

News Release

5 May 2021

Anglo American plc Annual General Meeting – Address to shareholders

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

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

Before I ask Mark Cutifani, our chief executive, to give you an overview of recent performance and an update on what you can expect in the next year or two, allow me to share some of my perspectives on your company, Anglo American.

In a year like no other, Anglo American showed considerable resilience, acting quickly to safeguard our workforce and putting measures in place to help keep our people and our communities safe, while sustaining our operations.

You may have heard us talk about our WeCare programme; this is the programme that Mark and his team put together in response to the challenges posed by Covid-19 for our employees and our host communities: working to protect physical health and mental health, supporting many aspects of the lives and livelihoods in our local communities, while also helping to tackle the scourge of gender based and domestic violence in many countries.

As we are often the major employer and economic engine in the areas where we operate, we engaged widely to ensure we could also continue to provide the wide range of essential services that many of our communities rely on, including the provision of water, electricity, housing and food; support for teachers, students and small business; as well as additional hospital facilities, medical equipment and PPE.

Turning to safety, lockdowns in various countries certainly put additional pressure on our mining operations, with shutdowns followed by the re-opening and ramping up of operations posing particular safety risks. It is testament to the integrity of our safety systems and processes that in 2020 we achieved our best-ever safety performance.

Against that backdrop, though, it was greatly upsetting that two people died in work-related incidents during the year. That is two too many. We are putting increased resources behind our Elimination of Fatalities Taskforce, which has urgent work to do and I am encouraged by the headway it is making. Through its work, we are gaining a better understanding of how serious incidents happen, which is helping us to prioritise actions to eliminate risk at the workplace, as well as travelling to and from work.

Covid-19 notwithstanding, climate change is the major issue of our time, and we have a clear role to play in helping to bring about a lower carbon economy. We already have in place a holistic set of ambitious goals contained in our Sustainable Mining Plan. These goals include a 30% improvement in energy efficiency, a 50% reduction in fresh water use, and a 30% cut in greenhouse gas emissions, all by 2030. Last year, we added to these goals our commitment to be carbon neutral across our operations by 2040.

Concerning technology, our employees are proud of Anglo American's progress, and our FutureSmart Mining™ programme is playing a major part in getting us to the targets I just mentioned, introducing new technologies and digitised approaches that are making mining safer and transforming our environmental and societal footprint. We are also helping to stimulate the hydrogen economy, including through investments and partnerships to use platinum group metals as the catalyst for new generations of hydrogen-powered electric transport.

Anglo American plc

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

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Anglo American's resurgence in performance led by Mark Cutifani and the executive team continues. We now have a significantly improved portfolio of half the number of assets now producing more product on a copper-equivalent basis, with production per employee more than doubling. Furthermore, your company, Anglo American, has one of the industry's most compelling growth profiles across the truly diversified mix of metals and minerals that are required for a cleaner, greener world and to satisfy global consumer demand.

Looking to the future, our new Quellaveco copper mine in Peru will boost our supply of one of the modern world's most-needed energy-transition metals, while the Woodsmith crop nutrients project in the UK that we acquired last year further diversifies our portfolio. You will also have noticed our announcement of a few weeks ago to demerge our thermal coal operations in South Africa, subject to the approval of shareholders at the General Meeting that follows this AGM.

Mark will cover our financial performance in more detail but, just briefly, Anglo American continues to generate healthy cash flows that we are using to re-invest in our business and to deliver sustainable cash returns to you, our shareholders.

Looking ahead, there continues to be strong demand for the many essential metals and minerals that we provide. At the same time, however, expectations of mining companies are being raised. As the world also transitions towards a low carbon economy, we must continue to act responsibly – bringing our employees, host communities, host governments and customers – and of course our shareholders – along with us.

Mark Cutifani, Chief Executive of Anglo American plc, made the following remarks:

Thank you, Stuart, and good afternoon, everyone.

You will have heard others say this, but Covid-19 really has tested the world to its limits and we know it's not over yet. And so, 2020 was an extraordinary year and it reminded us just how important it is that we look after each other and those around us, both in our personal and professional lives.

