



## **COMPLIANCE WITH THE INTERNATIONAL COUNCIL FOR MINING AND METALS ASSURANCE PROCEDURE**

# 2019

As a member of the International Council on Mining and Metals (ICMM), Anglo American adheres to the ICMM Assurance Procedure. This statement sets out how we respond to the five Subject Matters contained within this Procedure. The Appendix contains the PricewaterhouseCoopers (PwC) assurance report in respect of our response to the ICMM Assurance Procedure.

# Subject Matter 1

Alignment of Anglo American’s policies to ICMM’s 10 Sustainable Development Principles	
ICMM requirement	Anglo American response
<p><b>Principle 1</b> Implement and maintain ethical business practices and sound systems of corporate governance</p>	
<p>Develop and implement company statements of ethical business principles, and practices that management is committed to enforcing.</p>	<p>During 2019, we launched our Purpose statement “Re-imagine mining to improve people’s lives”.</p> <p>Linked to this work, our six values, Safety, Collaboration, Care and Respect, Integrity, Accountability and Innovation were given new definitions and rebranded.</p> <p>The Anglo American Code of Conduct outlines our approach to ethical business practices.</p> <p>In addition, the Anglo American Business Scorecard is designed to report on the Seven Pillars of Value. This is reported to the board and goes beyond tracking financial metrics.</p>
<p>Implement policies and practices that seek to prevent bribery and corruption.</p> <p>Comply with or exceed the requirements of host-country laws and regulations.</p>	<p>Our Business Integrity Policy states that we will neither give nor accept bribes, nor permit others to do so in our name. The policy is supported by 11 Prevention of Corruption Procedures that set out the conduct required in areas where bribery and corruption risk may be present. The procedures also include restrictions that prohibit the company from making donations to any political party or politician. No such donations were made in 2019.</p> <p>Anglo American’s commitment to work with stakeholders, including governments, is included in the Code of Conduct, Government Relations Handbook and the Social Way.</p>
<p>Partner with governments, industry and other stakeholders to achieve appropriate and effective public policy, laws, regulations and procedures that facilitate the mining, minerals and metals sector’s contribution to sustainable development within national sustainable development strategies.</p>	<p>Within the Sustainable Mining Plan, the vision of our policy advocacy stretch goal is to take a lead on issues that affect our business in a way that is collaborative and aimed at society’s wider goals. We are members of the UN Global Compact, Extractive Industries Transparency Index (EITI), Voluntary Principles for Security and Human Rights, Initiative for Responsible Mining Index (IRMA), and the responsible Jewellery Council. Examples of issues we have tackled in the past are, HIV/AIDS, revenue transparency and human rights.</p> <p>Anglo American has signed the Public Statement on Supporting Civic Freedoms, Human Rights Defenders and the Rule of Law, which was published by the Business Network on Civic Freedoms and Human Rights Defenders.</p>

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**Principle 2**Integrate sustainable development considerations within the corporate decision-making process

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Integrate sustainable development principles into company policies and practices.

Integral to our FutureSmart Mining™ approach is our Sustainable Mining Plan, designed to tackle the most pressing environmental and social challenges and changing how our employees and stakeholders experience Anglo American, in line with our Purpose.

Our site five-year sustainability plans will be integrated into our Life of Asset Plans and implemented through integration with our Operating Model. In addition, we are integrating our Sustainable Mining Plan criteria into project design through the Investment Development Model.

Plan, design, operate and close operations in a manner that enhances sustainable development.

Implement good practice and innovate to improve social, environmental and economic performance while enhancing shareholder value.

The Anglo American Safety, Health and Environment (SHE) Way, Social Way, Mine Closure Toolbox, and Investment Development Model are mandatory throughout the business and apply across all stages of the mining lifecycle.

FutureSmart Mining™ is Anglo American's innovation-led pathway to sustainable mining. FutureSmart Mining™ is concerned with delivering step-change results in different areas: mining, processing, environmental impact and socio-economic development. It also involves a focus on shared value, including improved shareholder returns.

