

# Sustainable resource development: Critical for a 1.5°C world

Bank of America 2022 Global Metals & Mining  
conference

17 May 2022

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## Alternative Performance Measures

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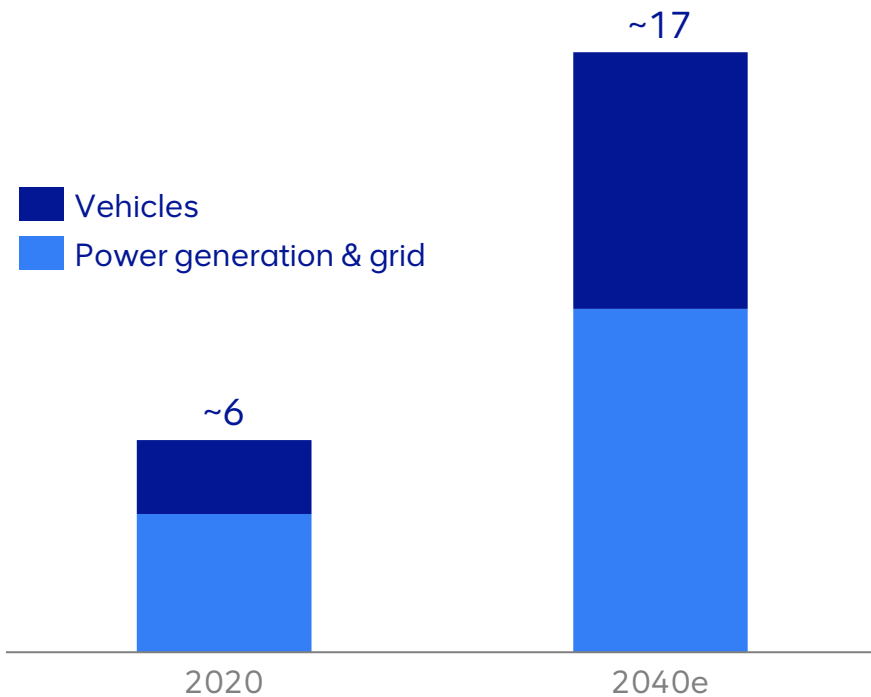
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# Global themes drive demand for our products



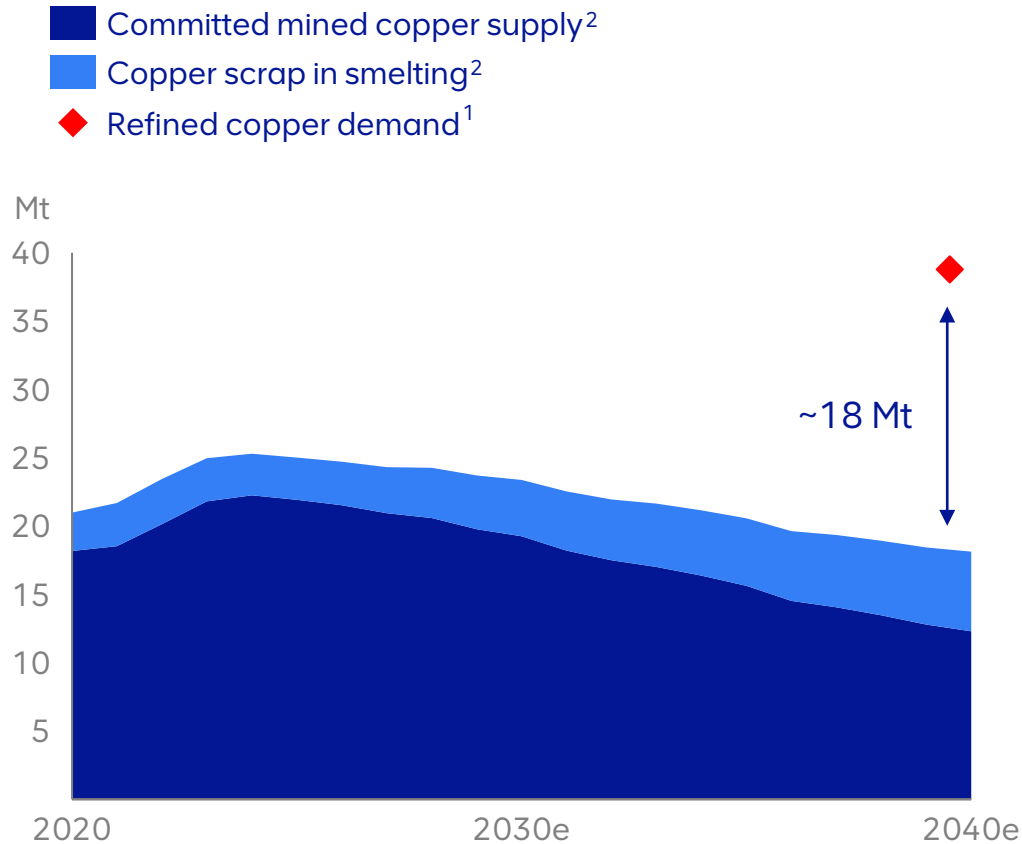
# A carbon neutral world requires metals and minerals

