



Tax and Economic Contribution Report 2022

Re-imagining mining to improve people’s lives

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

Our portfolio is predominantly focused on future-enabling metals and minerals – those that are fundamental to delivering a cleaner, greener, more sustainable future – and meeting the fundamental needs and consumer-led demands of a growing global population.

At Anglo American, we are combining smart innovation, with the utmost consideration for our people, their families, local communities, our customers and the world at large – to better connect the resources in the ground to the people who need and value them. We are working together to develop better jobs, better education and better businesses, building brighter and healthier futures around our operations in host countries, and ultimately for billions of people around the world who depend on our products every day.

Our metals and minerals help unlock a cleaner future for our planet and meet the needs of a growing population, from homes and electronics, to food and luxuries – these are future-enabling products.

Examples of the ways in which we embrace our Purpose are demonstrated throughout our reporting suite.

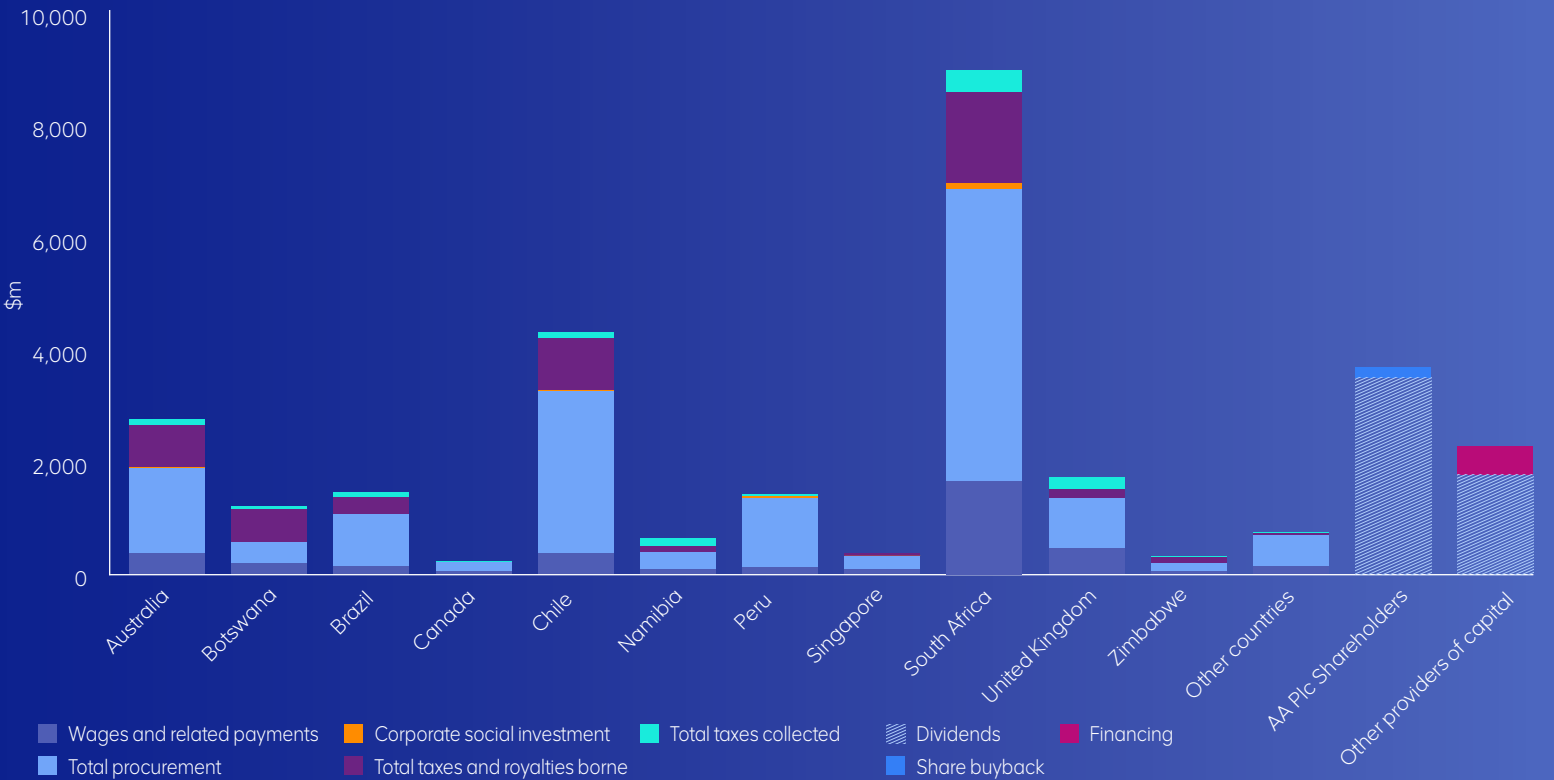
We include here key metrics that highlight the total cash value distributed to our stakeholders, including:

- Taxes and royalties borne
- Other amounts distributed to key stakeholders

Cover Image
At Skeerpoort, in South Africa’s North West province, farmworker Solomon Charlie (left) and Agricultural Research Services employee Simon Molemela inspect a sunflower plantation as part of our Crop Nutrients business’s extensive series of farm trials of its low-chloride, multi-nutrient POLY4 fertiliser product.

Total tax and economic contribution ⁽¹⁾ \$m			Taxes and royalties borne ⁽²⁾ \$m			Number of employees ⁽³⁾		
	2022	2021		2022	2021		2022	2021
Australia	2,789	2,261	Australia	774	244	Australia	2,220	2,000
Botswana	1,226	1,042	Botswana	594	398	Botswana	3,400	3,300
Brazil	1,630	1,933	Brazil	298	465	Brazil	4,000	4,100
Canada	237	196	Canada	13	8	Canada	650	650
Chile	4,365	3,227	Chile	930	850	Chile	4,400	4,300
Namibia	636	538	Namibia	113	77	Namibia	1,500	1,500
Peru	1,441	1,335	Peru	9	6	Peru	1,000	750
Singapore	381	552	Singapore	49	36	Singapore	410	350
South Africa	9,095	9,135	South Africa	1,657	3,711	South Africa	41,100	41,450
United Kingdom	1,728	1,597	United Kingdom	134	200	United Kingdom	2,000	1,900
Zimbabwe	318	349	Zimbabwe	95	110	Zimbabwe	1,700	1,600
Other	736	251	Other	19	38	Other	1,620	1,700
Total	24,584	22,413	Total	4,685 ⁽⁴⁾	6,143 ⁽⁴⁾	Total	64,000	63,600

Total cash value distributed to stakeholders of \$30.6 billion⁽⁴⁾



⁽⁴⁾ Further information provided on pages 7–8 and pages 25–35.

⁽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⁾ This figure of \$4,685 million has been subject to independent limited assurance by PricewaterhouseCoopers LLP and is referred to as the ‘Subject Matter Information’ in their assurance report on pages 38–39. Basis of preparation as per page 37.

⁽⁵⁾ This figure of \$6,143 million was subject to limited assurance by PricewaterhouseCoopers LLP in the prior year. Refer to Tax and Economic Contribution Report 2021 for further details.

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.

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Our reporting suite



You can find this report and others, including our Integrated Annual Report, Sustainability Report (including our wider GRI disclosures), Climate Change Report, and the Tax and Economic Contribution Reports for previous years (alongside the country-by-country reporting appendices) on our corporate website:

For more information, visit:
www.angloamerican.com/annual-reporting

About this report

The 2022 report is our ninth Tax and Economic Contribution report and demonstrates the 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 best practice.

The information contained within this report will help readers to better understand our Purpose and 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. Transparency is not a destination that we want to get to; it is a dialogue we want to lead, and with it come benefits of increased tax certainty.

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.

Other sources of information

More information about sustainability at Anglo American, including an Excel download of our sustainability data, business unit sustainability reports, and historical reports, can be found in our Integrated Annual Report and online at 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 42–43 of this report.

FutureSmart Mining™



FutureSmart Mining™ – our innovation-led pathway to sustainable mining – is fundamentally changing the way we extract, process and market metals and minerals, providing our next step-change in operating and financial performance.

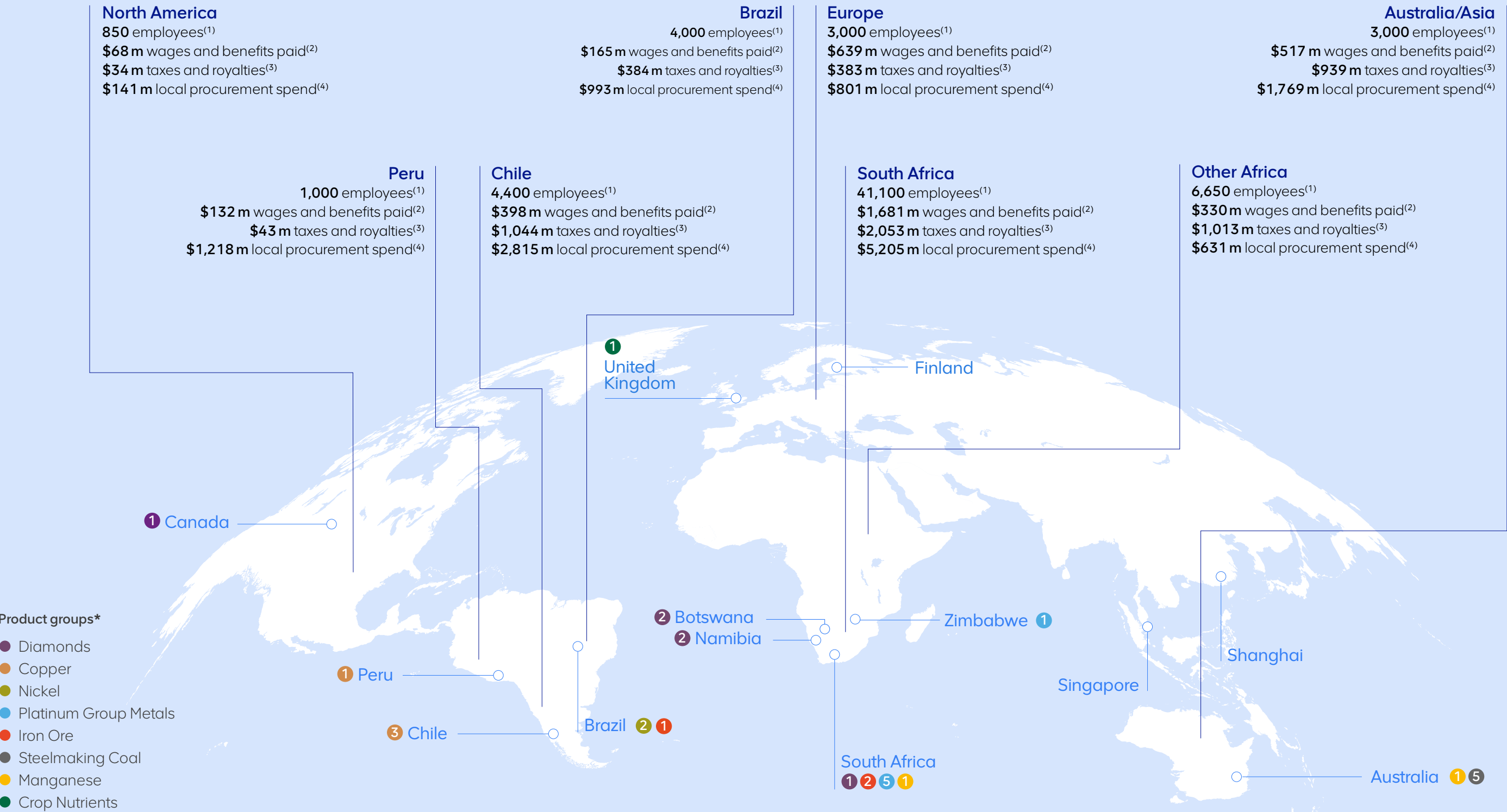
For more information, visit:
www.angloamerican.com/futuresmart-mining

Social channels

-  AngloAmerican
-  @angloamerican
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-  angloamerican
-  angloamericanplc

Our business at a glance

Anglo American is a leading global mining company with a world class portfolio of mining and processing operations and undeveloped resources, providing tailored materials solutions for our customers, with more than 105,000 people working for us around the world.



