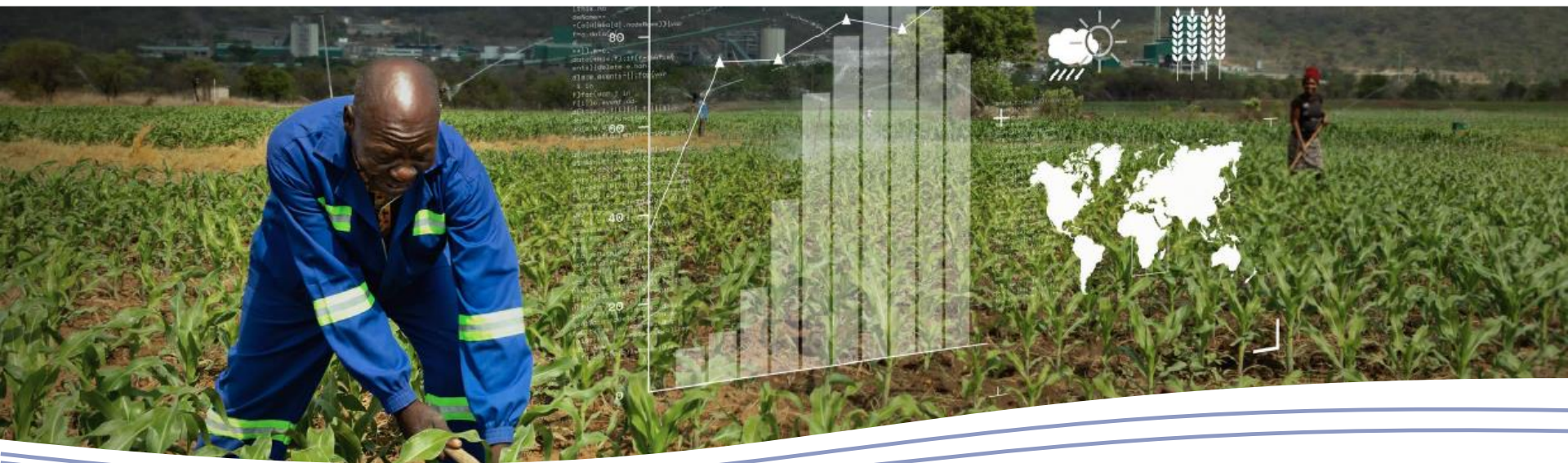


2018 SUSTAINABILITY PERFORMANCE

3 April 2019

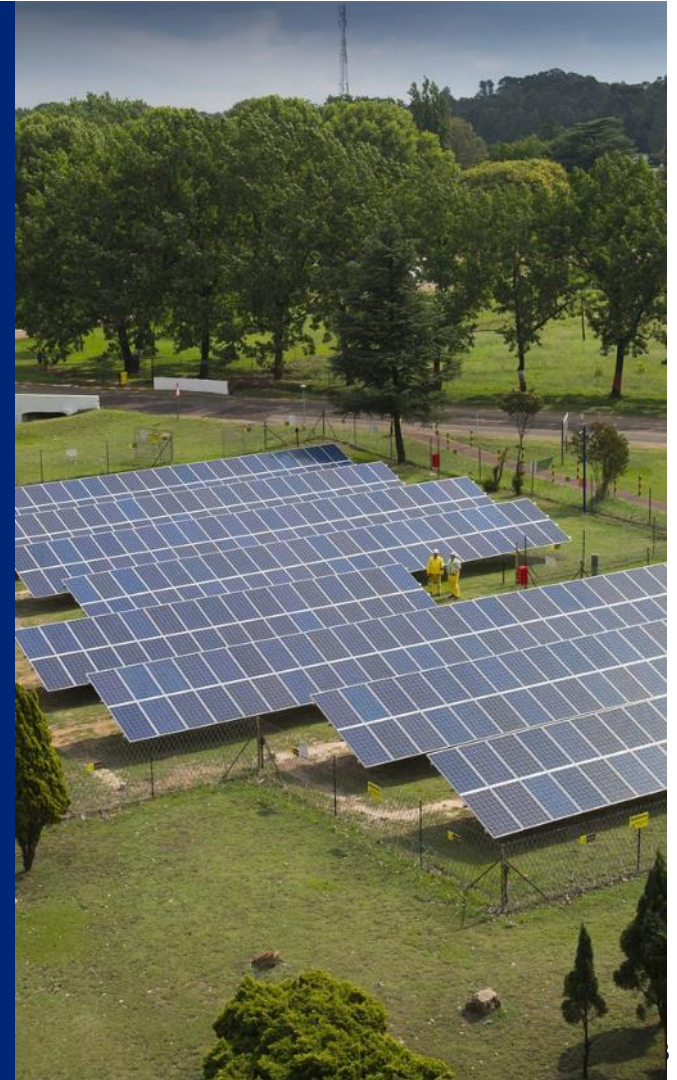


WHAT WE'RE GOING TO COVER

- **Safety is our first priority...**focus on eliminating fatalities once and for all
- **Sustainability...**heart of how we do business, every day
- **Climate change...**front of mind for how we shape the future of our business
 - **Energy transition** from fossil fuels to low-carbon energy
 - **Circular economy, carbon pricing and carbon neutrality** – progressing strategic pathways
- **FutureSmart Mining™ is a major value driver and differentiator...**technology and sustainability hand-in-hand

OUR PURPOSE

Mark Cutifani,
Chief Executive



OUR PURPOSE IS TO...



Re-imagine mining...

