Risk management

Disclose how the organisation identifies, assesses and manages climate-related risks.

Recommended disclosures	References	CA 414CB
a) Describe the organisation's processes for identifying and assessing climate-related risks.	**Summary**: Our risk management processes embed climate change in the understanding, identification and mitigation of risk. **Integrated Annual Report 2023:** Pages 49–54 describe our approach to climate-related risk, including both transition and physical risks. Pages 79–85 describe the Group's risk identification process and has more detail on climate change and water, both considered principal risks. **Climate Change Report 2023:** Page 46 describes our understanding, assessment and management of climate-related risks. Pages 11–17 explain how we manage transition risks through portfolio evolution. Pages 18–23 have more detail on the physical and adaptation climate risks facing our operations and host communities in the short, medium and long term, and our approach to them.	(b)
b) Describe the organisation's processes for managing climate-related risks.	**Summary:** Our risk management processes embed climate change in the understanding, identification and mitigation of risk. **Integrated Annual Report 2023**: Pages 49–54 describe our approach to climate-related risk, including both transition and physical risks. Pages 79–85 describe the Group's risk identification process and has more detail on climate change and water, both considered principal risks, and how we manage and mitigate those risks. Our Portfolio (pages 30–39) and Innovation (pages 42–65) sections of this report provide detail on the strategic portfolio choices we have made and the technological innovations we are delivering across the Group to reduce energy and water consumption and mitigate the impacts of climate change. Pages 54–57 describe how we plan to decarbonise our operations, page 57 explains the pathway to decarbonising our value chains. **Climate Change Report 2023**: Page 46 describes our understanding, assessment and management of climate-related risks. Pages 42–43 describe the Board's climate change capability and give detail on the Group's climate-related governance, oversight and management structure, including the role of the Group's Climate Change Steering Committee and the ELT. Pages 11–17 explain how we manage transition risks through portfolio evolution. Pages 18–23 have more detail on the physical and adaptation climate risks facing our operations and host communities in the short, medium and long term, and our approach to them.	(b)
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	**Summary**: Our risk management processes embed climate change in the understanding, identification and mitigation of risk. **Integrated Annual Report 2023**: Pages 49–54 describe our approach to climate-related risk, including both transition and physical risks. Pages 79–85 describe the Group's risk identification process and has more detail on climate change and water, both considered principal risks, and how we manage and mitigate those risks. **Climate Change Report 2023**: Page 46 describes our understanding, assessment and management of climate-related risks. Pages 42–43 describe the Board's climate change capability and give detail on the Group's climate-related governance, oversight and management structure, including the role of the Group's Climate Change Steering Committee and the ELT. Pages 11–17 explain how we manage transition risks through portfolio evolution. Pages 18–23 have more detail on the physical and adaptation climate risks facing our operations and host communities in the short, medium and long term, and our approach to them.	(c)

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended disclosures	References	CA 414CB
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	**Summary**: We use a range of metrics to assess climate-related risks and opportunities, including Scope 1, 2 and 3 GHG emissions and energy use. **Integrated Annual Report 2023**: Page 55 and page 57 show the metrics used by the Group when assessing climate-related risks and opportunities.	(h)
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks.	**Summary**: We use a range of metrics to assess climate-related risks and opportunities, including Scopes 1, 2 and 3 GHG emissions and energy use. **Integrated Annual Report 2023**: Page 55 and page 57 show our Scope 1, 2 and 3 GHG emissions. Page 329 shows current and historical Scopes 1 and 2 emissions by business. **Climate Change Report 2023**: Page 33 provides more details on our Scope 3 GHG by each of the categories included in the Greenhouse Gas Protocol's methodology.	(g)
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	**Summary**: We are targeting a 30% reduction in GHG emissions by 2030 on a 2016 baseline and have a goal to be carbon neutral across our operations for Scopes 1 and 2 emissions by 2040. Our ambition is to reduce our Scope 3 footprint by 50% against a 2020 baseline by 2040. **Integrated Annual Report 2023**: Pages 54–57 describe our climate-related goals and ambitions.	(g)

Streamlined energy and carbon reporting

	2023	2022	Commentary
Scope 1 emissions – Global	**7.5**	8.3	Measured in Mt CO_2e
Scope 2 emissions – Global	**5.0**	5.0	Measured in Mt CO_2e
Total Scope 1 and 2 emissions – Global	**12.5**	13.3	Measured in Mt CO_2e
Group emission intensity	**5.8**	6.1	Measured in tonnes CO_2e per tonne CuEq production
Scope 3 emissions – Global*	**95.82**	104.5	Measured in Mt CO_2e
Total Scope 1 and 2 emissions from UK-based entities	**0.02**	0.01	Measured in Mt CO_2e
Energy use from UK-based entities	**131,476,718**	90,902,808	Measured in kWh
Energy use – Global*	**89**	83	Measured in million GJ

* Global energy use is presented in million GJ as this is the measurement the Group uses internally. The equivalent energy use figure in kWh is 24,723,511,650 (2022: 22,977,777,778 kWh).

Further information:
Disclosure of our energy and Scope 1, 2 and 3 emission reduction targets can be found on page 46.

Disclosure of the principal energy efficiency initiatives deployed by the Group to meet those targets can be found on pages 54–57.

Methodologies used to calculate energy use and emissions data can be found on pages 316–317.

Assurance of data:
As a member of the International Council on Mining and Metals (ICMM), Anglo American is committed to obtaining specific assurance over specified assertions related to the Sustainability Report, including data related to GHG emissions and energy use.

IBIS ESG Consulting Africa (Pty) Ltd (IBIS) was commissioned by Anglo American to conduct an independent third-party assurance engagement in relation to its Sustainability Report for the year ended 31 December 2023. This data has been reproduced in the Anglo American plc Integrated Annual Report 2023.

See pages 102–103 of the Anglo American plc Sustainability Report 2023 for more details on the assurance process and conclusions.

▶ For more information, see our Sustainability Report 2023
Visit angloamerican.com/sustainability-report-2023

Governance

This section of the Integrated Annual Report provides an overview of the means by which the Company is directed and controlled. The Board is there to support and challenge management and to ensure that we operate in a manner that promotes the long term success of Anglo American. In this section we describe the ways in which we seek to achieve this.

Contents

Compliance with the UK Corporate Governance Code

The Board supports the principles and provisions of the UK Corporate Governance Code 2018 (the Code) issued by the Financial Reporting Council (FRC), which is available on the FRC's website (www.frc.org.uk). The principles and provisions of the Code have applied throughout the financial year ended 31 December 2023. It is the Board's view that the Company has complied throughout the year with the Code. The ways in which the Code has been applied can be found on the following pages:

Code section and where to find details

Section 1: Board leadership and company purpose
Further detail on how the Board promotes the long term success of the Group is provided in the Strategic Report on pages 2–138. Relations with shareholders are described on page 163. For the ways in which the Board engages with its key stakeholders, see pages 16–19 of our Strategic Report and our Section 172 statement on page 29, and the Stakeholder engagement section on pages 161–163 of this report. Our whistleblowing programme is described on page 177.

Section 2: Division of responsibilities
Pages 142–150 give details of the Board and executive leadership and the Board governance structure.

Section 3: Composition, succession and evaluation
The work of the Nomination Committee, and the processes used in relation to Board appointments, are illustrated on pages 166–167. The findings of the internal effectiveness review of the Board and committees are described on pages 156–157.

Section 4: Audit, risk and internal control
The report of the Audit Committee is found on pages 168–177, with further detail on the Group's principal risks to the business in the Strategic Report on pages 81–85.

Section 5: Remuneration
The Group's remuneration policy and the report of the Remuneration Committee are found on pages 178–211.

The Governance report and Financial Statements form part of the Anglo American plc Integrated Annual Report for the year ended 31 December 2023 and should be read in conjunction with the Strategic Report of the Integrated Annual Report.

Chairman's introduction

On behalf of the Board, I am pleased to introduce the Anglo American plc Governance report, in which we describe our corporate governance arrangements, the activities of the Board and its committees, and how the Board discharged its duties throughout 2023.

Board composition and succession

Board and executive leadership succession in public companies has – rightly – been the subject of scrutiny in recent years. In our own Company, Board succession planning continued to be a focus area in 2023. In carrying out our ongoing Board renewal, we strive to maintain the right balance of capabilities, experience, diversity and continuity required to sustain the Group's long term success as it continues to evolve its portfolio and wider business interests.

In April 2023, I was pleased to welcome Magali Anderson to the Board as a non-executive director and member of the Sustainability Committee. Magali's experience in capital intensive industries from her international executive career in operational, commercial and business transformation leadership roles, and a deep understanding of sustainability in its broadest sense, adds greater breadth of insight to the Board.

In December, Stephen Pearce stepped down as finance director after serving on the Board since 2017. Stephen was succeeded by John Heasley, who joined the Board as finance director on 1 December 2023. John brings proven financial, strategic and commercial expertise to the role of finance director, coupled with hands-on operational experience of supporting sustainable mining through technology.

On behalf of the Board, I would like to reiterate my thanks to Stephen for his considerable contributions to Anglo American and his steady hand as finance director for nearly seven years.

At the date of this report, four of the 10 Board directors are female, including our Audit Committee chair; two are historically disadvantaged South Africans; and six different nationalities are represented, bringing experience from all of our major regions, notably southern Africa, South America and Australia.

In 2024, the Nomination Committee will continue to focus on succession planning for the Board and the Executive Leadership Team, to ensure the organisation has a strong and diverse pipeline to take up senior leadership roles in the future.

The operation of the Board in 2023

The Board has continued to operate effectively throughout 2023. Each year, the Board undertakes a rigorous review of its effectiveness and performance, and that of its committees and individual directors, while at least every three years this is facilitated by an external third party. In 2023, our review was carried out internally. I am pleased to report that the overall conclusion of the internal review is that the Board and committees continue to be effective and function well.

I believe director and Board site visits to be invaluable. They provide an opportunity for directors to learn more about the operations and understand the opportunities and challenges faced by the businesses in their local environments. Site visits are a key mechanism for the Board to directly engage with the workforce from a range of backgrounds and levels of seniority, and also present opportunities to meet with representatives from host communities. I was delighted that, in 2023, we were able to facilitate several site visits for directors. As a Board, in September, we went to see the progress being made at our Woodsmith project in north east England, and in July our Sustainability Committee spent time at the Venetia mine in South Africa. In April, the Audit Committee met with Marketing leaders in our Singapore hub, and three non-executive directors visited our Steelmaking Coal operations in Australia.

"Free market systems need a robust governance framework if they are to retain the trust of shareholders and society. I believe that the full breadth of sustainability considerations should always underpin this framework and be at the heart of how responsible companies do business."

Stuart Chambers
Chairman

Board engagement with stakeholders

Stakeholder considerations are integral to our discussions at Board meetings and the decisions we make take into account potential impacts on them. Following our 2022 internal evaluation, the Board agreed one of its effectiveness priorities in 2023 was to pursue opportunities to have greater direct engagement with representatives of host communities. I am pleased that Board members were able to engage directly with local communities at the various site visits during the year in order to gain a better understanding of their interests and perspectives.

Our investor relations team manages the day-to-day interactions with investors and our key financial audiences. Our chief executive, finance director and other senior executives host regular meetings with investors, as well as potential shareholders, throughout the year. As chairman, I meet with many of our major shareholders in the course of the year. The Board also recognises the importance of the AGM as an opportunity for shareholders to engage with the Board and provide feedback.

The Board continues to enthusiastically embrace the board-workforce engagement recommendations contained in the UK Corporate Governance Code. Anglo American's Global Workforce Advisory Panel currently comprises 12 employees drawn from across our business and is chaired by non-executive director Marcelo Bastos. To help facilitate the Board's oversight role in the evolution of the organisation's culture, the Panel enables the Board to better understand and take into account the views of the workforce, and how well the Group's purpose, values and desired culture are embedded. In 2023, the Panel met on three occasions, one of which was in person in South Africa. I was delighted that Duncan Wanblad, a number of non-executive directors and I were able to engage directly with Panel members during our Board site visits on a number of occasions during the year. On behalf of the Board, I thank Panel members for their ongoing commitment and look forward to the Panel's continued insights.

► The outcomes of our Board effectiveness review are described on **pages 156–157** and our Board site visits are illustrated on **pages 158–160.**

► For more information on the Panel and the ways in which we currently engage with our key stakeholders
See pages 161–163

Stuart Chambers speaking with Leah Swain, chief executive of the Woodsmith Foundation, at the Eastside Community Hub in Whitby during the Board visit in September 2023.

Committee governance

Starting on page 164, each Board committee chair presents a report on the activities of their committee during 2023. The effective and efficient operation of the committees and their interaction with the Board are vital to ensure that all matters receive the necessary attention in a timely manner. I am grateful to the members and the chairs of those committees in particular for their commitment and the work that they do throughout the year in this regard.

2024 Annual General Meeting

Our 2024 AGM will again be held as a hybrid meeting and shareholders will be welcome to attend, vote, raise questions and be heard both physically in the room and via the virtual platform. I look forward to engaging with as many of you as possible at the AGM, in person or virtually, and would encourage you to vote your shares even if you cannot attend in person, so that we gain a better understanding of the views of our shareholders as a whole.

Stuart Chambers
Chairman

Directors

Committee member key

- Ⓐ Audit Committee
- Ⓝ Nomination Committee
- Ⓡ Remuneration Committee
- Ⓢ Sustainability Committee
- ● Chair of Committee
- ○ Member of Committee

Stuart Chambers

Ⓝ Ⓢ

Chairman

Qualifications: BSc (Applied Physics), PhD Business Administration, FIChemE

Appointed: 1 September 2017 and as Chairman on 1 November 2017

Skills and experience

Stuart contributes to Anglo American significant global executive and boardroom experience across the industrial, logistics and consumer sectors.

Stuart served as chairman of Travis Perkins plc from 2017 to 2021, and previously chaired ARM Holdings plc and Rexam plc until 2016. In his non-executive career, Stuart has served on the boards of Tesco PLC, Manchester Airport Group plc, Smiths Group plc and Associated British Ports Holdings plc.

Stuart's executive career included 13 years at Pilkington plc and its subsequent parent company Nippon Sheet Glass until 2010, in a number of executive roles and ultimately as chief executive of both companies. Prior to that, he gained 10 years of sales and marketing experience at Mars Corporation, following 10 years at Shell as a chemical engineer.

Current external appointments

A Visiting Fellow of Saïd Business School, Oxford University.

Nationality:	Age:
British	67

Duncan Wanblad

Ⓢ

Chief Executive

Qualifications: BSc (Eng) Mech, GDE (Eng Management)

Appointed: 19 April 2022 as Chief Executive

Skills and experience

Duncan brings to the Board more than 30 years of global mining experience and a deep understanding of Anglo American, its culture and context.

Duncan leads the Executive Leadership Team (ELT), having served as a member since 2009, and is chairman of De Beers. From 2016 to 2022, Duncan was Group Director – Strategy and Business Development, also serving as CEO of our Base Metals business from 2013 to 2019. Until 2022, he chaired the Anglo American Foundation.

Between 2009 and 2013, Duncan held the position of Group Director – Other Mining and Industrial, responsible for a global portfolio of mining and industrial businesses for disposal or turnaround to maximise shareholder value. He was appointed CEO of our Copper operations in 2008, prior to which he served as joint interim CEO of Anglo American Platinum in 2007 (having served on the board since 2004). From 2004 to 2007, Duncan was Executive Director of Projects and Engineering at Anglo American Platinum. Duncan began his career at Johannesburg Consolidated Investment Company Limited in 1990.

Current external appointments

None

Nationality:	Age:
South African	57

John Heasley

Finance Director

Qualifications: BA, CA

Appointed: 1 December 2023 as Finance Director

Skills and experience

John brings to Anglo American proven financial, strategic and commercial expertise, coupled with hands-on operational experience of supporting sustainable mining through technology.

John is a member of the ELT and is a director of De Beers. Prior to joining Anglo American in 2023, he was chief financial officer and an executive director at The Weir Group PLC, the FTSE 100 listed global engineering company providing engineering technologies to the global mining industry, a role held since 2016.

Prior to joining Weir in 2008, John served as group financial controller of Scottish Power plc, following his early career in professional services firms in audit, mergers & acquisitions, and corporate finance roles.

Current external appointments

Non-executive director and honorary treasurer of the Royal Scottish National Orchestra, a charitable organisation.

Nationality:	Age:
British	49

Ian Tyler

R A N

Senior Independent Director

Qualifications: BCom, ACA

Appointed: 1 January 2022 and as Senior Independent Director on 19 April 2022

Skills and experience

Ian contributes to Anglo American a wealth of boardroom and financial experience spanning a number of industrial sectors, including as chair of remuneration and audit committees.

Ian has previously served as chairman of Amey, and of Vistry Group plc (formerly Bovis Homes Group) and Cairn Energy plc, and is a former non-executive director of BAE Systems plc, VT Group plc and Cable & Wireless Communications plc, amongst other non-executive board roles. Ian's senior executive career was at Balfour Beatty plc, a global infrastructure business, joining as finance director in 1996 and serving as chief executive from 2005 to 2013.

Current external appointments

Chairman of BMT Group Ltd, a maritime-orientated consultancy, and of Affinity Water, a privately-held business (stepping down from this role in 2024); and a non-executive director of Synthomer plc. A non-executive director and chair designate of Grafton Group plc from 1 March 2024.

Nationality:	Age:
British	63

Magali Anderson

S

Independent Non-executive Director

Qualifications: Mech Eng

Appointed: 1 April 2023

Skills and experience

Magali brings to Anglo American highly relevant experience in capital intensive industries from an international executive career in operational, commercial and business transformation leadership roles, and a deep understanding of sustainability in its broadest sense.

Until September 2023, Magali was chief sustainability and innovation officer and a member of the executive committee of Holcim Group, the Switzerland-based global building materials company. She joined Holcim in 2016, becoming chief sustainability officer in 2019 and adding innovation to her remit in 2021. During her Holcim tenure, Magali was a member of the advisory boards of industry organisations: Business for Nature, the MIT Climate and Sustainability Consortium, the World Green Building Council and the 50L Home Coalition on water efficiency; and co-chair of the 2050 net-zero work for the Global Cement and Concrete Association. Prior to joining Holcim, Magali spent the majority of her career with Schlumberger, holding operational line management positions including CEO, Angola and region head, Europe. Magali started her career as a field engineer on offshore oil rigs in Nigeria.

Current external appointments

None

Nationality:	Age:
French	56

Ian Ashby

S N R

Independent Non-executive Director

Qualifications: B Eng (Mining)

Appointed: 25 July 2017

Skills and experience

Ian contributes to Anglo American substantial knowledge of the minerals industry across a wide range of commodities, combined with global operating, major projects and capital development experience.

Ian served as president of iron ore for BHP Billiton between 2006 and 2012, when he retired from the company. During his 25-year tenure with BHP Billiton, Ian held numerous roles in its iron ore, base metals and gold businesses in Australia, the US and Chile, as well as projects roles in the corporate office. He began his nearly 40-year mining career as an underground miner at the Mount Isa Mines base metals operations in Queensland, Australia.

Ian has previously served as chairman of Petropavlovsk plc, and a non-executive director of IAMGOLD Corporation, Alderon Iron Ore Corp, Nevsun Resources Ltd, New World Resources PLC and Genco Shipping & Trading, and in an advisory capacity with Apollo Global Management and Temasek.

Current external appointments

Independent director of Suncor Energy Inc.

Nationality:	Age:
Australian	66

Directors continued

Committee member key

- Ⓐ Audit Committee
- Ⓝ Nomination Committee
- Ⓡ Remuneration Committee
- Ⓢ Sustainability Committee
- ● Chair of Committee
- ○ Member of Committee

Marcelo Bastos

ⓃⓈ

Independent Non-executive Director

Qualifications: MBA, BSc (Hons) Mech Eng

Appointed: 1 April 2019

Skills and experience

Marcelo contributes to Anglo American more than 30 years of operational and project experience in the mining industry across numerous commodities in South America, Australia, Africa and south east Asia. He is designated by the Board to chair and engage with Anglo American's Global Workforce Advisory Panel.

