

# OUR SUSTAINABLE MINING PLAN

FutureSmart Mining™: The blueprint for the future of our business









# THE FUTURE OF SUSTAINABLE MINING

Mining must transform in the decades ahead, starting now.

Our industry has to address critical challenges of safety, productivity and the way we use land, energy and water. As our global population grows, this leads to a greater demand for minerals and metals, core components of products and services that are essential to human progress.

But it's about more than just the work we do and the footprint we leave. We are part of people's lives. People who demand and deserve more than just high product quality. Modern society rightly expects the mining industry to make a positive contribution to socio-economic development while reducing its environmental footprint and supporting biodiversity.

# FUTURESMART MINING™: A BLUEPRINT FOR THE FUTURE OF OUR BUSINESS

At Anglo American our *Purpose* is to re-imagine mining to improve people's lives. We do this through FutureSmart Mining™, our innovation-led approach to sustainable mining. It is our blueprint for the future of our business. A future in which broad innovative thinking, enabling technologies, and collaborative partnerships will shape an industry that is safer, more sustainable and efficient, and better harmonised with the needs of our host communities and society as a whole.



## PICTURE THIS:

A world where our mines are integrated, automated, carbon-neutral, and waterless.

Low cost, scalable mining with a reduced, sustainable environmental footprint.

Contributing positively to our host communities and society as a whole.



# OUR SUSTAINABLE MINING PLAN



**We aspire to be a global leader in sustainable mining. So we have developed a Sustainable Mining Plan, integral to FutureSmart Mining™, to innovate and deliver step change results across the entire mining value chain. From mineral discovery right through to marketing. This strategy will also transform our whole business and deliver value to all our stakeholders.**

## **Our definition of sustainability**

A sustainable business is purposeful, competitive, resilient and agile – it's a business that thrives through both economic and social cycles.

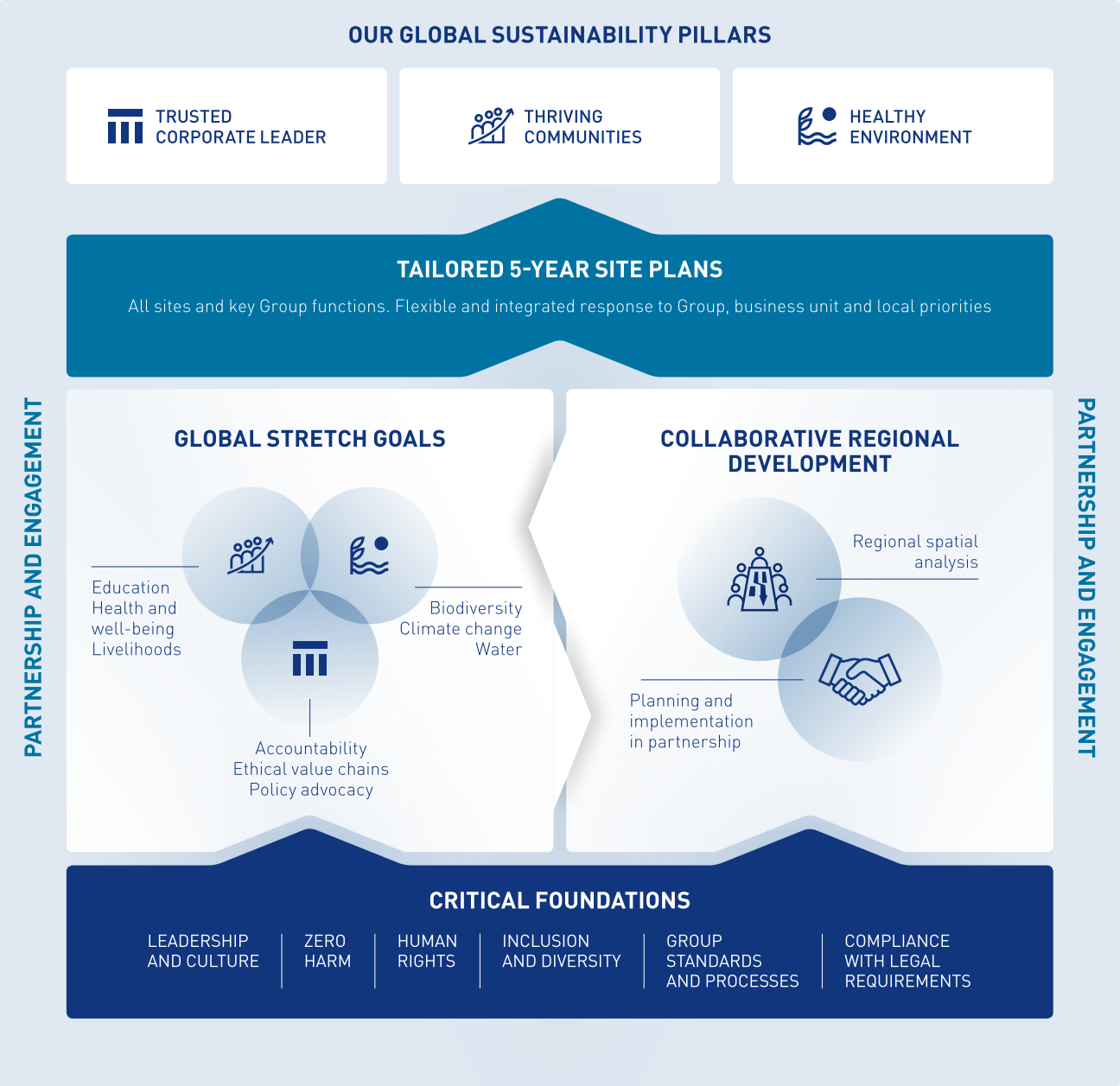
By understanding the context and listening to stakeholders we stay ahead of evolving trends and provide the solutions to societal expectations. By solving the physical challenges of mining through restless innovation, and by constantly searching for more responsible ways to do business, we are changing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