Our far-reaching Sustainable Mining plan, launched in 2018 as part of FutureSmart Mining™, commits us to a series of ambitious medium- and longer-term goals. These relate to three major areas of sustainability aligned to the UN's Sustainable Development Goals: trusted corporate leader (advocating for the highest standards of governance to drive transparency and trust in mining and mined products); healthy environment; and thriving communities.

Collaborative regional development recognises the limitations of companies acting in isolation to promote development in host communities, and the potential for collaboration to achieve more on a much larger scale.

The Sustainable Mining Plan requires operations to develop five-year plans, which contribute to achieving the 2030 goals.

	<p>During 2019, we also:</p> <ul style="list-style-type: none"> <li>• Updated the Social Way, including reviewing and revising the guidance previously in our award-winning Socio-Economic Toolbox manual and incorporating it into an integrated Social Way framework. The new Social Way will be rolled-out during 2020.</li> <li>• Expanded the Mine Closure Toolbox to include additional focus on key components such as social transition, as well as incorporating our Integrated Closure Planning System, which focuses on multi-disciplinary closure planning and execution integration.</li> </ul>
<p>Encourage customers, business partners and suppliers of goods and services to adopt principles and practices that are comparable to our own.</p>	<p>The Anglo American Responsible Sourcing Standard for Suppliers articulates performance requirements. The standard addresses supplier compliance with local and applicable international regulations.</p> <p>The standard summarises key expectations in order to: protect the safety and health of their workforce; demonstrate the protection of the environment; respect all labour and human rights through their value chain; be good corporate citizens within the communities and regions where they operate; conduct business with the utmost integrity and always act in a proper manner, fairly and lawfully.</p>
<p>Provide sustainable development training to ensure adequate competency at all levels among our own employees and those of contractors.</p>	<p>During 2019, 8,500 employees were trained on the Code of Conduct, using bespoke online training materials. The Code of Conduct addresses a range of matters relating to sustainable development. Training on individual matters are conducted on a risk basis.</p> <p>Suppliers (especially small, medium and micro-enterprises) are trained in our responsible sourcing standards, through our capacity-building programmes.</p>
<p>Support public policies and practices that foster open and competitive markets.</p>	<p>Anglo American's commitment to work with stakeholders, including governments, is included in the Code of Conduct, Government Relations Handbook and Social Way and SEAT. Our Code of Conduct, Business Integrity Policy and Prevention of Corruption Procedures, set out the conduct required in areas where bribery and corruption risk may be present.</p> <p>In 2018, we launched our accountability forums, which bring together NGOs, government and other stakeholders to engage on topics that they believe are important for us to address and take action upon. In 2019, we held three workshops in South Africa, two global webinars on SDG16 (Peace, Justice and Strong Institutions) and a workshop in each of Brazil and Australia. As our experience of the SDGs progresses, we expect that the combination of feedback from our accountability dialogues and the data we gather under the Sustainable Mining Plan will ensure that this area of work will be even more important.</p>

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**Principle 3**

Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities

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Ensure fair remuneration and work conditions for all employees, and never use forced, compulsory or child labour.

Implement policies and practices designed to eliminate harassment and unfair discrimination in all aspects of our activities.

Our commitment to respect human rights, as stipulated in our Human Rights Policy, includes recognition of all internationally-recognised human rights, including the ILO Core Labour Rights.

The Anglo American Code of Conduct also addresses forced, compulsory or child labour, harassment and unfair discrimination. In 2019, this was supported by the launch of our Bullying, Harassment and Victimisation policy.

We implement a performance-management and remuneration framework that is designed to reward our people based on their performance and recognised potential, giving equal emphasis to delivery and behaviour through a combination of short- and long-term incentives. In 2019, we launched TEAM+, which puts emphasis on teams working together to achieve shared goals. TEAM+ promotes active collaboration and collective responsibility. It has helped to align the way that teams work with the purpose and strategy of our business and will enable faster progress in important areas, such as safety.