Marcelo served as chief operating officer of MMG between 2011 and 2017, responsible for the group's copper, zinc, silver, lead and gold operations, and sales and marketing. In this role, he also led the planning and development of the Las Bambas copper mine in Peru. Prior to MMG, Marcelo served as president and CEO of the BHP Mitsubishi Alliance joint venture (metallurgical coal), president of BHP's Cerro Matoso nickel operation in Colombia, president of nickel Americas, and president of Nickel West in Australia. He had a 19-year career at Vale until 2004 in a range of senior executive positions in Brazil. Marcelo is a former non-executive director of Golder Associates and Oz Minerals Ltd.

Current external appointments

Non-executive director of Aurizon Holdings Ltd and Iluka Resources Ltd.

Nationality:	Age:
Brazilian/Australian	60

Hilary Maxson

ⒶⓃ

Independent Non-executive Director

Qualifications: MBA, B.S. (Applied Economics & Management)

Appointed: 1 June 2021

Skills and experience

Hilary contributes to Anglo American experience in business, spanning finance, the capital markets, energy transition and technology, gained across her executive career in the US, Europe, Africa and Asia.

Hilary is CFO of Schneider Electric and a member of its executive committee, based in Paris. She previously served as CFO of their largest business unit, Energy Management, having joined the company in 2017 as CFO of the Building and IT business, situated in Hong Kong. Prior to joining Schneider Electric, Hilary spent 12 years with the AES Corporation in a variety of finance, M&A and business development roles, based across the US, Cameroon and the Philippines, ultimately as CFO for Asia. Hilary began her career at Bank of America and Citigroup, in New York.

Current external appointments

None

Nationality:	Age:
American	45

Hixonia Nyasulu

ⓃⓇ

Independent Non-executive Director

Qualifications: BA Hons

Appointed: 1 November 2019

Skills and experience

Hixonia contributes to Anglo American significant global board experience drawn from the natural resources, financial services and consumer industries.

Until December 2023, Hixonia was a member of the board of AGRA and chaired the Africa Economic Challenge Fund, both not-for-profit organisations. She previously served as senior independent director of Vivo Energy plc, and as a non-executive director on the boards of Sasol, including five years as chairman, Nedbank, Unilever NV and Unilever plc. She has also served as a member of the South Africa advisory board of J.P. Morgan and on the board of the Development Bank of Southern Africa. In 2004, Hixonia founded Ayavuna Women's Investments (Pty) Ltd, a female-controlled investment holding company. Prior to that, she ran T.H. Nyasulu & Associates, a strategy, marketing and research company, after starting her career at Unilever in South Africa. Hixonia was a founder member of the Advisory Group formed by the World Economic Forum to set up a community of global chairs.

Current external appointments

Non-executive director and vice chair of Olam Agri Holdings Pte. Ltd.

Nationality:	Age:
South African	69

Nonkululeko Nyembezi ⒶⓈ

Independent Non-executive Director

Qualifications: MBA, MSc, BSc

Appointed: 1 January 2020

Skills and experience

Nonkululeko contributes to Anglo American great breadth of technical and strategic insights with a background in engineering and extensive experience spanning mining, steel, financial services and technology in South African and global organisations.

Nonkululeko was previously chairman of JSE Limited. She was also formerly CEO of Ichor Coal N.V., and has previously served as chairman of Alexander Forbes Group, as a non-executive director on the boards of Old Mutual plc, Exxaro Resources, Universal Coal plc and Denel, and as CEO of ArcelorMittal South Africa. In her earlier career, Nonkululeko was chief officer of M&A for the Vodacom group and chief executive officer of Alliance Capital, the then local subsidiary of a New York-based global investment management company.

Current external appointments

Chairman of Standard Bank Group, and of Macsteel Service Centres SA, a privately held business (anticipated to step down from this role in March 2024).

Nationality:	Age:
South African	63

In addition, the following director served during the year:

Stephen Pearce stepped down from the Board as finance director on 1 December 2023, having served on the Board since April 2017.

Board diversity policy statement: gender and ethnicity targets

The Board is committed to ensuring that it has the right balance of skills, experience and diversity, and reflects the global reach of the Group, its employees and major markets. The Board strongly supports the targets of the FTSE Women Leaders and Parker reviews on gender and ethnic diversity. In support of these aims, in leading search processes to appoint new directors, the Nomination Committee retains the services of executive search firms that are accredited under the UK Government's Voluntary Code of Conduct for Executive Search Firms.

At the date of this report, four (40%) of the 10 directors are female and two (20%) identify as minority ethnic. Six different nationalities are represented, bringing experience from all of Anglo American's major regions. A substantial majority of the Board have a nationality or place of origin outside the UK. The Company satisfies the targets in the UK Listing Rules on having at least 40% female representation on its Board, and at least one Director from a minority ethnic background.

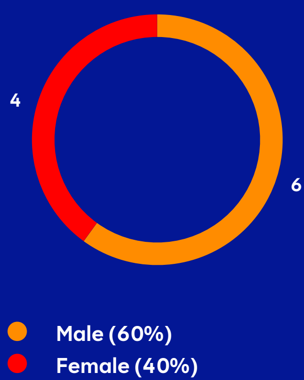
The Company does not currently meet the UK Listing Rule target that at least one of the senior positions on its Board (defined under the Listing Rules as the chair, chief executive, senior independent director or chief financial officer) is held by a woman. Appointments to the Board are made on merit following rigorous search processes, ensuring the overall composition of the Board and its committees continues to reflect an appropriate mix of capabilities, experience and diversity (of gender, ethnicity, nationality, age and perspectives). In considering succession plans for these four positions, due attention will be given to this target. We are confident that future appointments will, as a whole, continue to support the Board's diversity aims.

The additional diversity data required under the UK Listing Rules is set out on page 167.

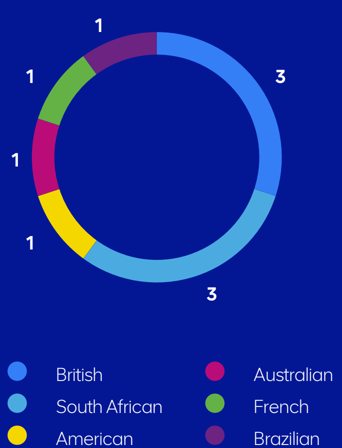
Board experience and diversity

The broad range of skills and experience and the diversity of our Board as at the date of this report are illustrated below.

Gender diversity

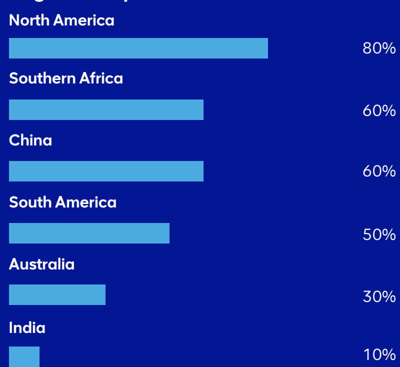


Board nationality or place of origin



Professional experience

Regional experience



Leadership team

Executive Leadership Team members

Duncan Wanblad
Chief Executive

Member since:
October 2009

John Heasley
Finance Director

Member since;
December 2023

▶ For full biographical details of the executive directors
See page 142

Alison Atkinson
Projects & Development Director

Qualifications: BEng (Hons) (Civil Engineering) FREng
Member since: May 2023

Skills and experience

As Projects & Development Director, Alison leads the Projects, Carbon and Innovation disciplines at Anglo American.

Prior to joining Anglo American in 2023, Alison was CEO of AWE plc from 2020-2023. Alison joined AWE in 2005 and fulfilled a number of senior roles, delivering multi-billion dollar infrastructure projects and technology programmes and developing capabilities and products that support the UK's nuclear defence programme. Prior to AWE, Alison spent 14 years at Halcrow, the global engineering consultancy, managing a wide variety of capital projects in the UK and overseas in both the public and private sectors.

Alison is a Chartered Civil Engineer and is a Fellow of the Royal Academy of Engineering. She is also a non-executive director of Kier Group plc and chair of its safety, health and environment committee.

Monique Carter
People & Organisation Director

Qualifications: BA (Hons), MCIPD
Member since: June 2023

Skills and experience

As People & Organisation Director, Monique leads all the people-related disciplines across the Group, including Culture and Learning, Performance and Reward, and Talent Development.

Prior to joining Anglo American in 2023, Monique served as executive vice president People & Organisation for Novo Nordisk, the life science and global healthcare company, for four years until 2023. Her global career experience spans engineering, chemicals, manufacturing and retail. Prior to her most recent role, Monique was Group HR Director at GKN, following a number of senior HR roles during her career at AkzoNobel and ICI.

Al Cook
CEO of De Beers

Qualifications: M.A. Hons (Natural Sciences)
Member since: February 2023

Skills and experience

As CEO of De Beers, Al is responsible for its strategy and operations from mines to retail stores.

Prior to joining the Group in 2023, Al was executive vice president of exploration and production international for Equinor, the Norway-based energy company, with responsibility for its businesses in 12 countries around the world.

Al previously held the role of executive vice president for global strategy and business development at Equinor, where he developed a net zero strategy and reshaped its portfolio for the energy transition. He joined Equinor after a 20-year career at BP, which included operational roles offshore, leadership of the Southern Corridor gas project and chief of staff to the CEO. Al is a trustee of The Power of Nutrition, an independent charitable foundation. He is a Fellow of the Geological Society and the Energy Institute.

Matt Daley
Technical & Operations Director

Qualifications: BEng (Mining) Hons, PgDip (Fin)
Member since: January 2023

Skills and experience

As Technical & Operations Director, Matt leads the Discovery & Geosciences, Engineering & Maintenance, Information Management, Mining, Processing, Supply Chain, and Safety, Health & Environment disciplines. He is also a non-executive director of Anglo American Platinum.

Prior to joining Anglo American in 2017 as Group Head of Mining, Matt was the Executive General Manager for Glencore Canada based in Toronto and served as a non-executive director on the board of PolyMet Mining. He has previously worked for Xstrata and Minera Alumbrera and started his career with Mount Isa Mines in Queensland, Australia.

Ruben Fernandes
Regional Director, Americas

Qualifications: MBA, MSc (Metallurgical Engineering)
Member since: March 2019

Skills and experience

As Regional Director for the Americas, Ruben is responsible for ensuring safe and responsible operations, optimising performance, future options and commercial value across the Americas, including the company's operational footprint in Brazil, Chile and Peru.

Prior to starting this role in 2023, he served as CEO of Base Metals and CEO of Anglo American Brazil.

Ruben joined Anglo American in 2012, and was previously head of mining at Votorantim Metals in Brazil, responsible for projects and exploration activities around the world, as well as operations in Peru and Colombia. Between 2009 and 2011, he was COO at Vale Fertilizers, responsible for the fertiliser operations, sales and marketing. Ruben was also CEO of Kaolin Companies – Pará Pigments and Cadam – two subsidiaries of Vale, between 2007 and 2009, and held various analysis, marketing and project roles in Vale's Base Metals business which he joined in 1999.

Tom McCulley
CEO of Crop Nutrients

Qualifications: B.S. (Accounting)
Member since: October 2022

Skills and experience:
As CEO of Crop Nutrients, Tom is responsible for the on-plan and safe delivery of the Woodsmith project, aligned with the successful development of the market for, and premium value of, the mine's polyhalite fertiliser product.

Prior to starting this role in 2022, Tom served as CEO of Anglo American in Peru and Group Head of Projects.

Tom joined Anglo American in 2015 and previously held several senior global roles at Newmont, including Vice President of Investment and Value Management and Vice President of Discovery and Development Planning and Services. Tom began his career at Fluor Corporation in international oil & gas and mining projects, developing his full project lifecycle expertise.

Themba Mkhwanazi
Regional Director, Africa & Australia

Qualifications: B Eng (Chemical) Hons
Member since: August 2019

Skills and experience:
As Regional Director for Africa & Australia, Themba is responsible for ensuring safe and responsible operations, optimising performance, future options and commercial value across Africa and Australia. He is also a non-executive director of Anglo American Platinum and Kumba Iron Ore.

Prior to starting this role in 2023, Themba served as CEO of Bulk Commodities. He has also served as CEO of Kumba Iron Ore and CEO for Anglo American's Thermal Coal business in South Africa.

Themba joined Anglo American in 2014 and was previously managing director for Huntsman Tioxide in South Africa until 2007 when he was appointed COO of Richards Bay Minerals, a joint venture between Rio Tinto and BHP. In 2011, he was seconded to Rio Tinto's Australian coal business, before taking up the role of regional general manager for the Americas in 2012. Themba is a Vice President of the Minerals Council of South Africa.

Helena Nonka
Strategy & Sustainability Director

Qualifications: M.A. Hons, LL.M
Member since: October 2022

Skills and experience
As Strategy & Sustainability Director, Helena leads the Business Development, Portfolio Management, Social Impact, Strategy, and Sustainability disciplines.

Prior to joining Anglo American in 2022, Helena was executive vice president corporate development for Norsk Hydro ASA, with responsibility for group strategy, business development, sustainability and technology.

Helena's global career spans more than 20 years in the natural resources industry, professional services, consulting, and academia across Europe, Asia and North America. She previously worked as the global head of new business for natural resources at Switzerland-based SGS. From 2007 to 2019, she worked for Rio Tinto, where she held several global senior commercial leadership roles, including leading corporate strategy.

Richard Price
Legal & Corporate Affairs Director

Qualifications: LL.B, BA (Hons)
Member since: May 2017

Skills and experience
As Legal & Corporate Affairs Director, Richard leads the Legal, Government & International Relations, Communications, Company Secretarial and Security disciplines. He also serves as Company Secretary of Anglo American plc.

Prior to joining Anglo American in 2017, he was a partner at Shearman & Sterling, the international law firm working across EMEA, Asia and North America. In private practice, Richard acted for clients across the metals, mining, energy and financial services sectors, among others, assisting them with complex financing, corporate and compliance matters.

A champion for diversity, equity and inclusion in the legal profession, Richard was one of the founders and serves as Chair of General Counsel for Diversity & Inclusion.

Matt Walker
CEO of Marketing

Qualifications: Bsc (Hons), CA
Member since: December 2023

Skills and experience
As CEO of our Marketing business, Matt is responsible for optimising the value of the company's products in the market through the implementation of effective sales and trading strategies.

Prior to taking up this role in 2023, Matt was Group Head of Corporate Finance, leading capital allocation and integrated planning, as well as the M&A transaction team.

Matt joined Anglo American's finance team in 2007 and has held a number of senior finance and other roles across Anglo American, including as CFO of our Copper business in Chile. Between 2019 and 2021, he served as Group Treasurer responsible for the Group's bank and debt market funding.

The following members stepped down from executive leadership in 2023:

Stephen Pearce served as Finance Director until 1 December 2023.

Peter Whitcutt served as CEO of Marketing until 1 December 2023.

Natascha Viljoen served as CEO of Anglo American Platinum until 30 June 2023.

Didier Charreton served as Group Director – People and Organisation until 5 June 2023.

Nolitha Fakude served as Group Director – South Africa until 31 May 2023.

Anik Michaud served as Group Director – Corporate Relations and Sustainable Impact until 31 May 2023.

Bruce Cleaver served as CEO of De Beers Group until 20 February 2023.

Board roles and responsibilities

The Board, through its role in setting the tone from the top, provides leadership to the Group and is collectively responsible for promoting and safeguarding the long term success of the business. The Board is supported by a number of committees, to which it has delegated certain powers.

The role of these committees is summarised overleaf, and their membership, responsibilities and activities during the year are detailed on pages 164–211.

Some decisions are sufficiently material that they can only be made by the Board as a whole. The schedule of 'Matters Reserved for the Anglo American plc Board', and the committees' terms of reference, explain which matters are delegated and which are retained for Board approval; these documents can be found on the Group's website.

Executive structure

The Board delegates executive responsibilities to the chief executive, who is advised and supported by the Executive Leadership Team (ELT). In 2023, our executive management team, formerly known as the Group Management Committee, was re-organised to lead Anglo American's next phase of value delivery. The ELT comprises the chief executive, regional directors and Group directors of corporate functions, including the company secretary. The names of the ELT members, their roles and biographical details appear on pages 146–147.

Board composition

At the date of this report, the Board comprises 10 directors: the chairman, two executive directors (our chief executive and our finance director) and seven independent non-executive directors. The roles of our directors are summarised overleaf, alongside the divisions of responsibility between the chairman, the executive and non-executive members of the Board.

Magali Anderson joined the Board as an independent non-executive director on 1 April 2023. In May 2023, we announced Stephen Pearce's intention to retire during the year, having served as finance director since 2017, and on 1 December 2023 he stepped down from the Board. As announced in July and November, John Heasley joined the Board as finance director on 1 December 2023.

The broad range of skills and experience our Board members contribute to the long term sustainable success of the Group are set out on pages 142–145. The Board is supported by the legal & corporate affairs director who also serves as the Group company secretary.

There is a clear separation of responsibilities at the head of the Company between the leadership of the Board (the responsibility of the chairman) and the executive responsibility for leadership of the Company's business (the responsibility of the chief executive).

Independence of the non-executive directors

At the date of this report, more than two-thirds of the Board are independent non-executive directors. The Board determines all the non-executive directors (other than the chairman) to be independent of management and free from any business or other relationship which could interfere materially with their ability to exercise independent judgement. The UK Corporate Governance Code (the Code) does not consider a chairman to be independent due to the unique position the role holds in corporate governance. Stuart Chambers met the independence criteria contained in the Code when he was appointed as the Group's chairman in 2017.

To ensure the continued effectiveness of the Board, the chairman and the non-executive directors meet without the executive directors present several times a year. The chairman also meets regularly with each of the non-executive directors. The senior independent director (SID) engages with the other non-executive directors without the chairman present, at least annually, to appraise the chairman's performance. In 2023, Ian Tyler, as the SID, met with the non-executive directors on one such occasion.

Time commitment and external appointments

The Board, through the Nomination Committee, conducts an annual review of the time commitment expected from each of the non-executive directors and affirms that the directors devote the requisite time to meet the expectations of their role. In making this assessment, the Nomination Committee considers directors' attendance at Board and committee meetings, their external positions, and the chairman is asked to comment on their individual performance as part of the Board's effectiveness review. Overall, a minimum expected time commitment of 30 days per annum is set out in the non-executive directors' letters of appointment; however, the SID and committee chairs devote more time as required by their roles. The chairman's anticipated annual time commitment is the equivalent of two to three days per week in the normal course of business. Directors are expected to prepare for and attend Board and committee meetings as relevant, a full day Board Strategy meeting, the AGM and at least one operational site visit annually.

The Board acknowledges that non-executive directors have business interests other than those of the Company. Prior to their appointment to the Board, non-executive directors are required to declare any directorships, appointments and other business interests to the Company in writing. Non-executive directors are required to seek the approval of the chairman, chief executive and Group company secretary, on behalf of the Board, before accepting additional significant commitments that might be a potential conflict of interest or affect the time they are able to devote to their role. New appointments are then reported to the full Board.

Stuart Chambers at our 2023 AGM with legal & corporate affairs director (and company secretary) Richard Price (left), senior independent director Ian Tyler (far left) and chief executive Duncan Wanblad (right).

Currently, only one of the non-executive directors holds more than two external board appointments. The Nomination Committee has considered these external commitments, taking into account the time commitment required for each role, and is satisfied they do not impact the individual Board members' ability to discharge their responsibilities fully and effectively. As evidenced in the table on page 151, all directors attended 100% of the Board meetings that they were eligible to do so in 2023.

Executive directors are required to seek approval from the Board, following consideration by the Nomination Committee, before accepting an external directorship. The Board would not normally permit an executive director to hold more than one external non-executive directorship in a FTSE 100 company (or other equivalent publicly quoted company), nor the chairmanship of any such company.

Duncan Wanblad, Stuart Chambers and non-executive director Hixonia Nyasulu at the Eastside Community Hub in Whitby, a project supported by the Woodsmith Foundation, in September 2023.