Copper demand (Mt) for the energy transition  
from key sectors in a 1.5°C scenario<sup>1</sup>



~60 new copper  
mines the size of  
Quellaveco needed  
by 2040

# Supply is constrained in a depleting industry



>10 years to bring  
on new mines

Depleting resource base

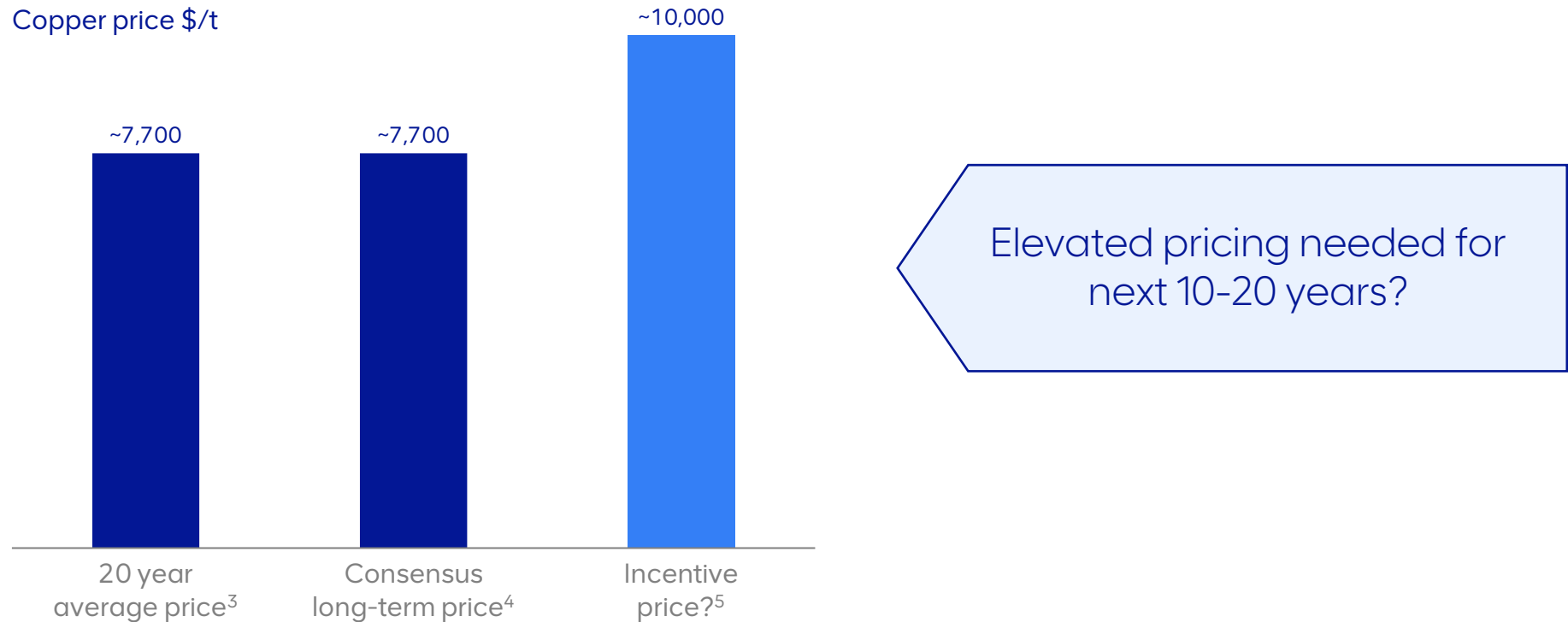
Grade decline

Smaller, deeper deposits

Complex permitting & sustainability focus

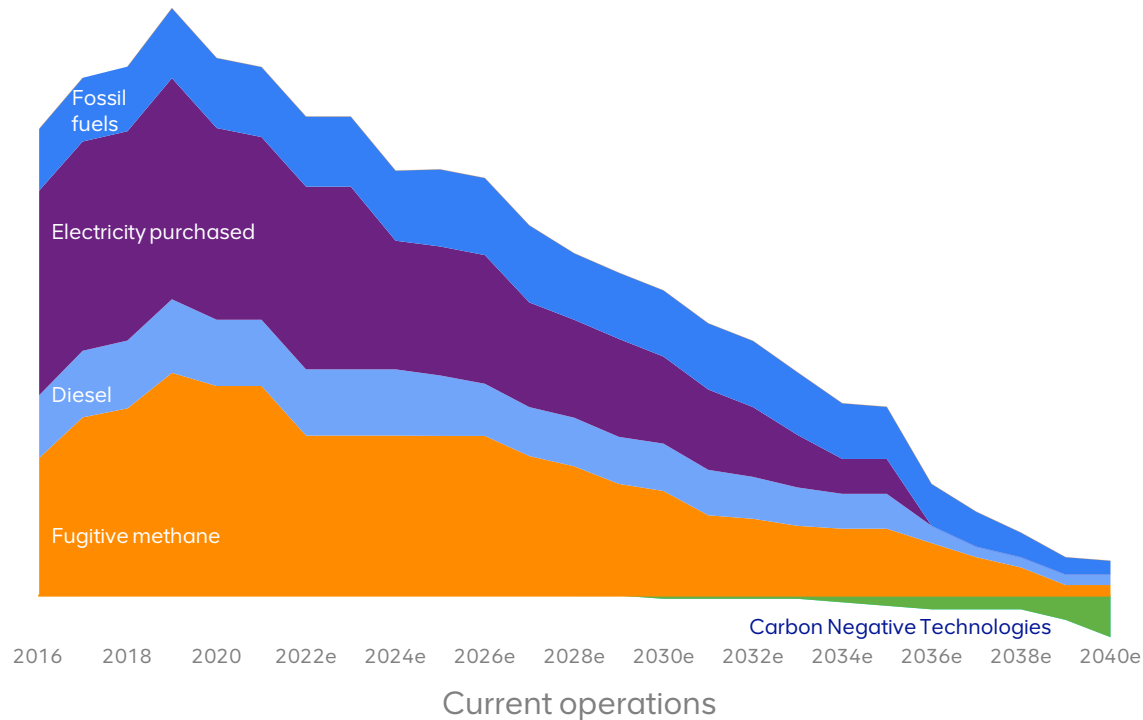
Investment requires tax & fiscal stability