Engage constructively with employees on matters of mutual concern.

Our commitment to employee (and other) stakeholder engagement is included in our Code of Conduct and Human Rights Policy.

During 2019, 39 000 employees responded to our employee-engagement survey, whilst 15 000 employees responded to a survey for us to understand how diverse and inclusive our culture is.

The findings of the employee survey allowed leadership to understand the dynamics between, our Purpose, Values and the vision of Safe, Responsible Production.

Also in 2019, we established the Global Workforce Advisory Panel, in line with the 2018 Corporate Governance Code. The Panel held its first meeting in South Africa and the outcomes of this discussion were shared with the board.

Ensure all employees, including security personnel, are provided with appropriate training and guidance on cultural issues and human rights.

In our Human Rights Policy, we commit to actively communicating the policy, including awareness raising and training on human rights related issues. Code of Conduct training includes human rights training. Specific security and human rights training is provided for security personnel and relevant employees.

The assessment of human rights in general and the Voluntary Principles are assessed annually as part of the Social Way assessment.

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Minimise involuntary resettlement, and compensate fairly for adverse effects on the community where resettlement cannot be avoided.

Resettlement plans at Anglo American are developed in line with the Social Way, Tool 4D – Resettlement Planning and Implementation of SEAT and the relevant International Finance Corporation Performance Standards.

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Respect the culture and heritage of local communities, including Indigenous Peoples.

Our approach to Indigenous People is aligned with the ICMC Position Statement and outlined in the Social Way, *Tool 4G – Indigenous Peoples* of SEAT and the relevant International Finance Corporation Performance Standards.

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**Principle 4**Implement risk management strategies based on valid data and sound science

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Consult with interested and affected parties in the identification, assessment and management of all significant social, health, safety, environmental and economic impacts associated with our activities.

Inform any parties potentially affected by significant risks from operations and spell out the measures that will be taken to manage such risks effectively.

Develop, maintain and test effective emergency response procedures in collaboration with potentially affected parties

The SHE Way, Social Way and SEAT include requirements to engage with stakeholders on the identification, assessment and management of all significant sustainability risks associated with our activities. Stakeholder engagement requirements are also usually addressed in local legal requirements. Our materiality process evaluates matters that are of common material interest to our stakeholders and to our business. We consult with stakeholders to include their views in the materiality assessment.

Regularly review and update risk-management systems.

The Anglo American Operating Model and Operational Risk Management process ensure that continuous risk management is used to inform improved approaches to operational practices and risk management.

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**Principle 5**Seek continual improvement of our health and safety performance

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Implement a management system focused on continual improvement of the health and safety of employees, contractors and people in the communities where we operate.

The Anglo American SHE Way is aligned with OHSAS 18001 and mandatory throughout the Group.

Take all practical and reasonable measures to eliminate workplace fatalities, injuries and diseases among employees and contractors.

The SHE Way is supported by mandatory performance standards (relating to, for example, fatal risks and hearing conservation) and operational safety improvement plans. A comprehensive account of measures taken by Anglo American to eliminate workforce fatal injuries is available in the 2019 Sustainability Report, including the founding of the *Elimination of Fatalities Taskforce*. The taskforce includes representatives from each of our business units and functions, as well as external safety consultants who help us to learn from best practice at other businesses. The taskforce's findings are helping us to prioritise urgent actions to prevent serious incidents with the potential for loss of life. We have also changed our approach to communicating the tragic news of fatalities across our business to ensure we quickly communicate lessons learned to all employees.

The behaviours we expect of employees are now clearly articulated in the Values, and align to the vision of safe, responsible production.

Provide all employees with health and safety training, and require employees of contractors to undergo the same training.

All employees and contractors undergo safety training as required in the SHE Way and legal requirements in all operating geographies.

Implement regular health surveillance and risk-based monitoring of employee. Rehabilitate and reintegrate employees into operations following illness or injury, where feasible.

Risk-based medical surveillance is required at all operations in line with the SHE Way and local legal requirements.