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

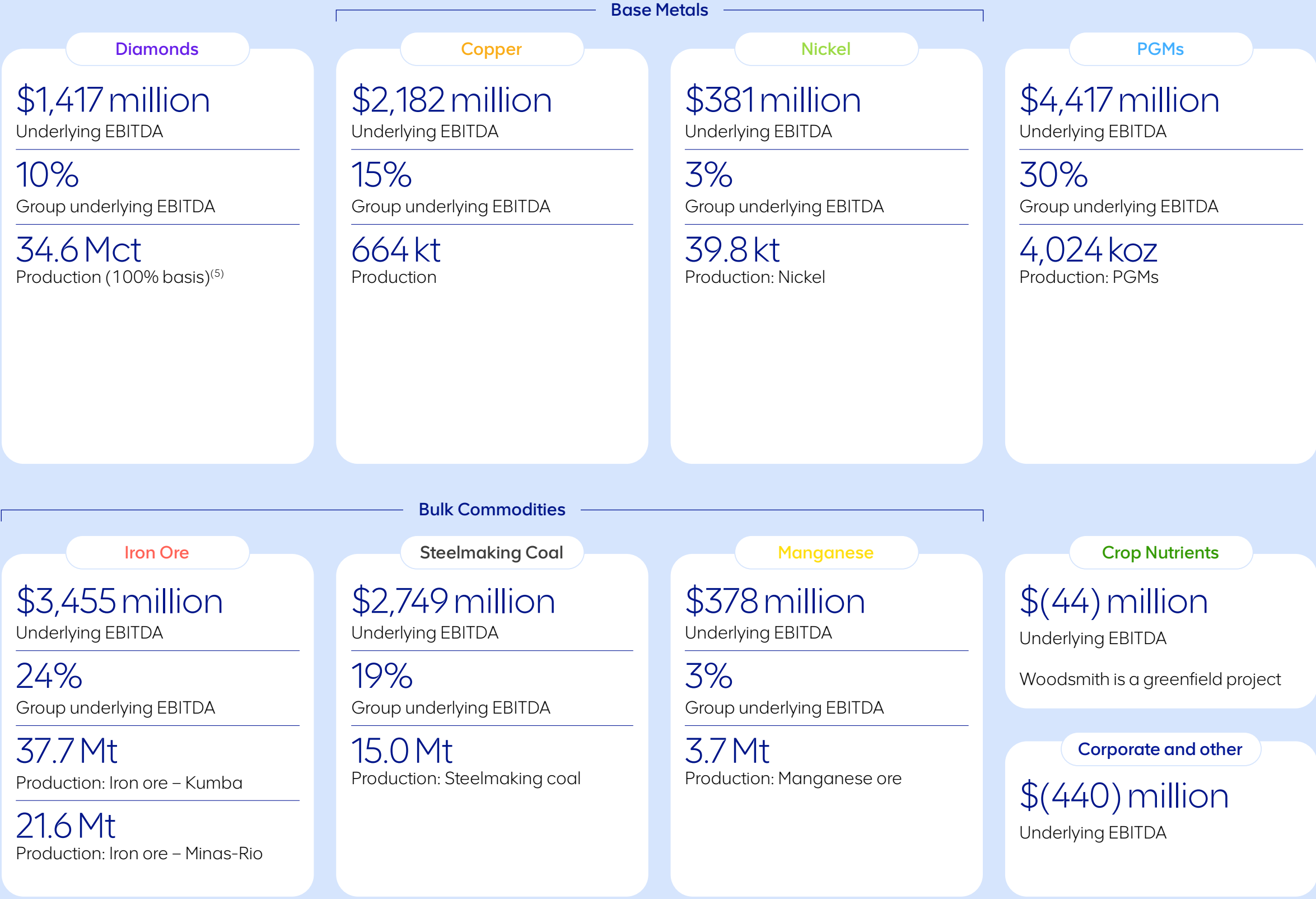
For footnotes See page 113 of the Integrated Annual Report 2022

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

— Our overview video gives a complete introduction to what we do and our ambitions for the future
See https://youtu.be/cYUz_h97X0A



— More detailed information and maps can be found in the business unit reviews
See pages 84–111 of the Integrated Annual Report



Re-imagining mining to improve people's lives

During my first year as chief executive, our commitment to safe, responsible production at our operations, guided by our Purpose of re-imagining mining to improve people's lives, continues to be strongly demonstrated by our people all around the world. Sustainably produced metals and minerals are more essential than ever to the global economy – meeting customers' needs and improving the lives of billions of people, every day.

This 2022 edition marks Anglo American's ninth Tax and Economic Contribution Report, demonstrating our longstanding commitment to transparency and the breadth of financial and other benefits our business activities bring to our stakeholders.

I am proud of the continued progress on our journey of transparency in tax reporting, built on already strong foundations. Our approach means we can readily set out the enduring and broad-based nature of our economic contribution to society, and our commitment to host countries and communities with numeric data and examples of initiatives and best practices which exemplify how Anglo American operates, in accordance with our Values.

By working together, the mining industry and host governments can help solve some of the most pressing challenges facing many mining jurisdictions, most notably in emerging economies. By encouraging investment in mining those metals and minerals that are critical for the energy transition and to address climate change, governments have the tools to accelerate economic growth prospects to enable society to thrive, including through the delivery of clean and reliable electricity and water. These interests are not conflicting. Instead, they present a window of opportunity for meaningful partnering using transparency as a vehicle to build greater trust. Tax has a clear role to play in such

investment opportunities. Investors need clear and predictable regulatory and fiscal systems to provide clarity around tax obligations, amongst others. This is what governments are empowered to unlock.

From an operational point of view, we are resolutely focused on safety as our highest priority, as well as operational stability, sustainability and growth. We continue to evolve the Group's portfolio of competitive, world class assets towards those future-enabling products, being the metals and minerals that are required to enable and meet the demand trends we see – meeting the needs of a cleaner, greener, more sustainable world with a growing global population, from homes and electronics to food and luxuries. Aligned to this strategy, we commissioned our new world class Quellaveco copper mine in Peru, in July 2022, with commercial operations ramping up and taking our supply of this essential metal towards 1 million tonnes per year.

Our Sustainable Mining Plan sets out a series of holistic sustainability goals, with accountability and policy advocacy critical to our aspiration of being a Trusted Corporate Leader. Our tax and economic contribution, and the broader policy and sustainability work of our Group Tax team, are great examples of this work in practice.

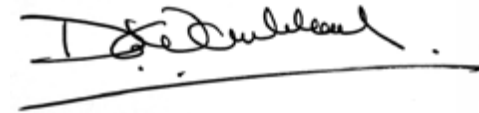
Our Sustainability Report 2022 sets out our progress towards all elements of our Sustainable Mining Plan goals. In 2022, this includes our agreement to develop renewable energy supply in South Africa over the next decade via a new partnership with EDF Renewables and the signing of an agreement for 100% renewable energy for our operations in Australia from 2025. Our South America operations are already contracted to source their entire electricity requirements from renewables from 2023.

"As the world rallies toward the urgent goal of net zero, it is mining that must provide the feedstocks necessary for such wholesale decarbonisation – and do so in the cleanest and most socially responsible way possible."

We are also publishing Anglo American's second Climate Change Report at the same time as our full suite of annual reports in March, to help stakeholders track our progress towards our climate targets and ambitions alongside all our contemporaneous information on sustainability and our tax and economic contribution.

Our website provides extensive information about the many ways we are embedding leading sustainability practices into our business through our workforce. Of course, this applies equally to our operations and offices, beginning with ensuring our governance processes from the Board down consider the full impact of decisions in their deliberations, of course guided by our Purpose.

I am grateful to the Board and to my predecessor, Mark Cutifani, for their leadership and belief that meaningful data provided on a timely basis in an easily understandable format is the correct way to provide greater context about our business, and to aid understanding and decision making by our stakeholders. We aim to continuously improve the information we can provide through reports such as this and trust it is helpful for stakeholders in understanding the value we create in its many forms across society.



Duncan Wanblad
Chief Executive



Finance Director's statement

Transparency over tax and our contributions to society are incredibly important to us – as evidenced by the evolution of our tax transparency journey since 2005.

In this report, we set out our Total Tax and Economic Contribution of \$24.6 billion for 2022, and place it into its full context, by demonstrating the additional \$6.0 billion of returns to providers of capital.

2022 has been a time of much instability at a macro-economic level.

When there is significant market volatility, we experience volatility in the prices we achieve for our products, resulting in changes to profitability and, consequently, to the amount of the taxes we pay and where we pay them.

However, the way that we contribute is typically a combination of profit taxes and royalties, meaning that our host countries are financially supported across business cycles while also sharing in our success.

We have a world-leading tax control framework governed by our Board-approved Tax Strategy and take a best in class approach to governance, to ensure we pay the right tax at the right time in the right place. We are proud of the large amount of taxes and royalties that we pay and the broader financial contributions we make across our global footprint.

This report demonstrates that we continue to make significant tax and economic contributions, predominantly, and rightly, in the countries where the revenues arise; that is, in the countries where we operate.

Our engagement with a range of stakeholders tells us that, as well as data and the commitments in our Tax Strategy, they value understanding the context behind the data. This report therefore seeks to bring our approach to tax to life, with the inclusion of case studies of our work from 2022.

We are seeking to engage, and partner more with governments to create, through our transparent approach and world class tax controls and governance, a more predictable environment for our investments and more capability and capacity for governments.

On the global stage, discussions on reform of the international tax system are ongoing and we continue to play our part in those conversations. We are engaging with stakeholders, aiming to ensure that tax and other relevant laws are globally consistent, technically robust, and in line with policy objectives, to provide a level playing field and ensure that the right taxes are paid at the right time in the right place.

Looking to the future, the impact of trends in climate change and digitalisation, alongside broader global economic challenges, will have an impact on how the mining industry and business more broadly generate value for their stakeholders. Ensuring that there is a Just Transition is paramount. The tax system has a key part to play in both delivering appropriate value to governments and communities, and also in incentivising investments that will help the journey to net zero, so that our industry can indeed provide the metals and minerals that are so badly needed if we are to meet society's and our planet's needs.

I 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 value in line with our Values across everything that we do.



Stephen Pearce
Finance Director

“After implementing key changes to our Tax and Economic Contribution Report last year, this 2022 report embeds those enhancements, while still bringing the context of Anglo American's extensive contribution to life.”



Total cash value distributed to stakeholders of \$30.6 billion

The value we add comes in many forms. Here, we set out our tax and economic contribution in order to provide greater context in explaining how each of our stakeholder groups benefit economically from the total economic value we have generated and distributed.

By employing people, paying and collecting taxes and spending money with suppliers, 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.

Employees: wages and related expenditure in 2022 of \$3.7 billion

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.

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

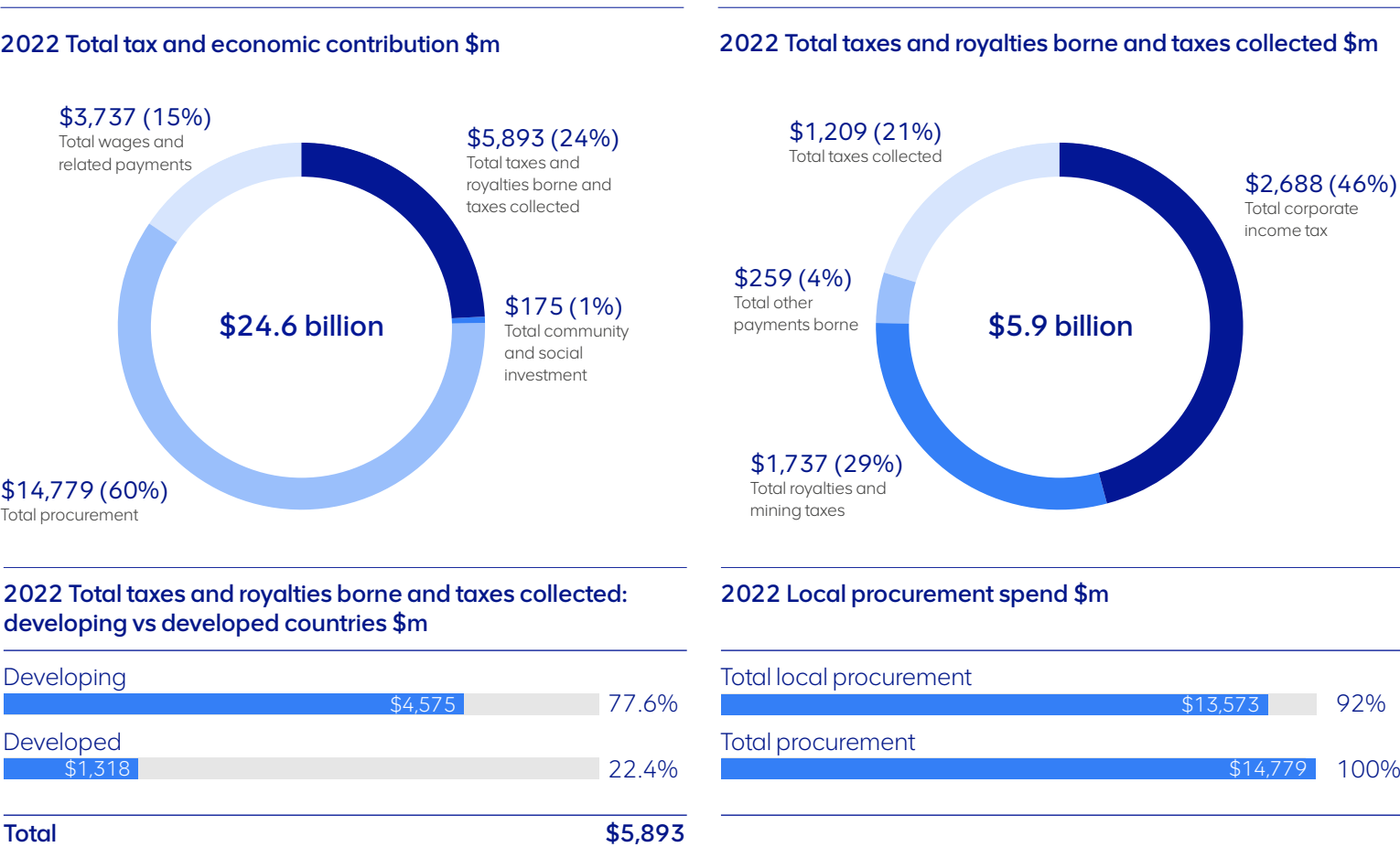
See page 22 for examples of how the Group’s commitment to employees was, once again, demonstrated in 2022.

Taxes and royalties borne and taxes collected in 2022 of \$5.9 billion

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 that 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 25–35 of this report are more details of the breakdown of total taxes and royalties borne and taxes collected for each of our key jurisdictions.



Total procurement spend in 2022 of \$14.8 billion of which \$13.6 billion was local procurement

We also ensure that our business operations deliver economic value to communities by our policies on inclusive procurement, local recruitment and supporting local suppliers.

By investing in local suppliers as far as possible, 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 we make as a result of local procurement.

Our Local Procurement Policy provides a framework for supporting development outcomes through targeted procurement initiatives. This policy is further strengthened by region-specific policies. Local procurement strategies articulate the value to Anglo American and local communities. The measurement of local procurement varies between operations, and is informed by a combination of development outcomes and legal requirements.

Local procurement occurs on multiple levels, and often as a combination of factors, including procurement from host, indigenous and previously disadvantaged communities.

— For more information, see our Sustainability Report:
[See \[angloamerican.com/sustainabilityreport-2022\]\(https://www.angloamerican.com/sustainabilityreport-2022\)](https://www.angloamerican.com/sustainabilityreport-2022)

In 2022, our total cash value distributed to stakeholders totalled \$30.6 billion.

This comprised the following:

\$3.7 billion
To our employees through wages and related expenditure

\$5.9 billion
Paid in taxes and royalties borne and taxes collected

\$14.8 billion
Paid to suppliers in the form of procurement (including in respect of capital investment)

\$175 million
Spent on community and social investment (CSI)

\$6.0 billion
To providers of capital (of which \$0.5 billion was paid to lenders, dividends of \$1.8 billion were paid to non-controlling interests, and \$3.7 billion was paid to Anglo American plc shareholders)

Set out on pages 25–35 of this report are more details of the breakdown of total tax and economic contribution for each of our key jurisdictions.