The Board

Chairman

Stuart Chambers leads the Board, ensuring it works constructively as a team. His main responsibilities include: chairing the Board and the Nomination Committee and setting their agendas; Board composition and succession planning; providing support and counsel to the chief executive and his team; promoting the highest standards of integrity and governance; facilitating effective communication between directors; effective dialogue with shareholders and other stakeholders; and acting as ambassador for the Group.

Senior Independent Director (SID)

Ian Tyler serves as the Board's SID. He acts as a sounding board for the chairman and as an intermediary between the other directors. The SID leads the annual review of the performance of the chairman and is available to shareholders on matters where the usual channels of communication are deemed inappropriate.

Independent Non-executive Directors (NEDs)

The role of the NEDs is to support, constructively challenge, and provide advice to executive management; effectively contribute to the development of the Group's strategy; scrutinise the performance of management in meeting agreed goals; and monitor the delivery of the Group's strategy.

Chief Executive

Duncan Wanblad manages the Group. His main responsibilities include: executive leadership; formulation, implementation and delivery of the Group's strategy as agreed by the Board; approval and monitoring of business plans; organisational structure and senior appointments; business development; and stakeholder relations.

Finance Director

John Heasley joined the Board as finance director in December 2023. John leads the global finance function and supports the chief executive in formulating, implementing and delivering the strategy in relation to the financial and operational performance of the Group.

Board Committees

Audit Committee

Oversight of financial reporting, audit, internal control and risk management.

▶ For more information
See pages 168–177

Nomination Committee

Responsible for Board composition, appointment of directors and ensuring effective succession planning for the Board and senior management.

▶ For more information
See pages 166–167

Remuneration Committee

Determines the remuneration of executive directors, the chairman and senior management, and oversees remuneration policy for all employees.

▶ For more information
See pages 178–211

Sustainability Committee

Oversees management of sustainability issues, including safety, health, environment, climate change and social performance.

▶ For more information
See pages 164–165

Corporate Committee

Responsible for effective decision making over cross-functional matters including Group policies.

Executive Leadership Team (ELT)

Principal executive committee. Responsible for formulating strategy, monitoring Group performance, setting targets/budgets and managing the Group's portfolio.

Operational Committee

Responsible for driving operational best practices across the Group and the setting of technical standards.

Investment Committee

Responsible for ensuring effective capital investment and material operational spend decision-making processes.

Marketing Risk Committee

Responsible for evaluating, monitoring, directing and controlling the management of risk associated with the sales and marketing activities of the Group.

Board operations

Board information and support

All directors have full and timely access to the information required to discharge their responsibilities fully and effectively. They have access to the advice and services of the Group company secretary and his team, other members of the Group's management and employees, and external advisers. Directors may take independent professional advice in the furtherance of their duties, at the Company's expense.

Where a director is unable to attend a Board or committee meeting, they are provided with all relevant papers and information relating to that meeting and encouraged to discuss issues arising with the chairman, the respective committee chairs and other Board and committee members. In 2023, all directors attended 100% of the Board meetings they were eligible to attend, as evidenced in the table below.

All non-executive directors are provided with access to papers for each of the Board's committees, including those who do not serve as members of those committees. Non-executive directors are encouraged to regularly attend meetings of the Board's committees they do not serve on, at the invitation of the respective committee chair.

Board induction and development

The Board recognises the importance of director education and ongoing development. Following appointment, and as required, all directors receive training and development appropriate to their level of experience and knowledge. This includes the provision of a comprehensive induction programme tailored to the director's experience and background, individual briefings with ELT members and their teams to provide newly appointed directors with information about the Group's business, culture and values, meetings with external advisers, site visits and other relevant information to assist them in effectively performing their duties and contributing to Board discussions and decision making.

In addition to scheduled Board operational site visits, non-executive directors are expected to spend time at the Group's operations to meet management and members of the workforce.

Board and committee meetings in 2023 – frequency and attendance of members

The table below shows the attendance of directors at meetings of the Board and committees during the year. Attendance is expressed as the number of meetings attended out of the number eligible to attend.

	Independent	Board(1)	Board Strategy	Audit	Nomination(2)	Remuneration(3)	Sustainability(4)
Stuart Chambers	n/a	8/8	1/1	—	4/4	—	4/4
Duncan Wanblad	No	8/8	1/1	—	—	—	4/4
John Heasley(5)	No	1/1	—	—	—	—	—
Stephen Pearce(6)	No	7/7	1/1	—	—	—	—
Magali Anderson(7)	Yes	6/6	1/1	—	—	—	3/3
Ian Ashby(8)	Yes	8/8	1/1	—	3/4	6/6	4/4
Marcelo Bastos	Yes	8/8	1/1	—	4/4	—	4/4
Hilary Maxson	Yes	8/8	1/1	4/4	4/4	—	—
Hixonia Nyasulu	Yes	8/8	1/1	—	4/4	6/6	—
Nonkululeko Nyembezi	Yes	8/8	1/1	4/4	—	—	4/4
Ian Tyler	Yes	8/8	1/1	4/4	4/4	6/6	—

(1) The number of Board meetings included seven scheduled meetings and one special purpose meeting.
(2) All the independent non-executive directors were invited to attend the Nomination Committee meeting in April, at the invitation of the chairman, where the topic of discussion was executive succession planning. Attendance of the non-Nomination Committee members is not reflected in the table above.
(3) The number of Remuneration Committee meetings included four scheduled meetings and two special purpose meetings to consider executive remuneration.
(4) All the independent non-executive directors have a standing invitation to attend Sustainability Committee meetings, at the invitation of the committee chair. Attendance of the non-committee members is not reflected in the table above.
(5) Appointed to the Board on 1 December 2023. John attended the Board Strategy meeting in November at the invitation of the chairman; his attendance is not reflected in the table above.
(6) Stepped down from the Board on 1 December 2023.
(7) Appointed to the Board on 1 April 2023.
(8) Ian Ashby was unable to join the Nomination Committee meeting in July 2023 for personal reasons. Ahead of the meeting, Mr Ashby confirmed his support for the proposals under consideration.

At the Woodsmith project's Lockwood Beck site, non-executive directors Magali Anderson (centre) and Marcelo Bastos (right) are shown around the Mineral Transport System (MTS) tunnel by tunnel area manager Mark Pooleman.

Highlights

- Following her appointment as an independent non-executive director in April 2023, Magali Anderson undertook a tailored and comprehensive onboarding programme, including meetings with senior leaders, site visits and a briefing on the role and responsibilities of being a director of a UK listed company. Magali has attended over 20 meetings with management and external advisers on a variety of topics related to her Board and Sustainability Committee appointments.
- In April 2023, Audit Committee members visited our Marketing office in Singapore, where they met and engaged with members of the Marketing leadership team.
- In April 2023, non-executive directors Marcelo Bastos, Nonkululeko Nyembezi and Ian Tyler visited the Group's Steelmaking Coal operations in Queensland, Australia.
- In July 2023, the Board's Sustainability Committee visited De Beers' Venetia mine in South Africa.
- In September 2023, the Board held one of its scheduled meetings at our Crop Nutrients office in north east England, and visited our Woodsmith project.
- Since joining the Board as finance director in December 2023, John Heasley has commenced a comprehensive onboarding programme, including meetings with the Group's senior leaders, engagements with key investors, site visits, and meetings with external advisers.

► Further details of these site visits can be found on **pages 158–160**

Newly appointed finance director John Heasley (second from right) greeting employees at our Johannesburg corporate office.

Board activity

The Board is responsible for the overall conduct of the Group's business, its strategic direction and its organisational culture, ensuring these are aligned to our Purpose and Values. The chairman is responsible for setting the agenda. The agenda of matters discussed by the Board in 2023 is described and explained below.

The Board is scheduled to meet at least six times a year but meets more often when circumstances warrant this. In addition, the Board dedicates a full meeting, usually held over two days, to the discussion of the Group's strategy, addressing critical short, medium and long term issues. This augments the discussion of strategic topics at every Board meeting. Annually, the leaders and regional directors of the Group's businesses present to the Board in some depth on the key aspects of their business. In between meetings, the Board receives regular updates from the chief executive on operational and business performance; and engages with senior management on specific topic briefings.

Principal activities during the year

Topic and link to pillars of value	Activities | Outcomes/decisions
Safety and health Fatal incidents, total recordable injury frequency rate, health and medical incidents ► Further reading pages 67–70	Safety is the most critical area of focus for the Board and the first topic discussed at Board meetings. The causes of fatal incidents and those causing injury were examined in detail by the Sustainability Committee and the findings discussed by the Board. Management performance in reducing safety incidents was monitored throughout the year. The Board continued to monitor the operational and technical innovation initiatives that have the potential to positively impact the Group's safety performance and make mining safer and more sustainable. The Sustainability Committee considered the Group's new contractor performance management framework and policy, which aims to ensure the safety of our contractor workforce. Rigorous and unremitting focus on oversight of safety performance.
People Inclusion and diversity, talent and performance management, employee engagement ► Further reading pages 70–75	People are a pillar of the Group's strategy and the Board is focused on creating an inclusive and diverse culture. The Board was updated on progress made on Group initiatives in the areas of gender and ethnic diversity, mental health, LGBTQ+, and Living with Dignity. Succession plans for the ELT were reviewed by the Nomination Committee, on behalf of the Board. The Board received feedback on discussions and outcomes of three meetings of the Global Workforce Advisory Panel, chaired by one of the independent non-executive directors. The Board also considered insights from the 2022 global employee engagement surveys, including our journey of gathering feedback from employees to help drive a purpose-led, high performing culture. Approved senior leadership changes during the year. Provided input into the topics of discussion for the Global Workforce Advisory Panel.

Topic and link to pillars of value	Activities | Outcomes/decisions
Environment Environmental incidents, energy and climate change, water availability and rehabilitation ▶ Further reading pages 48–60	The Board reviewed the steps taken by management to reduce energy and natural resource consumption, and key projects and technologies contributing to energy transition. Climate-related activities, energy efficiency targets and decarbonisation strategies were considered during the year by the Board and the Sustainability Committee. The Board discussed the Group's roadmap to carbon neutrality, focusing on the underlying initiatives, workstreams and plans underpinning delivery of our target of carbon neutral operations by 2040. The Board considered initiatives towards achieving carbon neutral energy in the Group's operations. External insights from expert speakers on steel industry decarbonisation pathways and drivers were shared with the Board. The Board received updates and in-depth briefings on the Group's conformance and disclosure against the Global Industry Standard on Tailings Management for the Group's managed tailings storage facilities, the ongoing risk measures and dam safety monitoring. The Board approved: – The acquisition, execution, and funding of three Koruson 2 renewable energy projects through Envusa Energy, the renewable energy joint venture partnership with EDF Renewables, enabling the acceleration of carbon neutral electricity in the Group's southern African businesses.
Socio-political Social incidents and performance, government, media, investor and stakeholder relations ▶ Further reading pages 60–65	The Board receives updates on key geopolitical developments in the Group's operating jurisdictions, significant social incidents, and a briefing from the Group head of investor relations, at each meeting. Feedback from meetings held between executive leaders and institutional investors is communicated to the Board. Board members engaged directly with local community representatives during their site visits in 2023 in South Africa, the UK and Australia. The chief executive and business leaders updated the Board on engagement with the governments of host countries and on local community dialogue. The Board was briefed by management on feedback following the Group's two Sustainability Performance updates held in 2023.
Economic outlook and commodity price Macro-economic environment and commodity price outlook ▶ Further reading pages 24–39	The Board received briefings from internal teams on trends in relevant areas and likely scenarios for global economic growth. The Board received regular updates on commodity markets from Marketing leadership. The Board received an update from the Strategy team on the Group's commodity price outlook.
Operations Operational performance by each business unit and progress of key projects ▶ Further reading pages 94–128	The Board received detailed updates on the operational performance, strategy, safety and sustainability performance, people, technological innovation, and key risks of its businesses. The Board was updated throughout the year on the progress of the De Beers Venetia Underground and Crop Nutrients Woodsmith projects. The Board approved: – Agreement in principle between De Beers Group and the Government of the Republic of Botswana for a new 10-year sales agreement for Debswana's rough diamond production (through to 2034) and the new 25-year Debswana mining licences (through to 2054). – Initial funding for the Exploration Access Development Phase at De Beers Jwaneng underground project. – Additional funding to complete pre-feasibility studies and advance critical path activities for the Los Bronces underground expansion in Chile.

Topic and link to pillars of value	Activities | Outcomes/decisions
Financial Key financial measures, liquidity and balance sheet strength, cost improvements, dividend ▶ Further reading pages 76–78	The Board monitored financial performance and discussed progress against the annual budget and five-year plan. Liquidity strategy and balance sheet strength were reviewed. A revised Group treasury policy was considered by the Board and Audit Committee. The Board and Audit Committee considered the Group's dividend policy.
	Recommended the 2022 final dividend (approved at the 2023 AGM) and approved the 2023 interim dividend. The Board approved: – The Group's 2024 budget, incorporating capital expenditure for critical projects – A revised Group treasury policy – A mandate to enable the issuance of $2.0 billion of bonds in 2023, and the refinancing of the Group's $4.7 billion revolving credit facility maturing in 2025.
Strategy Portfolio outlook, progress on critical tasks and long term strategic pathways ▶ Further reading pages 10–75	The Board considered strategic issues at every meeting in 2023, and held a two-day dedicated strategy meeting. The Board discussed progress towards delivery of the Group's strategic goals in the context of Portfolio, Innovation and People, including: portfolio and growth strategy, key competitive trends and value creation, technology development strategy, climate change and decarbonisation strategies, delivery of organisational efficiencies, and exploration activities. The Board considered options for moving its portfolio towards future-enabling products, while supporting a Just Transition that seeks to balance the needs and expectations of all stakeholders, including environmentally and socially sustainable jobs, consistent with addressing the overriding issue of climate change.
	Approved the Group's critical strategic objectives. Key decisions made during the year in support of the Group's pathways to carbon neutrality.
Board governance Reports from committees, legislative and regulatory compliance, succession planning ▶ Further reading pages 156-211	Each of the committee chairs reported on their respective meetings. Reports were received on the Group's compliance with relevant legislation and regulation and any actions needed to respond to recent developments. The Board received updates on material litigation across the Group. The Audit Committee chair provided an update on material whistleblowing reports. The Board undertook a rigorous review of its effectiveness and that of its committees and individual directors. The Board and Nomination Committee reviewed the Board's composition, diversity and succession plans for non-executive and executive directors, and members of the ELT. The Board was updated on the implementation of a more active and co-ordinated Group engagement strategy in relation to the influence, management, and governance of its non-managed joint ventures. The Board received a briefing on business integrity and the key compliance risks facing the Group from anti-corruption laws. Updates were provided on regulatory developments, including proposed changes to the UK Corporate Governance Code (since published in January 2024).
	Approved Board and ELT appointments: – Magali Anderson as a non-executive director and member of the Sustainability Committee from 1 April 2023. – John Heasley as Finance Director from 1 December 2023. – Monique Carter and Matt Walker as members of the ELT, on the recommendation of the chief executive. The Board endorsed the re-organisation of the senior management team to lead the next phase of value delivery. The Chairman and executive directors approved increases to the non-executive directors' fees for 2023 and the introduction of an annual fee for acting as the designated non-executive director to chair the Global Workforce Advisory Panel. Agreed Board effectiveness priorities for 2023. Approved Anglo American's 2023 Modern Slavery Act statement.

Board effectiveness in 2023

Each year, the Board undertakes a rigorous review of its own effectiveness and performance, and that of its committees and individual directors. At least every three years, the review is externally facilitated. In 2023, an internal evaluation was undertaken. The process for how the review was conducted and its findings are illustrated below.

The last externally facilitated effectiveness review of the Board was undertaken in 2021, the results of which were reported in the 2021 Integrated Annual Report. Taking account of the findings of the 2022 review, the Board had identified four priority areas for 2023, the details of which were reported in the 2022 Integrated Annual Report. Actions to address these areas were identified and progressed throughout the year. The Board made good progress on implementing the actions to address the findings, as illustrated in the table below.

Again in 2023, the directors completed online, questionnaire-based internal effectiveness reviews. To allow the Board and its committees to judge progress over a three-year period, the reviews explored similar areas to the 2022 review. The 2023 review reaffirmed that the Board believes that it continues to operate effectively, is collegiate and well-functioning.

The review of the chairman's performance was led by the senior independent director. The chairman was not present during the discussions with both executive and non-executive directors as it related to him. The directors commended the chairman on his effective leadership of the Board, noting that he fosters an open and supportive culture that facilitates the contribution of each member. It is the directors view that the chairman has an appropriately strong, constructively challenging, and supportive relationship with the chief executive and his leadership team and they felt this was an important component in the overall effectiveness of the Board. In addition, the chairman received a report evaluating the individual directors' performance. To complement the internal review process, the chairman holds regular one-to-one meetings with each of the directors.

Actions taken in 2023 to address the areas identified by the Board as effectiveness priority areas following the 2022 internal review are summarised below:

Topic	Areas identified for action	Actions taken in 2023
People	Maintain Board focus on the Group's talent management, including its processes to identify and develop talent. Maximise opportunities for the Board to have exposure to future leaders in the Group's talent pipeline.	Opportunities for Board's exposure to future leaders and high potential employees in the Group's talent pipeline were facilitated during the year. High potential employees presented regularly at Board and committee meetings, and gained additional exposure through one-to-one meetings with non-executive directors, and in more informal settings during Board and director site visits. Talent management will continue to be a priority focus area for the Board in 2024.
Community and customer engagement	With the return of Board site visits, pursue opportunities for the Board to have direct engagement with representatives of host communities. Seek opportunities for the Board to engage with the Group's customers.	Formal location visits were facilitated for Board members in 2023, to South Africa and the UK, in addition to ad hoc non-executive director site visits. The visits afforded opportunities for the Board to engage directly with community representatives, as described in this report. Opportunities for Board engagement with the Group's customers will be further developed in 2024.

Topic	Areas identified for action	Actions taken in 2023
External insights	Increase the Board's exposure to external insights in pertinent areas, particularly climate change and geopolitical trends.	There was greater focus on providing external insights and industry trends to the Board during strategic discussions. For example, external expert speakers provided insights on steel decarbonisation to the Board as part of its strategic discussions. Senior leaders presented updates to the Board on geopolitical and macro-economic trends.
Strategy	Redirect the Board's strategic focus towards the making of strategic choices and overseeing the execution of strategy.	The Board considered strategic issues at every meeting in 2023, and held a two-day dedicated strategy meeting. The Board discussed progress towards delivery of the Group's strategic goals and implementation of business strategy, including: portfolio and growth strategy, technology development strategy, climate change and decarbonisation strategies, and delivery of organisational efficiencies.

Building on the priority areas identified and the actions taken during 2023, and taking account of the findings of the 2023 review, the Board has identified the following effectiveness priorities for 2024:

Topic	Areas identified for action
People	Following the re-organisation of the Executive Leadership Team in 2023, continue the Board's focus on senior leadership succession, and increase visibility of high potential employees and future leaders in the Group's talent pipeline.
Stakeholder engagement	Building on the increased Board-community engagement in 2023, focus the Board's attention on further developing its understanding of stakeholder views, particularly the Group's customers and investors.
External insights	Continue to maximise opportunities for the Board to obtain greater external perspectives, particularly in the areas of macro-economic, industry and geopolitical trends.
Strategy	Evolve the Board's focus from the making of strategic choices to strategy implementation and supporting executive management in execution of the Group's strategy.

Committee effectiveness

The committee reviews looked at ways in which they could improve their overall effectiveness, their performance and effectiveness priority areas they needed to address in 2024. All Board committees were believed to be performing well and were appropriately constituted.

Board and non-executive directors' visits to Group operations in 2023

Undertaking regular site visits allows the directors to gain a better understanding of the Group's operations and culture, and affords Board members the opportunity to meet and engage with a diverse cross-section of employees and local stakeholders to appreciate, at first-hand, their interests and concerns.

The Board usually meets at least once a year at one of the Group's major operations. During 2023, Board, committee and non-executive director site visits were facilitated, as described below.

