



► For more information on creating a Healthy Environment
See pages 52–73 of the Sustainability Report 2023



► For more information on building Thriving Communities
See pages 74–89 of the Sustainability Report 2023



► For more information on being a Trusted Corporate Leader
See pages 90–101 of the Sustainability Report 2023

Healthy Environment

In Group tax we are proud to make a meaningful contribution towards realising Anglo American's ambition to create carbon neutral operations that use less fresh water and deliver net-positive biodiversity outcomes. It is through our environmental tax strategy that we are able to play an important part in achieving these Healthy Environment goals of our Sustainable Mining Plan.

Through delivery of our environmental tax strategy, we comply with all environmental taxes, we help enable the execution of the projects and business initiatives required to realise our environmental goals and we are a leading and progressive voice to help policymakers develop sustainable tax policies for the future.

Green taxes – compliance

Environmental taxes are an increasingly important policy tool for governments to encourage change in environmental practices, help meet country emissions reduction targets and to fund domestic and foreign policy objectives.

Anglo American is committed to complying with all laws in the countries and jurisdictions in which we operate, with environmental taxes being no exception. The Group tax team leads our response to the fast changing environmental tax landscape in order to manage the related tax risk and compliance requirements.

An example of increased environmental tax legislation during 2023 was the European Union's CBAM. Group tax worked closely with colleagues in our operations and marketing teams to understand the implications for our business and ensure that both Anglo American and its customers are ready to comply.

We take our responsibility for effective tax risk management seriously and in addition to managing our current compliance obligations we spend time with the business to assess, on a forward looking basis, the carbon pricing and carbon tax regimes we may have to comply with in the future.

Supporting business initiatives

Our tax team plays a key role in bringing environmental projects through from conception to reality. We help to deliver the crucial projects on the ground that will create positive environmental outcomes today and for years to come.

As Anglo American makes progress along the planned decarbonisation pathway, our environmental performance plays an increasingly important role in driving value for our organisation and is deeply embedded in our corporate strategy. In Group tax, we support the business as it evolves and adopts new operating models of the future, co-ordinating work across disciplines and individual projects in a holistic and impactful way.

Examples of environmental business initiatives we have contributed to during 2023 include:

- In Brazil, we are assessing a forest restoration project in the Atlantic Forest biome, which is highly endangered with only 7% of the original forest remaining. The project would contribute to the restoration of the biome by planting a biodiverse selection of native trees. A 250 hectare pilot project was planted in Minas Gerais state in Brazil during 2022 and 2023. In addition, the project team is exploring ways to incorporate agroforestry (growing crops, such as coffee, in between rows of native trees) in a portion of the project to enable sustainable economic development and community participation. In partnership with the project, the tax team has helped develop the commercial structure and with carbon credit transactions being fairly novel, worked to understand how they will be treated for tax purposes
- In October 2022, we announced the creation of a jointly owned company with EDF Renewables, Envusa Energy, to deliver a regional renewable energy ecosystem (RREE) across southern Africa of approximately 3–5 GW. The ecosystem is designed to meet 100% of our operational electricity requirements in South Africa, with excess electricity aimed to be supplied to the grid to add capacity. Envusa Energy has made significant progress in the delivery of its mature pipeline of more than 600 MW of solar and wind power to our operations. Financial close on the three projects that form the Koruson 2 project is expected in the first quarter of 2024. Once operational, Koruson 2 aims to supply 520 MW of renewable power to our operations, displacing 12% of our global Scope 2 emissions. A detailed update on the progress made by Envusa Energy can be found in our Climate Report. Our tax team has continued its efforts this year to help deliver this portfolio of renewable projects by ensuring compliance with tax law, accessing renewable energy allowances legislated by the South African government and providing transaction tax support to this important venture

- Our Australian Steelmaking Coal (SMC) business continues to progress safe development of Regenerative Thermal Oxidation (RTO) technology, along with other programmes to abate Ventilation Air Methane. RTO is an existing technology however, innovation and expertise are required to make sure it can be adapted for safe deployment and operation at our SMC sites. Our tax team in Australia has been involved to help optimise the capital profile of the units versus the effective life of the mines, secure R&D tax incentives the business is entitled to for novel components of the implementation and support funding and grant applications as part of the Powering the Regions programme and other avenues.

You can read more about these and other exciting environmental projects in our Sustainability Report.

Carbon pricing

Our major investments take into account the potential future cost of carbon by embedding forward-looking carbon price assumptions, which are developed in conjunction with leading external providers and are differentiated by geography and time horizon, into our multi-faceted investment decision making considerations. The aim is to reflect our best estimate of the level of carbon pricing likely to prevail in the respective jurisdictions over time. We forecast carbon prices to be between \$20 and \$95 per tonne on a 2023 real basis across regions by 2030. This approach ensures that project returns are evaluated on a realistic basis alongside consideration of a project's impact on carbon abatement and portfolio resilience to the effects of climate change.

As a tax team, we have helped develop and refine the carbon price ranges and the way in which they are incorporated into appraising investments and initiatives, to help take account of environmental tax policy as it evolves.

Green taxes – policy

Our tax team is uniquely positioned to combine deep expertise in the mining industry with strong knowledge across the global taxation system. This allows us to provide high quality, commercial tax advice to the business. We support in delivering environmental projects by understanding how enacted and proposed environmental tax policy will impact operations and commercial decision making.

The tax team strives to use its expertise be a leader in sharing tax policy insights with policymakers to help them achieve their desired environmental outcomes and ensure tax regimes support and recognise new green technologies that business requires to decarbonise.



Gas plant at Grosvenor. Around 60% of the methane gas from our underground coal mines is captured and then supplied to Queensland's electricity grid.

Examples of how we have added to the development of environmental tax policy during 2023 include our response to the European Commission led consultation on the CBAM and our submission to the Australian consultation on options to address carbon leakage.

In 2023, we continued our participation in the ICC's working group on carbon pricing. Following on from their report on [Critical Design Features for Effective Carbon Pricing – A Business Perspective](#), the ICC working group launched at COP28 their [Proposals for effective carbon pricing – leakage and linkage considerations](#), which provides guidance to governments and policymakers on options to address carbon leakage, promote linkage for greater international co-operation and make carbon pricing systems more efficient.

“Effective tax policy can be an integral part of a government's approach to addressing climate change, by incentivising investment and innovation in the goods and services we need for a low carbon future and by discouraging harmful environmental practice.

We are committed to working with policy makers in all our key jurisdictions in developing tax policy which will help deliver sustainable outcomes. This is an important part of our holistic approach to sustainability.”

Jonathan Dunn
Head of Climate

Thriving Communities

The Group tax team also supports delivery of the Thriving Communities goals. How we support people is of fundamental importance to the Group – which means that, in 2023, once again, Group tax has supported business-led community initiatives to ensure that impact and benefit are maximised and that people and communities thrive.

As part of the delivery of our Thriving Communities goals, Group tax also seeks to contribute to a broader culture of learning and development through enhanced tax transparency, knowledge sharing, tax education and capacity building. Supporting communities and host governments in their understanding of tax and of our industry, is a critical component in delivery of our Thriving Community objectives through empowering our stakeholders.

In this section we explore how Group tax has contributed to Thriving Community objectives in 2023.

Supporting business initiatives

One exciting project in 2023 was the Wonderbag transaction, whereby Group tax provided tax technical support in respect of carbon credits. Wonderbag is a South African social enterprise which makes heat-retention cooking devices of the same name. These insulated fabric bags function much like a slow cooker and in doing so, they reduce fuel consumption by as much as 70%, improve water efficiency and reduce the amount of carbon dioxide released into the atmosphere. The technology delivers co-benefits for the household, community and wider society. The company's business model is based on carbon financing. When a bag is used for cooking, it can save up to one tonne of carbon emissions from entering the earth's atmosphere each year, with carbon credits generated equal to the emissions prevented. Wonderbag receives a portion of investment from Anglo American via upfront financing which contributes to the manufacture and distribution of an additional 240,000 bags over the next four years. In exchange, the transaction provides Anglo American with high quality verified carbon credits until 2027. With carbon credit trading being a relatively new area of commerce, this project brought some new complexities and challenges. The marketing tax team, together with the regional tax team and transactional tax specialists, provided broad commercial tax support – developing the key principles which underpin the carbon credit trading model and working through the contract design to ensure the transactional tax issues were understood.

Group tax has also been extensively involved, over a number of years, in supporting the set-up of our newly producing Quellaveco copper mine – one of Anglo American's, and South America's, most technologically advanced mines. Part of the design is a 60 million m³ capacity dam to ensure there is enough water for both the mine and the local community, transforming both the quality and reliability of water throughout the year. The dam is now operational. Our Group tax team has assisted by rolling out best practice policies and tax governance to a new jurisdiction and team. We have also helped to articulate the wider tax and economic benefits that the mine will bring to the local community and host country.

Capacity building

As noted previously, an important part of Group tax's work is to contribute to a broader culture of learning and development in the field of tax. We seek to do this through sharing tax knowledge and insights and raising business awareness with external stakeholder groups. Some examples of this in practice include:

- Consultation responses. As set out on page 15, we frequently respond to consultations on the development or amendment of tax legislation. In doing so, we aim to share our understanding of both technical and practical issues arising to ensure that ultimately legislation delivers its policy intent and is also practical for business to implement. Part of our engagement includes sharing relevant experience and business knowledge to inform and upskill legislative bodies on topics on which they are less familiar
- Tax and development. One area of particular interest is work that supports the capacity of tax administrations in the developing world. We are therefore proud that our head of tax policy and sustainability chairs the Tax and Development subcommittee at the BIAC, which is currently engaged in outreach with a range of stakeholders, including the OECD, to explore areas where business practices can be improved or better explained to help build trust and where business input can be valuable in helping tax administrations build capacity. Examples of this include contributing expertise and perspectives to relevant consultations and training programmes and engaging with the OECD's work on Tax Morale.

