



Sustainable
businesses need
ethical value chains

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The importance of Platinum Group Metals

Platinum Group Metals (PGMs) have a key role to play in the shift to a low-carbon future.

As well as their use in the production of green hydrogen, they are used in automotive catalytic converters to purify traditional vehicle and other emissions, and in fuel cells to drive cleaner, quieter engines. Platinum group metal-based catalysts allow reactions to happen at a lower temperature and pressure, reducing energy intensity and cost, and driving better environmental outcomes.

As a leading supplier of PGMs, our duty – to our customers and to all our stakeholders – is to closely consider the impact of the decisions we make, and the way we work.

Anglo American's approach to shaping a sustainable business

A sustainable business has an enduring purpose in society and considers the many different forms of value that it can deliver for its stakeholders, in all its decision-making.

Our purpose of **re-imagining mining to improve people's lives** guides our approach to sourcing the metals and minerals needed for a more sustainable future, while striving to meet the expectations of consumers around the world for products made from materials that are sourced responsibly, and in accordance with the highest ethical and sustainability standards.

Our **Sustainable Mining Plan** was introduced in 2018 as part of FutureSmart Mining™, Anglo American's innovation-led pathway to sustainable mining and a blueprint for the future of our business. Designed to foster innovation and deliver step change results across the entire mining value chain – from mineral discovery right through to marketing – the plan outlines a set of stretch goals spanning the full breadth of the sustainability spectrum. At the centre of this are our three Global Sustainability Pillars, aligned to the UN's Sustainable Development Goals:

- **Healthy Environment:** Maintaining a healthy environment by creating waterless, carbon-neutral mines and delivering net-positive biodiversity outcomes.
- **Thriving Communities:** Building thriving communities with better health, education and levels of employment.
- **Trusted Corporate Leader:** Developing trust as a corporate leader by providing ethical value chains and improved accountability to the communities we work with.

Under each pillar, we have a series of ambitious global stretch goals that depend on local, purposeful and long-term actions designed to drive positive outcomes through innovative thinking, enabling technologies, and collaborative partnerships. These are helping us to 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.

An integral aspect of our third pillar is our ambition to be part of a value chain that supports and reinforces positive human rights and sustainability outcomes.

How we work, the social part of it, is very important. Being consistent, being authentic, being true to what we say we are going to do and then doing it. Trust is a very important part of this equation.

Duncan Wanblad

Chief Executive, Anglo American

Our PGM footprint

Our operations fall in the PGM-rich Bushveld Igneous Complex in South Africa and Great Dyke region of Zimbabwe.

They include the world's largest open pit PGM mine, Mogalakwena, the Amandelbult and Mototolo complexes in Limpopo province, and the Unki mine – one of the largest PGM deposits outside of South Africa – which we own and operate.

We also have our smelting and refining operations, including the Mortimer and Waterval smelters, Rustenburg Base Metals Refinery and Precious Metals Refinery. These treat concentrates from our owned operations, as well as from our JVs and third parties, helping to ensure the flow of resources key to the energy transition, while also enabling third party miners to bring their refined materials to market with the benefit of Anglo American's expertise and marketing platform.

Shaping a sustainable business

The value of independent assessment

Anglo American Platinum has a clear, **well-established record of responsible sourcing and ethical value chains**, with industry-leading internal standards that guide our approach to sustainability.

When buying Anglo American products, our customers know that our processes are underpinned and guided by our values, and our focus on sustainability – from our safety, health and environmental management system, to our standard for responsible sourcing and our commitment to understand, and respond to, the needs and realities of the communities in which we operate. This helps us prioritise ethical decision-making across our entire supply chain, complementing our efforts to promote the principles of decent work and ensuring the protection of fundamental human rights for every person impacted through our activities.

We also recognise the value of independent assurance to verify these aspects of our performance, against which we can test our internal criteria for alignment with best practice. This ensures we live up to the changing expectations of our customers, investors, local communities, employees and other stakeholders, while optimising the value from our mineral resources by anticipating and addressing their needs from a sustainability standpoint.