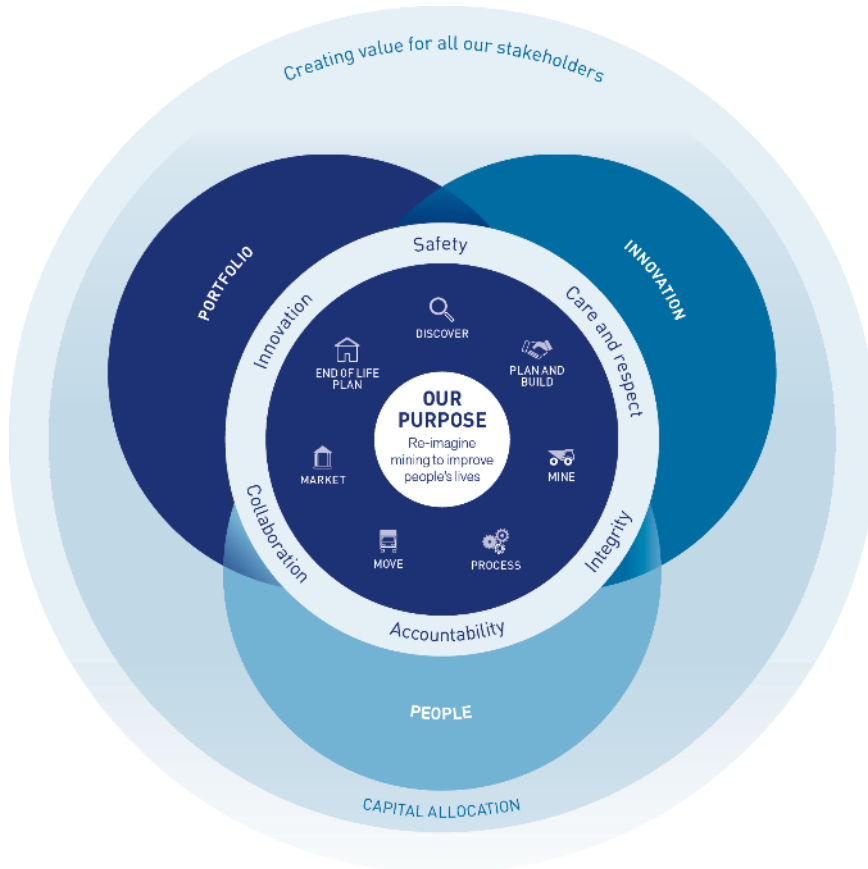
What mining could be and how we envisage mining in the future. How we think differently and innovatively about mining and our entire value chain.



...to improve people's lives

A Purpose is about more than just the work we do and the profits we make, it's about the impact we have on everything and everyone we touch.

SUSTAINABILITY AT THE HEART OF OUR STRATEGY



Portfolio

- Focus on high quality and long-life assets
- Diversified portfolio with low-cost growth options
- Sustainable cash flow and returns with capital discipline

Innovation

- Operating Model
- FutureSmart Mining™
 - Technical innovation
 - Sustainable Mining Plan
- Marketing – creating value from mine to market

People

- Organisation Model
- Inclusion and Diversity
- Valuing partnerships

OUR 2018 RESULTS

Mark Cutifani,
Chief Executive



2018 – CONTINUED DELIVERY

Production volumes¹

↑ 6%

EBITDA²

\$9.2bn

Mining margin³

42%

Dividend

\$1.3bn








Free cash flow⁴

\$3.2bn

ROCE⁵





















19%

HOW WE MEASURE SUSTAINABILITY




Pillars of value		Description
	Safety and health	Do no harm
	Environment	Minimise our environmental footprint
	Socio-political	Partner in the benefits of mining with local communities and government
	People	Create a sustainable competitive advantage through capable people and an effective, performance-driven organisation
	Production	Sustainably produce valuable product
	Cost	Be competitive by operating as efficiently as possible, at the bottom half of cost curve
	Financial	Balance sheet capacity to sustain business

SUSTAINABILITY SCORECARD

A snapshot of 2018 performance

	Safety & Health	Fatal Injuries 5 	Recordable injury rate 2.66 	Employees knowing their HIV status 88% 	HIV+ employees undergoing ART ⁽⁶⁾ 86% 	Employees exposed to noise 45% 	Reduction of employees exposed to inhalable hazards 6% 	New cases of occupational disease 101 
	Environment					Level 4-5 environmental incidents 1 level 4 	Energy savings 6.5% 	GHG savings ⁽⁸⁾ 25% 
	Socio-political			Compliance with Social Way 91.1% 	Local procurement \$2.13bn 	Jobs supported by ED ⁽⁷⁾ initiatives 125,095 	Businesses supported by ED initiatives 64,830 	
	People					Percentage of female managers 28% 	Voluntary turnover 2.4% 	

Detailed metrics available on page 15 of the 2018 Sustainability Report.