# Do today's elevated prices need to persist to deliver a 1.5°C world?



# Metals & minerals must be sustainably produced

Our pathway to 2040 scopes 1 & 2 carbon neutrality<sup>6</sup>



2040 scope 3 ambition<sup>7</sup>

↓ 50%

~80% reduction if steel industry achieves a 1.5°C pathway

2030 freshwater abstraction target<sup>8</sup>

↓ 50%



# Technology will deliver improvements in safety, efficiency and sustainability

Hydrogen truck



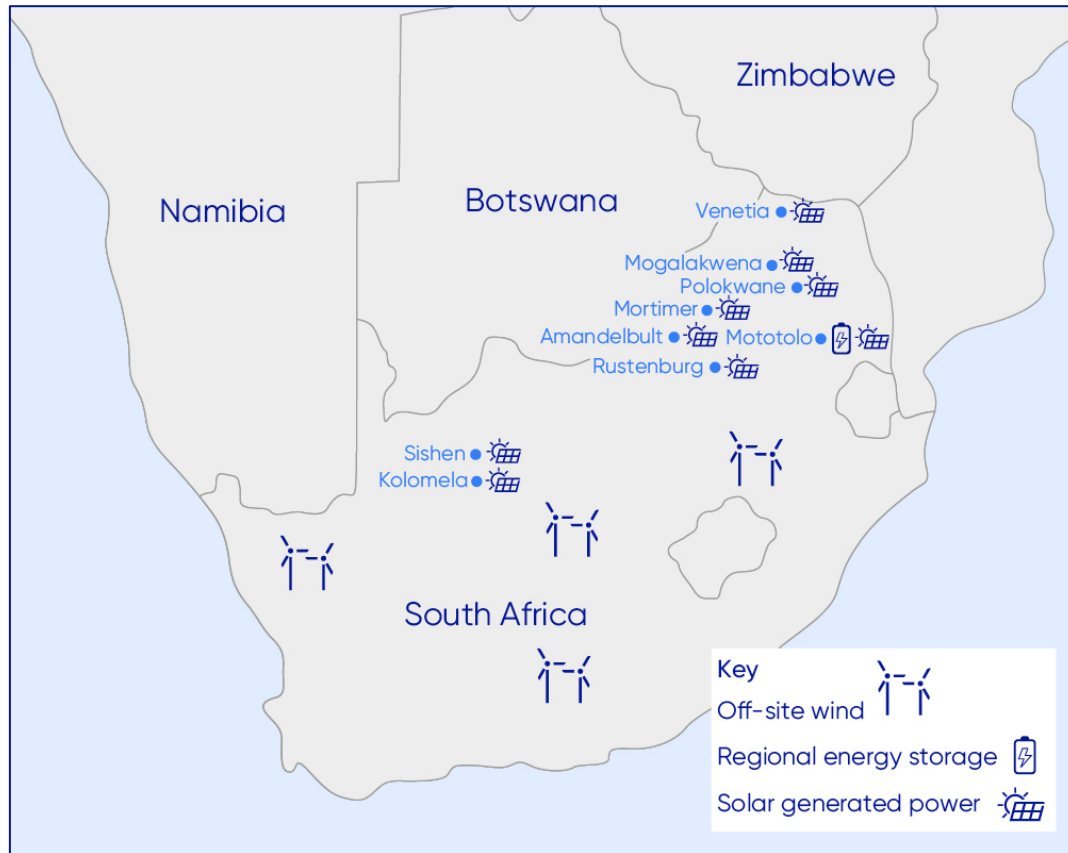
Unlocking ore bodies

Delivering safer outcomes

Efficient, sustainable production



Our unique ecosystem approach to decarbonisation is a catalyst for economic development within host countries



**Partnership with EDF  
Renewables**

**Increased grid capacity  
(3 – 5 GW)**

**Investment majority funded by  
equity partners & debt financing**

**Supporting Just Energy  
Transition**

# Sustainable & long-term development opportunities for all stakeholders

Collaborative Regional  
Development

Partnership-based model

Spatial & economic analysis

Scalable & sustainable development

Foster thriving & prosperous communities

Partner of choice



# Attractive, high margin growth options

## Moranbah-Grosvenor (Metallurgical Coal)



~\$0.3bn capex<sup>9</sup> on washplant

>15% IRR, +2.5Mtpa saleable tonnes<sup>9</sup>

## Mogalakwena (PGMs)



Number of options being considered

Good progress in the six workstreams

## Collahuasi Phase 2 (Copper)



Next stage expansion, +100ktpa CuEq

Reviewing scale-up options

## Sakatti (Copper)



Rich polymetallic deposit in Finland, 80-100ktpa CuEq

Pre-feasibility studies & permitting

## Woodsmith (Crop Nutrients)



Multinutrient, low chloride, low carbon fertiliser

Detailed engineering ongoing

Quellaveco copper project delivering ~10% volume growth in a future-enabling product