## **Our Sustainable Mining Plan**

Our Sustainable Mining Plan is designed specifically to drive business efficiencies, resilience and agility. Our Sustainable Mining Plan will ensure that we deliver outstanding sustained business results across all seven of our pillars of value, without compromise – safety, environment, social, people, production, cost/margin, and returns/financial.

**Sustainability is at the heart of our decision-making: it is how we do business.**

# OUR SUSTAINABLE MINING PLAN MODEL



OUR GLOBAL SUSTAINABILITY PILLARS		GLOBAL STRETCH GOALS		
 <b>TRUSTED CORPORATE LEADER</b>		<b>Accountability</b> Our vision is to transform the relationship between mines and communities, and wider society	<b>Ethical value chains</b> Our vision is to be a part of a value chain that supports and reinforces positive human rights and sustainability outcomes	<b>Policy advocacy</b> Our vision is to take a lead on issues that affect our business in a way that is collaborative and aimed at society's wider goals
		<b>Education</b> Our vision is for all children in host communities to have access to excellent education and training	<b>Health and well-being</b> Our vision is for the SDG targets for health to be achieved in all our host communities	<b>Livelihoods</b> Our vision is shared, sustainable prosperity in our host communities
		<b>Biodiversity</b> Our vision is to deliver net positive impact (NPI) across Anglo American through implementing the mitigation hierarchy and investment in biodiversity stewardship	<b>Climate change</b> Our vision is to operate carbon neutral mines	<b>Water</b> Our vision is to operate waterless mines in water scarce catchments



# OUR GLOBAL SUSTAINABILITY PILLARS

At the centre of our plan are our three Global Sustainability Pillars:

## TRUSTED CORPORATE LEADER

Developing trust as a corporate leader, providing ethical value chains and improved accountability to the communities we work with.

## THRIVING COMMUNITIES

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

## HEALTHY ENVIRONMENT

Maintaining a healthy environment by creating waterless, carbon neutral mines and delivering positive biodiversity outcomes.



**Pictured:** Gustav Le Roux and Dolly Mthethwa inspect the results of the fungcoal trials on the Klipan discard dump where a bacteria has been introduced to reduce the rough discard into viable organic material in which plants will grow. This revolutionary microbiological bacteria was developed at Rhodes University and has seen very encouraging results.



# THE CRITICAL FOUNDATIONS: RAISING STANDARDS

We are raising the bar. But to do that we need to ensure we operate all aspects of our business responsibly. That’s why the whole plan is underpinned by 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 plan and our social licence to operate.



**Below:** The Sustainable Mining Plan will drive a holistic approach to our interventions in health, education and livelihoods. In South Africa, the Garden Heroes project aims to encourage schools and their pupils to grow their own food on site. The project is part of the National Schools Nutrition Programme, the objective of which is to feed disadvantaged school children whilst educating them about nutrition and income generating opportunities.