We actively manage our asset portfolio to improve its overall competitive position, continuing our trajectory towards future-enabling metals and minerals that are essential to decarbonise energy and transport, and that support a growing global consumer population.

Each year, the Group reinvests heavily in the assets we own. In 2022, the Group reinvested a total of \$5.8 billion from overall profits into the future profitability of the business. This, in turn, will benefit all our stakeholders (both internal and external) around the world.

Community and social investment in 2022 of \$175 million

Another key element of our economic contribution to society is our investment in our employees and in 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 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.

In 2022, our CSI reached \$175 million. Since the beginning of the pandemic in 2020, we have increased our CSI investment, and slightly readjusted our funding priorities, investing more in health. In mid-2021, we broadened the scope of our programme of matching employee donations to select charities, to remove the requirement linking funding to Covid-19, and to make it available to all employees worldwide.

We have also expanded our global employee volunteering programme, Ambassadors for Good, to include Chile, Namibia, Botswana, China and Australia. More information on community and social investment can be found in the Sustainability Report 2022.

Returns to providers of capital in 2022 of \$6.0 billion

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 share buyback.

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, 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.

Other

Our contribution to the countries in which we operate extends beyond the total cash value distributed to stakeholders. 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 21-23, we set out a series of short case studies on each of the three pillars of our Tax Sustainable Mining Plan to explain how we are 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 2022, see Sustainability Report 2022 Pages 77–78.



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^(□) This figure of \$6,143 million was subject to limited assurance by PricewaterhouseCoopers LLP in the prior year. Refer to Tax and Economic Contribution Report 2021 for further details.

Our Tax Strategy

Plant metallurgist Shokorashe Shoko (left) and occupational hygienist Rest Basu sorting out some wiring during an inspection of equipment in the concentrator plant of our Unki PGMs operation in Zimbabwe. In 2019, Unki was the first mine in the world to publicly commit to a third-party audit to determine its performance against the Initiative for Responsible Mining Assurance (IRMA) Standard.

Tax Strategy and our approach

Tax Strategy

Our 2022 Group Tax Strategy continues to be approved by the Board and can be found on our website:

— www.angloamerican.com/tax-strategy

Our strategy is closely aligned with the Responsible Tax Principles of The B Team, a not-for-profit initiative that aims to encourage a better way of doing business. We have continued to actively embrace The B Team principles and support their work during 2022, as well as formally endorsing the [Best Practices for Good Governance](#) released by the European Business Tax Forum in partnership with The B Team and the Tax Executives Council (as set out in more detail on page 13).

Responsibility for ensuring compliance with our Tax Strategy is delegated to our Group Head of Tax, Zahira Quattrocchi, who is overseen by our Finance Director, Stephen Pearce, and the Group Audit Committee. Our Group Head of Tax is supported by a global team of qualified and experienced tax professionals.

Our approach and policies

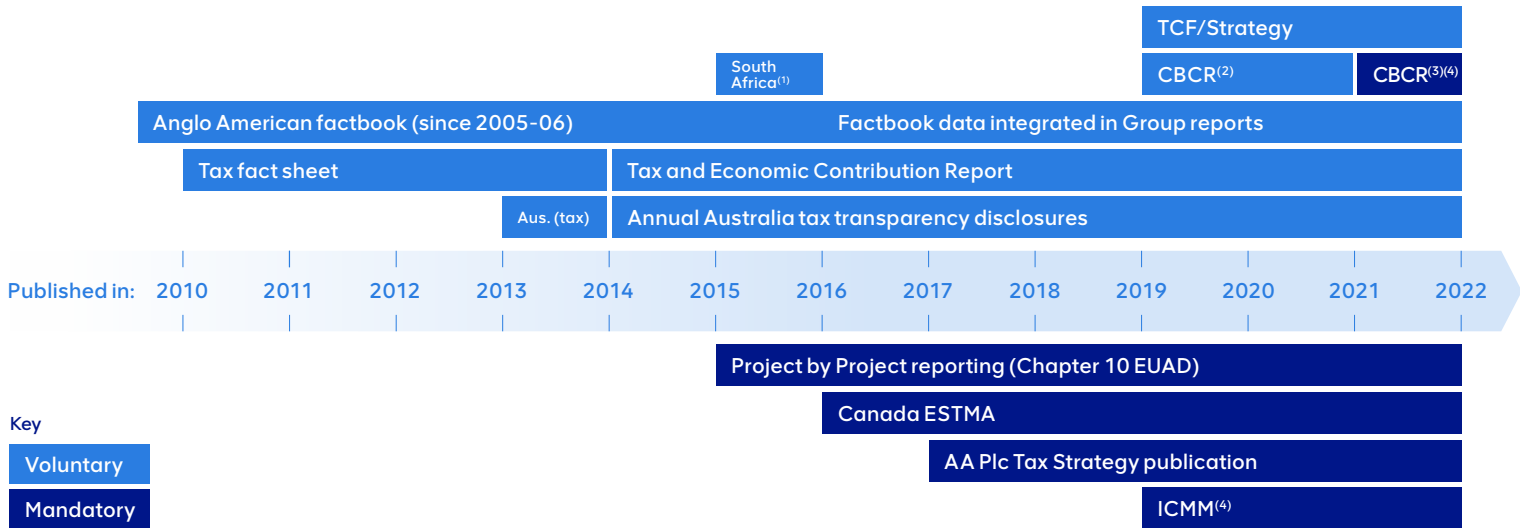
A key pillar of our Tax Strategy is transparency, which includes publishing details of how we seek to engage with stakeholders as we aspire to be a Trusted Corporate Leader.

We believe that public disclosure is essential to building trust in the mining industry. We have voluntarily provided information about the contributions we make for many years.

Our timeline opposite shows key dates in our transparency journey under both voluntary and mandatory requirements.

Although we have voluntarily published our country-by-country data since 2019 (in OECD standardised format), we were early adopters of the newer Global Reporting Initiative (GRI) 207 tax standard format in 2020. We believe it gives stakeholders better comparability and better data from GRI participating groups by ensuring data is provided on approach to tax, tax governance, control and risk management, stakeholder engagement and country-by-country data, including narrative on effective tax rates.

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



⁽¹⁾ South Africa transformation report was a social and economic contribution report superseded by TECE.

⁽²⁾ Country-by-country reporting – following OECD voluntary standard format (2019), and OECD and GRI voluntary standards (2020).

⁽³⁾ Country-by-country reporting – following GRI format.

⁽⁴⁾ ICMM compliance assurance procedure statement (mandatory as part of our membership requirements of the ICMM).

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 aligning tax treatment with commercial reality. We seek certainty on tax matters where possible. In all our dealings with tax authorities, including where we seek certainty, our relationships are centred on transparency. Where tax authorities 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.

As set out in our Tax Strategy, 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 by jurisdictions to eligible taxpayers who undertake genuine business activity, and which we consider to be sustainable.

Importance of transparency to stakeholders

This report demonstrates our commitment to tax transparency to our stakeholders. We see the benefits of this transparency with all our stakeholders, including:

- Shareholders: the knowledge that we are deeply committed to good tax governance and responsible tax practices, thereby mitigating tax risk
- Tax authorities: the development and maintenance of long term, open and constructive relationships
- Communities: understanding the economic benefits that are attributable to mining activities in each region
- Others: making a meaningful contribution to ongoing tax and transparency debates. We proactively engage with industry bodies, business forums and civil society.

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).

We continue to endorse the globally recognised independent groups of industry leading experts who work hard to set out best-practice transparency principles. More detail can be found in the following three pages.

Tax mission

Through our people, we are respected partners, delivering sustainable value and innovation, and responsibly leading change

Tax Strategy summary

Principles

- | | | | | |
|---|--|--|--|---|
| 01
Core element of governance overseen by the Board | 02
Aligned with Group’s Values, Purpose, and Sustainable Mining Plan | 03
Pay the right amount at the right time in the right place and respect the spirit of the law | 04
Only use business structures driven by commercial considerations, aligned with business and substance | 05
Seek to engage positively and constructively |
|---|--|--|--|---|

Our Tax Strategy embraces international best practices

In 2022, the Group Tax team at Anglo American worked with other interested *Business at OECD* (BIAC) members to update, improve, and relaunch their *Statement of Best Practices for engaging with tax administrations in developing countries* (“the Best Practices”), and feed into the OECD’s work on Tax Morale.

This work exemplifies how our Group Tax team contributes to the Sustainable Mining Plan, and sits alongside our wider engagement in areas such as co-operative compliance, our commitment to the Responsible Tax Principles published by the B Team and our global advocacy and stakeholder engagement work.

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 authorities.

Through 2021 and 2022, the OECD surveyed tax administrations about their interactions with large businesses, and ran a series of regional roundtables to share the results and identify ways in which trust in the tax system could be improved, leading to the publication of their *Tax Morale II: Building Trust between Tax Administrations and Large Businesses report*. Anglo American enjoyed the opportunity to explore ideas with other stakeholders in the roundtables and was proud to have our tax supplier standards training featured as an example of best practice in the report. See further information on page 22.

The new BIAC Best Practices were drafted in response to feedback from tax administrations in developing countries on the original Tax Best Practice guidelines, launched in 2013. By outlining commonly accepted best practice and the resulting expectations for, and from, each party in relation to public transparency and resourcing of tax teams, it is envisaged that they can be used as a strong starting point in discussions between businesses and tax administrations even if they are not ultimately all adopted by all taxpayers. Each best practice now contains narrative and examples, so that they can be commonly understood.

We endorse the OECD’s Tax Morale work and the BIAC Best Practices. We hope that they will support responsible business tax management and enhance co-operation, trust and confidence between tax authorities in developing countries and international business. This newly revised framework should also guide business’s activities and interactions with tax authorities when setting and developing their tax strategies and tax governance frameworks – all of which are accepted as being part of a critical foundation towards achieving Sustainable Development Goals.

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.



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.



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.
- Tax should generally be levied on profits, so that appropriate tax revenues can be raised at the appropriate time.
- Detailed tax rules should take account of the specific characteristics of the mining industry, including relief for exploration, infrastructure expenditure and appropriate reliefs for capital expenditure.
- Any mining-specific taxation should typically be in the form of a mining royalty or mining tax based on profit, rather than revenues.

Living our Tax Strategy in 2022

Continuing our transparency journey in 2022

Our tax policy positions are based on our publicly available Tax Strategy, our Values, and our commitment to responsible tax practices set out by the external groups of which we are a member. 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.

Internal achievements and commitments

This year, we have continued to review our internal tax policies in line with our tax governance frameworks and build on internal training globally, to ensure all those with tax roles within the company adhere to the highest principles.

External achievements and commitments

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 the International Council on Mining and Metals (ICMM), Business at OECD, the International Chamber of Commerce (ICC), and the Confederation of British Industry (CBI). We will also respond directly to consultations where we believe we can offer a unique and valuable perspective.

Furthermore, we support the Extractive Industries Transparency Initiative (EITI) and participate directly as one of four mining companies represented on the EITI board. Indirectly, we participate via the ICMM, and take part in the Multi-Stakeholder Groups initiative in Peru, Ecuador and Zambia – the three countries that are members of the EITI and where we have mining operations or other activities.

We endorse the recently published *Statement of Best Practices for engaging with tax administrations in developing countries* of Business at OECD, the work of the European Business Tax Forum (EBTF) and the Responsible Tax Principles set by the B Team, and are active participants in all three groups.

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, and the tax challenges of digitalisation. When we speak publicly, or write articles with key partner organisations, our objectives are 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.

In 2022, we participated directly and indirectly in consultations and stakeholder engagements; such as:

- Business at OECD (BIAC) committees and drafting of revised Best Practices along with speaking at public forums, such as the Inclusive Framework meetings.
- OECD research and roundtable discussions with tax administrations and large business about how the trust relationship could be enhanced, culminating in the OECD report on Tax Morale released in October 2022.
- Anglo American's Group Head of Tax chaired the ICMM Tax Working Group which fed into OECD consultations on Pillar 2 of its project to address tax challenges arising from digitalisation of the global economy.
- Consultations undertaken by the OECD and national governments on Pillar 2 (global minimum tax rate).
- Consultations undertaken by the OECD on Pillar 1 (reallocation of taxing rights to market jurisdictions).
- Engagement with industry bodies (such as the ICMM, the UN Extractives Committee, the CBI, the ICC) and networks (such as the EBTF and the B team) on international tax law developments, including digitalisation, future of work and green taxation.
- Engagement with HM Revenue & Customs (HMRC) on their review of the UK's Double Taxation Agreements.
- Engagement with the UK Office for Tax Simplification on their Call for Evidence: Review of Hybrid and Distance Working.
- Engagement with the UK House of Lords Call for Evidence on UK Research and Development tax relief reforms.
- Multinational multi-stakeholder dialogue on the topic of co-operative compliance and best practice led by the University of Economics and Business in Vienna and the OECD.



Quellaveco mine surveyor Luis Macedo examines topographical images provided by drones, which are employed on a daily basis to provide images on terrain conditions for processes such as 3D modelling and mine planning.

Subsequent to our work as part of a multi-stakeholder engagement between taxpayers, tax administrations, advisers and academics on co-operative compliance during 2021, we were proud to be invited in 2022 to advise on a pilot project in Brazil on co-operative compliance and to speak to African tax authorities about the practicalities from business's point of view of the co-operative compliance concept. Consistent with our commitments to tax transparency and good governance, we consider these projects to be a positive development towards enhancing the relationships between, and improving tax certainty for the benefit of both taxpayers and tax administrations.

In terms of external achievements:

- We are proud to feature as the top resource company in the [#Responsibility100](https://www.responsibility100.com/) Index, a ranking of the FTSE 100 companies on their commitment to key social, environmental and ethical objectives, inspired by the UN Sustainable Development Goals. <https://lnkd.in/e7gpFF64>
- More details can be found at <http://bit.ly/3ICehXi>
- Our transparent reporting of the Anglo American Tax Strategy and Group Values has also 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 2022, where the Group scored 79 out of 100, putting us in the top 10% Standard & Poor's Global ESG score.



- More details can be found at <http://bit.ly/3KfsdAu>

Tax governance and risk management

2022 highlights

In 2022, our Tax Governance and Risk Management Framework featured as a case study in ‘*Best Practices for Good Tax Governance*’, a collaborative report published by tax directors from three organisations – the Tax Executives Council of the Conference Board, The B Team, and the EBTf.