Board visit to Woodsmith

In September 2023, the Board held one of its meetings at our Crop Nutrients corporate office in north east England and visited our Woodsmith project, accompanied by senior leaders from the business. During the visit, the Board received detailed presentations from Crop Nutrients management on how they aim to set the benchmark in sustainable mining operations, while maintaining our social licence to operate and building a thriving community in the region surrounding the project.

The directors spent two days visiting the Woodsmith mine sites, hosted by members of the Crop Nutrients leadership team and site employees, focusing on safety, progress on core infrastructure and the study programme, research and development (R&D), social performance, and environmental management and biodiversity. The Board visited the Woodsmith mine, the Wilton site including the Mineral Transport System (MTS) tunnel, port and R&D plant, and the Lockwood Beck site, where they descended into the MTS tunnel.

Board members engaged directly with local community representatives at projects supported by the Woodsmith Foundation and got an on-the-ground feel for the positive impact the projects are making on local communities: The Whitby Lobster Hatchery aims to build resilience and sustainability in the local fishing community, creating new jobs and promoting tourism; while the Eastside Community Hub provides a wide range of community-based activities with the aim of reducing isolation, providing opportunities for skills development, and enabling better health and well-being.

As part of the visit, the chairman hosted an evening event for Board members to engage with the Crop Nutrients leadership team.

Non-executive director Magali Anderson (right) and projects & development director Alison Atkinson (centre) speaking with newly graduated apprentice engineer Ross Dickinson from our Crop Nutrients business during the Board's visit to Woodsmith.

Sustainability Committee members and directors being briefed during their visit to De Beers' Venetia mine in July 2023.

Sustainability Committee visit to Venetia

In July 2023, the Sustainability Committee visited the Venetia mine in South Africa, accompanied by De Beers CEO Al Cook and senior leaders. Other non-executive directors who are not members of the Committee joined the visit.

The visit focused on safety, the transition of Venetia from an open-pit mine into an underground mining operation, initiatives towards achieving carbon neutrality and net-positive impact on biodiversity, and community engagement.

The Committee witnessed first hand the work being done locally to foster equal opportunities for women, and on empowering female-owned enterprises to flourish in host communities. The Committee also learnt about the collaborative work that has brought together Venetia and the International Youth Foundation, driving youth skills development and creating job opportunities through a partnership which supports the Musina TVET College.

During the visit, the Committee chairman, Ian Ashby, hosted an evening function for directors to meet with leaders and employees from Venetia.

Left: Stuart Chambers speaking with Morakana Molalathoko, the owner of a catering enterprise in Musina, the nearest town to Venetia mine, who is supported by the AWOME (Accelerating Women Owned Micro Enterprise) programme, which aims to empower women in business.

Below surface: the Sustainability Committee and senior leaders met with site management and employees underground to see the progress being made as Venetia transitions from being a surface mining operation to an underground mine.

Non-executive directors' visits

In April 2023, Audit Committee members and the Group finance director met with leaders from our Marketing business in Singapore, where they attended in-depth presentations on the control processes which support value creation through the end to end deal lifecycle.

Also in April, non-executive directors Marcelo Bastos, Nonkululeko Nyembezi and Ian Tyler spent two days at our Steelmaking Coal operations in Queensland, Australia, hosted by CEO Australia Daniel van der Westhuizen. The directors visited operations at Moranbah North, Grosvenor and Aquila, where the focus was on safety, underground operations, gas management, carbon neutrality, and stakeholder engagement. The group visited the Moranbah Youth & Community Centre, where they learned more about how the business partners in the community to create shared value, and engaged directly with community leaders of the Barada Barna Traditional Owners.

"Site visits enable non-executive directors to get a better understanding of the issues facing our operations and how these are being managed, with real-life exposure to colleagues at various levels in the organisation. They also allow us to interact directly with representatives from host communities."

Ian Ashby
Independent non-executive director
and Sustainability Committee chairman

Sustainability Committee chairman Ian Ashby during the Committee's visit to Venetia in July 2023.

(Left to right) Non-executive director Nonkululeko Nyembezi with section engineer Peter Jaure and mechanical technician Dean Duboczky at Woodsmith in September 2023.

Stakeholder engagement

How the Board has engaged

The Board is committed to ensuring collaboration and partnering with a broad range of stakeholders, both directly and indirectly through reports from senior management. Stakeholder considerations form part of discussions at Board meetings and decision making takes into account potential impacts on our stakeholders, as described in the Section 172 statement on page 29 of the Strategic Report. How the Board interacts directly with certain of its key stakeholders is illustrated below. For further information on reflecting stakeholder views in the Board's decision making, please see page 29.

Creating shared value

Investors	Employees and unions
Communities	Suppliers and contractors
Civil society (NGOs, faith groups and academia)	Customers
Governments and multilateral institutions	Industry associations

Global Workforce Advisory Panel

Anglo American's Global Workforce Advisory Panel (the Panel) was established in 2019. Its purpose is to give employees more of a 'voice' in the boardroom so their views can be better understood and considered when decisions are being made about the future of the business. The Panel affords valuable opportunities for the Board to understand how the Group's culture, purpose and values are embedded into the organisation. The Panel operates alongside Anglo American's existing employee engagement mechanisms, such as regular employee engagement surveys and director interaction with employees.

Composition of the Panel

The Panel is currently made up of 12 employees, representing the countries where the Group has a significant presence, and is chaired by Marcelo Bastos, one of the Board's independent non-executive directors. Panel members are nominated using agreed criteria set out in its terms of reference and selected to ensure representatives, throughout the organisation, are appropriately balanced across the areas of gender, ethnicity, age and seniority. New Panel members undertake an induction to ensure a clear understanding of their role and to support them in being effective employee representatives. The Panel is supported by the Group's company secretarial and employee engagement teams. Panel members meet at least twice a year with the Panel chair.

Panel meetings and discussions in 2023

The Panel met on three occasions in 2023, in March, July and October. The first meeting of the year was held virtually over two sessions, to accommodate members in different global time zones. The second meeting was held in person at the Group's corporate office in Johannesburg. The third was a short informal meeting held virtually.

Topics for discussion in 2023 included: feedback on the Group's diversity data sharing campaign, our change management processes, our colleague wellness activity, and performance management framework. Panel feedback was also sought on how the Group's organisational changes, announced in May 2023, were received in their part of the business.

Members of the Global Workforce Advisory Panel with non-executive director Marcelo Bastos, who chairs the Panel.

Panel members are provided with briefings in advance on topics for discussion at Panel meetings and asked to engage with the workforce populations they represent, in order to provide feedback with their collective views at Panel meetings.

At the Panel's in-person engagement in 2023, in addition to the formal meeting, members engaged in pre- and post-meeting activities, including internally facilitated team effectiveness training, and local educational site visits. Panel members had the opportunity to engage at an informal event with the Panel chair, and senior leaders in the Group. Opportunities for relevant Panel members to meet informally with the Board chairman, chief executive, and other independent non-executives were facilitated in the year during the Board's and non-executive directors' site visits.

The Panel is scheduled to meet three times in 2024, and we anticipate one of these meetings taking place in person.

"To me, being a Panel member means really listening to my colleagues and, through our meetings chaired by Marcelo, gives me the opportunity to represent their voice in the boardroom on Panel topics."

Gugu Kubeka
Gugu is an HR Adviser based in South Africa, and has been a Panel member since 2022

Board and Panel feedback

Following each Panel meeting, Marcelo Bastos discussed the key themes with the Board chairman and chief executive. At three Board meetings in 2023, Marcelo provided his reflections from Panel engagements and discussed the key themes with the full Board. The key messages from each meeting were shared and discussed with the ELT. Marcelo provided his reflections and insights at one ELT meeting, following a year of chairing the Panel. Marcelo shares feedback from the Board meeting discussions with the Panel at its following meeting. Topics for discussion at Panel meetings are proposed equally by Panel members, the Panel chair and members of the Board, and management.

"Being able to interact directly with a cross-section of employees through the Panel, and share my insights in the boardroom, gives the Board a unique vantage point through which to assess employee sentiment."

Marcelo Bastos
Independent non-executive director and Panel chair

Non-executive director engagement with employees

In addition to feedback from the Panel, non-executive directors interacted with employees of varying levels of seniority during the year, during Board and director site visits to operations and corporate offices. In April, our Audit Committee chair Hilary Maxson and members of the Audit Committee engaged with colleagues during a visit to our Marketing hub in Singapore. Magali Anderson engaged with female colleagues participating in one of the Group's Leadership Academy programmes aimed at developing female talent.

Global employee engagement surveys

The Board was updated during the year on the feedback and resulting actions that had been developed by management from global employee engagement surveys undertaken in 2022.

Community engagement

Anglo American is committed to delivering a lasting positive contribution to host communities, beyond the life of our mines. Our Social Way 3.0 engagement requirements and commitment to local accountability that forms part of our Sustainable Mining Plan are at the heart of how we engage with local communities. We aim to always engage proactively, meaningfully and respectfully with all of our stakeholders in relation to impacts and risk and to maximise development opportunities.

The Board's Sustainability Committee receives a report on social performance and community issues at each meeting. The Board is also updated via presentations from business leaders and visits operations, which affords opportunities for direct engagement with local community representatives.

Duncan Wanblad and Pannett Art Gallery curator Helen Berry at the Eastside Community Hub in Whitby during the Board visit in September 2023. The gallery is an open access community resource for cultural activities and is supported by the Woodsmith Foundation.

In September 2023, the Board visited our Woodsmith project in north east England, where they engaged directly with local community representatives at projects supported by the business. The Sustainability Committee visited De Beers' Venetia mine in the Limpopo district in South Africa in July, where they visited several local projects supported by the mine. In April 2023, three non-executive directors spent time at the Moranbah Youth & Community Centre during their visit to the Group's Steelmaking Coal operations, where they engaged directly with community leaders of traditional owners of the land.

► For more information on Board and non-executive directors' site visits
See pages 158–160

Investor engagement

The Group has an active engagement programme with its key financial audiences, including investors and sell-side analysts, as well as potential shareholders.

The Group's investor relations team manages the interactions with these audiences through roadshow meetings, presentations including at the time of the interim and final results and twice yearly sustainability updates, as well as regular attendance at industry conferences organised mainly by investment banks for their institutional investor base. Key topics covered include market outlooks, financial and operating performance, sustainability and governance matters. The focus of sustainability discussions continues to primarily be on climate change and providing an update on the Group's transition plan; while the Group's approach to biodiversity and water management also becoming more priority engagement areas for many investors in the latter part of the year. In December, the Company hosted its annual investor update to the investment community, which outlined resets to production guidance. The chief executive and finance director subsequently hosted meetings with the largest shareholders through December and into January 2024.

In addition to roadshows and industry events, the investor relations and management teams meet with investors and sell-side analysts regularly throughout the year for ad hoc discussions. Significant concerns raised by shareholders in relation to the Company and its affairs are communicated to the Board.

The Board receives a briefing at each meeting from the Group head of investor relations and analysts' reports are circulated to the directors. Feedback from meetings held between executive management, or the investor relations department, and institutional shareholders, is also communicated to the Board. The Chairman also engages directly with the Company's largest shareholders.

Annual General Meeting

The Board values the AGM as an opportunity for all shareholders, but in particular its retail shareholders, to raise questions and comments to the Board. Shareholders were invited to submit their questions in advance of the AGM and also offered the opportunity to ask questions during the meeting both in person and electronically. The Company's 2023 AGM was held in a hybrid format. Voting levels at the 2023 AGM were approximately 70%, with generally less than 2% being votes withheld. All resolutions submitted to the meeting in 2023 were passed with at least 87% of votes in favour.

Investor engagements in 2023

January
Closed period
Climate Action 100+ investor meeting

February
Q4 2022 Production Report
2022 full year results
Investor roadshows: London (virtual)
Conferences: BMO Global Metals & Mining

March
Investor roadshows: London (virtual), Edinburgh (virtual), North America and South Africa
Conferences: Exane Basic Materials
UBS Santiago investor tour

April
Q1 Production Report
Sustainability Performance update
AGM
UBS London Mining Tour (virtual)

May
Investor roadshows: London (virtual) and North America (virtual)
Conferences: Bank of America Metals & Mining

June
Conferences: BofA Smart Mine 4.0 (virtual)
Berenberg Thematic Mining event, BofA Virtual Commodity conference
Morgan Stanley Materials Cannonball Run fireside session (virtual)
UN PRI Advance human rights engagement

July
Closed period
Q2 Production Report
2023 interim results
Investor roadshows: London (virtual)

August
Investor Roadshow: South Africa

September
Investor Roadshows: London (virtual), Edinburgh (virtual) and North America
Conferences: Raymond James Strategic Metals & Materials (virtual)
Danske bank virtual investor group

October
Investor and sell-side analyst visit to Woodsmith
Q3 Production Report
Sustainability Performance update
ESG investor meetings (virtual)
Conferences: Deutsche Copper CEO conference (virtual)

November
ESG investor meetings (virtual)
Chairman investor meetings
Climate Action 100+ investor meeting

December
2023 investor update call
CE and FD investor meetings
Chairman investor meetings

Sustainability Committee report

Committee members

Ian Ashby – Chairman
Magali Anderson (appointed 1 April 2023)
Marcelo Bastos
Stuart Chambers
Nonkululeko Nyembezi
Duncan Wanblad

► For further detail on biographies and Board experience: **pages 142–145**

Business regional directors, Group directors of strategy & sustainability, technical & operations, and legal & corporate affairs, and the Group heads of safety and sustainability also participate in meetings of the Committee. Other members of senior management are invited to attend when necessary. Other non-executive directors regularly attend Committee meetings at the invitation of the chair.

"We are not only custodians of the land we mine; our stewardship extends to the impact we have on the environment and the way in which we engage with host communities. The Sustainability Committee ensures that the Board is constantly apprised of any sustainability issues that may affect our licence to operate or stand in the way of our achieving a net positive overall impact."

Ian Ashby
Committee chairman

Role and responsibilities

The Committee oversees, on behalf of the Board, material management policies, processes, and strategies designed to manage safety, health, environment, climate change-related and socio-political risks and opportunities, to achieve compliance with sustainable development responsibilities and commitments and strive to be a global leader in sustainable mining.

The Committee is responsible for reviewing the causes of any fatal or significant sustainability incidents and ensuring learnings are shared across the Group.

The Committee's terms of reference are available to view online.

► For more information
Visit angloamerican.com/about-us/governance

Committee discussions in 2023

The Committee met four times in 2023, with full attendance as described on page 151. At each meeting, the Committee reviews detailed reports covering the Group's performance across a range of sustainability areas, including: safety; health and wellness; socio-political trends; human rights; climate change; and environmental and social performance. Significant safety, social, health and environmental incidents are reviewed at each meeting, as are the results from operational risk reviews and operational risk assurance.

The Committee seeks to address the fundamental root causes of all fatal incidents occurring across Anglo American.

In 2023, three members of the workforce lost their lives at the Group's managed operations. The preliminary observations from each of these fatal incidents were reported to the next Committee meeting following their occurrence, noting the factors surrounding the incidents, mitigation steps being taken and the process for formal investigation. Following completion of the independent investigations, findings were presented to the Committee and the learnings shared internally.

Sustainability Committee members visiting Venetia mine in July 2023.

Sustainability Committee chairman Ian Ashby (standing) and members engaging with senior leaders and site management during the Committee's visit to Venetia mine in July 2023.

In addition to the Committee's standing agenda items, the following matters were discussed during 2023:

- Group risks relating to sustainability
- Updates on the pathways to reduce the Group's Scope 3 emissions, with the Committee updated throughout the year on progress against our Scopes 1 and 2 targets
- Water management: progress on implementation of standards, and the achievement of sustainability targets
- Progress towards achieving our commitment to deliver net-positive impact on biodiversity, and an overview of the Group's biodiversity management programme
- Updates on the delivery of our Sustainable Mining Plan commitments
- Social Way 3.0 – assessment results and progress on implementation across the Group
- Anglo American's 2022 Sustainability Report and 2022 Climate Change Report
- Outcome of the 2022 external audit of the Group's safety and sustainability data
- Cultural heritage management in the Group
- Tailings and water storage facilities stewardship: risk management updates
- Updates on the Group's conformance and disclosure against the Global Industry Standard on Tailings Management
- Legacy SHE risks and liabilities
- Mine closure and site regeneration activities across the Group
- Overview of the new Group Contractor Performance Management Policy and framework
- The approach to managing physical climate change risk and resilience across the Group
- The management of land access, displacement and resettlement across the Group
- Permitting: an update on permitting management across the Group
- Shaft integrity management and the Group's shaft management assurance programme
- Geotechnical risk management (slopes and underground) – an update on the initiatives to sustainably eliminate rockfall fatalities and disruptions at the Group's mining operations
- Fire risk management across Anglo American
- Review of annual bonus and incentive plan measures proposed to the Remuneration Committee in relation to safety, health and environment.
- Human rights trends and an overview of the most salient human rights issues across Anglo American
- Climate and ESG-related litigation
- Committee effectiveness.

In July 2023, the Committee visited De Beers' Venetia mine in South Africa. In April 2023, non-executive members of the Committee visited a number of the Group's Steelmaking Coal operations in Queensland, Australia. More information on Board and non-executive directors' visits to Group operations can be found on pages 158–160.

Nomination Committee report

Committee members

Stuart Chambers – Chairman
Ian Ashby
Marcelo Bastos
Hilary Maxson
Hixonia Nyasulu
Ian Tyler

► For further detail on biographies and Board experience: **pages 142–145**

The chief executive, and the Group directors of people & organisation, and legal & corporate affairs also participate in meetings of the Committee, when relevant to do so. Other non-executive directors may attend committee meetings at the invitation of the chairman.

"The Committee plays a vital role in ensuring the composition of the Board, and the leadership needs of the organisation, reflect an appropriate mix of skills, experience, diversity and perspectives to suit the evolving nature of the business and the expectations of society and our stakeholders".

Stuart Chambers
Chairman

Role and responsibilities

The role of the Nomination Committee is to assist the Board in regularly reviewing its composition and those of its committees, to lead the process for Board appointments, and ensure effective succession planning for the Board and senior management.

The Committee's terms of reference are available to view online.

► For more information
Visit angloamerican.com/about-us/governance

Committee discussions in 2023

The Committee met four times in 2023, with attendance by the members as described on page 151. Discussions at the meetings covered the responsibilities outlined above, with particular focus on executive and non-executive succession planning.

The following matters were considered during 2023:

- The composition, structure and size of the Board and its committees, and the leadership needs of the organisation
- Non-executive director succession planning
- Recommending to the Board the appointment of Magali Anderson as a non-executive director and member of the Sustainability Committee
- The time commitment expected from the non-executive directors to meet the expectations of their role
- Recommending that the Board support the election or re-election of each of the directors standing at the Annual General Meeting in 2023
- Succession planning for the Group finance director and recommending to the Board the appointment of John Heasley to succeed Stephen Pearce as finance director
- Oversight of succession planning, and the development of a diverse talent pipeline, for executive leadership
- Overseeing a tender process for the appointment of an external search consultancy to facilitate future non-executive recruitment.

The findings of the internal 2023 Board and committee effectiveness review are set out on pages 156–157.

Process used in relation to non-executive Board appointment

As reported in the 2022 Integrated Annual Report, as part of the Board's ongoing cycle of refreshment, in the second half of 2022 the Nomination Committee led a search process to recruit a new non-executive director with a deep understanding of sustainability in its broadest sense, to ensure the composition of the Board reflected an appropriate mix of skills, experience, diversity and perspectives.

Spencer Stuart had been retained by the Committee in 2022 to assist with the search process. Spencer Stuart has previously worked for the Group in recruiting for non-executive and senior leadership appointments and accordingly has a good understanding of the Board's requirements. They are accredited under the UK Government's Voluntary Code of Conduct for Executive Search Firms.

Prior to the search commencing, the Nomination Committee agreed the skills and experience it considered necessary for the role. A longlist of gender and ethnically diverse candidates was then identified and discussed with the Committee to agree a shortlist to be interviewed. Shortlisted candidates were interviewed by members of the Committee and other Board members, as relevant.