Stakeholder reporting and issues reporting

A key objective of Group tax's commitments under the Sustainable Mining Plan is to improve public tax reporting to serve more stakeholders and to cover more issues.

We are always happy to share and discuss our approach to tax reporting with stakeholders and seek to understand the tax transparency journey of others, all with the aim of continually improving tax reporting so it is more accessible and meaningful. In 2023, peer discussions facilitated by The B Team were particularly insightful and we look forward to continuing these discussions in 2024 and considering what improvements we can make to our own tax reporting.

For Anglo American, tax transparency is a continuing journey of improvements – with the infographic on page 13 setting out key events in our tax transparency journey to date.

Two areas where we believe we have made real progress in recent years include:

- (1) Since 2019, the provision of publicly available translations of our Tax and Economic Contribution Report into both Spanish and Portuguese – the two most widely used languages of our operating jurisdictions after English. By providing translations on our country websites we aim to improve accessibility for our stakeholders in Latin America. We also annually review whether translation into any other language would be usefully received and utilised
- (2) Development of our 'Total cash value distributed to stakeholders' metric, first published in respect of the year ended 31 December 2021, which shows how the overall economic value that we generate is distributed, including returns to shareholders and lenders. This year, the metric can be found on page 2 and is discussed further on pages 8 to 10. We believe this metric allows stakeholders to better understand the breadth of how we generate and distribute economic value across our major jurisdictions and stakeholder groups throughout the lifecycle of our mines – providing more transparency than ever before.



Project team members, Quellaveco employees and community representatives celebrate completion of a water treatment plant, run on renewable energy, which provides potable water to the homes of nearly 2,000 local people.

Trusted Corporate Leader

Leading and inspiring

While all three of the pillars of the Sustainable Mining Plan are important, tax is fundamentally part of the relationship between business and societies; so, from a tax perspective, striving to be a Trusted Corporate Leader is not just a series of projects – it also holds us to account for how we deliver all of the elements of our tax sustainability plan.

This means that, as well as supporting the business in delivering its objectives around Healthy Environment and Thriving Communities, we also proactively deliver tax policy insights, compliance and transparency that will help communities and the environment. We do not only comply with the requisite tax laws – we also want to help lead and shape the relevant tax debates that will create sustainable tax systems of the future.

Transparency

A key pillar of our Tax Strategy is transparency. We believe that public disclosure is essential to building trust with our stakeholders and generates positive benefits for all our stakeholders. On page 13 we provide an overview of Anglo American's tax transparency journey and also provide an introduction to the two additional, public tax transparency reports we produce annually; namely, country-by-country and payments to governments reports.

External metrics and published indices provide an external reference point to how far we are succeeding in our ambitions around our Trusted Corporate Leader goals. Our transparent reporting of the Anglo American Tax Strategy and Group Values has again been recognised with a 100% score for the three tax categories of: tax strategy and governance; tax reporting; and effective tax rate within the Dow Jones Sustainability Index 2023, where the Group scored 75 out of 100, putting us in the 99th percentile in the Metals & Mining sector.

More information on several of these topics can be found on page 13-15 in the Living our Tax Strategy section of this report.

Governance

Robust tax risk and governance processes are critical to ensuring that we live our Tax Strategy day to day, thereby reducing risk and providing certainty across the business and to tax administrations and stakeholders globally. Our approach to governance is set out on page 17 in the Living our Tax Strategy section of this report.

Tax morale

The 2019 OECD report Tax Morale: what drives people and businesses to pay tax? noted that tax morale, generally defined as the intrinsic motivation to pay taxes, is a vital aspect of the tax system, as most tax systems rely predominantly on the voluntary compliance of taxpayers for the bulk of their revenues. Improving tax morale therefore holds the potential to increase revenues with (relatively) little enforcement effort on the part of tax administrations.

Anglo American has participated in OECD stakeholder dialogues on tax morale since 2021 and, during 2022, participated in roundtables that shaped the OECD's subsequent paper Tax Morale II: Building Trust between Tax Administrations and Large Businesses.

Anglo American endorses the OECD's Tax Morale work and together with the BIAC's Best Practices, believes they will support responsible business tax management and enhance co-operation, trust and confidence between tax administrations in developing countries and international business.

Co-operative compliance

As noted on page 14 Anglo American remains an advocate for co-operative compliance regimes and was proud in 2023 to host and speak at the keynote co-operative compliance conference of the GTPC in London at our offices. The conference brought together over 70 attendees, including 15 different tax administrations, where many spoke about their experiences of co-operative compliance and the building of trust.

The main focus of the conference was considering how to take forward work in three areas:

- Exploring how to develop an assurance standard for tax control frameworks that can be used by internal and external auditors and tax administrations
- Examining the way that interested countries and MNEs could develop multilateral project related co-operative compliance programmes
- Developing a robust methodology to measure the costs and benefits of such programmes.

Work in each of these areas will be taken forward by multi-stakeholder working groups in 2024, with the results leading to best practice guidelines, which will be presented at a Conference to be held at the GTPC in Vienna in October 2024. We look forward to participating in this work during 2024.

Tax reforms, speaking engagements and external articles

Group tax and specifically the tax policy and sustainability team, engage in a wide range of local, regional and global forums around tax policy.

We typically participate in tax consultations via industry or business bodies but we will respond directly where we believe we can offer a unique and valuable perspective.

Specific examples of strategic policy advocacy work in 2023 can be found on page 15.

Members of our Group tax team also engage in a range of external public speaking engagements on a broad range of tax policy issues, such as the future of mining taxation and the tax challenges of digitalisation. When we speak publicly, or write articles in external publications, our objectives are always to deliver constructive input that leads to long term sustainable value for all our stakeholders, as well as trying to broaden the understanding of tax issues beyond policymakers and large businesses.



Anglo American chairman Stuart Chambers (left) in conversation with Crop Nutrients CEO Tom McCulley during the Board's visit to the Woodsmith site in north east England in September 2023.

“Being a Trusted Corporate Leader means living our Tax Strategy every single day, in every one of our jurisdictions, supporting tax transparency initiatives and being prepared to enter the public debate on how the tax landscape can be shaped to build a better future for all, as we move towards a low carbon future.”

Kurt Burrows
Group Head of Tax

Country highlights



Our economic contribution in Australia in 2023

We are the world’s third largest exporter of steelmaking coal and our operations, located in Australia, include the Moranbah and Grosvenor mines (both 88% ownership, underground longwall operations producing premium quality hard coking coal for the steel industry). We also have a 40% shareholding in the Samancor joint venture (managed by South32, which holds 60%) which produces Manganese ore products, with operations based in Australia and South Africa and marketing operations in Singapore.



Underground at Steelmaking Coal’s Aquila mine, where longwall production began in February 2022.



Total tax and economic contribution

\$3,310 m (2022: \$2,789 m)

Wages and related payments

\$452 m (2022: \$374 m)

Community and social investment

\$1 m (2022: \$1 m)

Total procurement

\$1,653 m (2022: \$1,540 m)

\$1,652 m (2022: \$1,516 m) of which local procurement

\$619 m (2022: \$648 m) Capital expenditure

Total taxes and royalties borne and taxes collected

\$1,203 m (2022: \$874 m)

\$362 m (2022: \$(22) m) Corporate income tax

\$627 m (2022: \$738 m) Royalties and mining taxes

\$66 m (2022: \$57 m) Other payments borne

\$148 m (2022: \$100 m) Taxes collected

The Australian effective tax rate for Anglo American for the year ended 31 December 2023 was 16%. This effective tax rate is calculated in accordance with the Australian Voluntary Tax Transparency Code and it is lower than the expected long term underlying effective tax rate due primarily to the recognition of deferred tax assets.

The accounting profit/(loss) before tax for this effective tax rate calculation is based on the amount disclosed per the Australian locally prepared statutory financial statements, which remain in draft at the time of the preparation of this report.

Anglo American treats our Jellinbah and Manganese operations as equity accounted investments. This means that the post-tax profit/(loss) from these investments is recorded in the Group’s overall accounting profit/(loss) before tax. As the tax expense figures disclosed in our Australian locally prepared statutory financial statements will not include the tax expense related to these equity accounted investments, the accounting profit before tax has been adjusted, such that the Australian effective tax rate is not distorted by the equity accounting method used to record these results.

For explanations of each term used above, please see Glossary on page 49. For additional context on our tax and economic contribution please refer to our country-by-country and payments to governments reports which will be released later in the year.

Our economic contribution in Botswana in 2023

De Beers (Anglo American: 85% interest), in partnership with the Government of the Republic of Botswana has one of the richest diamond mines in the world at Jwaneng and one of the largest resources in terms of total carats, at Orapa.



At Jwaneng diamond mine in Botswana, a 50:50 partnership between De Beers and the Botswana government, a fully laden haul truck climbs out of the open pit on its way to the processing plant.



Total tax and economic contribution
\$1,159 m (2022: \$1,226 m)
Wages and related payments
\$197 m (2022: \$191 m)
Community and social investment
\$5 m (2022: \$7 m)
Total procurement
\$411 m (2022: \$378 m)
\$357 m (2022: \$323 m) of which local procurement
\$194 m (2022: \$151 m) Capital expenditure
Total taxes and royalties borne and taxes collected
\$546 m (2022: \$650 m)
comprising
\$318 m (2022: \$387 m) Corporate income tax
\$153 m (2022: \$201 m) Royalties and mining taxes
\$3 m (2022: \$6 m) Other payments borne
\$73 m (2022: \$56 m) Taxes collected
Government profit share in excess of equity interest
\$234 m (2022: \$411 m)

For explanations of each term used above, please see Glossary on page 49. For additional context on our tax and economic contribution please refer to our country-by-country and payments to governments reports which will be released later in the year.