  12 KPIs met or on track
  4 KPIs not met

ELIMINATION OF FATALITIES TASKFORCE

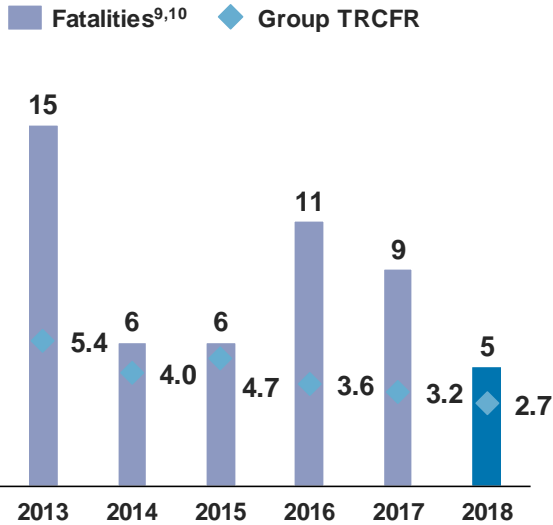
Purpose: To fully understand the causation that leads to fatalities

- Site assessments consider fatal risks, catastrophic risks, culture, and the resulting causation (6 Whys)
- 22 of the assets have been through the assessment process:
 - South Africa, Botswana, Namibia
 - Platinum, Coal, Iron Ore, Diamonds
 - Mines, Concentrators, Vessels, Smelters, Refineries
- Themes and gaps:
 - 20 workstreams identified at this point in time
 - Multidisciplinary work teams to address each one
- Remaining assets will be completed by the end of 2019:
 - Chile, Canada, Australia, Brazil, Zimbabwe
 - Verification audits on the completed assessments underway



SAFETY, HEALTH & ENVIRONMENT

Safety

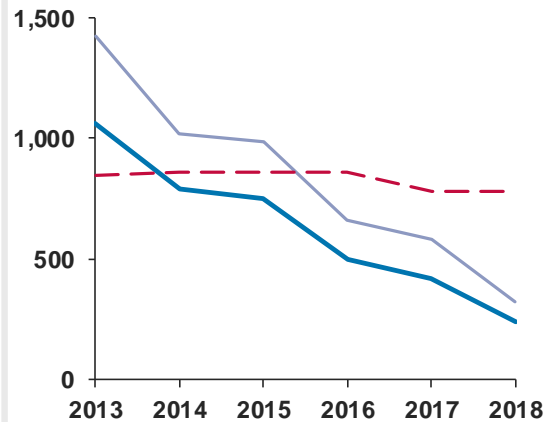


Focus on high potential hazards supporting improvements.

Elimination of Fatalities Taskforce.

Health

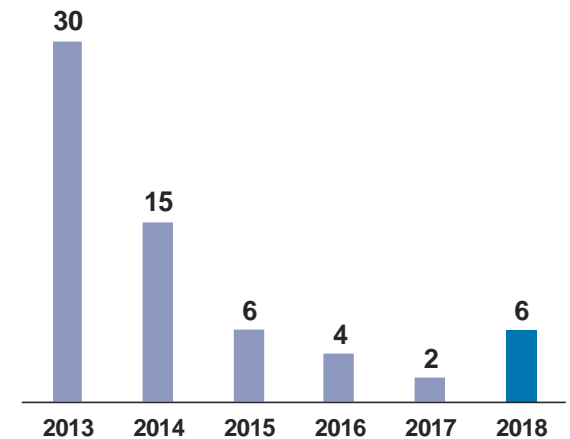
TB incident rate relative to the South African national average (per 100,000 employees)



— Anglo American (All SA)
 — Anglo American Platinum only
 - - South African national

Environment

Major incidents^{9,11}



Planning and operating discipline supporting change.

Minas-Rio pipeline leaks impact 2018.

CLIMATE CHANGE

GHG Emissions

Total GHG emissions against business as usual 2014 - 2018

Million tonnes CO₂e



⁽¹⁾ Data excludes De Beers' non-managed joint operations (Debswana and NamDeb).

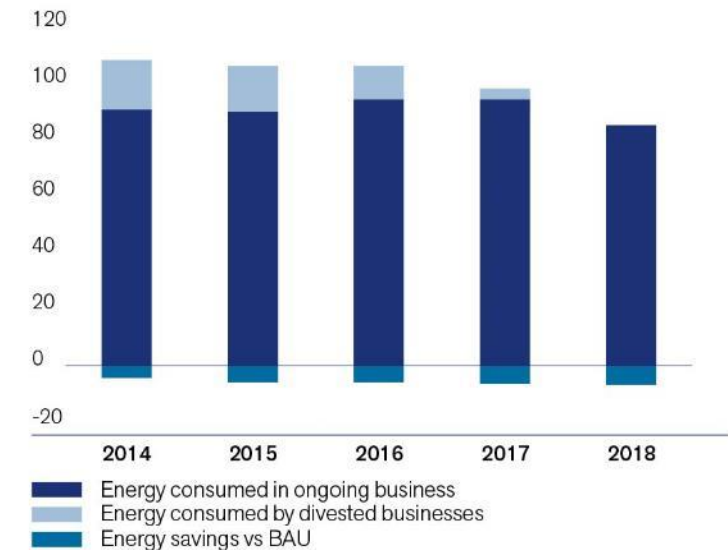
On track to achieve our 2020 targets on GHG emissions and energy efficiency

Increased our ambition with 2030 targets of 30% reduction in GHG emissions on a 2016 baseline and 30% increase in energy efficiency

Total Energy Consumed

Total energy consumed against business as usual 2014 - 2018

Million GJ



⁽¹⁾ Data excludes De Beers' non-managed joint operations (Debswana and NamDeb).