Our health programme involves measures to rehabilitate and reintegrate employees into operations following illness or injury, where feasible. This is in line with local legal requirements.



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**Principle 6**Seek continual improvement of our environmental performance

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Assess the positive and negative, the direct and indirect, and the cumulative environmental impacts of new projects – from exploration to closure.	The assessment of the environmental impacts of new projects throughout the mining life cycle is a legal requirement in each of the countries where our operations are located. The Anglo American Mine Closure Toolbox provides additional, best practice, guidance on effective mine closure planning throughout the mining life cycle.
Implement an environmental management system of continual improvement to review, prevent, mitigate or ameliorate adverse environmental impacts.	The Anglo American SHE Way is aligned with ISO 14001 and is mandatory throughout the Group.
Rehabilitate land disturbed or occupied by operations in accordance with appropriate post-mining land uses.	Local legal requirements require that land disturbed or occupied by operations is rehabilitated in accordance with appropriate post-mining land uses. Rehabilitating mines so that they leave a positive environmental legacy after closure is another important challenge. We launched a concurrent rehabilitation strategy in 2019, which is designed to establish Anglo American as a leader in land stewardship.
Provide for safe storage and disposal of residual wastes and process residues.	The Anglo American Mineral Residue Standard is mandatory and addresses the matter of safe storage and disposal of waste. Waste management is also subject to extensive legal compliance requirements.
Design and plan adequate resources to meet the closure requirements of all operations..	Local legal requirements dictate requirements around financial provisioning for closure requirements. The Mine Closure Toolbox offers best practice guidance on the provision of adequate operational resources.

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**Principle 7**Contribute to conservation of biodiversity and integrated approaches to land use planning

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Respect legally designated protected areas.	Anglo American respects legally designated protected areas as a standard aspect of legal compliance.
Disseminate scientific data on and promote practices and experiences in biodiversity assessment and management.	We have several partnerships with international and local biodiversity NGOs with the express purpose of promoting best practices and experiences in biodiversity assessment and management. We have a formal MoU with Fauna & Flora International at a global level ( <a href="http://www.angloamerican.com/sustainability/approach-and-policies">http://www.angloamerican.com/sustainability/approach-and-policies</a> ).
Support the development and implementation of scientifically sound, inclusive and transparent procedures for integrated approaches to land use planning, biodiversity, conservation and mining.	<p>The vision of the Sustainable Mining Plan is to deliver net positive impact across Anglo American through implementing the mitigation hierarchy and investment in biodiversity stewardship.</p> <p>The 2019 Anglo American Sustainability Report provides several examples of partnerships with NGOs and academic institutions on matters related to biodiversity.</p>

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**Principle 8**

Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products

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Advance understanding of the properties of metals and minerals and their life-cycle effects on human health and the environment.

Develop and promote the concept of integrated materials management throughout the metals and minerals value chain.

Provide regulators and other stakeholders with scientifically sound data and analysis regarding our products and operations as a basis for regulatory decisions.

Support the development of scientifically sound policies, regulations, product standards and material choice decisions that encourage the safe use of mineral and metal products.

Implementation of product-focused regulation such as the UN's Globally Harmonised System of Classification and Labelling of Chemicals (GHS) is growing. We comply by developing quality hazard data on our products and communicating – either it to customers, through Safety Data Sheets, or to authorities where required, for example under the European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). In 2019, we've ensured continued compliance with REACH should the UK leave the EU in a way that does not preserve the existing framework. We are also working proactively to ensure we comply with upcoming regulation, such as 'Korea REACH'. Finally, we enable our sites to manage hazardous materials effectively. REACH and GHS apply to all chemical substances, including minerals and metals, and failure to comply with these obligations would put our ability to access markets at risk. Comprehensive systems are in place, therefore, to ensure ongoing compliance.

Conduct or support research and innovation that promotes the use of products and technologies that are safe and efficient in their use of energy, natural resources and other materials.