As a company, we moved quickly this time last year to put in place a global and multi-faceted response that we call our WeCare programme, as the Chairman touched on. We knew we needed to help protect lives and livelihoods for our employees and host communities – both in terms of their health and wellbeing, and their economic prosperity. Our employees are rightly proud of what we did and how we conducted our business. There is no doubt our approach brought us together as a company and in particular reinforced our relationships with many stakeholders, particularly our local communities and our broader regional and Federal authorities.

The Covid-19 pandemic has impacted every one of us and I'm delighted how Anglo American responded as a family of more than 95,000 citizens and community members; we absolutely stayed true to our Purpose of *re-imagining mining to improve people's lives* and to our values. We stayed true to who we are.

Turning to safety, our determination to ensure that every employee returns home safely at the end of each day drives our thinking and behaviours.

In 2020, we recorded our best-ever safety performance, with our lowest fatality and total recordable-injury numbers. We have transformed our safety performance and, in the past five years alone, we have continued the journey with another 40% reduction in total injuries and an 82% reduction in fatal incidents. However, we still have a long way to go as we are still reporting serious safety incidents. In May last year, five colleagues were seriously injured in an incident underground at Grosvenor in Australia, while two colleagues, both in South Africa, lost their lives at work in 2020. While we have made real progress, we can never say we have had a good year unless we have zero fatal incidents.

On the financials, our performance for the year showed the resilience and quality of our diversified business. After a tough start to the year, underlying EBITDA of \$9.8 billion reflected a remarkable second half turnaround, a decrease of just 2% on the previous full year results, while our mining EBITDA margin increase to 43% - despite the lower full year production volumes. The full year results reflected solid cost control, a strong contribution from our Marketing business, and price strength later in the year. Return on capital employed of 17% exceeded our targeted 15% through-the-cycle return, and we delivered a strong Total Shareholder Return of 16.2%. Total dividends for the year, amounting to \$1.00 per share, are in line with our policy of paying out 40% of underlying earnings, again with a strong second half weighting. Subject to your approval today, the second half final dividend of 72 cents will be paid to shareholders on Friday.

We remain absolutely committed to capital-allocation discipline 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. In our business it is about consistent and sustainable Capital Returns and Returns of Capital to our shareholders.

Operationally, we continue to deliver material business improvements, building on the stable platform provided by our Operating Model. As you have heard me say before, the first step was for the operating model to set a stable base, from which we push for P101 levels of performance, or beyond best in class, to set new benchmarks across our operational processes.

More recently, the team has delivered another \$2 billion in terms of annual EBITDA run-rate improvement through our efficiencies and operational delivery. This focus on continuous improvement is as much about improving returns as it is to protect the business from internal and external headwinds like increasing mine depths and global inflation.

And then, off the stable foundation and enhanced performance, we are implementing a number of technologies to drive additional value through cost efficiency, and growth in throughput and margins – as well as delivering our growth projects – and we are on track to deliver our targeted \$3-4 billion annual run-rate improvement over the five year period to end 2022.

Panning out from the year behind us to looking at our broader strategic progress, let me touch on each of our three strategic pillars, beginning with Portfolio.

We have re-shaped and upgraded the quality of our diversified portfolio over the last several years, today providing us with a well-sequenced range of high quality and return growth options. We have carefully sequenced the execution of our projects to protect our balance sheet while providing significant margin accretive production growth over the next 5 years and beyond.

We have also continued to transition our portfolio towards those products that support a low carbon economy and consumer demand trends, and our growth projects accelerate that trajectory. Our transformation is not about diversification for diversification's sake, the growth in quality production in market segments with high growth and margin potential is the key driver in our portfolio thinking.

Specifically, I am pleased to tell you that we are firmly on track to deliver first production from the new Quellaveco copper mine in Peru during 2022. Last year's addition of the Woodsmith crop nutrients project in the UK, and the proposed demerger of our remaining thermal coal operations in South Africa early in June, all take us further down that road – being a producer of high quality products in favourable markets, that are also fundamental to decarbonisation and the demands of a growing global consumer population – from food and everyday essentials to luxury and special market products.

This is a very differentiated business when you look across our sector.