Avoided 6 million tonnes of CO₂e emissions, primarily through the capture of mine methane for power generation

Avoided over 18 million litres in fuel use at our SA based operations, with total Section 12L tax incentive benefit \$16 million

CLIMATE CHANGE

A comprehensive approach – aligned with the TCFD recommendations

Progress in 2018

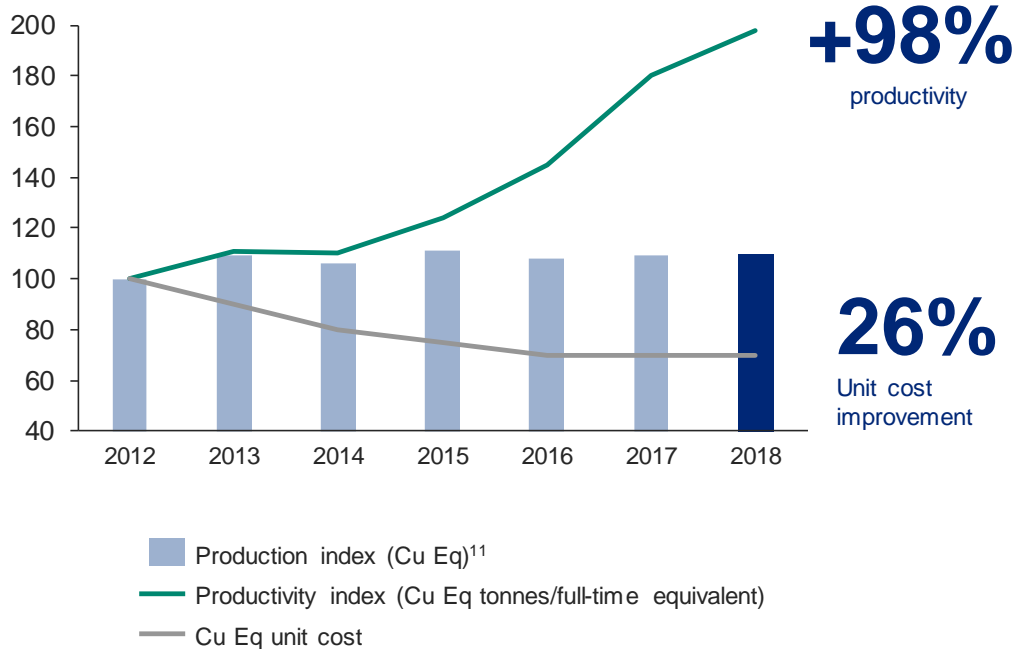
- We became a formal supporter of the Task Force for Climate Related Financial Disclosure (TCFD) and are aligning fully our disclosure with their recommendations.
- Completed due diligence on our memberships of trade associations
- Started deep dive reviews on major energy and CO₂ emissions abatement opportunities across our major operations
- Partnered with the CSIR on physical climate risks modelling for Anglo American Platinum operations

Quantitative Scenario Analysis

- TCFD recommends companies test their resilience in quantitative terms against the impacts of climate change, including a 2 degree scenario
- Created two main scenarios using the IEA's scenario work as a foundation
- The impacts on all sectors would be significant. Mining would remain a vital sector, but different commodities would be impacted in different ways
- Anglo American's high quality, long-life assets, coupled with the optionality in strategy means we remain financially resilient

A TRANSFORMED AND SUSTAINABLE BUSINESS

10% more production from 50% fewer assets



Driving improved returns

ROCE

↑ **8pp**

2018 vs 2012

Mining margin

↑ **12pp**

2018 vs 2012

GOVERNANCE

Committed to the highest standards of governance that underpin our culture and values

Inclusion & Diversity

Committed to at least

33%

female representation by 2023 in senior manager roles and above

Business conduct

4,000

99% of management received Code of Conduct training

Remuneration

Directly linked to Group's strategy with

60%

of annual bonus deferred into shares for at least 3 years and subject to clawback

Transparency

\$6.3bn

of taxes borne and collected

INCLUSION AND DIVERSITY



FUTURESMART MINING™

Laura Brooks

Head of Sustainable Mining Integration

Tony O'Neill

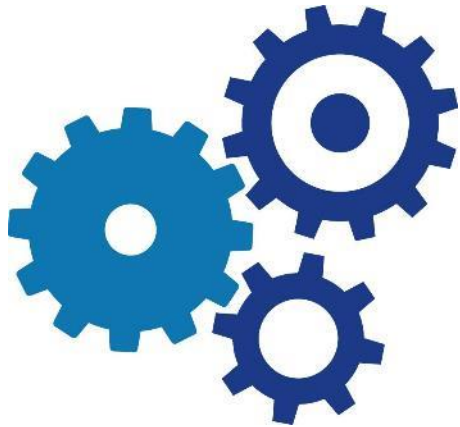
Technical Director



OUR SUSTAINABLE MINING PLAN



FUTURESMART MINING™



Technology Model



**Sustainable Mining
Plan**

SUSTAINABILITY AT THE HEART OF OUR BUSINESS

Our approach



2018 Progress:

- Formed a SteerCom to oversee implementation.
- Developed guidelines to support site sustainability planning that is fully integrated with Life of Asset Planning.
- Established implementation road map.
- Reviewed goals triggering a material amendment to a responsible sourcing goal:
 - Original: A common responsible sourcing standard for the mining industry to be agreed.
 - Amended: Advocate for the development of a common responsible sourcing standard for the mining industry.

OUR SUSTAINABLE MINING PLAN

2018 highlights

Accountability

To transform the relationship between mines, communities, and wider society.



Anglo American South Africa hosted our first national Accountability Dialogue focused on our contribution to the SDGs. A global Accountability Dialogue is scheduled for 2019.

Education

For all children in host communities to have access to excellent education.



Through our South Africa Education Programme, 100+ schools and 100 Early Childhood Development identifying appropriate interventions. Planning will commence in other geographies in 2019.

Biodiversity

To deliver Net Positive Impact through implementing the mitigation hierarchy and biodiversity stewardship.