Quality asset

Low cost

Expansion potential

+300ktpa<sup>10</sup>

~95c/lb<sup>12</sup>

~1.5Bt resource<sup>11</sup>

36 year life<sup>11</sup>

Competitive

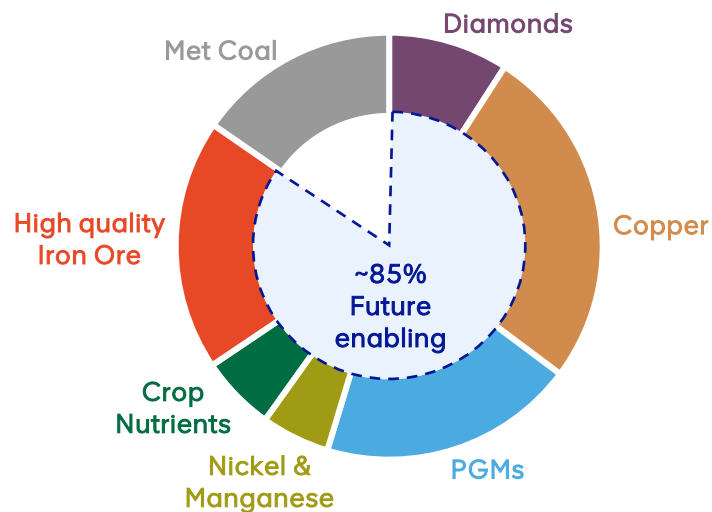
6.1Mt copper<sup>11</sup>

# Our diversified portfolio

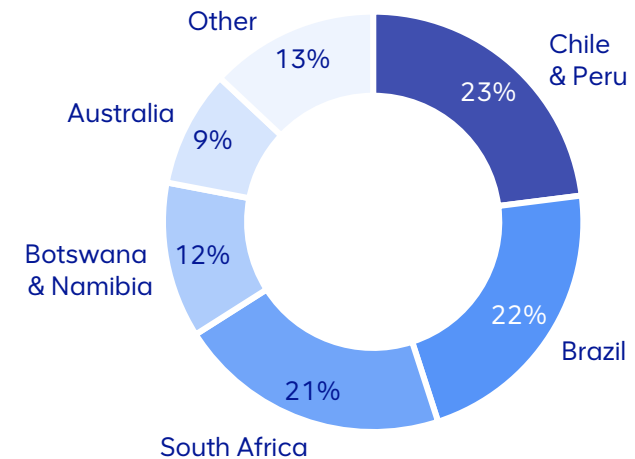
Suite of future-enabling products

within a geographically diversified portfolio

Copper equivalent production<sup>13</sup>



Attributable capital employed<sup>14</sup>



