

## News Release

26 April 2023

### **AGM 2023 – Address to Shareholders**

Anglo American plc held its Annual General Meeting for shareholders in London today. The following remarks were made by the Chairman and the Chief Executive.

#### **Stuart Chambers, Chairman of Anglo American plc, made the following remarks:**

Good morning, ladies and gentlemen and welcome to Anglo American's 2023 Annual General Meeting. Notice of the meeting was published to shareholders on 6 March 2023, and a quorum is present. I therefore declare this meeting duly constituted. Have I your permission to take the Notice of Meeting as read and formally propose the resolutions set out in the Notice?

Thank you.

I will now introduce the rest of your Board, all of whom are present. Starting on my far left is Magali Anderson, Marcelo Bastos and Hilary Maxson, three of our independent non-executive directors.

Magali Anderson, who joined us on 1 April, is the newest member of the Board. Magali is French and brings to Anglo American highly relevant experience in capital intensive industries from an international executive career in operational, commercial and business transformational leadership roles, and a deep understanding of sustainability in its broadest sense. Following Magali's appointment, female representation constitutes 40% of the Board's membership, further strengthening our diversity. Magali currently serves as Chief Sustainability and Innovation Officer of Holcim Group and is a member of its executive committee.

Next to Hilary is Stephen Pearce, our finance director and next to me is our chief executive, Duncan Wanblad. To my immediate right is Richard Price, the Group General Counsel and Company Secretary and then Ian Tyler, our Senior Independent Director. Next to Ian are independent non-executive directors, Hixonia Nyasulu, Nonkululeko Nyembezi and Ian Ashby. Ensuring we have the right mix of skills, experience and diversity at Board level that reflects the breadth of our business is critical to effective governance. To that end, our Board appointments are sequenced to reflect the areas of expertise that we feel we need as we look ahead at the trajectory of the business.

You can find the biographies for each director in our Notice of AGM and I trust that you agree with me in noting the high calibre and diverse experience of our Board members. Later, I will be asking you to vote on the election of Magali Anderson for the first time as an independent non-executive director and the usual annual re-election of myself and all other directors.

Now, before I ask Duncan Wanblad, our chief executive, to give you an overview of recent performance, allow me to share some of my perspectives on your company, Anglo American.

There is no doubt that 2022 was a tough year in many ways, with extreme weather and other factors affecting our operations. Nevertheless, we continued to build momentum, with our focus on regaining all-important stability following the disruption of the Covid pandemic. Anglo American performed strongly and we delivered a major capital project, Quellaveco, on time and on budget, and made further progress towards our full range of sustainability goals.

#### **Anglo American plc**

17 Charterhouse Street, London, EC1N 6RA, United Kingdom

Registered office as above. Incorporated in England and Wales under the Companies Act 1985.

Registered Number: 3564138 Legal Entity Identifier: 549300S9XF92D1X8ME43

Starting, as always, with safety ... we continue to work tirelessly on our long term safety improvement journey. However, it is profoundly saddening to report that we were not able to achieve zero fatalities in 2022.

A death is always a terrible loss for family, friends and colleagues and we will continue to increase our efforts to keep everyone safe.

It is with deep regret that we lost two colleagues following accidents during the year at our managed operations, as well as the loss of a colleague from a complication following an injury sustained in 2021. We also sadly lost one colleague at a non-managed joint operation. Pertinent to all these awful accidents, the Group's safety focus is on vigilance and encouraging employees to speak up when they encounter a situation that doesn't look safe, so that we can finally put a stop to serious incidents.

Turning to climate change, there is no doubt that this is the defining challenge of our time; it will affect everyone, everywhere. Through our Sustainable Mining Plan, which is aligned to the UN's Sustainable Development Goals, Anglo American is committed to playing its part in addressing the climate change challenge, across our value chain.

We are steadily reducing our Scope 1 and Scope 2 greenhouse gas emissions and decarbonising our energy supply chains. By 2040, we are targeting to achieve carbon neutrality across the operations, along with an ambition to at least halve our Scope 3 emissions. The Plan also sets out very ambitious targets for reducing our water footprint, including to reduce fresh water usage in water scarce areas by 50% by 2030.

I was pleased to see that the company's effort and investment in sustainable practices over many years was recognised in our financing for the first time. During the year, Anglo American issued two sustainability-linked instruments: a €745 million bond as well as a \$100 million loan with the IFC, which are both linked to delivery against our Sustainable Mining Plan.

Looking at the portfolio ... Our diversified set of assets is increasingly focused on the metals and minerals that are enabling both the move to a lower carbon economy and to meeting the many demand needs and wants of a growing global population.