We take a positive policy-advocacy stance to accelerate investment in the development and commercialisation of both hydrogen and fuel cell sectors, through initiatives such as the Hydrogen Council, of which we are a founding member.

We provided \$100 million, matched by South Africa's Public Investment Corporation to set up an independent fund management business AP ventures. They fund start-up companies which develop technologies to meet the challenges of resources scarcity and the transition to new sources of energy.

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**Principle 9**

Contribute to the social, economic and institutional development of the communities in which we operate

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Engage at the earliest practical stage with likely affected parties to discuss and respond to issues and conflicts concerning the management of social impacts.

Ensure that appropriate systems are in place for continual interaction with affected parties; ensure that minorities and other marginalised groups have equitable and culturally appropriate means of engagement.

Contribute to community development from exploration to closure in collaboration with host communities and their representatives.

Encourage partnerships with governments and non-governmental organisations to ensure that programmes (such as community health, education, local business development) are well designed and effectively delivered.

Enhance social and economic development by seeking opportunities to address poverty.

Our commitment to, and process for, engaging with interested and affected parties, including vulnerable groups; contributing to community development throughout the project life-cycle; partnerships with relevant stakeholders; social impact assessments and poverty reduction, are included in the Social Way and SEAT. Sites are also required to undertake human rights due diligence.

Collaborative Regional Development involves Anglo American acting as a facilitator and catalyst for change in the regions that host our operations. We look to form partnerships with other stakeholders to jointly identify and then deliver long-term social and economic development beyond our operations' immediate zones of influence.

Collaborative Regional Development is a critical enabler of the Sustainable Mining Plan goals related to our thriving communities pillar which include goals for health, education and job creation.

Our approach to mine closure emphasises the need to manage our financial liabilities rigorously, work with stakeholders to address social impacts, and start rehabilitating mines while they are still active. Under our Concurrent Rehabilitation Strategy, we are committed to reducing the backlog of our disturbed land that requires rehabilitation, during the lifetime of our current mines rather than after operations cease.

Our activities in socio-economic development focus on enterprise development, supplier development and youth development. The aim is to deliver these programmes through community-based hubs, expert partners and closer collaboration with internal functions such as supply chain.

Our stretch goals for the Sustainable Mining Plan linked to the thriving community pillar are available on page 14 of the 2019 Sustainability Report.

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**Principle 10**

Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders

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Report on economic, social and environmental performance and contribution to sustainable development.

Provide timely, accurate and relevant information.

Engage with and respond to stakeholders through open consultation.

Anglo American releases annual financial and sustainability reports within three months of year-end and hosts an annual sustainability performance report back by the CEO.

Our website contains detailed disclosure on specific issues where they are material to our stakeholders:  
<https://www.angloamerican.com/sustainability>

Our accountability stretch goal's vision is to transform the relationship between mines and communities, and wider society

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## Alignment of Anglo American's sustainability policies to ICMM's Position Statements

### ICMM Principles for climate change policy design

Anglo American supports the ICMM's position statement on climate change and related work on implementing a global solution for managing a low emissions economy, and its principles for climate-change policy design. We have a clear position on climate change in our business.

This is available for download at: <https://www.angloamerican.com/investors/annual-reporting>

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### Mining: Partnerships for Development Position Statement

Anglo American implements the requirements for the ICMM Partnerships for Development Position Statement through the Social Way and Socio-Economic Assessment Toolbox, available at:

**[www.angloamerican.com/sustainability/approach-and-policies](https://www.angloamerican.com/sustainability/approach-and-policies)**

The 2019 Sustainability Report provides a detailed description of Anglo American's approach to socio-economic development. The report is available at: <https://www.angloamerican.com/investors/annual-reporting>

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### Transparency of Mineral Revenues Position Statement

Anglo American has voluntarily provided information about our tax payments on a country-by-country basis for the past 13 years. A detailed account of performance in this regard is available in our annual Tax and Economic Contribution Report, at: <https://www.angloamerican.com/investors/annual-reporting>

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### Indigenous Peoples and Mining Position Statement

As a member of the ICMM, we committed to the 2013 ICMM Position Statement on Indigenous Peoples and Mining, which endorses the principles of Free, Prior and Informed Consent. This commitment is incorporated into our Social Way. Aligned with the Position Statement and our own policy, we accordingly seek the consent of Indigenous Peoples for all new projects (and changes to existing projects) that are located on lands traditionally owned by, or under customary use of, Indigenous Peoples and are likely to have significant adverse impacts on them.