Our operations already meet the requirements of the London Platinum & Palladium Market (LPPM) Responsible Sourcing Guidance, a framework created to formalise and consolidate existing high standards of due diligence amongst all PGM refiners.

The **Initiative for Responsible Mining Assurance** (IRMA) Standard – a core element of the Ethical Value Chain stretch goal in our Sustainable Mining Plan – is another such mechanism. A global system to credibly measure environmental and social responsibility for mined materials, it offers independent third-party verification and certification for all mined materials, covering the full range of issues related to the environmental and social impact of industrial-scale mines.

The IRMA framework helps us to certify our efforts in a way that is objectively measured and understood. Supporting our own industry-leading standards by associating the appropriate trust marks with our products **provides independent assurance to our customers that the materials they purchase from Anglo American are mined and supplied in a responsible way** – in full alignment with our purpose and values.

This helps them demonstrate the necessary credentials across their own value chains. For example, certain sectors, like automotive, are increasingly recognising the benefits of IRMA and appreciate the certification as a way of validating the commitment of product suppliers, such as Anglo American, to responsible sourcing practices.

Understanding IRMA

The IRMA Standard was developed over **10 years following public consultation with more than 100 individuals and organisations**, including government agencies, financial entities, academic institutions, NGOs and others. It defines good practices and sets aspirational goals for how mines should operate and perform.

Results range from IRMA Transparency to IRMA 50, IRMA 75 and IRMA 100 certified achievement levels, which reflect gradual performance improvements. Each level requires a third-party audit and public disclosure of the results, as well as conformity to 40 critical requirements across four principal areas – Business Integrity, Planning and Managing for Positive Legacies, Social Responsibility, and Environmental Responsibility.

Based on a wide range of existing, industry-recognised standards, IRMA establishes a more efficient audit process for global value chains, with input from multiple stakeholders, increasing transparency and ensuring

sustainability practices are continuously improved through a positive-feedback loop that leads to better ways to do business. This creates greater value for all stakeholders.

Adopting processes like the IRMA and LPPM frameworks allows us to **monitor and drive continuous improvement across all aspects of responsible mining**, with several advantages to certification. For example, with growing cross-industry commitment in this space, IRMA counts several key customers of our PGM value chain as members.

The rigorous requirements of the IRMA Standard have been confirmed by the German Institute for Geoscience and Natural Resources (*Bundesanstalt für Geowissenschaften und Rohstoffe*) which, together with the University of Ulm, published a study in 2017 comparing 19 selected initiatives. The results of this analysis determined that the IRMA certification process demands the highest requirements of the mining industry.

Encouragingly, the European Parliament has also expressed support for IRMA in its recently published report on Critical Raw Materials. In this report, Parliamentarians called on the Commission to use IRMA as a “starting point” when developing a standard for responsible mining.



As the link between the customers who buy and appreciate our high-quality products, and our mines, we know that, to shape a truly sustainable business, we must stay ahead of evolving trends. By doing this, we ensure the reliable supply of essential resources that fulfil customer requirements; that are responsibly produced, sourced and delivered; and that are complemented by our high-quality service support.

Peter Whitcutt

CEO, Anglo American's Marketing Business

Shaping the conversation on sustainability

Transforming the very nature of mining for a safer, smarter, more sustainable future is at the heart of Anglo American's efforts to deliver on our purpose, and is reflected in our internal standards and behaviours.

Our alignment with IRMA supports and allows us to demonstrate our credentials through a framework that is accepted and understood across the industry. As a founding board member, we are proud to have supported the development of the IRMA Standard and, working alongside other stakeholder groups, we will continue to champion it as a force for sustainability and trust in the mining sector. We believe **IRMA certification directly supports the delivery of our Sustainable Mining Plan** as well as the implementation of responsible business practices across the broader industry.

We have committed to assuring all our operations against a recognised responsible mining standard by 2025. As part of this effort, we are working to certify our PGM, Iron Ore, Base Metals and Crop Nutrients sites against the IRMA framework. To date, seven Anglo American-managed operations have either completed IRMA assessments or are in the process of being assured – our Unki (Zimbabwe), Amandelbult and Mototolo (South Africa) PGM mines; our Sishen, Kolomela (South Africa) and Minas Rio (Brazil) iron ore operations, and our Barro Alto (Brazil) nickel mine.