De Beers Moving Giants project involves translocating elephants from the Venetia Limpopo Nature Reserve to the Zinave National Park in Mozambique. In 2018, 48 elephants were moved and the remaining elephants will be moved by 2020. This project will secure the future of two ecosystems.

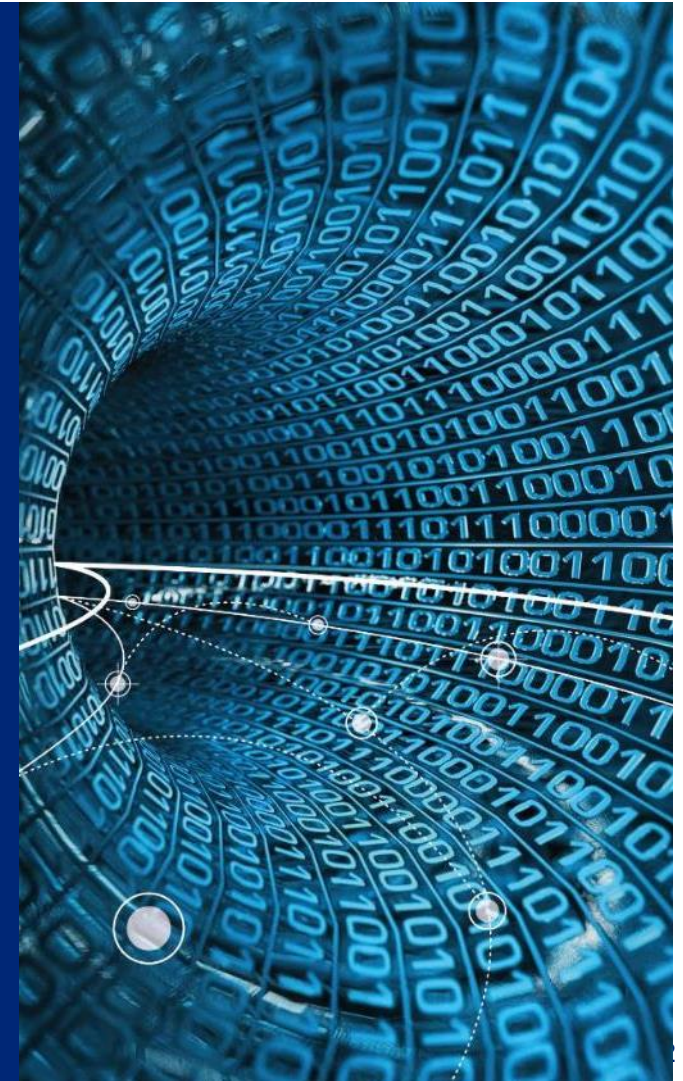
Water

To operate waterless mines in water scarce regions.



The Mafube irrigation project utilises mine water to irrigate crops. The irrigated land yielded 13 tons per hectare of maize, compared with 5.4 tons per hectare from dryland crops. This project enables sustainable agricultural production and also mitigates long-term post-mine closure water management liabilities.

