Sustainability Report 2020

AngloAmerican

Re-imagining mining to improve people's lives

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

Using more precise technologies, less energy and less water, we are reducing our environmental footprint for every ounce, carat and kilogram of precious metal or mineral.

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

And we are working together to develop better jobs, better education and better businesses, building brighter and healthier futures around our operations in our host countries and ultimately for billions of people around the world who depend on our products every day.

Sustainability performance

Safety and Health

Work-related fatal injuries

2

2019: 4
Target: 0

Total recordable case frequency rate

2.14

2019: 2.21
Target: Year-on-year reduction

New cases of occupational disease

30

2019: 39
Target: Year-on-year reduction

Environment

Energy consumption saving

8%

2019: 5%
Target: 8% saving by 2020 against business as usual (BAU) projection

Greenhouse gas emissions saving

34%

2019: 34%
Target: 22% saving by 2020 against BAU projection

Water withdrawals saving

10%

2019: n/a
Target: 20% saving by 2020

Levels 4-5 environmental incidents

0

2019: 0
Target: Zero

Socio-political

Social Way V3.0 implementation[1]

80%

of annual targets achieved on journey to full implementation by end-2022

23%

of all requirements met

Local procurement spend

$10.0bn

2019: $9.1bn

Taxes borne ($m)

$2.8bn

2019: $3.0bn

Jobs supported by enterprise development initiatives

137,777

2019: 132,082

People

Women in senior management

27%

2019: 24%
Target: 33% by 2023

Women in the workforce

23%

2019: 21%

Voluntary labour turnover

1.5%

2019: 2.3%

Targets Key Target met · On track/in progress · Target not met

Further information around our key sustainability performance indicators can be found on page 18

(1) In 2020, we launched a new integrated social performance management system (Social Way 3.0) which has raised performance expectations and has resulted in continued improvement in our social performance. Prior to 2020, our target was full compliance against our previous standard. As we implement the new standard, sites have been required to set milestone targets on the way to the requirement of full compliance by 2022. Data for 2020 and 2019 is, therefore, not comparable. Sites are expected to have fully implemented the Social Way 3.0 by the end of 2022.

This report is produced to provide our stakeholders with a transparent account of how we addressed the most material sustainability issues our company faced during 2020.

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

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

Scope of the report

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

References to Anglo American plc

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

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

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

Assurance and basis of preparation

IBIS Consulting has provided independent assurance over selected sustainability key performance indicators, and on our statement of compliance with the International Council on Mining and Metals (ICMM) Sustainable Development Framework Principles and reporting requirements. The basis of preparation of this report takes into account guidance from the ICMM Sustainable Development Framework, the Global Reporting Initiative (GRI) Standards and related Mining and Metals Supplement, the EU Non-Financial Disclosure Directive, the UN Global Compact Reporting Framework, and the UN Guiding Principles Reporting Framework.

Forward-looking statements

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

Units used in this report

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

Front cover Image:
In the far north of South Africa, a game scout pauses to inspect grass species at Venetia Limpopo Nature Reserve, which forms part of the Diamond Route established by De Beers.

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Our reporting suite

You can find this report and others, including the Sustainability Report and the Ore Reserves and Mineral Resources Report, on our corporate website.

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

FutureSmart Mining™

In order to deliver on our purpose we are changing the way we mine through smart innovation across technology, digitalisation and sustainability.

To discover more about the future of mining, visit: angloamerican.com/futuresmart/futuresmart-mining

Social Channels

AngloAmerican
@angloamerican
Anglo American
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, with more than 95,000 people working for us around the world, in 15 countries.

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.

For more information, see our Tax and Economic Contribution Report
www.angloamerican.com/investors/annual-reporting

Our overview video gives a complete introduction to what we do and our ambitions for the future
youtu.be/6TKaHzCT4YY

North America

800 employees[2]
$61m wages and benefits paid[3]
$6m taxes borne[4]
$77m local procurement spend

Canada 1

Brazil

3,900 employees[2]
$137m wages and benefits paid[3]
$163m taxes borne[4]
$1,021m local procurement spend

1 Colombia

Peru

400 employees[2]
$60m wages and benefits paid[3]
$9m taxes borne[4]
$1,091m local procurement spend

1 Peru

Brazil 2 1

3 Chile

Chile

3,800 employees[2]
$381m wages and benefits paid[3]
$490m taxes borne[4]
$1,280m local procurement spend

Product groups

- Diamonds
- Copper
- Platinum Group Metals
- Iron Ore
- Metallurgical Coal
- Thermal Coal
- Nickel and Manganese
- Crop Nutrients

Diamonds
$417 million
Underlying EBITDA◊

4%
Group underlying EBITDA◊

25.1 Mct
Production (100% basis)[1]

Copper
$1,864 million
Underlying EBITDA◊

19%
Group underlying EBITDA◊

2 greenfield projects
Peru (Quellaveco) and Finland (Sakatti)

647 kt
Production

PGMs
$2,555 million
Underlying EBITDA◊

26%
Group underlying EBITDA◊

3,809 koz
Production: PGMs

Iron Ore
$4,565 million
Underlying EBITDA◊

47%
Group underlying EBITDA◊

37.0 Mt
Production: Iron ore – Kumba

24.1 Mt (wet basis)
Production: Iron ore – Minas-Rio

Metallurgical Coal
$50 million
Underlying EBITDA◊

1%
Group underlying EBITDA◊

16.8 Mt
Production: Metallurgical

Thermal Coal
$(15) million
Underlying EBITDA◊

20.6 Mt
Production: Thermal - export

Nickel and Manganese
$510 million
Underlying EBITDA◊

5%
Group underlying EBITDA◊

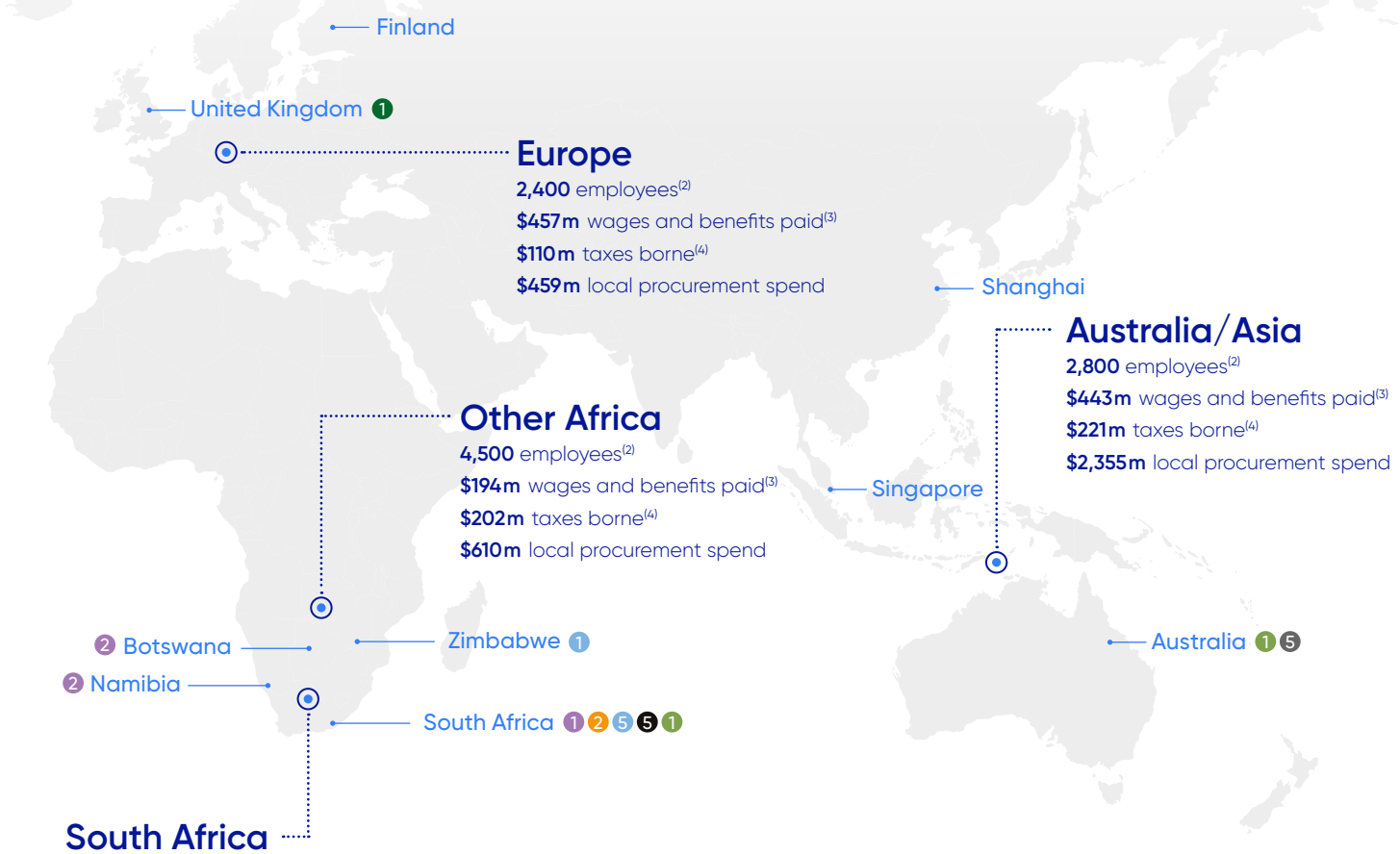
43.5 kt
Production: Nickel

3.6 Mt
Production: Manganese ore and alloy

Crop Nutrients
$1 million
Underlying EBITDA◊

Corporate and other
$(145) million
Underlying EBITDA◊

More detailed information and maps can be found in the business unit reviews
See pages 66-95 of the Integrated Annual Report



Europe
2,400 employees[2]
$457m wages and benefits paid[3]
$110m taxes borne[4]
$459m local procurement spend

Australia/Asia
2,800 employees[2]
$443m wages and benefits paid[3]
$221m taxes borne[4]
$2,355m local procurement spend

Other Africa
4,500 employees[2]
$194m wages and benefits paid[3]
$202m taxes borne[4]
$610m local procurement spend

South Africa
44,700 employees[2]
$1,628m wages and benefits paid[3]
$1,626m taxes borne[4]
$3,115m local procurement spend

See pages 102-107 of the Sustainability Report for definitions and further information

"As a leader in mining, it is our duty to be responsible and responsive. Anglo American made an exemplary effort in 2020 to not only safeguard the lives and livelihoods of our colleagues and those in our local communities, but to ensure our presence continues to benefit society – both through our actions and the essential metals and minerals we produce."

Stuart Chambers
Chairman

Re-imagining mining to improve people's lives

In an extraordinarily challenging year, Anglo American demonstrated its resilience and agility, delivering on its business strategy, which has an integrated approach to sustainability at its core. Recognising the urgency of addressing climate change, we set ourselves demanding carbon-neutrality targets, the pathway to which is enabled through innovative technologies and working in collaboration with our stakeholders along the value chain.

WeCare – our response to Covid-19

As the global health emergency became clear, Anglo American acted quickly to protect our workforce from the spread of Covid-19. Across the business, we implemented all the appropriate health, hygiene and distancing measures to keep our people safe and well, while maintaining the security and integrity of our operations to ensure unimpeded economic activity for our supply chain and flow of essential products to our customers.

We provided extensive support for our more than 95,000 employees and contractors throughout the various lockdown periods, ensuring that everyone was able to focus on their health and safety, and those of their families. We also rolled out an extensive health awareness and support programme called WeCare, specifically to protect the physical and mental health and well-being of our employees and host communities, while also helping to address the increasing incidence of gender-based violence as the pandemic took hold.

Recognising the vital role we play in so many, often remote, communities close to our operations, we engaged with those communities, as well as government agencies, to make sure we could continue to provide and extend a wide range of essential services and equipment, both during the pandemic and into the vital economic recovery phase. From the provision of water, electricity, housing and food, to support for teachers, students and small business, as well as additional hospital facilities, beds, medical equipment and PPE, Anglo American has stepped up and will continue to do the right thing.

Safety

Lockdowns in certain countries put additional pressure on our mining operations as they went through the phases of temporary closure, care and maintenance, and the subsequent re-opening and ramping up of operations. Such changes pose particular safety risks, and it is testimony to our safety systems and processes that Anglo American achieved its best ever levels of safety performance in 2020. I am, however, very saddened to report that two people died in work-related incidents in our operations in the year, in South Africa, and three people in operations that we do not manage, also in South Africa. In spite of recording the lowest number of fatal incidents, a single fatality is always one too many.

Safety is always uppermost on the Board's agenda and I am encouraged that our Elimination of Fatalities programme is making headway in helping to raise our safety performance. The programme's learnings are informing a more complete understanding of the causes of serious incidents and are helping us to prioritise actions to eliminate risk at, and in travelling to and from, the workplace.

On a non-executive directors' visit to Quellaveco in Peru in early March 2020, before the imposition of Covid-19 restrictions, chairman Stuart Chambers and non-executive director Marcelo Bastos (far left) met up with some of the contractors on the project. Despite the Covid-19 epidemic, which caused restrictions to be placed on operations, the project remains on track for first production in 2022.

Sustainable mining

When a phenomenon such as Covid-19 takes over our lives, it is easy to relegate other matters to a background role. Climate change is unquestionably the enduring issue of our age and Anglo American has a clear role to play, both in how we conduct our business and the many metals and minerals we produce that themselves enable a low carbon economy.

Anglo American has set itself ambitious sustainability targets, embedded in our Sustainable Mining Plan that was launched in 2018. Aligned with the UN's Sustainable Development Goals, the plan's three pillars of a Healthy Environment, Thriving Communities and Trusted Corporate Leader map to the much used 'ESG' acronym.

We added to these targets in the year by committing to being carbon neutral across the operations by 2040, and roughly a third of the business by 2030, by which time we also aim to have made a 30% improvement in energy efficiency, a 50% reduction in freshwater abstraction, and a 30% absolute reduction in greenhouse gas emissions.

Anglo American's FutureSmart Mining™ programme is playing a major part in getting us to these targets, introducing new technologies and digitised approaches that are making mining safer and reducing its overall environmental footprint. Certain of the physical processes of mining are giving way to automated equipment that keeps people safely away from the rockface; dry stacking can replace conventional wet tailings facilities; renewables are replacing carbon-generated energy; and we are embracing circular economy principles. We are also playing our part in developing the hydrogen economy, including through investments to use platinum group metals as the catalyst for new generations of hydrogen electric transport.

Building trust through culture

Anglo American is built on the trust of stakeholders – our shareholders entrust us with capital; our employees with their safety and livelihoods; our host nations with the responsible stewardship of their resources. It follows, therefore, that the Board has a clear responsibility to ensure that culture is aligned with our Purpose and Values.

Regular cycles of employee surveys play an important role in verifying the employee experience, while the Board's Global Workplace Advisory Panel brings the employee voice into our discussions. Comprising 12 employees drawn from across our business, and chaired by our senior independent director Byron Grote, the panel held two virtual meetings during the year. Set up in 2019, the Panel is proving to be a valuable conduit for promoting understanding of the concerns of employees and directors alike.

Our Board

Boards must reflect an appropriate mix of skills, experience and diversity – and we continue to refresh the Board as a whole as tenures come to an end and to suit the business that we govern.

As part of that continuous renewal, there were several non-executive director changes in 2020 and into 2021. On 1 January 2020, Nonkululeko Nyembezi joined the Board. Following the conclusion of the AGM on 5 May, Dr Mphu Ramatlapeng stepped down after almost seven years. Jim Rutherford also stepped down on 31 December, after seven years. Elisabeth Brinton will join the Board on 1 March 2021 and Hilary Maxson on 1 June 2021.

In 2020, great care was taken to ensure agility and continuity in the Board's proceedings. A full schedule of meetings, including those of the Board's committees, was held as planned, albeit in a virtual environment. More information on the Board's discussions and decision-making can be found on pages 110-111 of the Integrated Annual Report.

The Board's Sustainability Committee is responsible for addressing topics covered in this report. The Committee oversees, on behalf of the Board, material policies, processes and strategies designed to manage sustainability risks and opportunities. In 2020, we were not short of either and I would like to thank the Committee's members and the executives supporting them for their leadership and commitment to advancing Anglo American towards its sustainability ambitions.

Thanks

I would like to thank all our employees, the senior management team and our Board for their adaptability and resilience, and for their unremitting efforts in helping drive the performance of our business in accordance with our Purpose and Values.

Stuart Chambers
Chairman

Chief Executive's statement

"This year has been like no other. The pandemic tested the world to its limits, with institutions forced to adapt and prove their resilience. Guided by our Purpose, our business rose to the challenge."

Mark Cutifani
Chief Executive

The year 2020 saw much of the world tested to its limits. In dealing with the pandemic, I am immensely proud of how our more than 95,000 people across Anglo American pulled together to do what's right for each other, for our business and for our many stakeholders across society.

We showed considerable agility and resilience, acting quickly at the onset of the pandemic to keep people safe and support operational continuity. Our global WeCare response programme is centred around our employees and our host communities – working to protect both physical health and mental health; to support many aspects of lives and livelihoods in our host communities; and to help tackle the scourge of gender-based and domestic violence.

The past year has clearly demonstrated that when people work together in partnership – governments, businesses, their employees, communities, suppliers and customers – we can overcome any obstacle and achieve the seemingly impossible.

The pandemic also accelerated our own journey into a more digitalised, connected world of work. Technological innovation and digitalisation, working hand in hand with our three sustainability pillars, are helping us achieve some of our most important objectives: keeping people out of harm's way; reducing energy and water usage; and giving our people the skills and opportunities necessary to thrive in our challenging world.

This report is testimony to how Anglo American came together in 2020 to adapt quickly, keep our people safe and protect those who need us most by ensuring business continuity. We also managed to keep our sights fixed on our clear longer term priorities of substantially decarbonising our own business, while providing the essential metals and minerals the world and our seven billion co-inhabitants need to improve their everyday lives and to clean up our planet.

Safety

Nothing is more vital than ensuring that every person who works for and with Anglo American returns home safe at the end of every day.

While I am proud of our achievements in this area – notably, an 87% reduction in fatal incidents and an 85% reduction in health incidents since 2013 – we cannot claim the task is done. We still experience serious safety incidents – such as the gas ignition at Grosvenor in May in which five colleagues were seriously injured – as well as fatal incidents. It is with deep regret I report that, in 2020, two people lost their lives in work-related incidents at our managed operations: one person died from the Amandelbult mine in our PGMs business, and one person from the Zibulo colliery in our thermal coal business, both in underground 'fall of ground' incidents in South Africa. We also lost three colleagues from PGMs' joint operations that we do not manage.

We remain unconditional about safety and every loss of life is tragic. We will not rest until major safety incidents are a thing of the past and zero harm is achieved and sustained across our business. We have shown it can be done for long stretches of time and now we must make it permanent.

Sustainability – thinking holistically

A sustainable business is purposeful, competitive, resilient and agile – it's a business that thrives through both economic and social cycles. Sustainability – providing for the well-being of future generations while protecting our natural resources – is in our DNA and at the heart of our business strategy, intrinsically bound together with technology. One enables the other.

Our FutureSmart Mining™ programme ensures this bond, recognising the inseparability of operational productivity improvements with numerous safety, social and environmental benefits. Our Sustainable Mining Plan's three pillars of Healthy Environment, Thriving Communities

and Trusted Corporate Leader are structured to drive environmental, social and governance performance respectively, embedding sustainability into every operation through detailed and stage-gated five-year plans. Crucially, the Sustainable Mining Plan is global in its ambitions and local-context-specific in its implementation.

In order to help the business focus on the priorities of keeping our people and communities safe, and of sustaining our operations during the Covid-19 pandemic, our Board decided to allow flexibility around our 2020 sustainability targets by extending them to 2021, except for those that relate to energy use, GHG emissions and water.

This extension, however, does not mean that our efforts have lessened. On the contrary, we are thinking holistically about how we progress towards our global goals, because we understand that all we do to improve performance – from water-reduction technologies to remotely operated equipment or integrated monitoring systems – has a knock-on effect in other areas.

In 2020, we also carried out our first integrated materiality assessment (see page 22). This is a robust process where we, together with our stakeholders, determine what are our most material matters facing the business. Some are covered in this report, while others are described in the Integrated Annual Report in more detail, and I encourage reading both reports in order to gain a more complete picture of what we achieved in 2020 and of our direction of travel.

Technology enabling sustainability

Throughout this report you will read examples of how our integrated approach to technology, digitalisation and sustainability is accelerating our ability to protect the environment, improve lives and livelihoods and build trust with our full breadth of stakeholders. From coarse particle recovery to predictive monitoring systems and innovative data-based interventions for health and safety, we are seeing how innovation is proving a crucial element of the step change we need to make to achieve our deliberately ambitious stretch goals.

Our pathway to decarbonisation

While responding to the Covid-19 crisis was the most immediate task we faced in 2020, climate change remains the defining challenge of our time. The pandemic has not slowed us down in our endeavour to combat climate change; far from it.

We are committed to playing our part, of course because it is the right thing to do, but also because we play a critical role in providing many of the essential metals and minerals needed for a low carbon world and fast growing consumer population. As we continue to transform our portfolio, our products are ever more tilted towards these two secular demand dynamics.

We have set ourselves the target of achieving carbon neutrality across our operations (Scope 1 and 2 emissions) by 2040. While we accelerate the roll-out of numerous technologies – bulk ore sorting, for example, and an increase in our sourcing of renewable electricity (we will use only renewable power in Brazil and Chile from 2022), we know that the tools and processes we have today will not get us to carbon neutrality. That is why the development and deployment of new energy technologies such as hydrogen will play a crucial part. During 2021, we will share more details of our roadmap towards carbon neutrality, considering that our work on Scopes 1 and 2 will also be levers in a customer partnership approach to reducing our Scope 3 footprint.

Mark Cutifani speaking at the Group's 2019 Senior Leadership Conference held in Barcelona, Spain.

People with purpose

Our people inspired our Purpose and are instrumental to how we live up to it in everything we do. For them, we strive to create safe, inclusive and diverse working environments that encourage high performance and innovative thinking. Engaging with our people and building a team-based culture is a priority for every leader at Anglo American, giving every person what they need to give their very best and feel safe and supported in doing their work.

Gender imbalance has long been a challenge in our industry, but we are making good progress at all levels. In the last five years, the proportion of women in senior management roles has increased from 15% in 2016 to 27%, as we head towards our 2023 target of 33%. Across the company, women now represent 23% of the workforce, up from 18% in 2015.

It is our people who are responsible for delivering our performance, who engage with our stakeholders across the board, and who are unlocking our full potential. I thank you all.

"Mining has a safer, smarter future, supporting modern life, and doing so sustainably. That is the future we are all working towards."

Looking ahead

Our business will continue to improve and grow, and we will deliver our commitments. But beyond that, Anglo American is a purposeful business, with strong values, in a world that has faced extraordinary challenges in the last 12 months.

Looking ahead, we all have a responsibility to work together to help rebuild economies and protect our natural world. To those ends, the products of mining play an ever more essential role in improving people's lives, integral to which is making our planet a healthier place. Mining has a safer, smarter future, supporting modern life, and doing so sustainably. That is the future we are all working towards.

Mark Cutifani
Chief Executive

Our Business Model

Our inputs

How we create shared value

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

For our KPIs
See pages 58-59
of the Integrated Annual Report

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

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

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

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

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

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

Materiality and risk

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

For our material matters
See pages 14-15
of the Integrated Annual Report

For our principal risks
See pages 54-57
of the Integrated Annual Report

Governance

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

For our Governance Report
See pages 98-148
of the Integrated Annual Report

Our value chain

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

Discover: Our exploration geologists search for and discover new sources of the metals and 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 plans.

Mine: In extracting the products that we all need in our daily lives, we draw on more than 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 the natural environment.

Process: By processing, converting and refining our raw materials, we produce what our customers need. Our processing technologies also enable us to reduce waste, save water, increase efficiency, drive innovation and, by adding value to our products, support economic growth in the areas around where 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 markets for our products to offer our customers a stable supply to their exact specifications – adding value for them every step of the way and, ultimately, for the 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 ongoing real benefits for local communities, long after the mine is closed.

Our Values

Outputs

Our direct commercial outputs are many of the metals and minerals that enable a cleaner, greener, more sustainable world and that meet the fast-growing, consumer-driven demands of developed and maturing economies: diamonds, copper, platinum group metals, the steelmaking ingredients of iron ore and metallurgical coal, and nickel – with crop nutrients in development and thermal coal operations planned for divestment.

Mining and processing activities result in the unavoidable disturbance of land, generation of mineral residue, use of fresh water and energy, as well as atmospheric emissions and water discharges. We strive to minimise our footprint through our innovative technologies that are designed to support our approach to sustainable mining.

Revenue
$30.9 bn

Attributable free cash flow
$1.2 bn

CO_2 equivalent emissions
16.1 Mt

Group attributable ROCE
17%

Total water withdrawals
209 Mm^3

Production in 2020
- Diamonds: 25.1 Mct
- Copper: 647 kt
- PGMs 5E+Au: 3,809 koz
- Iron ore: 61.1 Mt
- Metallurgical coal: 16.8 Mt
- Nickel (from Nickel and PGMs): 57.3 kt
- Manganese ore and alloy: 3.6 Mt
- Thermal coal - export: 20.6 Mt

Inspecting a De Beers diamond prior to cutting.

Examining a drill core at our Sakatti project in Finland.

Outcomes

As we strive to deliver attractive and sustainable returns, we are also focused on the many forms of value creation we can offer to our diverse range of stakeholders. Through our business activities – employing people, paying taxes to governments and procuring from host communities – we make a significant and positive contribution to the countries where we operate. We work alongside our customers to understand their specific needs and reliably deliver the responsibly mined products they require.

Beyond our direct mining activities, we create and sustain jobs, build infrastructure, support education and help improve healthcare for employees and local communities.

Why? Anglo American is a responsible global business and our employees want and expect us to play our part and do the right thing. This approach is central to maintaining our social licence to operate and being a truly sustainable business.

Investors
$1.2 bn
Total dividends paid and proposed

Suppliers
$10.0 bn
Local procurement expenditure

Host countries
$2.8 bn
Taxes borne

Local communities
137,777
Jobs created and maintained through enterprise development programmes since 2008

Employees
$3.4 bn
Wages and benefits paid

Moranbah North trainee underground miner Lil Shanley.

In rural South Africa, crops thrive after we installed a borehole.

How we measure the value we create

Safety and health | Environment | Socio-political | People | Production | Cost | Financial

For our pillars of value
See page 8 of the Integrated Annual Report

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

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

Purpose to Value

Guided by our Purpose – *re-imagining mining to improve people's lives* – our strategy is to secure, develop and operate a portfolio of high quality, long life resource assets. We then apply innovative practices and technologies in the hands of our world class people to deliver sustainable value for all our stakeholders.

Our Values

Anglo American's Values and behaviours are at the heart of everything we do. Guided by our Purpose and our Values, we enable high performance and purposeful action. Our Values and the way in which we, as individuals, are expected to behave are the foundation of our Code of Conduct.

Our strategy

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 products that increasingly support a fast-growing population and a cleaner, greener, more sustainable world.

For more on Portfolio
See pages 20-27 of the Integrated Annual Report

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.

For more on Innovation
See pages 28-41 of the Integrated Annual Report

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 on People
See pages 42-49 of the Integrated Annual Report

Capital allocation

Underpinning our strategy, we have a value-focused approach to capital allocation, with clear prioritisation.

For more on Capital allocation
See pages 50-51 of the Integrated Annual Report

Measuring delivery of our strategy

We track our strategic progress holistically – spanning non-financial and financial performance – and throughout the year using KPIs that are based on our seven pillars of value:

Safety and health
To do no harm to our workforce

Environment
To minimise our impact on the environment

Socio-political
To partner in the benefits of mining with local communities and government

People
To create a sustainable competitive advantage through capable people and an effective, purpose-led, high performance culture

Production
To sustainably produce valuable product

Cost
To be competitive by operating as efficiently as possible

Financial
To deliver sustainable returns to our shareholders

For our KPIs
See page 18

Delivering sustainable value for all our stakeholders

For more on our approach to stakeholder engagement, see pages 13 of the Integrated Annual Report

Balanced reward

Anglo American's directors' remuneration policy is designed to encourage delivery of the Group's strategy and creation of stakeholder value in a responsible and sustainable manner, aligned to our Purpose.

The main elements of the remuneration package are basic salary, annual bonus and Long Term Incentive Plan (LTIP).

For more on remuneration, see pages 123-147 of the Integrated Annual Report

Guided by our clear purpose

Delivering sustainable value for all our stakeholders

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

Mining has a smarter future. Using more precise technologies, less energy and less water, we are reducing our environmental footprint for every ounce, carat and kilogram of precious metal or mineral.

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

And we are working together to develop better jobs, better education and better businesses, building brighter and healthier futures around our operations in our host countries and ultimately for billions of people around the world who depend on our products every day.

Employees

Our people are critical to all that we do. And always front of mind is the safety of our employees and contractors; we train, equip and empower our people to work safely every day. We believe, too, that creating an inclusive and diverse working environment and culture that encourages and supports high performance and innovative thinking gives our business a competitive advantage.

As part of our overall strategy of managing the Covid-19 pandemic, we have implemented an extensive health awareness and support programme called WeCare. It has been designed specifically to protect the health and well-being of our more than 95,000 employees and contractors..

« *At the entrance to the one-stop medical unit at Kolomela iron ore mine in South Africa, each employee is monitored for Covid-19 signs before entering the facility.*

Suppliers

Our approach to responsible sourcing defines the minimum sustainability requirements and decent work principles required by the 18,000+ suppliers to Anglo American. Our vision is to create a more inclusive supply chain as we seek to generate more equitably shared and sustainable prosperity in the communities around our operations.

$10.0 billion
spent with local suppliers in 2020

87%
of total supplier spend of $11.5 billion

Host countries

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

$2.8 billion
Total taxes borne

$3.4 billion
Total wages and benefits paid

Communities

We are committed to delivering a lasting, positive contribution to our host communities, beyond the life of our mines. This starts with understanding and responding to their needs and priorities. We manage the relationship with our host communities through our recently updated social performance system, the Social Way 3.0.

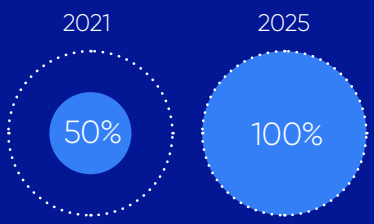
Global CSI expenditure by region

	$m	
Africa	65.5	52%
Americas	51.7	41%
United Kingdom	3.5	3%
Australia	2.4	2%
Rest of World	2.2	2%
Total	**125.3**	

$125 million
Total Corporate Social Investment (CSI)

Customers

We work closely with our customers who are increasingly interested in sourcing responsible materials. We are targeting all of our mining operations to be audited against recognised responsible mining certification systems by 2025 and expect half of these to be completed by 2021.



of our mining operations to be audited by responsible mining certification systems

Investors

Underpinning our strategy, we have a value-focused approach to capital allocation; sustaining capital to maintain asset integrity; payment of a dividend, based on a 40% underlying earnings based payout ratio; while ensuring a strong balance sheet.

$1.2 billion
Total dividends paid and proposed

4.2%
Dividend yield

16.2%
TSR Performance

Natural environment

Applying ecosystem-thinking to address the interconnectivity of nature, the environment and the ecosystems in which we operate to deliver positive environmental outcomes and address global challenges such as climate change. Some of the targets we have set include:

- Pathway to carbon neutrality with all operations expected to be carbon neutral (Scope 1 and 2 emissions) by 2040
- Net-positive biodiversity and conservation outcomes
- Reducing freshwater withdrawals by 50% by 2030

Our holistic 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 considerations are integrated into how we work and are 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 happen 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.

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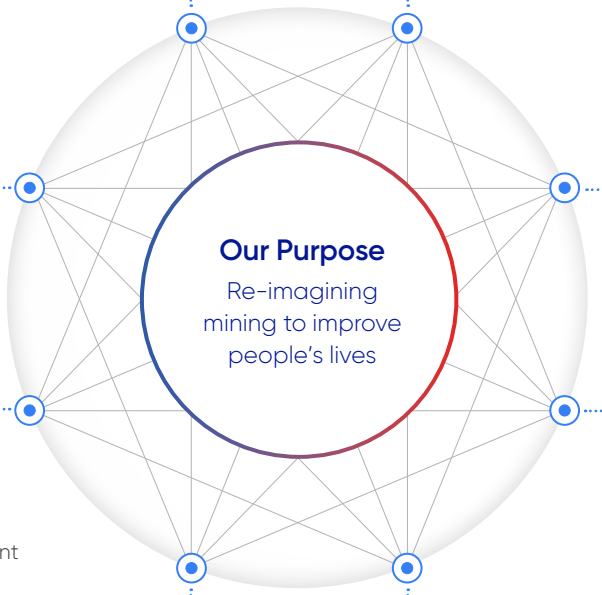


FutureSmart Mining™

- Step-change technologies
- Digitalisation
- Sustainable Mining Plan

Tackling climate change

- Carbon neutrality
- Renewable energy
- Responsible transition

Natural environment

- Biodiversity
- Water
- Air quality
- Circular economy

Our role in society

- Policy
- Engagement
- Collaboration
- Accountability
- Third-party assurance
- Human rights

Our people

- Employee safety
- Employee health
- Inclusion and diversity
- Learning and development
- Labour rights

Our communities

- Social performance
- Cultural heritage
- Social and economic development
- Gender and racial equity

Our total economic contribution

- Taxes borne and collected
- Procurement
- Employment
- Local development

Our governance

- Transparency
- Business integrity

FutureSmart Mining™

FutureSmart Mining™

FutureSmart Mining™ is our blueprint for the future of our business. The intrinsic links between technology, digitalisation and many of our sustainability outcomes are driving the innovations that will transform the nature of mining and how our stakeholders experience 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. This is about transforming our physical and societal footprint.

Technology and digitalisation

By integrating data intelligence and technology with our Sustainable Mining Plan commitments, we are creating new systems that optimise value for our stakeholders. We expect this integrated and holistic approach to deliver increasingly significant safety, environmental and social benefits, while reinforcing the ethical credentials of our products.

The framework for our approach to technology and digitalisation is set out as follows:

Concentrating the Mine™

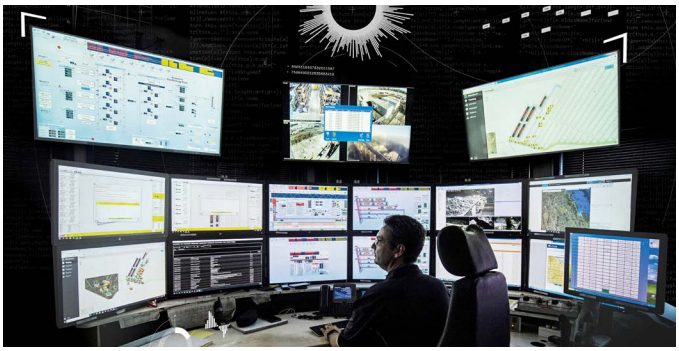
We are optimising mining processes through technologies that target the required metals and minerals more precisely, with reduced water, energy and capital intensity, and producing less waste. These technologies include bulk ore sorting, coarse particle recovery, fines flotation, dry processing and novel classification, with their implementation integrated into resource development planning.

Water-less Mine

With 75% of our assets located in water-constrained areas, we must reduce our dependence on water and associated tailings facilities. We will always need water, but we can get closer to full recovery recycling. Through an integrated system of technologies including coarse particle recovery and hydraulic dry stack, we are reducing freshwater usage, moving to closed loop and ultimately dry processing in our operations, thereby eliminating the need for wet tailings and instead creating stable, dry, economically viable land. The construction of the first such facility is under way at El Soldado, in Chile, to validate the engineering at scale.

Modern Mine

Safety is our number one priority and we are committed to achieving zero harm, so that all of our colleagues return home safely, every day. We are developing a new generation of engineered controls to reduce exposure to risk in work processes. We are using existing modernisation technologies, introducing remotely operated machinery – such as automated drilling – and continuous hard rock cutting, to remove people from harm's way.

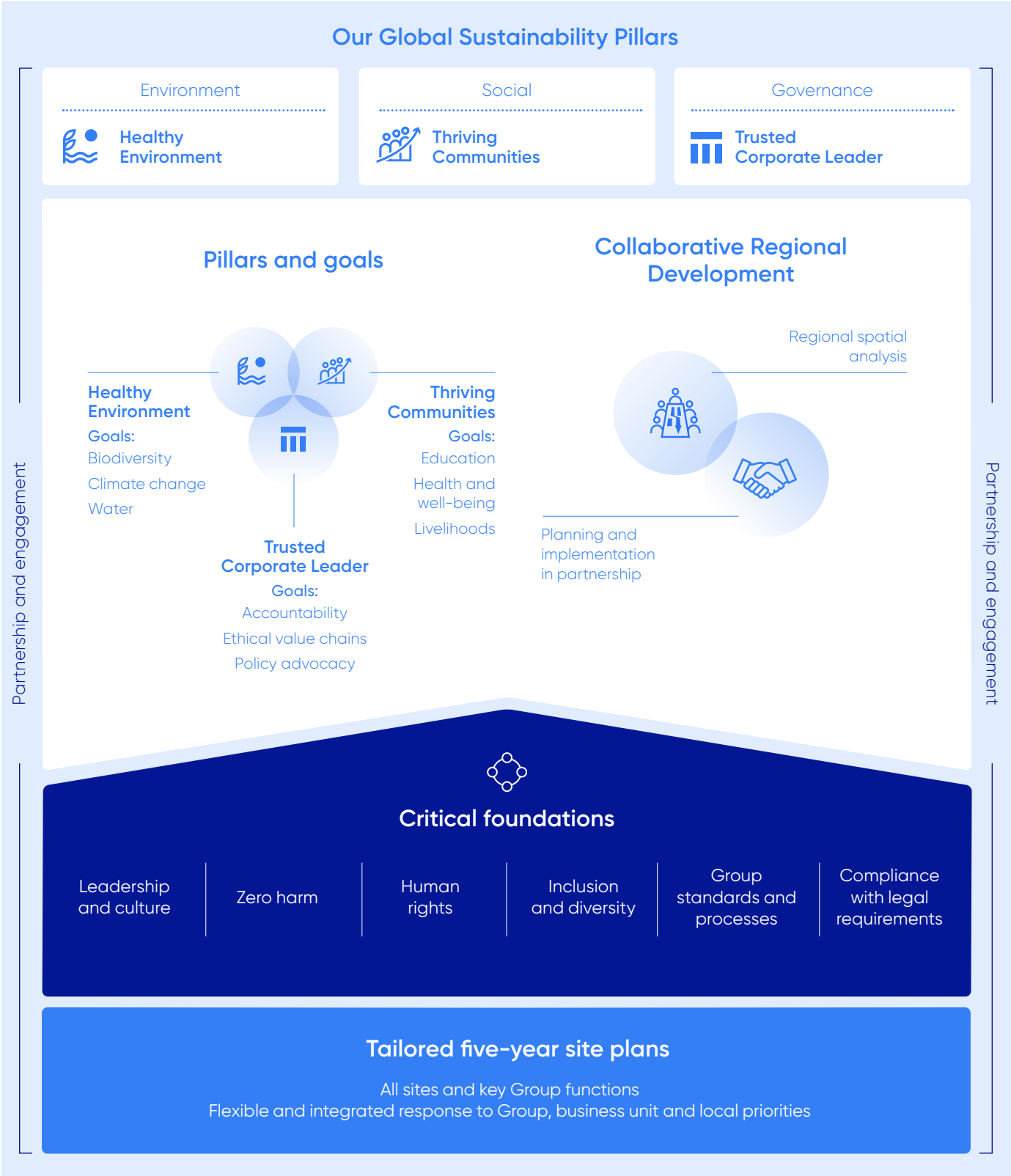


Intelligent Mine

We are transforming how we make best use of data, through integrated digital tools for planning, simulation, execution, and monitoring, from resource definition to the output of processing plants. Our digital platform (known as Voxel) is bringing the full mining value chain together in a digital form to help our people make data-driven decisions in the most efficient manner, predicting outcomes and driving safety, environmental and productivity improvements.

Sustainable Mining Plan

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



Collaborative Regional Development

For our mines to be safe, responsible and productive, they need to operate in areas that are thriving. As the way we mine changes, there is a need for longer term sustainable, regional development that can prosper beyond the employment and supply chain opportunities provided by mining.

In many places, addressing the challenges to achieve this are simply too complex and large to be solved by one institution alone; they need to be tackled through collaboration and partnership. We partner with governments, communities and NGOs to help diversify and strengthen the regional economy as a whole and create bespoke, coherent, integrated strategies based on government and private sector collaboration.

This is Collaborative Regional Development (CRD); our approach to being a catalyst for change and bringing long term sustainable economic opportunities to the regions around our operations.

This approach starts with identifying the socio-economic development opportunities with the greatest potential in a host region. We use spatial analysis to look at factors such as demographic data, available infrastructure and climate projections to explore challenges and opportunities in the region and combine these with market studies. This information informs ideation, sparks multi-sectorial partnerships and enables co-development of initiatives. From there, we develop plans, secure funding and implement sustainable development models that realise the opportunities.

Read more about Collaborative Regional Development
See page 76

Global stretch goals

Anglo American has long shown itself to be a leader across many fields and such leadership is called for again as society changes with and around us.

Mining must play its part to address the environmental challenges of a carbon-constrained world and society's wider expectations of us as enablers of change, while we continue to meet the ever-growing demand for our products.

Aligned with the UN's Sustainable Development Goals (SDGs), our Sustainable Mining Plan is built around three major areas or Global Sustainability Pillars, with a set of Global Stretch Goals relating to each of them.

In order to help the business focus on the priorities of keeping our people and communities safe, and of sustaining our operations during the Covid-19 pandemic, our Board decided to allow flexibility around the 2020 targets by extending the time period to 2021. We have therefore extended all such targets to 2021, except for those that relate to energy use, GHG emissions and water.

Healthy Environment

Our ultimate vision is to maintain a Healthy Environment by operating carbon-neutral mines, which deliver net-positive biodiversity and conservation outcomes. In 2019, we met the greenhouse gas (GHG) emission target a year ahead of schedule. In 2020, we committed to being carbon neutral across the operations by 2040.

We have made significant progress towards our biodiversity net positive impact commitment.

In 2020, we reached a 10% reduction in freshwater abstraction and experienced one Level 3 incident, which is short of our 2020 milestones. However, we exceeded the recycling and re-use milestone achieving 80%. We we are taking action to meet the 2030 targets.

Global stretch goals and visions	Milestones and targets
Climate change To operate carbon-neutral mines. Read more on pages 37-43	**2020:** Reduce GHG emissions by 22% relative to the business as usual (BAU) projection. Reduce energy consumption by 8% relative to the BAU projection. Implementation of four priority projects to meet 2030 targets. **2030:** Reduce net GHG emissions by 30%. Improve energy efficiency by 30%.
Biodiversity To deliver net positive impact (NPI) across Anglo American through implementing the mitigation hierarchy and investment in biodiversity stewardship. Read more on pages 51-53	**2021:** NPI methodology, biodiversity value assessments and site-specific indicators in place at sites in high risk environments. An established biodiversity framework, supporting processes, capacity and resources in place to enable rigorous application of the mitigation hierarchy across the mining lifecycle. Formalise partnerships to support NPI, which are aligned with existing regional and national biodiversity stewardship initiatives. **2030:** Deliver NPI on biodiversity across Anglo American.
Water To operate water-less mines in water-scarce catchments. Read more on pages 53-57	**2020:** Reduce the withdrawal of fresh water by 20%. Increase water-recycling levels to 75% against the 2015 baseline. No Level 3 or greater water incidents. **2030:** Reduce the withdrawal of fresh water by 50%.

Thriving Communities

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

We are on track to meet all upcoming milestones.

Global stretch goals and visions	Milestones and targets
Health and well-being For the relevant SDG targets for health to be achieved in our host communities. Read more on pages 30-32	**2021:** Baseline established and strategies in place at every site to achieve the SDG 3 health targets. **2025:** Operations to be halfway to closing the gap between baselines and 2030 targets. **2030:** SDG 3 targets for health to be achieved in our host communities.
Education For all children in host communities to have access to excellent education and training. Read more on page 74	**2021:** Baselines and strategies in place at every site to achieve targets. **2025:** Schools in host communities to perform within the top 30% of state schools nationally. **2030:** Schools in host communities to perform within the top 20% of state schools nationally.
Livelihoods Shared, sustainable prosperity in our host communities. Read more on page 74	**2021:** Baselines and strategies to achieve targets in place at every site. **2025:** Three jobs created/supported off site for every job on site. **2030:** Five jobs created/supported off site for every job on site.

Trusted Corporate Leader

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

We are on track to meet all upcoming milestones.

Global stretch goals and visions	Milestones and targets
Local accountability To transform the relationship between mines and communities, and wider society. Read more on pages 66-67	**2021:** At local level, establish participatory accountability forums at every mine site. **2025:** High quality dialogue and programmes flowing from the forums. **2030:** Establish multiple levels of open and accountable dialogue, leading to greater mutual trust.
National and international accountability To transform the relationship between mines and communities, and wider society. Read more on pages 64-65	**2021:** Buy-in from governments and civil society to taking part in national and international stakeholder accountability forums. General agreement on benchmarks/indices and responsibilities that can be monitored year on year, including the SDGs. **2025**: An active and ongoing dialogue about reporting and responsibilities, with external recognition that this is a step above other such processes. **2030:** Widespread recognition of the benefits that responsible mining can bring, a collaborative openness about the challenges, and a more consensual working relationship between Anglo American and society.
Policy advocacy To take a lead on issues that affect our business in a way that is collaborative and aimed at society's wider goals. Read more on page 64	**2021:** Finalise advocacy action plans in support of key sustainability issues. Provide scholarship and training opportunities for policymakers in regions in which we operate. **2025:** Regular involvement in priority policy and governance debates. **2030:** External recognition of our leadership on policy advocacy. Strong levels of engagement in policy debates.
Ethical value chains To be a part of a value chain that supports and reinforces positive human rights and sustainability outcomes. Read more on page 69 and 77	Mine certification **2021:** Half of operations to undergo third-party audits against recognised responsible mine certification systems. **2025:** All operations to undergo third-party audits against recognised responsible mine certification systems. Responsible sourcing **2021:** Responsible sourcing standard fully implemented. Advocate for the development of a common responsible sourcing standard for the mining industry.