Our economic contribution in Brazil in 2023

Our Brazilian operations comprise iron ore and nickel mines and infrastructure. Our Minas-Rio operation (100% ownership), consisting of an open pit mine and beneficiation plant, produces a high grade iron ore pellet feed product. Our Barro Alto and Codemin nickel assets (both 100% owned) produce ferronickel, the majority of which is used in production of high quality stainless steel and heat resistant steels. (See further the case study on page 22).



Corporate relations – external affairs specialist Candida Bichalo in an open pit at our Minas-Rio iron ore mine in Minas Gerais state, Brazil.



Total tax and economic contribution
\$2,030 m (2022: \$1,630 m)
Wages and related payments
\$156 m (2022: \$136 m)
Community and social investment
\$13 m (2022: \$8 m)
Total procurement
\$1,464 m (2022: \$1,102 m)
\$1,257 m (2022: \$993 m) of which local procurement
\$463 m (2022: \$239 m) Capital expenditure
Total taxes and royalties borne and taxes collected
\$397 m (2022: \$384 m)
\$95 m (2022: \$179 m) Corporate income tax
\$95 m (2022: \$89 m) Royalties and mining taxes
\$101 m (2022: \$30 m) Other payments borne
\$106 m (2022: \$86 m) Taxes collected

For explanations of each term used above, please see Glossary on page 49. For additional context on our tax and economic contribution please refer to our country-by-country and payments to governments reports which will be released later in the year.

Our economic contribution in Canada in 2023

In Canada, De Beers has a 51% interest in and is the operator of, the Gahcho Kué open pit diamond mine in the Northwest Territories, which began commercial production in 2017.



In Canada's Northwest Territories, millwright apprentice Deanna Buckley looks out over the processing plant at Gahcho Kué diamond mine, a joint venture between De Beers and Mountain Province Diamonds.



Total tax and economic contribution
\$280 m (2022: \$237 m)
Wages and related payments
\$55 m (2022: \$50 m)
Community and social investment
\$2 m (2022: \$1 m)
Total procurement
\$172 m (2022: \$156 m)
\$166 m (2022: \$141 m) of which local procurement
\$62 m (2022: \$48 m) Capital expenditure
Total taxes and royalties borne and taxes collected
\$52 m (2022: \$30 m)
\$0 m (2022: \$2 m) Corporate income tax
\$0 m (2022: \$1 m) Royalties and mining taxes
\$30 m (2022: \$11 m) Other payments borne
\$21 m (2022: \$16 m) Taxes collected

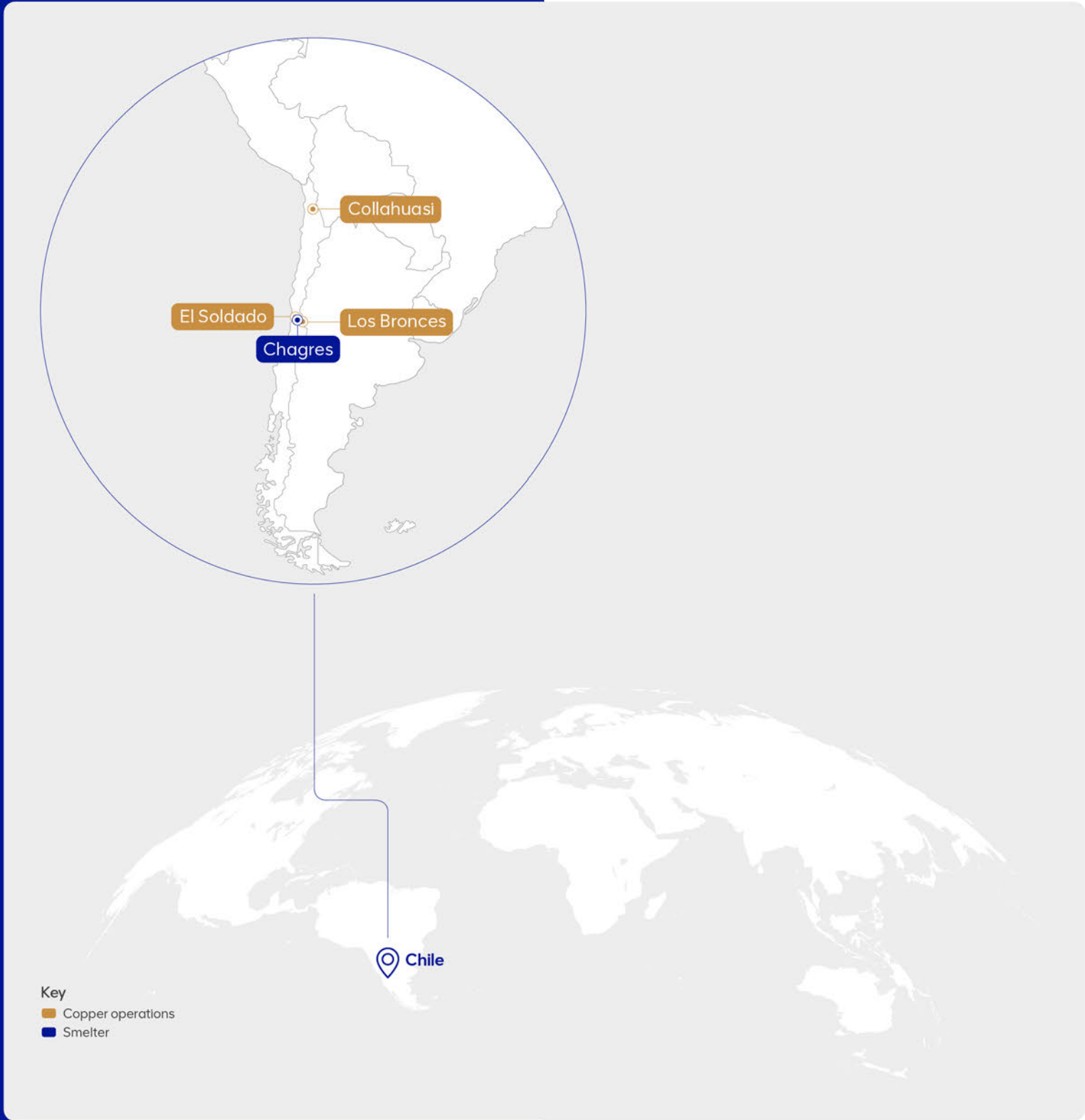
For explanations of each term used above, please see Glossary on page 49. For additional context on our tax and economic contribution please refer to our country-by-country and payments to governments reports which will be released later in the year.

Our economic contribution in Chile in 2023

Our copper operations in Chile centre around our interests in Los Bronces (a 50.1% owned and managed operation) and Collahuasi (44% interest in the independently managed joint operation). We also manage and operate the El Soldado mine and Chagres smelter (50.1% interest in both). Our products include copper concentrate, copper cathode and associated by-products such as molybdenum and silver.



At Los Bronces open pit copper mine in Chile, drones are increasingly being used to drill and blast safely in areas that may be potentially unsafe and difficult to access for human operators.

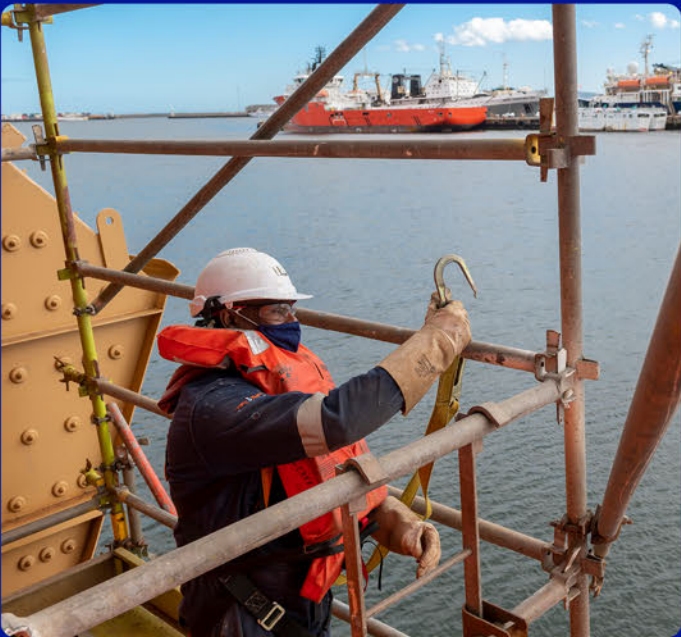


Total tax and economic contribution
\$4,406 m (2022: \$4,365 m)
Wages and related payments
\$455 m (2022: \$370 m)
Community and social investment
\$18 m (2022: \$20 m)
Total procurement
\$3,430 m (2022: \$2,932 m)
\$3,295 m (2022: \$2,815 m) of which local procurement
\$1,268 m (2022: \$1,216 m) Capital expenditure
Total taxes and royalties borne and taxes collected
\$503 m (2022: \$1,044 m)
\$220 m (2022: \$631 m) Corporate income tax
\$84 m (2022: \$258 m) Royalties and mining taxes
\$46 m (2022: \$42 m) Other payments borne
\$153 m (2022: \$114 m) Taxes collected

For explanations of each term used above, please see Glossary on page 49. For additional context on our tax and economic contribution please refer to our country-by-country and payments to governments reports which will be released later in the year.

Our economic contribution in Namibia in 2023

In Namibia, De Beers operates via a 50:50 joint operation with the Namibian government, recovering both land-based diamonds (Namdeb) and offshore diamonds (Debmarine Namibia).



The Anglo American Group continues to work tirelessly towards our goal of zero harm. Featured is a routine inspection as part of De Beers Marine’s In-Port safety management system.