TECHNICAL INNOVATION



WE ARE LEADING THE TRANSFORMATION OF MINING

Operating Model

P101

FutureSmart Mining™

Digitalisation

📡 The Intelligent Mine

Technology Innovation

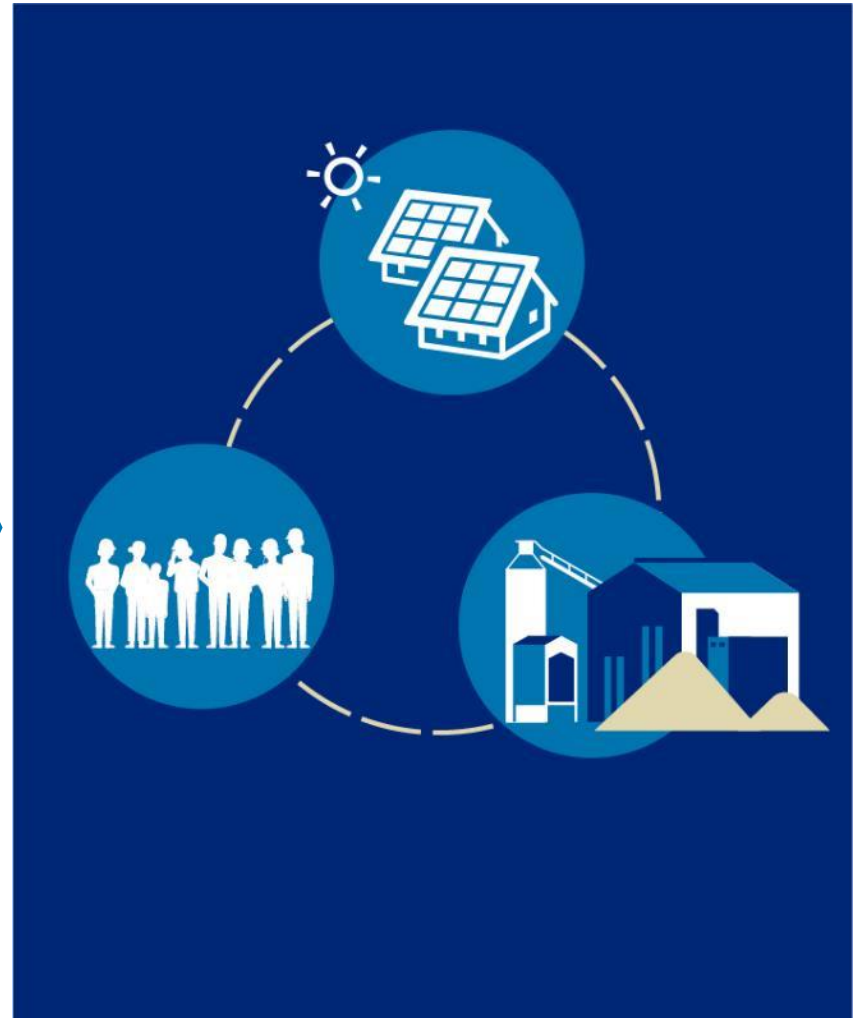
🏗️ The Concentrated Mine

💧 The Waterless Mine

🌊 The Modern Mine

Sustainability

🌱 Sustainable Mining Plan



ELIMINATING TAILINGS DAMS

Challenge

Eliminate wet tailings

Approach

Reduce risk

1. Fibre-optic Sensing
2. Satellite monitoring

Eliminate

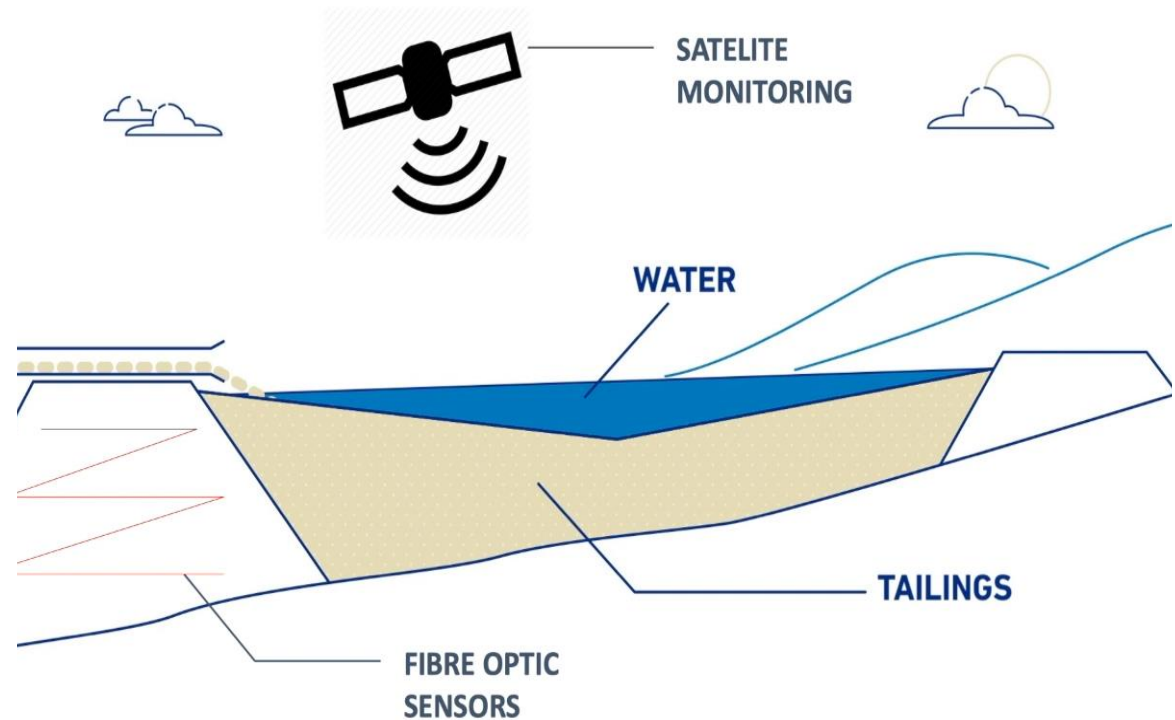
1. Coarse particle recovery
2. Polymers
3. Dry processing

Value

Reduced footprint

Increased water recovery

Reduced TSF risk



REDUCING WATER & ENERGY INTENSITY

Challenge

Precision mining with minimal energy, water and capital intensity

Approach

Concentrate the Mine™ concept:

1. Coarse particle recovery
2. Bulk sorting
3. Grade Engineering™
4. Precision classification
5. Ultrafine recovery
6. Novel leach

Value

Across most commodities:

- >30% reduction in OPEX/CAPEX
- >30% reduction in energy intensity
- >30% reduction in water intensity



DELIVERING ENDURING VALUE THROUGH SMART ENERGY

Challenge

Transformational use of renewables

Approach

1. Oversize PV
2. Plant tariff demand arbitrage
3. Produce H₂ with excess PV
4. Consume H₂ in trucks

Value

Energy security

Price resilience

Reduce GHG emissions

Move to hydrogen economy

Next gen mining vehicles

Host community participation



ASSURING SAFE RESPONSIBLE PRODUCTION

Challenge

Everyone goes home every day

Approach

Modernise – Electro-hydraulic drills, gel explosives, no scraper-winchies

Mechanise – Remote operated ultra-low-profile equipment

Continuous cutting – Hard rock cutting machines

Swarm robotics – Small self-organising intelligent machines

Value

Safer and more efficient working environment

Transition pathway in existing operations



RE-DEFINING PREDICTIVE QUALITY THROUGH DIGITAL

Challenge

Predict and shape operational outcomes

Approach

Predictive maintenance using digital twins

Increased use of AI

Pervasive fibre-optic sensors – real-time insights into the process and facilitation of APC