Measuring our performance

Key performance indicators (KPIs)	Target	2020	2019	Status	Information
Safety and Health					
Work-related fatal injuries	Zero	2	4	✗	Page 26
Total recordable case frequency rate	Year-on-year reduction	2.14	2.21	✓	Page 26
New cases of occupational disease	Year-on-year reduction	30	39	✓	Page 30
Employees and contractors potentially exposed to noise over 85 dBA[1]	Year-on-year reduction	72%	73%	✓	Page 30
Employees and contractors potentially exposed to inhalable hazards over the occupational exposure limit[1]	10% reduction in the number of employees and contractors potentially exposed at levels over occupational exposure limits	6%	14%	✗	Page 30
Number of employees who know their HIV status	More than 90% of employees in southern Africa by 2020	89%	94%	✗	Page 31
Number of employees enrolled in HIV disease-management programmes	More than 90% of HIV-positive employees in southern Africa by 2020	93%	92%	✓ on track	Page 31
Environment					
Energy savings	8% saving by 2020[2]	8%	5%	✓	Page 43
GHG emissions savings	22% saving by 2020[2]	34%	24%	✓	Page 40
Total water withdrawals	Reduce the withdrawal of fresh water by 20% by 2020[3]	209m m^3	n/a	✗	Page 56
Significant environmental incidents	No Level 4 or Level 5 incidents	0 Level 5 0 Level 4	0 Level 5 0 Level 4	✓	Page 47
Social					
Businesses supported by enterprise development initiatives (2008-2019)	–	66,625	65,548	➔	Page 75
Jobs supported by enterprise development initiatives (2008-2019)	–	137,777	132,082	➔	Page 75
Local procurement ($)	–	10.0 bn	9.1 bn	➔	Page 75
Social Way implementation (based on updated Social Way 3.0 for 2020)	Full compliance with the Social Way 3.0 by end 2022[4]	80%	96%	✓ on track	Page 66
		23%		✓ on track	Page 66
People					
Voluntary labour turnover	<5% turnover	1.5%	2.3%	✓	Page 91
Women in senior management	33% female representation in senior management positions by 2023	27%	24%	✓	Page 89
Women in management positions	To increase female representation in management positions	27%	24%	✓	Page 89

[1] This figure reflects the number of employees who work in environments where there is potential for exposure above the exposure limit. All employees working in such environments are issued with protective equipment to prevent occupational illness.
[2] Energy and GHG savings are calculated relative to projected 'business as usual' consumption levels.
[3] Water savings are calculated against the 2015 baseline year.
[4] In 2020, we launched a new integrated social performance management system (Social Way 3.0) which has raised performance expectations and has resulted in continued improvement in our social performance. At the end of 2020, 80% of roll-out milestones were met and 23% of Social Way 3.0 requirements were fulfilled. Prior to 2020, our target was full compliance against our previous standard. As we implement the new standard, sites have been required to set milestone targets on the way to the requirement of full compliance by 2022. Data for 2020 and 2019 is, therefore, not comparable. Sites are expected to have fully implemented the Social Way 3.0 by the end of 2022.

✓ Target met/on track
➔ Neutral/not applicable
✗ Target not met

We set up a Groupwide programme to ensure all operations and host communities had access to polymerase chain reaction (PCR) testing. Featured in the PCR machine room at our Kolomela iron ore mine in South Africa are biomedical technologist 'Faith' Mabadzhabadzha (left) and laboratory assistant Lebogang Gorekwang.

Our comprehensive response to Covid-19

In 2020, the world was thrown into turmoil by the coronavirus pandemic. Covid-19 caused huge disruption to individuals, communities, businesses and governments, in a way never experienced in living memory.

Across our business as a whole, our approach is to take measures to help safeguard our people from the spread of Covid-19, while ensuring we are able to continue the day-to-day business of Anglo American.

In 2020, we performed 163,231 tests on our employees, contractors and their families. Sadly, we report that 8,405 workers tested positive for Covid-19 and we lost 42 colleagues to the disease.

The pandemic touched every aspect of our lives on a global scale, and our business was no exception. In the following pages we illustrate different impacts and responses, challenges and opportunities that the global pandemic brought to Anglo American.

For more information on our response to the pandemic
See www.angloamerican.com/covid-19

Global financial support

>$40 million

on global relief

We contributed over $40 million of cash and in-kind support towards Covid-19 relief efforts across our host jurisdictions in southern Africa, the Americas, Australia and the UK.

$2 million

to South Africa's Solidarity Fund

In South Africa, Anglo American and De Beers made additional donations of $2 million to South Africa's Solidarity Fund that exists specifically to help address the impacts of Covid-19.

30%

of fees/salaries donated

Anglo American's Board directors and Group Management Committee members agreed to donate 30% of their fees or salaries for three months to their personal choice of Covid-19-related charities or funds.

Safeguarding our people

We implemented an extensive health awareness and support programme called WeCare, to protect the health and well-being of our more than 95,000 employees and contractors.

WeCare delivers critical support in four key areas:

Physical health
Through a risk management process, we implemented the relevant controls to monitor, prevent and mitigate the risks posed by the pandemic. Among other measures, we established flexible work arrangements, provided PPE and created a comprehensive communication programme to educate colleagues about what they could do to help prevent the spread of the virus.

If people tested positive, we ensured their case was followed, that they received treatment and support throughout.

Measures to ensure the health and safety of our employees

- **Self-monitoring and reporting** so we can personally take action as soon as we experience symptoms
- **Education and communication** helping us all understand how the virus is spread and what we can do to stop it
- **Screening and testing** including temperature checks at all site entrances and access to Covid-19 testing facilities
- **Sanitary cordon around our operations** limiting the number of people who visit our sites and the number of call-outs/overtime
- **Social distancing** in meetings, on site, on transport and in emergencies
- **Hygiene/cleaning measures** regular cleaning and disinfecting of all surfaces, equipment and transport
- **Reducing the number of people in workplaces** through alternative work arrangements, a high risk register and using virtual platforms
- **Respiratory protection** where social distancing isn't possible, including respiratory protective equipment and training
- **Covid-19 contact tracing** to identify anyone who may have been exposed and take precautionary measures
- **Data analytics** and in-house health data modelling to dynamically improve health services and operational planning

Mental health
We also provided access to mental health support for all our people, through as many different channels as possible, including our colleague networks, specialist partner organisations and employee assistance programmes. We trained over 270 mental health first aiders in South Africa, the UK and Australia – with additional training scheduled in South Africa and Chile – so that they could offer Covid-19-specific support.

To help people cope with the uncertainty surrounding the coronavirus, we made available the 'Managing Your Mind' toolkit through our online learning platform, Learn+, and gave all colleagues globally access to a leading mindfulness and guided meditation app.

Living with dignity
The stress and challenges that Covid-19 created resulted in a shocking increase in reports of domestic violence in most countries. As part of WeCare, we introduced measures around the world to respond to local needs. We had a particular focus on South Africa where we introduced measures to support victims, by providing information about victim support through our internal and external communication channels; training our WeCare clinical associates to identify and refer abuse cases and working through the National Shelter Movement to support shelters in our mining areas.

Community response
At the start of 2020, we launched the Social Way 3.0, a new integrated Social Way Management System that sets out our approach to social performance. As the effects of Covid-19 began to be felt just months later, we were able to leverage this system to support our communities more effectively through the pandemic.

Engaging with community, traditional and faith leaders, and government agencies enabled us to understand what was required on the ground. We then used what we learned to design a Community Response Plan to guide our staff in managing the potential impact of Covid-19, and providing the most effective and relevant support for their host communities.

Through the Community Oriented Primary Care Programme we reached 141 health facilities in and around our mines. This has an estimated population reach of approximately 2.7 million. Over 50 clinical associates were deployed to support government efforts. Training was provided to 4,015 community health workers, 50 traditional leaders and 715 clinicians.

More than 176,500 people benefited from our water-extension programme in South Africa and Zimbabwe; water was provided to 27 villages, six municipalities and two schools. We also provided 52,500 food parcels and vouchers over three months to vulnerable households around our operations in Zimbabwe, Namibia and South Africa, in collaboration with Gift of the Givers, supporting more than 200,000 beneficiaries.

Through Zimele, our enterprise development programme in South Africa, we worked with 833 beneficiaries and disbursed over $3.6 million in loan funding to small, medium and micro-enterprises, to support 2,597 jobs. As a result of our interventions, businesses covered by our programmes have a 97% survival rate and a 95% loan recoverability rate.

To date, we have contributed more than $40 million to help communities tackle Covid-19. These funds have been channelled towards four goals in the countries where we operate: planning, prevention, response and recovery.

Planning – supporting measures to identify, assess and understand vulnerability, gaps in local health care systems, and potential direct and indirect impacts, as well as risks for our sites.

Prevention – providing access to clean water and sanitation; sponsoring awareness-raising campaigns across a range of media and through providing employee engagement and support; providing facilities for isolation and quarantine; supporting local clinics and hospitals with PPE, medical and cleaning supplies.

Response – providing medical equipment, food parcels and vouchers; training community health workers and local hospital practitioners.

Recovery – supporting livelihoods, local health services, schools, and employability programmes; establishing a supplier relief programme in South Africa in response to appeals for help with financial difficulties; where appropriate, deferring loan repayments or accelerating payment terms for beneficiaries of the Zimele Enterprise Programme, our capacity-building programme for small businesses; and engaging with suppliers to ensure that they have sufficient resources to support the safe re-opening of our operations.

Protecting the environment

Covid-19 was the catalyst for us to accelerate our work on remote data monitoring for environmental management. Using Voxel, our digital platform, we introduced three major digital programmes:

- Our predictive monitoring system
- Spatial modelling programme
- Pilot GHG modelling programme.

See more on pages 49-50.

Innovating in times of Covid-19

New challenges require innovative solutions, and with Covid-19 there was no shortage of either. In a proactive initiative to support health management, we introduced a range of health technologies to the workplace.

These included smart watches, issued to 17,500 employees in operational environments to measure and collect actionable data on their health and wellness; smart ID cards worn by 75 office workers to facilitate contact tracing; a mobile app, enabling digitised Covid-19 health assessments of employees in queues, either for transport or site entrances; a visitor management system used to screen visitors for Covid-19 before they access our operations; and video footage and artificial intelligence (AI) used to identify breakdowns in Covid-19 controls such as social distancing or the wearing of face masks.

Crucially, we set up PCR Covid-19 testing in 23 laboratories in South Africa and South America, and rolled out antibody-testing laboratories in select locations in South Africa.

At the onset of the pandemic, our Copper corporate health team in Chile quickly developed a testing and screening strategy for the early detection of Covid-19 cases. People who tested positive could then be isolated, which helped to reduce transmission of the virus and allowed our Chilean operations to continue throughout the pandemic.

To improve how we manage our ongoing response, we launched a Covid-19 world statistics dashboard. Being able to retrieve and analyse all employee-related Covid-19 data in one anonymous, real-time, centralised view helps us understand and determine infection rates, disease hotspots, local medical response plans and vulnerable and infected groups.

We also embarked on a project to develop an innovative contact tracing solution, and have entered into agreements with critical partners such as Transnet, the South African rail, port and pipeline organisation, to provide testing and share knowledge about ways to prevent the spread of Covid-19.

Supply chain response

One of the challenges posed by the pandemic was making sure we were able to provide our employees and communities with the appropriate PPE and medical equipment to keep them safe. From January, we set up a multi-disciplinary team – including health, procurement and logistic experts – to source and distribute it.

Our team surmounted extremely competitive conditions and serious logistics challenges – such as a heavily constrained air freight capacity – to ensure these products were delivered where they were needed most. Early proactive work and co-ordinated efforts have allowed us to make medical equipment available to our employees and their families and communities.

Our suppliers also needed help. Some of our suppliers experienced financial constraints and appealed to Anglo American for support. We co-ordinated supplier relief efforts at a regional level, including consideration of accelerated payment terms when they had already delivered their services.

> "In the years to come, when we look back on this uncertain and frightening period in our lives and in our history, we hope to see a positive legacy left by our response to it."
>
> **Mark Cutifani**
> Chief Executive

Working throughout the supply chain to ensure suppliers are able to deliver what we need, even if another disruptive period should come, is something we take care of through continued engagement.

The pandemic continues

As the pandemic persists, so will our support for our people, local communities and the environment. We will continue to implement new technologies and innovate solutions to tackle the impact of Covid-19. Where possible, we will extend our initiatives, addressing emerging risks and developing global partnerships to enhance the impact we can have.

As government-led vaccination programmes start to be implemented, we are ready to play our part. We have committed $30 million of support towards the global roll-out of Covid-19 vaccines across our operational footprint. We currently encourage employees to receive the vaccines when offered, recognising it to be a deeply personal choice.

As we expect pandemics to become recurrent, we are proactively exploring how to ensure that the capacity and assets that we have built to address Covid-19 can be re-purposed. We are also exploring how the lessons learned from our response to Covid-19 and infrastructure we put in place in our communities, can be integrated into our health response to support the achievement of goals of our Sustainable Mining Plan.

Our material matters

Determining what is important

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

Our process for determining those matters involves three steps: consultation, analysis and approval. The consultation process in 2020 included an integrated materiality analysis that took place in tandem with the comprehensive sustainability materiality process that is carried out every three years. The process was led by a third party and incorporated in-depth interviews with a range of internal and external stakeholders, in addition to extensive desktop research. Following the stakeholder interviews, a third-party-led validation workshop took place where subject-matter experts from across the Group were asked to validate and prioritise the matters identified as most material to Anglo American. The final list was then approved by the Group's leadership and the Board.

Understanding our stakeholders

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

Anglo American's stakeholders include our host communities, governments, employees, customers, business partners, multinational organisations, industry peers, broader civil society, trade associations and suppliers, in addition to our shareholders who own the business. In some instances, we work with representatives from multi-stakeholder initiatives to provide a more collaborative and holistic view on the issues facing our industry.

Beyond the materiality process, we continually engage with our stakeholders at global, national and local levels to develop long term mutually beneficial relationships and respond to society's most pressing challenges.

Material matters in 2020

The matters identified through our materiality process were naturally numerous and wide-ranging. In order for us to report against them effectively and demonstrate how they affect the delivery of our strategy, we have set them out under the headings listed in the table below. The global pandemic featured throughout the stakeholder discussions and the desktop research, and we have therefore not sought to categorise it in the table, but instead recognise its impact across many aspects of our business throughout this report.

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

Matters identified as material to our stakeholders and our business

Material matters	Description	Topics included	Read more
Adopting a zero mindset	Protecting the safety and health of employees, contractors, local communities and other stakeholders is a fundamental responsibility for all mining companies. A safe and healthy workforce translates into an engaged, motivated and productive one that mitigates operational stoppages, and reduces potential legal liabilities. We recognise that the end of a mine's operational life is far from being the end of its social and environmental impact and we work to ensure we close mines in a way that leaves a positive, healthy and sustainable legacy. The monitoring and management of tailings storage facilities (TSFs) and of water consumption and discharge are not only a major factor in legal compliance and permitting, but also play a significant role in improving the balance of value from mining for our local stakeholders.	Occupational safety and health; responsible mine closure and divestment; and mineral residue management (tailings).	Pages 25-37
Tackling climate change	Climate change has become the great defining issue of our time, and understanding its effects on our business, and how they may impact our value chain, is vital if we are to optimise the opportunities associated with the transition to a low carbon future.	GHG emissions; energy; and the impact of climate change on Anglo American.	Pages 38-45
Protecting our natural environment	We are stewards of the land and ecosystems around our operations. Our vision is a Healthy Environment, where not only do we minimise impact, but we deliver positive and lasting environmental outcomes – in biodiversity, for example.	Circular economy; biodiversity; water; waste management; and air quality.	Pages 46-62
Playing our role in society	Local communities and host governments rightly expect mining to bring significant economic benefits, and our goal is to leave host communities and governments better off than when we arrived. Anglo American aims to create Thriving Communities by acting as a catalyst for enduring economic prosperity through employment, and by creating a more inclusive supply chain that generates shared sustainable prosperity in the communities around our operations, and a collaborative approach to regional development to drive sustained economic diversification. Acting in an ethical, responsible and transparent manner is fundamental to Anglo American realising the significant business benefits gained from building trust as a corporate leader through constructive relationships with all our business stakeholders, and to maintaining our socio-political licence to operate.	Social performance (including community relations, socio-economic development and cultural heritage); ethical value chain; responsible supply chain; total economic contribution (including tax); business conduct and ethics; and human rights.	Pages 63-82
Helping our people thrive	To deliver on our strategic business objectives, we rely on a capable and engaged workforce that behaves ethically and responsibly, consistent with Anglo American's Values and Code of Conduct – essential for us to maintain our social licence to operate. We aim to foster a purpose-led high performance, inclusive culture, through an organisational structure that is fit for purpose, resourcing this structure by attracting and retaining the best talent and empowering leadership to deliver the desired outcomes.	Future of work; inclusion and diversity; talent attraction and retention; learning and development.	Pages 83-91
Driving business performance	The mining sector continues to face operating cost inflation, including labour costs, energy costs and the natural effect of ore-grade degradation. In order to deliver our disciplined growth strategy and to maintain and improve our competitive position, Anglo American must continue to deliver on its financial improvement targets, successfully deploying technologies and other innovations to mine ever more safely and productively, and minimise the number of unplanned operational stoppages that affect production and unit costs. Effective corporate governance is also key to sustained business performance, with the appropriate processes and systems in place to ensure clear and consistent application, and succession planning to ensure effective leadership continuity.	Operational and cost performance; capital allocation; innovation and technology; data security and privacy; corporate governance.	See the Integrated Annual Report
Adapting to the world around us	Economic volatility in the countries that are major consumers of the Group's products could have a negative impact on demand for those products. Demand may also be negatively affected by product substitution and/or fundamental shifts in market forces and consumer sentiment. Anglo American operates, or is otherwise active, in several countries that have experienced political instability and where the regulatory environment for the mining industry is uncertain.	Geo-political context; societal expectations; transparency (e.g. tax, supply chain); policy advocacy; macro-economic environment.	See the Integrated Annual Report

The safety of our workforce remains the prime consideration during the construction of our copper mine at Quellaveco in southern Peru. Here, a worker attaches a harness before carrying out an inspection of the concentrator plant.

Adopting a zero mindset

Issues covered in this section

– Safety
– Health
– Responsible mine closure and divestment
– Mineral residue (tailings) management

Adopting a zero mindset

Our main priority is to protect the health and safety of our people, the communities around our operations and the environment. And we have shown consistent improvement across the business – with an 87% reduction in fatal incidents, an 85% reduction in health incidents and a 97% reduction in environmental incidents all achieved since 2013.

To further accelerate progress, in 2020 we updated our safety, health and environment (SHE) policy. A key element of this update is focusing on achieving a 'zero mindset', meaning that we aim for zero accidents and zero incidents and, importantly, zero repeats. If something does happen, we investigate the causes, act to remedy these, and share the lessons learned across the Group, with the aim of preventing repeat or similar incidents.

This applies to our work to eliminate fatalities; the way in which we adapted our health work plan to safeguard the health of our people and communities in the face of the Covid-19 pandemic; our cradle-to-cradle approach to responsible mine closure and rehabilitation; and the way in which we manage mineral residue (tailings) from our mines.

How this connects to other sustainability topics

Our work in adopting a zero mindset is directly linked to:

- Protecting our natural environment
- Helping our people thrive
- Socio-economic contribution

Progress against our Sustainable Mining Plan

SMP element	Critical foundations	Read more
Critical Foundations	Zero harm	Pages 26-31
	Group standards and processes	Page 27
	Compliance with legal requirements	Pages 26-36

Section highlights

Welder working in the tunnel reclaim of the Quellaveco concentrator plant.

Record safety performance

In the first eight months of 2020, we had zero fatal incidents at our managed operations, the longest such period in our history. However, it is with deep sadness that we report the loss of two colleagues in work-related incidents.

See page 26

Sharon Mavhodze is a dietician working at the occupational healthcare clinic at our Sishen iron ore mine.

Continued reduction of health incidents

In 2020, we recorded a record low of 30 new cases of occupational disease. Achieved through continual improvement towards eliminating workplace health hazards.

See page 30

At our Dawson coal mine in Australia, a rehabilitation project aims to establish grazing activities on an area previously used as a spoil dump and topsoil stockpile.

Mine rehabilitation targets met

In 2020, all of our open-cut operations met their rehabilitation targets except for Isibonelo, Khwezela and Kolomela. We reshaped approximately 788 hectares and seeded 664 hectares.

See page 33

Safety

At Anglo American, we believe everybody should come home safe at the end of their shift. Everybody. Everywhere. Every single day.

Our work to eliminate fatalities is yielding results. We are not there yet, but we believe we can put in place the right measures to keep all our employees and contractors safe.

Group safety performance

In 2020, we delivered our safest year yet, recording the fewest injuries and lowest injury frequency rates on record. In the first eight months of the year, we experienced zero work-related loss of life incidents at our managed operations, the longest fatal-free period in our 100+ year history. This was a significant achievement, particularly in light of the unforeseen challenges and disruptions brought about by the Covid-19 pandemic, which included temporary operational shutdowns followed by rapid restarts at almost every one of our operations.

Despite our best-ever safety performance, it is with deep sadness that we report the loss of two colleagues in work-related incidents at our managed operations. During September, Jabulane Nkambule and Lindile Manzingi, from Zibulo colliery and Dishaba mine respectively, sustained fatal injuries in separate fall of ground incidents. Our deepest condolences are extended to the family, friends and colleagues of those we have lost.

Three people were also fatally injured in separate incidents at our independently managed joint operations. We mourn the loss of Joao Abilio Silindane at Kroondal, a business managed by Sibanye-Stillwater, and Dennis Hlengani Mdaka and Johannes Mahlelela at Modikwa mine, an independently-managed 50:50 joint venture business belonging to Anglo American Platinum and ARM Mining Consortium.

Each of these tragic incidents reminds us of the path ahead and the need to redouble our efforts to eliminate fatalities. A thorough investigation has taken place at each of our managed operations to identify the cause(s) of the incidents and to share lessons learned across the Group, with the aim of preventing repeat or similar incidents.

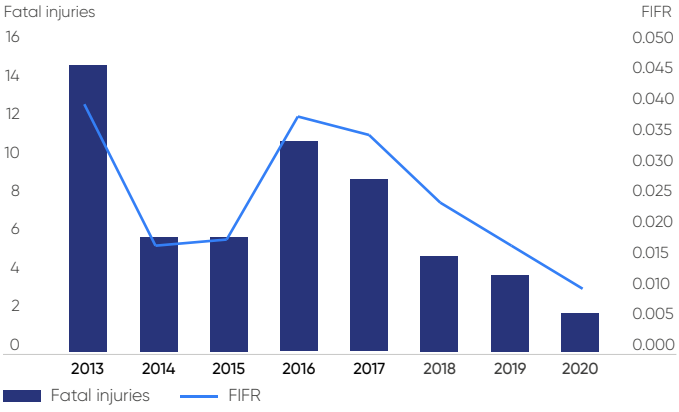
In 2020, we recorded 444 occupational injuries, 15% fewer than in 2019 (529), improving our total recordable case frequency rate (TRCFR) by 3% to 2.14 (2019: 2.21). The improvement in our lost-time injury frequency rate was a nominal 1% and largely due to reduced working hours as a result of Covid-19.

We have achieved this overall reduction in TRCFR and LTIFR through changes in our leadership, strengthening our culture, and by implementing various operationally targeted safety interventions. These included CEO safety summits with senior leaders from across the business units; instituting minimum mandatory critical controls for common fatal risks; sharing of lessons learned and actions taken from incidents across the organisation; safety stand-downs (voluntary events to pause production and talk with employees about safety, such as one at Grosvenor coal mine in Australia); employee-engagement sessions, for example one carried out in Coal South Africa; and enhanced reporting and progress tracking of safety-improvement initiatives.

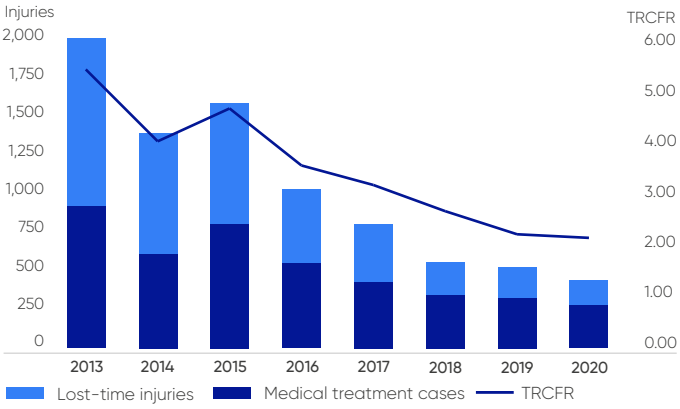
Two high potential incidents need particular mention:

On 6 May, at our Grosvenor coal mine in Australia, a major incident occurred as a result of methane gas being ignited and five of our colleagues were seriously injured. We are proactively seeking to implement safety-enhancing technical, engineering and data-science solutions to improve the management of methane and safety in underground mining. We have already conducted a series of workforce briefings at Grosvenor and our other Queensland operations to provide updates on our plans to improve safety and controls, ahead of re-opening Grosvenor in the second half of 2021.

Total number of fatal injuries and fatal injury frequency rate 2013–2020



Lost-time injuries, medical treatment cases and total recordable case frequency rate 2013–2020



In February 2020, the Phase A Anglo Converter Plant (ACP) at PGMs' Waterval smelter in Rustenburg, South Africa, was damaged, following an incident within the converter. The controls in place at the site ensured that no one was injured. We completed the rebuild of the ACP Phase A unit by the end of 2020.

Although we are encouraged by our safety performance improvement, we acknowledge we still have much more work to do if we are to consistently operate injury- and fatality-free.

Our approach and policies

Our safety performance is governed by our vision of being injury- and fatality-free. Each of the policy components and supporting programmes listed below is part of an integrated management approach that allows us to progress on our safety journey.

Our SHE Policy

In 2020, we updated and published our Safety, Health and Environmental (SHE) Policy. Aligned with our Purpose, Values, and internationally recognised safety, health and environmental standards (ISO 45001 and 14001), the SHE Policy embodies three guiding principles:

1. Zero mindset: we apply the hierarchy of eliminating, avoiding, minimising, mitigating, remediating, rehabilitating and offsetting the impacts and risks arising from our activities
2. No repeats: all the necessary steps are taken to continuously learn from SHE incidents and prevent them from re-occurring
3. Non-negotiable standards: we apply common, non-negotiable minimum standards and procedures throughout the Group.

The SHE Way

The SHE Way is the management framework we use to implement the SHE Policy. It helps us to achieve the goals of our Sustainable Mining Plan and to live our commitments to maintain a safe and healthy workplace, a sustainable environment, and to build and maintain Thriving Communities everywhere we work. This dynamic tool sets out what is expected of all employees, managers, and our organisation as a whole.

Technical standards

Our technical standards detail what is expected of all our sites when dealing with critical safety issues. They are the cornerstone for ensuring that everyone knows what is expected of them, allowing us to measure our progress site by site and ensure we are able to consistently manage safety and operational risk across the Group.

Operational Risk Management

Risk management is a central component of our strategic, operational and project management. It is the process whereby the risks associated with business and operational activities are methodically assessed and addressed. We are on a safety journey, continuously improving our approach.

In 2020, we identified common requirements and set minimum operational risk requirements and practices aimed at supporting the achievement of business objectives at our operations. Operational Risk Management (ORM) supports our Integrated Risk Management Policy and Framework and is an integral part of our Operating Model.

By applying ORM, we aim to ensure that operational risks are identified, assessed, analysed and managed in an integrated and co-ordinated way, in accordance with ISO 31000 on risk management. These requirements support the delivery of organisational, business unit and operational objectives and targets. They also provide for standardisation, benchmarking and a consistent minimum approach across the Group.

The ORM process is structured into four inter-related layers. These build an approach to managing risk across all activities that affect a site, and to supporting all operational personnel to ensure that the management of unwanted events is planned and understood. They also ensure that controls are implemented and executed, to minimise the likelihood of negative consequences, and enhance the probability of positive outcomes.

A core component of the ORM process is the identification, management and assurance of critical controls, particularly in respect of top operational risks that could result in fatalities, as well as operational risks that could be catastrophic to the Group. We have undertaken a process of review, simplification, standardisation and assurance of many such critical controls, and mandated certain minimum controls. We are also enhancing the effectiveness of reporting of these risks.

Activities in 2020

1. Elimination of Fatalities

Everyone deserves to arrive home safely every day. At Anglo American, we consider no workplace fatality to be unavoidable and each one of us is deeply upset when we hear a colleague has been lost or seriously injured due to a safety incident.

While we have seen an improvement in our overall safety record, sadly fatal incidents continue to occur. Our Elimination of Fatalities programme is designed to address systemic safety risk areas across the Group. The multi-disciplinary programme is aligned with our Operating Model 'mantra' of doing the right work, at the right time, in the right way, to safely and responsibly deliver our work. It includes a number of thematic work programmes to ensure our workforce operates to the highest safety standards, with the skills and knowledge to work safely and responsibly, and that we are all safety leaders, looking out for each other's safety, standing up for what's right, and saying no to unsafe acts or conditions, so that we are all empowered to put safety first.

The programme covers a wide range of topics, from culture and operational leadership, to specific safety risks, such as the use of explosives, emergency response and light vehicles, with our business units implementing the actions or minimum requirements set out by each site review, standard or procedures. In 2020, where Covid-19 affected our ability to conduct some site reviews in person, these were conducted virtually.

Below, we share some of the highlights on the work delivered through or as a result of the programme:

New and updated technical standards

In 2020, we issued several new standards and updated others. These relate to light and high occupancy vehicles and calls for fitting vehicles with advanced driver assistance systems (ADAS) technology (see case study on page 29), as well as explosives handling, fire prevention, surface traffic management for heavy mobile equipment, shaft management and lifting operations. Technical standards for managing emergencies, process safety, security, and electrical safety are also under development, while our fatigue management standard is being updated. All of these are planned to be finalised and implemented in 2021.

Emergency management site reviews

In the event of an incident occurring at one of our operations, it is imperative that there is an effective emergency response provision in place to protect personnel, assets and other stakeholders, and to minimise any consequential damage. Consequently, in 2019, we began a programme of emergency management site reviews to assess our existing capability and make recommendations for improvement. These reviews continued through 2020, transitioning to a virtual delivery as the Covid-19 pandemic affected our various operating jurisdictions. Ten operations were reviewed and, of the 1,700 remedial actions identified to date, 84% have been closed. In 2021, we will continue verification of the actions taken as a result of site reviews, in parallel with the finalisation of the remaining site reviews. We also plan to implement the Emergency Management Standard.

2. Enabling our people to work safely

Continuing the improvement in our safety performance is dependent on our people and how they are enabled to work safely. We have worked hard to create a world class safety organisation – complete with strong leadership, highly skilled safety professionals and effective engagement between colleagues. Our initiatives in this area include:

A future-fit safety organisation

We have been rethinking how we manage and organise for safety to ensure that our organisational design can adapt to the future of work and provide our employees with the skills operations will need well into the future. (See Future of Work section on page 85.)

The Accountability Framework

We also implemented our new Accountability Framework at all of our businesses and in our Group functions in 2020. The Framework ensures we are all empowered to make the right decisions when it comes to safety, and that leaders are able to recognise both positive and negative practices and have the ability to manage the consequences in a consistent and clear way. The Accountability Framework seeks to promote a psychologically and physically safe workplace where everyone is accountable for their own safety and, where applicable, the safety of their teams. The Framework and supporting policy apply to everyone at Anglo American, from senior leaders to frontline employees and contractors. Roll-out of the Framework commenced in 2020, reinforced by one of the challenges that formed part of the Safety 365 programme. So far, the Framework has been used to review all serious safety incidents that took place in the second half of 2020. In 2021, we will focus on measuring compliance against the Learning From Incidents and Accountability Framework processes and the impact of the Framework.

Supporting our general managers

We continued to build operational leadership excellence, developing a best-in-class cadre of General Managers and future talent, ensuring clarity of roles and ensuring we have the right support, structure and processes in place to deliver safe and responsible production. During 2020, our operational General Managers spent approximately 40 hours working together to collaborate, align and improve their individual and collective leadership capabilities – with a specific focus on their critical role as leaders on safety. (See case study on page 88.)

Safety 365

In 2020, our global Safety 365 employee engagement programme focused on how living our Values is central to us being injury- and fatality-free and creating a safe workplace. This built well on the previous year's focus on safety leadership by challenging all our people to put our Values into action. During the course of the year, we challenged individuals and teams to explore how each Value, and its associated behaviours, helps us to make the right decisions and take the right actions to ensure that safety always comes first.

The Safety 365 programme includes our annual Global Safety Day, which, in 2020, took place on 14 October. On this day, across the business, we reflected on the Safety 365 journey we had all been on, recognised successes and encouraged our people to continue to actively demonstrate their personal commitment to keeping Anglo American a safe place to work.

Promoting leadership and best practice

Together with other leaders in the mining industry, we have set up the International Mining Safety Hub. Its purpose is to share best practice and training materials about critical controls, incident investigations and learnings on unwanted events across our industry. This information is also shared with other mining companies. Our goal is for the hub to be widely adopted in order to raise standards throughout the industry.

3. Driving safety innovation

Along with enabling our people, we have invested in technology and equipment to keep them out of harm's way.

Technology – such as video analytics, collision avoidance systems (CAS), and ADAS – plays a critical role in advancing safety, and we are exploring multiple options.

Our Technology for Safety Forum is tasked with finding support for and scaling up technology interventions that have the potential to change our safety performance. (See case study on page 29.)

Next steps

In 2021, we will implement new standards in process safety management, electrical safety, emergency management, fatigue management, and security management.

In the area of methane management and underground mining safety, we will review the results of the inquiries into the Grosvenor mine incident and make the necessary improvements to prevent any subsequent occurrence of this type of incident at any of our operations.

We will also introduce our updated SHE Way Standard in order to detail what has to be done to bring the SHE Policy to life and meet our safety, health and environmental expectations.

Safety is a journey. Things change. And, when they do, we want to be ready to respond in the best way – to re-assess the risks and re-plan work – so we can continue to operate safely and follow our robust standards, processes and procedures.

We are making sure that all our people have the skills and knowledge they need to do the right work, at the right time, in the right way.

We want every person in our business to be a safety leader, empowered to put safety first – whether they are acting alone or together. We know that the power of our individual and collective efforts will deliver life-saving results.

"While mining can be a high risk industry, we do not accept that anyone should be hurt or die because of the job they do. We know we can manage the risk and work safely."

Our technical teams are leveraging technology to enhance safety through the deployment of advanced driver assistance systems (ADAS). Here, at our Barro Alto nickel operation in Brazil, mechanical engineer Odilson Ribeiro wears a fatigue-monitoring 'smart cap' specifically designed for haul-truck drivers.

Innovating to save lives: technology for safety

In a global company such as ours, there are many different birthplaces for life-changing innovations. Sometimes, however, leadership from the top is required to scale up those efforts that can have the biggest impact. This was the challenge of the Technology for Safety (T4S) programme.

How could we tap into the safety innovations taking place in one side of the business, and make sure success stories and lessons learned were replicated quickly and successfully elsewhere? It took a combination of imagination, know-how and leadership to get us there. We developed a global programme to help us create safer work environments, enabled by technology. This programme is tracking more than 100 safety initiatives across the Group, 32 of which are in a discovery phase and another 32 are being piloted. In 2020, T4S supported six projects that have either been completed or have entered the post-implementation phase; these included vehicle telemetry monitoring (location, movement, status and behaviour of a vehicle) and operator alertness technologies to protect our frontline operators from potential incidents.

One example of how we leveraged technology to enhance safety is our work on advanced ADAS – electronic systems that assist drivers in safe driving and parking functions. In 2020, 4,545 vehicles, which accounted for the majority of installations, were fitted with ADAS, and the programme will be completed in 2021. ADAS is a tool to support driver behaviour and, as such, includes 24/7 monitoring of driver behaviour and subsequent coaching, if required. To cite one example, at the end of 2020, in our Copper business, ADAS contributed to practically eliminating driver behaviours linked to lack of alertness and/or distraction and, as a consequence, this has led to an improvement in road safety.

T4S has several working components to help accelerate technologies such as ADAS through to full deployment, with a project management office to strategically manage the portfolio of interventions, connecting Group leadership to delivery teams and vice versa. This ensures that projects have the support they need in order to realise their key safety goals.

T4S holds a bi-monthly forum and has built an active community of practice to share insights and lessons learned across the Group. In addition, we have curated a 'technology catalogue' and strategic roadmap to provide visibility of all the active projects and raise awareness of their safety benefits, while maintaining our focus on the key projects that will deliver on our vision and key objectives.

The ADAS example speaks to the power of co-ordinating as a Group and as a community of safety-conscious people, collectively sharing knowledge and lessons learned in order to accelerate the deployment of the key interventions that are really going to 'move the needle' in our journey towards a safer work environment enabled by technology.

ADAS is testament to how our global leadership is bringing our people together to save lives, using technology to transform the way we operate as a business. T4S, however, is still in its infancy. From 2021, the T4S initiative will work towards:

1. Verifying that critical controls are effective 100% of the time
2. Supporting the full digitalisation of the mines of the future
3. Empowering a resilient frontline of workers, with the information at their fingertips to perform work safely
4. Eliminating exposure to the highest potential risks
5. Operating smarter, faster, better and safer in the way we choose, test and deploy the next generation of safety technologies.

Health

In 2020, we had to quickly pivot our robust health work plan to meet the challenges of the global pandemic. Around the world, our teams leveraged our resources, skills and expertise to support our employees, their families and communities in safeguarding their health.

Our response to Covid-19 is covered below and, in depth, on pages 19-21. In this section, we focus on our main health initiatives – such as our work on HIV – which have continued despite the pandemic.

Our approach and policies

Our SHE Policy

Our overarching approach to health is covered by the SHE Policy and SHE Way, our Safety, Health and Environment management framework. (See page 27.)

Our Total Health approach

Our Total Health approach to managing health and wellness is aligned with World Health Organization principles. It covers employee health, the physical work environment, community health, social context and workplace culture.

Our concern for employee health also extends beyond the workplace. Under our Total Health strategy, our well-resourced health function applies evidence-based decision-making to health interventions. These are aimed at reducing health risks associated with unhealthy habits, such as smoking or following a poor diet.

Our focus on mental health

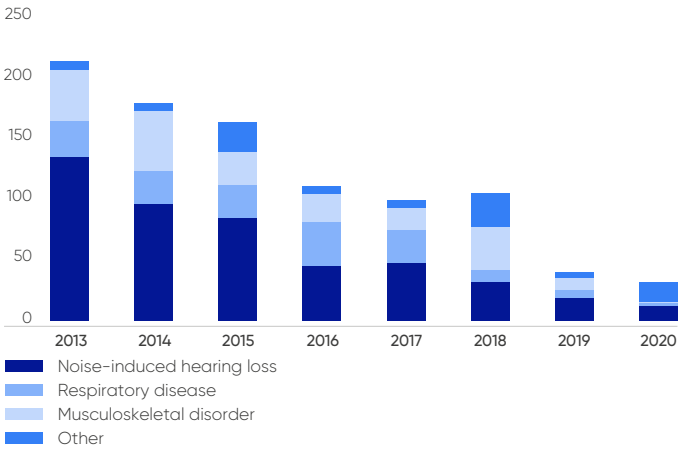
Around one in four people will suffer from mental illness at some point, with an estimated one in six people experiencing a common mental health problem, such as anxiety or depression, in any given week.

In line with the World Health Organization, our Total Health approach recognises our responsibility to support the mental health of our people. Everyone working at Anglo American – at any site or office – should be able to bring their whole and best selves to work, and have the opportunity to fulfil their potential.

Our Workplace Health Standard

In 2020, we published the Workplace Health Standard, expanding the scope of our 2019 Occupational Hygiene Standard. This defines the minimum that needs to be done to effectively manage occupational exposure risk, occupational diseases, occupational injuries, and overall well-being and mental health.

New cases of occupational disease 2013–2020



Activities in 2020

Responding to Covid-19

In response to Covid-19, we created WeCare, a global lives and livelihoods support programme that demonstrates our Purpose in action. WeCare is made up of three phases of support – Prevention, Response and Recovery – relating to physical health, mental health, living with dignity and community response interventions. (See our comprehensive response to Covid-19 on page 19.)

We introduced several initiatives through WeCare in 2020. Perhaps the most ambitious of these undertakings was putting in place dedicated Covid-19 testing facilities at our operations, for both our staff and communities.

We introduced or repurposed various technologies to support our employees throughout the Covid-19 crisis. Examples of this include a new self-monitoring feature for our Engage app; tracking Covid-19 cases via laboratory information management system, TrakCare; contact tracing to identify high-risk contacts; and pre-screening visitors to assess their Covid-19 health status before they visit our operations.

In managing the risks associated with exposure to Covid-19, we followed our Operating Model principles and used our operational risk management tools. The controls covered communication (behaviour change), self-monitoring and reporting, reducing employee density and social isolation, fever screening, PPE, case detection and contact tracing.

We also completed our local exhaust ventilation system skills and equipment training for on-site occupational hygienists. This ventilation expertise was used to find solutions in our offices and other buildings to help prevent airborne transmission of Covid-19.

Reducing new cases of occupational disease

In 2020, there were 30 reported new cases of occupational disease (2019: 39). We continue to strive to reduce the number of employees exposed to noise and hazards harmful to health; however, we realise that increased efforts must be made and remain dissatisfied with the number of employees exposed to noise. We are embarking on a step-change to address this.

Fighting HIV/AIDS in the face of Covid-19

We have been a corporate leader in the fight against HIV/AIDS for more than 20 years. From providing free testing and treatment to all our employees, to making a Group-level policy commitment against stigma and HIV/AIDS discrimination, we have made a significant contribution to the elimination of HIV and AIDS. In 2016 we aligned our HIV/AIDS targets to the UNAIDS 90/90/90 strategy, which includes three targets:

- By 2020, 90% of all people living with HIV will know their HIV status.
- By 2020, 90% of all people with diagnosed HIV infection will receive sustained anti-retroviral therapy.
- By 2020, 90% of all people receiving anti-retroviral therapy will have viral suppression, meaning the viral load is so low as to be undetectable.

While we have made significant progress since the first two targets were included in our ambitions, Covid-19 continues to have a severe impact on people's ability and willingness to access preventative healthcare. As a result, while 89% of our employees in southern Africa knew their status at year-end, this was lower than in the previous year (2019: 94%), and 1% short of our target of 90%.

We did, however, meet our second HIV/AIDS-related target. The third UNAIDS target remains a challenge to measure accurately, so was not part of our 2020 targets. However, we are taking steps to address this in 2021.

HIV/AIDS indicators for high-impact countries[1]

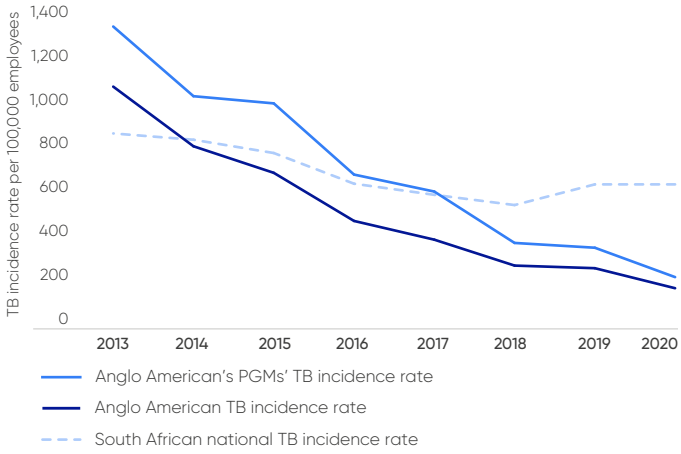
	2020	2019	2018	2017	2016	2015	2014	2013
Employee voluntary testing and counselling cases (number of employees who know their status)	**31,744**	34,048	30,814	43,568	45,279	50,223	59,813	51,954
Contractor voluntary testing and counselling cases (number of contractors who know their status)	**37,184**	43,107	40,670	32,433	38,376	39,643	48,421	40,814
Employees who know their status (%)	**89**	94	88	83	88	68	86	75
Number of known HIV+ employees on anti-retroviral therapy (ART)	**5,637**	5,691	5,118	6,331	4,633	7,415	5,953	5,237
Known HIV+ employees on ART (%)	**93**	92	86	84	68	72	53	47
New HIV cases (employees)	**233**	399	540	506	611	349	543	529
AIDS deaths (employees)	**0**	0	3	12	68	91	89	125
New cases of tuberculosis (TB) (employees)	**50**	84	93	188	296	511	544	677
TB incidence rate per 100,000 (employees)	**138**	230	242	361	447	696	790	963
TB deaths (employees)	**1**	3	5	4	14	28	52	59

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

In 2020, 233 new cases of HIV were reported and zero HIV/AIDS-related deaths. This translates into an incidence rate of 0.89%. Although the number of incident cases continues to reduce each year, we know we have work to do to reach our goal of zero.

Fighting tuberculosis
For 2020, the TB incidence was 138 per 100,000 compared with 230 per 100,000 in 2019. As both TB and Covid-19 are airborne diseases, we suspect that measures taken to prevent Covid-19 have worked against TB. We will be testing this hypothesis in 2021.

Anglo American TB incidence rate relative to the South African national average 2013–2020



Eliminating coal mine dust lung disease
Long term exposure to respirable coal mine dust has been linked to lung diseases, including coal workers' pneumoconiosis (CWP). CWP can increase the risk of TB and, in its advanced form, can be debilitating or even fatal. Other diseases related to inhalable hazard and carcinogen exposure include emphysema, silicosis and chronic bronchitis. Collectively, these are known as coal mine dust lung disease (CMDLD) and, colloquially, as 'black lung'.

We seek to eliminate exposure to coal mine dust at our operations in order to eradicate or limit the potential for the disease as far as possible. In 2020, 2,822 workers were potentially exposed to inhalable hazards above the exposure limit, before taking PPE into account.

The level of exposure to coal dust is limited by the regulators in Australia and South Africa. In 2020, our overall reported levels of exposure improved by 93%, although in South Africa it deteriorated by 15%. Our health team has investigated the deterioration in levels of exposure in South Africa and identified the root cause and contributing factors. An improvement plan to address these is in place for 2021.

