

NEWS RELEASE

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Anglo American reinforces sustainability commitment and pathways to decarbonisation

Anglo American plc (“Anglo American”) is today presenting its annual sustainability performance update, including a clear pathway to achieve carbon neutrality across its operations by 2040.

Mark Cutifani, Chief Executive of Anglo American, said: “We have long understood the inextricable link between our sustainability performance and our financial performance and ability to generate returns. A sustainable business comes from being a purposeful business: competitive, resilient and agile – a business that thrives through economic and social cycles – of course underpinned by non-negotiable values.

“Sustainability lives at the very heart of our strategy, not as an adjacent activity, but embedded in how we do our work. Much of what we are driving for, particularly in terms of our energy and water ambitions, will be achieved through the technologies we are implementing – hence the inseparable connection between our technology work and our Sustainable Mining Plan outcomes under our FutureSmart Mining™ programme. Bulk Ore Sorting alone can deliver a c.10% reduction in energy and water intensity for an operation, for example. Our Sustainable Mining Plan that we developed in 2017, and that we structured to drive environmental, social and governance performance, is part of the transformation of our business and is designed to deliver value to all our stakeholders.

“Tackling climate change is the defining challenge of our times. We have set ourselves an ambitious goal of carbon neutrality across our operations by 2040, with eight of our assets to get there by 2030. Our underlying principle is to reduce carbon going into the atmosphere and we have clear pathways. For Scope 1 and 2, these include:

- **ongoing transition of our portfolio** towards those metals and minerals which support a greener, cleaner, more sustainable world – thermal coal operations in South Africa planned for likely demerger;
- **reducing our energy consumption and intensity** through P101 performance improvements, and technologies and digitalisation – we met our 2020 target of a 22% reduction in emissions a year early;
- **increased use of renewable energy** – we will use 100% renewables in Chile from 2021 and Brazil from 2022, and we begin trials of our green hydrogen fuel-cell powered haul truck in South Africa in 2021; and
- **use of nature-based solutions** on land we manage and using resources that we control where we can show carbon reduction alongside improving local biodiversity.

“We’re also taking a considered approach to tackling Scope 3 emissions. In some of the 15 categories in our published inventory, we have a high level of control or influence over the source of the emissions and so we can drive emissions down. Our customers’ emissions of course make up most of our Scope 3, particularly in the steel value chain, and we have little control of, or influence over those emissions. We are evaluating the best ways for us to play our part, including through partnerships with our customers where we can build on a mutual ambition to reduce emissions through shared capabilities.

“When I look at the overall direction of our business, combined with the integrated way we consider the full breadth of sustainability, our suite of products is aligned with demand from:

- a consumer driven world with a growing population;

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- an increasingly electrified and connected world as demand for higher standards of living grows and grids follow; and
- a greener world as a focus on preserving our environment leads to changing behaviour in a range of areas – increased renewables, the growing hydrogen economy, tighter emissions standards and more modern, cleaner steel making.

“Two thirds of our output will be focused on later cycle demand as thermal coal moves out of the portfolio, replaced by growth in Copper and Crop Nutrients. We are well positioned to run the business sustainably and – being disciplined with our capital – to grow the business sustainably as well.”

Sustainable Mining Plan updates

Our 2020 Sustainable Mining Plan targets that relate to energy use, GHG emissions and water are unchanged and performance will be assessed at the end of the year. The time period for achieving the other 2020 targets has been extended to 2021 following the Anglo American Board’s decision to allow flexibility 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

Furthermore, and as detailed in Anglo American’s 2019 Sustainability Report, water baseline data is to be reset in 2020 to ensure that the reporting criteria are aligned with ICMM definitions for water accounting. That work will be completed by the end of the year and we will start reporting against our 2030 targets from 2021. We will update on the delivery of our 2020 water targets early next year and have identified additional water projects to implement in the coming years to drive towards our 2030 targets. For ease of reference, our 2020 water targets are to reduce the abstraction of fresh water by 20% and increase water-recycling levels to 75%; and our 2030 target is to reduce the abstraction of fresh water in water-scarce regions by 50%.

The Sustainability Performance presentation is available on the Anglo American website and a full recording will be also available following the presentation, at the link below:

<https://www.angloamerican.com/investors/investor-presentations>

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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, development projects and undeveloped resources, provides 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. With our people at the heart of our business, we use innovative practices and the latest technologies to mine, process, move and market our products to our customers – and to discover new resources – safely and sustainably.

As a responsible producer of diamonds (through De Beers), 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 – we are committed to being carbon neutral across our operations by 2040. We work together with our business partners and diverse stakeholders to unlock sustainable 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.

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