Total tax and economic contribution
\$611 m (2022: \$636 m)
Wages and related payments
\$85 m (2022: \$90 m)
Community and social investment
\$4 m (2022: \$4 m)
Total procurement
\$287 m (2022: \$300 m)
\$162 m (2022: \$163 m) of which local procurement
\$43 m (2022: \$45 m) Capital expenditure
Total taxes and royalties borne and taxes collected
\$234 m (2022: \$242 m)
\$73 m (2022: \$58 m) Corporate income tax
\$48 m (2022: \$46 m) Royalties and mining taxes
\$23 m (2022: \$9 m) Other payments borne
\$90 m (2022: \$129 m) Taxes collected

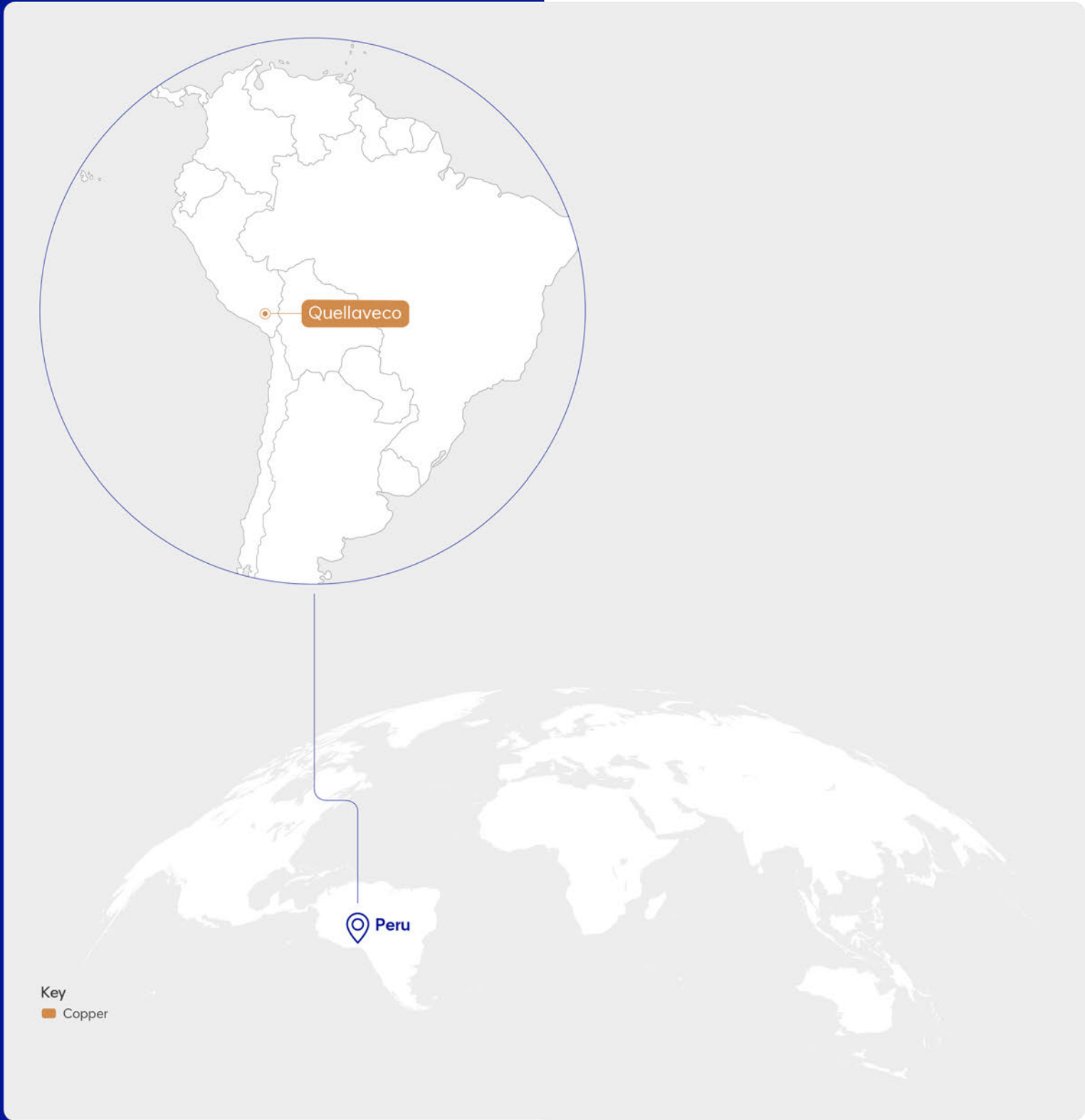
For explanations of each term used above, please see Glossary on page 49. For additional context on our tax and economic contribution please refer to our country-by-country and payments to governments reports which will be released later in the year.

Our economic contribution in Peru in 2023

Our Tier 1 Quellaveco copper mine (60% interest) started production in mid 2022. It has one of the world’s largest copper orebodies and in 2023 production ramped up to full capacity. In 2023, we also successfully completed our molybdenum plant at Quellaveco.



Inspecting Peru’s largest windfarm at Punta Lomitas. The windfarm ensures that Quellaveco mine is supplied with 100% green energy.



Total tax and economic contribution
\$1,328 m (2022: \$1,441 m)
Wages and related payments
\$158 m (2022: \$126 m)
Community and social investment
\$23 m (2022: \$29 m)
Total procurement
\$823 m (2022: \$1,243 m)
\$797 m (2022: \$1,218 m) of which local procurement
\$415 m (2022: \$815 m) Capital expenditure
Total taxes and royalties borne and taxes collected
\$324 m (2022: \$43 m)
\$42 m (2022: \$0 m) Corporate income tax
\$137 m (2022: \$2 m) Royalties and mining taxes
\$44 m (2022: \$7 m) Other payments borne
\$101 m (2022: \$35 m) Taxes collected

For explanations of each term used above, please see Glossary on page 49. For additional context on our tax and economic contribution please refer to our country-by-country and payments to governments reports which will be released later in the year.

Our economic contribution in Singapore in 2023

Our dedicated sales and marketing hub in Singapore aims to optimise the value from our mineral resources and market positions, driving appropriate commercial decisions across the value chain, from mine to market. Singapore is also home to our shipping operations. (See further the case study on page 23.)



The Ubuntu Harmony is the first of 10 LNG dual-fuelled new-build ships that are already delivering significant reductions in greenhouse gas emissions compared to ships fuelled by conventional marine oil fuel, while also eliminating the release of unburnt methane.



Total tax and economic contribution
\$393 m (2022: \$381 m)
Wages and related payments
\$99 m (2022: \$74 m)
Community and social investment
\$0 m (2022: \$0 m)
Total procurement
\$242 m (2022: \$252 m)
\$35 m (2022: \$252 m) of which local procurement
\$0 m (2022: \$0 m) Capital expenditure
Total taxes and royalties borne and taxes collected
\$53 m (2022: \$55 m)
\$51 m (2022: \$47 m) Corporate income tax
\$0 m (2022: \$0 m) Royalties and mining taxes
\$0 m (2022: \$1 m) Other payments borne
\$1 m (2022: \$7 m) Taxes collected

For explanations of each term used above, please see Glossary on page 49. For additional context on our tax and economic contribution please refer to our country-by-country and payments to governments reports which will be released later in the year.

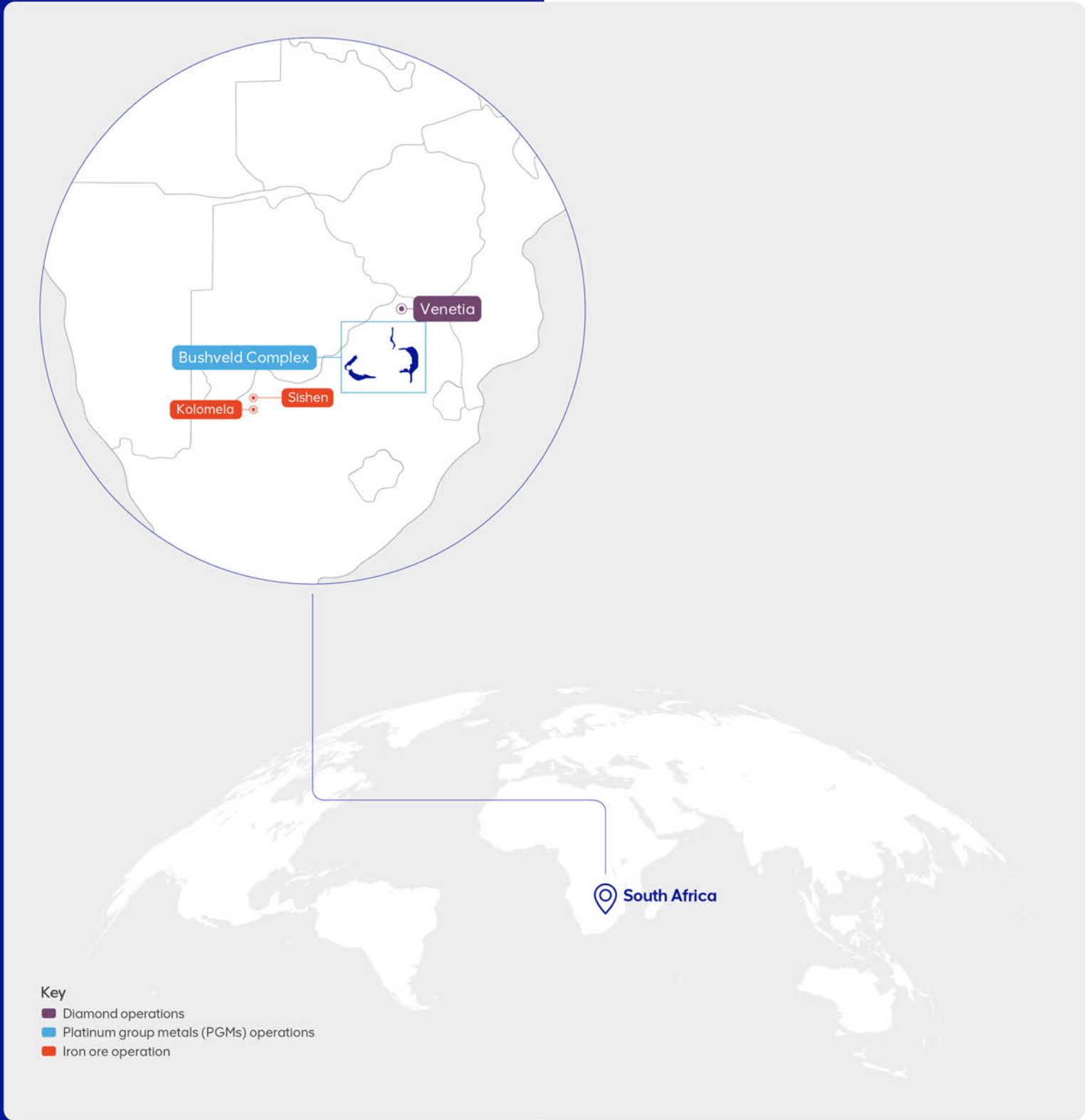
Our economic contribution in South Africa in 2023

South Africa is home to several of our assets, with operations across diamonds, PGMs, iron ore and manganese, as well as housing our shared services centre, certain corporate functions and an arm of our Marketing business.

