

OUR SUSTAINABILITY STRATEGY

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







THE FUTURE OF SUSTAINABLE MINING

Mining must transform in the decades ahead, starting now.

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

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

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

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



PICTURE THIS:

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

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

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





OUR SUSTAINABILITY STRATEGY

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

Developing our Sustainability Strategy

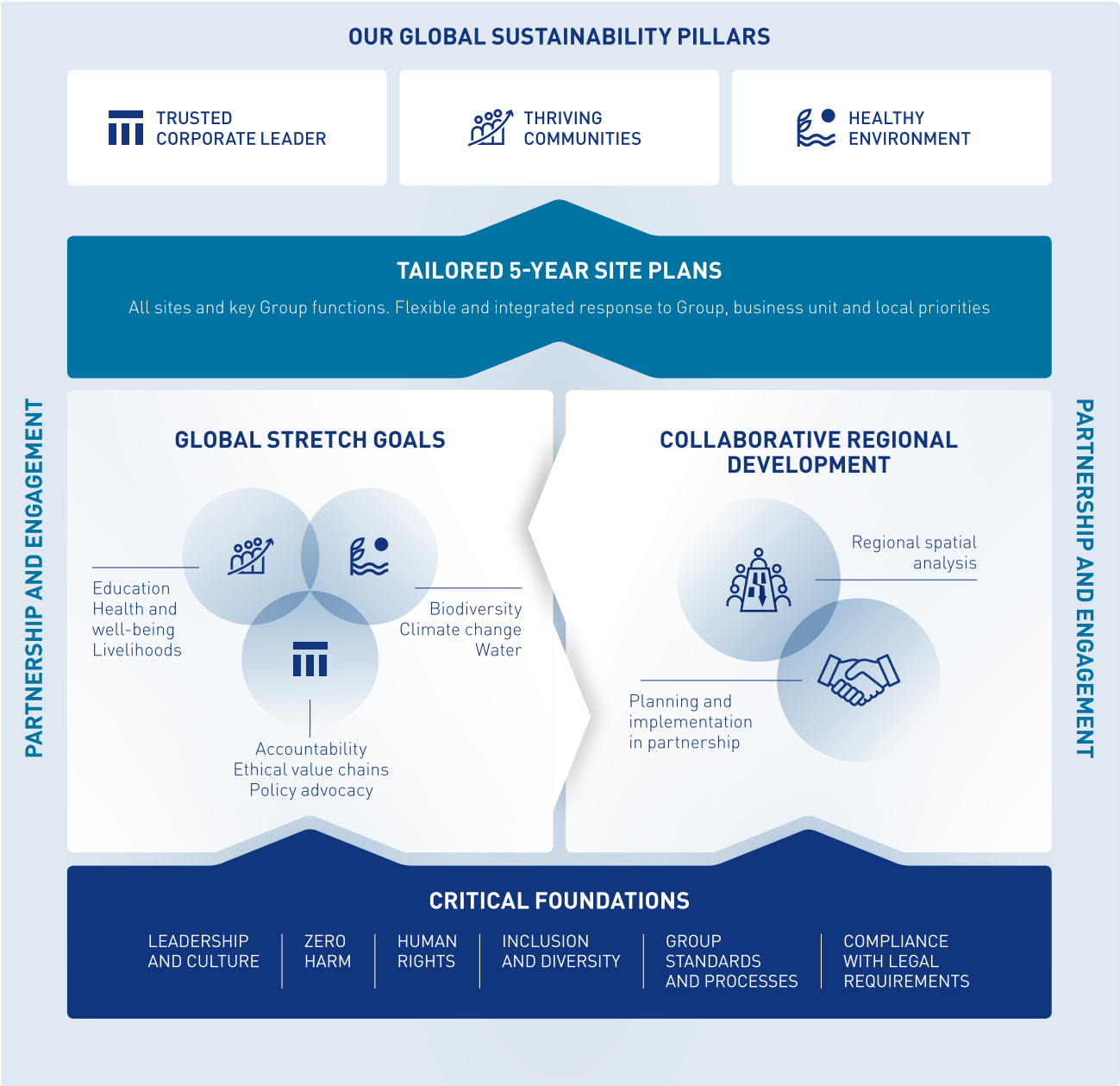
We have developed our strategy through extensive internal and external engagement and analysis of critical opportunities and risks, including the UN Sustainable Development Goals (SDGs).

Our strategy goes far beyond compliance with mining law or regulatory requirements. It's about making a more strategic and holistic impact on the ground and it comprises mutually reinforcing elements that will positively transform how our stakeholders experience our business, both locally and globally.

The strategy is built around three Global Sustainability Pillars.

- Trusted Corporate Leader
- Thriving Communities
- Healthy Environment

OUR SUSTAINABILITY STRATEGY MODEL



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

OUR GLOBAL SUSTAINABILITY PILLARS

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

TRUSTED CORPORATE LEADER

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

THRIVING COMMUNITIES

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

HEALTHY ENVIRONMENT

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



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

THE CRITICAL FOUNDATIONS: RAISING STANDARDS

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

These form the common and minimum requirements for each of our operations and our business as a whole.

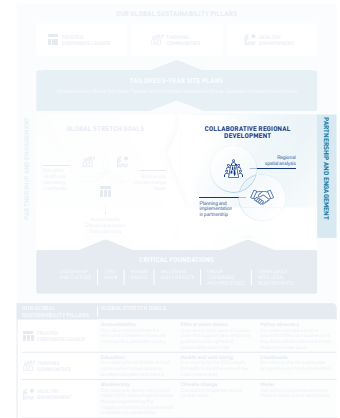
The Critical Foundations are essential to the long-term credibility and success of both the strategy and our social licence to operate.