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### Mining and Protected Areas Position Statement

In line with the Position Statement, Anglo American commits to respecting legally designated protected areas, and to not exploring or mining at any World Heritage sites. The biodiversity section of the sustainability report (pages 38-39) details our approach to environmentally sensitive areas and outlines how they address related risks and opportunities. A detailed site level overview is provided on page 91 of the 2019 Sustainability Report.

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### Preventing Catastrophic Failure of Tailings Storage Facilities

In December 2016, Anglo American signed up to the ICMM Position Statement on Preventing Catastrophic Failure of Tailings Storage Facilities, which sets out its members' approach to the governance of tailings storage facilities (TSFs) to minimise the risk of catastrophic failure of tailings facilities. The requirements of the Position Statement are addressed in the Anglo American mineral residue technical standard. During 2019, we responded to stakeholders' requests and published detailed disclosures relating to TSF, which can be found at:

<https://www.angloamerican.com/sustainability/tailings-summary/managing-tailings-safely>

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### Position Statement on Water Stewardship

In January 2017, the ICMM released a Position Statement on Water Stewardship, which sets out ICMM members' approach to water stewardship. Anglo American has endorsed the statement and has updated internal performance and reporting standards to ensure compliance.

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*Anglo American does not own any mines that produce mercury as a primary product.*

## Subject Matter 2

Anglo American's material sustainable development risks and opportunities based on our review of the business and the views and expectations of our stakeholders.

Pages 18-19 of the 2019 Anglo American Sustainability Report describes our approach to defining material matters and takes into account the views and expectations of stakeholders.

## Subject Matter 3

The existence and status of implementation of systems and approaches that Anglo American is using to manage each of the identified material sustainable development risks and opportunities

Our sustainability standards are articulated in the Anglo American Safety, Health and Environment (SHE) Way, the International Government Relations Policy and the Social Way. The policies and 'Ways' apply throughout the Group and set out the vision, principles, policies, management-system requirements and performance expectations for managing our core sustainability risks and opportunities. We also promote comparable standards in joint ventures and associate companies.

Group Technical Standards define the mandatory minimum requirements we set for managing a wide range of specific issues. In relation to sustainability, these include, for example, the management of water, energy, tailings storage facilities and various technical aspects of mining that relate to safety. Through our responsible-sourcing programme, we aim to ensure that those we do business with follow a set of minimum standards of responsible business conduct that are comparable to what we expect of ourselves.

The Way documents, along with other key policies, tools and guidance documents are available at:  
<https://www.angloamerican.com/sustainability/approach-and-policies>

## Subject Matter 4

The company's performance during the given reporting period for each (or a selection) of the identified material SD risks and opportunities

A full account of Anglo American's performance in relation to the material issues identified is available at:  
<https://www.angloamerican.com/investors/annual-reporting>

A set of key performance indicators has been assured by PricewaterhouseCoopers. The assurance scope and opinion statement are available in the 2019 Anglo American Sustainability Report available at:  
<https://www.angloamerican.com/investors/annual-reporting>

## Subject Matter 5

Anglo American's self-declared application level of the Global Reporting Initiative Standards. The 2019 Sustainability Report and GRI table are available at:  
[www.angloamerican.com/investors/annual-reporting](http://www.angloamerican.com/investors/annual-reporting)

## Appendix

### **Independent Auditor's Assurance Report on the International Council for Mining and Metals (ICMM) Assurance Procedure**

#### **To the Directors of Anglo American Plc**

We have undertaken a limited assurance engagement in respect of Anglo American Plc's response to the International Council for Mining and Metals (ICMM) Assurance Procedure, published by the ICMM, as described below, and presented in the 2019 Compliance with the ICMM Assurance Procedure of Anglo American Plc (the 'Company', "Anglo American" or "you") for the year ended 31 December 2019 (the Report). This engagement was conducted by a multidisciplinary team including health, safety, social, environmental and assurance specialists with relevant experience in sustainability reporting.