Our PGMs business (held through an effective 79% interest in Anglo American Platinum Ltd) operates primarily through three mining operations in the Bushveld Complex: Mogalakwena, the world’s largest open pit PGMs mine, Amandelbult and Mototolo and undertakes smelting and refining activities. Our iron ore operations are driven by our 69.7% shareholding in Kumba Iron Ore, whose Sishen and Kolomela mines produce high grade and high quality lump ore and also a premium fine ore. Our diamond operations include the Venetia mine, which is transitioning to an underground operation. Additionally, we maintain a 40% shareholding in Samancor Manganese through a joint venture with South32.



Casting palladium ingots at PGMs’ precious metals smelter at Rustenburg, South Africa.



Total tax and economic contribution
\$7,477 m (2022: \$9,095 m)
Wages and related payments
\$1,596 m (2022: \$1,679 m)
Community and social investment
\$66 m (2022: \$94 m)
Total procurement
\$4,605 m (2022: \$5,269 m)
\$4,268 m (2022: \$5,205 m) of which local procurement
\$2,065 m (2022: \$2,082 m) Capital expenditure
Total taxes and royalties borne and taxes collected
\$1,210 m (2022: \$2,053 m)
\$637 m (2022: \$1,283 m) Corporate income tax
\$176 m (2022: \$359 m) Royalties and mining taxes
\$17 m (2022: \$15 m) Other payments borne
\$379 m (2022: \$396 m) Taxes collected

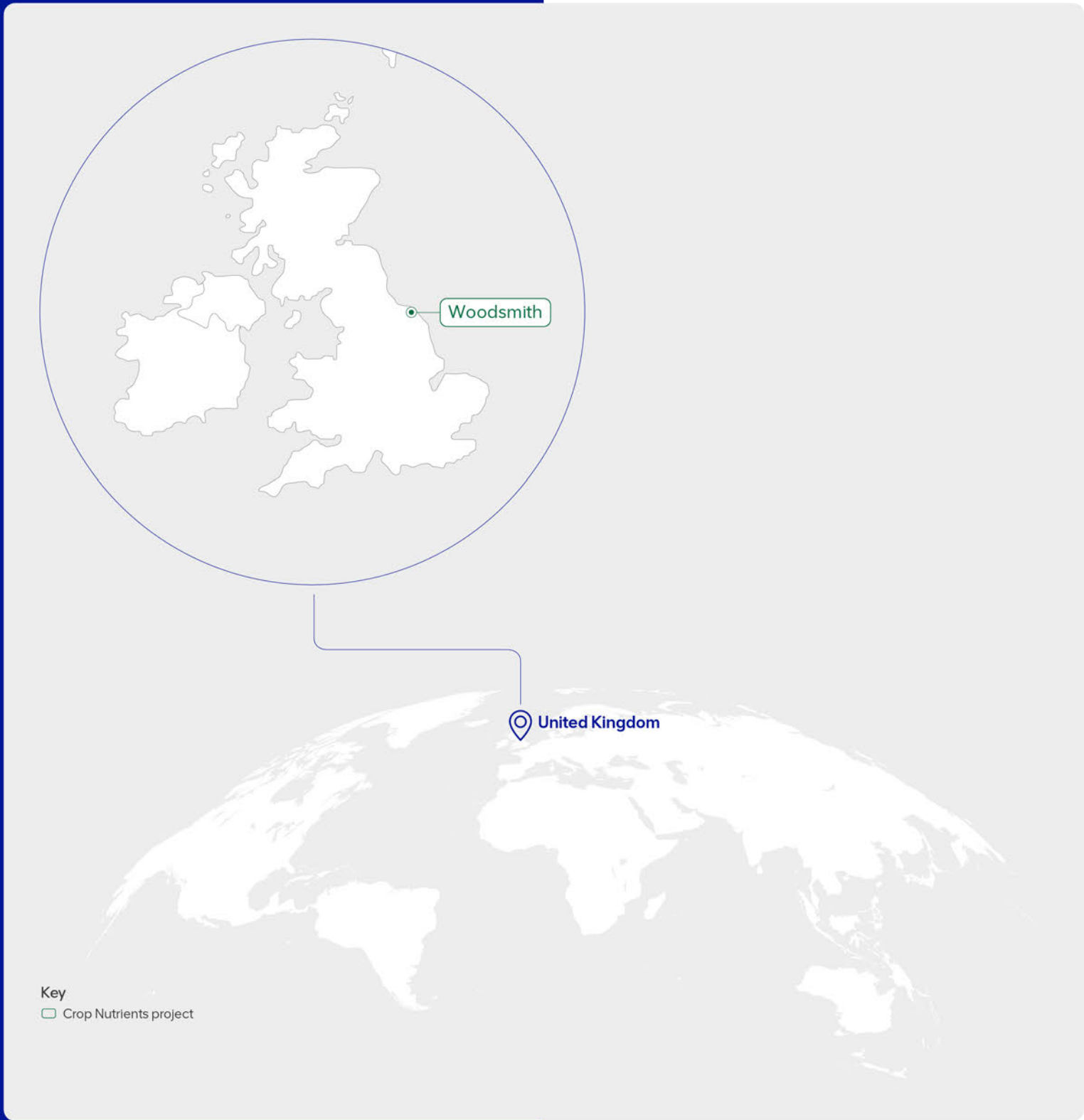
For explanations of each term used above, please see Glossary on page 49. For additional context on our tax and economic contribution please refer to our country-by-country and payments to governments reports which will be released later in the year.

Our economic contribution in the UK in 2023

The UK is home to our global headquarters, an arm of our Marketing business and the Woodsmith project, which is a new mine under construction, with the world’s largest known deposit of polyhalite. Polyhalite is a natural mineral fertiliser product that supports a low carbon economy and global consumer demand – in this case, for food. See further the case studies on pages 21 and 23.



Construction progress on the material transport system that will connect the Woodsmith project to the materials handling facility and port infrastructure.



Total tax and economic contribution
\$2,039 m (2022: \$1,728 m)
Wages and related payments
\$462 m (2022: \$455 m)
Community and social investment
\$7 m (2022: \$2 m)
Total procurement
\$1,138 m (2022: \$912 m)
\$953 m (2022: \$801 m) of which local procurement
\$681 m (2022: \$583 m) Capital expenditure
Total taxes and royalties borne and taxes collected
\$432 m (2022: \$359 m)
\$122 m (2022: \$81 m) Corporate income tax
\$1 m (2022: \$1 m) Royalties and mining taxes
\$72 m (2022: \$52 m) Other payments borne
\$237 m (2022: \$225 m) Taxes collected