Following conclusion of the formal process, the Committee concluded that Magali Anderson had the requisite skills, attributes and capabilities to take on the role as a non-executive director, and agreed to recommend Ms Anderson's appointment to the Board for approval. As announced in February 2023, Ms Anderson's appointment was approved by the Board with effect from 1 April 2023.

Board and executive management diversity

The Board's statement on its approach to gender and ethnicity targets, including how it meets the diversity targets set out in the UK Listing Rules, can be found on page 145. The additional numerical data on the diversity of the Board and executive management, in the format prescribed by UK Listing Rule 9.8.6R(10), is set out below as at 31 December 2023. The underlying data was collected directly from the Board and ELT. The definition of executive management for these purposes is the Anglo American ELT (the executive committee and most senior executive body below the Board).

Information on the Group's policy on inclusion and diversity, their aims, details of the gender balance of senior management and their direct reports, and performance against our targets can be found in the People section on pages 72–74. The definition of senior management for these purposes, in accordance with the UK Corporate Governance Code, is the ELT and those reporting to the ELT.

Group finance director appointment process in 2023

Succession planning for all directors, including the executive directors, is an ongoing cycle of work. The Nomination Committee has oversight of senior leadership succession plans, ensuring they are aligned to the long term strategic ambitions and the diverse leadership needs of the Group.

The Board, through its Nomination Committee, initiated a global process to identify the best person for the role of finance director, following Stephen Pearce stating his intention to retire from the Group. The Committee approved an updated role profile for the Group finance director, including the leadership capabilities and characteristics required to be successful in the role. The Committee discussed the development of candidates on our internal succession plan, and an externally facilitated benchmarking exercise of the external talent market was completed.

The search process included a number of internal candidates on our internal succession plan, and a diverse range of external candidates. The Committee considered gender and ethnically diverse candidates for the role. Shortlisted candidates undertook formal leadership capability assessments.

The shortlisted candidates were interviewed by the chief executive, chairman, Audit Committee chair, senior independent director, and a panel of ELT members.

Following conclusion of the rigorous process and a recommendation from the Committee, the Board concluded that John Heasley would bring proven financial, strategic and commercial expertise to the role, coupled with hands-on operational experience of supporting mining through technology. The remuneration arrangements for the appointment of John Heasley and the retirement of Stephen Pearce were approved by the Remuneration Committee. John Heasley joined the Board as Group finance director on 1 December 2023.

Gender identity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board[1]	Number in executive management[2]	Percentage of executive management[2]
Men	6	60%	4	9	75%
Women	4	40%	0	3	25%

Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board[1]	Number in executive management[2]	Percentage of executive management[2]
White British or other White (including minority white groups)	8	80%	4	10	83%
Mixed/Multiple Ethnic Groups	0	0%	0	1	8%
Asian/Asian British	0	0%	0	0	0%
Black/African/Caribbean/Black British	2	20%	0	1	8%
Other ethnic group, including Arab	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

(1) Senior positions are defined under UK Listing Rule 9.8.6 R(9)(a) as the chair, the chief executive, the senior independent director, or the chief financial officer.
(2) In accordance with UK Listing Rule 9.8.6 R(10), executive management for these purposes is the Anglo American Executive Leadership Team (the executive committee or most senior executive body below the Board). The Group company secretary is a member of the ELT.

Audit Committee report

Committee members

Hilary Maxson* – Chair
Nonkululeko Nyembezi
Ian Tyler*

*Audit Committee members deemed to have recent and relevant financial experience in accordance with the UK Corporate Governance Code. The Committee as a whole has competence relevant to the sector.

► For further detail on biographies and Board experience: **pages 142–145**

The chairman, the chief executive, the finance director, the Group head of finance and performance management, the head of financial reporting, the Group head of risk management and business assurance, and the legal & corporate affairs director also participate in meetings of the Committee.

"The Audit Committee remains vigilant in ensuring the integrity of the Company's financial statements and for strengthening its internal controls, risk management framework, and the annual reporting on their effectiveness."

Hilary Maxson
Committee chair

Role and responsibilities

- Monitoring the integrity of the annual and interim financial statements
- Making recommendations to the Board concerning the adoption of the annual and interim financial statements
- Overseeing the Group's relations with the external auditor
- Reviewing the independence, effectiveness and objectivity of the external auditor
- Reviewing and monitoring the effectiveness of the Group's risk management and internal control mechanisms
- Approving the terms of reference of the internal audit function and assessing its effectiveness
- Approving the internal audit plan and reviewing regular reports from the Group head of risk management and business assurance on effectiveness of the internal control system
- Receiving reports from management on the principal risks of the Group. Details of the principal risks are contained on pages 81–85
- Overseeing completion of the viability statement
- Reviewing the effectiveness of the Group's Code of Conduct and the arrangements to counter the risk of bribery and corruption.

The Committee's terms of reference are available to view online.

► For more information
Visit angloamerican.com/about-us/governance

Fair, balanced and understandable

A key requirement of our financial statements is for the report to be fair, balanced, understandable and provide the information necessary for shareholders to assess the Group's and Parent Company's position and performance, business model and strategy. The Audit Committee and the Board are satisfied that the 2023 Integrated Annual Report meets this requirement, as appropriate weight has been given to both positive and negative developments in the year.

In justifying this statement, the Audit Committee has considered the robust processes which operate in creating the 2023 Integrated Annual Report, including:

- Review and approval of management's assessment of the risk of misstatement in financial reporting
- Clear guidance and instruction provided to all contributors
- Revisions to regulatory reporting requirements are provided to contributors and monitored on an ongoing basis
- Early-warning meetings focused on accounting matters are conducted between management of each business, Group functions, the Group finance team and the external auditor in advance of the year end reporting process
- A thorough process of review, evaluation and verification of the inputs from businesses is undertaken to ensure the accuracy and consistency of information presented in the 2023 Integrated Annual Report
- External advisers provide advice to management and the Audit Committee on best practice with regard to the creation of the 2023 Integrated Annual Report
- A meeting of the Audit Committee was held in February 2024 to review and approve the draft 2023 Integrated Annual Report, in advance of the final approval by the Board. This review included the significant accounting matters explained in the notes to the consolidated financial statements
- The Audit Committee considered the conclusions of the external auditor over the key audit matters that contributed to their audit opinion, specifically impairment charges and impairment reversals and environmental restoration and decommissioning obligations.

Committee discussions in 2023

The Committee met four times in 2023, with full attendance as described on page 151. Throughout the course of 2023, and consistent with prior years, the Committee paid particular attention to the valuation of assets, one-off transactions, tax matters, financial controls and the Group's liquidity position. In addition, there were in-depth discussions on ad hoc topics as requested by the Audit Committee; for example, Woodsmith, Our Code of Conduct, cyber risk, artificial intelligence technology risk, pensions funding and exposures, and sustainability reporting governance and assurance. The Committee reviewed the system of internal control and risk management.

The Committee met with leaders from our Marketing business in Singapore in April 2023, where they had in-depth presentations and discussions on risks and controls.

An internal effectiveness review of the Committee was undertaken.

The key topics discussed by the Committee during 2023 are set out on the following pages.

Significant accounting issues considered by the Audit Committee in relation to the Group's financial statements

— Impairment and impairment reversals of assets

The value of mining operations is sensitive to a range of characteristics unique to each asset. Management is required to apply judgement in the estimation of Ore Reserves, and price and production forecasts which drive cash flow projections.

Response of the Audit Committee

The Committee exercises oversight over the impairment review process. The Committee assessed the identification of impairment and impairment reversal indicators, the impact of climate change on commodity prices and exchange rate assumptions, the review of changes in the valuation of cash generating units (CGUs) and associated sensitivity analysis, and the appropriateness of disclosures made within the 2023 Integrated Annual Report on key sources of estimation uncertainty.

The Committee paid particular attention to the impact of climate change on the Group's impairment analysis. In addition to the linkage to commodity prices, the impact of carbon pricing through carbon cost assumptions was considered for the operations where a valuation was prepared together with the consistency of climate-related assumptions to the Group's wider climate strategy. The Committee reviewed and approved the associated climate-related impairment disclosure.

During 2023, the most significant assets considered were the following:

De Beers

The annual impairment assessment for goodwill relating to De Beers indicated a lower valuation than in 2022, primarily driven by lower prices reflecting a reduction in forecast consumer demand and resulted in an impairment charge of $1.6 billion to bring the carrying value into line with the recoverable amount.

The valuation continues to be sensitive to changes in foreign exchange rates and consumer demand, impacting prices. The Committee concluded that the impairment charge recorded at 31 December 2023 was appropriate and carefully considered and approved the proposed disclosure.

Barro Alto, Nickel

At 30 June 2023, changes in the long term cost profile were identified as an indicator of impairment and the carrying value of the CGU was assessed, resulting in an impairment charge of $0.4 billion. At 31 December 2023, revisions to the short and medium term nickel price forecast were identified as an indicator of further impairment and an additional impairment charge of $0.4 billion was recorded.

The Committee considered the valuation scenarios presented by management and approved the conclusions of the assessment and the proposed disclosure. The Committee also considered the recoverability of long term inventory stockpiles relating to the Nickel business and concluded that no adjustment to the carrying value was required.

Minas-Rio, Iron Ore

At 31 December 2023 changes to the medium and long term price outlook and revisions to the forecast production and capital expenditure profile were identified as indicators that the recoverable amount may have changed. The valuation model indicated that no adjustment to the carrying value was required.

The Committee considered the valuation scenarios presented by management together with the impact of the resource acquisition transaction (see note 31 to the Consolidated Financial Statements) and approved the conclusions of the assessment and the proposed disclosure.

For each of the CGUs noted above the Committee considered disclosures and was satisfied they were appropriate. Particular attention was paid to the significant judgements and estimates made in the course of each assessment and the related disclosures.

Other

In addition to the assets noted above, the Committee was updated on the valuation drivers of assets that had either previously been impaired and therefore are considered to have an inherent risk of either further impairment or impairment reversal or where other events had prompted a more detailed assessment.

An annual assessment of the valuation of CGUs containing goodwill and indefinite life intangible assets was undertaken. The Committee was satisfied with the conclusions reached and disclosure given. Impairment reviews were undertaken and considered by the Committee for certain other smaller CGUs of the Group with the Committee satisfied with the conclusions reached and where applicable the immaterial impairment charges recognised.

The Committee gave careful consideration to whether there were indicators of impairment or impairment reversal for Woodsmith (Crop Nutrients) or Moranbah-Grosvenor (Steelmaking Coal) as well as other previously impaired assets. No indicators of impairments or impairment reversals were identified for these assets.

Significant accounting issues considered by the Audit Committee in relation to the Group's financial statements

— Taxation

The Group's tax affairs are governed by complex domestic tax legislations, international tax treaties between countries and the interpretation of both by tax authorities and courts. Given the many uncertainties that could arise from these factors, judgement is often required in determining the tax that is due. Advice is received from independent experts where required.

Response of the Audit Committee

The Group head of tax provided the Committee with updates throughout the year on various tax matters, including relevant international and domestic tax policy updates, the implementation and operational outcomes of the tax risk governance framework, the impact of international events and trends on the global tax environment and the future of resource taxation, the status of tax audits, tax reporting, and the status of uncertain tax positions. While all these matters are inherently judgemental, no significant issues arose during 2023.

— Provision for restoration, rehabilitation and environmental costs

The estimation of environmental restoration and decommissioning liabilities is inherently uncertain, given the long time periods over which these expenditures will be incurred, and the potential for changes in regulatory frameworks and industry practices over time.

Response of the Audit Committee

The Committee reviewed the update provided by management on estimates of environmental and decommissioning liabilities, which are based on the work of external consultants and internal experts. The Committee continued to pay particular attention to the impact of the Group's public commitment of conformance with the Global Industry Standard on Tailings Management (GISTM) and were satisfied that obligations for conformance with the standard had been appropriately provided for.

The Committee considered the changes in liability assumptions, including discount rates, and other drivers of movements in the amounts provided on the balance sheet and concluded that the provisions recorded as at 31 December 2023 appropriately reflected these updates.

— Special items, remeasurements and one-off transactions

The Group's criteria for recognising a special item or remeasurement involves the application of judgement in determining whether an item, owing to its size or nature, should be separately disclosed in the income statement.

Response of the Audit Committee

The Committee reviewed each of the items classified as special items or remeasurements in the financial statements, and the related disclosures, to ensure that the separate disclosure of these items was appropriate.

— Retirement benefits

The estimation of retirement benefits requires judgement over the estimation of scheme assets and liabilities. Areas of judgement include assumptions for discount and inflation rates and life expectancy. Changes in the assumptions used would affect the amounts recognised in the financial statements.

Response of the Audit Committee

The Committee reviewed the assumptions behind the calculations of the asset and liability positions of the Group's pension and medical plans and concluded that the amounts recorded as at 31 December 2023 appropriately reflected these updates.

In addition, the Committee reviewed the funding levels of the plans, any additional funding being provided to the plans and the overall expense recognised for the year. The Committee assessed the appropriateness of the Group's overall risk management approach to retirement benefits and was comfortable the recent purchase of an insurance policy to settle pension liabilities related to the De Beers UK pension scheme (a 'buy-in') was aligned with this approach and appropriately disclosed.

Significant accounting issues considered by the Audit Committee in relation to the Group's financial statements

— Legal matters

A provision is recognised where, based on the Group's legal views and, in some cases, independent advice, it is considered probable that an outflow of resources will be required to settle a present obligation that can be measured reliably. This requires the exercise of judgement. The Committee was updated by the legal & corporate affairs director on the status of legal matters over the course of the year.

Response of the Audit Committee

During the year the Committee considered developments with the Kabwe case including with respect to the class certification application which was rejected by the court in December 2023. The litigation is still subject to significant uncertainty, and it was concluded that it is not currently possible to make a reasonable estimate of the outcome, quantum or timing of any potential future determination.

Various other legal matters were reviewed and the Committee considered management's assessment that there were no individually material provisions required with respect to ongoing legal matters and that the disclosures made in respect of contingent liabilities were appropriate. The Committee endorsed management's proposal.

— Accounting standards and best practice guidance

The impact of new accounting standards, and any elections made in their application, involves judgement to ensure their adoption is managed appropriately.

Response of the Audit Committee

The Committee received updates on new accounting standards (none of which had a material impact on the Group or Company) and the latest guidance and best practice examples issued by relevant regulators. The Committee ensured that appropriate enhancements had been made to disclosures where relevant.

The Committee received updates on developments in environmental, social and governance reporting, including the publication of the International Sustainability Standards Board's first standards and considered the appropriateness of management's plans to conform with these standards in due course.

The Committee received updates on government consultations regarding UK corporate reform which are anticipated to bring wide-ranging changes to the corporate regulatory landscape.

— Going concern basis of accounting in preparing the financial statements

The ability of the Group to continue as a going concern requires judgement in the estimation of future cash flows and compliance with debt covenants in future years.

Response of the Audit Committee

The Committee assessed the forecast levels of net debt, headroom on existing borrowing facilities and compliance with debt covenants. This analysis covered a period of least 12 months from the date of approval of the financial statements, and considered a range of downside sensitivities linked to the Group's principal risks, including a reduction in commodity prices and potential operational incidents. The Committee concluded it was appropriate to adopt the going concern basis.

Liquidity management

— Liquidity and debt Reviewing the application of the debt strategy, funding and capital structure and the Group's forecast cash position. Judgement is required in the estimation of future cash flows and their impact on financing plans and contingencies.	**Response of the Audit Committee** The Committee received regular updates on the profile of the Group's debt maturities and liquidity headroom, continued capital expenditure requirements, free cash flow generation and dividend payments. The Committee reviewed management's debt capital markets and banking plans for 2024, in the context of strategy-defined targets, to ensure the continued sufficiency of financing facilities.
— Payment of the dividend Reviewing management's recommendation to the Board regarding the level of dividend to be paid for 2023, based on the payout-ratio-driven dividend policy.	**Response of the Audit Committee** During 2023, the Committee reviewed the proposals for payments of dividends, in accordance with the payout-ratio-driven dividend policy based on 40% of underlying earnings. Taking into account the Group's liquidity position, the Committee endorsed the proposal by management, and recommended to the Board for approval, the payments of the 2022 final dividend and the 2023 interim dividend.
— Viability statement The viability statement, and the underlying process to analyse various scenarios that support the development of the viability statement, are found on pages 79–80.	**Response of the Audit Committee** The Committee reviewed the time period over which the assessment is made, along with the scenarios that are analysed, the potential financial consequences and assumptions made in the preparation of the statement. The Committee concluded that the scenarios analysed were sufficiently severe but plausible and the time period of the viability statement was appropriate.

Risk assurance

– Risk management The Group's risk profile and the process by which risks are identified and assessed.	**Response of the Audit Committee** The Committee assessed the Group's risk profile, in particular the principal risks (see pages 81–85). The Committee discussed the key risks, the mitigation plans in place and the appropriate executive management responsibilities. The Committee also considered the process by which the risk profile is generated, the changes in risk definitions and how the risks aligned with the Group's risk appetite. Following discussion and challenge, the risk profile was approved.
– Various risk matters The Committee oversees the implementation of work to mitigate a variety of key risks.	**Response of the Audit Committee** During the course of 2023, the Committee reviewed work to mitigate information technology risk, risks associated with the Woodsmith project, cyber risk, artificial intelligence risk, and marketing and trading risks. The Committee evaluated the work being performed, progress made and provided challenge to satisfy itself that these risks were being adequately managed.
– Ethical business conduct The Committee monitors the effectiveness of, and compliance with, the Group's Code of Conduct. The Committee also reviews the Group's whistleblowing arrangements and procedures.	**Response of the Audit Committee** The Committee reviewed the ongoing work to enhance the effectiveness of ethical business conduct and compliance across the Group. The Committee received reports on bullying and harassment investigations, anti-corruption initiatives and the Action for Integrity campaign. The Committee considered the activities undertaken to strengthen Code of Conduct and Group policy governance such as undertaking risk management effectiveness reviews of 16 Group policies and implementation of a Compliance Management System.
– Mineral Resources and Ore Reserves statements The year-on-year changes to Mineral Resources and Ore Reserves for operations and projects across the Group.	**Response of the Audit Committee** The Committee reviewed the significant year-on-year changes, satisfying itself that appropriate explanations existed. The Committee also reviewed the ongoing improvements in the process to estimate and report Mineral Resources and Ore Reserves.
– Internal audit work Reviewing the results of internal audit work and the 2023 plan.	**Response of the Audit Committee** The Committee received reports on the results of internal audit work. The Committee discussed areas where control improvement opportunities were identified and reviewed the progress in completion of agreed management actions. The Committee reviewed the proposed 2024 internal audit plan, assessing whether the plan addressed the key areas of risk for the business units and Group. The Committee approved the plan, having discussed the scope of work and its relationship to the Group's risks.
– External audit Reviewing the results of the external audit work, evaluating the quality of the external audit and consideration of management letter recommendations.	**Response of the Audit Committee** The Committee reviewed the planning report from PwC in June 2023 and approved the final audit plan and fee, having given due consideration to the audit approach, materiality level and audit risks. The Committee received updates during the year on the audit process, including how the auditor had challenged the Group's assumptions on the accounting issues noted in this report. In February 2024, the Committee reviewed the output of the external audit work that contributed to the auditor's opinion.

Ensuring the independence and effectiveness of the external auditor

Anglo American's Group policy on External Auditor Independence incorporates the requirements of the FRC's revised Ethical Standard published in 2019.

A key factor that may impair an auditor's independence is a lack of control over non-audit services provided by the external auditor. The external auditor's independence is deemed to be impaired if the auditor provides a service that:

- Results in the auditor acting as a manager or employee of the Group
- Puts the auditor in the role of advocate for the Group
- Creates a mutuality of interest between the auditor and the Group.

Anglo American addresses this issue through the following measures:

- Services performed by PwC are permitted non-audit services. The permitted non-audit services mirrors the 'Whitelist' included in the FRC's revised Ethical Standard
- Prior approval by the Audit Committee of non-audit services where the cost of the proposed service exceeds or is expected to exceed $100,000
- Disclosure of the extent and nature of non-audit services.