# Our balanced offering

**Strong balance sheet**

**0.2x**  
2021  
net debt:EBITDA<sup>15</sup>

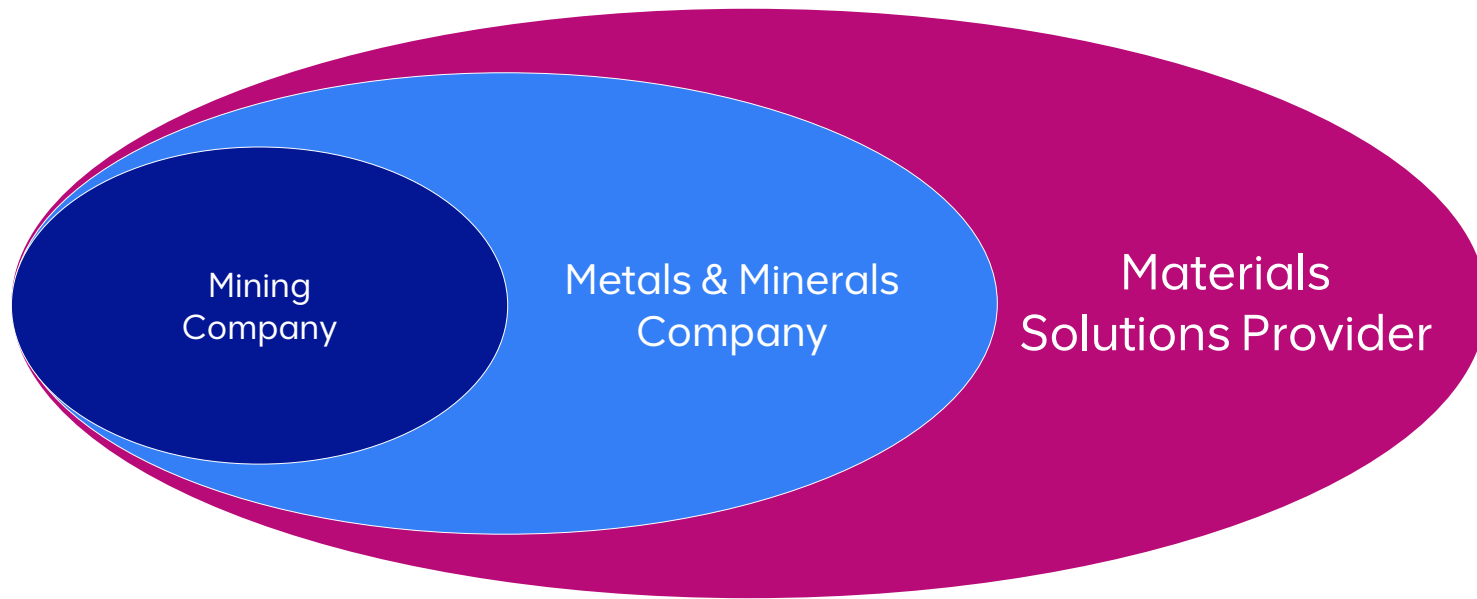
**Attractive returns**

**40% payout**  
base, through the cycle  
dividend<sup>16</sup>

**Quality growth**

**>90%**  
growth capex in high margin &  
future-enabling products<sup>17</sup>

# Continuing to evolve our customer offering



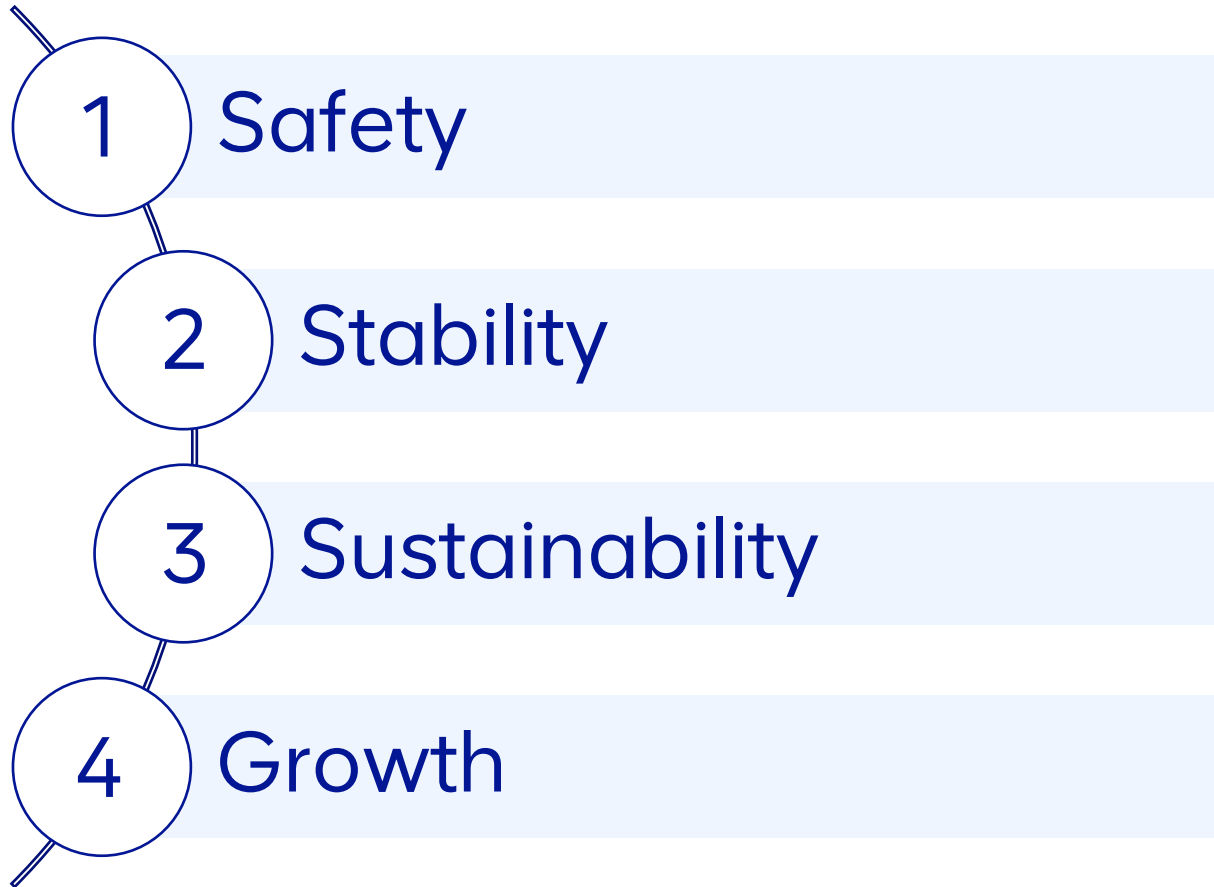
Traditional model of extract  
and sell on market