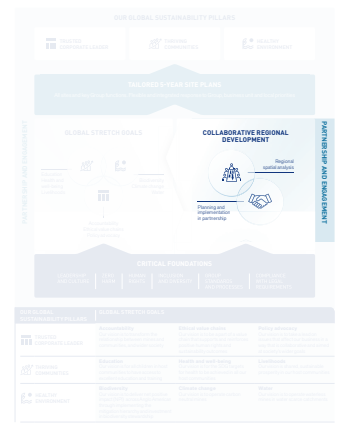
# DELIVERING SUSTAINABILITY: COLLABORATION AND PARTNERSHIP

At the core of our plans to bring long-term and sustainable development opportunities to the regions around our operations is what we call **Collaborative Regional Development**.

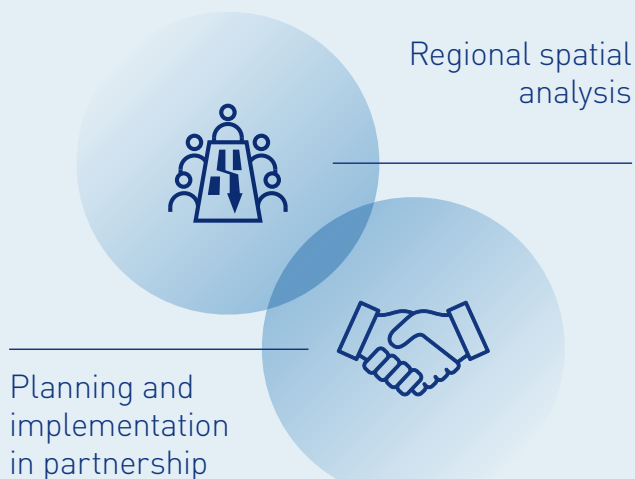
This innovative approach starts by identifying socio-economic development opportunities with the greatest potential in a region through spatial planning and analysis.

This creates the catalyst for partnerships with a broad range of stakeholders including: community representatives, faith groups, businesses and entrepreneurs, government, academics and NGOs.

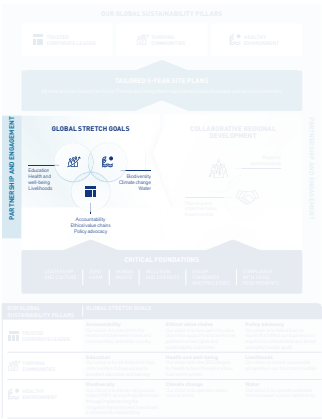
By working through partnerships, we are delivering on our commitment to building the foundations for long-term, sustainable development in our host regions, far beyond the life of the mine.



## COLLABORATIVE REGIONAL DEVELOPMENT



# DELIVERING SUSTAINABILITY: THE GLOBAL STRETCH GOALS



## The third key component of our plan is the Global Stretch Goals.

Under each of the Global Stretch Pillars we have a set of stretch goals.

They are deliberately ambitious and designed to challenge us to lead and innovate. And we’re putting all our efforts into delivering them between now and 2030.





## Accountability

### Accountability (Local)

#### 2020 milestone

- At local level, establish participatory accountability forums at every mine site (local stakeholder engagement forums)

#### 2025 milestone

- High quality dialogue and programmes flowing from the forums

#### 2030 goal

- Establish multiple levels of open and accountable dialogue leading to greater mutual trust

### Accountability (National and International)

#### 2020 milestones

- Buy-in from BUs, governments and civil society to taking part in national and international stakeholder accountability forums
- Achieve general agreement on benchmarks/indices and responsibilities that can be monitored year-on-year including the SDGs

#### 2025 milestone

- An active and ongoing dialogue about reporting and responsibilities with external recognition that this is a step above other such processes

#### 2030 goal

- Widespread recognition of the benefits that responsible mining can bring, a collaborative openness about the challenges and a more consensual working relationship between Anglo American and society (increase / improve by 100%)

## Policy advocacy

#### 2020 milestones

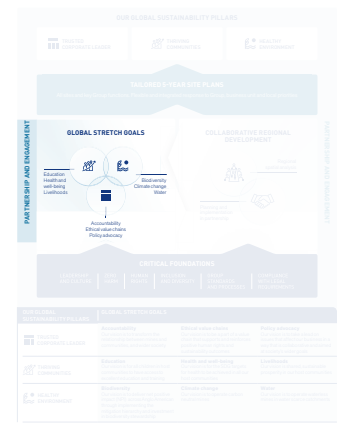
- Finalise Group and BU / country policy advocacy action plans in support of key sustainability issues
- Provide scholarship and training opportunities for policy-makers in regions in which we operate

#### 2025 milestone

- Regular Anglo American involvement in priority policy and governance debates

#### 2030 goals

- External recognition of our leadership on policy advocacy
- Strong levels of engagement in policy debates