We have a responsibility to mine the mineral resources entrusted to us in a way that maximises the benefits to stakeholders and minimises the impact on the environment and host communities. We know that the mineral resources don't belong to us; they belong to the people of the country. Our efforts are very much driven by our purpose and values. The purpose impacts the strategy and the strategy then drives execution.

Natascha Viljoen

CEO of Anglo American Platinum



A four-step process

We follow a standard course of action for each IRMA assessment, with assurance at the mine site undertaken by independent, third-party auditors.

The process consists of four main steps, through which each site must progress. They include:

- Business unit and site preparation.
- Self-assessment at a site level.
- Third-party assessment by an independent certification body, comprising a desk-based and site-based assessment.
- Surveillance and re-certification, conducted after 18 months, with re-certification taking place every three years.

As more of our operations go through audited assessments, we build a better understanding of areas where we can continue to improve and take our sustainability performance to the next level.

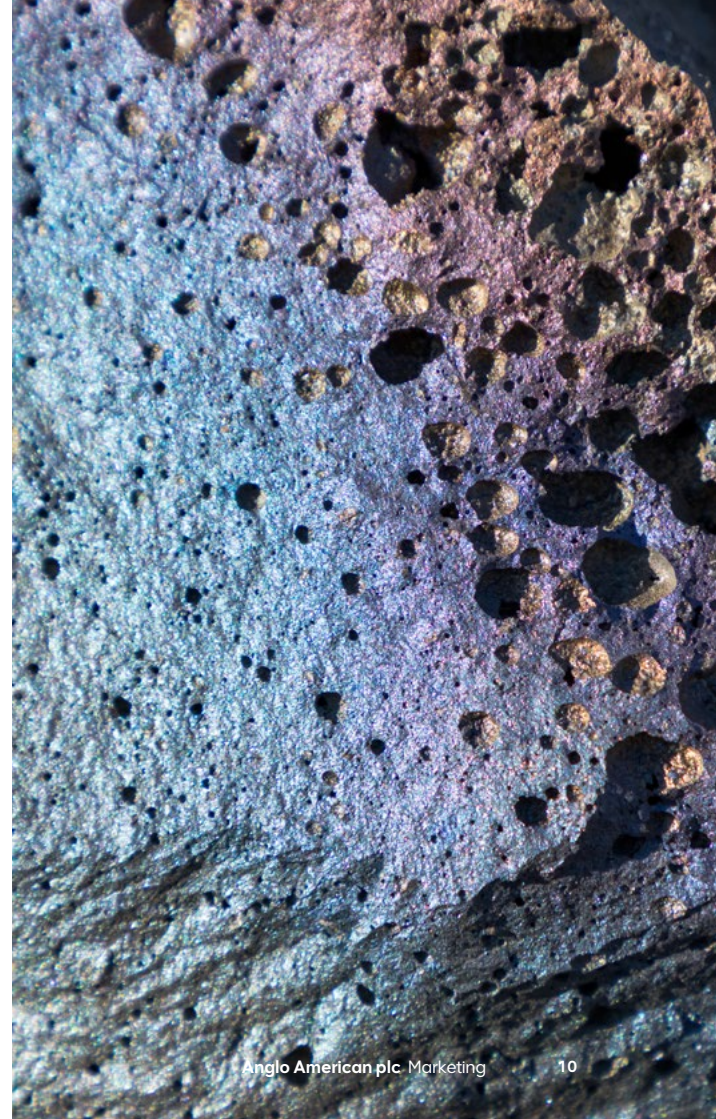
Unki achieves IRMA level 75

Anglo American's Unki platinum mine was **the first in the world to publicly commit to being independently audited against the IRMA Standard.**

In February 2021, Unki was assessed against IRMA's comprehensive mining standard, achieving the IRMA level 75 of performance. It is the first mine in Africa and the first PGM-producing operation globally to complete the audit, verified by SCS Global Services.