Value

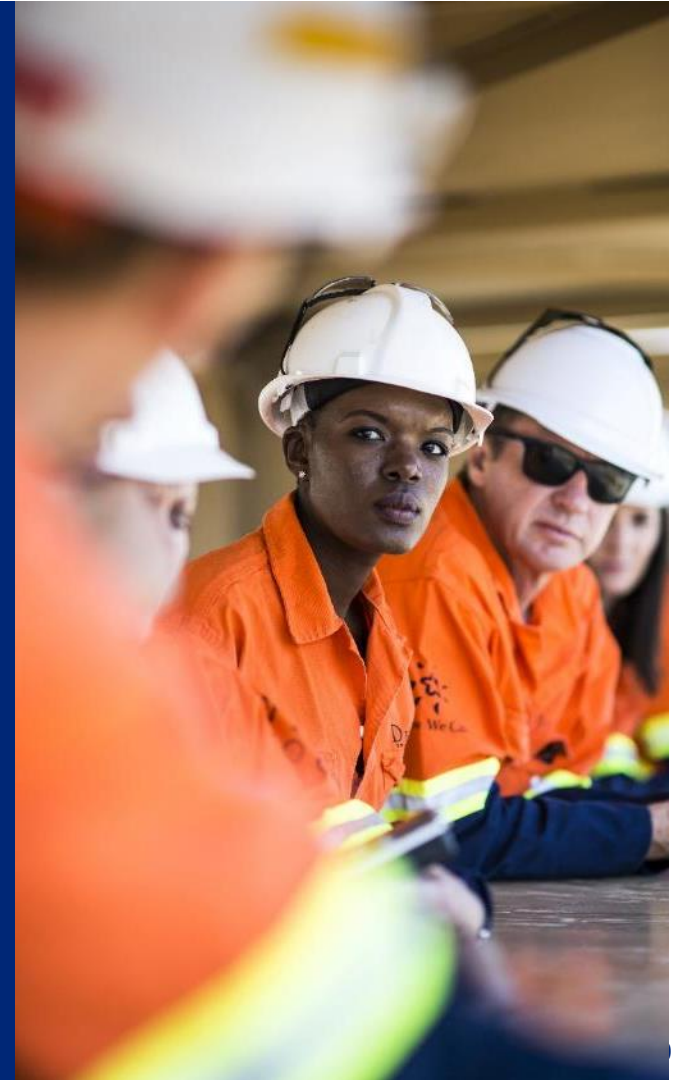
Increased equipment utilisation

Improved ore characterisation and processing benefits

Predictive – forward looking



IN CONCLUSION...



ATTRACTIVE LONG-TERM RETURNS BASED ON THREE PILLARS

Efficiency

Effectiveness

Sustainability

Return on capital

Cash flow

**Holistic across
business**

INVESTMENT PROPOSITION

“Leading capabilities actively improving a world-class asset base to drive sustainable, competitive returns”

Assets	Capabilities	Returns
Focus on quality	Operating Model	Capital discipline
Long life	FutureSmart Mining™ Technology & Sustainability	Dividend payout ratio
Low-cost growth optionality	Marketing Model	Strong balance sheet

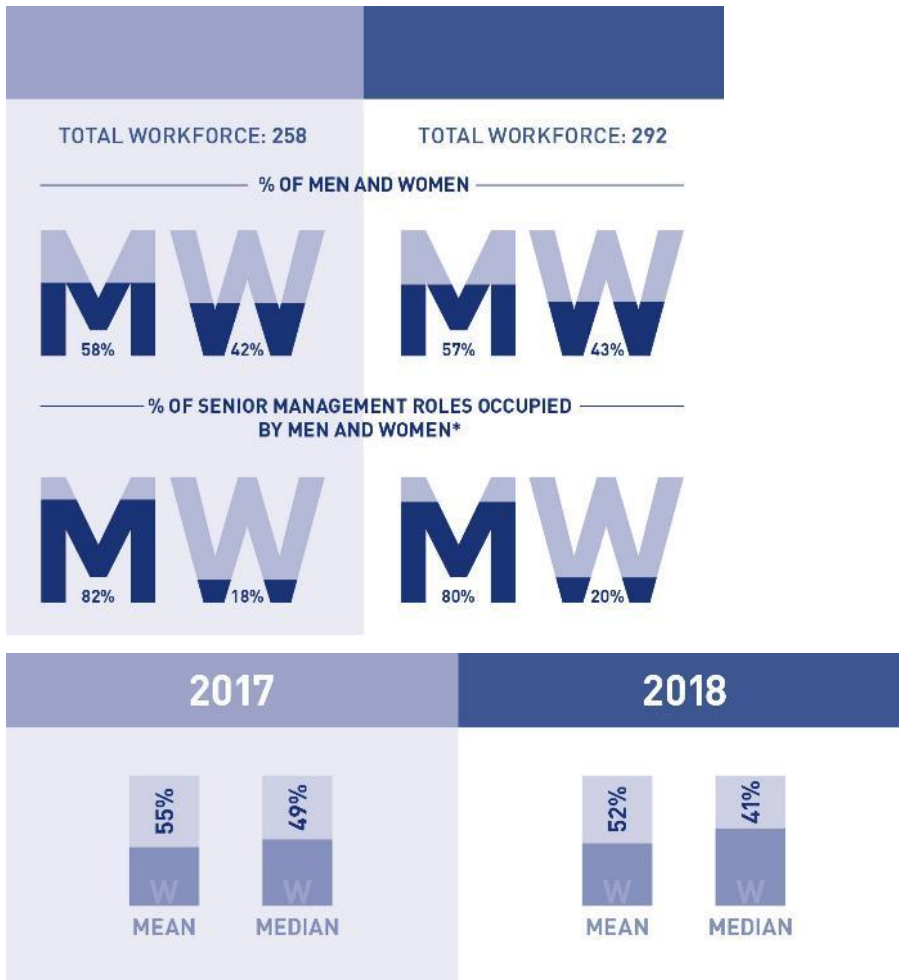
WHAT TO TAKE AWAY TODAY

- **Safety is our first priority**...focus on eliminating fatalities once and for all
- **Our Purpose and values** inform our strategy
- We measure our business performance using a **balanced business scorecard**... making strong progress across all dimensions
- We are addressing the major sustainability issues...an **opportunity to lead in responsible mining**
- **Our FutureSmart Mining™ approach** to technology and sustainability is at the heart of our strategy....set to deliver considerable value
- **Sustainability is core to our investment proposition**...focused on assets, capabilities and returns