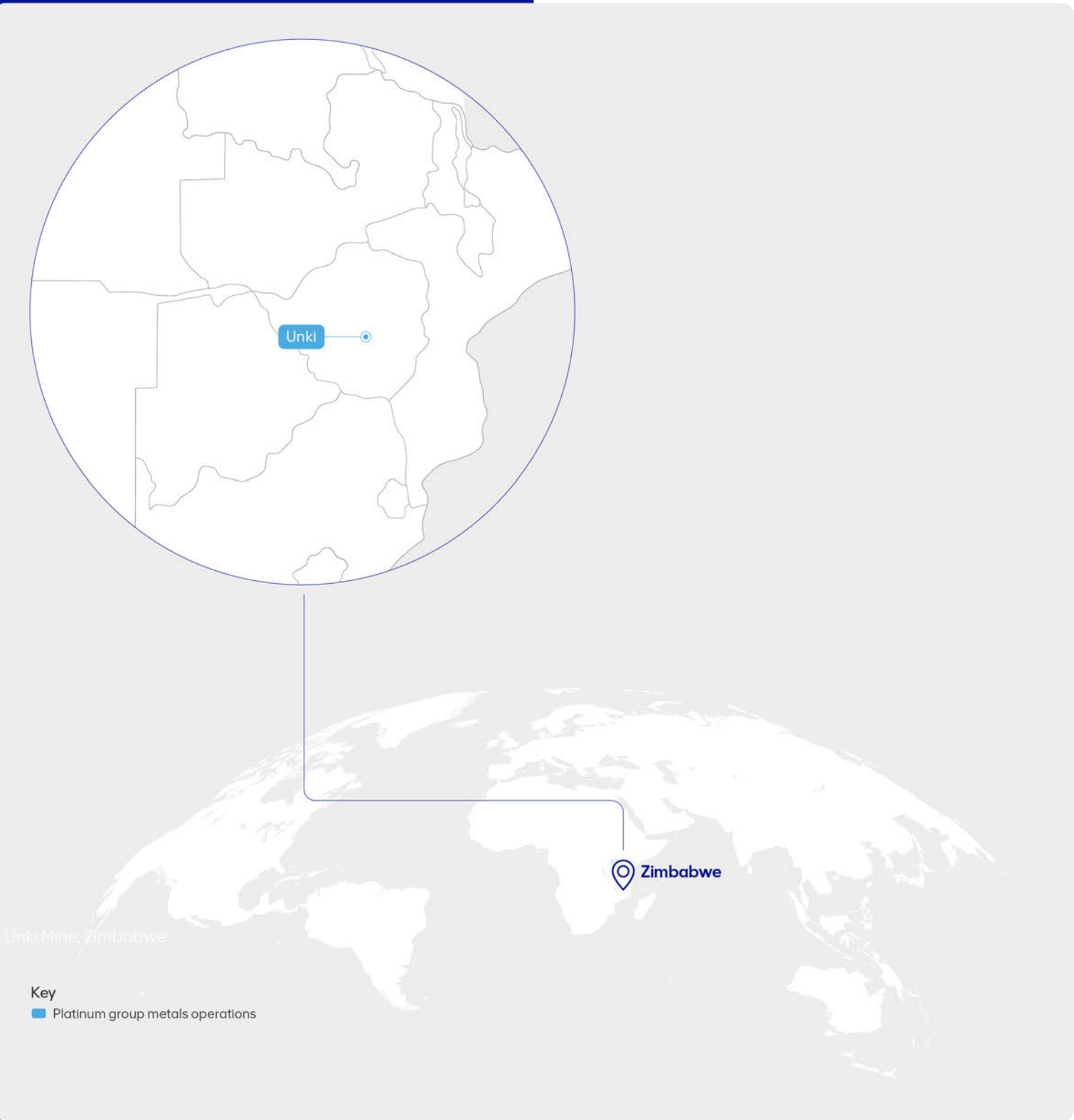
For explanations of each term used above, please see Glossary on page 49. For additional context on our tax and economic contribution please refer to our country-by-country and payments to governments reports which will be released later in the year.

Our economic contribution in Zimbabwe in 2023

Our operations in Zimbabwe centre on Unki platinum mine (100% owned) in the southern half of Zimbabwe’s Great Dyke geological formation – widely recognised as the second-largest resource of PGMs in the world.



Overlooking the smelter at Unki PGMs mine in Zimbabwe.



Total tax and economic contribution
\$269 m (2022: \$318 m)
Wages and related payments
\$58 m (2022: \$49 m)
Community and social investment
\$5 m (2022: \$4 m)
Total procurement
\$147 m (2022: \$144 m)
\$77 m (2022: \$144 m) of which local procurement
\$59 m (2022: \$15 m) Capital expenditure
Total taxes and royalties borne and taxes collected
\$60 m (2022: \$121 m)
\$7 m (2022: \$31 m) Corporate income tax
\$17 m (2022: \$42 m) Royalties and mining taxes
\$12 m (2022: \$23 m) Other payments borne
\$25 m (2022: \$26 m) Taxes collected

For explanations of each term used above, please see Glossary on page 49. For additional context on our tax and economic contribution please refer to our country-by-country and payments to governments reports which will be released later in the year.

Reconciliation of 2023 corporate income tax

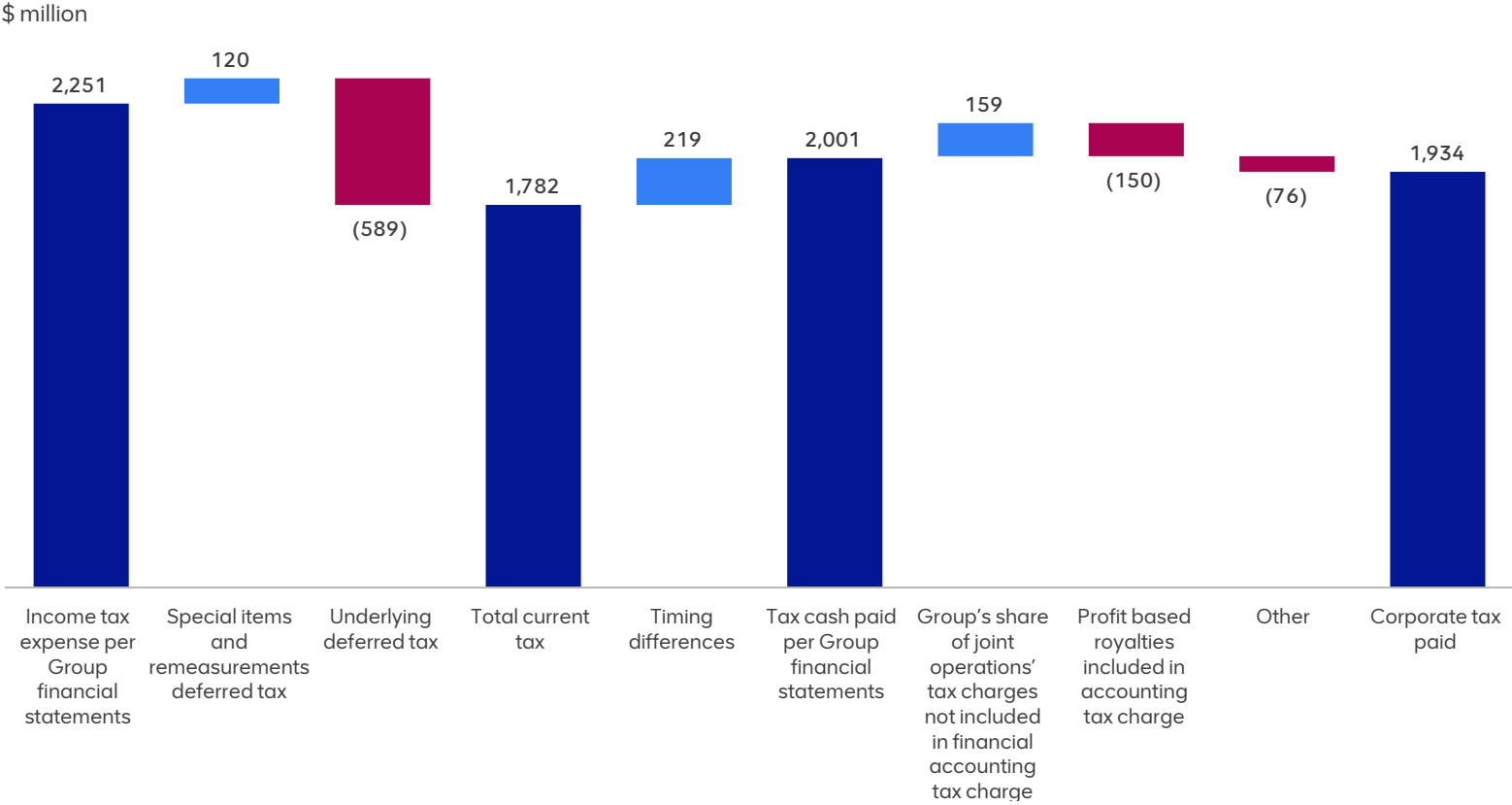
In order to enhance transparency surrounding our key financial data, this disclosure provides a link between our key attributes of taxes accrued and paid, as well as our effective tax rates in our key operating jurisdictions.

The income tax expense recorded in our Annual Financial Statements will differ from Cash Tax paid, not least owing to the tax payment instalment regimes in each of our operating jurisdictions.

Tax expense and effective tax rate

The table below represents the statutory and underlying effective tax rates for the Anglo American Group. The purpose of the underlying effective tax rate is to exclude the impact of certain items owing to their nature and also the effect of a different basis of consolidation to aid comparability.

Reconciliation of taxes paid to tax expense



	Group 2023		
	Profit before tax \$ million	Tax (charge)/credit \$ million	Effective tax rate
Calculation of effective tax rate (statutory basis)	3,595	(2,251)	62.6%
Adjusted for:			
Special items and remeasurements	2,783	(86)	
Associates' and joint ventures' tax and non-controlling interests	197	(196)	
Calculation of underlying effective tax rate	6,575	(2,533)	38.5%

The effective tax rate in 2023 was mainly impacted by the relative levels of profits arising in the Group's operating jurisdictions.

\$ million	2023
Profit before tax	3,595
Less: Net income from associates and joint ventures	(378)
Profit before tax (excluding associates and joint ventures)	3,217
Tax calculated at United Kingdom corporation tax rate of 19%	756
Tax effects of:	
Items non-deductible/taxable for tax purposes	61
Temporary difference adjustments	
Current year losses and temporary differences not recognised	523
Recognition of losses and temporary differences not previously recognised	(96)
Utilisation of losses and temporary differences not previously recognised	(25)
Write-off of losses and temporary differences previously recognised	33
Other temporary differences	105
Special items and remeasurements	568
Other adjustments	
Withholding taxes	108
Effect of differences between local and United Kingdom tax rates	396
Prior year adjustments to current tax charge	(76)
Other adjustments	(102)
Income tax expense recorded in the Group financial statements	2,251

Basis of report preparation

The purpose of this report is to provide an overview of the tax and economic contribution made by the Anglo American Group, as well as further transparency on how tax is managed as part of the Group’s overall commercial activities.

Unless otherwise stated, the tax data and economic contribution included in this report are based on amounts included in the financial reporting systems of the Group and therefore included in the consolidated accounts of the Anglo American Group as at 31 December 2023. We have included the taxes, royalties and other payments made to governments by these entities on the following basis, aligned with the accounting in the Group’s consolidated financial statements: full payments (net of refunds) for entities consolidated for accounting purposes, plus a proportionate share of payments (net of refunds) for joint operations based on the Group’s percentage shareholding. No amounts have been included for joint ventures or associates where these entities are equity accounted in the consolidated financial statements. The socio-economic contribution is based on the attributable proportion to Anglo American. See note 35 of the Consolidated financial statements in the Integrated Annual Report 2023.