Anglo American's approach to the provision of non-audit services is contained within its policy on External Auditor Independence.

Non-audit work is only undertaken where there is commercial sense in using the auditor without jeopardising auditor independence; for example, where the service is related to the assurance provided by the auditor or benefits from the knowledge the auditor has of the business.

Non-audit fees represented 14% of the 2023 audit fee of $16.2 million. A more detailed analysis is provided on page 294.

Other safeguards

- The external auditor is required to adhere to a rotation policy based on best practice and professional standards in the UK. The standard period for rotation of the audit engagement partner and any key audit partners is five years. The audit engagement partner, Mark King, was appointed in 2020 and will rotate off at the end of the 2024 audit in accordance with this requirement.
- Any PwC partner designated as a key audit partner of Anglo American will rotate off the audit after no more than five years and shall not be employed by Anglo American in a key management position unless a period of at least two years has elapsed since the conclusion of the last relevant audit.
- The external auditor is required to assess periodically whether, in their professional judgement, they are independent of the Group.
- The Audit Committee ensures that the scope of the auditor's work is sufficient and that the auditor is fairly remunerated. The Committee agreed an audit fee of $16.2 million (2022: $16.2 million) for statutory audit services in the year.
- The Audit Committee has primary responsibility for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor.
- The Audit Committee has the authority to engage independent counsel and other advisers as they determine necessary to resolve issues on the auditor's independence.
- An annual assessment is undertaken of the auditor's effectiveness through a structured questionnaire and input from all businesses and Group functions covering all aspects of the audit process. The Audit Committee members also participate in this assessment, which evaluates audit planning, execution, communications and reporting. The assessment identifies strengths and areas for improvement, which are discussed with the auditor and action plans agreed. The Committee reviewed the measures taken by PwC to support audit quality, including their significant focus on robust challenge and appropriate scepticism in respect of management's assumptions. The evaluation of the external audit concluded that the external auditor was independent, objective and effective in the delivery of the audit.

Anglo American confirms compliance during the year with the provisions of the Competition and Markets Authority Order on mandatory tendering and audit committee responsibilities.

Conclusions of the Audit Committee for 2023

The Committee has satisfied itself that the external auditor's independence was not impaired.

The Committee held meetings with the external auditor, in the absence of management, on two occasions, and the chair of the Audit Committee held regular meetings with the lead audit engagement partner during the year.

Consideration given to the appointment of the external auditor

Following the conclusion of a formal tender process in 2019, Anglo American appointed PwC as its external auditor with effect from and including the year ending 31 December 2020.

The Audit Committee's assessment of the external auditor's performance and independence underpins its recommendation to the Board to propose to shareholders the re-appointment of PwC as auditor until the conclusion of the AGM in 2025. Resolutions to authorise the Board to re-appoint and determine the remuneration of PwC will be proposed at the AGM on 30 April 2024.

Risk management

Risk management is the responsibility of the Board and is integral to the achievement of the Group's objectives. The Board establishes the system of risk management, setting risk appetite and maintaining the system of internal control to manage risk within the Group. The robust process of identifying and evaluating the principal and emerging risks was in place during 2023 and up to the date of this report. The Group's system of risk management and internal control is monitored by the Audit Committee under delegation from the Board. The Board confirms that it has completed a robust assessment of the Company's emerging and principal risks.

The system of risk management is designed to ensure awareness of risks that threaten the achievement of objectives. The controls that mitigate those risks are identified so that assurance can be provided on the effectiveness of those controls. A determination can then be made as to whether the risk is operating within the Group's risk appetite. We seek to embed a culture of risk awareness into the development of our strategic and operational objectives.

The process for identification and assessment of the principal risks combines a top-down and bottom-up approach. At the operations level, a process to identify risks that prevent the achievement of objectives is undertaken. Detailed analysis of the material risks at each location is performed to ensure management understanding of the risk and controls that reduce likelihood of occurrence and impact should the risk materialise. These operational risk profiles contribute to the assessment of risks at the business level. Executive management at each business assesses risks that threaten achievement of the business objectives and the status of controls, or actions, that mitigate those risks. At the Group level, risks are identified through assessment of global factors affecting the industry and the Group specifically, as well as the risks arising from the business assessments. Consideration is given to the views and interests of Anglo American stakeholders. Materiality of risk is determined through assessment of the various impacts that may arise and likelihood of occurrence. An exception relates to those risks deemed catastrophic in nature, where the focus of assessment is on impact and status of internal controls, given the very low likelihood of occurrence. When considering the impact of any risk, we assess safety, environmental, financial, legal or regulatory, social and reputational consequences.

Regular reports on the status of risks and controls are presented to executive management teams throughout the year. The Audit Committee reviews reports on the overall Anglo American risk profile on two occasions during the year and conducts in-depth reviews of specific risks during its meetings over the course of the year. Each principal risk is assigned to either the Board or the relevant Board committees to oversee executive management actions in response to that risk. The Audit Committee reviews that oversight process on an annual basis.

Details of the principal risks are provided on pages 81–85.

Risk appetite

We define risk appetite as "the nature and extent of risk that Anglo American is willing to accept in relation to the pursuit of its objectives". Each principal risk is assessed as to whether it is operating within the limit of appetite for the Group. This is based on review of the external factors influencing that risk, the status of management actions to mitigate or control the risk and the potential impact should the risk materialise. For risks operating beyond the limit of appetite, a change in strategy may be required. For risks operating within, but approaching the limit of appetite, specific management actions may be required to ensure the risk remains within the limit of appetite.

Risk management and the system of internal control

Controls either reduce the likelihood or impact of any risk, while the identification of material controls – i.e. those controls that have the most influence in mitigating a risk – is an important input for audit planning.

The system of internal control operates on a collaborative 'three lines' approach, with operating management owning and managing risks and controls on a day-to-day basis, and business or functional management fulfilling a second line role through frequent oversight of implementation of controls, and providing complementary expertise, support and challenge relating to the management of risk.

A centrally managed internal audit department provides the third line role by reviewing the design and operating effectiveness of the internal control framework, which includes the work performed by the first and second lines management teams. External assurance providers sit outside the three lines' roles but provide additional assurance to satisfy legislative and regulatory expectations, or requests from management or the Board to complement internal sources of assurance.

The above is reflected in the Anglo American Risk and Assurance Governance (RAG) Model, introduced in 2020, and work has continued in 2023 together with the respective functions and operations to embed this further. This work included the development of a combined assurance calendar to enable monitoring of assurance activities across different assurance providers. This was used as a key input in developing the 2024 assurance plans for the second and third lines.

Internal audit operated in all the Group's managed businesses in 2023, reporting its work to executive management and the Audit Committee on a regular basis. The internal audit department's mandate and annual audit coverage plans were approved by the Audit Committee.

The scope of internal audit work covers the broad spectrum of risk to which the Group is exposed. The audit of controls associated with major operating/technical risks was undertaken by utilising external technical experts as well as relevant internal experts from the Technical & Operations function, the results of which were shared with the Sustainability and Audit committees.

In determining its opinion that the internal financial controls and internal control and risk management environment was effective during 2023, the Audit Committee considered the following factors:

- The results of internal audit work, including the response of management to completion of actions arising from audit work
- The key risk areas of judgement and estimation uncertainty within financial reporting and mitigating actions taken by management
- The output of risk management work
- The output of external audit work and other assurance providers
- Issues identified by management or reported through whistleblowing arrangements, and the results of investigations into allegations of breaches of our values and business principles.

Reviewing the effectiveness of the system of risk management and internal control

The Board, through the Audit Committee, fulfils its responsibility in reviewing the effectiveness of the system of risk management and internal control through review of reports submitted over the course of the year covering the risk management process, adequacy of the internal control environment, consideration of risk appetite, in-depth reviews of specific risks and the results of external audit work. The Sustainability Committee also reviews safety and sustainability risks in detail and reports its findings to the Board.

Reviewing the effectiveness of internal audit

The Committee assesses the work of internal audit on a regular basis through the receipt of reports on the progress of the internal audit plan and issues arising and through its annual effectiveness review. The resources of internal audit are also monitored to ensure appropriate expertise and experience. The Committee met with the Group head of risk management and business assurance, in the absence of management on two occasions during 2023. Furthermore, the chair of the Committee held regular one-to-one meetings with the Group head of risk management and business assurance.

Whistleblowing programme

The Group operates a multilingual whistleblowing facility which uses a reporting platform provided by a third-party service provider. The whistleblowing programme is called YourVoice and continues to facilitate confidential and anonymous reporting of a wide range of concerns about potentially unethical, unlawful or unsafe conduct or practices that conflict with our Values and Code of Conduct.

The YourVoice channel is available to our employees in our managed operations as well as to all external stakeholders, such as suppliers, community members and members of the public affected by our operation.

During 2023, we received 1,403 reports through the YourVoice channel, a 29% increase from 2022.

1,370 allegations were closed during this reporting period, which include intakes from prior years. 25% of the 2023 allegations closed were substantiated or partially substantiated.

All YourVoice reports are assessed and investigated as appropriate by a dedicated investigation team based across the Group using a standardised investigation framework. Appropriate actions were taken against substantiated allegations.

The continued rise in reports is attributed to the increased awareness of the channel, and a growing culture of trust among our employees and other stakeholders to raise their concerns with confidence. The promotion of this channel through other relevant Group-wide initiatives, such as the Action for Integrity month, policies and programmes, also encouraged a healthier ‘speak up’ culture.

The current process facilitates the opportunity to take early remedial actions and enables management to address any systemic issues identified. For this purpose, protocols have been agreed with the Group’s senior management for early involvement and support in sensitive investigation cases, such as fraud, bullying, harassment, safety and others with the potential for significant reputational damage.

The Audit Committee is responsible for monitoring and advancing the programme on a continuous basis.

Directors' remuneration report

Committee members

Ian Tyler – Chairman
Ian Ashby
Hixonia Nyasulu

▶ For further detail on biographies and Board experience: **pages 142–145**

The chairman, chief executive, people & organisation director, the Group head of performance & reward, and external advisers also attend meetings at the invitation of the Committee chair.

"The Remuneration Committee believes that the reward framework drives outcomes that appropriately balance incentivising delivery of the strategy throughout the cycle, and reflecting shareholder experience."

Ian Tyler
Chairman

Role and responsibilities

- Establishing and developing the Group's general policy on executive and senior management remuneration
- Determining specific remuneration packages for the chairman, executive directors, members of the ELT and other senior management
- Input and oversight on the reward policy for the broader workforce
- Engaging with shareholders and other stakeholders regarding executive remuneration.

The Committee's terms of reference are available to view online.

▶ For more information
Visit angloamerican.com/about-us/governance

Changes to the Committee

There were no changes to the Committee in 2023.

Committee discussions and focus areas in 2023

- Approval of incentive results for the 2022 annual bonus and vesting levels of the 2020 LTIP
- Setting of incentive targets for the 2023 annual bonus and LTIP
- Approval of the 2023 directors' remuneration policy at the 2023 AGM
- Approval of remuneration arrangements and service agreement for incoming finance director
- Approval of remuneration arrangements for outgoing finance director on cessation of employment
- Approval of remuneration arrangements for ELT members, including new appointments
- Updates on broader employee pay.

Key areas of focus for 2024

- Assessment of 2023 incentive outcomes, including for the 2023 annual bonus and 2021 LTIP award
- Setting of incentive targets for 2024, including the 2024 annual bonus and 2024 LTIP award
- Continued focus on embedding ESG priorities into executive pay outcomes, and the related assurance processes
- Review of corporate governance in relation to remuneration issues, remuneration market trends and any implications for the Group.

Remuneration Committee chairman's introduction

Dear Shareholders
As the Remuneration Committee, our primary role is to ensure that the remuneration arrangements for executive directors and Executive Leadership Team (ELT) members are aligned with delivering the Company's strategy, both in the short and longer term, to deliver shareholder value in a fair and sustainable manner. Retaining a strong link between pay and broader performance is paramount.

2023 continued to be a year of volatility and Anglo American experienced a more difficult year, affected by geopolitical turbulence and prolonged inflationary pressures. In a challenging year, full consideration to the Company's strategy, shareholder interests and the shareholder experience has been imperative when making decisions on remuneration, to ensure we protect our business and remain resilient for years to come.

It has also been a difficult year for the Group financially, with specific challenges as we navigate the down cycles of PGMs and De Beers. The focus during 2023 has been to reorientate the business to position value and growth opportunities in the long term over short term production volumes. Safety of our people remains at the forefront and this sustainable and measured approach supports this priority.

2023 remuneration policy
As detailed in last year's directors' remuneration report, an updated remuneration policy was put to a vote at the AGM on 26 April 2023. I am pleased to report that the new policy passed with extremely strong support; 95.92% of shareholders voted for the policy.

The Committee engaged extensively with shareholders and stakeholders as part of a comprehensive review of the policy and I would like to extend my personal thanks to all of those who took part in the consultations for their constructive dialogue and feedback.

As a reminder, the key changes in the 2023 policy were:

- The maximum opportunity under the LTIP was increased to 350% of salary for executive directors (this was applied only to the Chief Executive in 2023)
- The annual salary increase cap and annual benefits cap were removed to better align with market practice
- The formula driven LTIP grant reduction mechanism was replaced with a discretionary, principle-based approach to determine any adjustment, to ensure outcomes are appropriate in light of all prevailing circumstances and to better align with market practice.

Director changes during the year
A key focus of the Committee's agenda during 2023 was the remuneration arrangements for our finance director succession, following the announcement of Stephen Pearce's intention to retire in May 2023.

As announced in July and November, John Heasley joined the Board as finance director on 1 December 2023. The terms of the remuneration package for John were announced in July 2023 and comprise a base salary of £810,000, a pension contribution of 15% of base salary (aligned with the wider UK workforce), a maximum bonus opportunity of 210% and an annual LTIP award of 350%. The Committee took the opportunity to re-balance John Heasley's remuneration package on appointment, with a lower base salary and a higher LTIP award as compared to his predecessor to align with the chief executive to focus the remuneration package more on the delivery of long-term performance. The package complies fully with the approved directors' remuneration policy. Full details are provided in the executive director remuneration in 2023 section on page 185.

John was also granted an award of shares in compensation for the incentives forfeited from his previous employer, structured on a 'like-for-like' basis to mirror the opportunity and terms of the forfeited incentives. Full details are provided on page 198.

Stephen Pearce stepped down from the Board as finance director on 1 December 2023, remaining an Anglo American employee until 29 February 2024. Between stepping down as finance director and leaving the Group, he continued to provide services to the Group in support of a smooth transition into the role for the incoming finance director, John Heasley. Stephen's remuneration and incentive arrangements on retirement were determined by the Committee and are in line with the current directors' remuneration policy, his service agreement and the rules of our incentive arrangements. Further information in respect of his remuneration arrangements on leaving is provided on page 199.

Decision making
The Committee has taken into consideration: company performance, which includes financial performance; health and safety; and personal achievements of each executive director linked to the Group's strategic priorities, when making decisions on pay. We also continue to consider the shareholder experience and shareholder views, pay for the wider workforce, and wider societal expectations. As a Committee, we continue to strive to make decisions that strike a balance between incentivising the management team into the future, paying for good performance and being equitable in the broader context. To avoid conflicts of interest, no executive director is present when their pay is discussed; likewise, the chairman is not present in the meeting when his remuneration is discussed.

2023 outcomes

Safety, health and environment
We continue to make progress on our long term safety journey; in 2023, our total recordable injury frequency rate (TRIFR) decreased significantly to 1.78, a 19% improvement year on year and the lowest in the Company's history. However, it is with deep sadness that we experienced three fatalities at our managed operations during 2023.

Any loss of life on our sites can not be tolerated and we will continue to work tirelessly until we hit our goal of zero fatalities on a consistent basis. The tragic loss of three colleagues during 2023 led the Committee to again consider the way in which we incentivise safety performance through our variable pay structures.

The Committee is convinced that in order to create an environment in which we can reach our goal of zero fatalities, we must continue to incentivise operational excellence in safety, by reducing accident frequency and severity, and increasing our leadership visibility. The 2023 annual bonus included measures related to TRIFR, delivery of planned work and leadership time in the field. These measures will continue to be included in the 2024 bonus.

The Committee also continues to feel strongly that all fatalities must be reflected in executive pay outcomes. Taking this into account, the Committee has determined that it is appropriate to apply a 15% deduction to annual bonus payouts for the executive directors for 2023. The Committee considers that this outcome provides an appropriate balance of rewarding performance against the safety measures within the bonus, reflecting our broader, strong safety performance during the year, and recognising the unacceptable loss of life.

Financial performance

Prevailing macro factors – principally resulting in weaker prices for some of our products, with PGMs and diamonds at cyclical lows, and input cost inflation – have put pressure on mining margins and overall returns across the industry. Operational constraints at Kumba, Los Bronces and Steelmaking Coal resulted in lower overall production than originally planned, albeit the effect mitigated by the full ramp up and strong performance at Quellaveco.

Group underlying EBITDA for the year has decreased by 31% to $10.0 billion, largely reflecting the weaker prices for some of our products, and to a lesser extent, cost inflation.

Against this backdrop, we delivered mixed results, with a return on capital employed result of 16%, and a mining EBITDA margin of 39%. TSR was negative 36% for the year, reflecting the significant challenges outlined, particularly in relation to PGMs and diamonds that are distinct to our portfolio in the industry.

Annual bonus outcomes

With the underlying financial performance described above, underpinned by the challenging economic environment, the financial measures within the annual bonus paid out at 11%. This was due to marginal vesting for the EPS at actual price and foreign exchange target, which was supported by prices for some of our products and favourable exchange rates in-year.

Performance against our safety, health and environment targets was strong, with these measures paying out at 90.5% for 2023. The measures are largely leading in nature and designed to support strengthened safety outcomes in future years, which supports our ongoing drive for zero fatalities.

Bonus outcomes for the executive directors after the safety deductor were at 38% of maximum for the chief executive and 39% of maximum for the former finance director.

2021 LTIP outcomes

The shareholder experience over the three-year performance period was mixed, with a positive outcome for the majority of the performance period, followed by a challenging year in 2023.

TSR measures:
- Shareholders have seen a TSR outcome of 19%[1], positioning us above the FTSE 100 median TSR of 14.1% and below the S&P Euromoney Global Mining Index TSR of 32.3%

- The total TSR weighting within the LTIP is 50%, 17% is based on performance against the FTSE 100, with 38.6% of this 17% vesting. The remaining 33% is based on TSR performance against the S&P Global Mining Index, with vesting of zero. In total, 6.6% of the LTIP has therefore vested based on TSR performance.

Financial measures:
- 15% of the award was dependent on ROCE. This vested at 63.5%, based on attributable ROCE of 16% for the year

- 15% of the award was based on Group Cumulative Sustainable Attributable Free Cash Flow. This measure vested at 68%, largely due to contribution from strong commodity prices and market fundamentals during the first two years of the performance period.

ESG measures:
- 8% of the award was based on improvements in GHG efficiency. Overall the Group achieved a 25% improvement, indexed on 2020, resulting in 100% vesting of this measure

- The 6% of the award based on social responsibility and the number of jobs supported off site for each job on site also vested at 100%. By the end of 2023, we had supported 139,308 jobs through socio-economic development programmes since the launch of our Sustainable Mining Plan in 2018. In 2023, we supported 2.4 jobs off site for every job on site job (2022: 1.8)

- The 6% of the LTIP for the tailings facilities measure required 100% implementation of the updated Anglo American tailings standard (2020) that incorporated all Global Industry Standard on Tailings Management (GISTM) requirements across the Group. We have made tremendous progress in this area, as demonstrated in the August 2023 disclosures. However, the measure was deliberately 'binary' in nature to reflect the importance of tailings management, and as such despite our market-leading progress the100% was not delivered across all areas, resulting in vesting at 0%. While the Committee judges it appropriate not to adjust this outcome upwards, as we progress our GISTM journey we have articulated the measures in a different way for the 2024 LTIP – further details can be found below.

As a result of the performance across the different elements of the scorecard, the 2021 LTIP award therefore vested at 40.3% of maximum.

