

News Release

Anglo American plc

Registered office: 17 Charterhouse Street, London EC1N 6RA

Registered number: 3564138 (incorporated in England and Wales)

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Anglo American sets ambition to halve Scope 3 emissions by 2040

Anglo American plc (“Anglo American”) has today published its Climate Change Report 2021, ahead of its six-monthly sustainability performance update. The update will include Anglo American’s progress towards its target of carbon neutral operations (Scopes 1 & 2) by 2040 and its ambition to reduce its Scope 3 emissions by the same year, 2040.

Mark Cutifani, Chief Executive of Anglo American, said:

“We have long understood that our sustainability performance, our financial performance and our ability to deliver attractive returns over the long term are inextricably linked. Our strategic choices position us increasingly to supply many of the metals and minerals that are critical to enabling the technologies society needs to decarbonise energy and transport, but also to cater for the needs of an ever-growing global consumer population.

“With that responsibility, we recognise that our industry must continue to evolve. Through innovative technologies and practices, we can be more targeted in accessing those metals and minerals, use less water and energy and, crucially, generate fewer GHG emissions. Our FutureSmart Mining™ programme, using technology to transform our safety and sustainability performance, has helped us make significant progress in recent years and we are accelerating our efforts. Building upon our commitment to carbon neutrality across our operations by 2040, we have today set our ambition to reduce our Scope 3 emissions by 50%, also by 2040.”

Scopes 1 and 2: carbon neutral by 2040

Anglo American’s most recent Climate Change Report, published today, sets out the progress we are making towards the commitment made 12 months ago to deliver carbon neutral operations by 2040, having met our 2020 GHG reduction target a year ahead of time. Our integrated FutureSmart Mining™ approach to driving sustainability outcomes through technology and digitalisation is central to our plan and our progress, as are the partnerships we are exploring to help catalyse the delivery of renewables infrastructure, for example, in South Africa. Last year, a little more than one third of the electricity Anglo American used globally was drawn from renewable sources. Having now secured 100% renewable electricity supply across our operations in Brazil, Chile and Peru, by 2023 we expect to be drawing 56% of our grid supply from renewables.

Another major step is to displace diesel usage in our mine truck fleet – accounting for 10-15% of Anglo American’s Scope 1 emissions. Our 2MW hydrogen fuel-cell and battery hybrid pilot truck is being assembled in South Africa and will generate more power than its diesel predecessor – a zero emission truck capable of carrying a 290 tonne payload – a world first. Once fully tested, we intend to begin rolling out this technology across our global truck fleet starting in 2024 and this will follow our typical truck

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refurbishment and replacement cycles. Our haul trucks contribute up to 80% of the diesel emissions at our sites and we therefore expect to be taking the equivalent of more than half a million internal combustion cars off the road by switching our trucks to hydrogen.

Scope 3: 50% reduction by 2040

Anglo American has continued to accelerate its decarbonisation initiatives and today has added an ambition to reduce its Scope 3 emissions by 50%, also by 2040. Whilst we know that this ambition is challenging, the work we have done in the past two years has helped us to understand more fully our own Scope 3 inventory and the levers that we can pull to influence the reduction of those emissions. This work will inform our development and ongoing refinement of our Scope 3 reduction pathway, while recognising that our ability to significantly reduce our Scope 3 emissions is dependent both on the steel sector decarbonising and a supportive global policy environment.

Beyond the natural depletion of certain assets in our portfolio by 2040, we are working to reduce emissions in our supply chain and logistics, particularly in shipping, and working with customers and technology partners on low carbon steelmaking technologies. If the decarbonisation of the steel sector accelerates, in part because of the partnerships we are building, this would allow us to go further still.

Just Transition: catalysing sustainable economies

Aligned with Anglo American's Purpose, we recognise that our own resilience to climate change is not enough. We also have a role in supporting our host communities to thrive in the transition to a low carbon world. We are continuing to explore what mining can do to help ensure a 'Just Transition' – one that considers the impacts of this change on employees and communities.

Anglo American's concept of a regional renewable energy ecosystem for South Africa not only contributes towards decarbonising our own business but also serves as a catalyst to support South Africa's overall decarbonisation journey and ambitions for a Just Transition. We believe that the provision of new sources of clean, reliable and affordable energy could provide a stimulus for wider socio-economic benefits for businesses and communities across South Africa – supporting long-term, sustainable economic growth in the country.

We also believe we can bring our experience of transition from our mine closure planning, working in partnership with organisations such as the Council for Inclusive Capitalism, to provide practical examples of what business can do to enable a Just Transition, also applying the principles of Anglo American's own Collaborative Regional Development (CRD) programme.

CRD is Anglo American's innovative partnership model to catalyse scalable and sustainable development opportunities that are wholly independent of mining to regions around our operations, and it is at the heart of our Sustainable Mining Plan. It is a model that we are already using in the regions around our operations in Botswana, Brazil, Chile, Peru, South Africa and the UK, bringing socio-economic resilience to communities and regions.

Mr Cutifani concluded:

"Of course, a sustainable business is competitive, resilient and agile – it listens and responds through economic and social cycles – underpinned by non-negotiable values and guided by a clear purpose. We believe that we are doing all the right things to decarbonise our business and to work with partners to help decarbonise our value chains. Where we can accelerate towards our targets and ambitions, we will. Our approach reflects the simple fact that climate change is affecting us all and that navigating the transition is both a shared and urgent endeavour."

Today's Sustainability Performance presentation will be available on the Anglo American website www.angloamerican.com at 12.30pm UK time, with the presentation itself starting at 1.30pm UK time. A full recording will be available following the presentation at: 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, 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 metallurgical coal for steelmaking, 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.



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.

Such forward-looking statements are based on numerous assumptions regarding Anglo American's present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, safety, health or environmental incidents, the effects of global pandemics and outbreaks of infectious diseases, the outcome of litigation or regulatory proceedings, the availability of mining and processing equipment, the ability to produce and transport products profitably, the availability of transport infrastructure, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by courts, regulators and governmental authorities such as in relation to permitting or forcing closure of mines and ceasing of operations or maintenance of Anglo American's assets and changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in Anglo American's most recent Annual Report. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this document. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers, the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SIX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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The Company has a primary listing on the Main Market of the London Stock Exchange and secondary listings on the Johannesburg Stock Exchange, the Botswana Stock Exchange, the Namibia Stock Exchange and the SIX Swiss Exchange.

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