270+

mental health first aiders

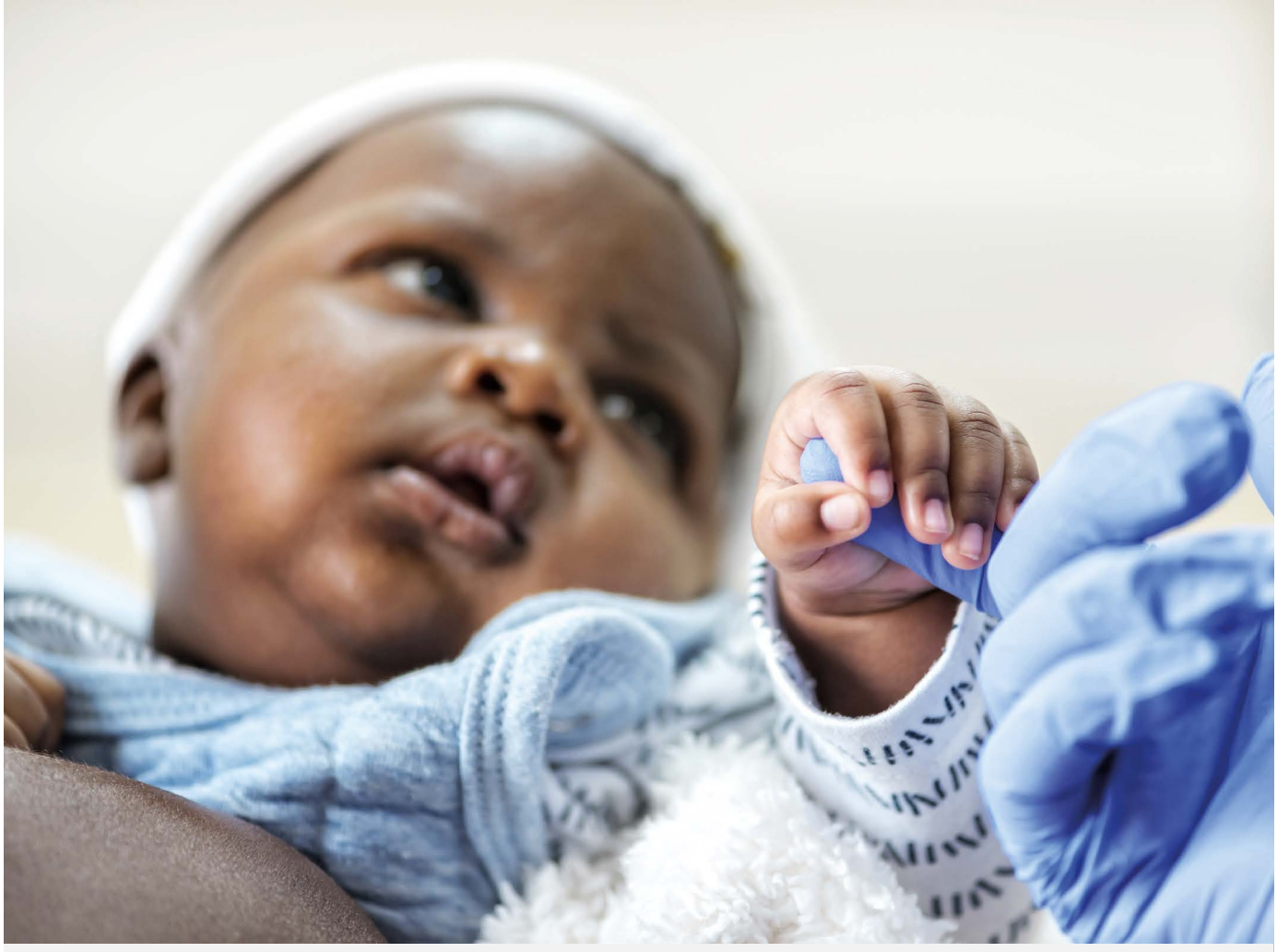
Taking care of mental health
In line with our Total Health framework, in 2020 we provided immediate mental health support to our people by introducing several initiatives through our WeCare programme. We trained more than 270 mental health first aiders in South Africa, the UK and Australia, with additional training scheduled in South Africa and Chile, so that they can offer our workers support specific to Covid-19. We also gave all colleagues access to a global mindfulness and guided meditation app, and offered counselling through employee assistance programmes.

Next steps
We will continue to promote and implement our Total Health approach and framework. The Covid-19 pandemic delayed our plans to see the framework fully embedded across our business in 2020, but we aim to achieve this important milestone in 2021. We will also focus on the implementation of our new Workplace Health Standard to all our sites.

In 2021, we aim to strengthen how we use evidence-based decision-making to inform our health interventions, using our digital platform Voxel for data analytics, to make our interventions more effective in practice, and more cost-effective.

We will embark on our journey towards being a digital health organisation that is increasingly enabled by technology and driven by data. This will shift the way we deliver our health services, combining traditional and innovative models to deliver outcomes that improve the health of our people.

Finally, we will continue our journey in the fight against HIV/AIDS by introducing pre-exposure prophylaxis (PrEP) for high-risk individuals, remote counselling and home testing. Our ultimate aim is to eliminate new cases of HIV/AIDS among our employees in South Africa.



The Covid-19 pandemic has affected poor, rural communities particularly badly. Here, in South Africa's Mpumalanga province, our Greenside and Khwezela collieries fast-tracked the development of a medical unit, which was then handed over to Witbank's Specialised Tuberculosis Hospital in the continuing fight against Covid-19, TB, HIV/AIDS and other infectious diseases.

Improving people's lives in Mpumalanga

In line with our Purpose, we continue to play an active role in improving the lives not only of our workforce, but of the local communities around our operations. As South Africa's largest mining company, we have a special responsibility for their health and well-being.

Over the past year, South Africa has had to face up to the challenge of managing a pandemic against the background of a fragile economy. Covid-19 has had a particularly harsh impact in the country's poor, rural areas such as Mpumalanga where our Thermal Coal business operates a number of mines.

When an occurrence such as the Covid-19 outbreak takes hold of countries, there is a real danger that so many resources are directed towards tackling the outbreak that society's other pressing needs are pushed aside. Despite the challenges posed by Covid-19, we were able to demonstrate our ongoing commitment to healthcare at the local level by funding new facilities that offer a range of health and medical services, close to three of our thermal coal mines.

A new clinic at Mafube

In some parts of rural South Africa, it is not uncommon for medical facilities to be located many kilometres away from residential areas. And with private transport often difficult to access, many people find themselves using buses or taxis to travel to the nearest hospital or medical clinic.

At Mafube (50% owned by Anglo American), we co-funded a R14.3 million clinic which opened in December 2019. The clinic serves more than 5,000 people from the nearby Sikhululiwe village and 64 outlying farms, and is proving to be a real game-changer. Its fully staffed, 24/7 facilities include a pharmacy, consulting and counselling rooms, a dental wing, emergency rooms, labour wards, mother and baby rooms, and also a comprehensively equipped ambulance. The day clinic is open for nine hours daily during the working week and provides emergency care, treatment for chronic illnesses, integrated childhood illness management, immunisations, ante- and post-natal care, sexual and reproductive health services, HIV/TB management, and mental-health care.

Greenside and Khwezela fast-track world class health infrastructure project

As the coronavirus pandemic began to hit hard, our Greenside and Khwezela collieries fast-tracked their handover of a world class health infrastructure project that will be used to provide 24-hour care for patients. The development, built and equipped in just 10 months, is an extension of Witbank's Specialised Tuberculosis Hospital. It involved the construction of a separate medical unit that includes multiple isolation wards; a modern radiology wing incorporating radiography wing facilities, including a general X-ray room; as well as a dispensary and pharmacy. The new building also incorporates an anti-retroviral therapy clinic, with several procedure and general consulting rooms, including rooms for a social worker, physiotherapist, and dietician.

Responsible mine closure and divestment

A mine continues to have social and environmental impacts long after the end of its operational life. Through effective closure planning and rehabilitation, we strive for our mines to leave a positive, healthy and sustainable legacy.

Our approach and policies

A 'cradle-to-cradle' approach
Our approach to mine closure and rehabilitation puts emphasis on rigorously focusing on a sustainable post-mining legacy from the project phase onwards, working with stakeholders to address social impacts, managing our financial liabilities and starting to rehabilitate the land around our operations while they are still active.

We take a 'cradle-to-cradle' approach by beginning to plan for closure in the exploration phase, and continuing until a sustainable post-mining legacy has been achieved.

Our Mine Closure Toolbox
Our updated Mine Closure Toolbox (MCT v3) is a structured, risk-based framework for planning and managing any closures. It supports our operations in achieving compliance with the 23 requirements of the Group Technical Standard (GTS) for Mine Closure. Our rehabilitation strategy and guideline documents set out in greater detail our expectations in relation to concurrent rehabilitation.

Mine rehabilitation
Our Group Rehabilitation Strategy outlines the requirements for open-cut operations to integrate rehabilitation into our different planning processes and develop five-year rehabilitation plans that reduce backlog. The Rehabilitation Group Guideline provides guidance on how to implement the standard.

The rehabilitation programme is designed to be integrated into our key business planning processes – Resource Development Plans, Life of Asset Planning and the Sustainable Mining Plan – to reduce our disturbance footprint and generate value both for us and our stakeholders. We required operations to develop and implement five-year rehabilitation plans that outline targets, monitoring, maintenance and management programmes to drive towards relinquishment. Additionally, rehabilitation performance – reshaping and seeding completion against targets – was included as a performance measure in the Long Term Incentive Plan (LTIP) granted to the Group Management Committee in 2018.

Read more on the Group's remuneration report of the Annual Integrated Report See pages 123-147

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

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

Activities in 2020

Complying with our Mine Closure Standard and rehabilitation strategy
During 2020, we made significant progress regarding compliance with the Toolbox. The majority of operations are compliant with the Group Technical Standard and we will continue to work towards getting all sites fully compliant..

In 2020, all of our open-cut operations met their rehabilitation targets, save for Isibonelo, Khwezela and Kolomela due to issues associated with Covid-19 and supply chain challenges. These operations reshaped approximately 788 hectares and seeded 664 hectares. We expect all of our open-cut operations to achieve their rehabilitation targets in 2021 and continue to reduce our rehabilitation backlog.

788
hectares reshaped

664
hectares seeded

Rolling out our updated Mine Closure Toolbox
MCT v3 was launched in November 2019, and made publicly available in English, Spanish and Portuguese. In 2020, we conducted assisted maturity self-assessments on 39 operations in our portfolio. We have action plans in place to ensure that all our operations achieve the required maturity level of competence by the end of 2021.

Developing training
Together with our Technical Academy (see page 87), we have developed MCT v3 virtual instructor-led training for business unit and operations closure champions, as well as web-based training for our senior leaders.

Updating closure plans and liabilities
We developed a closure cost model for Khwezela colliery in South Africa, to identify and pursue integrated planning opportunities. We implemented the Progressive Rehabilitation and Closure technology platform at the three De Beers operations currently in the process of closure – Snap Lake and Victor in Canada, and Voorspoed in South Africa.

Early in 2020, our team completed a pre-feasibility B InvestCo review for the new Victor closure execution plan, and approved closure expenditure to the end of 2021.

We also progressed the integration of sustainable development considerations into Life of Asset and Resource Development Plans, through the new collaborative Joint Ownership Model. This model integrates input from multiple disciplines to maximise value from these plans.

External collaboration
We engaged in several external collaborations in 2020. We worked with the ICMM to develop a maturity assessment for its Integrated Closure Planning Good Practice Guidance document. The guide, which enables businesses to measure how mature their integrated closure practices are in terms of meeting international good practice, was piloted at Jwaneng and Kolomela, two operations in southern Africa.

Also in 2020, our head of closure chaired the Australian mirror committee for the development of two closure-related International Organization for Standardization (ISO) standards. We collaborated with the ICMM, BHP and Peabody in joint research with the University of Queensland into post-mining land-use options in the Moranbah region of central Queensland.

We also facilitated nine internal webinars, with input from various consultants, covering topics ranging from social transition to integration and remote rehabilitation monitoring.

Technology helping rehabilitation
In 2020, we continued our partnership with Emapper, using aircraft to carry out rehabilitation performance monitoring at our Metallurgical Coal mines. We tested different technologies to better understand the evolution of subsidence cracking. We are also using remote-sensing technology to accurately map invasive species and soil parameters, so that we can monitor the success of our rehabilitation and maintenance prescriptions. We are investigating supplier capacity with a view to expanding this, or similar technology, to assets in southern Africa and South America.

Landform evolution modelling
We use SIBERIA, the most comprehensive 3D landform evolution computer model available, to reduce the risk of erosion from various landform shapes. The platform is calibrated from measurable data and more robustly considers erosion of 3D shapes in order to predict the long term rock evolution that we use to design the optimal landform shape. In 2020, we continued to undertake material characterisation and landform evolution trials at Cerrejón, an independently managed coal associate in Colombia, and Mogalakwena PGMs mine in South Africa.

Leaving a sustainable legacy
When we close a site, we aim to leave a positive and sustainable legacy for the local community. In 2020, for example, we undertook a tree-planting project in Dawson, Australia in conjunction with mining equipment manufacturer, Komatsu. Alongside children from three local schools, our staff planted more than 4,000 trees, helping to educate the children about sustainability. Over the next five years we plan to plant 9,000 trees.

This project includes a pilot of biodegradable COCOON® planting technology, which reduces the need for irrigation, to help drought-proof the newly planted trees. The COCOON® pods require 100 times less water than traditional methods, and can support a young plant through its critical first year with an accessible reservoir of water and moisture.

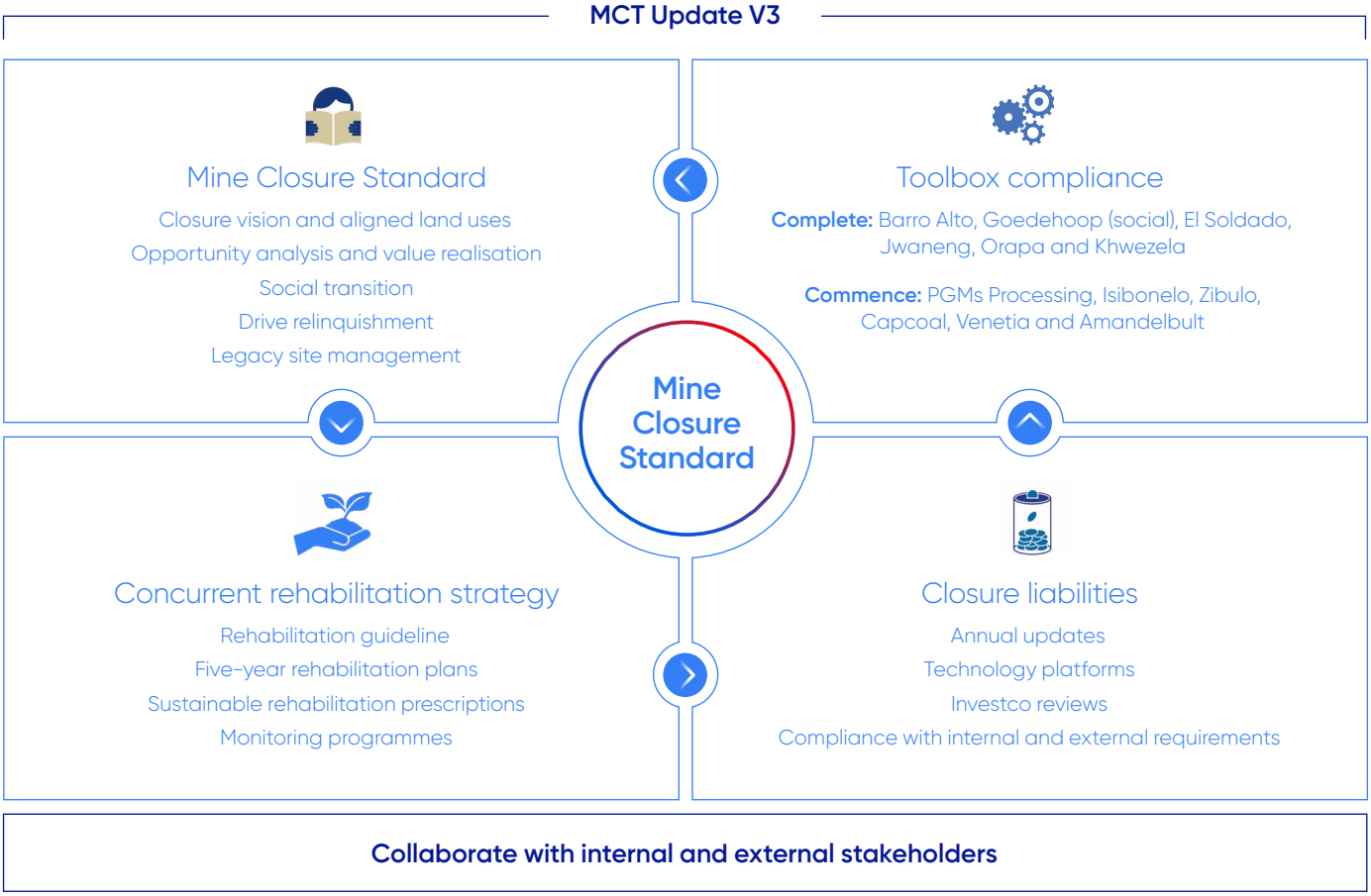
Next steps
In 2021, our closure team will focus on assisting our operations in implementing their action plans to achieve compliance with MCT v3 and working with the sites to develop five-year rehabilitation plans that reduce rehabilitation backlogs.

In terms of training, we will continue to roll out training for MCT v3.

A further feasibility-study-level review of the Victor closure execution plan is planned for the first quarter 2021, along with a feasibility-study review for Snap Lake and a pre-feasibility B review for Voorspoed.

2020 closure planning workstreams

Integrating closure to realise value



Mineral residue (tailings) management

The management and storage of waste rock and processed mineral residue – known as 'tailings' – is a critical issue across our industry. We are determined to meet the social, safety and environmental challenges of mineral residue management, both by developing practical technological solutions, and encouraging industry-wide conversation on the subject, while implementing leading practice across our Group.

Our approach and policies

Storing mineral residue
After we have completed the mining process, we are left with a mineral residue. This is generally made up of two principal components:

- waste rock left from extracting the ore from the ground.
- tailings – the mineral waste that remains after we process the mined ore to separate the valuable metals or minerals from the host rock.

Tailings can be stored in mined-out pits or, if the impact on the groundwater can be managed, in underground mine openings. We often store tailings in specially constructed above-ground tailings storage facilities (TSFs).

86
TSFs managed in total

32
TSFs inactive or in care and maintenance

37
TSFs in active use

17
TSFs closed or rehabilitated

TSFs can contain either wet or dry tailings, the latter also being known as 'dry stacks'. Wherever possible, we store mineral residue in dry stacks and in mined-out areas, to reduce both safety and environmental risks, as well as to minimise the footprint of our operations.

As the world's demand for raw materials has grown substantially in recent decades, and as the grades of many ores have decreased over time, the volumes of this mineral residue material have increased exponentially.

Our approach to managing tailings safely

We are an industry leader in our approach to managing tailings safely and in being transparent about our TSFs around the world.

Our Group Technical Standard addresses the risks of both tailings dams and water-retaining dams, as well as waste rock dumps. The Standard sets out requirements for design, monitoring, inspection and surveillance, which we follow as a minimum practice in each jurisdiction where we operate. While the Standard is recognised as industry-leading, it will continue to evolve.

We use the latest technologies in our mineral residue management, applying sound engineering and scientific judgement, based on our extensive experience and specialist knowledge. Where possible, we try to place tailings and waste rock together to reduce environmental impact, improve stability of the outer walls, and minimise the disturbed area. This also reduces water evaporation losses, and optimises our mine-closure efforts. Examples include De Beers' Venetia diamond mine, our PGMs Mogalakwena operation in South Africa, and the independently managed Collahuasi copper joint operation in Chile.

Engaging communities and our industry
As part of our holistic approach to the safety of our tailings dams, we make sure to engage and communicate with people living nearby. The Social Way 3.0, our social management system, requires sites to develop emergency-preparedness plans and run evacuation drills with local communities where relevant.

It is also important to us to lead best practice amongst our industry peers in mineral residue management. We have been vocal in this regard, encouraging an industry-wide conversation about tailings and the role that they play in the mining process.

Activities in 2020

The Global Industry Standard on Tailings Management
In August 2020, the Global Tailings Review – which was co-convened in March 2019 by the United Nations Environment Programme (UNEP), Principles for Responsible Investment (UNPRI), and the ICMM – published the Global Industry Standard on Tailings Management (GISTM).

This was the result of a year-long multi-stakeholder process in which we were actively involved. We provided support and feedback regarding the development of the standard and leading practices worldwide, which cover the entire tailings facility lifecycle and significantly raise the bar for the industry to achieve strong social, environmental and technical outcomes. The standard is intended to be applied to existing and future tailings facilities, wherever they are found and to whoever operates them.

We are currently in the process of updating our Group Technical Standard after conducting a gap analysis, which revealed that we needed to make some adjustments to fully align with the GISTM.

Innovation and improvement
In 2020, we initiated a project to evaluate potential brittle (sudden) failure of tailings materials in upstream tailings dams. The project is currently underway and will be completed in the third quarter of 2021. It will identify and validate an appropriate laboratory and field-testing procedure for evaluation of tailings materials that exhibit unusual brittle behaviour, which will then be included in stability analyses for our respective TSFs.

Technology is increasingly playing a role in how we make tailings dams safer. In 2020, we completed installation of fibre-optic sensors at our TSFs at Mototolo in South Africa, our Minas-Rio iron ore operation in Brazil, and two managed copper mines in Chile. Fibre-optic cables cover a large area and are extremely sensitive to either strain or temperature differentials over very long distribution lengths. This technology helps us to monitor tailings dams, enabling near real-time measurement and analysis data to understand structural movements, long term deformation or 'creep' into the dam foundation.

In other technological developments, we are deploying drones to carry out inspections of tailing dams and piloting satellite technologies and remote sensing to monitor tailings dam performance. In the future, we intend to use infra-red technology to detect elements such as moisture.

Overcoming challenges

Owing to the global pandemic, we were forced to delay some of the initiatives we had planned for 2020. However, we were able to overcome several Covid-19-related challenges. For example, leveraging drone technology, independent reviewers working remotely from Canada were able to complete an annual technical review panel evaluation of our TSFs in Chile, meeting their commitment to an annual independent inspection.

There was also a false alarm at our tailings dam in Brazil, for which we were fined $370,000. We are still investigating the reason the alarm was accidentally tripped. In the meantime, however, we have provided full assistance to the affected communities.

Next steps

In 2021, we will review the seismic stability analysis of our tailings dams, based on the newly developed seismic hazard maps for the southern African region (see case study opposite), including South Africa, Namibia, Botswana and Zimbabwe.

We will also publish a new policy for the safe management of mineral residue facilities, articulating our commitments to the principles of safe management of tailings and implementation of the GISTM, including our commitment not to use riverine tailings disposal.

We are also committed to developing new technologies that will reduce the volume of residue that mining produces, enable more of it to be stored in a dry form, and reinforce the stability and safety of the tailings dams we operate.

We will continue to publish information on our tailings facilities, including our tailings database and reports.

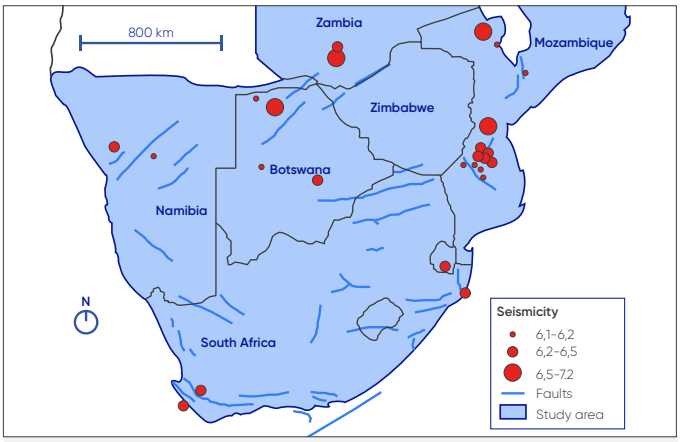


Illustration mapping largest earthquakes superimposed on the southern African active fault database.

Updating earthquake hazard maps in southern Africa

To protect our TSFs from risk of earthquake, we commissioned a new study to improve the outdated, variable-quality seismic maps that were being relied on in the region.

We have embarked on a project to update and enhance the earthquake hazard maps we use of South Africa and neighbouring countries. Information currently available in national seismic-hazard maps varies from country to country, but in general it is outdated and has insufficient scope to enable reliable, regional-scale hazard assessments to be carried out. Our aim is to assist in bringing these maps up to the quality of leading-practice standards.

Earthquakes can lead to catastrophic failure in TSFs, resulting in major releases of tailings and water. Not being located near any large, tectonically active plate boundaries, southern Africa is considered to be a geologically stable continental region, with relatively few earthquakes. However, given the potentially devastating consequences should there be an earthquake, we decided to investigate and rigorously account for seismic activity.

In 2020, we worked with South Africa's Council for Geoscience and the University of Pretoria to develop seismic-hazard maps for a range of earthquake-recurrence intervals, ranging from 1:500 years to 1:10,000 years. The latter range will enable us to screen and assess the loading requirements for TSFs rated as Major or Extreme. The maps were further extended to account for spectral acceleration; namely, the experience of a simple structure, at various earthquake frequencies.

At critical stages, the study was presented to a steering committee comprising Anglo American, the South African National Committee on Large Dams, the Council for Geoscience, the Department of Water and Sanitation, the South African Institute of Civil Engineers, the University of Pretoria and the University of Kwazulu-Natal.

As part of this study, we developed a regional-level southern African active-fault model – the first time an attempt had been made to account for hazards from known faults deemed to be seismically active. This major advance complements the use of the historical earthquake information almost exclusively used in the past in the region.

The study will benefit not only our business, but potentially also the mining, water resources and infrastructure industries in southern Africa in general, to better assess and manage seismic hazards in the future.

In the next phase, we will extend the fault model and database to refine the contribution to seismic hazard and to allow the regional hazard maps to fully align with international leading practice.

In Brazil, we are partnering with wind-energy specialist Casa Dos Ventos in building the Rio Do Vento wind farm. Our operations in South America are increasingly looking to renewable sources for their future energy requirements.

Tackling climate change

Issues covered in this section

– Tackling climate change
– Disclosures related to the recommendations of the TCFD

Tackling climate change

Anglo American's Purpose, *re-imagining mining to improve people's lives*, is at the heart of everything we do. Combined with our Values and our guiding strategy, it is in this context that we approach climate change. We are committed to being a part of the global response to climate change, because it is the right thing for the long term sustainability of our business, and also the right thing for society.

How this connects to other sustainability topics

Our work in Tackling climate change is directly linked to:

- Protecting our natural environment
- Playing our role in society

Progress against our Sustainable Mining Plan

SMP element	Global stretch goals	Read more
Healthy Environment	Reduce net GHG emissions by 30%	Page 44
	Improve energy efficiency by 30%	Page 44

Section highlights

Wind turbines are part of the transition to a low carbon economy.

Our vision of carbon-neutral mining by 2040

In 2020, we set ourselves an ambitious goal of achieving carbon neutrality across our operations by 2040.

See page 38

Our Greenside colliery in South Africa has installed a 90-kilowatt, grid-tied solar farm, which produces enough energy to power all the mine's offices.

Industry association memberships

In 2020, we published a list detailing our association memberships to ensure transparency and alignment with our climate change policy.

See page 42

Anne Stevens (left) representing Anglo American at the Hydrogen Council's 3rd Annual CEO event, an affiliate event of the Global Climate Action Summit.

Playing an active role in global climate events

In 2020, we took part in global initiatives such as the World Bank's Climate Smart Mining Initiative and the Hydrogen Council.

See page 42

Tackling climate change

Climate change is one of the defining challenges of our time. At Anglo American, we are committed to being part of the global response and have set ourselves a target of carbon neutrality across our operations.

Our strategy takes into account a range of risks and opportunities that climate change poses to our business.

We are aware that the solutions will not come in silos or through single actors – we must all play our part. We will work with others across geographies, industries and throughout the value chain to achieve our goal. We are also investing in game-changing technological solutions through FutureSmart Mining™ to deliver sustainable reductions in energy usage and emissions.

A vision of carbon-neutral mining

We have set ourselves the target of achieving carbon neutrality across our operations (Scopes 1 and 2) before 2040 and are aiming to have eight of our assets carbon neutral by 2030. This is how we plan to do it.

Our targets

2020

8%
energy reduction against projected business as usual (BAU)

22%
saving in GHG emissions against projected BAU

2020
emissions reductions targets met a year early

2030

30%
improvement in energy efficiency

8 operations
carbon neutral

30%
absolute reduction in GHG emissions (vs. 2016 baseline)

Net positive impact
delivered on biodiversity

2040

Carbon neutrality across our operations
(Scope 1 and 2)

Decarbonisation pathways

Improve efficiency
- Operating Model
- P101
- FutureSmart Mining™ technologies

Invest in innovation
- Further roll-out of FutureSmart Mining™ technologies
- Hydrogen fuel-cell powered haul truck, first movement in 2021

Switch to renewables
- Chile: 2021
- Brazil: 2022

Transition the portfolio
- Investment in metals and minerals fundamental to decarbonisation
- Development of Woodsmith polyhalite project
- Responsible transition away from thermal coal

Balance residual emissions
- Embedding of the hydrogen economy
- Possible use of nature-based solutions

Our approach and policies

Mining has a critical role to play in providing the metals and minerals needed to facilitate a low carbon world. The copper, platinum group metals (PGMs), nickel and premium quality iron ore that we produce are key raw materials for renewable electricity generation and distribution, for the electrification of transportation (in all its forms), and for other emerging technologies, such as smart grids and hydrogen powered vehicles. Once the Woodsmith project in the UK is operating, the introduction into our portfolio of low carbon, organic polyhalite fertiliser will enable us to supply even more products that support a cleaner, greener and more sustainable world.

Reducing carbon emissions

Climate change is a lens through which we view all of our strategic planning and business decision-making, including capital allocation and the industry associations to which we belong, ensuring that we are able to position ourselves proactively to address the impacts of climate change and capitalise on potential opportunities, as well as moving our business in line with the global transition that is needed.

Our commitment to helping address climate change is underpinned by our work to reduce our GHG emissions. We have set ambitious targets, which are subject to periodic review and re-evaluation. Having introduced a target in 2018 to reduce absolute GHG emissions by 30% and improve our energy efficiency by 30% by 2030 against a 2016 baseline, in 2020 we raised the bar. We are now targeting carbon neutrality across our operations by 2040, with eight sites targeted to be carbon neutral by 2030. We intend to achieve this by looking at all our sites and operations in an interconnected, holistic way, and investing in technology development.

To understand, quantify and manage GHG emissions, we follow the Greenhouse Gas Protocol (GHG Protocol Corporate Standard). This classifies a company's GHG emissions into three 'scopes':

- Scope 1 emissions are direct emissions from owned or controlled sources.
- Scope 2 emissions are indirect emissions from the generation of purchased energy.
- Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Scopes 1 and 2

We have identified five routes to decarbonisation, which we can – and do – use to varying degrees and over varying timeframes:

1. Ongoing transition of our portfolio towards those metals and minerals which support a greener, cleaner, more sustainable world – such as copper and PGMs.
2. Improving our energy efficiency by 30% by 2030, through our FutureSmart Mining™ programmes, incorporating a range of new technologies, and through digitalisation.
3. Replacing fossil fuel-based energy with renewables, or self-produced energy where purchasing renewables is not appropriate.
4. Using nature-based solutions on land we manage, and using resources that we control.
5. Using offsets, although we expect there to be a limited role for market-based offsets going forward.

Scope 3

We recognise that our Scope 3 emissions are always another organisation's Scope 1 and 2 emissions. In other words, they are not directly within our control and are complex to measure.

In 2020, we published a detailed inventory of our 2018 Scope 3 emissions, which provides clarity across the 15 categories into which Scope 3 is divided, covering the full value chain. This provides a firm foundation for future action.

We see our role as that of an enabler, through deliberate and collective action in the transformation of the value chain. Our focus is to identify areas where new technologies will facilitate progress, develop collaborations with key stakeholders in the value chain, and then roll out these solutions across the Group.

For the categories over which we do have some measure of influence, we are planning to take more direct action.

The role of coal

At Anglo American we produce metallurgical coal for steel-making and thermal coal for power generation.

Metallurgical coal is an essential ingredient in the vast majority of steel manufacturing. Alternative methods of steel production exist; these are broadly not yet market-ready, nor currently cost-effective. And while recycled steel can be, and is, used in steel production in many countries, the current volumes of recycled material are not sufficient to meet global demand for steel production overall.

We are committed to producing premium-quality metallurgical coal and to being part of a responsible supply and ethical value chain. We, therefore, work with our trade associations, suppliers and customers on how we can identify and support technologies and projects which can reduce our products' downstream carbon footprint.

We expect the abatement of emissions in steel manufacturing will come mainly from the sourcing of disruptive technologies such as using clean energy from renewables in an electric arc furnace, together with hydrogen as a feedstock; recycling the waste gas; using carbon capture, use and storage technologies to use the flue gases to produce new products; and greater use of recycling. Our view is that all of these technologies, and more, have a role to play in producing low- and zero-carbon steel in the future.

We have reduced by more than half our thermal coal production footprint since 2015. We are continuing along that pathway, while ensuring a responsible transition – taking care to consider the needs of our employees, host communities and other stakeholders.

Our remaining thermal coal operations in South Africa constitute a robust, well-run business with high quality, well-located assets and with access to established export infrastructure. The operations provide a wide range of economic and social benefits for the host communities and for the country, including significant employment, tax revenues, export earnings, and the provision of many essential community services. There are also significant social, economic and environmental benefits derived from the operations' approach to land and water stewardship.

Given the scale and diversification of Anglo American and the capital allocation options we have across our global portfolio – combined with our overall trajectory towards those products that enable a cleaner, greener, more sustainable world – we believe that the long term prospects of our thermal coal operations in South Africa may be best served under different ownership.

We are therefore working towards a possible demerger of these operations as our likely preferred exit option, with a primary listing on the Johannesburg Stock Exchange for the demerged business. We will continue to engage with stakeholders as part of our commitment to a responsible transition.

We also plan to exit our one-third shareholding in the independently managed Cerrejón thermal coal operation in Colombia at the appropriate time.

FutureSmart Mining™

FutureSmart Mining™ is our innovation-led approach to sustainable mining, in which technology, digitalisation and sustainability work hand in hand. Step-change innovations in these three key areas will transform the nature of mining – how we source, mine, process, move and market our products – driving safer, more efficient and precise mining with a smaller physical footprint.

We believe FutureSmart Mining™ will yield game-changing solutions for decarbonisation and energy reduction, driving our operations towards carbon neutrality. Two such examples are the hydrogen powered mine haul truck we are currently developing and CarbonVault™, our pioneering research programme to capture and store carbon in kimberlite tailings (see case study below).

Climate change governance

The strategic nature of climate change is reflected in how we have allocated our climate change portfolio within our Group structure. Climate change is dealt with at the highest levels of the Group, and throughout our business, in an interconnected and collaborative way.

Climate change falls under the management responsibility of our Group technical director, who is a member of our Board, the Board's Sustainability Committee and Group Management Committee. The director is supported by a combined leadership team that covers sustainable development, environment, technology development and a newly appointed Group head for carbon neutrality. The Group director of corporate relations is responsible for public policy, social performance and engagement aspects of climate change, and is also a member of the Group Management Committee.

Our Group director for strategy and business development is also a member of the Group Management Committee, and ensures that climate change informs our decision-making and strategy discussions.

The Board's Sustainability Committee is responsible for addressing topics related to climate change. The Committee oversees, on behalf of the Board, material policies, processes and strategies designed to manage sustainability risks and opportunities.

In reports to the Committee, we include matters relating to climate change and energy as stand-alone items on the agenda. The Chief Executive performance scorecard and report to the Board also include performance indicators on energy and GHG emissions.

In addition to the discussions at the Sustainability Committee, twice a year the Audit Committee reviews the company's material risks, including climate change.

The 2017 LTIP award included GHG emissions as a performance measure. We achieved the 2020 GHG target a year ahead of schedule, in 2019. For 2022, the LTIP awarded in 2020 includes a further target of a 10% reduction on the 2019 emissions level (with a 15% stretch target). For more information, see the Directors' remuneration report on page 130 of our 2020 Annual Integrated Report.

For further details of our approach to climate change, see our Plans, Policies and Progress report from 2019.

Our business unit CEOs are held accountable for ensuring that Group strategies are implemented throughout the company, and that targets are achieved both at site and business unit level. This drives our continuous year-on-year improvement.

Climate change risks and opportunities

When assessing the risks and opportunities presented by climate change, we use two time horizons: 0–3 years for the short term, and 3–5 years for the long term.

We regard as a 'substantive change' anything that could materially affect our ability to meet business objectives and/or is of material importance to our stakeholders. (See pages 22-23.)

De Beers has assembled a collection of kimberlite material for CarbonVault™ research at the University of Alberta in Canada.

Harnessing kimberlite's natural ability to capture carbon

De Beers is working in collaboration with a team of internationally renowned scientists on a ground-breaking carbon capture research programme called CarbonVault™.

Kimberlite, in which diamonds are found, is a rare type of volcanic rock that is amongst the earth's one per cent of rocks known as 'ultramafic'. It can naturally soak up carbon dioxide from the atmosphere, through a process called 'mineral carbonation'.

Geologists have found that broken-up fragments of kimberlite show an expedited rate of mineralisation, owing to their larger surface area. When brought to the surface as part of the diamond mining process, a reaction in the kimberlite causes it to act like a sponge, rapidly extracting carbon dioxide from the air into its structure, and locking it away within the rock as safe, solid material. This process occurs naturally and, unlike plants and trees, kimberlite does not have to be planted and never dies.

The CarbonVault™ programme aims to harness the natural powers of kimberlite to capture carbon from the atmosphere and lock it away for millions of years. Complementing its efforts to reduce energy intensity through increased energy efficiency and replace fossil fuels with renewable energy sources, De Beers aims to use the findings from this research to help recover any remaining emissions. This supports its commitment to achieving carbon neutral operations by 2030.

De Beers is one of the first mining companies to investigate the potential of mineral carbonation in kimberlite and explore its potential role in helping to reduce the impacts of climate change. Through CarbonVault™, the Group is working in partnership with leading experts from five universities across Canada and Australia to explore ways to accelerate this natural process and harness the potential of mineral carbonation. Following two years of desktop and laboratory research, field trials commenced in 2019 in several of De Beers' mining operations to identify which technologies are most effective in accelerating the rate of mineral carbonation.

The results of field trials held at Gahcho Kué Mine in Canada showed that effective mineral carbonation could be achieved through the injection of flue gas into processed kimberlite. This is the first time such extensive research has been undertaken to assess the carbonation potential of kimberlite. The ambition is to share the insights to maximise the impact of the research on the mining sector, and benefit the world as a whole.

De Beers is continuing to explore this technology, with plans under way for a larger-scale field pilot. Additional field trials started in early 2020, using processed kimberlite from Venetia mine in South Africa. These trials, which are testing physical, chemical and biological enhancement technologies, are ongoing, with preliminary results expected in 2021. The experimental results will help inform decisions regarding the best technologies to push forward to pilot scale.

From a financial perspective, a 'substantive change' with respect to climate change would be a disruption to our operations or supply chain caused by climate change that results in a change in production or increase in costs.

Examples of such a change could be:

- Flood-related business interruptions leading to annual revenue loss greater than 5%.
- A major widespread social impact caused by conflict around increasingly scarce water resources that jeopardises our social licence to operate.
- Longer term risk from declining internal combustion engine manufacturing, necessitating a switch to battery operated vehicles instead of fuel cell electric vehicles, which continue to use higher volumes of PGMs – this risk is directly affected by the transition to a lower carbon global economy.

In line with this definition, we use our risk assessment methodology – and in particular the financial consequence rating within our risk methodology – to identify and measure a substantive financial or strategic impact to our business. Financially, we define substantive change as a loss in revenue or increase in operating costs of more than $200 million.

Two key processes guide how we manage climate change risks: for projects, we use our Investment Development Model, and for operations, we follow our Operational Risk Management (ORM) programme.

Our ORM guides operations on how to assess risk at each level of activity, with tools to help identify priority unwanted events, and the controls we need to put in place to monitor and prevent them. For example, an increased frequency in extreme rainfall will require changes in monitoring, infrastructure design and emergency preparedness.

As part of our ORM, the Investment Criteria by Stage process and evaluation criteria ensure that climate change risks and opportunities are embedded into investment design. This includes giving consideration to alternative low carbon energy sourcing, and carrying out the necessary adaptation required for extreme weather and long term climate change. Our specialist business assurance services are responsible for the overall monitoring and assurance of the risk-management process.

A climate risk and adaptation assessment (CRA) is embedded within our ORM. This raises the profile of climate-related risks to ensure that they are included in Layer 1 (baseline risk assessment) and Layer 2 (issue-based risk assessment). If climate risk has been adequately considered in Layers 1 and 2, then Layers 3 (task risk management) and 4 (continuous risk management) should not need specific climate inputs. The CRA process will evaluate identified climate change risks to establish root causes, financial and non-financial impacts, and likelihood of occurrence.

Options and choices available to handle a specific risk – risk treatments – are taken into consideration to enable the creation of a prioritised risk register, and in determining which of the risks should be considered as a principal risk. Residual risk ratings are classified with reference to likelihood and consequence. Climate change consequence ratings span from 'insignificant' to 'major'. For example, we have carried out work at De Beers' Venetia mine, where the risk of extreme rainfall events is likely to continue to increase, which has implications for production and safety at opencast operations. As a consequence of this exercise, we are exploring storm water drainage requirements to accommodate one in every 500 year flood events.

We prioritise climate change risks and opportunities according to materiality criteria. Alongside our methodological approach to identifying, prioritising and reporting on material climate change issues, we carry out a process of internal reflection and external stakeholder engagement. There are three steps involved in determining materiality: consultation, analysis, and approval. (See page 22.)

Activities in 2020

Engaging responsibly with industry associations
In order to be a part of the solution to climate change, it is crucial that we stay informed about relevant industry developments. Our membership of industry associations enables us to do this. We are committed to being transparent about our association memberships and, in 2020, published a list detailing these.

We take great care in the governance of our memberships of industry associations. We have detailed a process of assessing industry association membership before joining, every two years thereafter, and whenever a concern is raised with us. This includes creating guidance on what steps to take in the event that our policy positions are not aligned with those of the industry associations. (For more information on this process, see pages 64-65.)

Public policy engagement
In 2020, we continued to engage with national and multinational bodies on issues related to climate change. This includes participation in global initiatives such as the World Bank's Climate Smart Mining Initiative, of which we are a founding sponsor, alongside work with the World Economic Forum on Clean Electrification, and the Hydrogen Council. We also actively engage with investors to address their concerns around climate change. (See pages 64-65 on Public policy engagement.)

Platinum Group Metals (PGMs) are playing a critical part in the emerging hydrogen economy, including their specific application in fuel cell electric vehicles.

Fuelling the development of the hydrogen economy

Hydrogen, the most abundant element, is a versatile, zero-emission energy carrier with a high energy density. It can also be stored in large quantities and for long periods. The Hydrogen Council currently estimates that hydrogen could represent 18% of global energy demand by 2050.

Platinum group metals (PGMs), essential in cleaning up the noxious gases from the internal combustion engine (ICE), also play a critical role in the emerging hydrogen economy – in both hydrogen powered fuel cell electric vehicles (FCEVs), as well as in the production of green hydrogen via electrolysis.

While hydrogen power is applicable across most forms of transport, the heavy commercial freight sector is likely to offer the greatest near term growth opportunity for hydrogen powered vehicles, given hydrogen's physical advantages over other technologies.

Mine vehicles are also therefore ideal candidates. As part of an integrated mine-decarbonisation system that we envisage, we have partnered with several companies to develop and fuel the world's largest hydrogen powered mine haul truck. We plan to generate hydrogen from electrolysis on our mine sites, using renewable energy sources. At our Mogalakwena PGMs mine in South Africa, where the truck is expected to be piloted in 2021, we are building a 3.5 MW electrolyser to produce hydrogen on site for use in fuelling the hydrogen powered fuel cell electric haul truck. We subsequently expect to roll out this technology across the Mogalakwena fleet and those at our other operations around the world in the years to come.

Through our longstanding PGM market development activities, including our $100 million investment in AP Ventures, an independent venture capital fund with a mandate to invest in the development of new applications for the full suite of PGMs, we have been investing in a wide range of promising new technologies and in companies in the fuel cell, hydrogen and energy-storage value chain. We also support the development of the hydrogen economy through several partnerships. We are a founding and board member of the global Hydrogen Council (now numbering nearly 100 members), as well as a founding member of the International Hydrogen Fuel Cell Association in China and the Green Hydrogen in Heavy Industry Consortium in Australia, which was formed in early 2020 and places a strong emphasis on green hydrogen and fuel cell technology for mobility and power generation in mining.

Pursuing our carbon-neutrality goal

Scope 1 and 2 emissions

The reduction of our Scope 1 and Scope 2 emissions is critical to meet our carbon-neutrality goal. By carrying out intensive energy and GHG emission assessments across our portfolio, we have been able to identify which sites have the potential to achieve carbon neutrality most quickly, and what mechanisms would be needed to do so.

We are exploring different technologies, and risk and data analytics tools that will enable us to map our emissions and understand the flow of methane in our mining complexes. Our goal is to develop industry-accepted approaches to reducing ventilation air methane (VAM) at source, abating VAM collected and providing collected methane into a power generation solution.

The lower carbon intensity we have achieved to date is an indirect benefit of our work to improve productivity and the implementation of the new mining methods of FutureSmart Mining™ and applying nature-based solutions which are unlocking a step-change improvement in energy efficiency. Our work developing a hydrogen powered haul truck is one such stepping-stone, which we are scaling up and expect to progress further in 2021. Another initiative is our work in waste rock carbonation, where carbon dioxide is safely captured and stored in mine waste rock (See Carbon Vault case study on page 41.)

Our switch to zero-carbon energy is being achieved in two ways. First, through procurement of baseload renewable electricity – in Chile, we are on track to using 100% renewable power from 2021 and, in Brazil, we will be using 100% renewable power from 2022. Secondly, through using embedded or wheeled renewable electricity, such as the 75 MW solar photovoltaic (PV) plant we are evaluating at PGMs' Mogalakwena mine in South Africa. In our operating regions where baseload renewables cannot be sourced owing to the national grid energy mix or supply structure, such as is the case in South Africa, the switch to zero-carbon energy is also dependent on the uptake by other companies and suppliers to leverage economies of scale of existing and new technologies and on an enabling policy environment.