Our governance around external suppliers also featured as a case study in the *OECD’s Tax Morale II: Building Trust between Tax Administrations and Large Business report*. We also continued to participate in a Co-operative Compliance project led by Vienna University of Economic and Business, where one area of focus is on the role of tax control frameworks. Finally, we commenced a review of our internal tax policies and procedures (and the governance thereof), to ensure they continue to be in line with best practice and support the principles outlined in our Tax Strategy.

Our approach

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 the Group Tax team attend compulsory tax risk management training, covering the core requirements of the TRMP.

Operational and process tax risks, inherent in our business activities, 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:

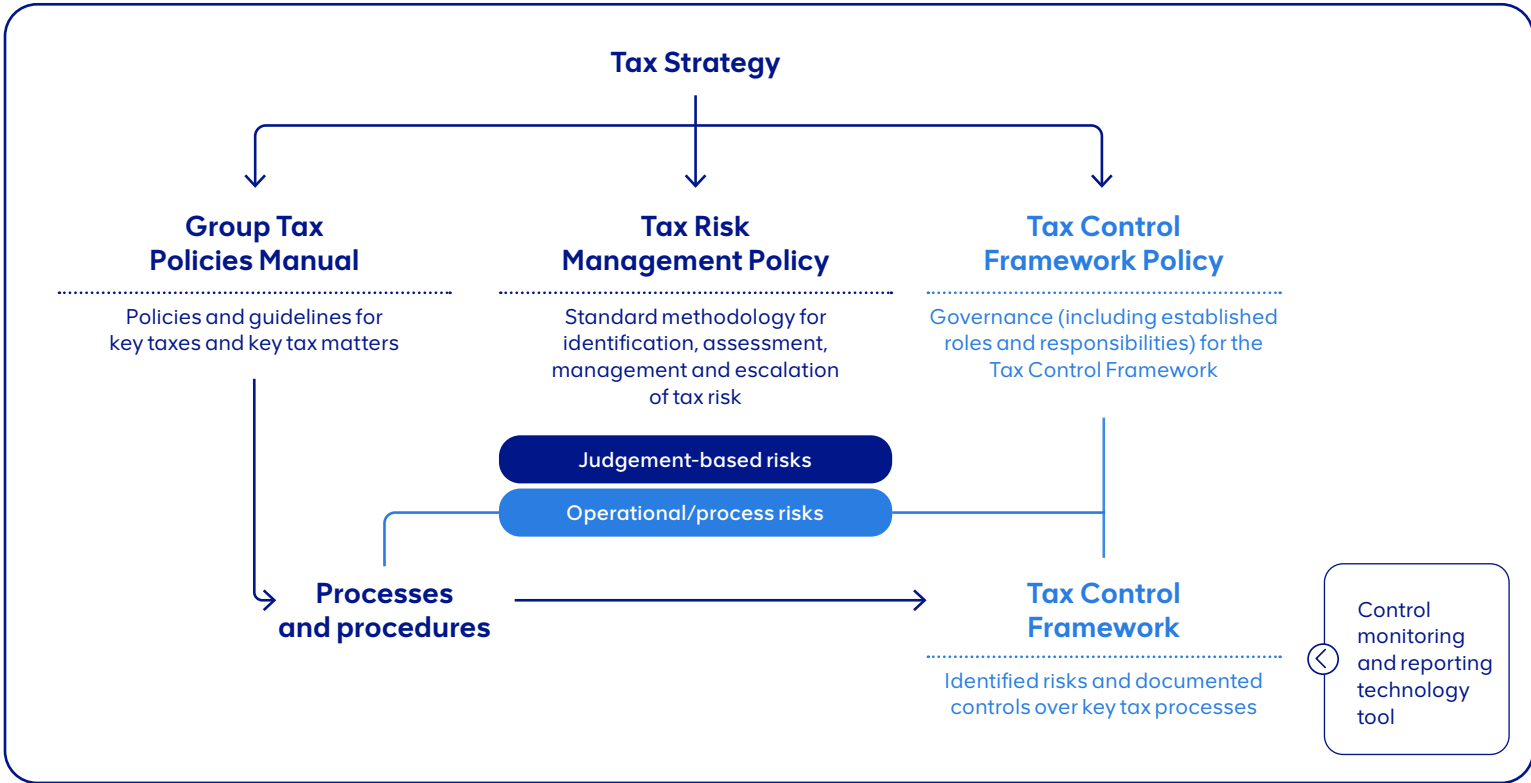
- The first line: our team of tax professionals and broader business stakeholders, responsible for delivering on the Tax Strategy in the context of the broader business objectives. The first line owns and manages risks and controls in accordance with the Tax Risk Management Framework
- The second line: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

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 2022, 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.



A woman wearing a plaid shirt, blue jeans, and a high-visibility orange safety vest is walking through a dense field of young green grass seedlings. In the background, there are several large red shipping containers. One container has the word "KONDAI" in large white letters, and another has "CROSS" written vertically. The sky is blue with scattered white clouds. A large blue and purple graphic element is on the left side of the image.

Our value chain

We take great care to rehabilitate our sites, with a view to creating real benefits that will help sustain local communities, long after the sites are closed. Here, at Victor mine, in Canada's Northwest Territories, this area is now in a healthy state following an extensive grass-seeding operation.

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.

Discover

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

Plan and build

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



Mine

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



Process

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

Move and market

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

End of life plan

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



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 authorities to try and 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.

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 into care and maintenance and in rehabilitation of the land, generating sales taxes
- Wages paid to employees, and employment taxes
- Corporate income tax and royalties on residual sales from mining operations
- Royalties and 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, lenders and investors

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 employment taxes
- Employment taxes
- Royalties and resource taxes paid from extraction
- Various taxes on marketing, shipping and logistics activities.
- Corporate income taxes on net profits of mining operations
- Royalties and 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, lenders and investors

Discover

How we contribute

- Payments to suppliers and contractors, generating sales taxes and import duties
- Wages paid to employees, and employment taxes
- Permits and licence fees
- Contributions to host communities, including jobs and upskilling

Plan and build

How we contribute

- Payments to suppliers and contractors, generating sales taxes and import duties
- Wages paid to employees, and employment taxes
- Permits and licence fees
- Significant local capital investment
- Contributions to host communities, including technology, infrastructure, jobs and upskilling
- During discovery, plan and build phase no royalties or corporation tax is due

Mine

How we contribute

- Payments to suppliers and contractors, generating sales taxes and import duties
- Wages paid to employees, and employment taxes
- Significant local capital investment
- Royalties and resource taxes paid from extraction
- Corporate income taxes on net profits of mining operations
- Ongoing contributions to host communities, including technology, infrastructure, jobs and upskilling
- Payments to shareholders, lenders and investors



Process

How we contribute

- Payments to suppliers and contractors, generating sales taxes and import duties
- Wages paid to employees, and employment taxes
- Royalties and resource taxes paid from extraction
- Corporate income taxes on net profits of mining operations
- Ongoing contributions to host communities, including technology, infrastructure, jobs and upskilling
- Payments to shareholders, lenders and investors



Tax and sustainability

At our Los Bronces copper mine in Chile, this pilot photo-voltaic (PV) plant, built over a tailings pond, is the first of its kind and supplies solar energy to power the hydrogen plant in the mine's Las Tórtolas section.

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 integrated into how we work and is central to our decision making as we strive to understand the full impact of each decision we take.

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

— For more information our approach to sustainability and the Sustainable Mining Plan
See our Sustainability Report 2022



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.

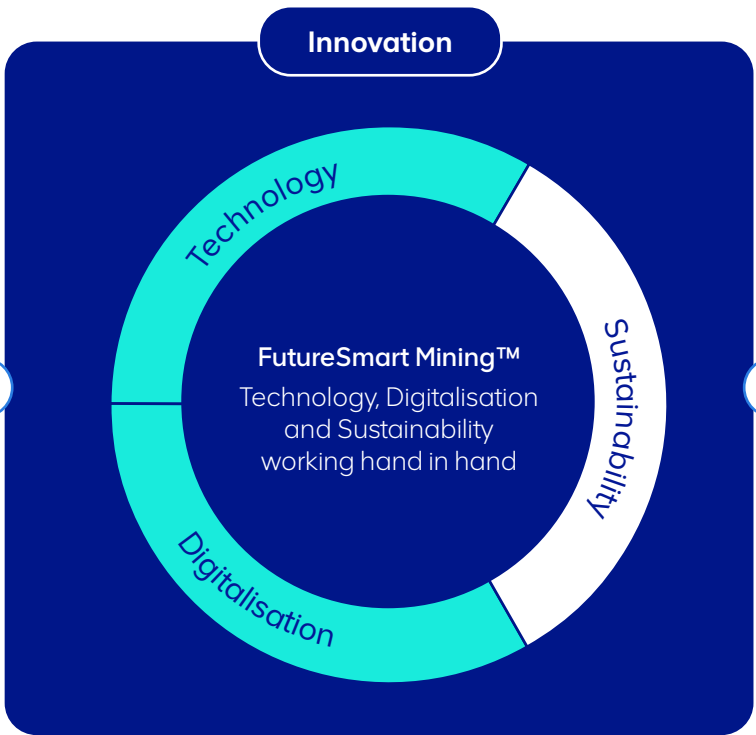
Innovation

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

People

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

— For more information
See our Sustainability Report 2022 and pages 28–63 of the Integrated Annual Report 2022



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

The combination of our innovative Marketing business, the stability and consistency provided by our Operating Model, 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 to support us by providing structure, stability and predictability in the way we plan and execute every task.

P101

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

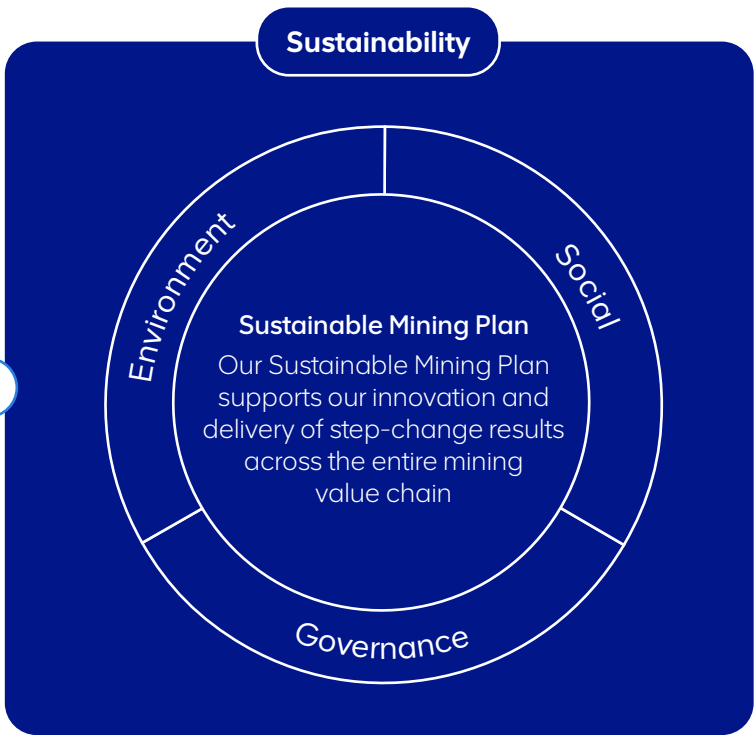
Marketing

Our Marketing business optimises the value from our mineral resources and market positions, including by 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 our Sustainability Report 2022 and pages 36–55 of the Integrated Annual Report 2022



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 Global Sustainability Pillars, which are designed to support the UN's Sustainable Development Goals.

Under each of the Global Sustainability Pillars we have a set of stretch goals. We are 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 living plan and we will continue to evolve it to ensure 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 that we feel would benefit from being incorporated into the Sustainable Mining Plan and will update the plan when we have developed these options more fully.

Healthy Environment

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

Thriving Communities

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

Trusted Corporate Leader

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

— For more information
See page 19

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

Biodiversity

Water

— For more information See page 53–71 of the Sustainability Report 2022

Social

Thriving Communities

Education

Health and well-being

Livelihoods

— For more information See pages 72–81 of the Sustainability Report 2022

2022 Governance

Trusted Corporate Leader

Accountability

Policy advocacy

Ethical value chains

— For more information See pages 82–92 of the Sustainability Report 2022

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 77–78 of the Sustainability Report 2022

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 to maintain our social licence to operate.

Zero Harm — For more information See pages 24–33 of the Sustainability Report 2022	Leadership and Culture — For more information See page 34–40 of the Sustainability Report 2022	Inclusion and Diversity — For more information See pages 41–44 of the Sustainability Report 2022	Human Rights — For more information See pages 45–48 of the Sustainability Report 2022	Group standards and processes — For more information See pages 49–52 of the Sustainability Report 2022	Compliance with legal requirements — For more information See pages 49–52 of the Sustainability Report 2022
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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 the Group Tax team, 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 Integration and Impact team and the business units, 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 Finance Director.

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

In 2022, we 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 page 53–71 of the Sustainability Report 2022



For more information on building Thriving Communities see page 72–81 of the Sustainability Report 2022



For more information on being a Trusted Corporate Leader see page 82–92 of the Sustainability Report 2022

Healthy Environment

A core component of our Group Tax team's contribution to the Sustainable Mining Plan is the continued development and implementation of our environmental tax strategy. Our tax sustainability mission within the field of 'Healthy Environment' is to ensure compliance with all environmental taxes, while delivering operational risk management and actively supporting the business as it moves at pace along the pathway to carbon neutrality, together with contributing to the broader societal debate on the role of green taxes.

Supporting the business – compliance and transparency

A key element of our strategy is proactive involvement with business units on their environmental commitments in order to deliver tax policy insights and support future tax compliance and transparency.