#### **Subject Matter**

We have been engaged to provide a limited assurance conclusion in our report over management's description of their alignment with the relevant governance, processes and control activities in operation for the 2019 reporting year, to meet the ICMM Assurance Procedures. This information has been prepared in accordance with the ICMM's Assurance Procedure, referred to as the Reporting Criteria.

#### **Your Responsibilities**

The Directors are responsible for the selection, preparation and presentation of the ICMM subject matter information in accordance with the accompanying reporting criteria as set out the ICMM's Assurance Procedure (the "Reporting Criteria").

#### **This responsibility includes:**

- the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance, and
- the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability information and for ensuring that those criteria are publicly available to the Report users.

#### **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018) and parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.

The firm applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Our responsibility**

Our responsibility is to express a limited assurance conclusion on the selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected sustainability information is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of the Company's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, our work in respect of the subject matter consisted of:

### **ICMM Subject Matter #1**

- For each of the ICMM Sustainable Development (SD) Principles and ICMM Position Statements, we obtained the documents referred to in Anglo American's response and confirmed that they included elements referenced;
- Through discussions, we obtained an understanding of the processes that are designed to monitor compliance with these documents;
- We obtained an understanding of how these documents are maintained and kept up to date;
- On a sample basis, discussions were held on the application of the SD management systems with personnel at BU and Group level and through review of additional documents; and
- Discussed other Anglo American initiatives relevant to Anglo American's response to each of the ICMM Sustainable Development (SD) Principles and ICMM Position Statements.

### **ICMM Subject Matter #2**

- Reviewed the internal Anglo American documentation that described the process undertaken to identify the SD issues that Anglo American considers to be most material; and
- Confirmed through discussions the materiality process followed.

### **ICMM Subject Matter #3**

- Obtained the SD management system documents referred to in Anglo American's response and confirmed that they included elements referenced;
- Confirmed that the management system documents relate to the material SD issues identified by Anglo American;
- Discussed the internal assurance processes that are designed to monitor compliance with these documents;
- Discussed how these documents are maintained and kept up to date; and
- On a sample basis, we held discussions on the application of the SD management systems with personnel at BU and Group level and through review of additional documents.

#### **ICMM Subject Matter #4**

- Reviewed the Sustainability Report and confirmed that performance indicators related to Anglo American's material SD issues have been set out in report; and
- Provided independent assurance over Selected Sustainability Information set out in the Sustainability Report [www.angloamerican.com/investors/annual-reporting](http://www.angloamerican.com/investors/annual-reporting).

#### **ICMM Subject Matter #5**

- Reviewed the alignment between the material issues identified by Anglo American and the selected GRI material aspects; and
- Reviewed GRI indicators selected for each GRI material topic to determine whether the Content Index had been prepared in accordance with the GRI Standards "Core" Requirements.
- The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's selected sustainability information has been prepared, in all material respects, in accordance with the accompanying the Company's reporting criteria.

#### **Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the subject matter for the year ended 31 December 2019 is not prepared, in all material respects, in accordance with the reporting criteria.

#### **Other Matter(s)**

The maintenance and integrity of Anglo American's website is the responsibility of Anglo American's Directors. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on Anglo American's website.

#### **Restriction of Liability**

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability information to the Directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company, for our work, for this report, or for the conclusion we have reached.



**PricewaterhouseCoopers Inc.**

**Director: Jayne Mammatt**

**Registered Auditor**

**Johannesburg**

**28 February 2020**