Overall assessment of 2023 outcomes

The remuneration policy sets out to incentivise in-year financial, SHE and operational performance, and delivery of the longer term strategy, whilst taking into account the shareholder experience. Having considered the 2023 outcomes through these various lenses, the Committee believes that they are fair and reasonable.

(1) Based on three-month average prices as at the end of 2023, in line with the TSR calculation methodology for LTIP awards.

2024 LTIP grant reduction

An updated LTIP grant reduction mechanism to mitigate windfall gains in the event of a material share price fall between successive grants was included in the 2023 remuneration policy, and was intended to provide additional flexibility to the Committee to consider the broader circumstances around the share price fall when considering any reduction.

Each year, the Committee formally reviews any share price fall since the last LTIP grant date. In the event that there has been a fall in share price prior to grant (compared to the share price used to determine the number of shares granted under the previous award), the Committee will first consider whether that fall is material.

If the reduction is greater than 25%, the Committee will carry out a review of the possible reasons for the reduction, and its starting point will be that a reduction in grant level is likely to be appropriate, unless there is a compelling reason otherwise.

At the current share price of c.£17.50 at the time of writing, the reduction in grant price from 2023 is c.40%. A Committee review has therefore been carried out, examining the broader circumstances driving the share price fall. There are many factors contributing to the share price movement, including cyclical movements, expected future production and short term transitory factors. Taking these into account, particularly the short term impacts, the Committee has decided that it is appropriate to reduce the value of the LTIP grant in 2024 from 350% to 325% of salary for executive directors. If there is a further material change in share price prior to the grant date in early March, this will be reviewed.

The quantum of the reduction has been carefully considered, and is intended to mitigate the risk of windfall gains. The Committee is mindful that many of the factors influencing the share price movement are already reflected in annual bonus and LTIP vesting outcomes, and wants to ensure that there is symmetry in this respect. Looking forward, the Committee is also determined to ensure that management is appropriately incentivised to deliver the Company's strategic goals in the context of the reorientation of the business, supported by plans that are deliverable repeatedly and safety-led. The Committee's view is that the reduction strikes an appropriate balance between these various considerations.

Fairness and wider workforce pay

We care deeply about our workforce and continue to prioritise their safety and well-being. Throughout the year we remained committed in this respect, and the challenges faced by our people will continue to be front of mind as we go into 2024.

Workforce engagement on remuneration

Anglo American's Global Workforce Advisory Panel (the Panel) currently comprises 12 employees drawn from across our business, and is chaired by non-executive director Marcelo Bastos. The Panel's purpose is to give the workforce more of a 'voice' in the Boardroom so their views can be better understood and considered when decisions are being made about the future of the business. This includes how the committee takes on board the views of the wider workforce in making decisions on executive remuneration. The Panel operates alongside Anglo American's existing employee engagement mechanisms, such as regular employee engagement surveys and director interaction with employees.

In 2023, the Panel met on three occasions, one of which was in person. Board members were also able to engage directly with Panel members on several occasions during the Board's and non-executive director site visits.

CEO pay ratio

The CEO pay ratio compares the chief executive's remuneration to the pay for an employee at the median, lower quartile and upper quartile of our UK employee population (including De Beers and Crop Nutrients employees).

The median CEO pay ratio for 2023 is 36:1, down from 72:1 for 2022. A significant proportion of the chief executive's remuneration package is made up of LTIP shares. The sizeable reduction compared to the prior year is largely a result of the lower vesting outcome, a fall in share price in 2023, and the vesting relating to LTIP awards granted to the current chief executive prior to joining the Board. Further details on the CEO pay ratio can be found on page 208.

Looking ahead

Salaries

The Committee approved a 4% increase to the chief executive's salary for 2024, in line with the 4% awarded to the Group's UK-based employees. The finance director did not receive an increase for 2024, having joined towards the end of 2023.

Implementation of incentives in 2024

Performance measures attached to the 2024 annual bonus and LTIP awards are in line with the terms of the 2023 policy and are designed to drive delivery of both financial returns and the priorities within our Sustainable Mining Plan. Details of these performance conditions can be found in the implementation report that begins on page 185. During 2023 the Euromoney (EMIX) Global Mining Index was discontinued, and the Committee determined that the S&P Global Mining Index will be used to measure relative TSR against the mining industry going forward, for both inflight and future awards. The S&P index is materially similar to the EMIX index and was therefore the most appropriate comparator group.

Conclusion

In what has been a very busy first full year as chairman of the committee, supporting the implementation of the organisational changes, I am pleased with the engagement of both the Committee and the management team in focusing on the remuneration-related issues that are the most important in support of driving the business forward. I am committed to ensuring the decisions on remuneration will continue to underpin the delivery of the Company's strategy and vision, supported by the implementation of the 2023 remuneration policy.

Ian Tyler
Chairman, Remuneration Committee

At a glance

This section provides a summary of the key information presented across the remuneration report. This includes an overview of the 2023 policy, performance and remuneration outcomes, as well as how our remuneration is linked to strategy.

Summary of our remuneration structure

Summary of 2023-26 remuneration policy components

2024 | 2025 | 2026 | 2027 | 2028

Link to strategy	Key features
Fixed pay	
Salary Recruitment and retention of high calibre executives	– Reviewed annually by Remuneration Committee – Increases based on Group performance, individual performance, levels of increase for the broader UK population and inflation
Benefits	– Include car-related benefits, medical insurance, personal-taxation and financial advice, among others
Pension Aligned with the wider workforce	– 15% of salary
Annual bonus	
Cash Rewards delivery of strategic priorities and financial success	– Maximum bonus award of 210% of salary – Outcome based on financial, SHE, strategic and personal measures subject to a safety deductor – 50% of bonus is paid in cash following determination of performance – Cash bonus subject to malus and clawback
Deferred shares Encourages sustained performance in line with shareholder interests	– 50% of bonus is deferred into shares (Bonus Shares) – One-third of Bonus Shares will vest after two years, with the remaining Bonus Shares vesting after a further one year – Bonus Shares are subject to malus and clawback
LTIP	
Encourages long term shareholder return and accomplishment of longer term strategic objectives	– Shares granted with a face value of 350% of salary – Shares vest after a three-year performance period and released after a further two-year holding period – Vesting based on measures linked to strategic priorities – LTIP award is subject to malus and clawback
Shareholding guidelines	
In-post To align with long term shareholder interests	– Chief executive: 400% of salary – Finance director: 300% of salary
Post employment To align with long term shareholder interests	– Lower of the in-post requirement at the time of cessation and the actual shareholding at cessation – To be held for two years post-employment

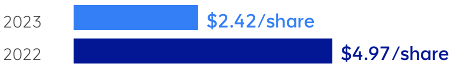
Annual bonus timeline: One-year performance | Two-year vesting | Three-year vesting

LTIP timeline: Three-year performance | Two-year holding

Incentive performance metrics – financial measures

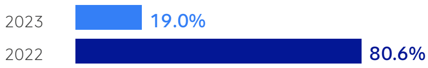
Underlying EPS◊

$2.42/share



Three-year shareholder return

19%



Group attributable ROCE◊

16%

2024 Implementation table

Key remuneration element	Implementation		Performance metrics
Salary	Duncan Wanblad John Heasley	£1,352,000 (4% increase effective 1 January 2024) £810,000	
Car allowance	Duncan Wanblad John Heasley	£36,012 £33,719	
Pension	15% of base salary (aligned to wider UK workforce)		
Annual bonus	Maximum of 210% of salary 50% paid out as cash 17% paid out as shares deferred for 2 years 33% paid out as shares deferred for 3 years		34% EPS 16% SAFCF 20% SHE 10% Strategic 20% Individual
LTIP	325% of salary (due to grant reduction for 2024) 3-year performance period with 2-year post-vesting holding period		50% TSR 15% ROCE 15% SAFCF 20% ESG

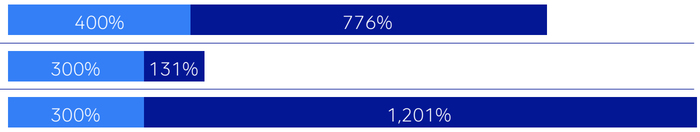
Key performance metrics for 2024

Metrics	Pillars of value	Rationale	Annual Bonus weighting	LTIP weighting
Safety and zero harm	Safety and health	– Workforce safety is the Group's first and most important value	10%	
Underlying EPS◊	Financial	– Links reward to delivery of in-year underlying equity returns to shareholders	34%	
Sustaining attributable free cash flow◊	Financial	– Incentivises cash generation for use either as incremental capital investment, for capital returns to shareholders or debt reduction	16%	
Environmental footprint	Environment	– Reduction in the Group's environmental footprint based on four pillars of ecological health (land, air, water and nature)	10%	
TSR	Financial	– Creates a direct link between executive pay and shareholder value – Measure is split between comparison against sector index (S&P Global Mining Index[1]) and comparison against local peers (constituents of FTSE 100 index)		50%
Group attributable ROCE◊	Financial	– ROCE promotes disciplined capital allocation by linking reward to investment return over the performance period		15%
Sustaining attributable free cash flow	Financial	– Incentivises cash generation for use either as incremental capital investment, for capital returns to shareholders or debt reduction		15%
Greenhouse gas emissions	Environment	– Commitment to help address climate change by reducing absolute GHG emissions		10%
Tailings – GISTM	Environment	– Ensuring conformance to the Global Industry Standard on Tailings Management (GISTM) – Objective 1 facilities		5%
	Environment	– Conformance to GISTM based on self-assessment and third-party verification initiated – Objective 2 facilities		5%
Total			**70%[2]**	**100%**

[1] The Euromoney (EMIX) Global Mining Index ceased on 31 July 2023. In July 2023, the Committee approved the replacement of the EMIX Global Mining Index with the S&P Global Mining Index from the date of cessation to the end of the performance period for both in-flight and future LTIP grants.
[2] 30% of annual bonus dependent on achievement of strategic and individual goals.

Executive directors' shareholdings

	Requirement	Shareholding as at 31 Dec 2023[1]
Duncan Wanblad	400%	776%
John Heasley	300%	131%
Stephen Pearce	300%	1201%



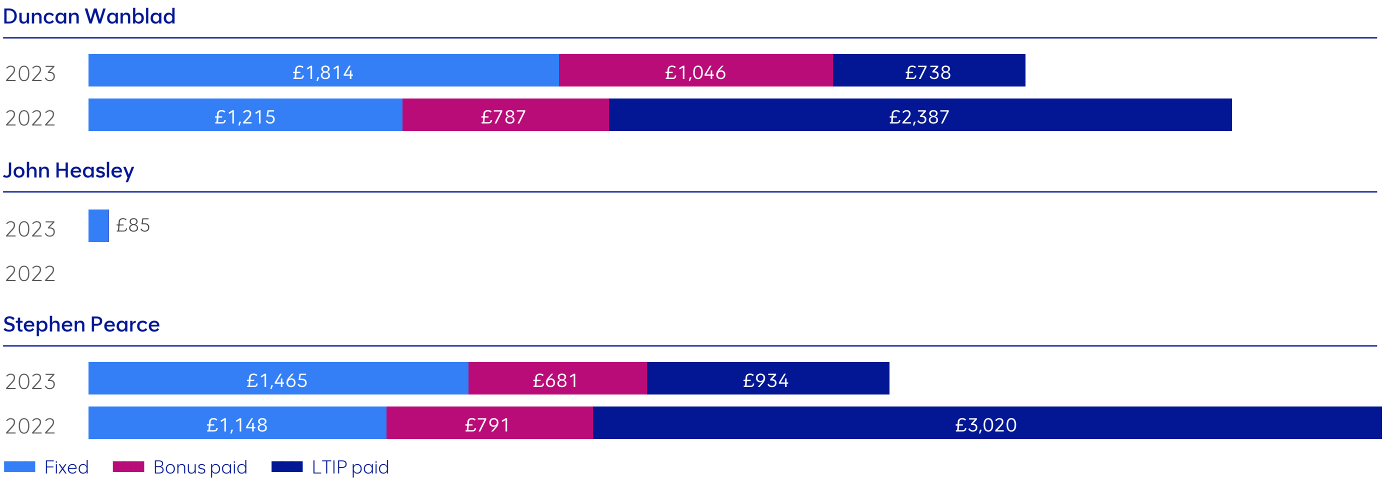
Executive directors are expected to build up and hold a percentage of their salary in shares (400% for the chief executive, 300% for other executive directors) within five years of being appointed.

As at 31 December 2023, Duncan Wanblad and Stephen Pearce's executive director shareholdings exceeded the required levels. John Heasley will be expected to meet the requirement of 300% of salary by 1 December 2028.

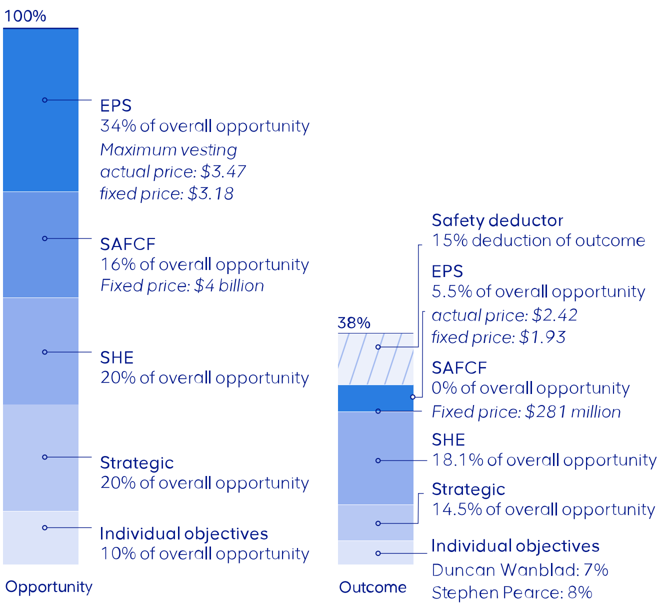
(1) Stephen Pearce's shareholdings are shown as at the date he stepped down from the Board. Further details on Stephen Pearce's post-cessation shareholding requirements can be found on page 202.

▶ For more information
See pages 202–203

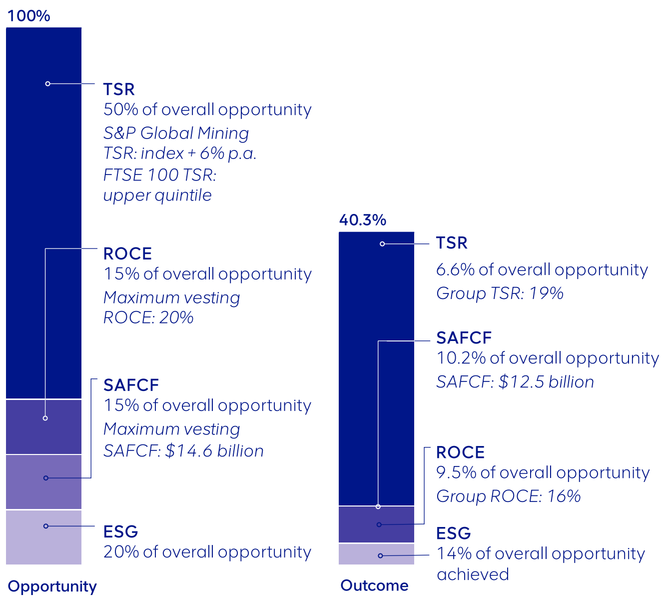
2023 pay outcomes £'000



2023 annual bonus outcome



2021 LTIP vesting outcome



Directors' remuneration policy

2023 executive directors' remuneration policy

The 2023 remuneration policy was set out in the 2022 Annual Report and was presented for shareholder approval at the AGM held on 26 April 2023. This policy was approved with 95.92% support. It is intended that this policy will apply until the Company's 2026 AGM.

▶ The full remuneration policy can be found in the 2022 Annual Report available on our Group website
www.angloamerican.com/annual-report-2022

How our remuneration policy addresses UK Corporate Governance Code provision 40 principles

The 2023 remuneration policy was designed taking into consideration the principles of provision 40 of the UK Corporate Governance Code.

The table below outlines how the policy addresses each of those principles:

Principle	How this is addressed in the 2023 remuneration policy
Clarity	Our remuneration structure is clearly defined, and performance-based elements, including metrics and vesting schedules are clearly disclosed.
Simplicity	Our remuneration elements are well-understood and in line with market standards.
Risk	Our policy limits the risk of unfair or excessive remuneration and supports long term sustainable decision making through the following measures: – Clearly defined limits on the maximum opportunities of incentive awards – Operation of deferral on annual bonus awards – Operation of a post-vesting holding period for LTIP awards – The Committee has discretionary powers to adjust formulaic outcomes of incentive awards to ensure payouts are aligned to Group performance and the experience of key stakeholders – Robust malus and clawback provisions on all incentives – Discretion to reduce LTIP awards on grant to protect against potential 'windfall gains'.
Predictability	The policy has defined limits which can be used to determine potential values. Scenario charts are presented in the policy to illustrate potential payout scenarios.
Proportionality	Payouts under incentive awards are linked to the fulfilment of performance measures that support the Group's long term strategy. Deferral and annual grants ensure long term alignment with shareholders. The Committee's powers of discretion ensure incentive outcomes are reflective of Company performance.
Alignment to culture	Focus on share ownership and long term sustainable performance is reflected in the policy. LTIP performance measures support a long term focus for executives, including in relation to our sustainability objectives. Payouts for a significant portion of both the annual bonus and LTIP are dependent on the achievement of ESG and SHE measures, which underlines the importance of safety and sustainability to the Group strategy.

Summary of policy and statement of implementation of policy in 2024

The following pages provide a summary of the key elements of our directors' remuneration policy. The last column of the table states how the remuneration policy will be applied for 2024. For 2024, there are no significant changes in the structure of the remuneration package for directors compared to last year.

Performance measures

Performance measures for 2024 are set out in the table below.

The annual bonus targets for 2024 are considered by the Board to be commercially sensitive; they will be disclosed in the 2024 annual report on remuneration. Specific details of the individual and strategic performance targets for 2024 will also be included in the 2024 report.

In line with the policy, 50% of the annual bonus will be linked to financial performance with the remaining 50% based on safety, health and environment measures (20%), strategic measures (10%) and personal measures (20%).

In 2024, the structure of the LTIP will continue to include a 50% weighting on relative TSR. Financial measures based on ROCE and SAFCF remain unchanged and continue to account for 15% each and the remaining 20% will be focused on ESG measures. These ESG measures will continue will continue to support the delivery of our Sustainable Mining Plan (SMP) goals, with two measures included for 2024.

The 2022 and 2023 LTIP measures have focused on the delivery of renewable energy, the foundation of low carbon operations. In 2024, the Climate Change measure proposed will focus on an absolute reduction in Greenhouse gas (GHG) emissions, linking more directly with the 2030 commitments with a focus on absolute reduction in GHG emissions, providing a simplified pathway for the business.

A Tailings measure has been reintroduced and will focus on compliance to the Global Industry Standard on Tailings Management (GISTM). Tailings management forms part of the Group's principal risks and compliance with GISTM seeks to improve safety and performance of the tailings facilities, reducing this risk. As a member of the International Council on Mining & Metals (ICMM) that expects its members to demonstrate their levels of conformance to GISTM, the Tailings measure has considered the required pathways towards conformance across the various tailings' storage facilities.