Tax data has been disclosed in US dollars, in line with the Group’s functional currency for consolidated accounting purposes. Where relevant, any tax payments have been translated from the applicable local currency to US dollars at the average exchange rate for the applicable period.

As the tax data has been prepared on a cash tax basis, the relevant figures differ to those included in the Group’s financial statements prepared on an accruals basis. In general, the tax provision accrued for financial statements purposes represents the best estimate of taxes payable in respect of a period, as well as any adjustments to prior provisions. The Cash Tax data represents payments made to governments in a specific calendar year, which may also be in respect of a different fiscal year for tax purposes. See page 43 for a reconciliation between these amounts.

Payments to governments

The total payments made to government in 2023 of \$5,081 million (2022: \$5,893 million) are made up of the following items:

- Corporate income tax \$1,934 million (2022: \$2,688 million)
- Royalties and mining taxes \$1,338 million (2022: \$1,737 million)
- Other payments borne \$435 million (2022: \$261 million)
- Taxes collected \$1,373 million (2022: \$1,209 million).

Details of the types of taxes included in the above can be found in the Glossary on page 49.

Since 1 January 2015, Anglo American has been subject to the project-by-project reporting requirements of the UK Reports on Payments to Governments Regulations (SI 2014/3209) and Chapter 10 of the EU Accounting Directive (2013/34/EU). These rules require that the Group prepare and submit to Companies House, the UK registrar of companies, a full analysis of tax and certain other payments made to governments in respect of extractive projects on a project-by-project basis.

Anglo American’s ninth report under this regime is due to be submitted in a specified format to Companies House on 30 June 2024 in respect of the year ended 31 December 2023. Further disclosures will be included on the Group website and will complement our disclosure to Companies House. Prior year [payments to governments reports](#) can be viewed on our website.

Country-by-country reporting

Anglo American first published its country-by-country reporting data (in accordance with the OECD’s template) as an appendix to its 2018 Tax and Economic Contribution Report and took the same approach for 2019 data. The publication of the country-by-country reporting data was first aligned to the GRI 207-4 reporting requirements (see page 14) in the 2020 report. All subsequent reports have continued to be published on this basis. The 2023 country-by-country reporting data will be compiled and published in 2024. Prior year [country-by-country reporting data](#) can be viewed on our website.

GRI 207: Tax

Set out below is a summary of each of the relevant GRI disclosures for Tax and the locations of further publications which include more information:

Management approach disclosures

Disclosure 207-1: Approach to tax.

A description of the approach to tax, including:

- i. Whether the organisation has a tax strategy available and, if so, a link to this strategy if publicly available
- ii. The governance body or executive-level position within the organisation that formally reviews and approves the tax strategy and the frequency of this review
- iii. The approach to regulatory compliance
- iv. How the approach to tax is linked to the business and sustainable development strategies of the organisation.

Anglo American’s best-practice approach to tax is integral to our Values and published details can be found on our website within the following:

- [Tax Strategy](#)
- The Integrated Annual Report; and Sustainability Report
- Tax and Economic Contribution Report
- Code of Conduct.

The governance body responsible for the Group Tax Strategy at Anglo American is the Anglo American plc Board who review and oversee the Group Tax Strategy regularly.

As set out in the above documents, our approach to regulatory compliance is to comply with both the letter and spirit of the law, ensuring payment of the right amount of tax at the right time, in the countries in which we undertake business activity.

Our approach to tax firmly fits within the wider Anglo American Sustainable Mining Plan that forms the basis of all the Group’s decision making. The tax sustainability plan, see page 27–30 (under which we have a rolling programme of key workstreams), aligns to the three Global Sustainability pillars of:

- Healthy Environment
- Thriving Communities
- Trusted Corporate Leader.

Disclosure 207-2: Tax governance, control and risk management.

A description of the tax governance and control framework, including:

- i. The governance body or executive-level position within the organisation accountable for compliance with the tax strategy;
- ii. How the approach to tax is embedded within the organization;
- iii. The approach to tax risks, including how risks are identified, managed and monitored;
- iv. How compliance with the tax governance and control framework is evaluated.

A description of the mechanisms for reporting concerns about unethical or unlawful behaviour and the organisation’s integrity in relation to tax.

A description of the assurance process for disclosures on tax and, if applicable, a reference to the assurance report, statement, or opinion.

Further details are included within the documents listed **opposite**. The Anglo American plc Board remains accountable for compliance with the Group Tax Strategy.

For further details, please see the [Group Tax Strategy](#).

On an operational level, accountability for ensuring compliance with the Tax Strategy is delegated to the Group head of tax.

In line with our Tax Governance Framework, this accountability is overseen by the Group finance director and audit committee. Our Tax Control Framework (TCF) sets out how tax risks arising from the business activities that we undertake, should be managed across the Group. It is a global framework that establishes a minimum standard of control (based on three lines of defence) across all our Group companies to effectively manage tax risk. The process for evaluation of the control framework continues to be refined. See page 17 of this report for more information.

We use our tax risk management policy and its assessment framework, in conjunction with our TCF to identify, manage and monitor risks. We carry out risk assessments on the tax impacts of significant transactions. Compliance with our TCF and its policies is monitored by our tax governance risk and compliance team and by periodic reviews by our internal audit team. We report on the performance of the TCF to the audit committee.

Concerns about unlawful or unethical behaviour should be reported by employees through YourVoice, as detailed in our Code of Conduct.

Our tax disclosures included in the financial statements of our Integrated Annual Report are audited and assured as detailed on pages 214–221 of the Integrated Annual Report. Taxes and royalties borne as disclosed in this Tax and Economic Contribution Report are subject to limited assurance as detailed on page 47–48.

Disclosure 207-3: Stakeholder engagement and management concerns related to tax.

A description of the approach to stakeholder engagement and management of stakeholder concerns related to tax, including:

- i. The approach to engagement with tax authorities
- ii. The approach to public policy advocacy on tax
- iii. The processes for collecting and considering the views and concerns of stakeholders, including external stakeholders.

Further details can be found within pages 16–19, page 63 and page 82 of the Integrated Annual Report and also within our published Group Tax Strategy; however, in brief, we seek to maintain a long term, open, transparent and constructive relationship with relevant key stakeholders and especially tax administrations and governments in relation to tax matters. Details on our public policy advocacy on tax matters can be found within the annual Tax and Economic Contribution Report (see page 12, 15 and 30). We maintain a dialogue with a range of stakeholders both directly and through other internal functions and industry associations to understand all their concerns – this includes peers, other businesses, NGOs, investors and policymakers. We consider this gives us a good view of their concerns, but where specific concerns are raised with them we always engage in one-to-one dialogue to seek to resolve those concerns.

Topic specific disclosures

Disclosure 207-4: Country-by-country reporting requires reporting of financial, economic and tax-related information for each jurisdiction in which the organisation operates.

The following information:

All tax jurisdictions where the entities included in the organisation’s audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes.

For each tax jurisdiction reported in Disclosure 207-4-a:

- i. Names of the resident entities;
- ii. Primary activities of the organisation;
- iii. Number of employees and the basis of calculation of this number;
- iv. Revenues from third-party sales;
- v. Revenues from intra-group transactions with other tax jurisdictions;
- vi. Profit/loss before tax;
- vii. Tangible assets other than cash and cash equivalents;
- viii. Corporate income tax paid on a cash basis;
- ix. Corporate income tax accrued on profit/loss;
- x. Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax.

The time period covered by the information reported in Disclosure 207-4.

Anglo American already publishes key elements of country-by-country reporting data as part of its annual transparency data as an appendix to the Tax and Economic Contribution Report. Data with respect of the years up to and including 2019 were published as submitted to Her Majesty’s Revenue & Customs, in line with UK law under the globally recognised OECD format. The 2020 data was published in line with GRI 207–4 requirements. This approach continues for 2021 onwards. A list of tax jurisdictions where the entities in the Group audited financial statements are tax resident also included within notes 35 and 36 of the Anglo American Integrated Annual Report 2023 (pages 277–293).

Assurance report

Independent Limited Assurance Report to the Directors of Anglo American plc (“Anglo American”) on Total Taxes and Royalties Borne

Our limited assurance conclusion

Based on the procedures we have performed, as described under “Summary of work performed” and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information marked with the symbol Δ in Anglo American Group’s Tax and Economic Contribution Report for the year ended 31 December 2023 (the “Report”) and summarised below (together, the ‘Subject Matter Information’), has not been prepared, in all material respects, in accordance with Anglo American’s Reporting Criteria (the ‘Reporting Criteria’) set out on page 44 of Anglo American’s Tax and Economic Contribution Report 2023.

What we assured

The Subject Matter Information needs to be read and understood together with the Reporting Criteria which Anglo American’s Directors are solely responsible for selecting and applying. The Subject Matter Information and the Reporting Criteria are as set out in the table below:

Subject Matter Information	Location of Subject Matter Information	Reporting Criteria
Total Taxes and Royalties Borne of \$3,708 m	Page 2 of the Tax and Economic Contribution Report 2023	Basis of Report Preparation on page 44 of the Tax and Economic Contribution Report 2023

The scope of our work did not extend to information in respect of earlier periods or to any other information included in, or linked from, the Report.

Our work

Professional standards applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’, issued by the International Auditing and Assurance Standards Board.

Our independence and quality control

We have complied with the Institute of Chartered Accountants in England and Wales Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards).