This rating shows that Unki meets a core set of critical requirements, together with at least 75% of the requirements in each of the four sections of the Standard for Responsible Mining.

Aimee Boulanger, Executive Director of IRMA, said: "Anglo American's bold move to distinguish themselves in the world's most comprehensive and rigorous responsible mining programme sets the stage for greater environmental and social responsibility across the global mining industry. By achieving IRMA level 75 at their first mine, Anglo American is showcasing their commitment to supporting transparency, continuous improvement and best practices."



Making a difference: comprehensive industry leadership

We have a comprehensive set of **policies, standards and principles** that ensure we uphold the commitments we make to our stakeholders.

SHE Way – upholds our principles for excellence in Safety, Health and Environmental management.

Social Way – sets out our approach to social performance.

Human Rights Policy – outlines our commitment to respect and protect human rights.

Responsible Sourcing Standard – sets out our vision for sustainable, responsible, local procurement.

Climate Change Policy – informs our approach to the challenge of climate change.



Water Policy – guides our efforts to lead sustainable water management.

Tailings Management Standard – governs the safe management of our tailings storage facilities.

Business Integrity Policy – guides us to behave to the highest standards of integrity.



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Our commitment in action

A positive impact on society

The PGM value chain offers significant potential for beneficiation and poverty alleviation.

The **need to maintain and create job opportunities** is critical in South Africa, where unemployment – particularly among the youth – is a deep-rooted challenge. This remains top of mind as we continue to pioneer safer mining through modernisation and automation.

One example of the contribution we have been making to South Africa's economic transformation was the award of a key contract for the transportation of concentrate in 2021. After learning that a major barrier to entry for our host community suppliers was the high capital cost of establishing a fleet of trucks large enough to handle our peak loads, we developed a solution that unbundled the contract, enabling multiple, smaller-scale transporters to work cooperatively under the guidance of a managing agent in fulfilling the terms of the agreement.

This meant we were able to award the full contract to 10 suppliers working in partnership with industry leader Imperial Logistics as the managing agent.

The contract covers four concentrators spanning three sites (Mogalakwena, Mototolo, Modikwa) and three smelters (Mortimer, Waterval, Polokwane) at a total contract value of R1.2 billion over five years. Awarding the contract to multiple local suppliers has increased the number of local jobs supported and enabled wider distribution of the economic benefits, improving our relationships with local community stakeholders.

Another example is provided by our efforts to combat domestic and gender-based violence (GBV) across our host communities. A societal issue of national importance in South Africa, eradicating GBV within and around our operations is integral to our desired organisational culture.

Our **Living with Dignity programme**, established in 2019, is designed to combat this issue. One of its primary focus areas is to ensure the numerous victim empowerment centres and shelters across South Africa – which form part of the South African Police Service (SAPS) and Department of Social Development's programmes to support GBV survivors – are kept in good repair and provide an active support beyond just being a safe space.

By the end of November 2021, we had renovated and refurbished 20 victim empowerment centres and shelters near our operations.

Investing in education in our mining communities is also a priority. Since 2015, we have partnered with three technical high schools at Amandelbult, Mogalakwena, and Mototolo to improve learners' maths, science and technology skills. Through these partnerships, we address the needs and challenges of the schools and pupils, while at the same time safeguarding our workforce requirements by driving skills development in key areas that will help us build a local talent pipeline.

In addition, the Anglo American **South Africa Education Programme**, an initiative launched in 2018 as part of our Sustainable Mining Plan. In partnership with the Department of Basic Education, it aims to improve outcomes for learners in 100 early childhood development (ECD) sites and 100 primary and secondary schools local to our mining operations in the country.

Employee housing forms another important component of our efforts to support our staff, to operate productively and responsibly, to build trust as a corporate leader, and to create thriving communities around our mines.

The **Impali Housing Estate project** at our Unki mine in Zimbabwe is one of our flagship initiatives. The project aims to reduce the costs and hazards of employee commutes, provide adequate learning facilities for schoolchildren, and improve the overall welfare of Unki employees. By the end of 2021, 365 houses had been completed, including the construction of bulk water, sewerage, and road infrastructure. The project envisages supporting 748 families with access to housing and amenities, with 358 supported to date. The project will continue through 2022-24.