Scope 3 emissions

In 2020, we published a report detailing our Groupwide Scope 3 emissions assessment for the period 1 January 2018 to 31 December 2018. The report sets out the methodology used in the assessment, and this will form the basis for our Scope 3 emissions accounting in future.

This inventory informs our evolving strategy to address Scope 3 emissions, built around the issues of portfolio, partnerships, transport, procurement and technology.

Decarbonising ocean freight

Anglo American's fleet of chartered vessels provides the logistical link to deliver product from our mines to our global customer base, in a safe and reliable way. Ocean freight is generally recognised as environmentally efficient; however, its scale and central role in global trade make it one of the world's largest contributors to greenhouse gas (GHG) emissions. We are committed to playing a role in shaping a viable pathway to decarbonising ocean freight, in line with our objective to reduce Scope 3 emissions for the categories we can influence.

We have a solid track record of collaborating across the industry to accelerate this transition. In 2020, we became a partner of the Global Maritime Forum and were one of the founding signatories of the Sea Cargo Charter, which establishes a standard methodology for charterers to measure and align their emissions according to an independent and transparent framework.

In November, we announced the introduction of liquefied natural gas (LNG) fuelled capesize+ vessels to our chartered fleet for the first time, enabling an emissions reduction of approximately 35% compared with conventional fuel options. By leveraging innovative technology to address the risk of unburnt methane release (methane slip), we aim to harness the benefits offered by LNG as a broadly available and commercially viable solution, and as a bridge towards a more sustainable future for the maritime industry.

Supporting stakeholders' response to climate change
We recognise that climate change is multi-dimensional, affecting issues that are both environmental and social. Therefore, we must create multi-disciplinary solutions that are also adapted to local conditions. We also recognise that we have a role to play in a fairer transition to a low carbon economy.

In 2020, we carried out resilience work through a multi-stakeholder group, to address physical climate change risks. In this way, we are helping our wider stakeholders to mitigate and adapt to climate change. Our work includes looking at how climate change relates to the community element of our social licence to operate. Examples of this work range from our collaboration with the UK Met Office to understand climate change impacts, to our activity in social performance around community adaptation. They also include our predictive monitoring system (see case study on page 50), which helps us adapt in real time to extreme weather conditions, and our participation in South Africa in the National Business Initiative's work to develop a shared and workable vision of a just transition for the South African economy.

Emissions and energy performance
In 2020, our operations were responsible for 16.08 million tonnes of CO_2-equivalent emissions (Mt CO_2e). This represents a 9% decrease compared with 2019. The change is due to multiple factors, including the impact of Covid-19 lockdowns on our operations, particularly across southern Africa, operational issues at Metallurgical Coal and PGMs, and increased methane flaring at Metallurgical Coal.

9.95 million tonnes
of CO_2e Scope 1

6.13 million tonnes
of CO_2e Scope 2

226 million tonnes
of CO_2e Scope 3 (2018 detailed inventory)

Our total energy consumption decreased to 80.5 million GJ (from 86.5 million GJ in 2019).

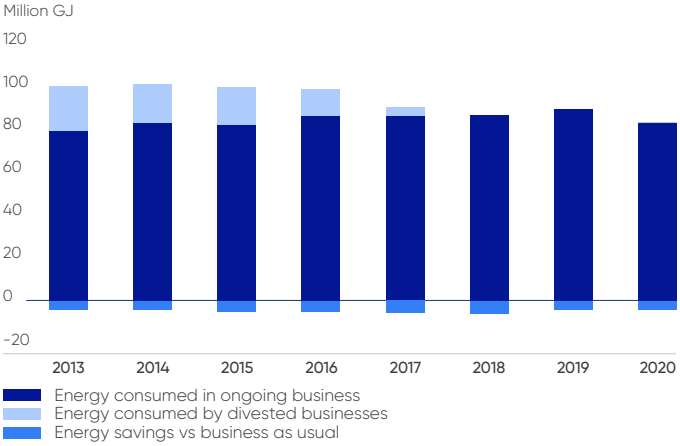
In 2020, our Group emission intensity was 7.63 (Mt CO_2e/tonnes CuEq).

Next steps
Looking ahead to 2021, we will continue to evolve our reporting and disclosure practice and deliver on our five routes to decarbonisation.

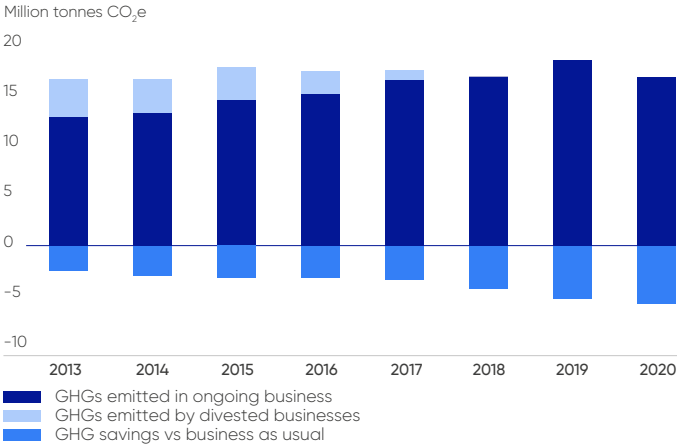
We will continue to play our part in engaging with third parties to support a reduction of emissions throughout the value chain. We will also refresh the quantitative scenario analysis through which we test the resilience of our portfolio to climate change, including incorporating a 1.5°C scenario.

Finally, we will continue to align our disclosures with the framework developed by the Task Force on Climate-related Financial Disclosures (TCFD), which we have supported since 2018.

Total energy consumed against business as usual 2013–2020



Total GHG emissions against business as usual 2013-2020



Disclosures related to the recommendations of the TCFD

Anglo American's response to the risks posed by climate change is multi-disciplinary and is covered throughout our reporting suite – from the Integrated Annual Report to Climate change: our plans, policies and progress, published in 2017 and revised in 2019.

The table below offers guidance on where to find information relating to each of the TCFD's recommendations.

Governance

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

Recommended disclosure	References
a) Describe the Board's oversight of climate-related risks and opportunities.	*Climate change: Our plans, policies and progress (2017), page 7.* *Climate change, Integrated Annual Report 2020, pages 37 and 55.*
b) Describe management's role in assessing and managing climate-related risks and opportunities.	*Climate change: Our plans, policies and progress (2017), page 7.* *Our material matters, Integrated Annual Report 2020, pages 14-15, and pages 52-55.*

Strategy

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

Recommended disclosure	References
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	*CDP Climate Response 2020, question CC2 Risks and opportunities.*
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	*Climate change: Our plans, policies and progress (2019), page 20.* *CDP Climate Response 2020, question CC2 Risks and opportunities.* *Sustainability Report 2020, pages 41-42.*
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	*We have conducted a qualitative scenario analysis included in:* *Climate change: Our plans, policies and progress (2017), pages 12-15.* *We have undertaken a quantitative scenario analysis included in:* *Climate change: Our plans, policies and progress (2019), pages 10-20.*

Risk management

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

Recommended disclosure	References
a) Describe the organisation's processes for identifying and assessing climate-related risks.	*Climate change: Our plans, policies and progress (2017), pages 4 and 7.* *CDP Climate Response 2020, question CC2.2, processes for identifying and assessing climate-related risks.*
b) Describe the organisation's processes for managing climate-related risks.	*CDP Climate Response 2020, questions CC2.1, CC2.2 and CC2.3.*
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	*Climate change: Our plans, policies and progress (2017), page 7.* *CDP Climate Response 2020, questions CC2.1, CC2.2 and CC2.3.*

Metrics and targets

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

Recommended disclosure	References
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	*CDP Climate Response 2020, questions CC2.2a, CC2.3a, CC2.4a and CC11.3a.*
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, greenhouse gas (GHG) emissions, and the related risks.	*Sustainability Report 2020, page 44 and data table page 103.* *Integrated Annual Report 2020, pages 37, 52-55 and 256.*
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	*Integrated Annual Report 2020, page 37.*

Relocation of the giants: in 2018, in a complex operation, De Beers began translocating the first of 200 elephants from its Venetia Limpopo Nature Reserve in the north of South Africa to boost the elephant population in Mozambique's Zinave National Park.

Protecting our natural environment

Issues covered in this section

– Environmental management
– Biodiversity
– Water
– Circular economy
– Waste management
– Air quality

Protecting our natural environment

We use ecosystem-thinking to look after the natural environment, striving to deliver lasting, positive environmental outcomes in the areas in which we operate.

Our environmental work involves , among other activities, protecting the biodiversity of areas in which we operate, accounting for and optimising our water use, supporting the circular economy throughout the value chain and across our business, and addressing quality of the air around our operations to help us achieve the vision articulated in the Healthy Environment pillar of the Sustainable Mining Plan.

How this connects to other sustainability topics

Our work in Protecting our natural environment is directly linked to:

- Adopting a zero mindset
- Tackling climate change
- Playing our role in society

Progress against our Sustainable Mining Plan

SMP element	Global stretch goal or critical foundation	Read more
Healthy Environment	**Biodiversity 2030: Deliver NPI on biodiversity across Anglo American**	Pages 51-53
	Water 2030: Reduce the abstraction of fresh water by 50% against the 2015 baseline	Pages 54-57
Critical Foundations	**Group standards and processes**	Page 48

Section highlights

Environmental specialist Raquel Muro at the weather-monitoring station at Quellaveco.

Predictive monitoring system

We have drawn up plans for Phase 2 of our innovative predictive modelling project.

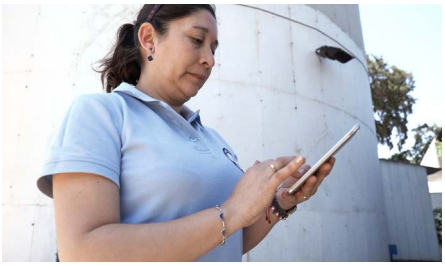
See page 50

At Greenside colliery, hives have been set up outside the mine to attract bees and deter them from building hives in machines and equipment on the mine.

Biodiversity

We made 2020 a year to progress Biodiversity at Anglo American, with our first Global Biodiversity day; launching a global grant programme; and piloting e-DNA.

See pages 51-53



In the Chilean province of Chacabuco, Sandra Ahumada, an operational secretary of the local water utility, is able to monitor remotely aspects of our Programa Agua Rural (Rural Water Programme).

Programa Agua Rural – strengthening communities

Our rural water projects in Los Bronces, El Soldado and Chagres have become a key part of the solution to water issues faced by these rural communities in Chile.

See page 55

Environmental management

We consider ourselves stewards of the land and ecosystems in which we operate. We believe we have a responsibility to look after the natural environment with passion, care and ingenuity. All our efforts are directed to making sure that not only do we minimise impact, but we actually deliver positive and lasting environmental outcomes.

Our approach and policies

Our Sustainable Mining Plan
Introduced in 2018, our Sustainable Mining Plan is a blueprint for delivering a step-change in our sustainability performance. In particular, it focuses on a mindset of causing zero harm to the environment and delivering net positive outcomes on biodiversity. Through 'ecosystem-thinking', we look beyond what we can achieve alone, collaborating with a diverse range of dynamic partners to develop and implement sophisticated models that support our sustainability goals.

Our commitment to delivering positive outcomes for nature drives us to continuously review our approach . Hand in hand with innovation and digitalisation through our Voxel digital platform, we are building a future where we address and take care of nature around us in a holistic way, putting into practice the principles of innovative thinking and collaboration that distinguish us as a company.

Our approach reflects the importance of putting nature first during the lifespan of our mines. Through this increasingly cohesive lens, we manage a range of interconnected issues, from climate and biodiversity to social impact and health. By adopting an ecosystem approach, we can better understand how biodiversity, people, climate, water, finance and the economy are all interconnected and bound by nature. This approach supports the delivery of our Sustainable Mining Plan, which is an integral part of FutureSmart Mining™ – our innovation-led approach to sustainable mining.

New SHE Policy and SHE Way
Our SHE Policy embodies our three guiding principles: zero mindset; no repeats; and non-negotiable minimum standards. Our SHE Way is the tool we use to manage and improve performance in safety, health and the environment. (See page 27 of this report for details.)

An ecosystem approach to environmental management

What?

It all starts with nature.

Applying ecosystem-thinking to understand the relevance and interconnectivity of nature, our environment and the ecosystems in which we operate.

How?

By changing the way we do business.

Through FutureSmart Mining™, we are working to develop operations that use nature-based solutions and technology throughout the full mining lifecycle.

We will reduce the biodiversity impacts of our operations through improving land management practices and enhancing conservation efforts.

Why it matters

This approach:

- Supports the delivery of our Sustainable Mining Plan
- Incentivises and supports sustainable supply chains, certification schemes and traceable product lifecycle analysis
- Helps demonstrate positive outcomes by applying circular economy principles
- Complements site-level net positive biodiversity outcomes within and beyond our area of influence
- Promotes landscape level processes, delivery of ecosystem services and long term socio-economic sustainability
- Aligns to global best practice.

Activities in 2020

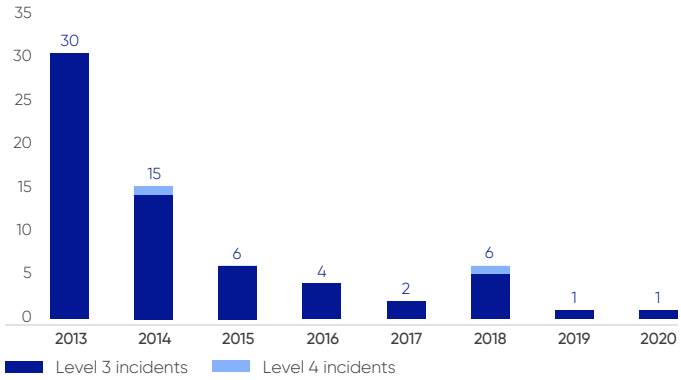
We are increasingly ensuring that environmental considerations are factored into all future mine operation plans. In 2020, we worked to embed our SHE Policy into our planning and executive processes. We are working on our environmental challenges and embedding them into our Operating Model through our Sustainable Mining Plan and integrating environmental standards and strategies into our longer term asset-planning strategies.

Driving innovation

Technology and innovation are key to achieving our environmental stretch goals in all areas (see Sustainable Mining Plan section on page 14). The Covid-19 pandemic accelerated our work on remote data monitoring for environmental management. We introduced four major digital programmes:

- **Predictive monitoring** – In a series of pilots, we placed data receptors across our sites to capture operational, environmental and social performance data, which is then relayed to a data control centre. There, the data is run through a predictive monitoring platform, where decisions can be made based on projected outcomes for the environment and communities. The pilots enabled us to test and integrate different types of environmental and operational data collection. They are now being scaled-up to more sites around the company, with additional data channels. (See case study on page 50.)
- **Environmental DNA (e-DNA)** – In 2020, we also trialled this pioneering technique to take biodiversity assessment down to the molecular level. DNA is extracted from water samples collected at sites and is sequenced, allowing identification of individual species using bioinformatics analysis. This provides an effective method of measuring biodiversity.
- **Spatial modelling** – Our Spatial Inventory Management platform is a complex virtual model, or digital twin, that exactly matches the material flow within a mining operation. This gives us the most accurate and up-to-date information about all material held across our supply chains. Until now, its major application has been in modelling flows of core products through our processes – enabling us to predict how material will change as it is transformed from in situ rock via blasting, extraction, stockpiling, and processing operations – but this initiative will see us applying that same approach to the materials we traditionally regard as waste.
- **Greenhouse gas data modelling** – It is important for us to understand how to incorporate energy and carbon perspectives within our existing and future mining and processing operational activity. To enable us to predict energy and carbon impacts of our operational decisions, we have built dynamic GHG models for our assets, which we are currently piloting at our Mogalakwena PGMs mine in South Africa.

Significant Environmental Incidents 2013-2020[1]



There have been no Level 5 incidents reported since 2013.

[1] In 2018 the incident classification matrix was updatated; tighter controls were introduced, resulting in an increase in incidents reported.

Quellaveco environmental consultant Frank Sotelo Salas inspects a water sample from the nearby Asana river before sending it off to the project's laboratory for analysis.

Learning from environmental incidents

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

In 2020, we saw no Level 5 environmental incidents at our managed operations, for the eighth consecutive year, and no Level 4 incidents. There was one Level 3 incident at our PGMs business's Rustenburg Base Metals Refinery in South Africa, which related to water overflow. We carried out remediation activities and are taking action towards a long term solution for this repeat incident.

The existence of repeat incidents prompted us to launch our 'Environment 365 No Repeats' initiative – a proactive approach to managing incidents, with the goal of ensuring that, by 2021, there will be no Level 3 or above repeats at the same site, with the ultimate goal of avoiding repeat events until, in time, we eliminate all environmental incidents.

The project aims to:

- Link repeat incidents to operational performance targets.
- Link repeat incidents to critical controls.
- Increase the interaction between environmental and operational teams to ensure critical controls are managed accurately and are continuously improved.

In 2020, we were issued no material environment-related fines.

Next steps

In 2021, we will continue to identify, develop and implement innovative, advanced, data-driven solutions into how we protect the environment. This includes extending our predictive modelling pilot to more sites, enabling better decision-making and positive outcomes.

Over the next year, we will also roll out our No Repeats of Loss of Containment Incidents initiative. This will involve building a geographic information system map of our water containment facilities to enable us to identify risks, so we can implement measures to avoid repetition of unwanted discharges.

At a monitoring station at Quellaveco, monitoring supervisor Helmer Vásquez completes a check on our Predictive Monitoring System, which is helping us to anticipate and plan more effectively for extreme weather events.

Predict to prevent – the smart way to manage future risk

Our Predictive Monitoring System brings together software, hardware (sensors) and data science from multiple operational data sources into a single platform to give us future-looking information about how weather incidents will affect our operations.

The information we receive from the system enables us to make proactive adjustments to optimise performance, avoid the adverse effects of interruptions to operational continuity and allow our operations to make the best use of their resources.

Having completed the foundational phase of our predictive monitoring project, we have selected the pilot sites and business cases we will need to embark on Phase 1 in 2021.

In order to meet our ambitious sustainability objectives and targets, we need to move beyond a reactive approach to a preventive management framework of critical controls. We need to anticipate and prevent and/or effectively mitigate impacts to the environment, the health and safety of our workers and communities, and our business.

We approached this move towards predictive, digital environmental performance in two phases: Phase 1 – establishing foundational monitoring initiatives, and Phase 2 – implementing data-integrated initiatives.

In 2020, we implemented the foundational part of Phase 1. We identified and implemented pilots for predictive tools that align to our targets. Based on big data predictive analytics (BDPA), these predictive monitoring tools are focused on obtaining maximum value from environmental monitoring systems. The BDPA process will also provide information for us to incorporate environmental data into the future plans of our assets and validate any sustainability assumptions we make when setting out those plans.

Having designed a Group BDPA system, we identified areas and sites with existing monitoring capabilities, piloted the system on selected sites, and validated the magnitude of its positive contribution.

To date, we have reviewed current mitigation strategies associated with existing critical controls and monitoring, to assess the potential for enhancement of air quality and water management. The implementation of this phase will give us flexibility to take preventative action in managing severe weather conditions. Enhanced, data-driven mitigation strategies will positively contribute to our business, enabling us to create strategies for issues such as smarter air quality emissions control, and use our resources more efficiently.

We will complete the development of Phase 1 in 2021 and, from 2022, Phase 2 will be developed, aligned with more ambitious and comprehensive targets. We will first focus on sites where we can have the biggest positive impact, and then we will define more complex predictive monitoring models that integrate across several disciplines, including water, biodiversity, social and operations data.

Biodiversity

We have an ambitious net positive impact (NPI) target that requires us to leave the biodiversity of an area in a better state than when we arrived. Going beyond a simple 'no net loss' principle, this requires a deep understanding of our operating ecosystem and a very deliberate land-management strategy.

Biodiversity, nature, underpins the health and function of our environment and affects the health and well-being of people. Nature is responsible for a whole range of support services that enable local communities, broader society and, importantly, a mining company's operations, to thrive.

Our approach and policies

The SHE Way and biodiversity
Our aim is for biodiversity to form part of the long term business plan for every one of our sites. We have incorporated site-specific indicators into our safety, health and environment (SHE) performance-management system, the SHE Way.

In line with the ICMM's Position Statement on Mining and Protected Areas, we continue to uphold our 2003 commitment to neither explore nor develop new mines in World Heritage sites.

Group Biodiversity Technical Standard
Our Group Biodiversity Technical Standard defines the minimum requirements every site must meet, if we are to achieve our biodiversity goals and long term NPI target. It lays out the responsibility for every site to have an agreed plan for measuring and delivering on these targets and objectives, taking into account the local ecosystem in which it operates. We will use this standard from the discovery phase, in which we begin exploring for new mines, before we progress to any type of project activity. This 'early-in' approach enables us to define the baseline for biodiversity and identify areas of risk and opportunity through our toolkit, from the start. We have seen this approach applied with great success at our Sakatti and Woodsmith projects, located in Finland and the UK, respectively.

Our partnership approach
To achieve our biodiversity goals, we work in partnership with conservation agencies, governments, local communities and NGOs in delivering projects that appropriately balance our impact and deliver positive outcomes.

Activities in 2020

The global pandemic shone the spotlight on the link between biodiversity loss and infectious disease, as humans and wild animals interact. It has also highlighted our dependency on nature, for food, fuel, water, shelter and livelihoods, particularly in marginalised sectors of society. However, while the urgent recovery efforts from the health and economic consequences of Covid-19 risk may be sidelining efforts to protect nature, the lessons from the pandemic also provide us with a great opportunity. For our industry, it is vital not to slow down efforts to protect the environment; to incorporate nature-based solutions to mitigate the effects of climate change, and of destructive land management, throughout the project lifecycle; and to offset residual biodiversity impacts to achieve a NPI. This is a challenge we are increasingly striving to meet.

Launching our Species Conservation Grants
In 2020, we launched our Species Conservation Grants. We proactively offer up to $500,000 to qualifying projects that are approved on the basis that they will help us better understand some of the most pressing biodiversity issues relating to our operations at a regional, and potentially national level. This research will enable us to be more strategically focused on where we concentrate our future efforts.

$500,000+
offered to qualifying projects

100+
submissions received in 2020

3 projects
to commence in 2021

With more than 100 submissions for our first round focused on South America, we have selected three projects that will all commence in 2021. These relate to the protection of the Cerrado region of Brazil, by promoting the endemic and endangered Goiás rocket frog; the conservation of the sea otter in Peru; and the development of a management system for the conservation of threatened plant species in Chile.

Improving our biodiversity record

92% of sites
currently compliant with our Group Biodiversity Standard

In 2020, we focused on raising awareness of our biodiversity agenda, with 38 sites completing self-assessments against the standard. This indicates a clear focus across our business on performance and achieving our biodiversity targets.

Little bee-eaters huddling together to keep warm in cold weather in our PGM-mining region in northern South Africa. Photo by Dustin van Helsdingen, environmental manager, Platinum Group Metals (PGMs).

In 2019, we had set a target for 'all sites in high-risk environments to have an agreed plan for delivering and measuring NPI, including site-specific indicators' by the end of 2020. To allow for a more cohesive approach to biodiversity, we have decided to remove 'high risk' from this target and focus on performance across all sites. Owing to Covid-19, our specialists did not have access to our sites to assess, and we have postponed the deadline to the end of 2021.

Finding opportunities
We have continued the roll-out of our Biodiversity Overlay Assessment Tool, which helps to screen and map biodiversity risks and opportunities for any existing or proposed mining project. Using innovative techniques, we are also improving our ability to predict future biodiversity impacts. For example, aerial mapping technology enables us to visualise the footprint of a planned project, so that we can see where areas of biodiversity value may be affected, and therefore better assess biodiversity risk. In 2020, we trialled a pioneering technique called e-DNA to take biodiversity assessment down to the molecular level.

Shining a spotlight on biodiversity
The year 2020 was to be a global year for biodiversity in the international agenda. Among other planned events, the International Union for the Conservation of Nature (IUCN) World Conservation Congress was to be focused on protecting biodiversity as a key challenge for our time, linked to tackling climate change. Because of the pandemic, such international meetings were cancelled, but this did not stop us from stepping up our engagement activities.

The two images on this page are submissions from our Anglo American Biodiversity Day, held remotely in June, when we asked employees to show examples of biodiversity they come across in their daily work. Featured is a granadilla, *passiflora edulis*, which is native to southern Brazil – though this example was photographed in London. Photo by Stijn Litjes, data analytics manager, ABAS.

For example, we were invited to join Business for Nature, a global coalition of forward-thinking businesses and influential organisations. Together with our peers, which include the IUCN, we called for concrete action from governments to deliver a new deal for nature and people.

We also held a Global Biodiversity day in June. Employees across the world joined our chief executive in a day of activity, appreciation and reflection around why biodiversity matters. This was also an opportunity for employees to reconnect with nature and created a welcome distraction at the height of the lockdown period.

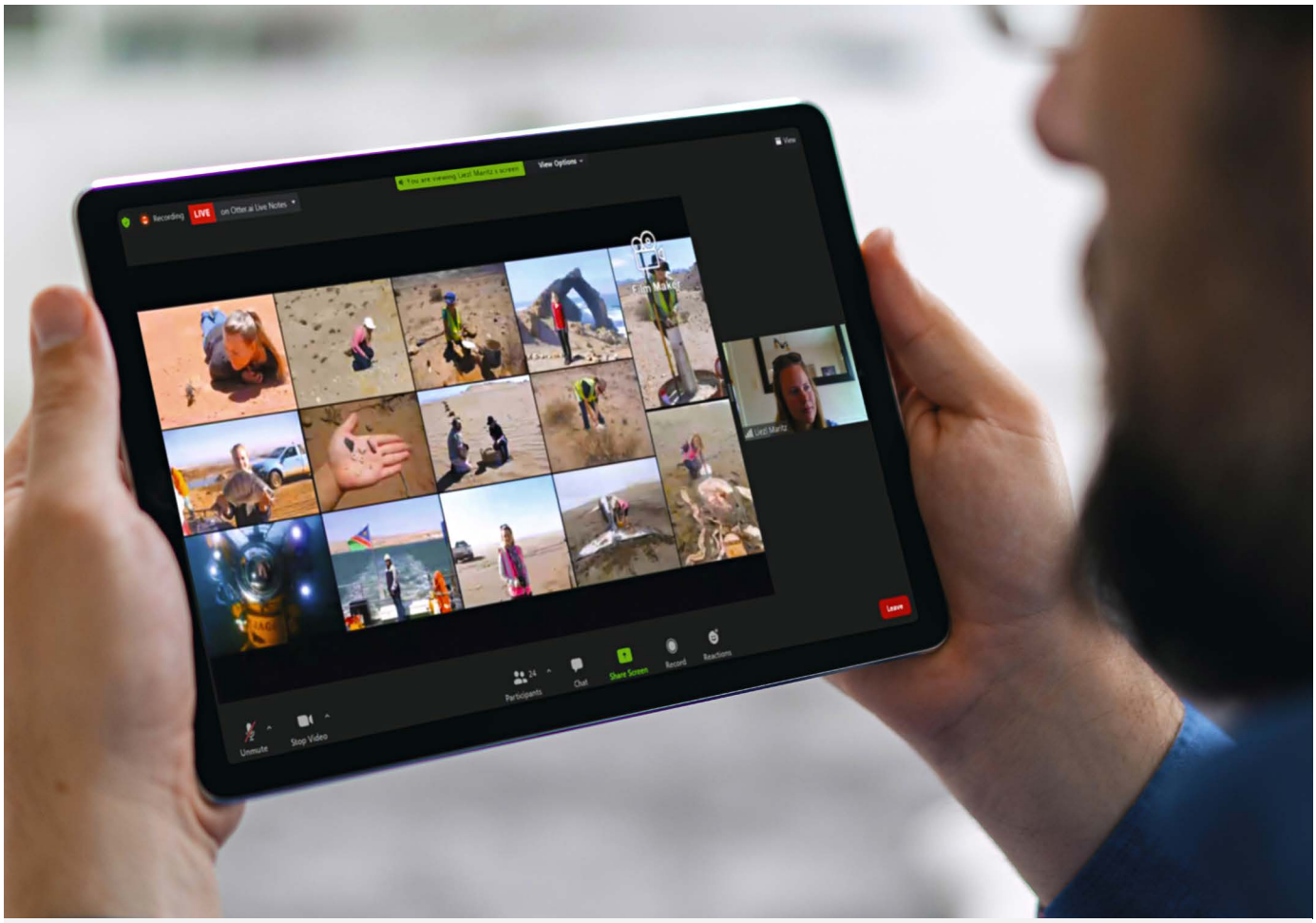
Goanna lizard on a mining-drilling pad in Queensland, Australia. Photo taken by Dan Stirling, project geologist, Group Discovery.

Next steps
In 2021, we will continue to work with sites on how they are managing their risks and opportunities to deliver positive outcomes.

We are focusing on integrating biodiversity awareness and protection across the business, so our people understand what our approach is, and why it is important for us. We will continue to leverage new technology, collaborations and partnerships as we work to deliver our NPI goals.

We will also roll out the e-DNA project trialled in 2020, bringing it into our digital roadmap in 2021 across more sites.

Assets adjacent to globally or nationally important biodiversity by business and country	Number of assets	Managed land (hectares)	Land disturbed (hectares)	Biodiversity programme in place
Coal South Africa	**1**	**3,791**	**1,876**	
South Africa	1	3,791	1,876	✓
Copper	**2**	**33,196**	**3,252**	
Chile	1	33,189	3,252	✓
Finland	1	5	0	✓
Iron Ore	**1**	**26,991**	**4,689**	
Brazil	1	26,991	4,689	✓
PGMs	**2**	**22,649**	**4,337**	
South Africa	2	22,649	4,337	✓
De Beers	**4**	**765,990**	**31,919**	
Botswana	1	66,360	10,704	✓
Namibia	2	693,377	18,966	✓
South Africa	1	6,253	2,249	✓
Total	**10**	**852,615**	**46,073**	**100%**



Our Conservation Leadership Programme has been conducted virtually during the Covid-19 pandemic. Participants are able to connect with a global network of early-career conservationists who can support them in tackling some of the most pressing conservation challenges in their own countries.

Supporting conservation leadership

As part of De Beers' commitment to protecting the natural world, we sponsor the participation of early-career conservationists in the Conservation Leadership Programme.

Since 1985, the Conservation Leadership Programme has provided career stepping-stones to a network of more than 2,800 practitioners. These conservationists have gone on to discover new species, designate protected areas, start their own NGOs and create mechanisms for long term conservation. De Beers is one of six donors whose investment has made the training programme possible.

Early-career conservationists need professional development support through training and mentoring, to help them create impact across the conservation sector. This is especially true when working to overcome major threats to nature in places where capacity and access to resources are limited.

Run by three leading conservation organisations – Fauna & Flora International, Birdlife International, and the Wildlife Conservation Society – the Conservation Leadership Programme is designed to help build the next generation of conservation leaders from across the world. The programme includes training in leadership, project planning and management, communications for behaviour change, and fundraising.

De Beers became a programme sponsor in 2019. In 2019 and 2020, three company employees working in conservation participated in the programme. They were joined by external candidates from India and China identified by Fauna & Flora International. The 2019 and 2020 sponsored participants have included representatives from several of our NGO partners, including:

- Ni Hadi Xa, an environmental monitoring partnership between the joint venture Gahcho Kué mine and six local indigenous communities, North West Territories of Canada
- Cheetah Conservation Fund, Namibia
- Khomani San Communal Property Association, South Africa
- Peace Parks Foundation, South Africa
- South African National Council for the Conservation of Seabirds
- Endangered Wildlife Trust, South Africa.

Ordinarily, participants would attend a two-week experiential course – in 2019, this was held in an ecological reserve in Brazil's Atlantic Forest. This was not possible in 2020, owing to Covid-19, so the course was conducted online.

The programme participants have gone on to apply their learnings in their current positions. As well as benefiting from ongoing mentorship, they also enjoy membership of an ever-growing global network of early-career conservationists who can support them in tackling some of the most pressing conservation challenges in their own countries.

De Beers is currently looking for the most promising candidates to apply for sponsorship for the 2021 programme, which it hopes will be conducted back in the field amidst the natural wonders that it seeks to protect.

Water

Water is fundamental for our operations and the communities around them. We embrace our role as water stewards and, as our approach continues to evolve, we incorporate learnings and develop or implement new technologies. In 2020, our focus was on reviewing and updating our water-accounting methodology to ensure that all data is validated against water balances, and that consistent definitions are applied in accordance with ICMM guidelines. This supports our continuing commitment to water stewardship, working towards meeting the Sustainable Mining Plan's water goals and the FutureSmart Mining™ vision of a water-less mine.

Our approach and policies

Water management policy and standard
Water management is both a critical concern and an asset. It permeates how we carry out our business, from our approach to water management, which is embedded into our business plans, to our Social Way which identifies access to clean water as a priority for stakeholders.

Our approach to water is guided by our Group Water Policy and the Group Water Management Standard (the Standard). Our water policy fundamentally focuses on reducing our water risks to ensure resilient operations, while reducing our water footprint. It aims to help us meet the water-less mine vision, while prioritising water stewardship. The standard ensures that critical controls and best practices are implemented to manage risks at all levels of the value chain. It also addresses our Sustainable Mining Plan's goals for water: reducing freshwater withdrawal, improving recycling and re-using and preventing Level 3 incidents. Such measures will significantly enhance our resilience to the changing external conditions, such as drought, flood, water scarcity and competing demands from different stakeholders.

These are our key milestones to achieving the Sustainable Mining Plan goals, taking 2015 as the baseline year for freshwater withdrawals.

2020 milestone
- Reduce freshwater withdrawal by 20%
- Increase water re-use and recycling levels to 75%
- No Level 3 or greater water incidents.

2030 target
- Reduce fresh water withdrawal by 50%.

Water use at our sites
Our main operational water activities are:

- Opencast and underground mining
- Processing and beneficiation of ore
- Dust suppression
- Refrigeration and ventilation cooling
- Mineral residue disposal (including tailings, waste rock and slag)
- Offices, workshops, laboratories, change houses and other potable uses.

The main consumptive uses of water are:

- Entrainment (water locked into in tailings and, to a lesser extent, in concentrate and final product)
- Evaporation from mine circuits (dams, tailings dams, other exposed areas)
- Evaporation from beneficiation circuits (slag cooling, cooling towers, etc.)
- Dust suppression
- Other losses (including seepage, leaks, unaccounted for losses).

The main withdrawals, by source of water, for our operations are:

- Groundwater
  - Bore fields for water supply
  - Mine dewatering boreholes
- Pumping of groundwater intercepted during mining activities (pit sumps and underground)
  - Water entrained in ore
- Surface water
  - Rivers and streams
  - Rainfall and run-off
- Water purchased from a third party (bulk water suppliers and/or local municipalities)
- Waste water, including treated sewage effluent and water from other industrial and/or mining operations.

The main discharges from our sites are:

- Re-injection of water to groundwater to replenish aquifers
- Water sent to third parties (communities, other mining companies, local municipalities)
- Seepage to groundwater
- Discharge to the sea/ocean
- Discharge to streams and rivers to maintain the environmental flows.

Annual assessment of water-related risks and opportunities
We identify inherent water-related risks with the potential to have a substantive financial or strategic impact on our business. From a financial perspective and with respect to water, a 'substantive change' would be a disruption to our operations or supply chain caused by a water incident that results in a change in production or increase in costs. A water incident may, for example, include a community protesting around a water supply, preventing usual operations, or insufficient supply of potable water from a municipal supplier. Considering this definition and to quantify substantive change, we use our risk assessment methodology, and in particular the financial consequence rating within the risk methodology, to identify and measure a substantive financial or strategic impact on our business. Financially, we define 'substantive change' as a loss in revenue or increase in operating costs of more than $200 million.

In 2018, we designated water security as a principal risk for the Group. This is based on our understanding that being unable to obtain or sustain the level of water security needed to support operations over the current life of mine plan or future growth may result in a threat to our business model, future performance, damage of stakeholder relationships, or reputational impacts.

As part of our Group-wide risk management framework, we assess water-related risks each year. Using the World Resources Institute's Aqueduct tool, about 75% of our sites would fall within medium to high or high water-stressed areas. We also produce more accurate site-specific and regional water balances using stochastic modelling (models that use different climatic scenarios and climate change projections). We use these water balances to evaluate actions that could mitigate varying climatic conditions and define water projects that will make us resilient and help us achieve the goals of our Sustainable Mining Plan.

Together with relevant stakeholders, we assess water risks at each operation and this information flows into a Group-wide water risk register. This risk management process aligns with international risk management standards ISO 31000, and the King Code of Corporate Governance for South Africa (King IV). We also use the Intergovernmental Panel on Climate Change (IPCC) future climate projections as a tool to understand future water risks.

Engagement with stakeholders

We work closely with other stakeholders to manage water supply, and the social, reputational and operational risks that result from our water use. Our Social Way (see pages 66-67) helps us understand our water-related socio-economic impacts, and to enhance stakeholder dialogue and the management of social issues.

Our ongoing stakeholder engagement enhances our internal company knowledge, enabling us to integrate issues that arise into our risk management processes. We have set up regional partnerships for water-stressed areas. In Chile, for example, at our Los Bronces and El Soldado copper mines and the Chagres smelter, we have developed multiple water stewardship projects with local communities and municipalities to help with water supply, conserve water and manage demand.

In El Soldado's neighbouring town of Collagüe, through a partnership with the Municipality of Nogales, Anglo American has invested c.$650,000 in order to deliver drinking water to a community that has not had a regular supply of potable water for the past two decades.

Programa Agua Rural – strengthening communities

Our rural water projects in Los Bronces, El Soldado and Chagres have become a key part of the solution to water issues faced by these rural communities in Chile.

We are applying our knowledge, technology, and community experience to help solve the water crisis in Chile. In 2020, we continued our efforts to escalate the rural water project we had begun in 2017 to become public policy, interacting with public institutions to put it on their agenda.

For over a decade, Chile has faced a critical water crisis, with reservoirs running low owing to severe droughts. Ensuring that people can rely on a permanent supply of potable water is critical for the well-being of people living near our sites.

Recognising the impact that the water crisis was having on our operations and communities, in 2017 we commissioned a hydrogeology study to explore what was happening with groundwater sources. This gave us an understanding of water availability and local infrastructure (reservoirs, wells, irrigation and drinking water systems). A door-to-door census gave us a view of the locals' perception of water supply. It became clear that there was water, albeit not much. The real challenge was distribution, due to inefficient water management.

We then set about sourcing and implementing a sustainable local solution around three pillars:

- Technology – introducing telemetrics and automatisation to improve the systems and make their use intuitive. Working in collaboration with WeTechs, a small local company specialising in internet of things systems, we adapted its systems to meet community needs. Implementation of the innovative solution is then being followed by months working with communities to transfer knowledge so that they can manage their water supply independently.
- Integration – connecting with stakeholders such as governments, public and private institutions, communities, and academia.
- Infrastructure – making necessary upgrades, based on the data acquired from the diagnostic systems – a future step.

In 2020, we worked with Compromiso País – an initiative by the Presidency of Chile to involve the private sector in solving the country's challenges – to make our initiative a matter of public policy. By interacting with public institutions, we are working to secure implementation beyond our own zone of influence.

The innovative data system that came out of our collaboration with WeTechs has allowed for measurable improvement of water operations for around 100,000 people in Los Bronces, El Soldado and Chagres. Metrics are monitored every three months, and by December 2020 showed an overall 20% increase in water availability, a 50% decrease in water pipe ruptures and a 20% energy saving. By applying the data collected to the streamlining of water management, the project has also achieved a reduction in public spending.

The projects in Los Bronces, El Soldado and Chagres have no end date – they will remain available to these communities into the future, with continued Anglo American funding of the data plan until July 2023. Through our work with local public bodies, we aim to ensure that the project is scaled up and rolled out across rural Chile, as a matter of public policy.

Activities in 2020

Improving water accounting

During 2020, we continued building water balances for all our sites and generated a water reporting data set (using the ICMM metrics) for all withdrawals, consumptions, discharges and re-use/recycling. This has allowed us to, for the first time, evaluate efficiency and freshwater withdrawals in a consistent way across all our operations. We also reviewed and restated the 2015 baseline data used to set our milestone and targets, correcting discrepancies and standardising the metrics used for reporting withdrawals. From 2020, we are working with this validated data.

By the end of 2020, all our sites had water balances in place for the purpose of water accounting and reporting. We continue to focus on installing critical monitoring instrumentation to improve the accuracy of these water balances and, therefore, the data we report. This is enabling us to more accurately assess our achievements to date, and understand the challenges ahead.

Given the breadth and reach of the improvements to our water definitions, in 2020 we have focused on restating the 2015 data. In 2021, we will complete the restatement of the 2016-19 withdrawal data to ensure that all definitions have been applied correctly.

For this reason, this report only includes data from 2015 and 2020.

Progress on meeting the 2020 milestones

Reducing freshwater withdrawals

Our water team continues to work with each of our operations and business units to identify opportunities to achieve our Sustainable Mining Plan goal of reducing our Group-wide freshwater withdrawals by 50% by 2030. There is also a focus on reducing water consumption in the tailings water circuit, where 51% of all consumption takes place, through FutureSmart Mining™. Technology such as thickeners, cycloning, hydraulic dry stacking, coarse particle recovery, tailings under-drainage and evaporation covers can reduce water consumption, providing additional resilience to our business. There is no quick fix to reduce water withdrawals across the Group, as water withdrawal, consumption and discharge are affected by several factors, including changing weather patterns, demand on water usage, and operational changes. To date, much of our water withdrawal reduction is due to severe drought conditions at several of our sites, and a significant switch from freshwater withdrawal to abstraction of mine-affected water and treated sewage water from other industries.

In 2020, 33% of our total water withdrawals was freshwater. The freshwater withdrawal reduction from 2015 to 2020 was 10%, against the 2020 milestone of 20%. This was largely the result of a Group-wide increase in production, as well as the impact of precipitation patterns. However, we have exceeded our milestone for recycling and re-use: 80% against the milestone of 75%. This has been achieved through the implementation of targeted projects at our operations to retain a greater proportion of water within the water circuit.

Our freshwater withdrawals are dominated by Los Bronces copper mine in Chile, Minas-Rio iron ore mine in Brazil and Sishen iron ore mine in South Africa. In dry years, consumption is typically higher than withdrawal, as there are lower freshwater withdrawals at sites and water storage is depleted. In wet years, withdrawals increase as water storage dams are refilled. In Chile, 2015 was dry and 2019 was extremely dry, while 2020 was drier than 2015. In South Africa and Brazil, 2020 experienced higher precipitation than in 2015. Consequently, freshwater withdrawals at Minas-Rio were increased to replenish storage dams to ensure production could continue and, at Sishen, more fresh water had to be pumped to ensure dry conditions for safe mining in the open pit. Los Bronces reduced reliance on fresh water by 73% by successfully implementing the contingency plan for drought conditions by replacing fresh water with non-freshwater sources.

We have also made significant progress in substituting fresh water with non-fresh water at our Mogalakwena mine in South Africa, where 90% of water used is treated sewage effluent and mine affected water (see case study on page 57). In Australia, the first phase of construction of a reverse osmosis plant at our Capcoal complex, with capacity of 1.8 megalitres/day, is complete and the plant is operational. Excess mine affected water from our open-cut operations is treated to produce high quality water for use in our underground operations. This will reduce the requirement to purchase fresh water and improve the site's water security. Phase 2 of the reverse osmosis plant implementation is expected to be operational in 2022.

Eliminating Level 3 incidents

We are committed to eliminating Level 3 incidents by 2030. There was one Level 3 incident reported in 2020 (see Environment Management on page 49). We have launched an investigation and technical review to understand what the root cause(s) of these unplanned discharges are and improve our critical controls. We will then be able to determine the actions we need to take to prevent them, as well as upgrading our water management and conveyance structures.

Water quality

The ICMM is still working on its final definition for water quality. In the meantime, we are regarding our fresh water definition as the definition for high quality water, and the balance as poor quality water.

Water withdrawals by source in 2020[1]

	'000 m³
Third-party | Fresh water	13,933
Third-party | Not fresh water	53,580
Surface water | Fresh water	33,055
Surface water | Not fresh water	58,194
Groundwater | Fresh water	20,104
Groundwater | Not fresh water	30,611
Total freshwater withdrawals	67,092
Total not freshwater withdrawals	142,385

[1] We are in the process of rebaselining the data, including improving the accuracy of groundwater data, and to include rainfall/stromwater currently not reported.

Water discharges by source in 2020[1]

	'000 m³
Seawater	8,646
Third-party	38,284
Surface water	11,776
Groundwater	7,722
Total discharges	66,428

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

Water consumption by category 2020

	'000 m³
Entrainment	47,914
Evaporation	37,031
Task loss	38,443
Total Consumption	123,388

Supporting our communities
We are engaged in several water-related initiatives to improve the lives of communities around our operations. These include supplying water, building dams, supporting infrastructure, and more. In South Africa, we support several water stewardship initiatives. These range from water supply projects with our partners to provide drinking water to our communities, to infrastructure projects with local government. (See case study on page 55.)

Next steps
The landscape of freshwater reductions is full of opportunities for technical innovation, which is/will be key to our success in reducing our water withdrawals. For example, we are rolling out coarse particle recovery, as well as piloting hydraulic dry stack tailings to reduce the amount of water used for tailings deposition, with testing due to be completed by the end of 2021.

In 2021, we will continue to assess opportunities to reduce water withdrawals at sites and will focus on developing the highest-impact interventions into concept phase projects, in tandem with progressing other projects that have been identified by some operations. This will assist us to set site-specific targets for reduction in water use, reduce our overall consumption and increase our efficiency, in line with the hierarchy of water management: eliminate; reduce; re-use/recycle; and/or substitute.

We are increasing the automisation of data collection, validation and reporting to expand our data analytics capabilities.

Consistent with our ambition towards responsible water stewardship, we will reassess our water targets and their underlying indicators in 2021. The aim is to ensure they are meaningful to all stakeholders and technically appropriate; drive the right behaviours at our operations; reflect the complexity of the socio-political and ecological context of our sites, embrace our ambition to reduce our water footprint, while creating value for our stakeholders.