We apply International Standard on Quality Management (UK) 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

We performed a limited assurance engagement. Because the level of assurance obtained in a limited assurance can vary, we give more detail about the procedures performed, so that the intended users can understand the nature, timing and extent of procedures we performed as context for our conclusion. These procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

In performing our assurance procedures, which were based on our professional judgement, we performed the following:

- considered the suitability in the circumstances of Anglo American’s use of the Reporting Criteria as the basis for preparing the Subject Matter Information, including the reporting boundary for what is included in the Subject Matter Information;
- obtained an understanding of Anglo American’s control environment, processes and systems relevant to the preparation of the Subject Matter Information. Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities;
- evaluated the appropriateness of measurement and evaluation methods and reporting policies used by Anglo American;
- compared year on year movements and obtained explanations from management for significant differences we identified;

- performed limited substantive testing on a selective basis of the Subject Matter Information, which is aggregated from information submitted by Anglo American’s businesses. Testing involved agreeing arithmetical accuracy of calculations, and for 4 businesses traced a sample of the Subject Matter Information to the financial statements of those components and source information (such as tax returns and bank payments) to check that the underlying subject matter had been appropriately evaluated or measured, recorded, collated and reported; and
- evaluated the disclosures in, and overall presentation of, the Subject Matter Information.

Materiality

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Subject Matter Information is likely to arise. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our procedures in support of our conclusion. We believe that it is important that the intended users have the information they need to understand the concept and the level of materiality to place our conclusion in context. Based on our professional judgement, we determined materiality for the Subject Matter Information as follows:

Overall materiality

Materiality may differ depending upon the nature of the Subject Matter Information. We apply professional judgement to consider the most appropriate materiality benchmark for each aspect of the Subject Matter Information, having considered how the intended users may use the information.

As Total Taxes and Royalties Borne is an absolute number, a benchmark materiality of 5% has been applied.

For each business in the scope of our Group assurance, we allocated a materiality that is less than our overall materiality. The range of materiality allocated across components was up to \$185 million.



We also agreed to report to the Directors misstatements (‘reportable misstatements’) identified during our work at a level below overall materiality, as well as misstatements below that lower level that in our view warranted reporting for qualitative reasons. The Directors are responsible for deciding whether adjustments should be made to the Subject Matter Information in respect of those items.

Key assurance matters

We have determined that there are no key assurance matters to communicate in our report.

Inherent Limitations

The absence of a significant body of established practice upon which to draw to evaluate and measure the Subject Matter Information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities.

Reporting on Other Information

The other information comprises all of the information in the Report other than the Subject Matter Information and our assurance report. The Directors are responsible for the other information. As explained above, our conclusion does not extend to the other information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Responsibilities of the Directors

The Directors of Anglo American are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring or evaluating the underlying subject matter;
- ensuring that those criteria are relevant and appropriate to Anglo American and the intended users of the Report;
- the preparation of the Subject Matter Information in accordance with the Reporting Criteria including designing, implementing and maintaining systems, processes and internal controls over the evaluation or measurement of the underlying subject matter to result in Subject Matter Information that is free from material misstatement, whether due to fraud or error; and
- producing the Report, including underlying data and a directors’ statement, which provides a balanced reflection of Anglo American’s performance in this area and discloses, with supporting rationale, matters relevant to the intended users of the Report.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Anglo American.

Use of our report

Our report, including our conclusion, has been prepared solely for the Directors of Anglo American in accordance with the agreement between us dated 18 December 2023 (the “agreement”). To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Board of Directors and Anglo American for our work or our report except where terms are expressly agreed between us in writing.



PricewaterhouseCoopers LLP
Chartered Accountants

London
29 February 2024

Glossary

Term	Definition
Capital investment	Capital investment is defined as cash expenditure on property, plant and equipment, including related derivatives, proceeds from disposal of property, plant and equipment and direct funding for capital expenditure from non-controlling interests. Includes capitalised operating cash outflows.
Cash tax	The amount of tax actually paid or received by an entity in the relevant period as opposed to an accrual for accounting purposes.
Controlled	For the purpose of this report, control is achieved where Anglo American’s effective holding is greater than 50%.
Corporate income tax	Payments to governments based on taxable profits under legislated income tax rules. This also includes payments made to revenue authorities in respect of disputed claims and withholding taxes on dividends, interest and royalties.
Community and social investment	Refers to all social investment spend that is not related to impact management – except where spend related to regulation or licensing processes is allocated to social programmes – either from allocated budgets or established Foundations.
Employees	Average number of Group employees, excluding employees of contractors, associates and joint ventures and including a proportionate share, based on percentage shareholding of employees within joint operations.
Government profit share in excess of equity interest	When partnering with a host government, agreement may be reached to distribute profits to government in a proportion different to government’s equity interest (representing a higher contribution to government revenues than would be made through tax, royalties and proportional equity returns). This metric captures that distribution of profits in excess of equity interest in respect of Debswana (Anglo American’s partnership with the Government of the Republic of Botswana).
Key operating jurisdiction	A jurisdiction in which Anglo American has significant extractive, marketing or headquarter operations.
Local procurement	The amount of total procurement that is spent with local companies; being businesses that are registered and based in the country of operation – also referred to as in-country suppliers.

List of acronyms

- BIAC – Business @OECD
- EBTF – European Business Tax Forum
- GRI – Global Reporting Initiative
- HMRC – HM Revenue & Customs (the UK tax authority)
- ICC – International Chamber of Commerce
- ICMM – International Council on Mining and Metals
- IGF – Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development
- TCF – Tax Control Framework
- TRMP – Tax Risk Management Policy

Group terminology

In this document, references to “Anglo American”, the “Anglo American Group”, the “Group”, “we”, “us”, and “our” are to refer to either Anglo American plc and its subsidiaries and/or those who work for them generally, or where it is not necessary to refer to a particular entity, entities or persons. The use of those generic terms herein is for convenience only, and is in no way indicative of how the Anglo American Group or any entity within it is structured, managed or controlled. Anglo American subsidiaries, and their management, are responsible for their own day-to-day operations, including but not limited to securing and maintaining all relevant licences and permits, operational adaptation and implementation of Group policies, management, training and any applicable local grievance mechanisms. Anglo American produces group-wide policies and procedures to ensure best uniform practices and standardisation across the Anglo American Group but is not responsible for the day to day implementation of such policies. Such policies and procedures constitute prescribed minimum standards only. Group operating subsidiaries are responsible for adapting those policies and procedures to reflect local conditions where appropriate, and for implementation, oversight and monitoring within their specific businesses.

Term	Definition
Other payments borne	Taxes or other payments to governments including employee payroll taxes and those taxes and payments relating to environmental policy and licensing requirements, including carbon taxes, landfill taxes, aggregate taxes, permits and other entry fees and considerations.
Payroll tax	Payments to governments arising from payment of remuneration to employees, including wages, salaries and bonuses.
Royalties and mining taxes	Payments to governments in relation to both revenue or production generated under licence agreements and royalty related income taxes. This also includes payments to revenue authorities in respect of disputed claims.
Taxes and royalties borne	Payments in respect of taxes directly incurred by Anglo American as a result of its economic activity. This amount is made up of corporate income tax, royalties and mining taxes and other payments borne.
Taxes collected	Payments in respect of taxes by Anglo American which are incurred by other parties (e.g. customers or employees) which directly arise from the economic activity of the Group.
Taxes and royalties paid	Payments in respect of taxes by Anglo American, including both taxes and royalties borne and taxes collected.
Total cash value distributed to stakeholders	Total cash value distributed to stakeholders consists of the sum of total tax and economic contribution and returns to Anglo American plc shareholders and other providers of capital.
Total procurement	Procurement of goods and services that is discretionary spend. Discretionary spend is the procurement of goods and services, in relation to the business operations in each jurisdiction and it includes capital investment and operating expenditure. Discretionary spend excludes procurement from suppliers denoted as non-discretionary in any of the regions.
Total tax and economic contribution	Consists of the sum of taxes and royalties borne, taxes collected, community and social investment (CSI), wages and related payments and total procurement (including capital investment).
Wages and related payments	Payroll costs (excluding payroll taxes) in respect of employees.

Contacts and other information

Forward-looking statements and third-party information

This document includes forward-looking statements. All statements other than statements of historical facts included in this document including, without limitation, those regarding Anglo American’s financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations, prospects and projects (including development plans and objectives relating to Anglo American’s products, production forecasts and Ore Reserve and Mineral Resource positions) and sustainability performance related (including environmental, social and governance) goals, ambitions, targets, visions, milestones and aspirations, are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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, unanticipated downturns in business relationships with customers or their purchases from Anglo American, mineral resource exploration and project development capabilities and delivery, recovery rates and other operational capabilities, safety, health or environmental incidents, the effects of global pandemics and outbreaks of infectious diseases, the impact of attacks from third parties on our information systems, natural catastrophes or adverse geological conditions, climate change and extreme weather events, the outcome of litigation or regulatory proceedings, the availability of mining and processing equipment, the ability to obtain key inputs in a timely manner, the ability to produce and transport products profitably, the availability of necessary infrastructure (including transportation) services, the development, efficacy and adoption of new or competing technology, challenges in realising resource estimates or discovering new economic mineralisation, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, liquidity and counterparty risks, the effects of inflation, terrorism, war, conflict, political or civil unrest, uncertainty, tensions and disputes and economic and financial conditions around the world, evolving societal and stakeholder requirements and expectations, shortages of skilled employees, unexpected difficulties relating to acquisitions or divestitures, competitive pressures and the actions of competitors, activities by courts, regulators and governmental authorities such as in relation to permitting or forcing closure of mines and ceasing of operations or maintenance of Anglo American’s assets 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 Anglo American’s most recent Annual Report. 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 UK Listing Rules, the Disclosure Guidance 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 included in this document is sourced from third party sources (including, but not limited to, externally conducted studies and trials). As such it has not been independently verified and presents the views of those third parties, but 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 information.

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- Climate Report
- Country-by-country Report
- Payments to governments Report
- 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 reports

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