Examples include:

- nuGen™ Zero Emissions Haulage Solution (ZEHS). We have been supporting the business since inception of the project, to put in place appropriate compliance solutions and to ensure information systems support future transparency requirements. In 2022, we have worked alongside our technology partner, First Mode, in setting up a joint venture company supported by appropriate governance consistent with our Tax Strategy to accelerate the project to commercial roll-out, both for our business and more broadly.
- In October 2022, Anglo American announced the creation of a jointly owned company with EDF Renewables, Envusa Energy, to create a regional renewable energy ecosystem (RREE). The ecosystem is expected to meet our operational electricity requirements in South Africa through the supply of 3–5 GW of renewable electricity (solar and wind) and storage by 2030, with excess electricity supplied to the grid to help improve its resilience. A particular focus for our work has been the tax elements of ensuring that a robust investment structure has been put in place, with appropriate underlying information systems and governance. Our Group Tax team will continue to support this project in 2023, especially as and when new shareholders are introduced.
- In Peru, our newly commissioned Quellaveco copper mine is one of Anglo American's and South America's most technologically advanced mines, with many processes remotely controlled and automated. As is the case with our other operations in South America, Quellaveco will source all of its electricity requirements from renewable energy

sources from 2023. We have also built 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. Our Group Tax team has had significant involvement in supporting the set-up of the mine and in putting in place appropriate systems and processes for the subsequent transport and export of copper and by-products. We have also helped to articulate the wider tax and economic benefits that the mine will bring to the local community and host country.

You can read more about nuGen™ and renewable energy projects across the globe in our Sustainability Report 2022.

During 2022, we also sought real-time engagement with tax authorities to keep them up to date with developments in our business and to discuss the resultant tax implications. This engagement also has advantages for both parties in opening up dialogue where traditional tax rules are not keeping pace with advances in technology – as is increasingly the case as the world recovers from the global pandemic and accelerates towards net zero. This dialogue is part of our commitment to strive to be a Trusted Corporate Leader, supporting capacity building in host tax authorities, with a focus on ensuring that tax regimes are aligned to the types of green technology that are starting to emerge.

Carbon pricing

Our major investments take into account the 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. The aim is to reflect our best estimate of the level of carbon pricing likely to prevail in the respective jurisdictions over time. These prices range between \$10–60 per tonne (2022 real terms) 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.

Allocating capital to achieve our targets

Our commitment to achieve carbon neutrality across our operations is embedded in the Group's strategy and our medium term plan, including the allocation of capital. Through the work we have done with the Carbon Trust, and recognising that with forecasts of any type there is a margin or error, we are confident that our 2040 ambition is broadly in the range of what is widely understood as a 1.5°C future. We believe,



Hydrogen technology advisor Maria Loreto Maturana at the hydrogen generator at the flotation plant at Las Tórtolas, part of our Copper business's Los Bronces mine in Chile. Today, all our mining operations in South America source their electricity requirements entirely from renewable energy sources.

therefore, that capital deployed to meet those targets is aligned with a contribution to achieving the goals of the Paris Agreement.

In many cases it is impossible to distinguish between capital deployed to continually improve our business and that which is deployed to achieve carbon neutrality. For example, our investments in FutureSmart Mining™ technologies, such as digitalisation, result in a wide range of benefits, including but not limited to, reducing the emissions of our operations through efficiencies which, in turn, also improves the profitability of our business.

— [For more on our approach to carbon pricing and capital allocation see our Climate Change Report 2022.](#)

Green taxes policy

In 2022, we were part of the International Chamber of Commerce (ICC)'s working group on carbon pricing which launched its report on *Critical Design Features for Effective Carbon Pricing – A Business Perspective* at COP27. The report draws on industry experience operating under carbon pricing schemes in a number of jurisdictions. It puts forward suggested critical design features of a carbon tax and an emissions trading scheme (ETS), as the two main pricing mechanisms, for governments to consider as they implement or improve national systems.

We also consider tax incentives that encourage sustainable change and development, in line with our Tax Strategy. As part of this work, in 2022, we contributed to the Australian Consultation on Safeguard Mechanism Reforms, sharing ideas on how tax incentives or grants could be used to incentivise investment in emissions reduction technology in hard to abate circumstances. Meanwhile, in the UK, we responded to requests for business engagement in respect of revisions to R&D legislation which, if designed appropriately, could support future investment in innovation and sustainable change.

“Environmental taxes and tax incentives are not the only tools, but they are important tools for governments to support innovation and discourage environmental harm. We are committed to engaging in a broad conversation to ensure that together we can deliver sustainable environmental outcomes.”

David Murray
Head of Tax: Policy and Sustainability

Thriving Communities



Complementing our Collaborative Regional Development approach, our Ambassadors for Good programme is involved in various ways to extend economic opportunities and raise education levels in the Moquegua region around our new Quellaveco copper mine in the south of Peru. Here, learners are seen reading avidly following the arrival of a mobile library that forms part of a project to support an increase in reading in the community, and to strengthen traditions and customs using books and digital resources, in celebration of Peru's 200 years of independence.

The Group Tax team also supports delivery of the Thriving Communities goals. People are at the centre of all that we do. How we support them is of fundamental importance to the Group – which means that, in 2022, once again, we have been involved across a range of initiatives and projects to ensure our people thrive and the multiplier effect extends to the wider community. Examples include:

Social development linked financing

The wider community around our mine sites is of great importance to our business. With that commitment in mind, in June 2022, Anglo American signed a \$100 million 10-year loan agreement with the International Finance Corporation (IFC), linked to the delivery of sustainability goals, that focuses exclusively on social development indicators. The specific goals tied to the loan agreement are aimed at supporting community development in rural communities close to Anglo American's mining operations across South Africa, including by promoting the creation of jobs as well as improving the quality of education for more than 73,000 students. The Group Tax team supported colleagues across the business during the negotiation of this loan agreement, ensuring appropriate governance was put in place.

In 2022, we also issued our first sustainability-linked bond, a 10-year €745 million instrument which includes performance targets to support job creation in host communities and to reduce our Scope 1 and 2 GHG emissions and fresh water abstraction. The Group Tax team again supported colleagues during the negotiations, ensuring appropriate governance was in place.

External supplier training

Our community of suppliers and business partners are another key stakeholder group which provide value to communities. We continue to deploy our tax supplier training, which ensures that suppliers of tax services are aware of and agree to abide by the Group's Code of Conduct, Responsible Sourcing programme, the Group Tax Strategy, the Group's Tax Governance and Risk Management Framework, and the Group's Covid-19 Tax Concessions Policy. This training recognises and addresses the risk that external suppliers could undermine the Group's Values if they are not clear on the Group's expectations. We were therefore extremely proud that this training was included as a case study in the *OECD's Tax Morale II: Building Trust between Tax Administrations and Large Businesses report*. The background to that report and our involvement with it are included on page 11.

Capacity building

An important part of our Group Tax team's work is to share the benefits of our tax knowledge and business awareness with external stakeholder groups who request our help with insights into the operations of the business community. This *pro bono* work varies from responses to tax surveys to the business community, consultation documents on areas of tax legislation, presentations and discussion forums on tax in relation to mining and contributing to discussions with tax authorities and academic forums on the merits of adopting a co-operative compliance approach adopted by many jurisdictions worldwide.

Of course, our employees are also integral to Thriving Communities. We set out below a few examples of ways in which we have continued to support our employees in 2022.

Global living wage standard

Anglo American has been an accredited Living Wage employer in the UK since 2014. However, in 2022, we have gone further and have now received global Living Wage certification with the Fair Wage Network for our own employees, formalising our status as a committed global employer. A Living Wage analysis now forms part of our annual pay review process so that we continue to pay workers above Living Wage thresholds for the localities in which they operate. Our Global Reward team has also worked collaboratively with our Supply Chain colleagues to explore the introduction of a Living Wage provision into the Responsible Sourcing Standards (a series of relevant laws, industry regulations, internal policies and site requirements that suppliers must comply with as a condition of working with our business).

Cost of living support

Increasing inflation in a number of our jurisdictions during the course of 2022 has meant that our employees, as with the rest of society, are experiencing significant increases to their cost of living, particularly in relation to things such as food, energy and fuel. While our reward packages are competitive and salaries kept under review, the situation in some countries this year was so exceptional that a one-off intervention was made mid-year to support lower-paid colleagues in those countries most affected. The value of this payment varied by country, calculated by reference to average salaries and inflation levels.

MyShare plan – global all employee share plan

2022 also saw the introduction of MyShare, a global all employee share plan, providing those employees who did not previously have access to company supported share ownership the opportunity to own part of the Anglo American business. Eligible employees received free shares to start them on their shareholder journey and subsequently were given the opportunity to participate in a purchase and match scheme whereby the company would match any additional shares employees bought, up to a certain value each month. It is intended that the plan will provide long term sustainable value for our employees and foster an even greater sense of pride and engagement among our workforce. Together with our other share plans, the introduction of MyShare means that everyone will have an opportunity to share in the success that we generate together.

Future of work

It is clear that, as a result of both the global pandemic and improvements in technology, ways of working are changing. During 2022, we contributed to a call for evidence on hybrid and distance working initiated by the Office for Tax Simplification in the UK. The report sought evidence of emerging work trends and considered whether, in the UK context, tax and social security rules are flexible enough to cope with these new work patterns

— Further information on the future of work
see page 40 of Sustainability Report 2022

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

Stephen Pearce
Finance Director



In Cape Town in May, Anglo American chief executive Duncan Wanblad delivers the keynote address at the 2022 Investing in African Mining Indaba. Anglo American has been a key supporter and sponsor of the Indaba, which seeks to encourage investment in mining on the African continent, since its inception in 1994.

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 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 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.

Investing resources

We have a dedicated tax policy team led by our Head of Tax Policy and Sustainability because the link between the two areas is key. We encourage our people around the world to partake in the internal and external debates on our key issues. The team brings together knowledge from our operations with our Values and Tax Strategy and are part of the broader team of sustainability champions within the business.

Policy advocacy

The tax team worldwide, and specifically the tax policy and sustainability team, engages in a wide range of local, regional and global forums around tax policy.

In addition to Industry associations, we also seek to work with other groups to promote responsible tax practices and tax transparency, such as The B Team and the European Business Tax Forum.

Specific examples of strategic policy advocacy work in 2022 have included:

- Continued active involvement on a Co-operative Compliance project with a multilateral range of stakeholders, led by the Vienna University of Economics and Business, including participating in pilot projects with tax authorities on co-operative compliance.
- Our Head of Tax Policy and Sustainability has led the Business at OECD (BIAC) working group which, in 2022, updated, improved and relaunched their *Statement of Best Practices for engaging with tax administrations in developing countries*. The work exemplifies how our Group Tax team contributes to the Sustainable Mining Plan, and we hope that the Best Practices will support responsible business tax management and enhance co-operation, trust and confidence between tax authorities in developing countries and international business. Further details can be found on page 11.
- Anglo American has participated in OECD stakeholder dialogues on tax morale since 2021 and, during 2022, participated in roundtables that shaped the OECD's paper on *Tax Morale II: Building Trust between Tax Administrations and Large Businesses* which was launched in September. Further details can be found on page 11.

Active engagement with stakeholders

We demonstrate leadership on key tax policy issues via our active engagement with stakeholders, consultation responses, public speaking engagements, and participation in industry transparency commitments. For example:

- We are proud to be active members of the ICMM, the ICC, the CBI, the EBTF, the Business at OECD Tax Committee, and a wide range of local business groups, mining councils and technical bodies.
- We seek to engage broadly with business groups, NGOs and local governments in all our major countries, and with international organisations such as the OECD and the UN.
- We have contributed to open consultations on a range of tax topics both at the global and national level, including in relation to the development of Pillars 1 and 2 of the OECD's Digitalisation of the Economy Project.
- When we speak publicly at events and write articles and blogs with key partner organisations our ambition is to try and broaden the understanding of tax issues beyond policymakers and large businesses.

Best in class processes supporting compliance

We continue to invest in technology and processes to ensure we can continue to deliver operational excellence in respect of tax compliance and reporting. This increases assurance to the business and tax authorities.

Governance and tax risk management to ensure we are implementing world class controls

See page 13 of this report for further detail on the ways in which we ensure that our tax risk and governance processes remain leading edge and provide certainty across the business and to tax authorities and stakeholders globally.

Co-operative compliance

We remain advocates for co-operative compliance regimes and were proud in 2022 to advise on a pilot project in Brazil and to speak to African tax authorities about the practicalities from business's point of view of the co-operative compliance concept. We consider these projects to be a positive development towards enhancing relationships and tax certainty for both taxpayers and tax authorities.

External validation of our transparency approach

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 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 2022, where the Group scored 79 out of 100, putting us in the top 10% Standard & Poor's Global ESG score.

More information on several of these topics can be found on page 12 in the Living our Tax Strategy section of this report.

"We believe being a Trusted Corporate Leader means embedding sustainability in everything we do. We are committed to being fearless about how we engage with others, wherever we think that our perspective and experiences can help build better tax systems that benefit society and communities where we operate, in the long term. It is a partnership that we think about, not just a taxpayer-government type of relationship."

Zahira Quattrocchi
Group Head of Tax

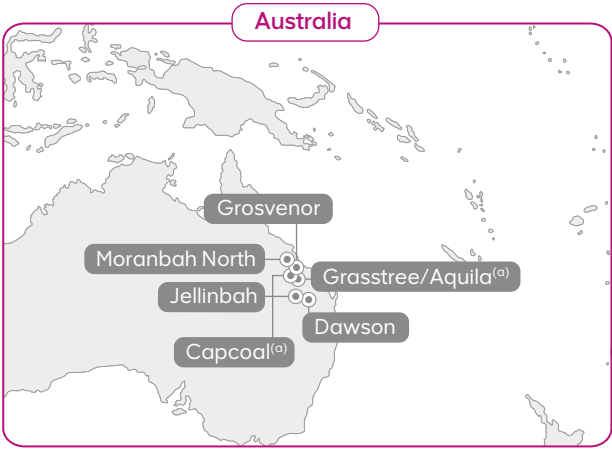
Country highlights

The launch, in May 2022, of a prototype hydrogen-powered mine haul truck using our proprietary nuGen™ Zero Emission Haulage Solution (ZEHS) at Mogalakwena platinum group metals mine in South Africa, marks a major step towards our goal of being carbon neutral across our operations by 2040. Our subsequent combination of nuGen™ with our technology partner, First Mode, is designed to accelerate the development of this breakthrough zero-emissions solution to commercial roll-out, both for our business and more broadly.

Our economic contribution in Australia in 2022

We are the world’s third-largest exporter of steelmaking coal and our operations serve customers throughout Asia, Europe and South America. Our Tier 1 Australian steelmaking coal assets include the Moranbah North and Grosvenor mines (both 88% ownership). The mines are underground longwall operations and produce a high quality product ideal for serving more modern, highly efficient, lower carbon intensity steel mills.