Finally, we will continue to work with the communities around our operations to deepen our understanding of our role in the catchments, to identify and address shared challenges.

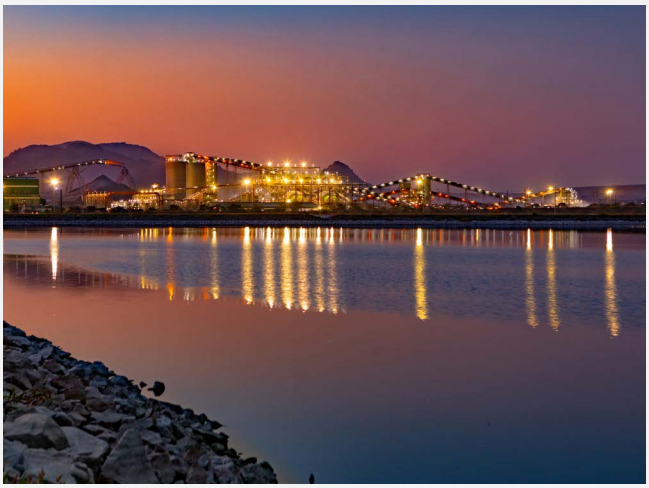
Substituting fresh water with grey water

Our PGMs business strives to use alternative water resources to fresh water in its processes. Following agreements with three municipalities, our operations at Mogalakwena and Rustenburg use treated effluent, also known as grey water, pumped from the local wastewater treatment works, thereby freeing up potable water for use by local communities and providing adequate facilities for the treatment of sewage outflows from the communities. A fourth such agreement is due to take effect at Mortimer, in 2023.

South Africa is approaching physical water scarcity by 2025, its socio-economic development has been directly hampered by the recent drought. Based on current usage trends, the country is expected to face a water deficit of 17% by 2030 and this shortage will only be worsened by climate change.

When we began operations at our Mogalakwena mine in 2004, we signed an agreement with Polokwane municipality in Limpopo to lay a 68-kilometre pipeline to transport grey water from the Polokwane wastewater treatment works direct to the mine. The initiative by industry to use non-potable water is welcomed in the stressed Limpopo Water Management area. We increased the capacity to 20 megalitres by expanding the grey water offtake agreement in 2013. A second agreement, with Mogalakwena municipality, provided for an additional 37-kilometre pipeline, with a 6-megalitre grey water allocation per day, from Mokopane's wastewater treatment works to the mine.

We also use grey water at our Rustenburg facilities, following an agreement with Rustenburg municipality. Of a total average daily use of 43 megalitres of water at Mogalakwena, there is now an average of 26 megalitres of grey water allocation from the two wastewater treatment plants, with an average 18 megalitres per day being used. The rest of the demand is supplemented by groundwater, surface run-off, boreholes, seepage into the open pits and water recycled from within our operations. Near Mortimer, we have entered into an agreement with the local municipality to build wastewater treatment works to serve a new low-cost housing project currently under construction. On the back of this new plant, we have signed an offtake agreement to use the grey water for our operations in the Amandelbult–Mortimer complexes. This plant will be up and running in the next three years, with a capacity of 5 megalitres per day.



Our PGM operations, such as Mogalakwena (featured), are increasingly using treated effluent, or grey water, rather than drawing on freshwater supplies.

There is a need to ensure a sustainable source of quality effluent that does not harm the environment, while providing the mines with safe and useable grey water. We are exploring ways to support municipalities in building the necessary capacity to achieve operational excellence, in the short to medium term. We are also engaging with government and local municipalities in applying water conservation measures in the sector. Together with other mines, we are partnering with the government in the Olifants River Water Resources Development Programme, supporting the identification and development of water resources to ensure that communities have adequate potable water.

We have also undertaken a water stewardship project together with Strategic Water Partners Network, Polokwane municipality and SAInbev to reduce the amount/volume of water leaks, unbilled and unaccounted water, together with developing and a staged implementation of opportunities, to reduce water losses to the extent of 50% or more.

Circular economy

By 2050, the human race is on track to be consuming three planets' worth of resources every year. And that trend is predicted to continue.

Among the approaches to mitigate that scale of consumption, including its effects on climate, is what is known as the 'circular economy'.

The circular economy is about minimising waste in all its forms and making the most of what we have, natural resources included. It advocates re-using, re-designing, sharing, repairing, refurbishing, re-manufacturing and recycling – consuming fewer resources in the first place and using them for longer. And at a more fundamental level, it's about creating new models for businesses to promote and incentivise efficiency.

The circular economy is helping us to re-imagine our business for the future. As circularity moves from a revolutionary concept to a societal expectation, it is influencing not just our approach to environmental matters, but our strategic thinking throughout the value chain and across the business. Our mindset is evolving from that of a traditional extractives mining company, to becoming a producer, supplier and marketer of metals and minerals – and, ultimately, towards being a 'materials solutions' provider.

Our approach and policies

The circular economy is shaping our thinking both around how we can do things differently and how we can do different things in times of unprecedented change – notably, in the fields of digital, materials science and biological science. We are embedding circular economy principles into our thinking and decision-making, and are applying them on an increasing scale as we seek to create greater value throughout the mining value chain through more 'circular' activities.

Specifically, our approach to circularity is reflected in the following ways:

- In our operations – by optimising the use of resources, eliminating physical waste and maximising process efficiency, we aim to achieve a neutral or even net positive impact on the environment and, in turn, helping create Thriving Communities.
- Throughout our value chains and across our Marketing business – we work to ensure that the value of our products is maximised across their full lifecycle. We also support the development of technological innovation that can serve to advance this goal.
- Through holistic business transformation – providing a lens to re-imagine mining by growing our business in ways that adapt to and shape the change around us.

As with any such concept, we are thinking deeply to understand its potential across our business, to communicate a vision for how we would like to apply it, and to develop formal programmes that will help to build a culture of circular thinking – and acting.

Activities in 2020

An internal cross-functional team is leading efforts to incubate circular economy projects. These range from small waste and recycling projects, to broader new opportunities. The key to realising these has been to establish a new valuation framework that integrates circular economy principles and the achievement of the goals of our Sustainable Mining Plan, so that we can assess opportunities based on the full value and impact they deliver to all relevant stakeholders.

Circular-aligned Group waste strategy
In 2020, we developed a Group Materials Stewardship Strategy to address our management of physical waste, in a way that is aligned with our circularity approach (see next section on Waste Management).

Partnering to accelerate global change
In November 2020, we announced a collaboration with Accenture and other global industry leaders to actively support The Circulars Accelerator. This initiative will help accelerate the global circular transition by connecting innovators and entrepreneurs with industry leaders and circular experts for tailored mentorship.

"The Circulars Accelerator initiative will speed up the global circular transition."

The programme also unlocks opportunities for Accelerator participants to work directly with cross-industry leaders to scale up their circular solutions. This will enable us to scale up knowledge from our business to accelerate early-stage circular business concepts across a range of industries, as well as gaining access to a network of innovators to support our own cultural journey towards embedding these principles.

Next steps
In 2021, we will continue working to further advance our journey towards circularity. For example, we will continue to support 'lighthouse projects' – selected, high-impact initiatives that our employees will design and deliver to further embed circular thinking into our business. We have already started work with our Technical Academy to develop circular-thinking training and will launch our own Circular Economy Incubator to help initiate and scale opportunities that we identify.

At PGMs Twickenham mine in South Africa, a waste recycling project using bicycles is just one of a number of waste management initiatives that are providing a source of income to neighbouring communities.

Waste management

In 2020, our waste activity was focused on embedding a new strategic approach and improving definitions, data collection and management, with a view to setting appropriate, data-driven targets across our business.

Our approach and policies

Stewardship of materials, not management of waste
Our ultimate aim is to not regard anything we generate as waste. The traditional approach of managing waste as a cost and liability overlooks the opportunity to create valuable new materials, new business opportunities, community employment and revenue.

Taking this approach supports us in meeting many of the goals in our Sustainable Mining Plan. We are seeking to establish the mindset of managing materials for value – value not only for us, but also for our stakeholders.

Our Group Materials Stewardship Strategy is aligned with our circular economy principles, and with our Purpose. This strategy will help us to address all forms of waste as a resource of value, whether it is non-mineral – such as packaging, tyres and lubricants – or mineral – such as waste rock, slag and water.

Activities in 2020

Setting 'zero waste to landfill' targets
In 2020, PGMs achieved a 92% reduction in waste to landfill from a 2013 baseline. (See case study on page 60.)

Building on the experience of our PGMs colleagues, we will work towards the adoption of a Group zero waste to landfill commitment. In 2020, we started building a comprehensive baseline database of waste metrics to inform the specific requirements of our aspiration. We are also creating the internal standards and systems that will drive progress toward alternative solutions.

An example of one such initiative is in Australia, where we have partnered with Novum Energy to construct two rubber recycling plants in central Queensland. These plants process waste rubber to produce by-products for re-use and will enable cost-free pick-up and transfer of rubber waste from all our Metallurgical Coal sites. This will mitigate issues that sites have with waste tyre and conveyor storage, and contribute to the sustainability goal of reducing waste to landfill.

Trialling spatial inventory modelling tools for mineral waste and water
In 2020, we took the decision to extend the scope of our Materials Stewardship Strategy to cover waste, mineral waste and water. The same sound principles of waste management apply to these types of waste, although the scale and type of management solutions ultimately implemented may be very different.

As in many other areas, the future of waste management will rely on data and digital solutions. Knowing what we have, where it came from, and where it is going provides a complete view of waste within our system.

To support our waste management efforts, we have already run several pilots of our spatial inventory modelling tools. These tools enable us to control and influence waste, from point of generation to points of disposal and, ultimately, to re-use. Using ecosystem thinking principles, we continue to evolve our approach to waste in mining.

18,900 tonnes
of hazardous waste sent to legal landfill across the Group

38,400 tonnes
of non-hazardous waste sent to legal landfill across the Group

Next steps
We expect that in the future, data analytics and artificial intelligence will continue to play a role in helping reduce and eventually eliminate waste. In 2021, we will further ground our ambition in a tailored plan for each business unit.

PGMs' journey towards zero waste to landfill

Demonstrating leadership in managing non-mineral waste streams, in 2020 our PGMs business achieved a 92% reduction in waste to landfill from a 2013 baseline. The total waste sent to landfill in 2020 was 1,763 tonnes, which represented a 51% reduction from 2019 and a 92% reduction on the 2013 baseline.

With this reduction, PGMs saved 503,053 tonnes of CO_2 equivalent. Considering that, in South Africa, one person emits an average of 8 tonnes of carbon dioxide a year, our project savings are equivalent to eliminating the emissions of more than 60,000 people.

While this is a great achievement, PGMs continues on its journey to reach zero. There are five waste streams for which they are yet to identify solutions for reduction and they continue to engage suppliers to engineer solutions to identify more economical and environmentally friendly ways to prevent waste being sent to landfill.

The journey began In 2013, when PGMs committed to eliminating unnecessary wastage and waste to landfill by implementing waste reduction, re-use and recycling initiatives.

Focusing on the waste created at the end of life of products, they also embraced the concept of the circular economy to eliminate or repurpose 'waste' into new resources. Once a product is no longer required, it is thrown away and, in most cases, ends up at a landfill site. As well as the loss of useful material in the product itself, at the landfill site there is potential for soil and water pollution, while the decomposition processes release greenhouse gases, such as methane, which contribute to climate change. In addition to supporting a healthy and clean environment, one of the key drivers of their zero waste to landfill project is alignment with the South African Waste Management Strategy and the goal of moving up the waste management hierarchy.

PGMs mapped all their waste streams, and categorised them as reduce, re-use or recycle. In doing so, they took the opportunity to improve the way we measure waste data, so that they could set operation-specific strategies and targets towards achieving our overarching zero waste to landfill ambition.

Employee engagement and awareness have been fundamental to their success. To get everyone on board, PGMs needed to motivate a mind shift towards valuing waste as a resource. Each of the sites appointed 'waste champions' to help address immediate opportunities for waste management improvements, and to audit and review waste management facilities.

Greenfoot is a domestic waste-management project being implemented in the communities close to PGMs' Rustenburg operations. The project aims to achieve zero waste to landfill.

They recognised and rewarded those operations and employees that performed the best.

In 2018, they partnered with a specialist waste company to develop and implement sustainable solutions for management of various operational non-mineral waste streams.

PGMs' collecting, sorting and recycling initiatives – for example, the Eastern Limb waste recycling bicycles project, and waste to art competition held for schools – also involved continuous engagement with our host communities to create awareness and opportunities. By providing people with a source of income in this way, we are giving back to our host communities.

Looking ahead, PGMs will continue to implement their sustainable waste programme to ensure that no waste is sent to landfill. To do this, they will continue to proactively engage with stakeholders, and develop further community waste management projects to improve awareness and a healthy sustainable environment for future generations.

Air quality

Addressing the impact of air quality on human health is vital if our operations are to have a positive impact on people's lives. To this end, in 2020, we have further evolved our approach to air quality, moving away from a compliance-only approach. This shift will deliver tangible results as we continue to evolve our approach to being more holistic, recognising the connected nature of the environment, our employees' health, and the health of the communities around our operations.

Our approach and policies

Group Air Quality Standard by 2023
Dust or gaseous emissions that have the potential to impact air quality can occur at any stage of the mining lifecycle. Our Group Air Quality Standard provides a framework for how we monitor and manage these emissions from our sites. We aim to achieve full compliance with the Standard at all our sites by 2023.

Air quality incident investigation protocol
Our air quality incident investigation protocol ensures that, if an air quality incident occurs, we can minimise the impact on our communities. Our policy is to make a record and implement an investigation protocol to develop appropriate mitigation measures. We also investigate all air quality-related complaints that we receive.

Activities in 2020

Progressing compliance with the Group Air Quality Standard
In 2020, we were not affected by any material changes to regulations. Our focus was on progressing compliance with the Group Air Quality Standard. All our sites made progress towards our target of compliance with the Standard by 2023. Despite Covid-19 and lockdown, self-assessments were completed remotely at a number of our sites, including Codemin, Barro Alto, and Minas-Rio.

Our PGMs SO_2-abatement projects
In 2017, we launched an SO_2-abatement project at the Polokwane Metallurgical Complex (PMC) in South Africa, in compliance with the requirements of the National Environmental Management: Air Quality Act (2004). Our progress in 2020 was delayed owing to Covid-19.

Our investment of $108 million in the development of technology to capture SO_2 from the PMC smelter furnaces converts it into sulphuric acid. This project will reduce emissions by 96%.

In addition, carrying out real-time monitoring of emissions from our PGMs smelters will enable us to implement projects in the surrounding communities, to reduce air quality impacts on people's health. An example of one such initiative is the air quality offset programme by Rustenburg Platinum Mines Limited (RPM). The programme began in 2020 with the establishment of scientifically sound air quality offset baselines and identification of implementation activities in the communities most affected by poor air quality. Potential offset projects identified include using alternative fuels for cooking, paving unpaved roads, and waste management to reduce illegal burning of waste.

Joined-up thinking across disciplines
In 2020, we joined up with other areas of our business working in sustainability, to have a greater impact. For example, our air quality work integrates with the predictive monitoring system (see case study on page 50 above) and the resettlement framework developed in Mogalakwena, our PGMs mine in South Africa.

Co-operation between our health discipline, resettlement and social performance teams has triggered action plans and frameworks. Initiatives to integrate air quality interventions to contribute to the health and well-being of employees and local communities will continue into the future.

Air quality performance
100% of sites with self-assessments, 100% of fully compliant sites and 100% internally verified against our Air Quality Standard.

In 2020, we generated a total of 13,100 tonnes of SO_2 (2019: 33,200 tonnes). 25,700 tonnes of NO_2 emissions (2019: 29,600 tonnes). However, Group SO_2 data will reflect a more accurate picture from April 2021 owing to PGMs' smelters' regulatory reporting cycle changes to align with South African regulatory requirements. The current 2020 data does not include any emissions from these sites. The updated data will be available online at Sustainability Data (2013-2020), Reports, Policies and Standards.

Next steps
Once the Polokwane smelter has been successfully commissioned in 2021, we will apply the lessons to inform development of a similar SO_2 abatement project at the Mortimer complex. A feasibility study is currently under way for the Mortimer project.

In addition, the most suitable air quality offset projects identified in the RPM programme will be developed and piloted in collaboration with the affected communities around RPM's Mortimer and Waterval smelters.

13,100
tonnes of SO_2 generated

25,700
tonnes of NO_2 emissions

In South Africa, many communities are still reliant on communal water-supply sources. Here, learners share a single tap at a secondary school.

Playing our role in society

Issues covered in this section

– Public policy engagement
– Social performance
– Cultural heritage
– Responsible supply chain management
– Business conduct
– Socio-economic contribution
– Collaborative Regional Development
– Product stewardship
– Human rights

Playing our role in society

As a global business, we see it as our role to make a positive contribution to society.

Leading by example, we have a renewed social performance management system that aligns with international best practice. We hope Social Way 3.0 will be instrumental in improving people's lives in and around the areas where we operate.

Through our collaborative regional development programme, we work to actively support local and regional economies.

We respect human rights, as well as the cultural heritage of people and communities.

We also transparently and continuously engage stakeholders to collaboratively find solutions to the most pressing issues of our time.

We set our standards high, embedding them into our Code of Conduct. We also have similarly high expectations of our suppliers, ensuring we address sustainability issues throughout the entire value chain.

How this connects to other sustainability topics

Our work in playing our role in society is directly linked to:

- Protecting our natural environment
- Helping our people thrive
- Tackling climate change

Progress against our Sustainable Mining Plan

SMP element	Global stretch goal or critical foundation	Read more
Critical Foundations	Group standards and processes	Page 94
	Compliance with legal requirements	Page 94
	Human rights	Pages 78-82
Thriving Communities	Education	Page 74
	Health and well-being	Page 74
	Livelihoods	Page 74
Trusted Corporate Leader	Ethical value chains – responsible sourcing	Pages 69-71
	Ethical value chains – mine certification	Page 77
	Local accountability	Pages 66-67
	National and international accountability	Page 66
	Public advocacy	Page 66

Section highlights

De Beers supports Bathoen House Primary School in the diamond-mining town of Orapa in Botswana.

The Social Way 3.0

In a significant step forward in the way we approach our social performance, we launched our new integrated Social Way Management System.

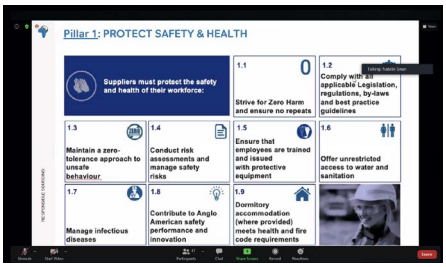
See pages 66-67

Preparing to distribute food donated by our PGMs business to the Rustenburg community.

Financial contributions in light of Covid-19

For the duration of the pandemic, we expanded our programme of matching employee donations.

See page 74



Replacing in-person supplier training with remote digital technologies.

Engaging virtually with our suppliers

In light of Covid-19, we successfully switched our regular in-person supplier training to a virtual format, continuing to support businesses and local economies.

See page 71

Public policy engagement

Policy engagement is critical to ensuring we optimise our contribution to society and ensuring long term business success. Taking a position of leadership and accountability, we engage key stakeholders on issues that matter most to society, from public health to climate change.

Our approach and policies

Our public policy engagement, like all our activities, is aligned with our Code of Conduct and a set of internal guidelines helps us monitor and respond to society's expectations and demands.

Government relations

The parameters for our engagement with governments are covered by our Code of Conduct. Our Government Relations team advises on and monitors our government relations centrally. It is also involved in the annual government relations planning exercises carried out by our teams locally at a country level.

This is the process by which we seek to understand how our business is impacted by the political environment and what our host governments expect of us and our role in society.

Industry associations

We expect the same standards of behaviour from the industry associations of which we are a member as we would from any other organisation with which we partner.

In 2020, we updated the 'Working with Institutional Stakeholders' element of the Business Integrity section of our Code of Conduct to make this clear. Similarly, we updated our Group Business Integrity Policy to clarify that it also applies to our dealings with industry associations.

Being a member of industry associations is a way of ensuring that our voice is heard, while staying informed about relevant developments. We publish details regarding all of our association memberships on our website. In 2019 we committed to a biennial disclosure outlining an analysis of policy alignment, and how the governance process has been applied during the reporting period. One component of the governance process is designed to respond to potential misalignment between industry associations and Anglo American. Its key elements include:

- Escalating issues of concern to the head of the relevant business unit and then, if necessary, to the Group head of international and government relations and ultimately to the Group Management Committee.
- Engaging with the industry association, seeking the necessary policy change. In the event of continued misalignment, we will consider all potential actions, up to and including suspension or termination of our membership.

Political donations

In accordance with our Code of Conduct, we do not make political donations or donations that could be perceived as such, either directly or through third parties.

Partnering against corruption

We are signatories to the World Economic Forum's Partnering Against Corruption Initiative, joining global businesses in a commitment to zero tolerance of corruption in any form. We are also a Board member of the Extractives Industry Transparency Initiative (EITI).

Activities in 2020

Reinforcing our tax strategy

In 2020, our Board approved a new Group tax strategy, which 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. A key pillar of our tax strategy is transparency, which includes publishing details of how we seek to engage with stakeholders as Trusted Corporate Leaders.

We also publish an annual Tax and Economic Contribution report, along with country-by-country corporate tax reports prepared under OECD standards for tax administrations. In the course of 2019 and 2020, we contributed to the development of Global Reporting Initiative Standard 207. Aside from transparency, our priority engagement areas relate to multilateral corporate tax reforms, mining tax reforms for developing countries, co-operative compliance programmes, and tax measures designed to support decarbonisation.

Our approach to annual reporting on tax is best in class and we will fully comply with the new GRI Tax Standard from 2021 – the first year it is effective.

Engaging in response to Covid-19

With the onset of the pandemic, we instituted our WeCare programme. We have worked closely with governments in our countries of operation to ensure that our Covid-19 workplace business continuity programmes align with national policy. In many cases, this has generated a collaborative response to dealing with the pandemic. (See page 21-23.)

Advancing the UN Sustainable Development Goals (SDGs)

In 2020, we continued our series of SDG accountability dialogues in the countries where we operate, consulting with external stakeholders – including governments – about how we measure our footprint against the SDGs and to assess the potential for partnership. South Africa remains at the forefront of our activity in this area, but we are also looking to expand our work in Brazil and Australia, and start SDG dialogues in Peru and Chile.

We have also taken part in the UN Global Compact's SDG Innovators programme. This is a 10-month scheme for a team of under-35s in selected companies to study new options for business activity in line with the SDG targets. We participated in South Africa in 2020.

Supporting the United Nations' mission

In 2020, our chief executive joined other business leaders in support of multilateralism by signing the UN's Statement from Business Leaders for Renewed Global Cooperation.

This builds on our engagement with international bodies and our membership of the UN Global Compact.

Find out more about UN Global Compact membership
www.unglobalcompact.org/what-is-gc/participants/643-Anglo-American-plc

"Much of our public policy engagement begins with the transition to a low carbon economy and, therefore, climate change."

Combating climate change
We are a founding sponsor of the World Bank's Climate Smart Mining Initiative, which aims to support the application of a climate-smart approach to mining, especially in resource-rich developing countries.

Much of our public policy engagement begins with the transition to a low carbon economy and, therefore, climate change. This is particularly so in relation to the circular economy and the hydrogen economy, but also in discussions about post-pandemic recovery.

In 2020, we held regular discussions with the Climate Action 100+ group of investors, with whom we work to ensure that our public disclosure on climate change is aligned with the expectations of all our stakeholders.

Supporting a hydrogen economy
Many governments' post-Covid-19 strategies are looking towards a green recovery and include plans, as well as financial resources, for deploying hydrogen technologies as key solutions to address their decarbonisation challenge. Several governments are now developing their own hydrogen economy roadmaps and, given our longstanding work in this field, we are in a key position to help drive innovation through partnerships. (See case study on page 43.)

We are engaging with stakeholders in the hydrogen ecosystem in several jurisdictions, including Europe, Asia, Africa, the Americas and Australia. We are also a member of various relevant interest groups promoting the hydrogen economy, as well as a founding and Board member of the global CEO-led initiative, the Hydrogen Council.

In 2020, we continued to explore ways to create mass demand for the hydrogen economy, specifically in the heavy-duty freight sector. We have initiated two projects on aggregating freight demand, in South Africa and the UK. Having convened a stakeholder group of original equipment manufacturers and fuel/infrastructure companies, we are reaching out to fleet operators to explore an economically viable case to run their fleets of trucks on hydrogen in the future.

Engaging with NGOs
Throughout 2020, we continued to actively engage with NGOs, to build trust, gain a better understanding of external perspectives, and have a positive impact on people in the communities where we operate. A key example is our work in South Africa to support victims of domestic violence (See case study on page 81.)

Other examples of our engagement with NGOs include: partnering with Transparency International on a toolkit for Open Business, supporting its associate CorruptionWatch in South Africa on its sustainable mining programme; engaging with the Organisation for Economic Co-operation and Development (OECD) in its Trust in Business Programme; and our extended support for multi-stakeholder group discussions on sustainability issues, including with faith communities.

Ethics and transparency
In 2020, we established an internal Ethics Transparency and Accountability Working Group to cross-reference best practice and assess our approach and performance in all relevant areas of responsible corporate behaviour. We also hosted and took part in global webinars involving the UN Global Compact and SDG 16 regarding the independent rule of law and the promotion of concrete actions that the corporate sector could take in support of good governance and strong institutions.

Next steps
We will continue to pursue and promote our 2020 public policy engagement initiatives into 2021 and beyond. We are working to report publicly in line with Global Reporting Initiative Standard 207 from 2021, and to implement enhanced tax control frameworks across all our major operating jurisdictions. We will participate in the UN Global Compact's SDG Innovators programme in South Africa in 2021, also adding teams in the UK and Brazil.

Social performance

Anglo American has always sought to build respectful and mutually beneficial relationships with the communities around us. We are committed to delivering a lasting positive contribution to local communities and those affected by our activities.

It has been 17 years since we first launched our socio-economic assessment toolbox, or SEAT, and 11 years since we launched the first version of the Social Way. We have now combined these and in 2020 launched a new, integrated Social Way management system, which reflects emerging societal expectations of our industry. Our new integrated Social Way Management System reflects internal changes and evolving international best practice and standards. We call it the Anglo American Social Way 3.0.

Our approach and policies

Social Performance encompasses our interactions, activities and outcomes with respect to local communities and other local stakeholders in those areas affected by our activities.

The Social Way 3.0 provides a governing policy, implementation toolkit and assurance framework for social performance for all Anglo American-managed sites, at all phases of development. Aligned with our Purpose and core planning and business management processes, as well as international standards and best practice, it sets out clear minimum requirements to:

1. Engage with affected and interested stakeholders
2. Avoid, prevent and, where appropriate, mitigate and remediate adverse socio-economic impacts
3. Maximise development opportunities.

After a robust review process, in January 2020, we launched the Social Way 3.0 – which replaced SEAT, and incorporates new policy, assurance and management system elements. The Social Way 3.0 emphasises the integration of social performance into our core operational processes, including our Operating Model and Sustainable Mining Plan. The integrated Social Way Management System marks a step-change in societal expectations and is one of the main vehicles through which we intend to achieve some of our ambitious Sustainable Mining Plan commitments.

Like earlier versions, we have made this publicly available for other companies to use, and, more importantly, so stakeholders know what our standards are and what they can expect of us. Through transparency and accountability, we aim to build trust. Now available on an interactive web platform to make the content more accessible and easier to navigate, the Social Way 3.0 consists of three parts:

- Policy – This public-facing global policy is relevant to all our employees, contractors and suppliers and lays out the high-level principles that guide our interaction with communities and other stakeholders; incorporating human rights and other considerations.
- Toolkit – The Toolkit covers all procedures, guidelines and standards required to implement the Social Way Policy.
- Assurance Framework – This is the framework through which we assess compliance with the Social Way 3.0.

External, independent assessors carry out annual compliance assessments across all our managed operational sites. As the requirements to comply with the Social Way 3.0 are more comprehensive and integrated than the previous version, all our site teams are working through a transition process to align to Social Way 3.0 by the end of 2022.

Activities in 2020

Rolling out the Social Way 3.0
The roll-out of the Social Way 3.0 is a significant step forward in the way we approach our social performance. The box below illustrates the key improvements introduced by the new version.

Step change on previous requirements

- More extensive focus on governance, including a requirement to establish new structures to oversee performance, including the internal Social Performance Management Committee and the external Community Engagement Forum
- The strengthening of a context review and baseline to inform the design of all social performance interventions, as well as site decision-making
- Greater management review of impacts through the Operational Risk Management (ORM) process and integrated incident management
- Other similar significant strides forward to promoting integration of social performance into the processes of other departments to support multi-disciplinary collaboration
- New guidance on a range of risks and impacts
- An enhanced commitment to monitoring and evaluation.

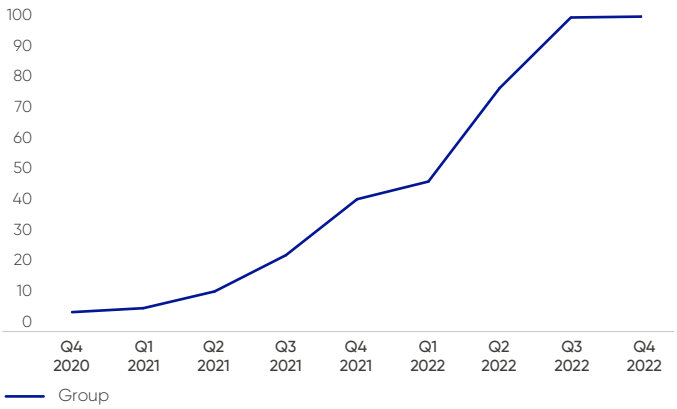
The launch of the Social Way 3.0 required us to embark on the most ambitious social performance training programme that we have ever undertaken. More than 1,000 people at our sites, across multiple functions and levels of leadership, from Group Management Committee to on-site social performance practitioners, took part in orientation and training sessions appropriate to their role in 2020. This training continued throughout the year, despite the Covid-19 pandemic, and will be built on and expanded in 2021 to support the transition journey.

Transitioning to the new management system
To raise the bar for improved social performance outcomes that help us achieve our Purpose, the Social Way 3.0 introduces various changes to the previous requirements. These cannot be implemented overnight. Social Way 3.0 requires operations to develop an adapted social performance management system, new or different procedures and change many existing work routines. The performance expectations and assurance approach require our operations to be some of the best in the industry and align with, or supersede, many of the existing external social performance standards.

As part of the process, each of our operations has been working to develop a transition plan setting out a workstream of activities to implement Social Way 3.0. Our initial goal was to achieve compliance with the Social Way 3.0 by the end of 2021; in light of Covid-19, we have extended this deadline to 2022 in order to help the business focus on the priorities of keeping our people and communities safe, and of sustaining our operations during the Covid-19 pandemic. The graph on page 67 presents our planned transition process and how we will achieve compliance with the requirements, each with specific performance expectations.

From 2015 to 2019, we reported compliance with the Social Way as an indicator of performance levels across the Group. During the process of transitioning to our new standard, we report the progress of each operation against its transition plan. Therefore, this year's data is not comparable with 2019. Throughout the transition process, all our sites continue to maintain robust social performance risk and impact controls. While we are improving our overall management system, seeking better social performance outcomes, we recognise that it will take us time to be able to demonstrate compliance against the new standard.

Pathway to Social Way 3.0 implementation



At the end of 2020 80% of the end-of-year roll-out milestone targets had been met, and 23% of all Social Way 3.0 requirements were satisfied. Although this is a lower percentage compliance than 2019, we believe this represents a higher overall standard of performance given the more rigorous nature of Social Way 3.0.

Overcoming Covid-19 challenges
Having launched the Social Way 3.0 at the start of the year, by March 2020 the effects of Covid-19 were already being felt. A focus of the Social Way is understanding local contexts, and responding when these change, and 2020 showed the benefits of our approach as we rose to the challenge of supporting host communities through Covid-19. We have provided guidance to our staff regarding how to respond to the health emergency and how to safely continue to engage stakeholders. We have made all this guidance publicly available via our Social Way website. The support to our communities is a key pillar of the WeCare programme. (See case study on page 19.)

We also managed other challenges raised by Covid-19:

- Having launched our extensive training programme in February, we had already managed to conduct a reasonable amount of face-to-face training. When the pandemic hit, we quickly adapted to accomplish our training goals through online training
- In mid-March, as the situation in our host communities became increasingly difficult because of Covid-19, the chief executive asked our social performance teams to focus on supporting our local stakeholders. This involved the development of site-level emergency response plans. Prioritising community support also impacted on the transition to the updated Social Way
- In light of the limitations of lockdown and restrictions on groups meeting in person, to protect health and safety, we had to find innovative solutions to enable us to continue engaging with external stakeholders. We issued guidance on community engagement with, including social distancing, which we made publicly available.

Engaging our local communities
As part of our transition to the Social Way 3.0, our Sustainable Mining Plan site-level local accountability goal has been incorporated into our stakeholder engagement requirements. By 2022, we will have established community engagement forums at every mine site to deliver our Social Way 3.0 commitments to consult with stakeholders, carry out monitoring and evaluation, discuss future plans, and more. This will serve to build and deepen trust and mutual understanding with our communities. It will also enable us to create a shared vision for the future and co-design objectives for mutual benefit.

Resettlement governance
Displacement and resettlement as a result of our activities is a complex and sensitive issue, which we handle in line with international best practice. As of 2020, as part of our changes to resettlement governance, we now treat all community resettlements as capital investment projects. This means resettlement planning is subject to approval by the Investment Committee of the Group Management Committee and undergoes rigorous assurance and review by senior leaders, supported by subject-matter experts. With this strengthened governance in place, we are able to identify instances where our life of asset plans may cause future displacement and resettlement. This creates an opportunity for us to amend technical project designs to avoid resettlement and find alternative solutions where possible, or otherwise increases the robustness of our planning and preparation for execution.

Grievances and incidents
In 2020, we recorded and reviewed approximately 2,059 grievances. Following the review, 510 were deemed to be Level 4 and none at Level 5. During the same period, 505 incidents with social consequences were recorded, of which 12 were Level 4 incidents, and none at Level 5.

Whereas in the past we have reported incidents rated Levels 3 to 5, we now report incidents rated Levels 4 and 5. As part of the roll-out of the new Social Way 3.0, the incident levels have been redefined and are now more comparable to occupational health and safety and business consequence definitions. With this focus on more material incidents, we can ensure that the right conversations happen at senior forums.

Next steps
Our priority is to continue to put in place all the necessary measures to complete our transition to the Social Way 3.0 by the end of 2022. In the meantime, we will use the transition journey as an opportunity to build skills and capabilities in our people, enabling them to play a part in driving improved social performance outcomes.

Once transition to the Social Way 3.0 has been completed, we will use the new management system to push continuous improvement and embed social performance into decision-making and process planning across our business, to minimise any negative impact of our activities, while expanding the positive impact.

Cultural heritage

Cultural heritage is the expression of a community's way of life, passed on from one generation to another. At Anglo American we value, respect and protect the cultural heritage of our host communities. This respect is embedded into our Social Way and supported by a strong professional team of social performance experts.

Our approach and policies

We believe it is of utmost importance to preserve the cultural heritage of our host communities, without exception. As we create shared benefit from resource development, we proactively manage any potentially adverse impacts that our activities may cause. We do this across our operations, working with custodians of the land on which we operate, to ensure that we demonstrate respect of their cultural heritage.

By showing respect for culture and traditions, and preserving them for generations to come, we open up opportunities for us to make a positive difference, encouraging healthy community relations that are built on mutual trust.

Going the extra mile

We are committed to following internationally recognised standards of good practice. This means protecting even those forms of tangible or intangible cultural heritage that are not specifically covered by host-country legislation.

"At our sites, no work begins unless and until approvals and controls are put in place to ensure we do it in compliance with our values of care and respect."

Cultural heritage and our Social Way 3.0

Our Social Way – the industry-leading standard that we put in place in 2009 and updated in 2020 – sets out our position on the importance of cultural heritage. Each of our sites is required to identify, assess and manage any adverse impacts on cultural heritage, throughout the asset lifecycle. To do this, they develop and implement a cultural heritage management plan, which, at a minimum, complies with national regulations and is aligned with International Finance Corporation (IFC) Performance Standard 8 on Cultural Heritage. We believe this means our approach is based in internationally accepted good practice, including where certain forms of tangible or intangible cultural heritage may not be specifically covered by host-country legislation. They are also required to put in place a chance-find procedure, in case a previously unknown heritage resource is encountered during project construction or operation.

We know that to create shared benefit from resource development we must proactively manage potential adverse impacts from our activities. Our commitment to respect human rights includes recognition of internationally recognised human rights. We work with our local communities to identify heritage resources of value to them, to truly understand what is appropriate and incorporate this into the management plans.

Artefacts discovered by Anglo American in Brazil have been donated to the Science Center at Conceição do Mato Dentro.

We follow the same approach in respect of our discovery projects and, where applicable, we will agree a framework with the relevant traditional owner to assist with the exploration work and to identify, assess and manage any adverse impacts on cultural heritage, as we do at our mining sites.

Our Code of Conduct explicitly links to the Social Way, and its principles apply to, and set the expectations from, all our employees, contractors and anyone with whom we work.

Activities in 2020

As part of the Social Way 3.0 update in 2020, we have strengthened our standards for cultural heritage management, demonstrating the importance we place on cultural heritage.

Next steps

As noted above, we have established solid foundations to effectively manage cultural heritage issues. Within the next 6–12 months, we will build on these processes by updating our SHE Way policy and self-assessments. We will include specific guidance on how to integrate Social Way 3.0 requirements (including, but not limited to, Cultural Heritage) into the SHE Way.

In 2021, we will also develop a tool to help us better assess and manage cultural heritage risks and impacts, as part of the revised management system software we will roll out. This software will allow for the geographic information system (GIS) mapping of cultural heritage sites.

Throughout 2021 and 2022, we will also deliver training and capacity development to transition to our Social Way 3.0. In 2021, technical training will be provided on specific impact and risk management requirements, including cultural heritage and Indigenous Peoples.

Responsible supply chain management

Our approach to responsible sourcing is aligned to our Purpose. We expect all suppliers to meet applicable laws – while sharing our commitment to improve people's lives, society and our environment. Our programme defines minimum sustainability requirements and decent work principles required by all our 18,000+ suppliers. This allows us to prioritise ethical decision-making when selecting and managing the suppliers we work with, and to support and uphold fundamental human rights through our supply chain.

Our approach and policies

Responsible Sourcing Standard
As a condition of working with our business, suppliers must comply at a minimum with all relevant laws, industry regulations, and we expect them to meet the Anglo American policies, site requirements and other supply conditions, including our Responsible Sourcing Standard ('Standard').

The Standard summarises these requirements across five pillars:

1. Protecting the health and safety of workers.
2. Protecting our environment, aiming to minimise and ultimately eliminate adverse impact.
3. Respecting labour and human rights throughout the value chain.
4. Contributing to Thriving Communities as good corporate citizens in the regions where they operate.
5. Conducting business with the utmost integrity, always acting properly, fairly and lawfully.

In 2020, we launched an updated version of the Standard to reflect possible consequences of Covid-19 on human rights, calling for increased visibility of value chains and improved management of infectious diseases. We also built on the role that suppliers can play in the circular economy. Published in three languages, the Standard is available via our website, along with a six-minute introduction video. We also updated our Frequently Asked Questions (FAQs) document and our supplier 'self-assessment questionnaire' tool.

In parallel, we are updating the requirements of our internal responsible sourcing processes, to strengthen, embed and further integrate responsible sourcing across the Group. This will apply to all suppliers from 2021 and will drive consistent application, incident management and weighting of responsible sourcing through the sourcing process.

Managing sustainability risk
Global supply chains can generate economic growth and contribute significantly to social development. But, as businesses seek to diversify sources of supply or further integrate into new markets or local economies, there is an increased risk of reduced job opportunities and human rights violations, including the use of child labour, modern slavery, forced labour and human trafficking.

Our responsible sourcing programme enables us to identify some of these risks and help our suppliers make ethical decisions when purchasing goods and services.

Continuing to implement our approach to managing sustainability risk in our supply chain, we require our centrally procured suppliers to comply with our responsible sourcing requirements.

Suppliers must:

1. Commit during registration to complying with relevant laws, including working towards the UN Guiding Principles on Business and Human Rights, and meeting our requirements concerning responsible sourcing.
2. Confirm that they will work towards combating modern slavery.
3. Agree to a series of external checks, such as sanctions, anti-money laundering, legal compliance and criminal records.
4. Complete and regularly update an online self-assessment questionnaire (see here for sample), to help them better understand our sustainability requirements and their own practices.
5. If requested, provide evidence of previous on-site responsible sourcing assessments, or undergo a new, third-party on-site assessment.
6. Manage all risks that these processes identify, and develop plans for full compliance with legal requirements and our Standard, in a reasonable and realistic timeframe.

Prioritising higher-risk suppliers
In terms of identifying suppliers that have an increased potential for sustainability risk, we use a heat map that considers potential risks to people, the environment and society resulting from the type of goods or services supplied. This includes unwanted safety events, specific risks – mapped across 122 procurement categories, country risks that emanate from the supplier's location, our transaction volume and expenditure profile.

In cases where we identify or suspect a risk, we engage with suppliers, expressing our concern and requiring them to develop a plan of corrective action. This gives them a fair opportunity to manage the risk and limit unintended consequences. If a supplier refuses the remediation, or is not able to demonstrate progress towards resolution, the matter is then escalated and may result in review of the supply relationship by our Supply Chain leadership team.

Activities in 2020

Strengthening our processes
In 2020, we strengthened our onboarding process, identifying areas for improving the way we assess sustainability risk. For example, we are exploring ways in which third-party information may be incorporated, to identify new or emerging sustainability risks in existing suppliers.

Responding to Covid-19 and potential for human rights impact
Covid-19 raised many new supply chain issues for suppliers. In a clear response, we published an open letter to our suppliers and updated our FAQs guide, setting out five top-level guiding steps to help them identify the new types of risk being reported generally through supply chains as a result of the pandemic.

Where suppliers were experiencing cash flow challenges, we set up channels for requesting relief, which we did our best to provide, either by directing them to government support or to our capacity-building programme, Zimele, or by providing improved payment terms through our Covid-19 supplier site.

Supplier engagement and assessments
Owing to Covid-19 restrictions, in 2020 we were forced to cancel our face-to-face supplier engagement, including supplier capacity-building training and third-party assessments. However, as a contingency and in collaboration with audit partners, we developed a virtual supplier assessment (audits) protocol, involving confidential telephone interviews with employees and live video feeds with employees walking around the facility. By year end, with eased restrictions, we conducted four supplier on-site assessments.

432

self-assessment questionnaires completed (2019: 450)

Driving innovation
Our virtual supplier training programme in South Africa is an example of how Covid-19 drove us to rethink and reinvent our programmes. Using feedback from suppliers, we developed 12 'bite sized' modules, ranging from an introduction to responsible sourcing, human rights, to technical sessions focused on specific legislation (such as the South African Basic Conditions of Employment Act). By the end of the series, 548 suppliers had attended these sessions.

Engaging with suppliers
As part of this detailed engagement plan, in 2020 we continued engaging with suppliers who demonstrated potential for risk. However, with the onset of Covid-19 and mindful of the disruptions caused to supplier businesses because of lockdown and social distancing measures, we reduced the target number of suppliers for assessments to 50.

Consistent with prior engagement, most multinational and high-spend suppliers appear to understand and have controls around potential responsible sourcing risks – including risks related to human rights and modern slavery – and have processes in place to identify and manage them. Smaller suppliers, however, often have difficulty in demonstrating procedures and practices linked to core legal requirements. We have intensified our supplier capacity building efforts to support such businesses to meet our requirements.

Common framework for the mining industry
In our Sustainable Mining Plan, we stated our objective to advocate for a common responsible sourcing standard for the mining industry.

Building on our work with peers in Australia in 2019 regarding modern slavery, we have been exploring wider industry positions on responsible sourcing and sustainability measures, including agreeing on a common question set for modern slavery. Our work on supplier engagement on human rights during Covid-19 was highlighted as a case study in an October 2020 publication of the Australian Minerals Council.

In South Africa, we continued our work with the Minerals Council, including presenting on human rights and responsible sourcing at a virtual three-day event. This contributed towards the building of an industry-wide human rights framework which integrates responsible sourcing principles.

Engaging with customers
Our customers are increasingly interested in sourcing responsible materials. We engage with multiple customers to share details of our supply management process and responsible mining practices.

Our Marketing Model provides us with a fully fledged commercial platform to engage and develop meaningful, long-lasting relationships with our customers. Today, we serve more than 400 customers in over 50 countries, supplying over 40 different products. Nurturing new and sustainable market demand, with special focus on PGMs, is a key strand of our marketing growth strategy.

By responding to the needs of our customers today, and by looking at how global trends will affect their industries in the future, we are able to shape tailored collaborations to develop new solutions and explore new areas of interest. This helps lay the groundwork for developing new solutions to harness consumer desire for resources that are sustainably sourced and mined to the industry's most rigorous standards.

Next steps
In 2021, we will continue to promote responsible supply chain management across our operations; in particular, by:

- Continuing to advance the level of integration of risk assessments into identifying new/emerging sustainability risks in existing suppliers, including potential integration of real-time data.
- Enhancing the visibility of our supply chain through supplier traceability programmes.
- Maintaining and building on our commitment to supplier capacity development, by creating materials and focused mentorship programmes to support the meeting of requirements.
- Working towards achieving our Sustainable Mining Plan goals, especially those that were extended to 2021 owing to Covid-19, and ensuring our value chain supports and reinforces positive human rights and sustainability outcomes.
- Obtaining responsible mine certification, carrying out third-party audits against recognised responsible mine certification systems for half of our operations in 2021 (a 2020 goal that was deferred owing to Covid-19).
- Fully implementing our Responsible Sourcing Standard, while advocating for the development of a common responsible sourcing standard for the mining industry.

Engaging virtually with our suppliers

When Covid-19 prevented us from running our regular in-person supplier training, we transitioned to a virtual format, to great effect.