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



DELIVERING SUSTAINABILITY: COLLABORATION AND PARTNERSHIP



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

Inspired by the Development Partner Framework, this innovative approach starts by identifying socio-economic development opportunities with the greatest potential in a region through spatial planning and analysis.

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

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

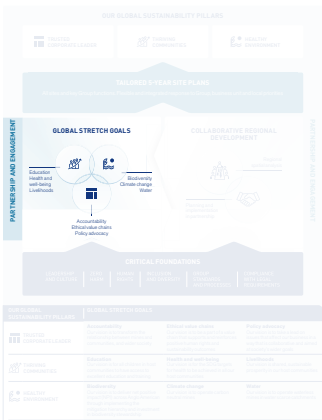


DELIVERING SUSTAINABILITY: THE GLOBAL STRETCH GOALS

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

Each of the three Global Sustainability Pillars comprises three goals respectively.

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



Accountability

2020 Target

- Establish, or support the functioning of existing, local stakeholder accountability forums and national multi-stakeholder dialogue groups by 2020
- Engage in strategic international partnerships to support sustainability imperatives

Ethical value chains

Milestones

- Half of Anglo American operations to be certified to agreed responsible mine certification standards by 2020
- A common responsible sourcing standard for the mining industry to be agreed by 2020

2025 target

- All Anglo American operations certified to relevant mine certification standards
- Responsible sourcing standard implemented across Anglo American

Parts of the business are already certified against industry-specific mine certification standards, such as the Responsible Jewellery Council. Such operations will not be required to seek additional certification. A further target that is being investigated is developing an on-ramp responsible mine certification standard for junior mining companies.

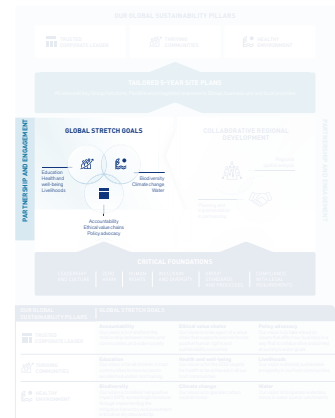
Policy advocacy

Milestones

- Finalise Group and business unit/country policy advocacy action plans in support of key sustainability issues by 2020
- Provide scholarship and training opportunities for policy-makers in regions with capacity constraints by 2020
- Significant programmes and partnerships in place to support priority policy and governance issues by 2025

2030 target

- External recognition of our leadership on policy and advocacy



Education

Milestones

- Baselines and strategies to achieve the target in place by 2020
- Schools in host communities to perform within the top 30% of state schools nationally by 2025

2030 target

- 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 PISA rankings may propose alternative meaningful measures.

Health and well-being

Milestones

- Baseline established and strategies in place at every site to achieve the SDG3 health targets by 2020
- Operations to be halfway towards closing the gap between baselines and 2030 targets by 2025

2030 target

- SDG3 targets for health in host communities met

Livelihoods

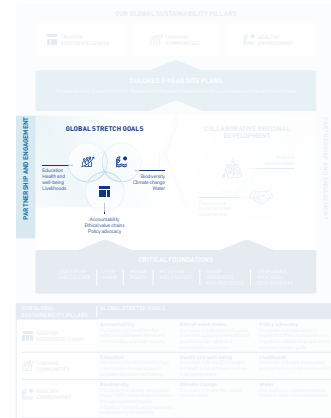
Milestones

- Baselines and strategies to achieve targets in place at every site
- Three jobs created/supported off-site for every job on-site by 2025

2030 target

- 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.



Biodiversity

Milestones

- Net-positive impact (NPI) methodology, biodiversity value assessments and site-specific indicators in place at all high-risk sites by 2020
- Formalise partnerships to support NPI, which are aligned with existing regional and national biodiversity stewardship initiatives by 2020

2030 target

- Deliver net-positive impact on biodiversity across Anglo American

Climate change

Milestones

- Reduce greenhouse gas (GHG) emissions by 22% relative to the Business-As-Usual projection by 2020
- Reduce energy consumption by 8% relative to the business as usual (BAU) projection by 2020
- Implementation of four priority projects to meet 2030 to commence by 2020

2030 target

- Reduce net GHG emissions by 30%
- Improve energy efficiency by 30%

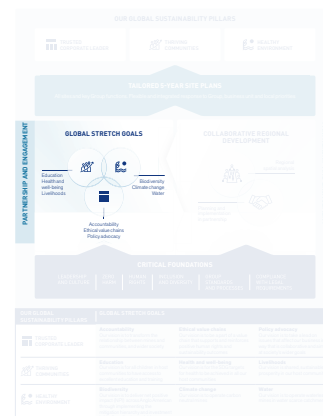
Water

Milestones

- Reduce the abstraction of freshwater in water-scarce regions by 20% by 2020
- Increase water-recycling levels to 75% by 2020

2030 target

- Reduce the abstraction of freshwater in water-scarce regions by 50%



FROM GLOBAL TO LOCAL: FIVE-YEAR BESPOKE PLANS

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

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

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



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



BUILDING ON 100 YEARS OF LEADERSHIP

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

As our founder Sir Ernest Oppenheimer said:

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

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

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