Our Business Model is aligned  
with evolving customer needs

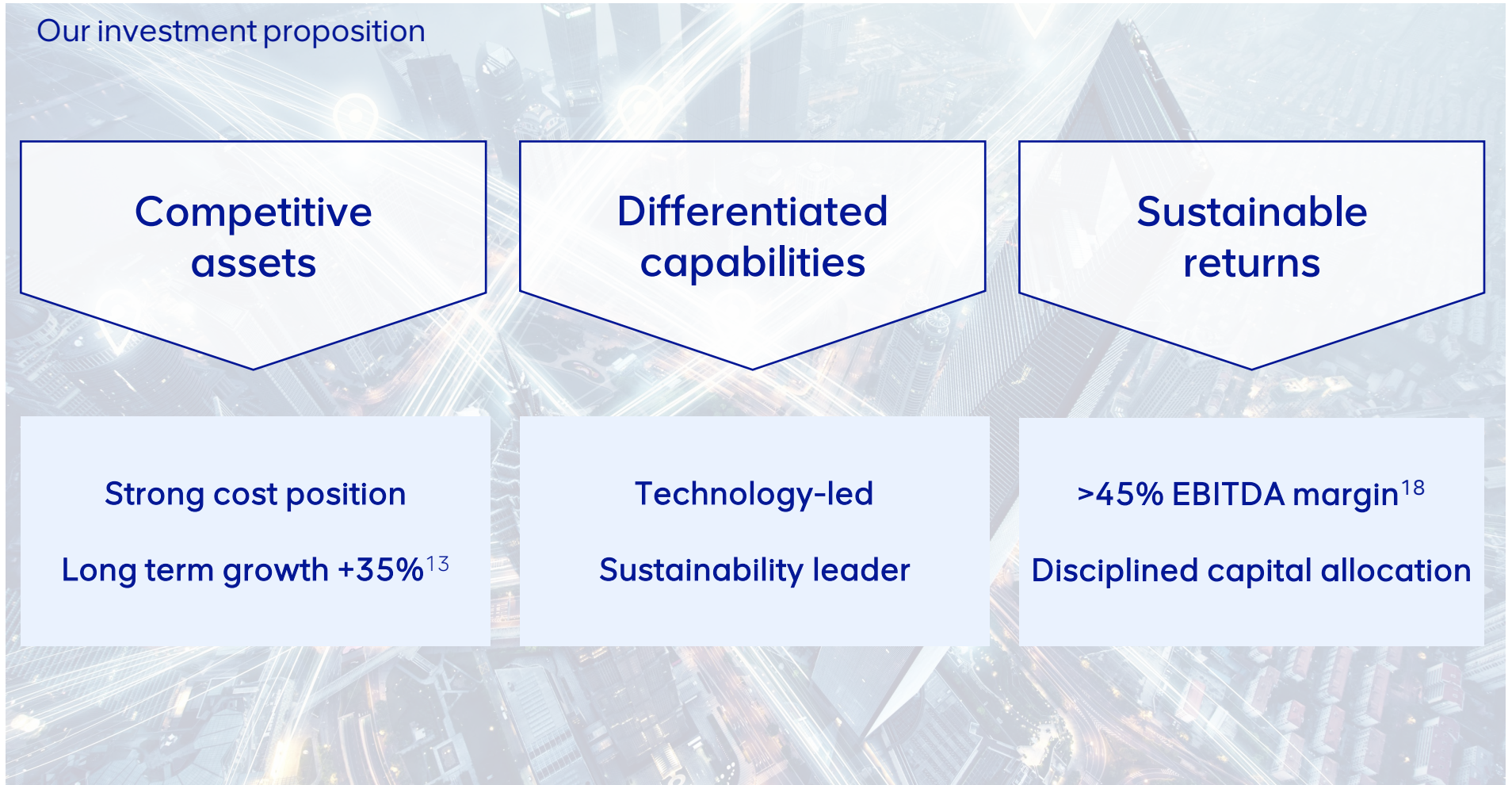
Customer offering in new profit  
pools along value chain