To our “Portfolio”, we apply “Innovation” and, in tune with our Purpose, we have set out a very different future for mining that we refer to as FutureSmart Mining™. Our integrated approach to technology, digitalisation and sustainability is designed to drive step-changes in safety, environmental and social – or community – and governance outcomes across our business. We are applying technologies that more precisely target the desired metals or minerals, requiring less water, energy and land along with capital intensity, while producing less waste. In parallel, we are digitising at pace, transforming data into predictive intelligence, leading towards safer, systemised and self-learning operations.

Our technology progress is part of why we have been able to add a commitment to carbon neutral operations by 2040 to our already wide-ranging and stretching Sustainable Mining Plan goals. Importantly, this is more than a target - we have plans to get there. And we have plans to get 8 of our sites (roughly a third of our business) to carbon neutrality by 2030. We are tackling the challenges head-on, recognising that time is a commodity none of us have. To that end, you may have seen last month that we have now secured 100% renewable electricity supply across our South American operations, cutting our CO₂ emissions at those sites by up to 70%.

The tools and processes we have today will not take us all the way to carbon neutrality – so, new energy technologies, including hydrogen, will play a crucial role. In a first for our industry, we will trial a hydrogen fuel-cell haul truck at our Mogalakwena PGMs mine later this year, proving up a technology that can drastically reduce diesel usage and its associated emissions from mines all over the world. This is another game-changer.

And the third leg of our strategy is, of course, our People – who represent the substance behind all of our changes and transformation. That may sound trite, but it is an often-overlooked truth. So, first, to all of our employees, I say “thank you”.

We strive to create safe, inclusive and diverse working environments that encourage high performance and innovative thinking. How we build a team-based culture is built on engagement and participation. For every individual to give their best they need to know we mean what we say and we do what we mean. I believe we made further good progress in 2020 – a year more than ever when we needed to be engaging and listening, both for outbound communication and inbound feedback and commitment.

I am also pleased to report that we are making good progress in addressing what has long been a challenge in our industry – gender diversity. In the last five years, the proportion of women in senior management roles has increased from 15% to 27%, as we head towards our 2023 target of 33%. And across the company, women now represent 23% of the workforce, up from 18% in 2015. While it is important to have a target to aim for, this is actually about creating the right environment to develop and retain the best talent – and doing so sustainably. Our low turnover of well below the 5% level shows us we are getting this right so far. Progress, and still a long way to go.

Reflecting on Anglo American today, I see a continuously improving business, building resilience and delivering industry leading results, and well positioned to meet the high expectations of our full breadth of business and societal stakeholders.

This is also a purposeful business, with strong values and leaders working hard to model our values through behaviours. We all have a responsibility to work together to help rebuild economies and protect our natural world. We believe that, through our mix of high-quality and responsibly produced products, we are playing our part in building a more sustainable modern world, and in ensuring mining has a safer, smarter future.

We have the resources and the assets, we have the innovative mindset and we have the people. We have shown what we can do – delivering industry-leading returns since 2013. And we have set the foundations to outperform to 2030 and beyond.

Thank you.

Check against delivery.

The slides used by Mr Cutifani to illustrate his remarks are available at <https://www.angloamerican.com/investors/investor-presentations>

A recording of the meeting will be available on the Anglo American website at <https://www.angloamerican.com/investors/shareholder-information/agm/agm2021>

For further information, please contact:

Media

UK

James Wyatt-Tilby
james.wyatt-tilby@angloamerican.com

Marcelo Esquivel
marcelo.esquivel@angloamerican.com

Katie Ryall
katie.ryall@angloamerican.com

South Africa

Nevashnee Naicker
nevashnee.naicker@angloamerican.com

Sibusiso Tshabalala
sibusiso.tshabalala@angloamerican.com

Nomonde Ndwalaza
Nomonde.ndwalaza@angloamerican.com

Investors

UK

Paul Galloway
paul.galloway@angloamerican.com

Robert Greenberg
robert.greenberg@angloamerican.com

Emma Waterworth
emma.waterworth@angloamerican.com

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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Forward-looking statements:

This announcement includes forward-looking statements. All statements other than statements of historical facts included in this announcement, 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 Reserves and Mineral Resource estimates) 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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