The IRMA assurance process has provided us with a valuable opportunity to measure our performance at Unki against international best practice on a wide range of environmental and societal factors. We are immensely proud of the work the team has been doing at Unki on responsible and sustainable mining, and we look forward to continuing to lead the way for our other mining operations across Anglo American.

Walter Nemasasi

General Manager of Unki mine

The safety and health of our employees and communities

Our people, and the culture they co-create, are the cornerstone of our business. Their skills and expertise embody our ability as a company to deliver on our strategy, achieve our purpose, and adapt for continued success into the future.

As such, their safety, health and wellbeing is our foremost value and we have robust health and safety strategies – brought to life across all our systems and operations – designed to protect people from harm, and to improve their overall health and wellbeing.

In 2021, we spent R634 million on Covid-19 mitigation and medical preparedness at our managed operations in South Africa and Zimbabwe, with an expansive Covid-19 vaccination drive across our operations resulting in a 65% uptake across our workforce at year end.

Further, all our operations have developed formal wellbeing strategies and a series of programmes designed to educate people on preventing and managing chronic and lifestyle diseases, and to positively influence their wellbeing. In addition to HIV, TB and chronic disease management, we continue to focus on mental health, drug and alcohol abuse, and other health issues.

Creating new engines of activity in the low-carbon economy

Hydrogen is enjoying unprecedented momentum, with governments around the world setting out their aspirations for the important role they would like it to play in delivering against their broader decarbonisation strategies. The big question is, how do we ensure that these ambitions manifest themselves into actual projects that are able to deliver on hydrogen's potential?

Recognising the role green hydrogen can play in shaping a lower carbon energy sector, Anglo American has, for some years, been working on **establishing the right ecosystem to successfully develop, scale-up and deploy hydrogen-fuelled solutions.** This includes investing in innovative ventures and enabling technologies, as well as forging wide-ranging collaborations across industry.

South Africa is a country with real promise in this area, courtesy of its world-leading solar and wind resources, and access to PGMs – used in the electrolyzers needed to produce green hydrogen as a fuel. It is primed to capitalise in terms of both hydrogen generation and consumption.

This potential was recently reinforced by a collaboration led by South Africa's Department of Science and Innovation (DSI), together with Anglo American Platinum, the South African National Development Institute (SANEDI), Engie, and Bambili Energy – exploring the opportunity to create new engines of economic activity through hydrogen.

The resultant feasibility study, released in October 2021, outlined the potential of **establishing a hydrogen valley in the country** and identified three possible hubs – Johannesburg, extending to Rustenburg and Pretoria; Durban, encompassing the city and Richards Bay; and Limpopo province centred around our Mogalakwena PGM mine – with a fundamental role to play in integrating hydrogen into the country's economy. Nine key pilot projects were also identified across these hubs, recommended to be prioritised by developers. These span the transport, industrial and construction sectors.

These include our hydrogen-powered ultra-class mine haul truck, our pilot for the **nuGen™ Zero Emission Haulage Solution**. It's an ambitious project that marks the first time a truck of this size and load capacity (a 220t truck with a load capacity of 290t and a total laden weight of 510t) has been converted to run on a hybrid combination of hydrogen that will be produced on-site and battery power.

With our large trucks currently accounting for 80% of diesel consumption on-site, this marks an important milestone in our efforts to decarbonise our mining operations with renewable energy ecosystems. By rolling out the technology across our global haul truck fleet, we will be taking the equivalent of half-a-million diesel cars off the road.

We are seeing a growing interest from our customer base in terms of sustainability and this is a multi-faceted conversation. What one customer wants to know is not the same as another. I am proud of our Anglo American values, which we try to live by and which you can see reflected clearly in the efforts we have made, or are making, to improve our performance. When you buy Anglo American products, you buy those values.

Hilton Ingram

Executive Head of Marketing, Anglo American Platinum

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