# Focusing on our strategic priorities



# Purpose: to re-imagine mining to improve people's lives



# Footnotes

1. Source: Anglo American internal analysis, based on sector outlooks in Wood Mackenzie's 1.5 Degree Scenario, March 2022.
2. Source: Wood Mackenzie, Global Strategic Planning Outlook, March 2022, Base Case Outlook.
3. Real 2022 terms. Source: Wood Mackenzie.
4. Real 2022 terms. Source: Morgan Stanley.
5. Risk-adjusted incentive price for new copper projects required. Source: Anglo American internal analysis.
6. Operational carbon neutrality refers to scope 1 and 2 greenhouse gas emissions from current operations only. Goal and guidance as announced on 7 May 2020.
7. Scope 3 reduction ambition refers to a 50% reduction by 2040 against a 2020 baseline.
8. Water abstraction target refers to a 50% net reduction in fresh water withdrawal in water scarce areas by 2030 against a 2015 baseline.
9. Attributable share of capex and production volumes.
10. 100% basis. 300kt average annual production over first ten years.
11. Refer to the 2021 Anglo American plc Ore Reserves and Mineral Resources Report for more details. 'Life' refers to 'Reserve Life'. 'Resource' refers to 'Mineral Resource'.
12. Average over first five years. Nominal basis. Includes by-product credits.
13. Copper equivalent production is calculated using long-term consensus parameters. Future production levels are indicative and include growth options that are not yet approved.
14. Attributable capital employed basis as at 31 December 2021.
15. EBITDA is on an underlying basis (before special items and remeasurements adjusted to include the Group's attributable share of associates' and joint ventures' results).
16. 40% payout of underlying earnings. Underlying earnings is profit/(loss) for the financial year attributable to equity shareholders of the Company before special items and remeasurements.
17. Cash expenditure on property, plant and equipment including related derivatives, net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests. Excludes capitalised operating cash flows. Consequently, for Quellaveco, reflects attributable share of capex.
18. Assumes long-term consensus commodity prices. Margin represents the Group's underlying EBITDA margin for the mining business, which is before special items and remeasurements and adjusted to include the Group's attributable share of associates' and joint ventures' results. It excludes the impact of non-mining activities (eg PGMs purchases of concentrate, sale of non-equity product by De Beers, 3<sup>rd</sup>-party trading activities performed by Marketing) & reflects Debswana accounting treatment as a 50/50 joint operation.