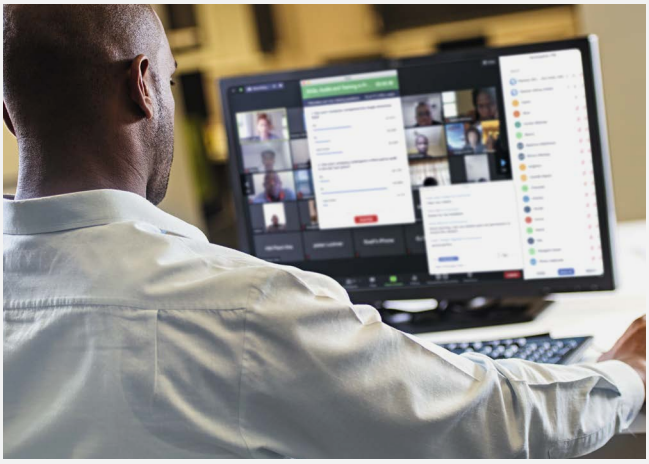
Legal requirements, customer policies and requirements, and integration with large established companies can be a daunting experience for small businesses. To help our suppliers understand what is expected of them, especially on sustainability issues linked to Environment, Social and Governance (ESG) and how to meet these, we engage with them throughout the year. This also gives us a chance to understand their concerns and risk factors.

Usually, we carry out a range of in-person, face-to-face engagement activities with suppliers, typically including monthly engagement meetings with a senior Supply Chain leader, quarterly one-on-one engagements, and ongoing ad hoc meetings where suppliers can discuss any issues or questions they might have. In response to host community requests and to further demonstrate our commitment to suppliers, senior leaders also carry out engagements; as an example, Kumba's chief executive Themba Mkhwanazi meets with suppliers twice a year.

To support supplier capability for Responsible Sourcing, in 2017 we piloted a tailored two-day classroom-based supplier development programme. This generated positive supplier feedback, with more than 280 suppliers attending sessions in 2019. We had planned to take 400 people through the programme in 2020. But with the advent of Covid-19 in-person engagement became impossible.

We wanted to ensure that our suppliers were still supported throughout the pandemic, and engaged with them virtually to identify the information they needed, and opportunities to learn. We consulted with around 60 suppliers about what would work for them virtually in terms of timing, and topics they would like to see covered. We then developed 12 custom modules, including an introduction to responsible sourcing, understanding employment legislation, managing risk, taxation, and more. Ranging from an hour to four hours in length, they were run over three weeks by our local partner, Partner Africa, a leading sustainability assurance non-profit organisation.

In total, 548 people attended 36 sessions. Given the high cost of internet data in South Africa, not to mention the extreme challenges our suppliers were dealing with due to Covid-19, this result surpassed our expectations. Such positive engagement demonstrates our suppliers' appetite to learn and the value of the training we offer, as these sessions supported the establishment of business practices, further adding to the sustainability of their businesses.



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

The bite-size nature of the modules minimised the time suppliers needed to be away from their staff and workplaces, making the training more accessible. Being shorter and more focused than in-person sessions, the virtual format also enhanced engagement. Moreover, the anonymity of the virtual setting made suppliers feel comfortable to ask some tough questions via the live chat box.

Following the success of this initial programme, we plan to build momentum and scale-up this type of engagement with a range of suppliers across multiple regions. We will further tailor supplier support based on tracking the type of questions asked, and reviewing supplier responses to the polls we conducted throughout the sessions. This will enable us to focus future sessions on specific risks, teams or sub-sets of suppliers. The materials used within this engagement programme will be shared in an open-source format, making it accessible to all.

Business conduct

We expect our employees and relevant business partners alike to behave ethically, always. We expect them to consistently show care and respect for colleagues, communities and the environment in which we operate. These expectations are embedded into our Code of Conduct and Business Integrity Policy.

Our approach and policies

Our Code of Conduct

Our Code of Conduct is a single point of reference for everyone associated with us, providing a full understanding of our policies and procedures. It sets out how we behave in line with our Values, and how we live our Purpose: *to re-imagining mining to improve people's lives*.

Our Business Integrity Policy and Procedures

Our Business Integrity Policy sets out the standards of conduct we require at every level within our business – including our subsidiaries and managed joint ventures – in combating all types of corrupt behaviour. As of 2020, industry associations of which we are a member are also required to align with our policy positions.

To bolster adherence to the Policy, we require assurance aligning with the 'three lines' model: first line – risk owners/managers, second line – risk control and compliance, third line – risk assurance.

YourVoice

YourVoice is our confidential reporting service for employees, contractors, suppliers and other stakeholders, operated by an independent multilingual whistleblowing service provider. It enables them to raise concerns about potentially unethical, unlawful or unsafe conduct or practices that conflict with our Values and Code of Conduct.

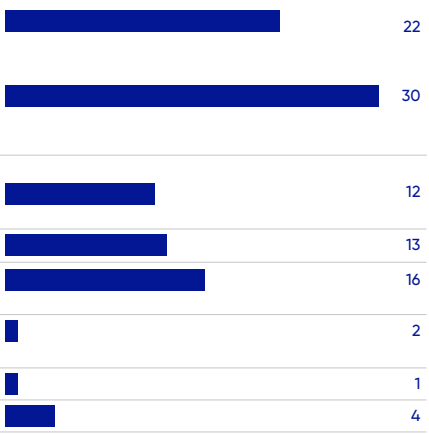
Activities in 2020

Reviewing our Code of Conduct

In 2020, we carried out an in-depth review of our Code of Conduct, resulting in a small number of minor refinements. These changes included additional wording on industry associations, and bringing the Code into line with the most recent version of our Group Values.

We also carried out a review of the Code against both our updated Group Tax Strategy and our Anti-Tax Evasion Policy, and included a section about both topics in our Code. The Board and the Board's Audit Committee endorsed the revised Code of Conduct and approved the Group's Tax Strategy.

Whistleblowing programme[1] — Percentage



[1] Computational discrepancies may occur due to rounding.

We regularly communicate with our employees about the Code of Conduct and our Values – Safety, Care and Respect, Collaboration, Accountability, Innovation and Integrity.

Using YourVoice

During 2020, we received 614 reports through YourVoice, a 22% increase from 2019. We attribute the continued rise in reports to an increased awareness of the channel, a growing culture of trust to raise concerns with confidence and the promotion of this channel through other relevant Group-wide initiatives.

In 2020, of those allegations closed, 31% were substantiated or partially substantiated. Corrective actions were taken against allegations substantiated in accordance with our policies.

YourVoice proved to be a useful resource for our people to raise concerns arising out of the Covid-19 crisis. In a reflection of trust in the system, we received many alerts relating to the pandemic. We took each allegation seriously and had an accelerated response, channelling severe concerns to the Group crisis management committee for immediate action.

Integrating our ethical policies across our Group

In 2020, we continued to ensure that our policies are aligned across our business. For example, our Ethical Business Conduct Team has led the integration of our Group policies into the recently acquired Crop Nutrients business. We held several meetings with the Crop Nutrients integration team to understand risks and define prioritisation criteria.

Reinforcing our assurance, risk management and investigation processes

In 2020, our annual risk-based internal audits were again conducted across the Group, to obtain assurance on our risk mitigating programmes. To boost our investigations capability, we established a dedicated Group-level investigation team, and enhanced our investigation framework accordingly.

Benchmarking anti-corruption initiatives

We have increased our collaboration with Transparency International's Corporate Anti-Corruption Benchmark, and played a more active role in transparency programmes. The recommendations from the resulting report confirmed that our current initiatives and resources are being applied in the right areas to drive improvement.

In 2020, we embarked on a number of new initiatives, correlating with Transparency International's benchmarking exercises for 2019 and 2020. We developed and implemented mechanisms to bolster our responsibilities regarding the implementation of our Group policies and monitoring and reporting of compliance. Such initiatives included developing a Group compliance management system and enhancing our Intermediary Risk Management process.

Engaging our people and industry

We conducted virtual instructor-led Business Integrity training for 323 of our higher-risk staff, on topics such as interacting with public officials and intermediaries. A further 8,225 employees underwent online Code of Conduct training, which included anti-tax evasion material.

We engage with our industry on business ethics in order to share and learn from best practices. We also are a member of the board of the Extractive Industries Transparency Initiative (EITI).

Next steps

We have a robust plan of continuous improvement in collaboration with our business units, business integrity implementation managers, Group management, Audit Committee and Board.

Socio-economic contribution

Covid-19 has adversely affected our communities around the world. While this has significantly impacted our work in the areas of health, livelihoods and education, we have done our best in this challenging context to honour our commitment to enabling Thriving Communities. We have provided immediate response and longer term recovery support to our employees, local communities and the regions and countries that host our operations.

Our approach and policies

Our socio-economic contribution
The socio-economic contribution we make to the communities in which we operate takes various forms:

- The royalties and taxes we pay add economic value to a country.
- Business operations that deliver economic value to communities, enhanced by policies on inclusive procurement, local recruitment, and supporting local suppliers.
- Long-running socio-economic development interventions, in collaboration with local partners, which address local needs, building sustainable local economies that are less dependent on our mines.

Taking a long term view, we design our operations and community development initiatives so that communities and economies continue to thrive, even after our mines have closed.

For more information on our Collaborative Regional Development, please see page 76.

The economic value we add
By employing people, paying taxes and spending money with suppliers, we make a significant positive contribution to both our 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.

In 2020, we contributed $24.1 billion of direct economic added value, including:

$11.5 billion
paid to suppliers

$3.4 billion
to our employees through wages and related expenditure

$3.8 billion
billion in taxes and royalties borne and collected

$0.9 billion
paid to Anglo American plc shareholders

$0.4 billion
to providers of capital

$4.1 billion
reinvested in the Group

$125 million
spent on Corporate Social Investment (CSI).

Economic value distribution[1]

	$ billion	
Suppliers	11.5	48%
Employees	3.4	14%
Reinvested in the Group	4.1	17%
Company taxes	3.8	16%
Dividends	0.9	4%
Providers of capital	0.4	1%
Corporate social investment	0.1	0%
Total	**24.1**	

[1] Computational discrepancies may occur due to rounding.

Taxes borne and collected: developed vs. developing countries

	$'000	
Developing	3,180	84%
Developed	638	16%
Total	**3,818**	

Our national tax contributions
We see public disclosure as key to building people's trust in the mining industry. That is why for the past 14 years we have voluntarily provided information about our tax payments on a country-by-country basis. We have also fully complied with the 2013 EU Accounting Directive since it was introduced.

We are an active supporter of the EITI, and one of four mining companies represented on the EITI board. We 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 a presence.

We comply with the requirements of the UK Reports on Payments to Government Regulations (SI 2014/3209) and Chapter 10 of the EU Accounting Directive (2013/34/EU), submitting a full analysis of tax and other payments to governments, on a project-by-project basis, to Companies House, the UK registrar of companies.

In 2020, we published our annual Tax and Economic Contribution Report. This demonstrates our commitment to tax transparency and active, constructive engagement with our stakeholders. It also helps build their understanding of the many different ways in which we make an economic contribution to society. Our next iteration of the report will be published in 2021.

Activities in 2020

Promoting education

Sustainable Mining Plan
Thriving Communities goal: Education

2030: Schools in host communities to perform within the top 20% of state schools nationally.

All operations will implement measures to support education. Operations in large urban areas or in countries whose school systems score very highly in the Programme for International Student Assessment (PISA) rankings may propose alternative meaningful measures.

Aligned with the Board's decision to allow flexibility around the 2020 targets by extending the time period to 2021, the 2020 goal for education of ensuring all baselines and strategies are completed was extended to 2021.

Our education programmes in South Africa and Chile are in the implementation phase. South Africa is now in year three of implementation, supporting 109 schools. We kicked off with a Whole Schools Development support programme in 2018 and in 2020 added the early childhood development and infrastructure components to it. In 2021, we will embark on identifying our next set of schools to support. Chile is also in its third year of implementation and we now support 17 schools. We have identified 152 schools that will benefit from this programme over the next decade. In Canada, implementation started in Gahcho Kué in January 2021.

We worked on digital literacy, specifically in response to the challenges of providing continuous education throughout the Covid-19 pandemic. By innovating in information communications technology access, we enabled schools to continue engaging with pupils, even when they could not physically get to school. Facilitating this continuity of education has positive wider benefits for pupils and their families.

Securing livelihoods

Sustainable Mining Plan
Thriving Communities goal: Livelihoods

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

Our goal for 2020 of positively impacting livelihoods focused on developing site-specific strategies to meet our targets. These included inclusive procurement, enterprise and skills development, corporate social investment and developing local government capacity. In light of Covid-19, it was agreed to move the 2020 milestone to 2021.

The new agricultural strategy we introduced in Zimbabwe at the end of 2019 was driven by our goal of improving income for smallholder farmers and fostering socio-economic development in our host communities. In 2020, the first yield was harvested.

Overall, Covid-19 made it challenging for us to meet our Sustainable Mining Plan Livelihood goals, particularly the goal of supporting five jobs off site for every job on site. Adjusting to the new situation and being able to move quickly to digital training did enable us to make some progress. However, at site level, our strategy development for delivering against our Sustainable Mining Plan has been extended to 2021.

Improving community health

Sustainable Mining Plan
Thriving Communities goal: Health and well-being

2030: SDG 3 targets for health to be achieved in our host communities.

In 2020, we continued to expand our health focus beyond occupational health, to take into account broader health issues in the communities where we operate. By considering how health issues intersect with the other two pillars of the Thriving Communities goal – education and livelihoods – we are now taking a more holistic approach.

In 2019, we completed baseline studies for our Community Health goals, with the London School of Hygiene and Tropical Medicine (LSHTM). Results have been shared with all sites included in the study. Due to Covid-19, however, the Board approved extending the target until end of 2021.

The work we began with the LSHTM in 2019 has continued in 2020, strengthening our collaboration. We also worked with local research partners in South Africa, including Research and Training for Health and Development and the University of Pretoria, developing strategic partnerships that are informing our approach to community health.

Investing in social initiatives

In 2020, our corporate social investment (CSI) reached $125 million (2019: $114 million). This represents 2% of underlying earnings before interest and taxes (EBIT), less underlying EBIT of associates and joint ventures. Due to Covid-19, we increased our CSI investment and slightly readjusted our funding priorities, investing more in health.

For the duration of the pandemic, we expanded our programme of matching employee donations to select charities from just the UK to worldwide. Committing up to $1 million in total – up to £1,000 per employee – eligible donations were those made to pre-selected NGOs in our countries of operations that provided a response to Covid-19.

Global CSI expenditure by type[1]

	$'000	
Community development	42,000	34%
Health and welfare	35,100	28%
Education and training	23,300	19%
Disaster and energency relief	6,800	5%
Water and sanitation	6,700	5%
Other	6,700	5%
Institutional capacity development	2,800	2%
Sports, art, culture and heritage	1,100	1%
Environment	800	1%
Energy and climate change	90	0%
Total	**125,300**	

[1] Computational discrepancies may occur due to rounding.

Global CSI expenditure by country[1]

	$'000	
South Africa	54,500	44%
Chile	35,900	29%
Peru	9,100	7%
Brazil	6,200	5%
Botswana	6,000	5%
Namibia	3,900	3%
United Kingdom	3,500	3%
Australia	2,400	2%
Rest of World	2,200	2%
Zimbabwe	1,100	1%
Canada	500	0%
Total	**125,300**	

[1] Computational discrepancies may occur due to rounding.

More than 150 employees donated $686,887 with the Foundation matching $93,684 to 43 charities and other not-for-profit organisations in 16 countries. The employee contributions included our Board members and Group Management Committee making charitable donations of up to 30% of their salaries for three months.

Despite the challenges of working remotely, the application for our employee volunteering programme, Ambassadors for Good, increased by 13% from 2019. We also expanded the programme and rolled it out in our Singapore office. In total, 211 employees participated in the programme, implementing 82 projects across five countries. In 2020, around 30% of volunteering initiatives were focused on Covid-19-related issues, such as providing food parcels and vouchers to people in need.

Supporting supplier and enterprise development
We work with many small suppliers, helping them to meet our supplier standards in areas such as health and safety, environmental protection, and respecting human rights. For over 30 years, our capacity-building programme in South Africa, Anglo American Zimele, has helped to fund 4,270 small, medium and micro-sized enterprises and created more than 61,592 jobs. Where our small suppliers have been impacted by Covid-19, we deferred loan repayments or accelerated payment terms to help them manage their finances and the impact of the pandemic.

Our approach to inclusive procurement
Anglo American is committed to inclusive procurement and developing local supply chains that can support resilient communities. We aim to build these supply chains by supporting small-business growth in our host communities, stimulating job creation, building manufacturing capacity, and focusing on creating economic opportunities for previously excluded groups.

In 2020, our operations spent approximately $11.5 billion (2019: $11.6 billion) with suppliers. Of this, we spent a total of $10.0 billion (2019: $9.1 billion) with local suppliers – in-country suppliers that include marginalised groups – representing 23% of total supplier expenditure (2019: 24%). Our total spend with suppliers based in our host communities amounted to $0.7 billion (2019: $0.6 billion).

Local procurement

% of total addressable procurement expenditure by country

	$ million	
South Africa	3,100	31%
Australia/Asia	2,400	24%
Chile	1,300	13%
Peru	1,100	11%
Brazil	1,000	10%
Other Africa	600	6%
Europe	500	5%
North America	80	1%
Anglo American total	**10,000**	

[1] Computational discrepancies may occur due to rounding.

To improve accuracy in our reporting and ensure maximum positive impact on our host community and local suppliers, in 2019 we redefined how we measure our support for local and host community suppliers. According to the revised definition, local spend numbers indicate spend on suppliers based in the relevant country of operation, whereas host community spend numbers reflect expenditure with suppliers based in communities in the direct vicinity of our operations.

Our approach, with regards to host community spend, aligns with national and regional policies that are designed to increase opportunities for previously marginalised groups. These include the First Nation Impact and Benefit Agreements in Canada, the promotion of Aboriginal procurement in Australia, and broad-based black economic empowerment in South Africa.

Anglo American enterprise development programmes

Country	Name of the programme	Partners
Brazil	Crescer	Crescer, which means 'to grow' in Portuguese, is our enterprise development programme in Brazil. Working with TechnoServe, we are focused on supporting entrepreneurs in the areas around our Minas-Rio iron ore operation.
Chile	Emerge	In partnership with Fondo Esperanza and TechnoServe, we have supported more than 50,000 entrepreneurs and small to medium-sized businesses (SMEs).
Peru	Emerge	Building on Peru's sophisticated micro-credit sector, our enterprise development programme helps SMEs get access to capital. The scheme focuses on supporting businesses in the Moquegua region of southern Peru.
Botswana	Tokafala	In partnership with the Botswana government, De Beers and Debswana, we set up this programme to support up to 5,600 jobs and foster the growth of up to 1,000 SME businesses. The partnership aims to help Botswana leverage the power of the mining sector to diversify its economy.
South Africa	Zimele	Our flagship scheme, now administered by Absa Bank, empowers black entrepreneurs to start or grow businesses. We have now funded 1,885 businesses, which employ in excess of 38,000 people.
Zimbabwe	Takura	IFAD, Ministry of Lands, Agriculture & Rural Resettlement, TechnoServe, UK Trade Partnerships Programme (UKTP), ZIMTRADE

Next steps
The impact of Covid-19 is going to continue to be felt acutely in our communities, particularly when government programmes come to an end. Looking forward to long term recovery from the pandemic, in 2021 we will continue to provide sustainable support for those impacted through the Anglo American Foundation through other programmes including Zimele. Our support programmes will focus on our Thriving Communities pillars of education, health and well-being and livelihoods, as well as a range of other areas.

Owing to Covid-19, we were unable to complete our Thriving Communities milestone of putting strategies in place at every site in 2020. However, we will continue working towards this in 2021.

Collaborative Regional Development

We are committed to working with other businesses and organisations that support local economies. This includes, but is not restricted to, helping those businesses and organisations to strengthen the skills and capabilities needed to enable an area to diversify its economic activities beyond mining and become more resilient. Partnering with governments, communities, other private sector companies, academia, financial development institutions and NGOs through our Collaborative Regional Development (CRD) work, we jointly identify opportunities for long term social and economic development, which we then collectively deliver.

Our approach and policies

To achieve measurable social and economic change and contribute to establish regional economies that are both diversified and resilient, we recognise the need to undertake certain initiatives at a larger scale, beyond the immediate communities around our mines. No single policy, government department, organisation or programme can tackle and solve the increasingly complex social and economic problems faced by society. So, we need to collaborate with other stakeholders to develop and implement relevant initiatives – from planning, through co-design, to implementation. We believe that we have a role to proactively catalyse and facilitate such partnerships and actions. We call this approach to social and economic development Collaborative Regional Development or CRD. CRD sits at the heart of our approach to socio-economic development and is integral to our Sustainable Mining Plan.

The first step of CRD is the identification of socio-economic development opportunities in the region. Using spatial planning and analysis, and a high level, systemic approach, we identify the economic opportunities that have the greatest potential to contribute to the region's economic development. We also identify the area's most pressing social issues and how, collectively, we might contribute to resolving them. We then seek to catalyse the partnerships – with local businesses, government, community, entrepreneurs, academics and faith-based groups – that are required to realise these opportunities. Through these partnerships, we develop plans, co-fund and secure external funding to implement sustainable development models that turn these opportunities into reality.

Activities in 2020

South Africa

In 2020, we built on the CRD roll-out that we had launched in the Limpopo province, South Africa, in 2019. One of the projects launched in Limpopo by our cross-sectoral partnership, the Impact Catalyst, was a five-year community-orientated primary care (COPC) programme. This year, all our sites adopted the COPC initiative, which in light of Covid-19 has become evidently more beneficial. The anticipated benefits include: providing community health support for 3.6 million people; averting more than 5,500 deaths; saving 204,400 life-years; and saving the health service an estimated $41.6 million per annum. Our Impact Catalyst partner, mining company Exxaro, and others are exploring adopting the same approach in the areas closest to their operations.

We also provided information and communications technology coverage for schools in Limpopo, to support improved online teaching service for more than 72,000 learners. Finally, at the request of the national and provincial government, the Impact Catalyst partnership facilitated drafting of the Waterberg District and Limpopo Province Development Plans. This collaboration between government and the private sector is expected to result in coherent, integrated strategies that will benefit people across the region.

With the Impact Catalyst established as a development entity in Limpopo, we supported it in undertaking a similar spatial analysis of opportunities in the Northern Cape region.

South America

In 2019, we completed the spatial analysis of opportunities in the Moquegua region of Peru, in collaboration with a local research partner and closely aligned with the regional government. In 2020, we built on this by undertaking feasibility studies for two of the opportunities identified. The first study explored agricultural opportunities, with a focus on the production of olive oil and complementary products in the area. The second explores aquaculture opportunities in the region.

In addition, we conducted a diagnostic of local municipalities in Moquegua, led by the International Finance Corporation (IFC). Since Covid-19 prevented us from carrying out the diagnostic in person, we had to rethink the assessment methodology and conduct it virtually. Through our partnership with Forest Trends, a non-profit organisation focused on conservation, we identified priority areas for natural infrastructure interventions aimed at water restoration and erosion control. We are now providing support to promote and mobilise funds to improve natural infrastructure in the region, aiming at enhancing water quality and availability.

Over the same period, we embarked on a process to formalise our partnership with the IFC and the regional government. Our team is now reaching out to other potential private sector partners to join the collaboration.

We undertook a similar spatial analysis of opportunities in Brazil and Colombia, and our business unit teams are evaluating how most effectively to establish collaborative partnerships to support the development of these opportunities going forward.

United Kingdom

In 2020 we undertook the first CRD study in a developed country, at our Woodsmith project in north east England. We advanced the study to enable us to contribute to regional economic recovery after the pandemic. Working closely with regional partners, we identified local opportunities in low carbon technologies, cybersecurity, the food and agriculture sector, tourism, small business support and education.

Next steps

In the wake of Covid-19, the importance of cross-sectoral partnerships between government, the private sector, research and civil society organisations has become even more apparent. As partnership is the key innovative feature of CRD, we are committed to leveraging this programme for the benefit of our communities and others beyond Covid-19.

In 2021, we will take our CRD experience across the business, building on the learning and enhanced reputation we have achieved through our initiatives in Limpopo and South America. We have already commenced this in Botswana, the Northern Cape in South Africa, in Chile and the UK. We will also continue with even greater emphasis on the implementation of initiatives in the regions where we already have partnerships established.

Product stewardship

Going beyond fundamental compliance, we are dedicated to ensuring that our customers know that the materials they purchase are produced safely and responsibly. We call this 'product stewardship'.

Our approach and policies

Compliance

Our starting point in our product stewardship mission is to ensure regulatory compliance for products across our business. This includes implementation of the UN's Globally Harmonized System of Classification and Labelling of Chemicals, and the EU's Registration, Evaluation, Authorisation and Restriction of Chemicals, as well as variants emerging in other jurisdictions. We have also established new structures to ensure compliance in the UK, post-Brexit.

We make sure to stay informed of any new or upcoming regulations, and actively engage with market stakeholders to ensure ongoing compliance in other regions and in other parts of the value chain – including transport and shipping. Our membership of industry associations, such as the ICMM, Eurometaux, the Nickel Institute, and the International Copper Association, also helps us in this endeavour.

Internally, all our sites are also required to comply at a minimum with our Group Technical Standard on Hazardous Materials Management. This covers planning and design, systems implementation and management, and performance monitoring related to all aspects of hazardous materials used in mining and processing, and includes local legal compliance.

We also apply our Operational Risk Management approach to the review of product risks, taking steps to strengthen controls where necessary. This has enabled us to identify, for example, the need for broader awareness on hazard classification and labelling obligations, which will be addressed through targeted training modules in 2021.

"Beyond product risk and compliance, we are beginning to integrate learnings from our work in areas such as the circular economy, climate change and ethical value chains, to identify areas where we can leverage 'on-the-ground' sustainability performance in our value chains."

A holistic approach

We hear from many stakeholder groups that a key component of ensuring downstream expectations are met is ensuring that our sites are assessed against credible, third-party performance standards. The Ethical Value Chains commitment in our Sustainable Mining Plan means we are well positioned, particularly as a result of our work, to implement the Standard of the Initiative for Responsible Mining Assurance (IRMA) across Anglo American sites.

As customers increasingly seek assurances that our products are produced responsibly, we engage with all our business units, coordinating across our technical and marketing functions, to make relevant information available.

Activities in 2020

Controlling hazardous materials

In 2020, we began to roll out a new software platform for control of hazardous materials at all sites across the Group. Consistent with the goals of our new SHE Policy, this step will improve the implementation of our Group Technical Standards and monitoring of related critical controls.

Ethical value chains

We keep our finger on the pulse of customer trends and concerns through ongoing market engagement. This enables us to assess and meet evolving stakeholder demand, such as the growing expectations from customers and end-consumers that we employ the highest standards of ethical production.

Consequently, and in keeping with the Sustainable Mining Plan and our global stretch goals, we are excited to have begun our global roll-out of IRMA (the Initiative for Responsible Mining Assurance). This marks the culmination of a decade-long journey for Anglo American and many others. IRMA's Standard was developed through a public consultation process with more than 100 different individuals and organisations, including mining companies, customers and downstream users of mined products, NGOs, labour unions and communities.

Throughout that time, we have remained committed to implementation. In 2019, our Unki PGM mine was the first in the world to announce that it would undergo an independent assurance process against the IRMA Standard. In 2020, the assurance process was completed at Unki and resulted in an 'IRMA75' rating.

Adopting the IRMA Standard, in addition to our longstanding commitment to the Responsible Jewellery Council's Code of Practice for our De Beers sites, will help us achieve our Ethical Value Chains global stretch goal of ensuring that all operations undergo third-party assessments against recognised mine certification systems by 2025. While our schedule for rolling out the IRMA Standard has had to be adjusted given the travel limitations posed by Covid-19, we plan to complete a further seven IRMA audits in 2021.

We will continue to work with customers and other stakeholders to ensure that this commitment and action on the ground is recognised along the value chain – particularly as those downstream call for increased levels of due diligence on the materials they are sourcing.

We are supported in this by our close relationships with the London Metal Exchange (LME), London Platinum and Palladium Market (LPPM) and other bodies – including industry associations – that are respectively developing due diligence standards and tools. Our PGMs business unit in South Africa has been audited and certified against the LPPM Responsible Platinum/Palladium Sourcing Guidance. This step has served to strengthen due diligence in our PGMs value chain.

Next steps

In 2021, we will continue our review and evolution of compliance systems for product stewardship and hazardous materials management – including compliance with UK's post-Brexit chemicals regulations.

We will also roll out IRMA site assessments in line with the revised Sustainable Mining Plan Targets and continue to proactively engage with all stakeholders to promote broad recognition and uptake of the IRMA Standard.

Human rights

We are committed to upholding human rights across our operations. Having reinforced human rights due diligence in 2020, we ended the year with much achieved and a clear picture of where we can further improve.

Our approach and policies

Our Human Rights Policy and Framework
Our Group Human Rights Policy is aligned with the UN Guiding Principles on Business and Human Rights, and our commitment to the UN Global Compact Principles. Our Human Rights Framework underpins the Policy, describes how it links to our Standards, such as the Social Way, and outlines our main human rights risks.

We are also a signatory of the UN Voluntary Principles on Security and Human Rights.

Our Responsible Sourcing Standard for Suppliers
Our approach to human rights, and our expectations from suppliers, are also embedded in our Responsible Sourcing Standard for Suppliers. We updated this in 2020, in recognition of the potential for increased human rights risk and increasing vulnerability as a result of Covid-19. This update is a step forward in ensuring that our supply chain remains ethical and free of modern slavery, in a context that has been characterised by rapid change.

Our Modern Slavery Statement
We aim to be part of an ethical value chain that respects human rights and is free from slavery. In compliance with legislation, in Australia we are on track to meet the statutory modern slavery reporting requirement of the Modern Slavery Act 2018. We have also communicated with suppliers key principles to manage Covid-19-related risks within their supply chain.

Indigenous Peoples
With great respect for the close connection of Indigenous Peoples to the land, we remain committed to obtaining Free, Prior and Informed Consent (FPIC) for all new projects, in line with the 2013 ICMM Position Statement on Indigenous Peoples and Mining. This commitment is incorporated into the Social Way.

For instance, in certain mines in Canada where our operations affect Indigenous Peoples, we work to reach Impact and Benefit Agreements (IBAs) with the relevant groups, and – under those IBAs commit to award contracts to relevant First Nation-owned companies wherever appropriate.

At our Metallugical Coal operations in Australia, cultural heritage management agreements have been established with the traditional owners of the lands in which we operate. In 2020, we began an engagement process with traditional owners to inform the development of a revised Reconciliation Action Plan. This is a framework for Anglo American to support the national reconciliation movement and to contribute to achieving reconciliation internally and in the communities in which Anglo American operates.

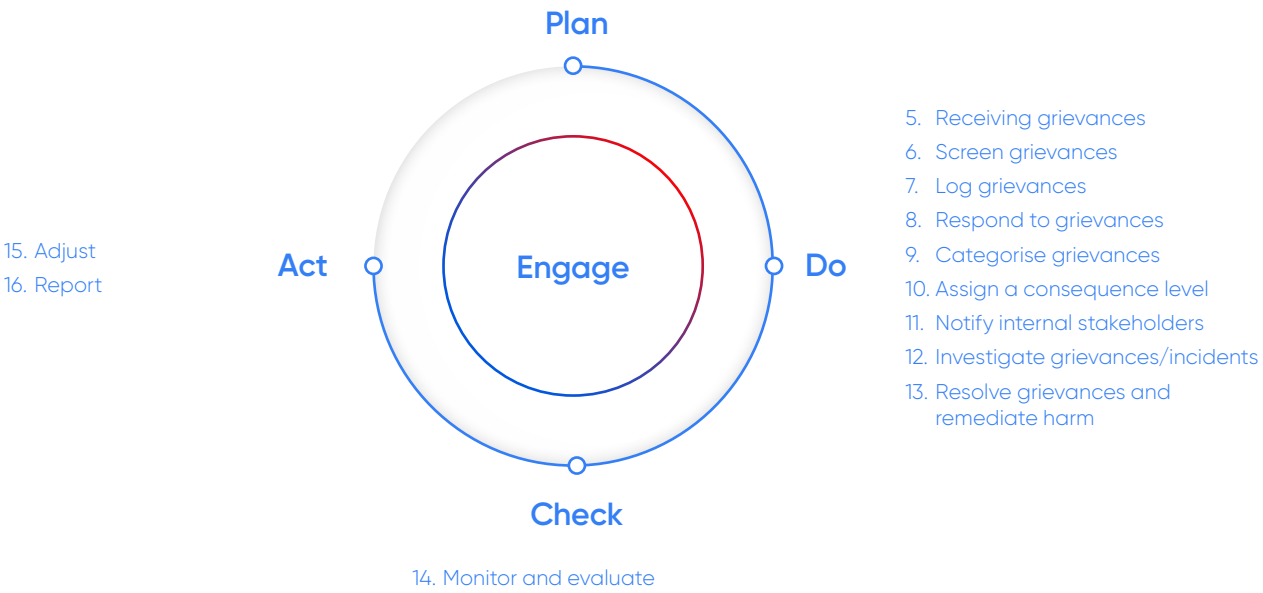
Our approach to incident and grievance management
Our approach to managing incidents and grievances that have social consequences is determined by the Social Way. The Social Way takes a human rights-based approach. Aligned with our Human Rights Policy and the United Nations Guiding Principles (UNGPs), respect for human rights is incorporated throughout the Social Way. For example, it underpins:

- **Our approach to engagement with affected stakeholders**, which is based on the principle of inclusion and diversity and must be open, meaningful, respectful and include vulnerable and disadvantaged groups.
- **Site-level grievance processes**, which must be legitimate, accessible, predictable, equitable, transparent and rights-compatible. These processes must also be based on engagement and dialogue, and enable remediation.
- **The methodology for identifying vulnerable groups** and ensuring specific controls are designed where a site has identified and may impact on vulnerable groups.
- **Processes for identifying, assessing, and addressing social and human rights impacts and risks**. All incidents and grievances with social consequences are rated using the Anglo American Social Consequence matrix and are investigated using the learning from incidents methodology, which requires sharing of lessons learned.
- **The social consequence matrix**, which rates incidents according to the scale of impact, the vulnerability of those impacted and how easy it is to restore those impacted to their prior situation or state. Dependent on scale, vulnerability and remediability, incidents are rated on scale between Level 1 and Level 5, with Level 1 incidents categorised as having minimal impact and Level 5 having major impacts and therefore the most serious. The social consequence matrix can be found on the Social Way 3.0 website under Section 3C.4.
- **The integration of the mitigation hierarchy approach** as part of assessing, seeking to avoid, minimising, mitigating and remediating potential negative impacts, as well as monitoring and evaluating the effectiveness of controls.

The Social Way follows the Plan, Do, Check, Act (PDCA) management process; and the PDCA as it relates to incident and grievance management can be found on our website.

For full details about how incidents and grievances are managed, please see Section 3B. Incident and Grievance Management in the Social Way.

The Plan, Do, Check, Act (PDCA) cycle as relevant to incident and grievance management



Activities in 2020

Progress against our 2023 human rights action plan
We continue to make progress against our five-year human rights action plan. We carried out our human rights due-diligence review (see below), although, owing to Covid-19, there has been some delay in being able to act on certain recommendations that would further advance our approach to meet best practice.

We have also continued aligning the Action Plan with internal processes, policies and standards, including our Supply Chain, Human Resources and Group Security. We revised our Code of Conduct employee training to cover the Voluntary Principles on Security and Human Rights, and modern slavery. We update leaders and employees on policy developments and human rights trends, enabling them to play a leadership role in supporting, respecting and advocating for human rights.

Taking a leadership role in our industry, where we have influence, we advocate for industry standards and training. We are driving discussions on human rights and modern slavery with industry bodies in South Africa and Australia. Through various cross-sector initiatives, such as the UN's Global Compact UK Working Group on Modern Slavery, we ensure that we add our voice to advancing human rights, while learning and sharing with our peers.

Human rights due diligence
In 2020, we carried out a review across our business and value chain of corporate policies and processes that collectively support human rights due diligence, aligned with the requirements of the UNGPs. The review covered the salient human rights themes of labour, social impact, security, SHE and supply chain, as well as key business relationships that arise from acquisitions and disposals, joint ventures, and marketing activities. It also included an assessment of the extent to which human rights risks are integrated into the Group Integrated Risk Management Policy and Operational Risk Standard, informing our approach to protecting and advocating for the rights of human rights defenders.

At a site level, the Social and Human Rights Impact and Risk Analysis (SHIRA) process required by our new social performance management system (Social Way 3.0) contributes to the ongoing identification, reporting and management of potential social and human rights impacts, aligned with UNGP requirements. The SHIRA process incorporates the principles and objectives of a human rights due diligence into its methodology and, when supplemented by Human Resources and Supply Chain processes relevant to protecting labour rights, will fulfil these obligations. Operations are required to update their SHIRA processes on at least an annual basis, and are assessed against policy requirements annually. Further details on the transition to Social Way 3.0 are included on pages 66 and 67.

Engagement with NGOs on human rights
Our strategy to strengthen links with NGOs working specifically in the field of human rights has continued, with progress made in southern Africa – including engagement with Human Rights Watch in South Africa – and South America. In light of Covid-19, we worked with civil society organisations such as the Gift of the Givers in South Africa to deliver much-needed support, including food parcels and health interventions, to our communities.

As we focus on recovery in the communities and geographies we operate in, we recognise that partnership between ourselves and NGOs will be crucial to delivering a positive contribution to our stakeholders. We therefore continue building new relationships with NGO stakeholders, both at a local and global level, around the world. We have also begun evaluating how we can embed more NGO inputs and considerations into our human rights processes.

Incidents and grievances in 2020

2% of grievances

reported in 2020 had a human rights element
(out of Level 3 to 5 grievances)

Most involved potentially vulnerable groups, and water provision. With regard to incidents involving sexual harassment, we are working with stakeholders to change behaviours and communicate and enforce a zero-tolerance approach. In incidents regarding water provision, we took all necessary steps to restore the main water supply as quickly as possible, making provision for an emergency supply in the meantime.

Gender-based violence
We believe that everyone has the right to dignity – in our homes, offices and everywhere in between. This is what we call 'living with dignity', and we have revised our sexual harassment policy and associated processes to reflect this.

In South Africa, approval has been received to establish a sexual harassment office where staff will offer a range of support, and may investigate cases before making recommendations regarding suitable sanctions.

Recognising that gender-based violence intersects with prominent health issues – which in South Africa includes HIV, tuberculosis and substance abuse – we carried out research into the matter with the London School of Hygiene and Tropical Medicine, with a focus on tackling it in a holistic, joined-up way.

In Covid-19 lockdown conditions, the risk of domestic abuse was heightened. As well as advising our Supply Chain of this, we took various proactive steps to support the elimination of gender-based violence in our communities. In South Africa, for example, we provided physical and mental health support for survivors as part of our WeCare Programme and community response plans; we employed clinical associates and community health workers, training them to identify and properly act on cases of gender-based violence in our host communities; we conducted radio interviews with our social performance personnel about domestic violence and possible courses of action for victims; and we produced and distributed pamphlets in a variety of languages setting out details of available support. In addition, we worked with the National Shelter Movement to provide much-needed assistance to shelters in our mining areas. (See case study on page 81.)

Protecting human rights defenders
A 'human rights defender' is any individual or group of people who act to promote or protect human rights, at risk to their own safety and human rights. Having signed the Public Statement on Supporting Civic Freedoms, Human Rights Defenders and the Rule of Law in 2019, in 2021 we will complete a new protocol for the protection of human rights defenders, following engagement with relevant NGOs and the completion of our human rights due-diligence process.

We continue to engage with organisations such as the Office of the United Nations High Commissioner for Human Rights and other multi-sectoral platforms, to add our voice to the protection of and advocating for human rights defenders, and to identify leading practices and learn from others how to improve our own approach and processes.

Responsible resettlement
As well as treating all new resettlement projects as capital investment projects, we consult extensively with the affected parties seeking to improve their quality of life and livelihoods post-resettlement. Strict monitoring and evaluation enable us to take relevant corrective measures to ensure we meet our standards.

At Mogalakwena mine, engagement is ongoing to facilitate the relocation of the households remaining resident at Motlhotlo village. A comprehensive monitoring and evaluation programme will commence in 2021 to track the post-resettlement living conditions of the affected households

In Brazil, the voluntary resettlement program was created by Anglo American and host communities, as a sub-programme of the Coexistence Program, included in the Environmental Control Program (PCA) of Minas-Rio environmental licensing. This programme aims to provide a voluntary relocation alternative for those families who live in communities close to Anglo American's mining operations, and do not wish to co-exist with the eventual impacts generated by its activities (even though environmental licensing has defined mitigation programmes for all impacts). In order to implement the voluntary resettlement program, an area called Tier 1 was delimited, which includes the communities of São Sebastião do Bonsucesso (Sapo), Turco, Cabeceira do Turco and Beco, all in the municipality of Conceição do Mato Dentro, in the state of Minas Gerais. In addition, a second territory was delimited, called Tier 2, which covers the communities of Água Quente and Passa Sete, both in the municipality of Conceição do Mato Dentro (downstream of the tailings dam). The programme today now includes 6 communities, with 309 families identified and mapped. By 2020, we conducted welcoming sessions for 238 families, signed 193 terms of consent, 149 negotiations and 121 contracts. Ninety-five areas were already vacated, of which 51 families were relocated and 44 had a cash-only negotiation, once no vulnerabilities had been indentified. Individualised assistance from the Livelihood Restoration Programme, including psycho-social follow-up, monthly receipt of basic food staples, follow-up on specialised technical assistance, in addition to training courses and guidance on financial education, are some highlighted benefits of this program.

Next steps
In 2021, we will focus on the areas identified by our human rights due-diligence process review, including strengthening it to further align with the UNGPs. We will also continue to tackle gender-based violence in our operations and surrounding communities as part of a connected approach to confronting broader health issues. Finally, we will continue making progress in the implementation of our five-year action plan and further embed human rights considerations in the processes of the business.

In South Africa, the Covid-19 epidemic and its accompanying lockdowns and other restrictions have led to a marked increase in violence against women in their own homes. Anglo American is supporting victims of domestic abuse in a variety of ways, from providing safe shelters and PPE, to counselling services, supporting early-childhood education, and conducting education workshops to inform women about their legal rights.

Taking action against gender-based violence

In 2020, we supported the work of the National Shelter Movement of South Africa, assisting women suffering from domestic violence, particularly those in the communities in which we operate.

The endemic discrimination and violence perpetuated against women in South Africa were exacerbated by the onset of Covid-19 and the accompanying lockdowns. Tackling gender-based violence is part of our commitment to upholding human rights – so we made our resources available to organisations that support survivors of abuse.

With the onset of Covid-19 and the severe lockdowns that followed, women and children in particular were put in a vulnerable position. Experiencing increased violence in the home with no means of escape, many vulnerable individuals were left stranded in circumstances that were already economically and socially strained. Organisations providing critical services were hit hard by the economic downturn, just as the need for those services increased.

In collaboration with the National Shelter Movement of South Africa, we provided much-needed funding to a number of organisations that provide support to victims of domestic violence. We focused our efforts on four shelters and 16 victim empowerment sites in the provinces of Mpumalanga, North West Province, Northern Cape and Limpopo. We also donated four houses owned by the company in Rustenburg and Polokwane to empowerment centres in Limpopo and the North West Province.

Our contributions facilitated critical support for female victims of gender-based violence in South Africa. In Mpumalanga, our funding was used by three shelters to procure PPE, provide food parcels to households headed by women, deliver 140 dignity packs to shelter clients, help 25 young children to resume learning at early childhood development centres, and run telephone counselling services and support groups.

In North West Province, our donation enabled a shelter to purchase PPE equipment, early childhood development equipment, welcome packs for clients and even laptops and tablets to ensure that psychosocial services could safely continue. We also helped cover the increased communication costs related to the virtual sessions, which were attended by 77 women.

In Northern Cape, our funds went to an organisation focused on victim empowerment, enabling them to conduct basic education workshops for 80 women, informing them about their rights under legislation related to gender-based violence.

In Limpopo, we continued our work in collaboration with the Department of Social Development, the South African Police Service, and the National Prosecuting Authority, training faith leaders and traditional healers in counselling women on gender-based violence. We also supported 18 local victim empowerment organisations to purchase PPE, thermometers, food parcels, bedding, cleaning materials and baby clothes. During the distribution of these goods, awareness activities were run to educate women about their rights.

Focusing on women suffering from domestic abuse in mining communities in South Africa has allowed us to contribute towards a crucial need. Plans are under way to expand our funding to improve infrastructure and build capacity at shelters in Limpopo over the next year. In addition, we are planning on building programmes that will educate local women on their rights and the services available to victims of abuse.

Our Greenside colliery in South Africa has an active programme to advance the participation of women in mining. Already, 60 women have successfully completed their internship in load and haul operations and are now qualified to operate a range of mobile and non-mobile equipment. Featured is Phillistars Thela, from the local community, who participated in a machine operator training programme.

Helping our people thrive

Material matters discussed in this section

– Organisational effectiveness
– The future of work
– Talent attraction and retention
– Learning and development
– Inclusion and diversity
– Employee relations and engagement

Helping our people thrive

We aim to attract the best people in the industry, putting them into the right roles to suit their talents and serve our business needs – now and into the future. Empowering our employees through professional and personal development opportunities, we give them the support they need to thrive. Living our Values, we aim to become an inclusive workplace where everyone – without exception – can bring their full selves to work. Engaging with our employees enables us to build relationships based on trust.

How this connects to other sustainability topics

Our work in helping our people thrive is directly linked to:

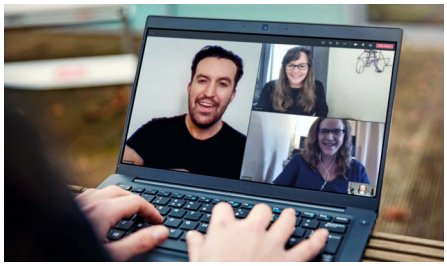
– Playing our role in society

– Adopting a zero mindset

Progress against our Sustainable Mining Plan

SMP element	Critical foundation	Read more
Critical foundations	Leadership and culture	Pages 84-91
	Inclusion and diversity	Page 89

Section highlights



As the Covid-19 pandemic started to take hold, we quickly put in place the IT infrastructure required for remote working.

Accelerated remote working and digital learning

The Covid-19 pandemic accelerated the need for new work models along with many aspects of our Future of Work programme, including remote working and digital learning.

See page 85

A haul-truck driver undergoes simulator training at our Quellaveco copper project in Peru.