At our steelmaking coal operations in Queensland, Australia, we are implementing oxidation technologies to substantially abate ventilation air methane, while also capturing methane for use in energy grids. Featured at our Grasstree mine are seamgas technician Aaron Lennox (left) and seamgas fitter/technician Matthew Thomas.



Key
● Steelmaking Coal operations
(a) Part of the Capcoal complex.

Total tax and economic contribution

\$2,789 m
(2021: \$2,261 m)

Wages and related payments

\$374 m
(2021: \$356 m)

Community and social investment

\$1 m
(2021: \$1 m)

Total procurement

\$1,540 m
(2021: \$1,548 m)

of which local procurement

\$1,516 m
(2021: \$1,546 m)
\$648 m
(2021: \$648 m)
Capital expenditure

Total taxes and royalties borne and taxes collected

\$874 m
(2021: \$356 m)

\$(22) m (2021: \$10 m)
Corporate income tax

\$738 m (2021: \$173 m)
Royalties and mining taxes

\$57 m (2021: \$61 m)
Other payments borne

\$100 m (2021: \$112 m)
Taxes collected

The Australian effective tax rate for Anglo American for the year ended 31 December 2022 was 30%. This effective tax rate is calculated in accordance with the Australian Voluntary Tax Transparency Code. 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.

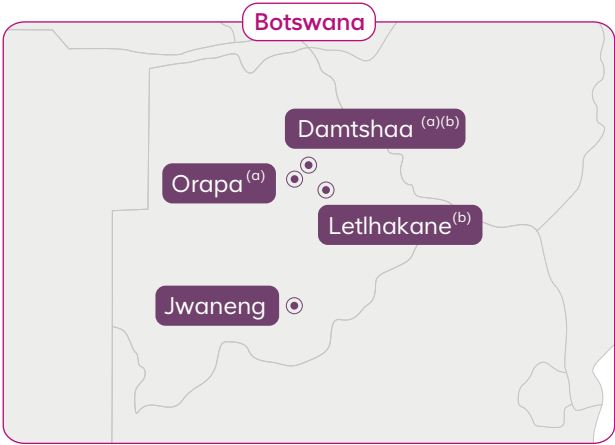
Anglo American treats our Jellinbah and Manganese operations as equity accounted investments. This means that the post-tax profit/(loss) from these investments is recorded in the Group’s overall accounting profit/(loss) before tax. As the tax expense figures disclosed in our Australian locally prepared Annual 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 42.

Our economic contribution in Botswana in 2022

Our joint venture partnership with the Government of the Republic of Botswana is a shared incentive, to invest in the assets of the country for the benefit of all stakeholders of both parties to the joint venture. We demonstrate our commitment and collaboration with local communities through our policies and operations.

In seeking to address the severe shortage of women in technical and engineering positions, De Beers has set a goal to engage 10,000 women in science, technology, engineering and mathematics (STEM) disciplines. Pictured are young female learners at a GirlEng workshop attended by around 200 students from schools near Jwaneng mine in Botswana.



- Key
- Diamond operations
 - (a) All managed as one operation, the 'Orapa Regime'.
 - (b) Damtshaa was placed onto extended care and maintenance in 2021.

Total tax and economic contribution

\$1,226 m
(2021: \$1,042 m)

Wages and related payments

\$191 m
(2021: \$201 m)

Community and social investment

\$7 m
(2021: \$6 m)

Total procurement

\$378 m
(2021: \$382 m)

of which local procurement

\$323 m
(2021: \$326 m)

\$151 m
(2021: \$237 m)
Capital expenditure

Total taxes and royalties borne and taxes collected

\$650 m
(2021: \$453 m)

\$387 m (2021: \$233 m)
Corporate income tax

\$201 m (2021: \$156 m)
Royalties and mining taxes

\$6 m (2021: \$10 m)
Other payments borne

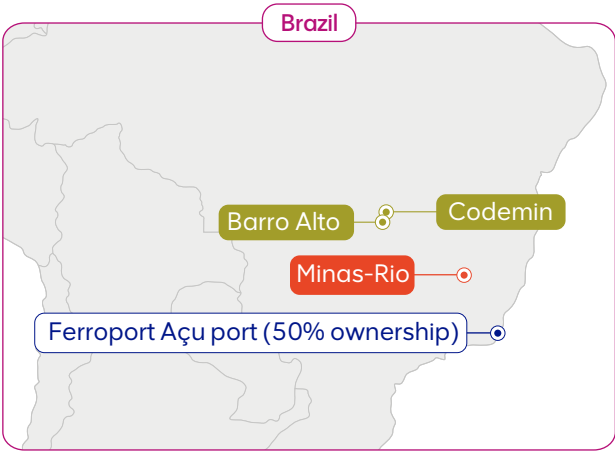
\$56 m (2021: \$55 m)
Taxes collected

For explanations of each term used above, please see Glossary on page 42.

Our economic contribution in Brazil in 2022

Our Brazilian operations comprise iron ore and nickel. We strive to engage with stakeholders throughout the value chain and place particular emphasis on working to benefit local communities.

At our Nickel operations in Brazil, we have increased the tempo of site-level self-assessments in areas such as digital critical control monitoring and implementation of Anglo American's Emergency Management Standard. At Codemin, safety and security work technician Ronaldo Alves da Maia (left) and instrumentation technician Alberto Ferreira de Freitas do an inspection of the mine's equipment and facilities.



Key
● Iron ore operations
● Nickel operations
● Other

Total tax and economic contribution

\$1,630 m
(2021: \$1,933 m)

Wages and related payments

\$136 m
(2021: \$120 m)

Community and social investment

\$8 m
(2021: \$8 m)

Total procurement

\$1,102 m
(2021: \$1,280 m)

of which local procurement

\$993 m
(2021: \$1,029 m)
\$239 m
(2021: \$122 m)
Capital expenditure

Total taxes and royalties borne and taxes collected

\$384 m
(2021: \$524 m)

\$179 m (2021: \$259 m)
Corporate income tax

\$89 m (2021: \$135 m)
Royalties and mining taxes

\$30 m (2021: \$72 m)
Other payments borne

\$86 m (2021: \$59 m)
Taxes collected

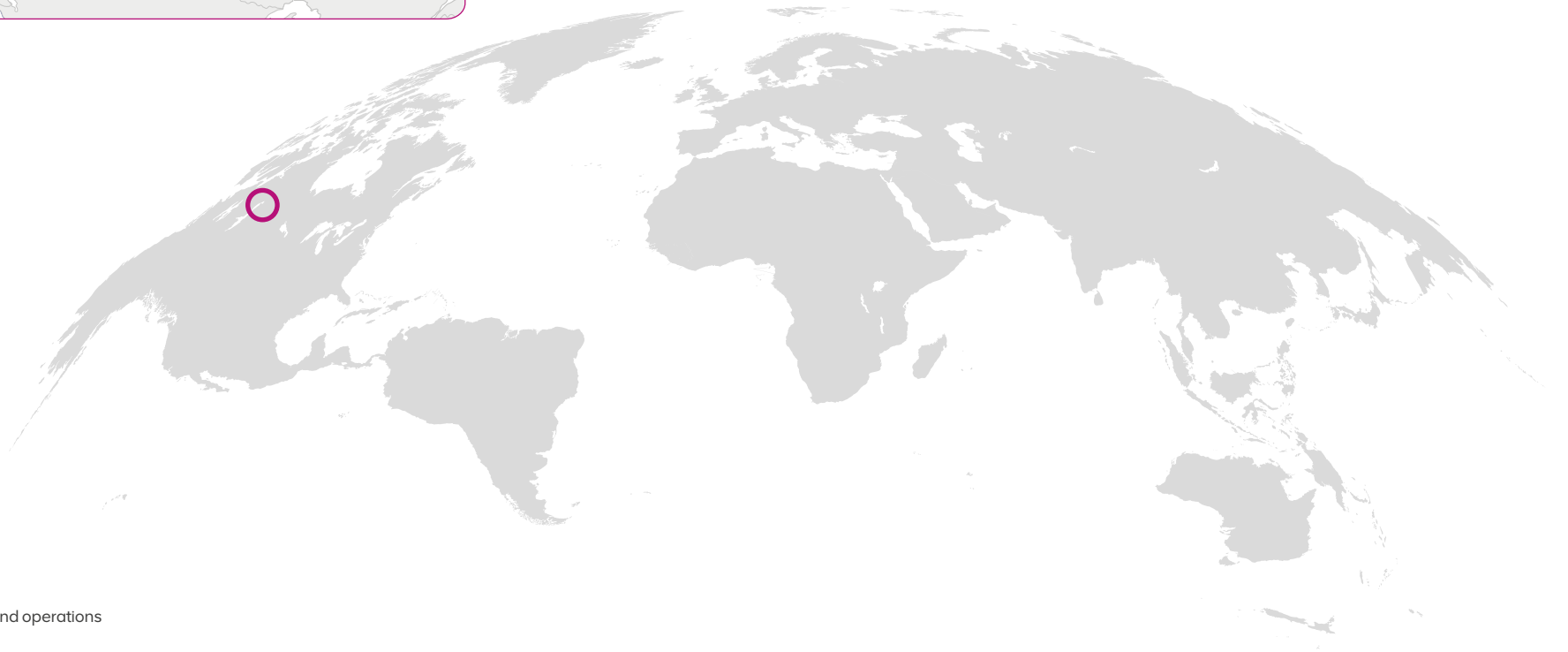
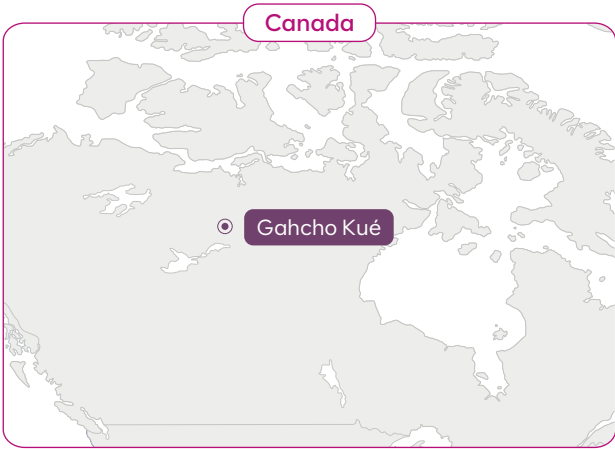
For explanations of each term used above, please see Glossary on page 42.



Our economic contribution in Canada in 2022

Our diamond operations in Canada are in the Northwest Territories, where we have a strong history of collaboration with our stakeholders. Engagement with stakeholders continues to be a priority, as demonstrated by our ongoing end-of-life-of-mine activities in relation to our former diamond mines at Snap Lake and Victor, and steelmaking coal operations of Peace River Coal.

Heavy-haul trucks in the pit of Gahcho Kué mine in Canada's Northwest Territories. De Beers has a 51% interest in, and operates, Gahcho Kué, which is an important employer in this remote area and produces around 5 million carats annually.



Key
● Diamond operations

Total tax and economic contribution

\$237 m
(2021: \$196 m)

Wages and related payments

\$50 m
(2021: \$52 m)

Community and social investment

\$1 m
(2021: \$0 m)

Total procurement

\$156 m
(2021: \$116 m)

of which local procurement

\$141 m
(2021: \$112 m)

\$48 m

(2021: \$37 m)
Capital expenditure

Total taxes and royalties borne and taxes collected

\$30 m
(2021: \$28 m)

\$2 m (2021: \$0 m)
Corporate income tax

\$1 m (2021: \$1 m)
Royalties and mining taxes

\$11 m (2021: \$8 m)
Other payments borne

\$16 m (2021: \$19 m)
Taxes collected

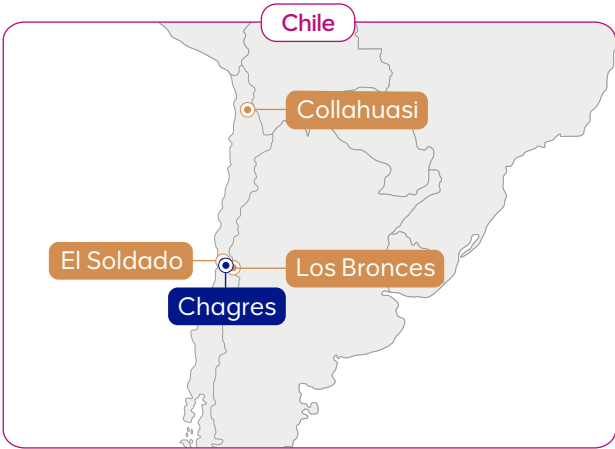
For explanations of each term used above, please see Glossary on page 42.



Our economic contribution in Chile in 2022

Our copper operations in Chile are at the forefront of developing technologies, such as our Integrated Remote Operating Centre which allows remote monitoring and control of core processes, facilities and equipment at the Los Bronces copper mine from the comfort and safety of offices in Santiago. We have also announced a number of water efficiency initiatives, including the introduction of a desalinated water supply for Los Bronces from a new desalination plant that will meet almost half of the mine's water requirements from 2025. More detail can be found in our Sustainability Report.

Major services operator Hector Rojas Soto monitors operations at our Copper business's Los Bronces mine. Managing drilling and blasting activities remotely from the safety of a control centre allows us to efficiently extract targeted ore while keeping people out of harm's way.



- Key
- Copper operations
 - Smelter

Total tax and economic contribution

\$4,365 m
(2021: \$3,227 m)

Wages and related payments

\$370 m
(2021: \$377 m)

Community and social investment

\$19 m
(2021: \$31 m)

Total procurement

\$2,932 m
(2021: \$1,859 m)

of which local procurement

\$2,815 m
(2021: \$1,829 m)

\$1,216 m
(2021: \$967 m)
Capital expenditure

Total taxes and royalties borne and taxes collected

\$1,044 m
(2021: \$959 m)

\$631 m (2021: \$657 m)
Corporate income tax

\$258 m (2021: \$134 m)
Royalties and mining taxes

\$42 m (2021: \$58 m)
Other payments borne

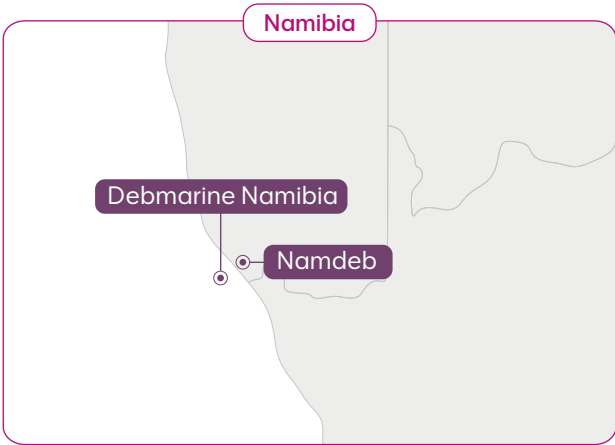
\$114 m (2021: \$109 m)
Taxes collected

For explanations of each term used above, please see Glossary on page 42.