## Ethical value chains

### Ethical Value Chains (Mine certification)

#### 2020 milestone

- Half of Anglo American operations to undergo third-party audits against recognised responsible mine certification systems

#### 2025 milestone

- All Anglo American operations to undergo 3rd party audits against recognised responsible mine certification systems

### Ethical Value Chains (Responsible Sourcing)

#### 2020 milestones

- Responsible sourcing standard fully implemented across Anglo American
- Advocate for the development of a common responsible sourcing standard for the mining industry

## Education

### 2020 milestone

- Baselines and strategies to achieve targets in place at every site

### 2025 milestone

- Schools in host communities to perform within the top 30% of state schools nationally

### 2030 target

- Schools in host communities to perform within the top 20% of state schools nationally

## Health and well-being

### 2020 milestone

- Baseline established and strategies in place at every site to achieve the SDG3 health targets

### 2025 milestone

- Operations to be halfway to closing the gap between baselines and 2030 targets

### 2030 target

- SDG3 targets for health to be achieved in our host communities

## Livelihoods

### 2020 milestone

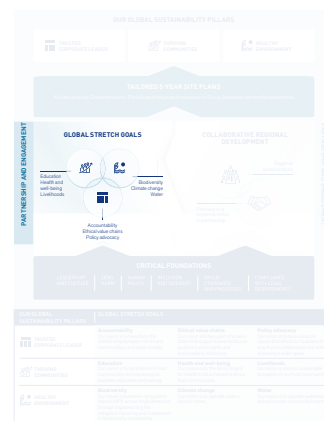
- Baselines and strategies to achieve targets in place at every site

### 2025 milestone

- Three jobs created / supported off-site for every job on-site

### 2030 target

- Five jobs created / supported off-site for every job on-site





## Biodiversity

### 2020 milestone

- Net positive impact (NPI) methodology, biodiversity value assessments and site-specific indicators in place at sites in high-risk environments
- An established biodiversity framework, supporting processes, capacity and resources in place to enable rigorous application of the mitigation hierarchy across the mining lifecycle
- Formalise partnerships to support NPI, which are aligned with existing regional and national biodiversity stewardship initiatives

### 2030 target

- Deliver NPI on biodiversity across Anglo American

## Climate change

### 2020 milestone

- Reduce greenhouse gas (GHG) emissions by 22% relative to the Business-As-Usual (BAU) projection
- Reduce energy consumption by 8% relative to the BAU projection
- Implementation of four priority projects to meet 2030 targets

### 2030 target

- Reduce net GHG emissions by 30%
  - Improve energy efficiency by 30%
- NB. Site-level targets are being established.*

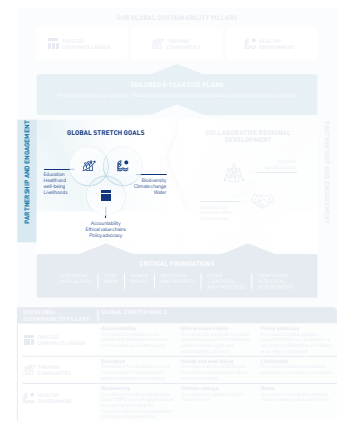
## Water

### 2020 milestone

- Reduce the abstraction of freshwater by 20%
- Increase water-recycling levels to 75%
- No Level 3 or greater water incidents

### 2030 target

- Reduce the abstraction of freshwater in water scarce regions by 50%
- NB. Site-level targets are being established.*



# FROM GLOBAL TO LOCAL: FIVE-YEAR BESPOKE PLANS

Delivering our global goals requires local action. All regions face unique challenges.

From Limpopo in South Africa, to Sakatti in Finland and Quellaveco in Peru, our sites have specific needs.

To meet those challenges and needs, each of our operating sites will develop their own bespoke, five-year plans. These plans will be flexible and responsive to an operation's local context, priorities and opportunities, but aligned to our three Global Sustainability Pillars, stretch goals and targets.



**Below:** General views of a project site in South Africa, taken from and around the "Calf", the third highest of the three sandstone outcrops on the Bulkliip property.





# BUILDING ON 100 YEARS OF LEADERSHIP

Our goals for the future are firmly rooted in the values of our past.

As our founder Sir Ernest Oppenheimer said:

“The aim of this Group is, and will remain, to earn profits for our shareholders, but to do so in such a way as to make a real and lasting contribution to the communities in which we operate”.

It’s still true today. Our Sustainable Mining Plan is one way we are re-imagining mining to improve people’s lives.

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