Launch of our Technical Academy

Our Technical Academy will be instrumental in us achieving our ambitious vision to lead a learning revolution that ensures a prosperous future for our people, our business and our planet.

See page 87

De Beers is endeavouring to address the severe shortage of women in engineering roles in the mining industry.

Promoting female engineering talent at De Beers

Addressing the severe shortage of women in engineering, we have engaged with 800 female students through three programmes with leadership incubator, WomEng.

See page 90

Organisational effectiveness

The right people, in the right roles, doing the right work. These three aspects of our Organisation Model are fundamental to the creation of a high performing organisation; one led by individuals who are capable of responding to the complexity required by their role, and where effective dynamic work design, people systems, leadership and team processes are integrated and aligned to our ambitions.

Our approach and policies

Our Organisation Model
As a company, we firmly believe that how we deliver results is inextricably linked to the outcomes we deliver. Our Organisation Model ensures we have the right people in the right roles doing the right value-adding work at the right time, with clear accountabilities minimising work duplication and increasing organisation capability and effectiveness. Along with our Values and our Operating Model, the Organisation Model supports the delivery of positive outcomes through a set of structures, systems and processes. The model creates consistency in how we approach organisational issues, by providing a common language about organisations and management.

A key component of the Organisation Model is leadership and team effectiveness, which touches on all employees. Our structured process streamlines the way work is aligned to business outcomes, assigned and monitored, as well as how feedback is given to teams and individuals. This process, and our Team+ tool, promotes active collaboration and collective responsibility through delivering against shared targets and commitments. This approach directly affects approximately 11,000 senior employees.

Activities in 2020

In 2020, we focused on site-level management teams to provide them with clarity on their roles, ensuring that the right work is being done to optimise the value chain and establish efficient structures. (See case study on GM leadership on page 88.)

We achieved greater consistency across the Group by applying the same design principles when designing work, roles and structures and developed a blueprint to integrate the Operating and Organisation models. We also worked to embed Organisation Model principles into key human resource processes, including recruitment, talent and job architecture.

Electrical apprentice Jake Brown was named Moranbah North mine's 2019 Apprentice of the Year.

Next steps
Looking ahead, we will continue to apply our methodology to describe and clarify work, and respond to changing technologies through optimal work and organisation design. We will use data analytics to monitor key organisational design and productivity indicators, thereby providing a consistent approach for benchmarking across the Group, while continuing to ensure that we have effective and efficient people systems.

The future of work

Our world is undergoing accelerated change – from technological advancements and a step-change approach in sustainability revolutionising our industry, to shifting societal attitudes and expectations – together shaping a transition in the nature of work, and the workforce, that presents opportunities and challenges for us all.

For us, smart mining means re-imagining how we work at the mine and beyond- leveraging innovative and sustainable methods to drive safe, responsible production, high performing teams and sustainable value for all of our stakeholders, now and into the future.

Our approach and policies

Our Future of Work Programme
Our Future of Work programme embraces the evolution of this change and involves taking a long term approach to planning for the roles and skills that we will need in the future. This helps us anticipate major internal and external drivers of change in our workplace, including the nature of our work and how it is carried out. Every step on our journey is guided by our deep responsibility to society and our commitment to work with our employees and communities to create sustainable positive impact.

As the pace of change in our industry, and indeed the world, continues to increase, this organisational capability will help us be proactive, giving us a competitive advantage. Using this insight, we can ensure we have the appropriate people and strategies in place to deliver business expectations, today and into the future. Our objective is to provide our people with the tools they will need to step up to roles that have evolved, and completely new ones. For example, anticipating the need for greater technical literacy in our workforce as certain work becomes more digitalised, we are putting in place the necessary training and recruitment strategies.

We are providing our people with the IT tools they need to prosper in our increasingly digitalised world.

Activities in 2020

Accelerating Future of Work
The Covid-19 pandemic accelerated the need for new work models, along with many aspects of our Future of Work programme, including remote working and digital learning. We responded by bringing forward changes that we had planned for a three-to-five-year timeframe, making them happen over the course of months rather than years.

Prioritising the health and safety of our employees, we put in place the IT infrastructure required to quickly transition to remote/home working in a number of cases, as we reduced activities as needed to comply with regional and local legislation.

Where work could not be carried out from home, we provided our employees with appropriate PPE, and followed strict health guidelines to keep them safe. (See pages 19-21.)

Next steps
In 2021, we will further develop our integrated Future of Work programme. This will include building on our strategic workforce planning work drawing on insights from the accelerated transitions required in response to Covid-19, and the technical innovation roadmaps to which each business has committed. It will also include our workplaces and ways of working, as well as developing new and stronger relationships with societies. We will also ensure that our skills-mapping programme complements our early-talent programme and education initiatives (see pages 86-87) to prepare our future generations of employees.

We recognise we cannot do this on our own, so we are working in partnership with unions, governments, communities and educational institutions, amongst others, to help successfully navigate this transition. This engagement is at its early stages and will mature over the coming year.

Throughout this work programme, we are committed to the following:

Listening: We will listen. We recognise that we don't have all the solutions – and need to work with the right stakeholders to create them.

Collaborating: We will work in a collaborative manner, engaging across industries and sectors, and building partnerships to prepare for this transition.

Investing in the future: For our people, we will invest in developing the skills of the future, as well as supporting re-skilling and re-deployment.

Working transparently: We will be honest and transparent throughout any process we undertake and be clear about the progress we make along the journey.

Fulfilling our Purpose: We will always be led by our Purpose: *re-imagining mining to improve people's lives.*

Talent attraction and retention

Our goal is to identify people with talent, recruit them and then nurture and develop their capabilities throughout their career. This is crucial to meeting our business needs into the future. Tapping into innovative thinking and technology to enhance this process, we are creating a better candidate and employee experience.

Our approach and policies

Our Leadership Academy
Our Leadership Academy runs five programmes to develop our leaders' capabilities and prepare them for promotion. These are:

- Achievers – focused on leadership effectiveness and impact
- Accelerators – developing the skills needed to drive change and deliver our Purpose
- Connect – supporting the development of a leadership community through networking opportunities and exposing emerging leaders to the business challenges of the future
- Game-changers – encouraging responses to social, economic and environmental challenges that align with our Purpose
- Futureshapers – helping leaders grow value by executing our strategy, inspiring teams and being an enabler of change.

Our global mentoring programme
Launched in 2019, our global mentoring programme brings together people from different cultures, geographical regions, areas of expertise and levels of seniority, to share knowledge, experiences and perspectives.

375
participants in 2020 mentoring programme

215
mentees

160
mentors

Our graduate recruitment and development programme
Our graduate recruitment and development programme is a globally consistent approach to the way we recruit, develop and position graduates. The programme is informed by our Future of Work Programme and strategic workforce plans. It is supported by three pillars:

1. A differentiated university engagement strategy.
2. A candidate-centric recruitment process that attracts top quality graduate talent.
3. A graduate learning journey that supports future skills development and is built around our values, culture and technical and leadership expertise.

Our graduate programme is aligned to our broader strategic imperatives of inclusion and diversity. It links closely to our FutureSmart Mining™ and Sustainable Mining Plan, ensuring that we purposefully attract, develop and retain young talent.

Activities in 2020

Caring for candidates
In 2020, we focused on candidate care and ensuring a strong candidate experience. We created a candidate charter, committing to treating candidates with dignity and respect, and acting fairly. This sits alongside our Including You statement, which ensures that inclusion and diversity are woven into the recruitment process.

Digitalising recruitment and learning
In 2020, our digital approach to recruitment improved efficiency and effectiveness, while supporting a positive candidate experience. We introduced video job advertisements and video interviewing globally and game-based psychometric assessments and assessment centres.

Covid-19 also accelerated our use of technology for recruitment, particularly for early talent.

For training, most of our programmes take place in person, so initially many were postponed owing to Covid-19. However, by redesigning the programmes for virtual delivery, we were able to run several of them.

Promoting excellence
More than 400 leaders participated in our Leadership Academy programmes in 2020, fewer than expected as a result of Covid-19. We also created a graduate development framework connecting the Technical Academy, Leadership Academy, coaching and mentoring. It is scheduled for implementation with our 2021 cohort.

Next steps
One of the lessons from our response to the Covid-19 pandemic is the effectiveness of remote delivery of our programmes. We will continue to develop programmes incorporating face-to-face and virtual elements. This will make them more resilient and increase the number of participants.

349
graduates in different business units

Innovation in action: how marrying old technology with new thinking is helping us transform recruitment in South Africa

We are making it quicker and easier for people to apply for jobs at our operations in South Africa. Candidates can now respond to job advertisements through any basic cell phone, using our cell phone application (CPA).

The CPA works by sending a series of simple questions directly to the candidate's cell phone, enabling them to reply with their details, which go directly into our internal recruitment system. A digital candidate profile is then created, accounted for and reviewed by our teams, so that we can make hiring decisions more efficiently. Using the relevant job reference number, candidates can also check the status of a previous application.

Based on existing unstructured supplementary service data (USSD) technology commonly used for online banking and other applications, the CPA overcomes many challenges of traditional paper-based applications, requiring no printing or postage or travel for hand delivery. Because it works on non-smartphones, even in areas with minimal signal strength, there is no need for internet access.

Since the CPA was introduced in May 2020, by the end of the year we had received 61,200 applications, saving our recruitment team an estimated 20 minutes on average per application.

The CPA is being used for entry level and operational roles and, crucially, as we target individuals from disadvantaged backgrounds, it comes at absolutely no cost – in data or mobile phone charges – to the applicant.

Learning and development

In today's talent-driven business environment, learning and development are more important than ever. We are meeting these needs through a range of learning experiences that increasingly includes online, virtual and immersive learning, to renew and update the skills and behaviours of our people on an ongoing basis.

Our approach and policies

Our approach to learning

We believe that the optimal mix in learning reflects the 70-20-10 model for learning and development: our employees should obtain 70% of their learning from job-related experiences, 20% from interactions with others, and 10% from formal educational events (i.e. classes, courses, workshops). This forces us to rethink how we provide learning opportunities to our people, from a focus on individual learning activities to an ambition of making learning wrap around employees every time they perform a task.

Our Learn+ learning platform

Launched in 2019, Learn+ is our main learning platform. Through a single, user-friendly interface, it makes it easy for our employees and people in our communities to access our growing range of online learning resources.

Activities in 2020

Investing in learning and development

In 2020, Anglo American spent $62 million on training, a 31% decrease over the previous year, due to remote working restrictions and reduced use of face-to-face delivery methods.

In line with our expectation for growth, 13,000 users (32% more than in 2019) completed more than 90,000 programmes (130% more than in 2019). We saw an increased uptake in online learning, driven by more remote working caused by the Covid-19 pandemic.

We also saw a significant increase in content sharing between employees – more than 1,000 items of content were shared between them – reflecting a trend of moving towards more peer-to-peer learning.

Launching the Technical Academy

In 2020, we launched the Technical Academy, with an ambitious vision to lead a learning revolution that seeks to ensure a prosperous future for our people, our business and our planet. Drawing on expertise from across the business, the Technical Academy looks to transform our technical skills and capabilities using the latest approaches, from immersive technologies to scenario-based training, to create uniquely engaging learning content.

In partnership with our Elimination of Fatalities programme, the Technical Academy is developing a suite of seven highly interactive web-based training courses in support of our Group Technical Standards. Available in English, Spanish and Portuguese, the courses are being launched via Learn+ to more than 2,000 employees across our technical disciplines, over a four-month period which began in November 2020.

Drone operators Kenny Moloyi and Iwan Grobbelaar perform mapping and surveys at Kumba's Kolomela mine.

Other activities of the Technical Academy included partnering with technical experts to develop virtual instructor-led training and web-based training for contractor performance management, due to be rolled out in 2021; developing and rolling out a web-based training suite to support learning from incidents; developing and rolling out various training programmes with different discipline teams throughout our business; and establishing a broad network of partners, clients and customers.

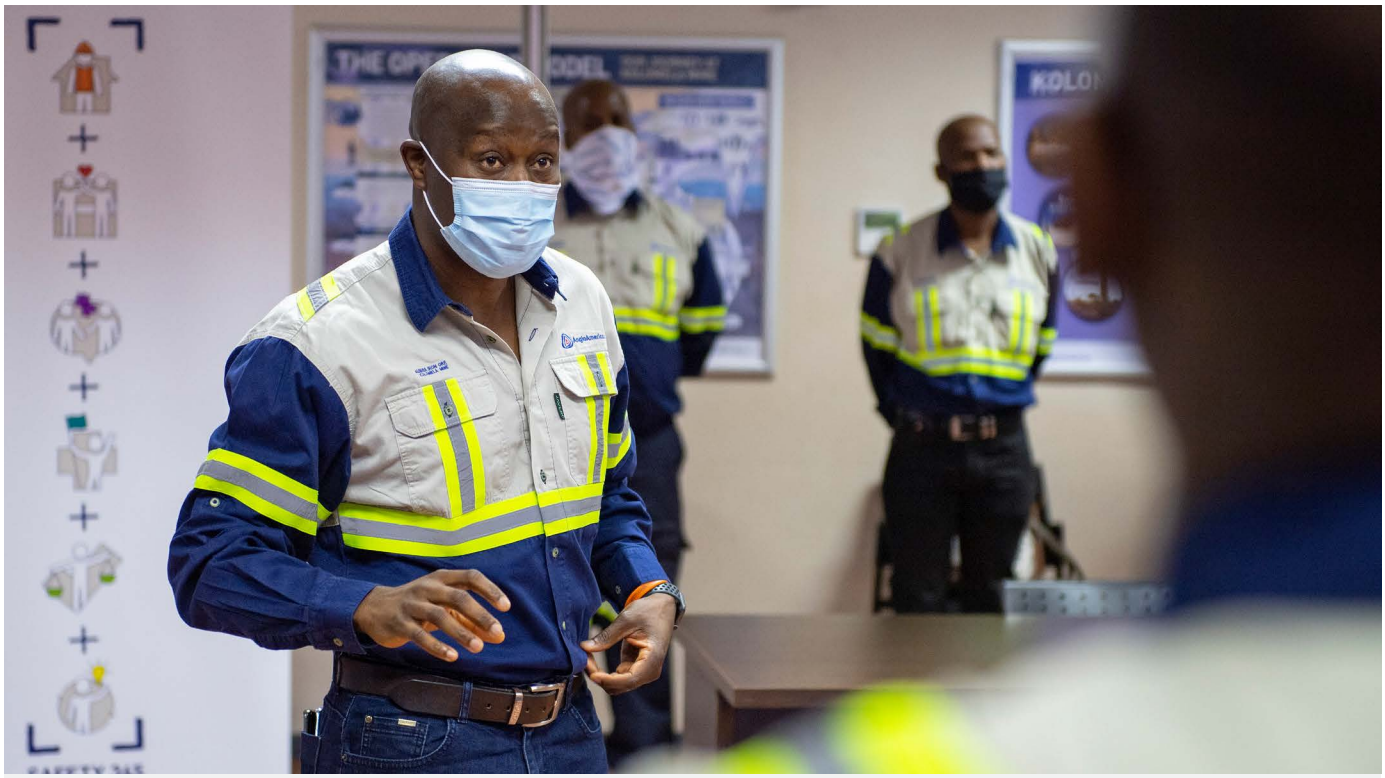
Next steps

In 2021, we will refine our learning solutions to make sure they are designed to cater to the different needs of our target population – no small task considering how diverse our workforce is. We will also expand our learning offerings beyond our employees, to contractors and partners.

We will explore knowledge-management approaches and support the shift from content curation to content creation, with a focus on giving our employees the knowledge they need, when they need it.

From March 2021, we will deploy targeted Technical Standards learning for around 40,000 frontline employees across our business to drive sustainable behavioural change.

Ultimately, the next five years will see learning transform from a programme of distinct training modules, to an experience fully integrated into work as we do it. This is an ambitious journey that will require continuous innovation.



Kolomela general manager Masala Mutangwa leads the mine's safety proceedings on Anglo American's Global Safety Day in October 2020. Owing to social-distancing requirements, the event was held online.

Operational Leadership Excellence

Our operational line leaders have a huge impact on the performance of our assets and the overall success of our business. In recognition of this, we have invested in a substantial programme to support the leadership excellence of our Operational General Managers (GMs) and their teams.

In the same way that the driving skills of a Formula 1 driver are central to the performance of a Formula 1 racing car – the leadership qualities of our operational GMs (and their teams) are central to the performance of our operating assets. They lead the vast majority of our employees, and are directly accountable for the delivery of safe production, during every shift, every day.

Our Operational GMs oversee the management of our operational risks – they are responsible for delivery of our Sustainable Mining Plan commitments at their asset, for embedding Group commitments, programmes and systems, and for implementing and delivering step-change performance improvements in alignment with the Group's transformation agenda. These important tasks place them at the heart of our success.

In mid-2019, we launched the Operational Leadership Excellence programme with our GM population. This has involved bringing our GMs together on a regular basis to formally recognise 'operational leadership' as a core competency for our business.

Since then, we have worked with our GMs through multiple modules. Specifically, this has included:

- Revising operational leadership role profiles to reflect the work and accountabilities of our operational leaders, including direct reference to the delivery of Sustainable Mining Plan commitments.
- Developing a single, agreed organisational design blueprint for operational work, in order to improve the consistency in which operational work is organised and conducted across our global assets.
- Holding a series of Development Centres for our GMs and future potential GMs, to rigorously assess current capabilities and provide for tailored development planning.

Our primary focus, however, has been to build a GM community of practice and through this to elevate the leadership excellence of all our GMs. To achieve this, we have worked in partnership with GAP International to embed their 'breakthrough performance methodology' with our GM cohort.

The feedback received from GMs so far has been overwhelmingly positive. Furthermore, our ongoing formal assessments have confirmed a step-change improvement in the collective affinity, ownership and interdependence of our operational leadership teams.

We plan to continue our operational leadership excellence work with our GMs in 2021 and see this as a critical part of our journey to realise a sustained zero harm business, and deliver on the critical operational performance improvements needed to realise our Purpose.

Inclusion and diversity

Our goal is to create an inclusive workplace where every colleague can bring their whole self to work. We still have much to do, and it will take time. But our actions to date demonstrate our commitment to these ideals.

Our approach and policies

At Anglo American, we aim for:

- Our leaders to demonstrably value the diversity and unique contribution of every employee.
- Our colleagues to feel able to bring their whole selves to work, regardless of gender, sexual orientation, age, race, ethnicity, religion, national origin or disability, including mental health.
- Our workplace to be supportive, fair, adaptable and involving for all.
- Our work environment to be safe, effective and enabling.

Our zero-tolerance approach

We are committed to eliminating all forms of bullying, harassment and victimisation across our organisation, through our global policy and Stand Up for Everyone campaign. We provide mandatory training for our colleagues to ensure they are aware of our zero-tolerance approach, are familiar with our reporting structures, and feel confident to act as inclusion and diversity advocates.

Our training is intersectional in focus and explores case studies across different diversity characteristics. We also provide inclusive leadership training to all senior leaders and managers, helping them to understand and role-model consciously inclusive behaviours, and facilitate a psychologically and physically safe environment for their teams.

Our Global Mental Health Framework

Our Global Mental Health Framework aims to help our people feel confident in bringing their whole self to work. (See page 30.)

Our colleague networks

Our colleague networks play a vital role in fostering a sense of belonging for employees. They host regular events on issues such as gender, LGBT+, age, disability, families and caring, race, ethnicity, nationality, culture and socio-economic background. All networks have an executive sponsor and an inclusion and diversity team representative, are provided with financial support, and are partnered with an external specialist organisation in their respective field. We have 15 networks, including YouThink and Enabling You (for colleagues living with, or caring for someone living with, a disability) in South Africa; the WoMine (women's) network in Brazil and Chile; and the Your Origins network (covering race, ethnicity, culture and religion), Real You (LGBT+ network), and Women@CHT in the UK.

Our measuring and reporting mechanisms

We evaluate all our inclusion and diversity initiatives to understand their impact. By implementing agile reporting mechanisms, we are able to capture progress quickly and in detail. For example, we provide quarterly reports to our Group Management Committee and Human Resource leads, outlining areas of improvement.

Similarly, our talent acquisition system enables us to identify applications, offers and acceptances by ethnicity and other diversity characteristics. This means we can understand patterns and target interventions around representation that will affect pay gaps.

Activities in 2020

Providing training and mentoring

In 2020, we continued our global roll-out of inclusive leadership training for all senior leaders and managers, expanding the programme to include inclusive team training. We updated our training toolkit, and continued to train all hiring managers with our inclusive recruitment training modules.

In the UK, our apprenticeship scheme supports young people from minority groups to earn a salary while they learn, as well as gaining a nationally recognised qualification. By the end of 2020, our number of UK apprentices had grown to 14.

We also scaled up the global mentoring programme piloted in 2019. In 2020, this programme brought together 375 participants from different cultures, geographical regions, areas of expertise and levels of seniority, to share knowledge, experiences and perspectives.

Creating an inclusive work environment

We continue to ensure that our working environments are accessible and inclusive for all colleagues. We have worked to ensure that our new London headquarters are fully accessible for people with disabilities, and have improved our prayer-room facilities. In Brazil, we set up on-site lactation facilities and reviewed our uniforms to ensure they are suitable for all genders.

Supporting our colleague networks

In 2020, our colleague networks led issue-specific panel discussions, on topics such as race workshops and speed networking. Our colleague networks continued to grow; we now have 15 worldwide. We also saw a rapid growth in network membership as a result of our evolving engagement strategy – our five UK-based networks now have over 600 members.

Diversity performance in 2020

We report on our gender pay gap in UK operations, in line with legislative requirements. As of 4 April 2020, our UK average (mean) gender pay gap for Anglo American Services Ltd (UK) was 47% and our median pay gap was 36%. This was primarily due to the high representation of men in the most senior management roles in our UK head office – an issue mirrored across our sector, and one that we are committed to addressing.

We continue to make progress against our gender representation goal of 33% female representation by 2023 at all management levels, in every business unit and Group function. In 2020, we began monitoring our talent pools by gender to ensure we are identifying talented women in our pipeline.

We have set a similar target for 33% of our Group Management Committee and those reporting to the committee to be women by 2023. The proportion of women at this level grew to 27% (2019: 24%). The percentage of female employees across our organisation has also grown from 21% in 2019 to 23% in 2020.

At year end, the proportion of our permanent employees aged under 30 was 10%, 70% aged between 30 and 50, and the remaining 20% over 50 years of age.

In South Africa, historically disadvantaged South Africans held 68% of our management positions.

Next steps

Our priority areas in 2021 will be to sustain the momentum towards our representation goals, supporting the mental health of our colleagues and integrating mental health into our employee lifecycle. In addition, we will be introducing new policies to enable our business to become more inclusive, removing any barriers for under-represented groups and driving our living with dignity outcome through our zero tolerance to bullying, harassment and victimisation and domestic violence.

De Beers is placing considerable emphasis on addressing the severe shortage of women in engineering roles in the mining industry. The company has joined forces with specialists to encourage young women to study Science, Technology, Engineering and Mathematics (STEM) subjects and pursue careers in engineering and related vocations.

Promoting female engineering talent at De Beers

Addressing the severe shortage of women in engineering, we have engaged with 800 female students through three programmes with leadership incubator, WomEng.

Engineering plays a vital role for developing societies, and is an intrinsic component of daily life, from energy, to water and sanitation, to food security. However, women are significantly under-represented in engineering fields, typically making up only 10–20% of the engineering work force. In 2020, we progressed our partnership with WomEng, supporting their efforts to shift the gender balance of this male-dominated sector.

To address the gender disparity and create a pipeline of female engineering talent, initiatives are required that attract and nurture girls and women, giving them access to the skills they need to succeed in this field. In 2019, De Beers joined forces with WomEng. This award-wining organisation runs a range of initiatives designed to encourage young women and students to study Science, Technology, Engineering, Manufacturing and Mathematics (STEM)-related subjects and pursue engineering careers.

In a three-year partnership, we are collaborating with WomEng on three of their programmes in South Africa, Botswana and Namibia:

- Local GirlEng #AskAnEngineer – Women in engineering deliver workshops and talks to high school students, creating awareness of STEM opportunities, encouraging them to think about what they want from the future, and providing practical pathways to access engineering and technical careers.
- Regional GirlEng Programme – Promising students who participated in the #AskAnEngineer sessions are invited to a high-impact innovation programme. Learning about critical thinking skills, problem solving, teamwork, and how to unpack complex challenges, they are exposed to the world of engineering and technology. They are also paired with trained mentors who support them as they apply to university, continuing the STEM path.
- WomEng Fellowship – Aimed at high-performing female engineering undergraduates and recent graduates, this programme combines an innovation and entrepreneurial challenge. It also provides students with employability and leadership skills to enable them to access STEM job opportunities or develop businesses.

To overcome the challenges of Covid-19, in 2020 De Beers and WomEng developed and trialled socially-distanced and virtual approaches. The Fellowship programme is being run through virtual live discussions, tutorials and mentor sessions. Digital content for GirlEng sessions is being created with the help of engineers from across the Group. This will enable smaller discussion events to be held at different times throughout the year, and pilots aimed at reaching a wider audience.

To date, we have reached 750 girls through the local and regional GirlEng programmes, and 50 university students through the Fellowship programme.

We are halfway through our partnership with WomEng, and look forward to attracting similar numbers of girls and women to these three courses as we continue to work with them.

Employee relations and engagement

We recognise that there are many different aspects to employee engagement, including our success in building a diverse and inclusive working environment, and the steps we take to engage employees directly.

Our approach and policies

Our Global Workforce Advisory Panel
Established in 2019, our Global Workforce Advisory Panel helps the Board to better understand the views of our workforce, in line with the recommendations of the UK Corporate Governance Code. The Panel is made up of employee representatives from each country where we have a significant presence, and is chaired by our senior independent director, Byron Grote.

Our Human Rights Policy
We have signed the United Nations Global Compact, and our Human Rights Policy commits us to the labour rights principles set out in the core conventions of the International Labour Organization. These include the right to freedom of association and collective bargaining, non-discrimination, and the eradication of child and forced labour.

Our approach to employee representation
We take a decentralised approach to working with trade unions, works councils and other representative bodies. This enables our business units to address specific issues and concerns affecting different areas of our business.

Our Responsible Sourcing Standard
We require all suppliers to comply with our Responsible Sourcing Standard. This stipulates that suppliers shall respect labour and human rights throughout their own value chain. It includes commitments to:

- Not use child labour.
- Combat all forms of modern slavery.
- Oppose unfair or inhumane treatment, such as bullying and harassment.
- Allow freedom of association.
- Maintain fair and legal terms of employment.
- Eliminate illegal and unfair discrimination.
- Promote an inclusive workplace.

Activities in 2020

Learning from our employee engagement survey
In 2020, we shared the results and Group-wide actions from the global employee engagement survey undertaken in 2019 with all colleagues and the Board. Almost 39,000 employees answered questions in the survey, which covered culture and values, safety, strategy and purpose, leadership, inclusion and diversity. The survey suggested an employee engagement score of 83%.

As a result of what we learned from the survey, the Group Management Committee agreed to initiatives, among others, for improving psychological safety among colleagues, empowering engaging leaders, and evolving the focus on our Purpose, Values and their underlying behaviours.

Engaging with employees
In 2020, we focused our employee engagement work on ensuring the health and safety of our employees through the WeCare programme (see page 20).

We have developed a Colleague Insight strategy. This outlines how we can bring together both 'hard' and 'soft' metrics to support us in making robust, data-driven decisions to improve the employee experience and create purpose-led, high-performance teams. This will help us take a collective approach to employee engagement, and ensure all data is timely, robust, actionable, aligned to our organisational goals, and compliant with relevant legislation.

Aligned with this strategy, we will continue to monitor employee engagement levels and to measure employee experiences throughout the employee lifecycle in 2021 and beyond.

Labour relations
In 2020, approximately 70% of our permanent workforce was represented by worker organisations and covered by collective bargaining agreements. In 2020, there were no recorded incidents of industrial action lasting more than one week at our managed operations.

There were no reported incidents of under-age or forced labour at our operations during 2020.

Employee retention
Our employee voluntary turnover rate for the year was 1.5%, compared to 2.3% in 2019. New hires represented 11% of our permanent employees in 2020, in line with the prior year.

Next steps
As an organisation, we are moving forward on our ability to use data to inform decisions, helping to improve business and colleague outcomes. These efforts will continue to evolve in 2021 and beyond.

Governance

Governance and management approach

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

The role of the Anglo American Board of directors is to promote and safeguard the long term success of the business, while considering the interests of its various stakeholders. The Board currently comprises the chairman, three executive directors and seven independent non-executive directors. The Integrated Annual Report includes a full description of our approach to corporate governance.

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

The Sustainability Committee holds accountability for overseeing how Anglo American manages its most material sustainability issues. The committee meets four times a year and its members are: Ian Ashby (chairman of the committee); Stuart Chambers (chairman of the Board); non-executive directors Marcelo Bastos and Nonkululeko Nyembezi (appointed on 6 May 2020); executive directors Mark Cutifani (chief executive); and Tony O'Neill (technical director). Dr Mphu Ramatlapeng and Jim Rutherford served as committee members until their retirements from the Board on 5 May 2020 and 31 December 2020, respectively. Business unit CEOs, the Group directors of corporate relations, and of people and organisation, the Group general counsel and company secretary, and the Group heads of safety and sustainable development also participate in meetings.

See terms of reference of Sustainability Committee
www.angloamerican.com/susco-tor

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

The Audit Committee has responsibility for monitoring the Group's whistleblowing programme, described in more detail on page 72.

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

- Total recordable case frequency rate (TRCFR).
- Environmental management.
- Elimination of Fatalities.

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

Topics covered in 2020 by the Sustainability Committee

- Elimination of Fatalities programme
- Delivery of the Group's Sustainable Mining Plan and approval of revised 2020 commitments in response to the Covid-19 pandemic
- Emergency response and preparedness
- Crisis management preparedness framework
- WeCare programme and the status of the wellness, living with dignity and community responses
- Impact of Covid-19 on inequality
- Human rights
- Sustainability performance at the Quellaveco project
- Social Way 3.0
- Shaft integrity risk management
- Tailings dam storage
- Safety, Health and Environment Policy review
- Climate change
- Cultural heritage and community risk management
- Operational risk management maturity
- Coal workers' pneumoconiosis and coal dust exposure
- Socio-economic development and Collaborative Regional Development
- Sustainability rating trends and developments
- Permitting strategy
- Mine closure liabilities
- Mineral residue facility liabilities
- Rehabilitation strategy
- The Committee's internal effectiveness review
- Review of the Committee's terms of reference

The performance conditions applicable to awards granted to executive directors and senior management in 2018, 2019 and 2020 under the Long Term Incentive Plan include metrics relating to:

- concurrent rehabilitation.
- employee well-being.
- water.
- the implementation of the Sustainable Mining Plan.
- GHG emissions.
- energy efficiency.
- the management of tailings storage facilities.

See governance section of the Integrated Annual Report
www.angloamerican.com/annual-report-2020

See remuneration report in the Integrated Annual Report
www.angloamerican.com/annual-report-2020

Executive structure

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

The GMC is supported by the corporate, operational, investment, innovation, and marketing risk committees. Given the wide nature of their impact, sustainability matters are included in all committees' considerations through the material they cover and the expertise of their members.

See governance section of the Integrated Annual Report
www.angloamerican.com/annual-report-2020

Organisational structure

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

The business is managed as four operating units:

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

Collectively, these business units manage more than 30 mining operations and 10 processing operations in Australia, Botswana, Brazil, Canada, Chile, Namibia, South Africa, the United Kingdom and Zimbabwe. De Beers also owns a range of commercial and industrial enterprises across various geographies. (See page 101 for a full list of managed and joint operations.)

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

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

Portfolio management

Our diversified portfolio provides us with a well-sequenced range of high-return growth options. During the year, we have continued to shape our portfolio around products that support a low carbon economy and consumer demand – from everyday essentials to luxury. We are still firmly on track to deliver first copper production from the new Quellaveco mine in Peru during 2022. Our addition of the Woodsmith crop nutrients project in the UK, as we progress towards exiting our remaining thermal coal operations in South Africa, exemplifies our approach towards upgrading the overall quality and long term resilience of the business.

Our commitment to the responsible production of premium quality metals and minerals tailored to customers' requirements is well aligned with the rapidly evolving needs of a consumer-driven world and its growing population. And the transition to a greener, decarbonised world is focusing efforts to deliver the full promise of renewable energy and zero emission transport – again supported by our suite of base and precious metals and our pioneering work to help realise the potential of hydrogen for transport and integrated clean energy systems.

Projects

Project execution at Quellaveco is on track, with all key milestones for 2020 achieved on schedule despite the impact of Covid-19-related disruptions. Woodsmith continues to progress well.

Longer term, the Group has a number of organic growth options under consideration.

See portfolio section of the Integrated Annual Report
www.angloamerican.com/annual-report-2020

Suppliers

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

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

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

Policies and standards

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

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

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

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

In 2020, we launched an updated SHE Policy, which outlines our three principles of zero mindset, no repeats, and simple non-negotiable standards, and provides the foundation of the SHE Way (see page 27). The updated SHE Way will be rolled out in the first quarter of 2021.

Also in 2020, we rolled out an ambitious update to the Social Way. (See pages 66-67.)

See our public-facing policies and standards
www.angloamerican.com/sustainability/approach-and-policies

Operating Model

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

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

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

In 2020, governments continued to increase regulation over the mining industry. In the aftermath of the blasting of Juukan Gorge in Australia by another company, we expect a tightening of regulatory requirements around permitting activities in or near archaeological, aboriginal and heritage sites, possibly at a global level.

While the pandemic slowed down permitting for several activities in South Africa, our proactive response in the latter part of 2020 means that permitting overall is back on track. In Quellaveco, all major permits needed at this stage have been acquired in a timely manner and we are on track, in spite of the Covid-19-related delays, to get the necessary approvals to commence operation in 2022. We also continue to evolve our Smart Permitting approach – an approach implementing multi-functional and innovative permitting practices – as we work through the implications of introducing new technology and progressing mine modernisation in South Africa and Chile.

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

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

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

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

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

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

To manage risk, we are also building a culture of appropriate risk management. We provide comprehensive training to all employees; in 2020, more than 340 senior operational managers and 4,000 supervisors participated in focused risk-management activities. Given the pandemic we incorporated online training into the portfolio. Risk management also plays a role in how we evaluate performance: We continue to include leading and lagging indicators related to risk management in employees' key performance indicators and all business unit scorecards.

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

In addition, the ABAS team works with colleagues across other functions to provide assurance about the controls associated with priority catastrophic and sustainability-related risks at operations. These operational risk audits are conducted on a rotational basis, with follow-up audits planned to verify that significant findings have been addressed. Priority is given to catastrophic risks. In 2020, we conducted 40 full-scope and six follow-up operational risk audits. The results are reported to the Board's Audit and Sustainability committees.

Regarding external assurance: 40 operations assure their compliance with ISO 14001 and OHSAS 18001 management system standards; and 6 have started their transition from OHSAS 18001 to ISO 45001.

In 2019, PGMs' Unki mine in Zimbabwe became the first to publicly commit to be independently audited against the Initiative for Responsible Mining Assurance's (IRMA) Standard for Responsible Mining. In 2020, the assurance process was completed at Unki and resulted in an 'IRMA75' rating. (See page 77 for a summary of the IRMA adoption process.)

The Anglo American policy framework

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

Assurance statement

Independent auditor's Assurance Report on the selected sustainability information in Anglo American Plc's Sustainability Report

Introduction

As a member of the International Council on Mining & Metals (ICMM), Anglo American is committed to obtaining assurance over specified assertions related to its Sustainability Report in accordance with the ICMM's Sustainable Development (SD) Framework: Assurance Procedure.

IBIS ESG Consulting Africa (Pty) Ltd (IBIS) was commissioned by Anglo American Limited (Anglo American) to conduct an independent third-party assurance engagement in relation to the sustainability information in its Sustainabilty Report (the Report) for the financial year that ended 31 December 2020.

IBIS is an independent licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from a multidisciplinary team of health, safety, social, environmental and assurance specialists with extensive experience in sustainability reporting. Petrus is a Lead Certified Sustainability Assurance Practitioner (LCSAP) with more than 25 years' experience in sustainability performance measurement involving both advisory and assurance work.

Assurance standard applied

This assurance engagement was performed in accordance with AccountAbility's AA1000AS v3 (2020) ("AA1000AS") and was conducted to meet the AA1000AS Type II Moderate and High level requirements respectively as indicated below.

Respective responsibilities and IBIS' independence

Anglo American is responsible for preparing its Sustainability Report and for the collection and presentation of sustainability information within the Report. IBIS' responsibility is to the management of Anglo American alone and in accordance with the terms of reference agreed with Anglo American.

IBIS applies a strict independence policy and confirms its impartiality to Anglo American in delivering the assurance engagement. This assurance engagement is the first assurance engagement conducted for Anglo American by IBIS.

Assurance objectives

The purpose of the assurance engagement was to provide the management of Anglo American and its stakeholders with an independent assurance opinion on whether the Report meets the following objectives as per the ICMM Sustainable Development Framework: Assurance Procedure.

- **ICMM SUBJECT MATTER 1:** Anglo American's alignment with the ICMM Sustainable Development Framework, including the enhanced 10 Mining Principles and associated mandatory requirements set out in the ICMM Position Statements. **(Moderate)**
- **ICMM SUBJECT MATTER 2:** Anglo American's material sustainable development risks and opportunities that form the basis of its review of the business and the views and expectations of its stakeholders. This involves Anglo American's approach to identify, prioritize and respond to its material SD risks and opportunities, assessed through Anglo American's application of the AA1000 Accountability Principles (2018). **(Moderate)**
- **ICMM SUBJECT MATTER 3:** The existence and status of Anglo American's implementation of systems and approaches used to manage its identified material SD risks and opportunities. **(Moderate)**
- **ICMM SUBJECT MATTER 4:** Anglo American's performance during the reporting period reflected by the following disclosures relating to Anglo American's material SD risks and opportunities.

High assurance

Disclosure	Unit of measurement
Total work-related fatal injuries	Number

Moderate assurance

Disclosure	Unit of measurement
Fatal injury frequency rate (FIFR)	Rate
Total recordable case frequency rate (TRCFR)	Rate
Total number of new cases of noise-induced hearing loss (NIHL)	Number
Total number of employees potentially exposed to inhalable hazards over the occupational exposure limit	Number
Total number of employees potentially exposed to carcinogens over the occupational exposure limit	Number
Total number of employees who know their HIV status (South African managed operations only)	Number
Total Scope 1 emissions	Mt CO_2e
Total Scope 2 emissions	Mt CO_2e
Total energy consumption	GJ (million)
Total number of Level 3, 4 and 5 environmental incidents reported	Number
Corporate Social Investment Spend	USD (million)
Land Rehabilitation – Reshaping; growth material construction completed; seeding completed; and backfill completed	hectares
Management's description of alignment with the relevant governance, processes and control activities in operation for the 2020 reporting year, to meet the ICMM Assurance Procedures	Qualitative

- **ICMM SUBJECT MATTER 5**: Anglo American's application of the GRI Standards in accordance "core" reporting requirements. **(Moderate)**

Assessment criteria

The following suitable assessment criteria were used in undertaking the work:

ICMM SUBJECT MATTER 1: ICMM's published 10 Sustainable Development Principles and Position Statements.

ICMM SUBJECT MATTER 2: AA1000AP (2018) adherence criteria for the Principles of Inclusivity, Materiality, Responsiveness and Impact as published.

ICMM SUBJECT MATTER 3: Anglo American's description of systems and approaches used to manage its material SD risks and opportunities and the implementation of these systems and approaches.

ICMM SUBJECT MATTER 4: Completeness, accuracy and validity of reported sustainability data as per the Anglo American operational Safety and Sustainable Development Indicator Definitions and Guidance Notes.

ICMM SUBJECT MATTER 5: GRI Standards and their Mining and Metals Sector Supplement (MMSS).

Assurance procedures performed

Our assurance methodology included:

- Telephonic interviews with relevant functional managers from head office and operations to understand and test the processes in place for adherence to the AA1000AP (2018) stakeholder engagement principles and disclosure of the selected disclosures in the assurance scope.
- Desktop reviews at corporate head office, as well as at 23 sample operations across the globe with representation accross all Business Units. This involved testing, on a sample basis, the measurement, collection, aggregation and reporting of selected sustainability information at each operation.
- Inspection and corroboration of supporting evidence to evaluate the data generation and reporting processes against the assurance criteria.
- Reporting the assurance observations to management as they arose to provide an opportunity for corrective action prior to completion of the assurance process.
- Assessing the presentation of information relevant to the scope of work in the Report to ensure consistency with the assurance observations.

Engagement limitations

IBIS planned and performed the work to obtain all the information and explanations believed necessary to provide a basis for the assurance conclusions for High and Moderate levels of assurance respectively in accordance with AA1000AS v3.

The procedures performed at a Moderate assurance level vary in nature from and are less extensive than for High assurance in relation to risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. As a result, the level of assurance obtained for a Moderate assurance engagement is lower than for High assurance as per AA1000AS v3.

Due to the global Covid-19 pandemic related travel restrictions and risks, all assurance work was desktop based. Evidence to support information reported for the sampled sites was obtained electronically for review and assessment as a basis for our assurance conclusion. Readers of the Report are cautioned to understand this inherent limitation.

Conversion factors used to derive emissions and energy used from fuel and electricity consumed, are based upon information and factors derived by independent third parties. The assurance work did not include an examination of the derivation of those factors and other third-party information.

Assurance conclusion

High assurance opinion

In our opinion, based on the work undertaken for High assurance as described, we conclude that the subject matters in the scope for High assurance have been prepared in accordance with the defined reporting criteria and are free from material misstatement.

Moderate assurance opinion

In our opinion, based on the work undertaken for Moderate assurance as described, we conclude that the subject matters in the scope for Moderate assurance are supported by the evidence obtained.

Key observations and recommendations

Based on the work set out above, and without affecting the assurance conclusions, the key observations and recommendations for improvement are as follows:

In relation to ICMM subject matter 1

Group level policies, management standards and procedures reviewed and published in the Sustainability Report demonstrate Anglo American's corporate commitment to the ICMM SD Principles and the related Position Statements.

In relation to ICMM subject matter 2

Inclusivity: Anglo American recognises a wide spectrum of stakeholders and has made a public commitment in the CEO statement towards being accountable to its stakeholders. Stakeholder inclusivity is integrated throughout the Anglo American sustainability programmes reviewed. One of the key pillars of the Sustainable Mining Plan is being a "Trusted Corporate Leader" which incorporates working with multiple stakeholders to deliver sustainable value to all stakeholders. Through the Anglo Social Way 3.0 requirements, each operation in the Group implements a Stakeholder Engagement Plan that includes materiality mapping, an engagement strategy, roles and responsibilities, milestones and targets.

Materiality: Anglo American follows an annual materiality process that identifies the issues that are material to its stakeholders and the business, based on their potential impact and Anglo American's ability to influence these. Materiality is considered at Board level and also intersects with the Group Risk Register and subsidiary level materiality.

Responsiveness: Anglo American's responses to stakeholder issues observed across different stakeholder groups and case studies observed indicate a high level of maturity and accountability to stakeholder issues raised through the materiality process, Social Way 3.0, investor days, accountability forums and the implementation of Stakeholder Engagement Plans at the subsidiary level. Grievance mechanisms are in place for the timely receiving, assessing, resolving and monitoring of grievances from those affected by Anglo American's activities. Responses to stakeholders were found to be directly related to the stakeholder concerns and were conducted in a timely, fair and appropriate manner without prejudice to any specific stakeholder group.

Impact: Anglo American implements a Sustainable Mining Plan that is comprised of ambitious sustainability goals and comprehensive progress measurement. The Group has also embarked on developing strategies and setting targets to achieve the SDGs, and in particular Goal 3 – Good health and well-being. A wide range of environmental and social impacts are presented both qualitatively and quantitatively in the Sustainability Report and the sustainability context of each is well explained. It is recommended that Anglo American maintains its ambitious Sustainable Mining Plan as a driver for positive sustainability impact and expands its target setting to additional SDGs within its sphere of influence and control.

In relation to ICMM subject matter 3

The processes observed to manage the Group's material risks and opportunities are well established through standards and programmes that are well articulated and applied throughout the Group.

In relation to ICMM subject matter 4

It was observed that appropriate measures are in place to provide reliable source-data related to the selected sustainability disclosures in the assurance scope. Anglo American has an established sustainability data management system in place, which assists with the collection and consolidation of sustainability information.

Data inconsistencies identified during the assurance process mostly related to manual capturing errors on Enablon that were subsequently corrected. IBIS recommends that additional checks are performed against the supporting evidence and Enablon to ensure that figures are correctly calculated, entered, and reported on Enablon. Where possible, the use of automated systems to eliminate manual processes should be considered.

A comprehensive management report detailing specific findings and recommendations for continued sustainability reporting improvement has been submitted to Anglo American management for consideration.

In relation to ICMM subject matter 5

A review of the Report against the GRI Standards confirmed that Anglo American effectively reports in accordance with the GRI Standards - "core" disclosure requirements as required by the ICMM.

Petrus Gildenhuys
Director, IBIS ESG Consulting Africa (Pty) Ltd
Johannesburg, 2 March 2021

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The assurance statement provides no assurance on the maintenance and integrity of sustainability information on the website, including controls used to maintain this. These matters are the responsibility of Anglo American.

Basis for the preparation of key sustainability data

Our data governance process, definitions, calculation methodologies and additional guidance notes are documented in the Anglo American Sustainability Indicators, Definitions and Governance business process standard, which is mandatory throughout the business. External verification was, for the purposes of reporting, carried out against this basis of preparation document.

Organisational boundaries and scope

Anglo American accounts for 100% of operations over which it holds management control. During 2018, we took the decision to exclude the De Beers non-managed joint operations of Debswana and Namdeb from our sustainability reporting. This is in line with industry best practice and aligns with the scope and boundary of sustainability reporting. A full list of those operations is available on page 101. Our proportional share of independently managed operations is not included in our sustainability reporting scope. Acquisitions and divestments are accounted for from date of acquisition/until date of sale.

Data sources

Anglo American hosts a single database for reporting key sustainability metrics, including those relating to energy, GHG emissions, water consumption, environmental incidents, occupational health, social performance and safety. Corporate social investment figures are captured in our financial reporting system and collated in a spreadsheet. Consistent reporting processes and indicator definitions have been implemented and applied for all indicators in the assurance scope.