Our economic contribution in Namibia in 2022

Our 50:50 joint operation in Namibia between the Government of the Republic of Namibia and De Beers is the world’s largest marine diamond mining company. It demonstrates a shared incentive to invest in the assets of the country for the benefit of all stakeholders of both parties to the joint venture. We demonstrate our commitment and collaboration with local communities through our policies and operations, such as the life of mine extension in respect of the land-based diamond recovery operations in Namibia.

In early 2022, the Benguela Gem, the world’s largest custom-built diamond-recovery vessel, was commissioned by De Beers and went into service off the coast of Namibia, which contains the world’s richest known marine diamond deposits. Featured is senior safety observer Donald Mpinga during the final stages of mission-equipment outfitting in Cape Town.



Key
● Diamond operations

Total tax and economic contribution

\$636 m
(2021: \$538 m)

Wages and related payments

\$90 m
(2021: \$83 m)

Community and social investment

\$4 m
(2021: \$6 m)

Total procurement

\$300 m
(2021: \$314 m)

of which local procurement

\$163 m
(2021: \$108 m)

\$45 m
(2021: \$89 m)
Capital expenditure

Total taxes and royalties borne and taxes collected

\$242 m
(2021: \$136 m)

\$58 m (2021: \$32 m)
Corporate income tax

\$46 m (2021: \$29 m)
Royalties and mining taxes

\$9 m (2021: \$15 m)
Other payments borne

\$129 m (2021: \$60 m)
Taxes collected

For explanations of each term used above, please see Glossary on page 42.

Our economic contribution in Peru in 2022

During 2022, our Quellaveco copper mine in Peru successfully commenced operations. Quellaveco is one of Anglo American’s and South America’s most technologically advanced mines, and will draw its electricity supply entirely from renewables from 2023. It sets an example of a low emission mine producing a critical metal for decarbonising the global economy – copper. In Quellaveco, we see FutureSmart Mining™ in action.

At the haul truck simulator at Quellaveco are haul truck operator Evelin Fernandez (left) and trainer Dayan Sosa Maquera. Commissioned in July 2022, Quellaveco is fully digitalised and automated, or automation-ready, with all data integrated and accessible in real time.



Key
● Copper

Total tax and economic contribution

\$1,441 m
(2021: \$1,335 m)

Wages and related payments

\$126 m
(2021: \$57 m)

Community and social investment

\$29 m
(2021: \$22 m)

Total procurement

\$1,243 m
(2021: \$1,234 m)

of which local procurement

\$1,218 m
(2021: \$1,176 m)

\$815 m

(2021: \$806 m)
Capital expenditure

Total taxes and royalties borne and taxes collected

\$43 m
(2021: \$22 m)

\$0 m (2021: \$0 m)

Corporate income tax

\$2 m (2021: \$0 m)

Royalties and mining taxes

\$7 m (2021: \$6 m)

Other payments borne

\$35 m (2021: \$16 m)

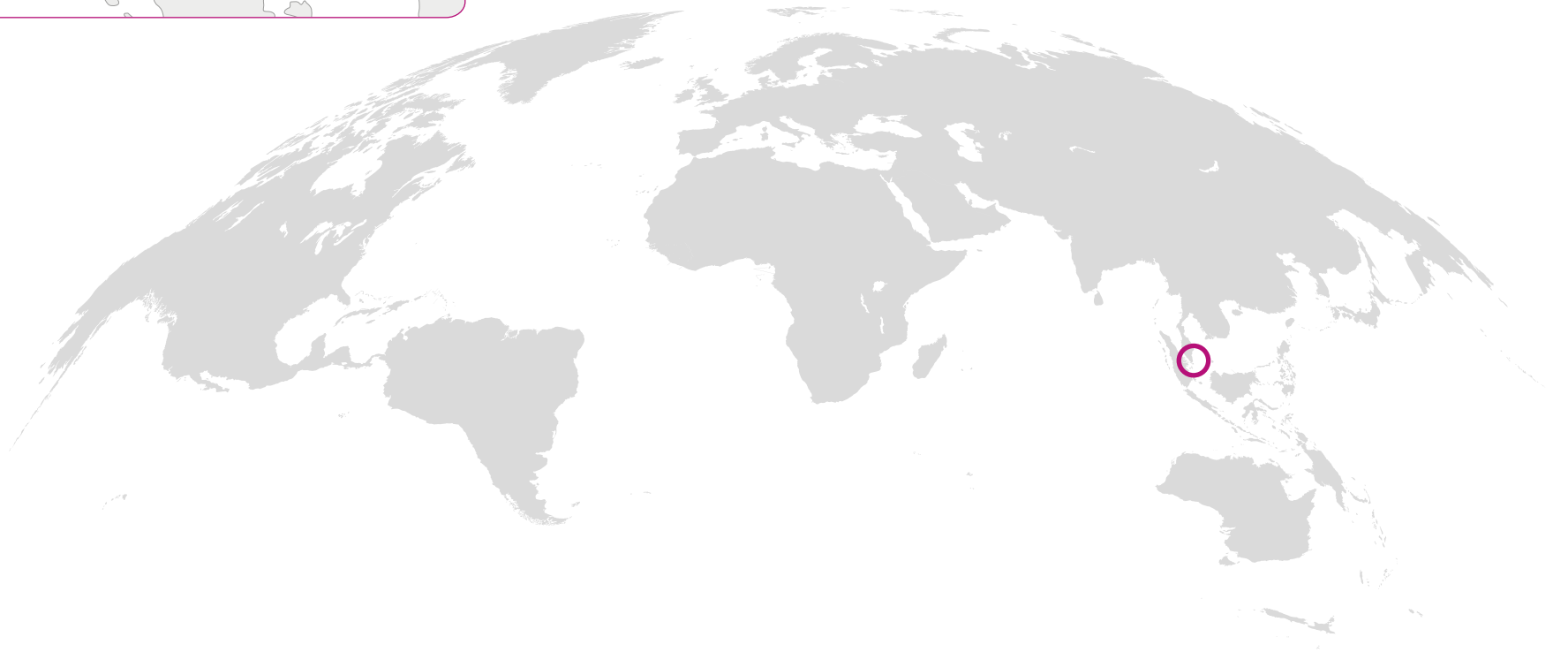
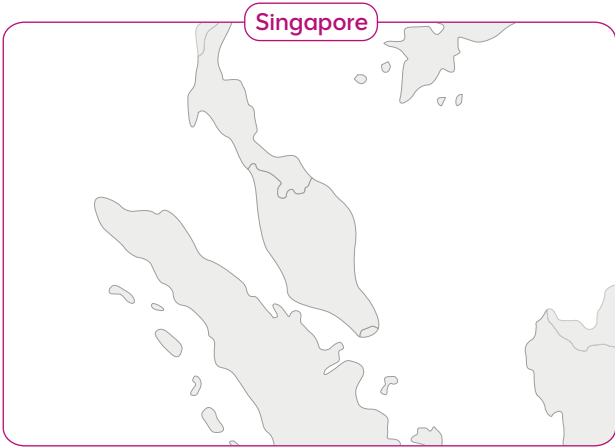
Taxes collected

For explanations of each term used above, please see Glossary on page 42.

Our economic contribution in Singapore in 2022

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.

Featured in our Marketing Singapore headquarters are (left to right) receptionist Naomi Samsudin, manager – safety, sustainability and technical shipping Raghav Gulati, operations manager – bulks Zhang Ying Ying, and chartering manager bulks Erik Budiman. Our Marketing business has become a leading provider of materials solutions to our customers and a value-creating engine for Anglo American and our stakeholders.



Total tax and economic contribution

\$381 m
(2021: \$552 m)

Wages and related payments

\$74 m
(2021: \$79 m)

Community and social investment

\$0 m
(2021: \$0 m)

Total procurement

\$252 m
(2021: \$435 m)

of which local procurement

\$252 m
(2021: \$24 m)

\$0 m

(2021: \$1 m)
Capital expenditure

Total taxes and royalties borne and taxes collected

\$55 m
(2021: \$38 m)

\$47 m (2021: \$35 m)

Corporate income tax

\$0 m (2021: \$0 m)

Royalties and mining taxes

\$1 m (2021: \$1 m)

Other payments borne

\$7 m (2021: \$2 m)

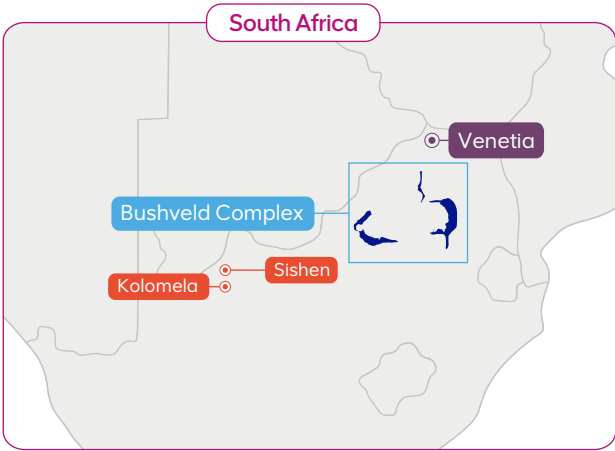
Taxes collected

For explanations of each term used above, please see Glossary on page 42.

Our economic contribution in South Africa in 2022

South Africa is home to several of our assets, with operations across diamonds, PGMs, iron ore and manganese. We are proud of our longstanding transformation progress and continue to work with all stakeholders, to ensure all South Africans benefit from the value created by mining.

With our prototype hydrogen-powered nuGen™ haul truck in the background, general assistant James Kutumela adjusts photo-voltaic (PV) panels at the solar facility which will supply the hydrogen plant at our Mogalakwena PGMs operation.



- Key
- Diamond operations
 - Platinum group metals (PGMs) operations
 - Iron ore operation

Total tax and economic contribution

\$9,095 m
(2021: \$9,135 m)

Wages and related payments

\$1,679 m
(2021: \$1,813 m)

Community and social investment

\$94 m
(2021: \$61 m)

Total procurement

\$5,269 m
(2021: \$3,212 m)

of which local procurement

\$5,205 m
(2021: \$3,148 m)

\$2,082 m
(2021: \$1,808 m)
Capital expenditure

Total taxes and royalties borne and taxes collected

\$2,053 m
(2021: \$4,049 m)

\$1,283 m (2021: \$2,950 m)

Corporate income tax

\$359 m (2021: \$745 m)

Royalties and mining taxes

\$15 m (2021: \$16 m)

Other payments borne

\$396 m (2021: \$338 m)

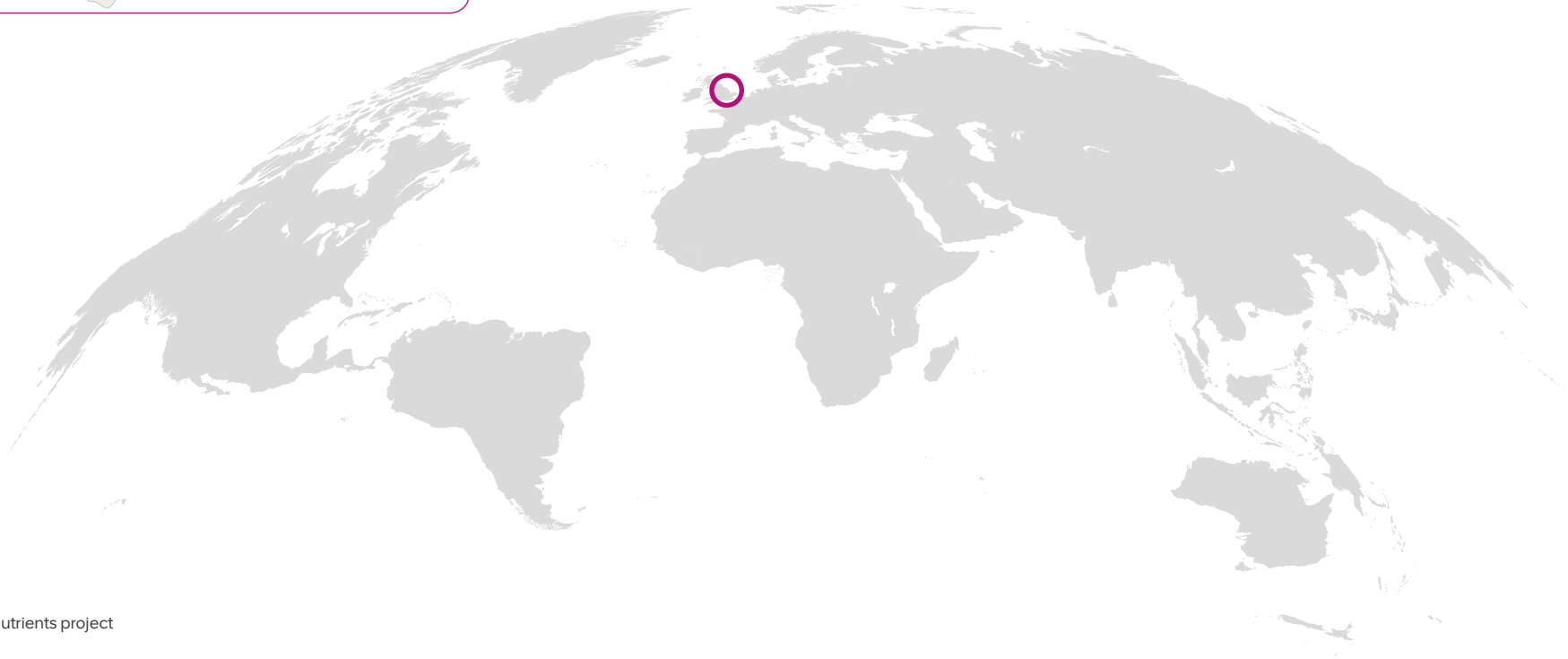
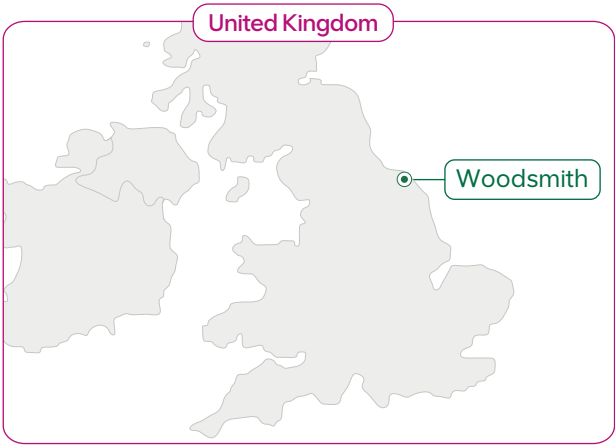
Taxes collected

For explanations of each term used above, please see Glossary on page 42.