In 2022, as I mentioned, we commissioned Quellaveco, our new copper mine in Peru. This is one of South America's most technologically advanced mines, with many operational activities remotely controlled and automated and, as is the case with our other operations in South America, all electricity will come from renewable energy sources from this year.

Woodsmith is next – a rare, Tier 1 asset which we are setting up to deliver significant returns over many decades. We are making good progress with the critical infrastructure – the shafts and tunnel – and excellent progress with the product, too. POLY4 is a high value fertiliser, uniquely positioned to address farming's three real challenges of yield, decarbonisation and soil health.

Anglo American continues to re-invest in the business and deliver sustainable cash returns to you, our shareholders. For 2022, we delivered our second highest financial performance after the record in 2021.

The Board has recommended a final dividend of 74 US cents per share, in line with our 40% of underlying earnings payout policy, bringing total dividends for the year to \$1.98 per share, which amounts to \$2.4 billion. Anglo American's Total Shareholder Return for the year was 15%, three times higher than that of the FTSE 100 Index.

Anglo American's differentiated combination of portfolio diversification and growth optionality continues to set us apart from our peers and to position us strongly through the current market volatility and for the longer term cycle. With the potential for 25% organic growth over the next decade, we are well placed to deliver many of the critical metals and minerals the world requires for a transition to a cleaner, greener world.

I am confident that under Duncan's leadership, Anglo American will continue to demonstrate that we are a well-run, resilient company with the underlying culture, assets and ambition to continue growing and to deliver value and competitive returns, together with those much-needed products, the market fundamentals for which look very attractive indeed.

**Duncan Wanblad, Chief Executive of Anglo American plc, made the following remarks:**

Thank you, Stuart and good afternoon, everyone.

Safety is always our number one priority...so let me start there.

Simply put, safety always comes first as we strive to reach zero harm for every one of our people, every single day. As Stuart said, while we continue to make progress and develop our safety processes and procedures, we are deeply saddened to have lost five colleagues in total from the beginning of 2022 to date, including at a non-managed operation.

Unless all of us, at all times, across our business are unconditional about safety, accidents will continue to happen – and that is not acceptable.

Our response spans three broad aspects:

- Firstly, an urgent safety reset and calls to action during the second half of 2022.
- Secondly, our work to improve operational stability through the discipline of our Operating Model – which is key to safer outcomes.
- And finally, a broader approach to alter the collective mindset, so that people are more aware of potentially unsafe situations and look out for one another – and feel confident to speak up. We are focusing on increasing leadership time in the field to help build a safe and inclusive culture, as well as applying technology to ensure everyone can come to work and return home safely, every day.

In addition to rigorously investigating each tragic incident and sharing learnings internally, we are committed to also sharing those learnings across the industry so that action can be taken to help prevent repeats.

Be in no doubt, we will not rest until zero harm is achieved and sustained across our business.

Let me now talk through some of the operational performance and other financials.

When we look back at 2022 as a whole, we certainly felt the effects of dislocations in the global economy on our business – in energy, and across supply chains and labour markets. Extreme weather which disrupted the lives of so many people around the world, also set back several of our operations, while the energy crisis caused policymakers to react to mitigate sharply higher inflation.

Yet despite these headwinds, our business built good momentum during the year, with our focus on regaining operational stability and targeted incremental performance improvement. In 2022, we delivered an underlying EBITDA of \$14.5 billion at a mining margin of 47%, testament to the

quality and diversification of our portfolio and how we market our premium products to customers.

We saw a significant step-up in production in the second half of the year and I am confident that the focus on operational excellence and getting the basics right has put us in good shape to deliver on our guidance for 2023. Unit costs were impacted by the combination of very high inflation as well as lower volumes for the year as a whole. We are incredibly focused on those cost drivers.

Looking at the asset portfolio, we are predominantly a producer of what we refer to as future-enabling products, being those metals and minerals that are required to enable and meet the two major demand trends we see. First, decarbonisation...that is, providing many of the raw materials required to bring about a cleaner, greener, more sustainable world. And, second, improving the lives of a growing global population – from homes and electronics, to food and luxuries.

The commissioning of Quellaveco in the middle of last year – a world class mine delivered on time and on budget – marks a step-change in our production of copper, one of the most critical metals to global decarbonisation, as well as broader infrastructure development and consumer demand.

Quellaveco alone increases our global production base by 10%. It is the cornerstone of our margin-enhancing growth potential of 25% over the next decade, which spans many of our products from copper all the way through to crop nutrients from our Woodsmith project: itself a multigenerational, high margin, Tier 1 asset which we expect to deliver significant returns over many decades.

To summarise, overall, a strong set of numbers in the circumstances – and I am encouraged by the operational momentum we carried into 2023, through what is always the seasonally slower first quarter of the year.