This data is captured on a monthly basis by more than 50 reporting entities and subject to integrity reviews by corporate analysts each quarter. A selection of material indicators is reported internally on a monthly basis and to the executive and Board at each meeting.

It should be noted that while indicators in the assurance scope are reported with a high degree of accuracy, estimates are allowed in December for energy and water consumption data as they are dependent on invoices from utility providers.

Reporting period

Our reporting year runs from 1 January to 31 December 2020. Changes to historical data follow a formal change request process, which is signed off by relevant heads of functions and restated externally, if material.

Definitions

Scope 1 emissions

Scope 1 emissions include CO_2e emissions from fossil fuels, coal seam gas fugitive emissions, renewable fuels and operational processes. Process emissions include those associated with on-site and managed sewerage facilities, on-site water-treatment facilities, the use of carbonates in acid leaching processes at copper-processing facilities, fugitive emissions during the production of phosphates.

Scope 2 emissions

Scope 2 emissions include CO_2 from electricity purchased and reported in million tonnes of CO_2e.

Total energy use

Total energy use is calculated from electricity purchased, energy from fossil fuels and energy from renewable fuels, and reported in million GJ.

Total work-related fatal injuries

A fatality is an employee or contractor death resulting from a work-related injury. In addition to being work-related, the activity performed must be subject to management control. Anglo American records all work-related losses of life for the purposes of internal and external investigation, management action, legal process and compensation. However, while fatal injuries that result from criminal activity and public-road incidents are recorded for management purposes, these are not included in formal statistics and frequency-rate calculations.

Fatal injury frequency rate (FIFR)

The FIFR is the rate of fatality per million hours worked for both employees and contractors.

Total recordable case frequency rate (TRCFR)

The TRCFR is a rate per million hours worked of employee and contractor fatal injuries, lost-time injuries, and medical treatment cases. First-aid cases – minor work-related injuries which, in normal circumstances, are able to be treated successfully in accordance with recognised first-aid training – are not included in this calculation. Injuries are diagnosed by medical and safety professionals according to Anglo American criteria. These criteria are additional to local legal reporting and compensation requirements.

Inhalable hazards and carcinogens

Total number of employees assigned to homogeneous exposure groups in an "A" classification band, i.e. ≥OEL (without taking into account PPE) for inhalable hazards for the reporting period.

Inhalable hazards and carcinogens include the following:

- Coal dust (respirable particulate)
- Respirable crystalline silica
- Diesel particulate matter
- Nickel (water soluble compounds) copper dusts and mists
- Sulphuric acid mists
- Sulphur dioxides
- Arsenic
- Coal tar pitch volatiles
- Cobalt
- Dust (respirable and inhalable)
- Welding fumes
- VOCs.

Total number of employees (including long term contractors) exposed to one or more known causes of occupational cancer including, but not limited to, arsenic, coal tar pitch volatiles, cobalt, diesel particulate matter, nickel (soluble and insoluble) and solar radiation at levels ≥ OEL. For solar radiation: the number of workers working in open environments (without roof cover) for periods in excess of four hours per shift exposed to excessive sunlight.

Cases of noise-induced hearing loss (NIHL)

Number of employees diagnosed with NIHL during the reporting period. New cases are recorded when:

- The rules for diagnostic criteria for occupational disease in Anglo American have been met
- There is a pattern consistent with NIHL on the audiogram
- The average hearing loss at frequencies 0.5, 1, 2, 3 and 4 kHz for both ears is greater than 25 dBA
- There has been a 10 dB change in the average hearing loss since the pre-placement audiogram recorded on employment with Anglo American
- The employee has not previously been counted as NIHL.

Number of employees who know their HIV status

The total of all employees who are known to be HIV+ on the medical records (irrespective of year of testing or testing facility) – and who are still in employment at the end of the last reporting year.

Plus the total of all employees whose last test confirmed an HIV sero-negative status (based on a VCT result during a calendar year) – and who are still in employment at the end of the last reporting year.

Total amount spent on corporate social investment (CSI)

Categories for corporate social investment expenditure include charitable donations, community investment and commercial initiatives. CSI contributions can take the form of cash donations, contributions in kind and employees' working hours spent on charity and volunteering projects during work hours. Not included is expenditure that is necessary for the development of an operation (e.g. resettlement of families) or receiving a licence. Training expenditure for individuals who will be employed by the company following completion of training is not included. CSI is reported in US dollars and converted from the currency of the operations at the average foreign exchange rate applied by Anglo American for financial reporting purposes. Charitable donations include charitable and philanthropic gifts and contributions that tend to be ad hoc and one-off's.

Community investment includes the funding of community partnerships which address social issues, the costs of providing public facilities to community members who are not employees or dependants, the marginal value of land or other assets transferred to community ownership, and income creation schemes or mentoring/ volunteering initiatives that do not have a principally commercial justification. Commercial initiatives include enterprise development and other community initiatives/partnerships that can also directly support the success of the company (such as supplier development). There must, however be a clear and primary element of public benefit. We prohibit the making of donations for political purposes to any politician, political party or related organisation, an official of a political party or candidate for political office in any circumstances either directly or through third parties.

Environmental incident classification

We classify environmental incidents on a scale of 1 to 5 based upon increasing severity, in accordance with the Anglo American 5x5 risk matrix, which plots potential incidents against their likelihood of occurring and the severity of their consequence.

A Level 1 incident will have a minor impact on the environment, while at the other extreme, a Level 5 incident will have a major impact on the environment. Correct classification of incidents is important as it determines the level of response, investigation and reporting required.

From 1 January 2018, we implemented an updated classification process for environmental incidents. The updated approach maintains the Level 1-5 classification scale, while providing substantially greater guidance and rigour to the classification process. This change was flagged in our 2017 Sustainable Development Report and, as predicted, the tighter controls associated with the new process have resulted in a small increase in reported Level 3 environmental incidents in 2018 (five).

The following components are taken into consideration when rating the severity of environmental incidents:

Scale: How significant is the size/scale of the impact relative to the size/scale of the receiving environment?

Sensitivity: How sensitive is the receiving environment to the impact? How special or unique is the area that has been impacted?

Remediation and clean-up: How difficult is the impact to contain, remediate and/or clean up? How much time and/or resources are required to manage the incident?

The classification criteria for environmental incidents match the potential complexity of actual environmental incidents. They were developed by our global environmental leadership team, with input from practitioners and piloted in two sites, before being approved by the Sustainability Committee.

Reporting scope

As at 31 December 2020

Unless otherwise stated, data included in this report accounts for 100% of the businesses managed by Anglo American. Data for acquisitions is included from the date of acquisition, and divested businesses discontinue reporting from the date of disposal.

Businesses included in reporting scope

	Country
Platinum Group Metals	
Mining operations	
Amandelbult	South Africa
Mogalakwena	South Africa
Mototolo	South Africa
Unki	Zimbabwe
Twickenham project (care and maintenance – C&M)	South Africa
Processing operations	
Waterval smelter	South Africa
Mortimer smelter	South Africa
Polokwane smelter	South Africa
Rustenburg Base Metals Refinery	South Africa
Rustenburg Precious Metals Refinery	South Africa
Unki smelter	Zimbabwe
Other	
De Beers	
De Beers Jewellers	Global
De Beers Operations Canada	
Gahcho Kué	Canada
Snap Lake (C&M)	Canada
Victor (in closure process)	Canada
De Beers Operations South Africa	
Namaqualand (in closure process)	South Africa
Venetia	South Africa
Voorspoed (in closure process)	South Africa
Commercial and industrial	
Element Six	Global
Sales and Brands	Global
Copper	
Chagres smelter	Chile
El Soldado	Chile
Los Bronces	Chile
Quellaveco project	Peru
Nickel	
Codemin	Brazil
Barro Alto	Brazil
Kumba Iron Ore	
Kolomela	South Africa
Sishen	South Africa
Iron Ore Brazil	
Minas-Rio	Brazil
Metallurgical Coal	
Aquila	Australia
Capcoal Complex	Australia
Dawson	Australia
Grosvenor	Australia
Moranbah North	Australia
Peace River Coal (C&M)	Canada

Businesses included in reporting scope

	Country
Coal South Africa	
Goedehoop	South Africa
Greenside	South Africa
Isibonelo	South Africa
Khwezela	South Africa
Zibulo	South Africa
Crop Nutrients	
Woodsmith	United Kingdom
Other	
Vergelegen wine farm	South Africa
Corporate offices	Global
Discovery	Global

Joint ventures, associates, investments and other interests excluded from reporting scope

	Country
Platinum Group Metals	
Masa Chrome Company	South Africa
Modikwa Platinum Joint Operation	South Africa
Kroondal Pooling and Sharing Agreement	South Africa
Bokoni (C&M)	South Africa
Atlatsa Resources Corporation	South Africa
Wesizwe Platinum Limited	South Africa
De Beers	
Botswana	
Damtshaa	Botswana
Jwaneng	Botswana
Orapa	Botswana
Letlhakane	Botswana
Diamond Trading Company Botswana	Botswana
Namdeb	
Namdeb Diamond Corporation	Namibia
Debmarine Namibia	Namibia
Namibia Diamond Trading Corporation	Namibia
Copper	
Collahuasi	Chile
Iron Ore and Manganese	
Iron Ore Brazil – Ferroport	Brazil
Samancor	Australia and South Africa
Coal	
Jellinbah	Australia
Dalrymple Bay Coal Terminal Pty Ltd	Australia
Phola plant	South Africa
Mafube	South Africa
Richards Bay Coal Terminal	South Africa
Carbones del Cerrejón	Colombia

2020 data

The 2018 to 2020 data excludes the De Beers non-managed joint operations, Debswana and Namdeb. The data for prior years (2013-2017) includes these De Beers operations. An Excel file with detailed sustainability data is available at **www.angloamerican.com/sustainability/performance**

Safety

Anglo American total	2020	2019	2018	2017	2016	2015	2014	2013
Work-related loss of life	2	4	5	9	11	6	6	15
Lost-time injuries (LTIs)	277	325	343	429	548	802	609	918
Medical treatment cases (MTCs)	165	199	212	372	481	783	780	1,088
First aid cases (FAC)	1,370	1,424	1,562	1,500	1,604	2,234	2,387	2,423
Total recordable cases (fatal injuries + LTIs + MTCs)	444	528	560	810	1,040	1,591	1,395	2,021
Total injuries (recordable cases + FACs)	1,814	1,952	2,122	2,310	2,644	3,825	3,782	4,444
Total hours worked (thousand)	207,021	239,351	210,500	255,879	293,259	341,319	346,900	372,880
Fatal injury frequency rate	0.010	0.017	0.024	0.035	0.038	0.018	0.017	0.040
Total recordable case frequency rate	2.14	2.21	2.66	3.17	3.55	4.66	4.02	5.42
Lost-time injury frequency rate	1.34	1.36	1.63	1.68	1.87	2.35	1.76	2.46

Employees potentially exposed to hazards[1]	2020	2019	2018[5]	2017	2016	2015	2014	2013
Total number of workers	103,121	105,745	102,606	124,726	–	–	–	–
Inhalable hazards and carcinogens								
Total number of workers at risk of exposure to inhalable hazards and carcinogens[2]	–	–	72,097	72,695	–	–	–	–
Workers potentially exposed to inhalable hazards above the exposure limit[2]	1,994	2,151	2,249	2,514	–	–	–	–
Workers potentially exposed to carcinogens above the exposure limit[3]	828	664[3]	2,335	1,657	–	–	–	–
Noise								
Total number of workers at risk of exposure to noise[4]	46,309	40,781	42,581	75,761	–	–	–	–
Workers potentially exposed to noise above 85 dB(A)	33,253	29,671	29,089	35,070	–	–	–	–

New cases of occupational disease	2020	2019	2018	2017	2016	2015	2014	2013
Diseases related to inhalable hazard and carcinogen exposure	2	6	9	27	35	29	26	30
Diseases related to noise exposure	12	18	31	46	48	83	94	132
Diseases related to other health hazard exposure	16	15	61	23	28	47	55	47
Total	30	39	101	96	111	159	175	209

HIV/AIDS[6]	2020	2019	2018	2017	2016	2015	2014	2013
Number of employee voluntary testing and counselling cases	31,744	34,048	30,814	43,568	45,279	50,223	59,813	51,954
Number of contractor voluntary testing and counselling cases	37,184	43,107	40,670	32,433	38,376	39,643	48,421	40,814
Employees in southern Africa who know their status (%)	89	94	88	83	88	68	86	75
Known HIV+ employees on anti-retroviral therapy (ART) (%)	93	92	86	84	68	72	53	47
Number of new employee HIV cases	233	400	540	506	611	349	543	529
Number of employee AIDS deaths[6]	0	0	3	12	68	91	89	125
HIV incidence rate	0.89	1.31	2.20	1.16	1.35	0.69	0.91	1.02

Tuberculosis	2020	2019	2018	2017	2016	2015	2014	2013
New cases of tuberculosis (TB)	50	84	93	188	511	544	734	677
TB incidence rate per 100,000 employees[7]	138	230	242	361	669	790	1064	963
Proven TB deaths	1	3	5	4	28	52	63	59

(1) Exposure is above the Occupational Exposure Limit 'A' classification band (without taking personal protective equipment (PPE) into account).

(2) All workers, including long-term contractors, potentially exposed above the A, B, C, and D Occupational Expsoure Limit classification bands (without taking PPE into account). In 2019, we stopped reporting HEG C & D categories in inhalable hazards and carcinogens.

(3) Workers exposed to carcinogens was updated to include Mototolo Mine post year-end 2019.

(4) All workers, including long-term contractors, potentially exposed above, Occupational Exposure Limit classification bands (without taking PPE into account). In 2019 we stopped reporting all noise HEGs and the 2018 data for employees exposed to noise is restated to reflect the 2019 definition.

(5) The 2017 occupational hygiene data for inhalable hazards and carcinogens was restated upon examination of historical data sets.

(6) HIV/AIDS and TB data in 2015 and 2016 included De Beers operations in Botswana and Namibia for the first time. 2012-2014 data included Anglo American operations in South Africa and Zimbabwe only.

(7) TB incidence rate from 2018 onward is calculated using the annual average number of employees. Previously stated TB incidence rates were calculated using the number of employees at the end of the reporting year.

Environment

	2020	2019	2018	2017	2016	2015	2014	2013
GHG emissions (Mt CO_2e)[1]								
Scope 1	**9.95**	10.88	9.7	9.9	9.0	8.8	8.0	7.3
Scope 2	**6.13**	6.86	6.5	8.0	8.9	9.5	9.3	9.8
Total CO_2e	**16.08**	17.74	16.2	18.0	17.9	18.3	17.3	17.1
Energy consumption (million GJ)								
Energy from electricity	**35.96**	38.16	36.2	43.1	46.9	46.6	44.3	46.0
Energy from fossil fuels	**42.42**	46.32	45.6	52.5	56.0	56.8	61.1	57.5
Energy from renewable fuels	**2.16**	2.02	2.1	1.8	2.6	2.9	2.4	2.2
Total energy	**80.54**	86.51	83.9	97.4	105.5	106.3	107.7	105.7

Water[2]

	2020	2019	2018	2017	2016	2015	2014	2013
Water withdrawals by source (1,000 m^3)								
Surface water	**91,249**	n/a	n/a	n/a	n/a	96,062	69,679	71,900
Groundwater[3]	**50,716**	n/a	n/a	n/a	n/a	123,251	135,819	128,565
Seawater	**0**	n/a	n/a	n/a	n/a	31,695	31,207	28,818
Third-party potable water	**–**	n/a	n/a	n/a	n/a	–	19,627	24,672
Third-party non-potable water	**–**	n/a	n/a	n/a	n/a	–	19,566	22,118
Third-party water[4]	**67,514**					33,711		
Total withdrawals	**209,479**	n/a	n/a	n/a	n/a	284,720	275,898	276,072
Dewatering as a percentage of withdrawals[5]	**12%**	n/a	n/a	n/a	n/a	27%	23%	23%
Freshwater as a percentage of withdrawals[6]	**32%**	n/a	n/a	n/a	n/a	86%	82%	82%
Water discharges (1,000 m^3)								
Surface water	**11,776**	n/a	n/a	n/a	n/a	–	–	–
Groundwater	**7,722**	n/a	n/a	n/a	n/a	–	–	–
Seawater and estuaries	**8,646**	n/a	n/a	n/a	n/a	–	–	–
Third party	**38,285**	n/a	n/a	n/a	n/a	–	–	–
Land (hectares)								
Company-managed land[7]	**623,409**	650,205	666,815	1,565,438	1,567,624	1,652,959	1,684,186	466,613
Land altered by mining activities and supporting infrastructure	**94,965**	86,906	91,743[11]	110,824	109,411	130,352	114,921	84,214
Land rehabilitated[8]	**13,090**	15,079	14,225	19,265	20,662	20,322	20,418	16,827
Environmental incidents								
Level 3	**1**	1	5	2	4	6	14	30
Level 4	**0**	0	1	0	0	0	1	–
Level 5	**0**	0	0	0	0	0	0	–
Air emissions								
Total SO_2 emissions from diesel, marine, and intermediate fuel oil used and processes (1,000 tonnes)[9]	**13.1**	28.4	35.7	29.5	40.1	43.0	34.0	36.0
Total NO_2 emissions from diesel, marine, and intermediate fuel oil used and processes (1,000 tonnes)	**25.7**	29.6	28.7	27.3	35.3	41.9	43.5	40.4
Ozone depleting compounds (ODCs) vented/released to the atmosphere (tonnes)	**0**	0.0	0.1	0.1	2.8	3.5	3.5	5.7
ODCs remaining in use (tonnes)	**0.24**	0.2	1.0	1.1	1.4	2.9	1.3	1.5
Non-mineral waste[10]								
Hazardous waste to legal landfill (tonnes)	**18,864**	26,253	13,968	41,427	23,293	40,782	17,750	22,621
Hazardous waste to legal landfill (m^3)[11]	**480**	3,479	1,017	3,032	3,049	–	–	–
Non-hazardous waste to legal landfill (tonnes)	**38,412**	29,249	28,871	26,467	38,290	239,747	51,163	87,986
Non-hazardous waste to legal landfill (m^3)[11]	**5,116**	9,718	12,294[12]	82,108	73,643	–	–	–

(1) The 2018 energy and GHG emissions were restated.

(2) During 2020, we continued building water balances for all our sites and generated a water reporting data set (using the ICMM metrics) for all withdrawals, consumptions, discharges, and re-use/recycling. This has allowed us to, for the first time, evaluate efficiency and fresh water withdrawals in a consistent way across all our operations. We also reviewed and restated the 2015 baseline data used to set our milestone and targets, correcting discrepancies and standardising the metrics used for reporting withdrawals. From 2020, we will work with this validated data. By the end of 2020, all our sites had water balances in place for the purpose of water accounting and reporting. We continue to focus on installing critical monitoring instrumentation to improve the accuracy of these water balances and therefore the data we report. This is enabling us to more accurately assess our achievements to date and understand the challenges ahead. Given the breadth and reach of the improvements to our water definitions, in 2020 we have focused on restating the 2015 and 2020 data. In 2021, we will complete the restatement of the 2016-19 withdrawal data.

(3) Groundwater withdrawals includes dewatering, for example for slope stability in open cut operations.

(4) Third-party water is no longer split into potable and non-potable.

(5) Dewatered volumes are in most instances diverted to a third party (for example a community treatment facility) for beneficial use including municipal supply or agriculture.

(6) Freshwater includes all withdrawals from surface creeks, dams, rivers (including precipitation harvested), groundwater sources (including dewatering), and third party potable water.

(7) Land data for De Beers included between 2014 and 2017. 2018 and 2019 excludes De Beers non-managed joint ventures.

(8) Land rehabilitated includes land both fully rehabilitated and signed off by the regulator, and land rehabilitated but not yet signed off as meeting agreed land use objectives.

(9) SO_2 emissions in this table for current year exclude stack emissions from PGM processing plants in South Africa. This data is updated post publication of this report, as we cannot publish the SO_2 emissions before we inform the regulator.

(10) Hazardous waste and non-hazardous waste is either reported in mass (tonnes) or volume (m^3) as is appropriate to each operation. Volumes in mass were introduced for reporting at relevant operations in 2015.

(11) Reported specifically at De Beers' operations.

(12) Data was restated.

Biodiversity

Operation	Country	Company managed land (hectares)	Land disturbed	Adjacent to globally or nationally important biodiversity areas	Biodiversity management plan in place
Kumba Iron Ore					
Sishen mine	South Africa	36,144	13,871	No	Yes
Kolomela mine	South Africa	47,258	2,528	No	Yes
Minas-Rio					
Minas-Rio	Brazil	26,991	4,689	Yes	Yes
Met Coal					
Dawson	Australia	37,012	30,915	No	Yes
Capcoal complex	Australia	31,294	9,229	No	Yes
Moranbah	Australia	6,761	3,574	No	Yes
Grosvenor	Australia	7,890	667	No	Yes
Thermal Coal					
Kwezela	South Africa	17,251	5,316	No	Yes
Isibonelo	South Africa	3,791	1,876	Yes	Yes
Goedehoop	South Africa	10,145	130	No	Yes
Greenside	South Africa	3,452	2,223	No	Yes
Zibulo UG/Opencast	South Africa	3,797	1,200	No	Yes
PGMs					
Amandebult	South Africa	11,934	2,275	No	Yes
Mogalakwena	South Africa	15,430	4,158	Yes	Yes
Unki	Zimbabwe	8,500	799	No	Yes
Twickenham	South Africa	384	129	No	Yes
Mototolo	South Africa	565	430	No	Yes
Der Brochen	South Africa	7,218	177	Yes	Yes
Copper Chile					
Los Bronces	Chile	33,189	3,252	Yes	Yes
El Soldado	Chile	8,030	1,231	No	Yes
Copper Peru					
Quellaveco	Peru	46,419	1,241	No	Yes
Projects					
Sakatti	Finland	5	0	Yes	Yes
De Beers					
Orapa, Letlhakane, Damtshaa (JV)	Botswana	66,360	10,704	Yes	Yes
Jwaneng (JV)	Botswana	43,889	2,978	No	Yes
Namdeb (JV)	Namibia	693,377	18,966	Yes	Yes
Debmarine Namibia (JV)	Namibia	0	0	Yes	Yes
Venetia	South Africa	6,253	2,249	Yes	Yes
Voorspoed	South Africa	2,797	501	No	Yes
Gahcho Kué	Canada	2,400	781	No	Yes
Victor	Canada	6,686	1,246	No	Yes
Nickel					
Codemin	Brazil	28,494	416	No	Yes
Barro Alto	Brazil	6,652	1,365	No	Yes

Economic and Social Data

Production and throughput

	2020	2019	2018	2017	2016	2015	2014	2013
Diamonds ('000 cts)	25,100	30,800	35,300	33,454	27,339	28,692	32,605	31,159
PGMs (produced ounces) (koz)	3,800	4,400	5,200	5,000	4,100	4,400	3,300	4,100
Copper (kt)	647	638	668	579	577	709	748	775
Nickel (t)	43,500	42,600	42,300	43,800	44,500	30,300	37,200	34,400
Iron Ore – Kumba (Mt)	37.0	42.4	43.1	45.0	41.5	44.9	48.2	48.2
Iron Ore – Minas-Rio (Mt)	24.1	23.1	3.4	16.8	16.1	9.2	0.7	–
Export metallurgical coal (Mt)	16.8	22.9	21.8	21.3	30.4	33.5	33.2	31.2
Export thermal coal South Africa (Mt)	20.6	17.8	18.4[1]	60.5	64.4	61.3	67.0	56.6

Taxes paid directly to government by category and country ($m)[2][3]

	South Africa	Other Africa	Brazil	Chile	Peru	Other South America	Australia/ Asia	UK	North America	Other	Total
Profits	1,231	125	10	366	0	0	22	51	0	2	1,807
Royalties and environmental	338	47	85	75	0	0	133	2	4	0	684
Transactions	3	15	43	11	0	0	1	0	0	0	73
Labour	52	13	23	30	8	0	46	29	2	12	215
Capital gains	0	0	0	0	0	0	0	0	0	0	0
Other	2	2	2	7	1	0	19	29	0	1	63
Total borne[2]	1,626	202	163	490	9	0	221	110	6	16	2,843
Total collected[3]	367	75	52	129	21	0	108	172	21	30	976
Total	1,993	277	215	619	30	0	329	282	27	46	3,818

Human resources

	2020	2019	2018	2017	2016	2015	2014	2013
Full-time employees (annual average)	61,377	61,132	61,527	67,095	82,869	99,630	99,908	101,074
Employees below 30 years of age (%)	10	12	12	13	14	16	16	–
Employees between 30–50 years of age (%)	70	69	70	68	67	65	65	–
Employees more than 50 years of age (%)	20	19	18	19	18	19	19	–
Women in management (%)	–	–	28	26	24	23	23	23
Women in senior management (CE EoR) (%)	27	24	21					
Women in management (B5 and above) (%)	27	24	23					
Women as % of total workforce	23	21	20	19	18	18	18	–
Contractors (annual average)	36,423	38,031	29,603	31,018	32,559	41,451	51,320	57,818
Resignations (%)	1.5	2.3	2.4	2.3	2.2	1.9	2.0	2.0
Redundancies (%)	1.5	1.2	0.7	0.7	7.1	3.5	0.0	4.1
Dismissals (%)	1.0	1.2	1.2	1.4	1.8	1.4	1.0	1.5
Other reasons for leaving (%)	6.4	5.1	5.8	4.0	3.5	4.2	1.9	2.7
Historically disadvantaged South Africans in management (% of South African management)	68	65	65	66	62	60	60	64

Socio-economic

	2020	2019	2018	2017	2016	2015	2014	2013
CSI expenditure ($ million)	125	114	82	88	84	124	135	128
CSI expenditure (% of pre-tax profit)	2.3	1.8	1.6	1.7	3.0	6.0	2.8	2.2
Businesses supported through enterprise development initiatives	66,625	65,548	64,830	64,291	62,447	62,394	58,257	48,111
Jobs created/sustained through enterprise development initiatives	137,777	132,082	125,095	120,812	116,298	110,780	96,873	76,543
Total supplier expenditure ($ billion)	11.5	11.6	10.2	9.0	8.8	10.0	12.3	16.1
Procurement: local expenditure ($ billion)[4]	10.0	9.1	2.1	2.1	2	1.5	1.8	1.6
Procurement: local expenditure (% of total)	87	79	21	23	23	15	15	1.2
Procurement: Designated supplier spend (BEE in South Africa, Indigenous communities in Canada and Aboriginal Suppliers in Australia) ($ billion)	2.6	2.9	2.8	2.6	2.9	3.8	3.1	3.8

[1] Restated data in 2018.

[2] Taxes Borne include the current tax charge accrued in the income statement (corporate income tax, withholding tax and mining taxes), together with other royalties and mining taxes, employee taxes and social security contributions and other taxes, levies and duties directly incurred by the Group. It does not include taxes incurred by other parties (e.g. customers and employees) but collected and paid by the Group on their behalf. Taxes borne exclude the impact of certain associates and joint ventures.

[3] Taxes Collected include the amounts which are collected by the Group but incurred by other parties (e.g. customers or employees) in relation to income taxes, social security costs, VAT and other indirect taxes.

[4] The definition for local procurement was amended in 2020 to reflect in country procurement. The 2019 data was restated in line with this definition.

Commitments to external initiatives and memberships

GRI Standards

The Global Reporting Initiative (GRI) standards were the first, common sustainability standards for organisations to report their sustainability impacts in a consistent and credible way, while meeting the needs of multiple stakeholders. Our sustainability report is prepared in accordance with the GRI standards core-level option.

Our GRI table is found on pages 107-112 of this report.

ICMM Mining Principles

The International Council on Metals and Minerals (ICCM) brings together 27 mining and metals companies to strengthen environmental and social performance. Each member company must adhere to 10 mining principles, which cover environmental, social and governance requirements.

Our response to ICMM's 10 principles can be found here.

TCFD

The Task Force on Climate-related Financial Disclosures (TCFD) is a framework which enables companies to provide better information to investors across four key areas; climate change governance, risk, strategy and, metrics and targets.

Anglo American's response can be found on page 45 of this report and the Integrated Annual Report on page 257.

UN Global Compact

The UN Global Compact (UNGC) is a principles-based approach to sustainability, derived from UN declarations. Our Communication on Progress highlights our progress toward implementation of the principles and our support for the UNGC's development objectives.

UN Guiding Principles on Business and Human Rights

The UN Guiding Principles on Business and Human Rights (UNGPs) is a framework, which aims to show the progress an organisation is making regarding respecting human rights. Anglo American is committed to operating in a manner consistent with the guiding principles.

SDGs

We have developed our Sustainable Mining Plan through extensive internal and external engagement and analysis of critical opportunities and risks, including the UN Sustainable Development Goals (SDGs). By looking closely at practical issues we've found some real opportunities to make a difference that align closely to the UN's Sustainable Development Goals

EITI

We have been a signatory to the Extractive Industries Transparency Initiative (EITI) since its inception. This is built on the belief that to build trust and a sustainable licence to operate, we need to have open and inclusive conversations about the cost-benefits of mining. We remain committed to the multi-stakeholder group approach that lies at the heart of the EITI accountability process and aim to replicate this approach everywhere we operate including in countries which are not EITI signatories.

Voluntary Principles on Security and Human RIghts

The Voluntary Principles on Security and Human Rights are an internationally recognised set of principles that guide companies on how to conduct their security operations while ensuring respect for human rights.

IRMA

The Initiative for Responsible Mining Assurance (IRMA) offers third-party verification and certification against a comprehensive standard for all mined metals. Anglo American's commitment to IRMA is linked to our Sustainable Mining Plan commitment for all mines to undergo third-party audits against recognised responsible mine certification systems.

Industry associations

Industry associations play an important role for Anglo American around the world. Our memberships of, and partnerships with, industry associations allow us to share best practice and be well informed on relevant technical, political and social developments. They also offer a route for Anglo American's voice to be amplified alongside peer companies in policy and other debates. We expect the same standards of behaviour from the industry associations of which we are a member as we would from any other organisation with which we partner.

In 2020, we updated the 'Working with Institutional Stakeholders' element of the Business Integrity section of our Code of Conduct to make this clear. Similarly, we updated our Group Business Integrity Policy to clarify that it also applies to our dealings with industry associations. We publish details regarding all of our association memberships on our website.

In 2019, we committed to a biennial disclosure outlining an analysis of policy alignment, and how the governance process has been applied during the reporting period. One element of the governance process is designed to respond to potential misalignment between industry associations and Anglo American.

Its key elements include:

- Escalating issues of concern to the head of the relevant business unit and then, if necessary, to the Group head of international and government relations and ultimately to the Group Management Committee.
- Engaging with the industry association, seeking the necessary policy change.
- In the event of continued misalignment, we will consider all potential actions, up to and including suspension or termination of our membership.

GRI standards contents index

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (Core option) and the GRI Mining & Metals Sector Supplement. The content index shows our material topics and reporting against related disclosures and management approach. Where information is available, we have also included additional disclosures beyond our core material topics. To locate the topics and our responses, please refer to the reference column where we have provided the source of information and, in some instances, we have included a direct response within the index.

The data table is also available at www.angloamerican.com/sustainability/performance

GRI 101: Foundation

Indicator	Disclosure	Reference
1.1	Stakeholder inclusiveness	Integrated Annual Report (AR): 13-15 ; Sustainability Report (SR): 22
1.2	Sustainability context	SR: 12
1.3	Materiality	SR: 22-23
1.4	Completeness	SR: 01; 100-101. Boundaries are described in the relevant sections.
1.5	Accuracy	SR: 96-99
1.6	Balance	SR: throughout document
1.7	Clarity	SR: throughout document
1.8	Comparability	SR: throughout document
1.9	Reliability	SR: 96-99
1.10	Timeliness	Financial year end: 31 December 2020. Report release date: 8 March.

GRI 102: General disclosures

Indicator	Disclosure	Reference
102-1	Name of organisation	Anglo American
102-2	Activities, brands, products and services	SR: 02-03; 08-09
102-3	Location of headquarters	London, United Kingdom
102-4	Location of operations	SR: 02-03
102-5	Ownership and legal form	AR: 208-210
102-6	Markets served	AR: 22-26
102-7	Scale of the organisation	SR: 02-03; AR: 02-03
102-8	Information on employees and other workers	SR: 84-91
102-9	Supply chain	SR: 69-71
102-10	Significant changes to the organisation and its supply chain	AR: 206-207. There were no significant changes to the supply chain.
102-11	Precautionary Principle or approach	Anglo American supports the intent of the Precautionary Principle, but has not expressed a specific commitment in the public domain.
102-12	External initiatives	SR: 106. Memberships of external initiatives are discussed in each material topic (where relevant).
102-13	Membership of associations	SR: 106. Please also refer to the Group website.
102-14	Statement from senior decision maker	SR: 06-07
102-16	Values, principles, standards and norms of behaviour	SR: 08; 72
102-18	Governance structure	SR: 93-95; AR: 106
102-40	List of stakeholder groups	SR: 24-25; AR: 13-15
102-41	Collective bargaining agreements	SR: 91
102-42	Identifying and selecting stakeholders	SR: 22
102-43	Approach to stakeholder engagement	SR: 22-23, 64; AR: 13
102-44	Key topics and concerns raised	SR: 22-23
102-45	Entities included in the consolidated financial statements	AR: 210-212; 235-236
102-46	Defining report content and topic boundaries	SR: 01; 22-23
102-47	List of material topics	SR: 23
102-48	Restatement of information	SR: 102-105; AR: 59, 256

Indicator	Disclosure	Reference
102-49	Changes in reporting	None during the reporting year
102-50	Reporting period	1 January–31 December 2020
102-51	Date of most recent report	8 March 2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions about the report	SR: 114
102-54	Claims if reporting in accordance with the GRI Standards	SR: 01; 107
102-55	GRI content index	SR: 107-112
102-56	External assurance	SR: 96-99

Material topic – GRI 201: Economic performance

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 73-75; 99-100; AR: 01; 208-209
103-2	Management approach and components	SR: 73-75; 99-100; AR: 148
103-3	Evaluation of the management approach	SR: 73-75; 99-100; AR: 150-157
201-1	Direct economic value generated and distributed	SR: 73
201-2	Financial implications and other risks and opportunities due to climate change	SR: 38-45
201-3	Defined benefit plan obligations and other retirement plans	AR: 199-202
201-4	Financial assistance received from government	None received

Material topic – GRI 203: Indirect economic impacts

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 08-15
103-2	Management approach and components	SR: 66-78
103-3	Evaluation of the management approach	SR: 67
203-1	Infrastructure investments and services supported	SR: 73-75
203-2	Significant indirect economic impacts	SR: 73-75

Material topic – GRI 204: Procurement practices

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 69-71, 73-75. Local and responsible procurement is an effective way of delivering value from mining to local stakeholders and is one of the most commonly cited expectations of mining companies. The topic is relevant throughout the business and in developing countries in particular.
103-2	Management approach and components	SR: 69-71, 73-75
103-3	Evaluation of the management approach	SR: 69-71, 73-75. Total local procurement expenditure is measured on an annual basis to track progress against targets.
204-1	Proportion of spending on local suppliers	SR: 105

Material topic – GRI 205: Anti-corruption

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 72. Ethical business conduct is material throughout the Group.
103-2	Management approach and components	SR: 72
103-3	Evaluation of the management approach	SR: 72
205-1	Operations assessed for risks related to corruption	SR: 72. Anglo American's disclosure focuses on bribery risk, which is the most material aspect of corruption for the business.
205-2	Communication and training about anti-corruption policies and procedures	SR: 72

Material Topic – GRI 207: Tax

Indicator	Disclosure	Reference
207-1	Approach to tax	Forthcoming in the 2020 Tax and Economic Contribution Report
207-2	Tax governance, control, and risk management	Forthcoming in the 2020 Tax and Economic Contribution Report
207-3	Stakeholder engagement and management of concerns related to tax	Forthcoming in the 2020 Tax and Economic Contribution Report
207-4	Country-by-country reporting	To be included in the tax and economic contribution report appendix

Material topic — GRI 302: Energy

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 39-45
103-2	Management approach and components	SR: 39-45
103-3	Evaluation of the management approach	SR: 39-45
302-1	Energy consumption within the organisation	SR: 39-45
302-4	Reduction of energy consumption	SR: 39

Material topic — GRI 303: Water

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 54-57
103-2	Management approach and components	SR: 54-57
103-3	Evaluation of the management approach	SR: 54-57
303-1	Interactions with water as a shared resource	SR: 54-57
303-3	Water withdrawals	SR: 56; 103
303-4	Water discharges	SR: 56; 103

Material topic — GRI 304: Biodiversity

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 51-54
103-2	Management approach and components	SR: 51-54
103-3	Evaluation of the management approach	SR: 51-54
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR: 52; 104

Material topic — GRI 305: Emissions

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 37-45, 61
103-2	Management approach and components	SR: 37-45, 61
103-3	Evaluation of the management approach	SR: 37-45, 61
305-1	Direct (Scope 1) GHG emissions	SR: 44; 103
305-2	Energy indirect (Scope 2) GHG emissions	SR: 44; 103
305-3	Other indirect (Scope 3) GHG emissions	SR: 44
305-4	GHG emissions intensity	7.6 Mt of CO_2/tonnes of CuE
305-5	Reduction of GHG emissions	SR: 46
305-6	Emissions of ozone-depleting substances	SR: 103
305-7	Nitrogen oxides, sulphur oxides and other significant air emissions	SR: 103

Material topic — GRI 306: Effluents and waste

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 35; 52-57; 59
103-2	Management approach and components	SR: 35; 52-57; 59
103-3	Evaluation of the management approach	SR: 35; 52-57; 59
306-1	Water discharge by quality and destination	SR: 56
306-2	Waste by type and disposal method	SR: 103
306-3	Significant spills	SR: None in 2020.
306-5	Water bodies affected by water discharges and/or run-off	SR: 49

GRI 307: Environmental compliance

Indicator	Disclosure	Reference
307-1	Non-compliance with environmental laws and regulations	SR: 49

GRI 308: Supplier environmental assessment

Indicator	Disclosure	Reference
308-1	New suppliers that were screened using environmental criteria	SR: 69-71
308-2	Negative environmental impacts in the supply chain and actions taken	–

Material topic – GRI 401: Employment

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 84-91
103-2	Management approach and components	SR: 84-91
103-3	Evaluation of the management approach	SR: 84-91
401-1	New employee hires and employee turnover	SR: 105
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	–
401-3	Parental leave	–

Material topic – GRI 403: Occupational health and safety

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 26-32
103-2	Management approach and components	SR: 26-32
103-3	Evaluation of the management approach	SR: 26-32
403-1	Occupational health and safety management system	SR: 27
403-2	Hazard identification, risk assessment and incident investigation	SR: 27-28; 30
403-3	Occupational health services	SR: 19-21; 30
403-5	Worker training on occupational health and safety	SR: 28; 30-31
403-6	Promotion of worker health	SR: 30-31
403-9	Work-related injuries	SR: 26; 102 Absenteeism rate for 2020 was 3.5% (excluding work-related injuries, which are recorded separately).
403-10	Work-related ill health	SR: 102

Material topic – GRI 404: Training and education

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 82-91
103-2	Management approach and components	SR: 82-91
103-3	Evaluation of the management approach	SR: 82-91
404-1	Average hours of training per year per employee	Anglo American measures training in monetary terms, as well as the number of individuals in structured programmes. See SR: 87
404-2	Programmes for upgrading employee skills and transition assistance programmes	SR: 87
404-3	Percentage of employees receiving regular performance and career development reviews	SR: 84. 17% of employees had a formal performance review on Team+

Material topic — GRI 405: Diversity and equal opportunity

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 91-92; AR: 111
103-2	Management approach and components	SR: 91-92; AR: 111
103-3	Evaluation of the management approach	SR: 89; AR: 48
405-1	Diversity of governance bodies and employees	SR: 93; AR: 104-107
405-2	Ratio of basic salary and remuneration of women to men	SR: 89; AR: 48

GRI 407: Freedom of association and collective bargaining

Indicator	Disclosure	Reference
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No operation is considered at risk regarding freedom of association and collective bargaining. The number of high-risk suppliers is not disclosed, but the risk is managed via the Anglo American Responsible Sourcing Standard. SR: 69

GRI 408: Child labour

Indicator	Disclosure	Reference
408-1	Operations and suppliers at significant risk for incidents of child labour	No operation is considered to be at significant risk for incidents of child labour. The number of high-risk suppliers is not disclosed, but the risk is managed via the Anglo American Responsible Sourcing Standard. SR: 69. No instances of child labour were reported in 2020.

GRI 409: Forced or compulsory labour

Indicator	Disclosure	Reference
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	No operation is considered to be at significant risk for incidents of forced or compulsory labour. The number of high-risk suppliers is not disclosed, but the risk is managed via the Anglo American Responsible Sourcing Standard. SR: 69

GRI 410: Security practices

Indicator	Disclosure	Reference
410-1	Security personnel trained in human rights policies or procedures	SR: 7,145 employees and contractors were trained in the Voluntary Principles on Security and Human Rights.

GRI 411: Rights of Indigenous Peoples

Indicator	Disclosure	Reference
411-1	Incidents of violations involving rights of Indigenous Peoples	SR: 78

Material topic — GRI 412: Human rights assessment

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 78-81. Human rights impact assessment is relevant throughout the business.
103-2	Management approach and components	SR: 78-81
103-3	Evaluation of the management approach	SR: 78-81
412-1	Operations that have been subject to human rights reviews or impact assessments	SR: 78
412-2	Employee training on human rights policies or procedures	SR: 78

Material topic — GRI 413: Local communities

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 66-67
103-2	Management approach and components	SR: 66-67
103-3	Evaluation of the management approach	SR: 66-67
413-1	Operations with local community engagement, impact assessments and development programmes	SR: 66-67

GRI 414: Supplier social assessment

Indicator	Disclosure	Reference
414-1	New suppliers that were screened using social criteria	SR: 69-71
414-2	Negative social impacts in the supply chain and actions taken	SR: 69-71

Material topic — GRI 415: Public policy

Indicator	Disclosure	Reference
103-1	Explanation and reporting boundary	SR: 65-66
103-2	Management approach and components	SR: 65-66
103-3	Evaluation of the management approach	SR: 65-66
415-1	Political contributions	SR: 69. No political donations were made in accordance with Anglo American's Code of Conduct.

GRI 416: Customer health and safety

Indicator	Disclosure	Reference
416-1	Assessment of the health and safety impacts of product and service categories	SR: 77

Omissions

Indicator	Disclosure	Reference
GRI 202	Market presence	GRI 202-1 and 202-2 are not currently reported. Plans are in place to report on the proportion of senior management hired from the local community.
GRI 402	Labour/management relations	Labour relations are critical to Anglo American and are discussed on page 91 of the Sustainability Report. However, GRI 402-1 cannot be reported on meaningfully given the diverse nature of the business.
GRI 406	Non-discrimination	Details associated with potential incidents of discrimination are confidential. However, gender-based discrimination is a priority area for our efforts to protect human rights. SR: 80
GRI 417	Marketing and labelling	Not applicable to the mining industry.
GRI 418	Customer privacy	Not applicable to the mining industry.

ICMM and global compact principles

International Council on Mining and Metals

As a member of the International Council on Mining and Metals (ICMM), Anglo American adheres to the 10 ICMM Principles, which serve as a best-practice framework for sustainable development in the mining and metals industry. We also adhere to ICMM Position Statements on various issues that are critical to the mining industry.

Anglo American complies with the ICMM Sustainable Development Framework, Principles, Position Statements and reporting requirements

Our compliance with the ICMM's requirements is addressed throughout this report and a comprehensive account of our approach is available on **www.angloamerican.com/ICMM-assurance-procedure-2020**. This account includes the following elements of the ICMM Assurance Procedure:

- The alignment of our sustainability policies against the 10 Principles and mandatory requirements of the Position Statements
- Our process for identifying specific sustainable development risks and opportunities
- The existence and implementation of systems and approaches for managing sustainable development risk and opportunities
- Our performance across a selection of identified material sustainable development risks and opportunities
- Our disclosure in accordance with the GRI standards core option and related Mining and Metals Supplement.

10 Principles

- Principle 1: Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development
- Principle 2: Integrate sustainable development in corporate strategy and decision-making processes
- Principle 3: Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities
- Principle 4: Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks
- Principle 5: Pursue continual improvement in health and safety performance with the ultimate goal of zero harm
- Principle 6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change
- Principle 7: Contribute to the conservation of biodiversity and integrated approaches to land-use planning
- Principle 8: Facilitate and support the knowledge base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals
- Principle 9: Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities
- Principle 10: Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.

Position statements

- Water stewardship
- Tailings governance
- Indigenous Peoples and mining
- Principles for climate change policy design
- Mining partnerships for development
- Transparency of mineral revenues
- Mining and protected areas
- Mercury risk management.

United Nations Global Compact

Anglo American is a signatory to the United Nations (UN) Global Compact Principles, through which we commit to:

- Supporting and respecting the protection of internationally proclaimed human rights
- Ensuring that we are not complicit in human rights abuses
- Upholding the freedom of association and the effective recognition of the right to collective bargaining
- Eliminating all forms of forced and compulsory labour
- Ensuring the effective abolition of child labour
- Eliminating discrimination in respect of employment and occupation
- Supporting a precautionary approach to environmental challenges
- Undertaking initiatives to promote greater environmental responsibility
- Encouraging the development and diffusion of environmentally friendly technologies
- Work against corruption in all its forms, including extortion and bribery.

Our approach to complying with the UN Global Compact Principles is integrated throughout this report.

Contacts and other information

Comments or queries related to this report

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Other Anglo American reports

Integrated Annual Report

Tax and Economic Contribution Report

Climate Change: Our plans, policies and progress

UK Modern Slavery Act statement

Voluntary Principles on Security and Human Rights

UK Gender Pay Gap Report

Transformation Performance Report

Ore Reserves and Mineral Resources Report

Business units

Building Forever at www.debeersgroup.com

Anglo American Platinum Integrated and ESG Report

Copper Sustainable Development and Financial Report

Kumba Iron Ore Integrated Report and Sustainable Development Review

For the latest reports, visit:
www.angloamerican.com/reporting

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Such forward-looking statements are based on numerous assumptions regarding Anglo American's present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, safety, health or environmental incidents, the effects of global pandemics and outbreaks of infectious diseases, the outcome of litigation or regulatory proceedings, the availability of mining and processing equipment, the ability to produce and transport products profitably, the availability of transport infrastructure, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by 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.

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