APPENDIX

INCLUSION AND DIVERSITY

UK gender pay gap – the numbers



Anglo American’s UK gender pay gap data was published on 4 March 2019

- Our UK gender pay gap data relates to the 292 people we employed in our UK head office at 5 April 2018, of which 43% are women.
- Globally, we are committed to achieving at least 33% female representation within our senior management and are pleased by the progress from 15% in 2017 to 21% in 2018 although we recognise we still have much to do.
- We are continuing to make targeted changes to areas such as recruitment and talent development, as well as our ways of working which are beginning to make a real difference.
- When we look at our gender pay gap globally, the picture is much more balanced. (Global gender pay gap = less than 20%)

2018 ‘HOURLY PAY’ GAP

* ‘Senior Management’ is defined as Anglo American’s Group Management Committee and the level of management reporting into that Committee.

REMUNERATION FOR EXECUTIVE DIRECTORS

Remuneration Committee

- Establish the Group's remuneration policy for executives and senior management
- Determine packages for Chairman, Executive Directors and GMC
- Design the Group's share incentive schemes
- Consultation with shareholders and other stakeholders regarding executive remuneration
- Looking forward - greater oversight of reward policies across wider workforce

On 1 January 2019 Anne Stevens succeeded Sir Philip Hampton as chair of the Remuneration Committee

Executive directors are expected to build up and hold a percentage of their salary in shares:

- Chief Executive: **300%**
- Other executive directors: **200%**

The caps on share awards introduced in 2016 to **prevent windfall gains** are also applied to GMC members

Basic salary

Maximum increase of 5% of salary per annum
(2018: 2% increase consistent with UK employee population)

Annual bonus

Maximum opportunity of 210% of salary with 60% deferred into shares vesting in 3 years (40%) and 5 years (20%)
Safety deductor aligning reward to goal of zero harm

LTIP

Maximum opportunity of 300% of salary. The value that can be received at vesting is limited to twice the face value of the award at grant

Pension

Currently capped at 30% of salary
New appointments 15% of salary

Other Benefits

Capped at 10% of salary

HUMAN RIGHTS

A critical foundation of our Sustainable Mining Plan

Context

- Long-standing commitment to human rights through UN Guiding Principles on Business and Human Rights.
- Salient risks: labour; security; community, supply chain; and safety, health & environment
- Rapid increase in business and human rights expectations, including legal requirements.
- Human rights issues increasingly complex, interlinked and globally connected.
- Partnerships key to our approach, e.g.: MoU with International Alert; sponsorship of Institute for Human Rights and Business; and Business Network on Civic Freedoms and Human Rights Defenders.
- CHRB: scored 14th overall and 7th in extractives sector.

2018 focus

- Human Rights is a critical foundation of the Sustainable Mining Plan.
- In 2018, we conducted independent, group-level human rights due diligence.
- Based on those results and internal and external engagements, we updated our human rights framework and developed a five-year plan.
- The plan focuses on ensuring that our robust policies and management systems are integrated seamlessly into standard operational practices, including the revised Social Way.
- Special focus on Inclusion and Diversity through Living with Dignity programme on gender-based violence.

FOOTNOTES

1. Copper equivalent is calculated using long-term consensus parameters. Excludes domestic / cost-plus production and impact of Minas-Rio suspension. Normalised for Bokoni placed on care and maintenance.
2. All metrics in presentation shown on an underlying basis.
3. The margin represents the Group's underlying EBITDA margin for the mining business. It excludes the impact of PGMs purchases of concentrate, third party purchases made by De Beers, third-party trading activities performed by Marketing, the Eskom-tied South African domestic thermal coal business and reflects Debswana accounting treatment as a 50/50 joint venture.
4. Attributable free cash flow is defined as net cash inflows from operating activities net of total capital expenditure, net interest paid and dividends paid to minorities.
5. Attributable ROCE is defined as attributable underlying EBIT divided by average attributable capital employed. It excludes the portion of the return and capital employed attributable to non-controlling interests in operations where the Group has control but does not hold 100% of the equity.
6. Antiretroviral therapy
7. Enterprise development figures are cumulative since 2008.
8. Measures savings against business as usual consumption levels
9. Data relates to subsidiaries and joint operations over which Anglo American has management control. In 2018 data for TRCFR and environmental metrics excludes results from De Beers' joint venture operations in Namibia and Botswana. Prior years' data includes 100% of De Beers' joint venture operations in Namibia and Botswana.
10. Total Recordable Cases Frequency Rate per million hours.
11. Reflects level 3-5 incidents. Environmental incidents are classified in terms of a 5-level severity rating. Incidents with medium, high and major impacts, as defined by standard internal definitions, are reported as level 3-5 incidents. New more rigorous reporting guidelines were implemented in 2018, leading to an increase in reported level 3 to 5 incidents.