We remain absolutely committed to disciplined capital-allocation and maintaining a strong and flexible balance sheet. It is always about balance as we invest in sustaining and improving our existing assets for earnings reliability and near term growth, repositioning the portfolio to improve returns for the longer term, and returning cash to shareholders on a sustainable basis.

Turning to sustainability and looking in particular at the key components of our environmental and social performance.

On our emissions trajectory, it's unlikely to be linear as we head towards our 2040 carbon neutral operations target, but we are making progress. Our proportion of energy drawn from renewable sources continues to increase – and 52% of our electricity used is from renewable sources. Quellaveco's renewable energy contracts kick-in during 2023, taking us to 100% renewables in South America, and our Australian steelmaking coal operations will transition to renewable electricity contracts from 2025.

And we have made good progress on the implementation of our Social Way 3 management system, with 66% of foundational requirements implemented. Attaining this level of performance represents a higher bar than any that has been set before in the industry.

I've just covered the headlines of our environmental and social performance, but I should also mention a few particular areas of progress towards our Sustainable Mining Plan targets.

On carbon, we launched our hydrogen mine haul truck prototype in the first half of 2022. Displacing diesel in these ultra-class 500 tonne trucks is one of the hardest to abate areas of our business, and in-mine testing so far continues to yield positive results.

We also announced the first 600MW of renewable energy projects out of our 3-5GW renewable energy strategy in southern Africa, which includes the creation of Envusa Energy in partnership with EDF Renewables.

And in Chile, we secured desalinated water for more than 45% of Los Bronces' needs from 2025, while also providing clean water for local communities. For the second, as yet unapproved phase, we are planning an innovative water swap by exchanging that desal water for a larger offtake of industrial water. The local community get the clean water and we use 'dirty' water that would otherwise be discharged. This would get us to the stage of not drawing any fresh water for Los Bronces, which would be a gamechanger and a win-win given the ongoing drought conditions in Chile.

Our social contribution, too, is powerful in terms of the direct impact it can have on improving people's lives. I am very proud of our work on building an inclusive workplace, including our focus on addressing gender-based violence, bullying, harassment and victimisation. We have now established our Living with Dignity Hub in South Africa – an independent support mechanism for our employees, contractors and their families.

More broadly, we are all very proud of the significant tax and economic contribution that we rightly make in the countries where we operate and where we make the biggest difference, amounting to more than \$24 billion in 2022.

Looking back on my first year as chief executive, the world has changed in many ways. Agility and resilience are qualities good businesses need in order to thrive, while also working to live up to the increasing expectations of the role of business in society.

As we look forward and combine those qualities with the global trends that determine demand for our products, I believe Anglo American is strongly positioned. We offer a highly differentiated investment proposition, both through the prevailing market volatility and for the structurally attractive longer term.

Our steadfast focus is on driving safe, responsible and consistent performance across our operations, delivering value-adding growth and progressing towards our full suite of sustainability ambitions.

I thank the Board for its unwavering support and all our workforce for their hard work and resilience.

Thank you.

Following a number of questions from shareholders and their proxies, Stuart Chambers closed the meeting, by adding:

The final results will be announced to the stock exchanges later this afternoon and will be published on our website. Details of the proxy votes already received for each resolution are shown on the screen behind me.

I am pleased to say that we have received strong support for all 20 resolutions based on the shares already voted that represent approximately 70% of the share capital.

Ladies and gentlemen, that concludes the business of this meeting. Thank you all for your attendance today and I now declare the meeting closed.

**Check against delivery.**

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**Notes to editors:**

Anglo American is a leading global mining company and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive operations, with a broad range of future development options, provides many of the future-enabling metals and minerals for a cleaner, greener, more sustainable world and that meet the fast growing every day demands of billions of consumers. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and to mine, process, move and market our products to our customers – safely and sustainably.

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, premium quality iron ore and steelmaking coal, and nickel – with crop nutrients in development – we are committed to being carbon neutral across our operations by 2040. More broadly, our Sustainable Mining Plan commits us to a series of stretching goals to ensure we work towards a healthy environment, creating thriving communities and building trust as a corporate leader. We work together with our business partners and diverse stakeholders to unlock enduring value

from precious natural resources for the benefit of the communities and countries in which we operate, for society as a whole, and for our shareholders. Anglo American is re-imagining mining to improve people's lives.

[www.angloamerican.com](http://www.angloamerican.com)



**Forward-looking statements:**

This document includes forward-looking statements. All statements other than statements of historical facts included in this document, including, without limitation, those regarding Anglo American's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Anglo American's products, production forecasts and Ore Reserve and Mineral Resource positions) and environmental, social and corporate governance goals and aspirations, are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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