Our economic contribution in the UK in 2022

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 will benefit from a very low carbon footprint, as well as being suitable for organic use. The product known as POLY4, aligns well with our portfolio trajectory towards those products that support a low carbon economy and global consumer demand – in this case for food.

Our POLY4 product being used on cabbages at one of more than 1,500 large-scale farm trials our Crop Nutrients business is conducting in the UK. A natural polyhalite product, POLY4 will be an accessible, easy way for farmers to apply a broader range of nutrients while improving their soil and reducing their environmental impact.



Key
● Crop Nutrients project

Total tax and economic contribution

\$1,728 m
(2021: \$1,597 m)

Wages and related payments

\$455 m
(2021: \$350 m)

Community and social investment

\$2 m
(2021: \$2 m)

Total procurement

\$912 m
(2021: \$881 m)

of which local procurement

\$801 m
(2021: \$619 m)

\$583 m
(2021: \$579 m)
Capital expenditure

Total taxes and royalties borne and taxes collected

\$359 m
(2021: \$363 m)

\$81 m (2021: \$127 m)
Corporate income tax

\$1 m (2021: \$1 m)
Royalties and mining taxes

\$52 m (2021: \$72 m)
Other payments borne

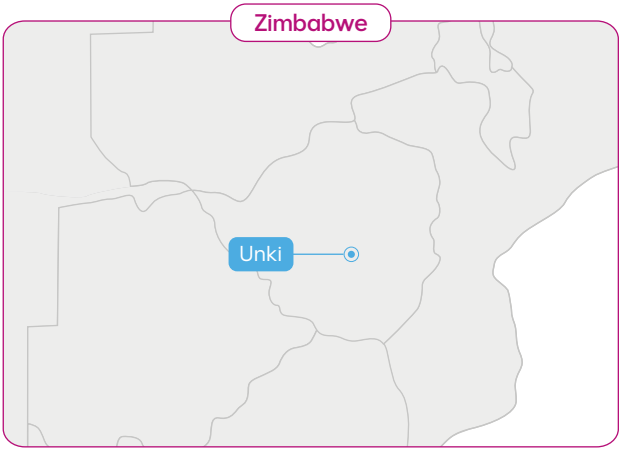
\$225 m (2021: \$163 m)
Taxes collected

For explanations of each term used above, please see Glossary on page 42.

Our economic contribution in Zimbabwe in 2022

Unki platinum mine is in the southern half of Zimbabwe’s Great Dyke geological formation – widely recognised as the second-largest resource of PGMs in the world. We continue to work with the Government of Zimbabwe on compliance with the Indigenisation and Economic Empowerment Act.

Plant metallurgist Shokorashe Shoko (left) and occupational hygienist Rest Basu do an inspection of equipment in the concentrator plant of our Unki PGMs operation in Zimbabwe. In 2019, Unki was the first mine in the world to publicly commit to a third-party audit to determine its performance against the Initiative for Responsible Mining Assurance (IRMA) Standard.



Key
● Platinum group metals operations

Total tax and economic contribution

\$318 m
(2021: \$349 m)

Wages and related payments

\$49 m
(2021: \$47 m)

Community and social investment

\$4 m
(2021: \$1 m)

Total procurement

\$144 m
(2021: \$173 m)

of which local procurement

\$144 m
(2021: \$60 m)
\$15 m
(2021: \$56 m)
Capital expenditure

Total taxes and royalties borne and taxes collected

\$121 m
(2021: \$128 m)

\$31 m (2021: \$78 m)
Corporate income tax

\$42 m (2021: \$19 m)
Royalties and mining taxes

\$23 m (2021: \$13 m)
Other payments borne

\$26 m (2021: \$18 m)
Taxes collected

For explanations of each term used above, please see Glossary on page 42.

Reconciliation of 2022 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

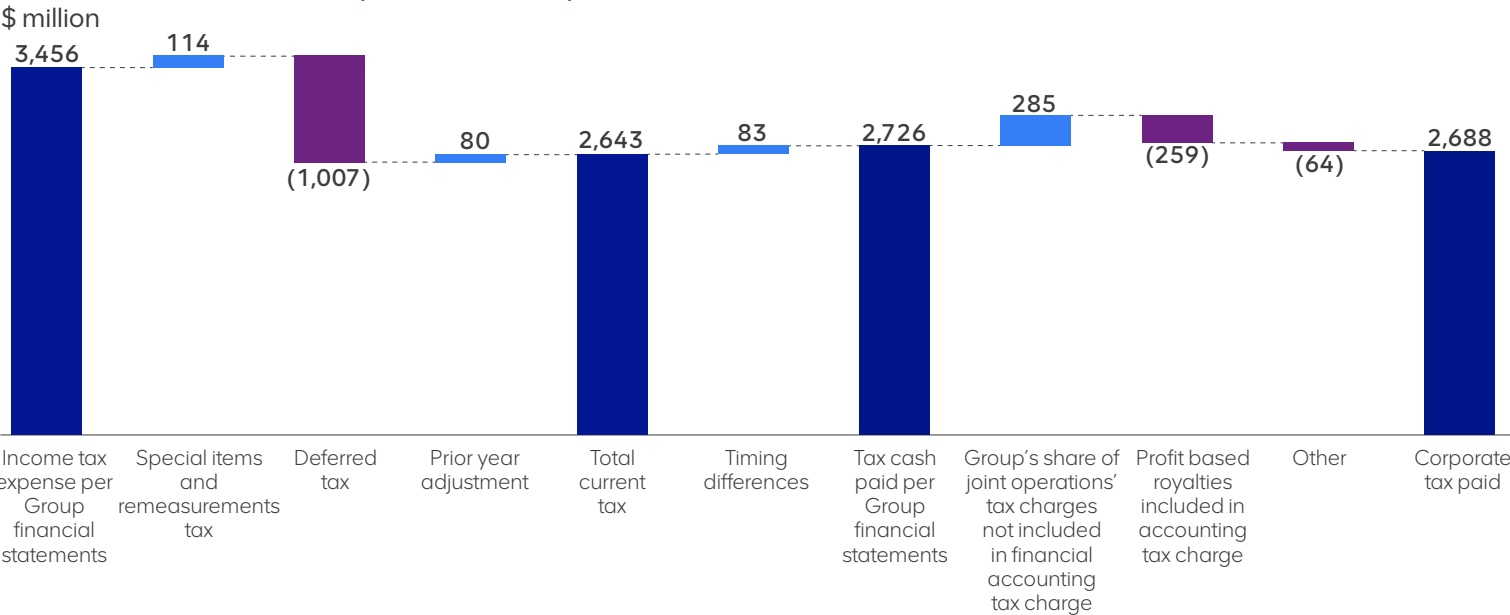
The table below represents the statutory and underlying effective tax rates for the Anglo American Group. The purpose of the underlying effective tax rate is to exclude the impact of certain items owing to their nature and also the effect of a different basis of consolidation to aid comparability.

	Group 2022		
	Profit before tax \$ million	Tax (charge)/credit \$ million	Effective tax rate
Calculation of effective tax rate (statutory basis)	9,480	(3,456)	36.5%
Adjusted for:			
Special items and remeasurements	1,743	(114)	
Associates' and joint ventures' tax and non-controlling interests	382	(379)	
Calculation of underlying effective tax rate	11,605	(3,949)	34.0%

The effective tax rate in 2022 was mainly impacted by the relative levels of profits arising in the Group's operating jurisdictions.

\$ million	2022
Profit before tax	9,480
Less: Net income from associates and joint ventures	(641)
Profit before tax (excluding associates and joint ventures)	8,839
Tax calculated at United Kingdom corporation tax rate of 19%	1,679
Tax effects of:	
Items non-deductible/taxable for tax purposes	(2)
Temporary difference adjustments	
Current year losses not recognised	390
Recognition of losses and temporary differences not previously recognised	(6)
Utilisation of losses and temporary differences not previously recognised	(55)
Write-off of losses and temporary differences previously recognised	54
Other temporary differences	(23)
Special items and remeasurements	217
Other adjustments	
Dividend withholding taxes	104
Effect of differences between local and United Kingdom tax rates	1,176
Prior year adjustments to current tax charge	(80)
Other adjustments	2
Income tax expense recorded in the Group financial statements	3,456

Reconciliation of taxes paid to tax expense



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 2022. 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 34 of the Consolidated financial statements in the Integrated Annual Report 2022.

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 36 for a reconciliation between these amounts.

Payments to governments

The total payments made to government in 2022 of \$5,893 million (2021: \$7,134 million) are made up of the following items:

- Corporate income tax \$2,688 million (2021: \$4,396 million)
- Royalties and mining taxes \$1,737 million (2021: \$1,393 million)
- Other taxes borne \$261 million (2021: \$355 million)
- Taxes collected \$1,209 million (2021: \$991 million).

Details of the types of taxes included in the above can be found in the Glossary on page 42.

Since 1 January 2015, Anglo American has been subject to the project-by-project reporting requirements of the UK Reports on Payments to Government Regulations (SI 2014/3209) and Chapter 10 of the EU Accounting Directive (2013/34/EU). These rules require 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 eighth report under this regime is due to be submitted in a specified format to Companies House on 30 June 2023 in respect of the year ended 31 December 2022. Further disclosures will be included on the Group website and will complement our disclosure to Companies House.

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 10) in the 2020 report. All subsequent reports have continued to be published on this basis. The 2022 country-by-country reporting data will be compiled and published in 2023.

Assurance report



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

The Board of Directors of Anglo American plc engaged us to obtain limited assurance on the Anglo American Group’s Total Taxes and Royalties Borne (“Subject Matter Information”) as defined below and marked with the symbol Δ on pages 1 and 8 in Anglo American plc’s Tax and Economic Contribution Report for the year ended 31 December 2022 (the “Report”).

Our assurance conclusion does not extend to information in respect of earlier periods or to any other information included in, or linked from, the Report.

Our limited assurance conclusion

Based on the procedures we have performed, as described under the ‘Summary of work performed as the basis for our assurance conclusion’ and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information marked with the symbol Δ on pages 1 and 8 in Anglo American plc’s Tax and Economic Contribution Report for the year ended 31 December 2022, has not been prepared, in all material respects, in accordance with the Reporting Criteria set out on page 37 of the Report and referenced in the ‘Subject Matter Information and Reporting Criteria’ section below.

Subject Matter Information and Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which Anglo American plc is 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 (for the year ended 31 December 2022)	Reporting Criteria	Materiality
Total Taxes and Royalties Borne	Basis of Report Preparation as set out on page 37 of the Report	\$234m

Inherent limitations

The absence of a significant body of established practice on 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 organisations. It can also affect comparability over time where the Subject Matter Information is prepared using different Reporting Criteria.

Responsibilities of Anglo American plc’s directors

The Directors of Anglo American plc 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 plc 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 information relevant to the evaluation or measurement of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error, against the Reporting Criteria; and
- producing the Report, including underlying information and a directors’ statement, which provides accurate, balanced reflection of Anglo American plc’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 plc.

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 Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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.

Based on our professional judgment, we determined materiality for the Subject Matter Information as follows:

Total Taxes and Royalties Borne: 5% of Anglo American Group’s Total Taxes and Royalties Borne. This threshold means that a misstatement of \$234m of Total Taxes and Royalties Borne either as an individual misstatement, or as an aggregate of smaller misstatements, would lead us to conclude that the Total Taxes and Royalties Borne had not been prepared in all material respects in accordance with the Reporting Criteria.

Summary of work performed as the basis for our assurance conclusion

In carrying out our limited assurance engagement we:

- considered the suitability in the circumstances of Anglo American plc’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;
- through inquiries with Anglo American plc’s management and those with responsibility for the Subject Matter Information, obtained an understanding of Anglo American plc’s control environment, processes and systems relevant to the preparation of the Subject Matter Information;
- performed limited substantive testing for a sample of countries of the Subject Matter Information to the financial statements and source evidence (such as tax returns and bank payments) to check that underlying information had been appropriately evaluated or measured, recorded, collated and reported;
- performed analytical procedures by comparing year-on-year movements in Total Taxes and Royalties Borne figures and made inquiries of management to obtain explanations for significant differences we identified; and
- considered the disclosure and presentation of the Subject Matter Information.

Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities.

The procedures performed in a limited assurance engagement 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.

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 assurance 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 and, in doing so, 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.

Use of our report

This report, including our conclusion, has been prepared solely for the Board of Directors of Anglo American plc in accordance with the agreement between us dated 19 December 2022 (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 plc for our work or this report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
2 March 2023

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:

- [Group 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 17–23 (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 above. 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 10 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 206–213 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 38.

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 54 and page 70 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 authorities 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 23).

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 FS are tax resident also included within note 35 of the Anglo American Integrated Annual Report 2022 (pages 256-282).

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.
Employment tax	Payments to government arising from payment of remuneration to employees, including wages, salaries and bonuses.
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.
Other payments borne	Taxes or other payments to governments relating to environmental policy and licensing requirements, including employer payroll taxes, carbon taxes, landfill taxes, aggregate taxes, permits, and other entry fees and considerations.

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
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 and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SIX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Nothing in this document should be interpreted to mean that future earnings per share of Anglo American will necessarily match or exceed its historical published earnings per share. Certain statistical and other information about Anglo American included in this document is sourced from publicly available third-party sources. As such it has not been independently verified and presents the views of those third parties, 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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