2023 remuneration policy table

Key aspects of the remuneration policy for executive directors

	Operation	Opportunity/performance measures	Implementation for 2024
Basic salary To recruit and retain high calibre executives	Basic salary levels are reviewed annually by the Committee, taking account of factors including the Group's performance, individual performance, market practice at other companies of a similar size and complexity as well as at other companies in the mining sector, levels of increase for the wider workforce and inflation. The Committee considers the impact of any basic salary increase within the context of the total remuneration package.	Salary increases for executive directors will normally at most be in line with the increase awarded to the Company's wider UK workforce. There may be occasions when the Committee may award a higher annual increase, including (but not limited to): – Where there is a change in role or responsibility – An executive director's development or performance in role (e.g. to align a new appointment's salary with the market over time) – Where there is a significant change in the size and/or complexity of the Group.	The chief executive received a 4% increase in salary for 2024. This increase is in line with the increase for the Company's UK employees. After commencing employment on 1 December 2023, John Heasley's first salary review will take place in 2025. The salaries for the executive directors are therefore: – Duncan Wanblad – £1,352,000 – John Heasley – £810,000
Annual bonus To encourage and reward delivery of the Group's strategic priorities for the relevant year. To ensure, through the deferral of a portion into shares, that longer term focus is encouraged and in line with shareholder interests.	The annual bonus is awarded based on a combination of measures, determined by the Committee each year to ensure continued alignment with the Group's financial goals, strategic priorities and business needs. 50% of the annual bonus earned will be deferred into awards/shares under the Bonus Share Plan (BSP), vesting 17% after two years and 33% after three years. Vesting of BSP shares is subject to continued employment. Dividends or dividend equivalents are paid on Bonus Shares. Malus and clawback provisions apply as described below.	The maximum annual bonus opportunity is 210% of salary in respect of a financial year. The bonus earned at threshold performance is normally up to 25% of the maximum. Performance below threshold results in zero payout. The Committee has discretion to adjust the bonus outcome if it is not deemed to reflect the underlying performance of the Group or the experience of key stakeholders during the performance period. Performance measures for the annual bonus for each year must meet the following criteria: – Minimum 50% financial measures – Minimum 15% SHE measures – Maximum 20% personal measures – Remainder of the award to be linked to strategic measures.	The maximum annual bonus opportunity for each of the executive directors remains at 210% of salary. The performance measures for the 2024 award will be as follows: – EPS (34% weighting) – Half on performance at actual prices and FX, and half on performance at fixed prices and FX – SAFCF (16%) – Sustaining attributable free cash flow at fixed prices and FX – SHE measures (20%) – Safety objectives focused on TRIFR, planned maintenance, visible felt leadership (VFL) and environmental footprint improvement – Strategic measures (10%) and individual measures (20%). The Committee may reduce the bonus outcome in the event of one or more fatalities, taking into consideration all relevant facts and circumstances including the number of fatalities, the cause of such fatalities, any repeat failures in safety and the number of high potential incidents.

	Operation	Opportunity/performance measures	Implementation for 2024
Long Term Incentive Plan (LTIP) To encourage and reward the achievement of long term sustainable shareholder returns and the delivery of financial/strategic priorities. To align executive director interests to shareholder interests.	Conditional awards of shares or nil-cost options are granted annually, with a performance period of normally at least three years. Any awards that vest are subject to a holding period so that the overall LTIP time horizon normally is at least five years. Vested awards may not generally be sold during the holding period, other than to cover tax liabilities arising on vesting. Dividend equivalents accrue over the vesting period and are payable in respect of awards that vest. Malus and clawback provisions apply as described below.	The maximum annual LTIP opportunity is 350% of salary in respect of a financial year. The Committee reviews the executive directors' LTIP award sizes annually, prior to grant, to ensure they are appropriate. This includes consideration of the share price at the time of grant in comparison to prior years and the Committee may reduce award sizes where it judges that there has been a material decline in the share price and that a downward adjustment would be appropriate in the circumstances. For each performance element, threshold performance would normally not exceed 25% vesting of the element, rising on a broadly straight-line basis to 100% for achieving stretch targets. Performance below threshold results in zero vesting. Performance measures attached to each award should be linked to the Group's strategic priorities and may include, but are not limited to, TSR, ROCE, SAFCF and other strategic or ESG objectives. The Committee has discretion to adjust the vesting outcome if it is not deemed to reflect the underlying performance of the Group or the experience of key stakeholders during the performance period.	In 2024, due to the share price fall of c.40% and in line with the updated grant reduction mechanism included in the 2023 remuneration policy to mitigate windfall gains, unless there is a material change in share price prior to the grant date, the Committee has deemed it appropriate to reduce the value of the LTIP grant in 2024 from 350% to 325% of salary. Further details can be found on page 181. The performance measures for the 2024 LTIP will be as follows: – TSR vs S&P Global Mining Index (33% weighting) – 25% vesting for TSR equal to Index; 100% for Index performance +6% per annum – TSR vs FTSE 100 (17%) – 25% vesting for TSR equal to median performance; 100% vesting for TSR equal to 80th percentile performance – ROCE (15%) – 25% vesting for 12% return; 100% vesting for 20% return – SAFCF (15%) - Sustaining attributable free cash flow at actual prices and FX – GHG emissions reduction (10%) – Commitment to address climate change by reducing absolute GHG emissions. 25% vesting for a reduction of 27.5% against a FY2023 baseline; 100% vesting for a reduction of 32.5% against a FY2023 baseline – Tailings (5%) – Conformance to the Global Industry Standard on Tailings Management – Objective 1 facilities. 25% vesting for 85% vs plan and 100% for >=95% vs plan – Tailings (5%) – Conformance to the Global Industry Standard on Tailings Management based on self-assessment and third party verification initiated – Objective 2 facilities. 25% vesting for 80% compliance; 100% vesting for >=95% Compliance.

	Operation	Opportunity/performance measures	Implementation for 2024
All-employee share plans To encourage eligible employees to build up a shareholding in the Company.	Executive directors are eligible to participate in applicable all-employee share plans on the same basis as other eligible employees in the relevant country they work in. In the UK, these currently comprise the Company's Save As You Earn (SAYE) scheme and Share Incentive Plan (SIP) on identical terms to other UK employees.	In line with the award limits applicable to the share plan, on the same basis that apply to other eligible employees.	SIP free, partnership and matching schemes continue to be operated for 2024. The SAYE scheme also continues to be operated for 2024.

	Operation	Opportunity/performance measures	Implementation for 2024
Pension To provide a market competitive level of pension provision, taking account of the provisions for the wider workforce, to attract and retain high performing executive directors.	Executive directors participate in defined contribution pension arrangements. Executive directors may request a pension allowance to be paid in place of defined contribution arrangements. Executive directors appointed prior to December 2022 had the choice for contributions which may not be paid to a UK-registered pension scheme as a result of applicable limits (either annual allowance or lifetime allowance) to be treated as if paid to an unregistered unfunded retirement benefit scheme (UURBS). With effect from December 2022, the UURBS was closed to new members. As a result, executive directors are no longer eligible to join this scheme. Instead any pension contributions outside of applicable limits may be paid as a cash equivalent.	Maximum pension contribution or cash allowance is aligned with the contribution levels available for all of the wider UK workforce (currently 15% of salary).	The pension contribution for executive directors for 2024 will be 15% of base salary.
Other benefits To provide market competitive benefits.	Benefits include (but are not limited to): – 28 days' leave, with encashment of any accumulated leave in excess of 20 days – Car and/or travel related benefits – Medical insurance (family) – Death and disability insurance – Directors' liability insurance – Limited personal taxation and financial advice – Club membership – Other ancillary benefits, including attendance at relevant public events. The Committee may introduce other benefits if it is considered appropriate to do so. The Company reimburses all necessary and reasonable business expenses and may pay the tax costs on benefit provisions. The Committee reserves the discretion to award certain situation-specific benefits (such as relocation) either on a one-off or ongoing basis.	The value of benefits is set at a level which the Committee considers to be appropriate, taking into account the overall cost to the Company, individual circumstances, benefits provided to the wider workforce and market practice.	No changes to benefits operated for 2024.

Malus and clawback

Awards under the annual bonus (including both cash and deferred bonus awards under the BSP) and LTIP are subject to malus and clawback provisions over the following time periods:

	Malus	Clawback
Annual bonus	To such time as payment is made	Up to two years following payment
Deferred bonus	To such time as the award vests	Up to two years following vesting
LTIP	To such time as the award vests	Up to two years following vesting

Clawback may be applied in the circumstances below. Malus may be applied in the circumstances below, as well as in other exceptional circumstances, at the Committee's discretion.

- Material misstatement in results
- Misconduct
- Material failing in risk management
- Error in calculation.

Shareholding guidelines

Executive directors are expected to build up and retain a holding in shares in the Company with a value of four times basic salary in respect of the chief executive and three times basic salary in respect of other executive directors. The Committee takes into consideration achievement against these in-post guidelines when making grants under the Company's various incentive plans.

Executive directors who step down from the Board will normally be required to continue to hold the lower of the in-post requirement or their actual shareholding at the point of stepping down.

The Committee retains discretion to allow exceptions to these guidelines in exceptional circumstances. Full disclosure will be included in the relevant annual report should this discretion be utilised.

Non-executive director fee policy

The full remuneration policy for our non-executive directors (NEDs) is outlined in the 2022 directors' remuneration report. The policy does not set limits for individual fees, but provides that the maximum annual aggregate basic fees for all NEDs (excluding the chairman) should not exceed £1.25 million.

Chairman and non-executive director fees: implementation for 2024

For 2024, the chairman's fee and NED base fees will be increased by 4%, in line with the increase for executive directors and the increase for the wider UK workforce.

Following an external market review, for 2024 the senior independent director's fee will also be increased by 15% to ensure the fee level remains competitive with the Group's closest industry and FTSE peers. The remaining Board committee chair and membership fees are unchanged.

Determining the fees paid to NEDs is a matter for the Board, with the NEDs abstaining; therefore, increases were approved by the chairman and the executive directors. The chairman's increase was approved by the Remuneration Committee, in consultation with the chief executive. No directors were involved in any decision as to their own fees.

Role	2024 Fee (£'000)	2023 Fee (£'000)
Chairman fee	**836**(1)	804(1)
NED base fee	**105.5**	101.4
Senior independent director	**37.4 (additional to base fee)**	32.5 (additional to base fee)
Chair of audit, remuneration or sustainability committees	**40 (additional to base fee)**	40 (additional to base fee)
Audit, remuneration or sustainability committee membership	**20 (each committee membership)**	20 (each committee membership)
Nomination	**12.5**	12.5
Designated NED to chair Global Workforce Advisory Panel	**20**	20 (from May 2023)

(1) Includes service on any Board committees.

Annual report on directors' remuneration

Audited Information

Under schedule 8 of the Large and Medium-sized Companies and Groups (accounting and reports) Regulations 2008 (as amended), elements of this section of the report have been audited. The areas of the Accounts and Reports subject to audit are indicated in the headings.

Executive director remuneration in 2023 (audited)

The table below sets out the remuneration paid to the executive directors for 2023 (and 2022).

Single total figure of remuneration for executive directors

	Total basic salary[1] £'000	Benefits in kind £'000	Annual bonus – cash and Bonus Shares[2] £'000	LTIP[3][4][5] award vesting £'000	Pension[6] £'000	Other[7] £'000	Total £'000	Total fixed remuneration £'000	Total variable remuneration £'000
Executive directors									
Duncan Wanblad	**1,300**	**210**	**1,046**	**738**	**304**	**5**	**3,603**	**1,814**	**1,789**
Duncan Wanblad (2022)	880	126	787	2,387	209	5	4,393	1,215	3,179
John Heasley	**68**	**8**	**–**		**9**	**2,078**	**2,163**	**85**	**2,078**
John Heasley (2022)	—	—	—	—	—	—	—	—	—
Stephen Pearce	**828**	**478**	**681**	**934**	**159**	**5**	**3,085**	**1,465**	**1,620**
Stephen Pearce (2022)	868	92	791	3,020	188	5	4,964	1,148	3,816

(1) 2023 salaries, benefits in kind and pension for Stephen Pearce and John Heasley are pro-rated for the period in year served as a director. For Stephen Pearce, this is the period between 1 January 2023 and 1 December 2023. For John Heasley, this is between 1 December 2023 and 31 December 2023. Stephen Pearce continued to be paid a salary, benefits in kind and pension for the period he remained an employee of the Company (1 December 2023 to 29 February 2024) (see page 199 for details).

(2) 2023 bonus for Stephen Pearce is pro-rated for the period in year served as a director (1 January 2023 to 1 December 2023). He also received a bonus of £61,901 for the 2023 period he remained an employee of the Company (1 December 2023 to 31 December 2023) assessed on the same basis as his 2023 bonus received for serving as a director. His aggregate 2023 bonus was therefore £742,817.

(3) The 2021 LTIP vesting level was confirmed by the Remuneration Committee at its meeting on 19 February 2024. As the awards are due to vest after publication of this report, an average share price between 1 October 2023 and 31 December 2023, of £20.98, was used to calculate the value and will be trued up in the 2024 report. The LTIP values shown include dividend equivalent amounts of £158,339 for Duncan Wanblad and £200,347 for Stephen Pearce. This includes an equivalent payment for the special dividend paid in September 2021. The values of LTIP awards that vested in 2023 have been restated using the share price at vesting of £30.09, see page 197 for further details.

(4) The value for Duncan Wanblad represents vesting of shares he received prior to joining the Board.

(5) For the 2021 LTIP vesting in 2024, between grant and valuation of the award for single figure purposes, the share price decreased from £29.28 to £20.98 for original grant shares and decreased from £31.37 to £20.98 for additional shares granted on the demerger of Thungela resources. For the 2021 LTIP, 0% of the value disclosed in the single figure is therefore attributable to share price. For the 2020 LTIP vesting in 2023, the share price increased from £18.13 to £30.09 at vesting, equating to an increase in value of each vesting share of £11.96. The proportion of the value disclosed in the single figure attributable to share price growth is 39.7%. No discretion has been exercised by the Committee in relation to the 2021 and 2020 LTIP vestings as a result of share price movements over the vesting periods.

(6) Pension figures includes value of notional return on UURBS balances where applicable and do not include employer NIC values where pension is received as a cash allowance.

(7) For Duncan Wanblad and Stephen Pearce 'Other' comprises the value of free and matching shares awarded under the SIP based on the value of shares at grant. Awards are not subject to performance in line with the scheme terms as applicable for all employees. For John Heasley, 'Other' comprises the value of the shares awarded under the Non-cyclical award plan to compensate the shares forfeited as a result of joining Anglo American, see page 198 for further details.

Basic salaries for 2023

The basic salaries for 2023 were as follows (in £'000s):

Duncan Wanblad

£1,300

Paid in 2023
(2022: £1,250 – full year equivalent salary)

Stephen Pearce

£828

Paid in 2023
(£903 – full year equivalent salary)
(2022: £868)

John Heasley

£68

Paid in 2023
(£810 – full year equivalent salary)

Benefits in kind (audited)

Benefits for executive directors with a value over £5,000 are set out below. During the year, executive directors may receive benefits including car-related benefits, accommodation, tax advice, club membership, death and disability insurance, directors' liability insurance, medical insurance and other ancillary benefits.

2023 Benefits	Duncan Wanblad	Stephen Pearce
Car related Benefits (£'000)	161	31
Tax advice (£'000)	13	8
Accommodation[1] (£'000)	28	53
Relocation (£'000)		377

[1] Benefit relating to provision of accommodation for attending business events.

As part of Stephen Pearce's joining arrangements, the cost of his relocation from Australia to the UK was covered by the Group, and the resulting income tax paid on his behalf. Full disclosure is set out in the 2017 Annual Report.

Stephen's intention had always been to return to Australia following retirement. Therefore, as part of Stephen's retirement arrangements, £200,000 of the cost of his relocation back to Australia was supported by the Group, and the resulting income tax paid.

The provision of such relocation support is consistent with that taken for employees who undertake international assignments or who are required to relocate on a local contract in order to fulfil their role and would be considered for repatriation on a case-by-case basis.

The Committee considered and is satisfied that the level of aggregate benefit provision, taking into account the situation and circumstances, in particular in relation to the provision of relocation support, was appropriate.

John Heasley's benefits for 2023 included accommodation, car-related benefits, professional membership and medical insurance. The value of the benefits did not exceed £5,000 individually.

Annual bonus outcomes for 2023 (audited)

50% of the total 2023 annual bonus is payable in cash, with 50% deferred into shares. One-third of the deferred shares will vest after two years; the remaining two-thirds will vest after three years. The bonus deferred as shares is not subject to further performance but is subject to continued employment.

50% of each executive director's bonus outcome was assessed against financial targets. 20% was assessed against strategic measures and a further 20% was assessed on Safety, Health and Environment (SHE) measures, with the remaining 10% being assessed against the achievement of individual objectives.

Strategic and SHE objectives are shared by the executive directors, with individual objectives being tailored for their specific roles. The key individual performance measures are assessed against the overall operational and financial performance of the business.

In 2023, tragically, three colleagues lost their lives following two accidents at our managed operations: one at our Kumba Iron Ore business in South Africa, and two in Chile. With these deeply saddening events occurring, it is a stark reminder that keeping our people safe must be at the forefront of everything we do in order to reduce the number of fatalities to zero.

As a result of the three fatalities that have occurred during the year, the Committee judged that there will be a 15% reduction to 2023 executive director bonus outcomes. This reduction was determined following consideration by the Committee, taking into account full details of the incidents.

Discretion

Incentives are designed to ensure they drive appropriate short and long term behaviours, and it is the Committee's general preference to avoid making any adjustments. Aside from the utilisation of discretion to apply the safety deductor, the Committee did not make any discretionary adjustments to the 2023 bonus outcomes.

Summary of 2023 annual bonus outcome

	Financial metrics (50%)	SHE metrics (20%)	Strategic metrics (20%)	Personal metrics (10%)	Total payout pre-safety deductor (%)	Payout after 15% safety deductor (%)[1]	Annual bonus value (£')[2]
Duncan Wanblad	5.5%	18.1%	14.5%	7.0%	45.1%	38.3%	£1,046,168
Stephen Pearce	5.5%	18.1%	14.5%	8.0%	46.1%	39.2%	£680,916

(1) Safety deductor applied on a multiplicative basis against overall annual bonus outcomes.
(2) Bonus for Stephen Pearce pro-rated bonus for period served as a director from 1 January 2023 up to 1 December 2023. His total bonus for the year includes an additional amount of £61,901 for the period between him stepping down as a director and the remainder of 2023.

Annual bonus performance assessment for 2023 (audited)
The financial element of the 2023 annual bonus is measured against underlying EPS and sustaining attributable free cash flow (SAFCF) measures.

The EPS elements of the award accounted for 34% of the total annual bonus, split equally between EPS measured at fixed prices and FX rates and EPS measured at actual prices and FX rates. The fixed price and FX rate EPS portion is designed to reflect Group operational performance, excluding the impact of variations in price and currency. Both target ranges are illustrated in the financial performance table, with 25% vesting for performance at threshold. SAFCF, measured at fixed prices and FX rates, accounted for 16% of the total annual bonus.

With the underlying financial performance, underpinned by the challenging economic environment and ongoing geo-political turbulence, the financial measures within the annual bonus paid out at 11%. This was due to marginal vesting for the EPS at actual target, which was supported by prices for some of our commodities and favourable exchange rates in-year.

The shared strategic objectives accounted for 20% of the total award. These objectives reflect the Group's strategic priorities for the year, incorporating a combination of quantitative and qualitative metrics. Following the end of the year, the Committee made a detailed assessment of performance, leading to the evaluations shown in the tables below.

For 2023 the executive directors have 10% of the annual bonus weighted to individual performance measures, focusing on the critical deliverables for each executive director. The following tables detail the achievement against these objectives.

Financial performance

Metric	Threshold (25%)	Maximum (100%)	Achievement	Weighting	Outcome
EPS at actual prices and FX rates	$2.31/share	$3.47/share	$2.42/share	17.0%	5.5%
EPS at fixed prices and FX rates	$2.60/share	$3.18/share	$1.93/share	17.0%	—%
SAFCF at fixed prices and FX rates	$2.7bn	$4.0bn	$281m	16.0%	—%
Total				**50.0%**	**5.5%**

SHE performance

Metric	Metric type	Achievement	Weighting	Outcome
Total recordable injury frequency rate (TRIFR) – improvement of 15% on prior three-year Group average	Safety	Total Recordable Injuries were significantly down on 2023, supporting a full-year TRIFR of 1.78, a 19% improvement year on year and the lowest in the Company's history. Strong lead-indicator performance underpins the result and is testament to commitment and drive at operational level.	5%	5%
Planned work – % of maintenance work planned and scheduled	Operations	Threshold has been met, with performance against this measure showing continuous improvement throughout 2023, driving improved reliability and safety at our operations.	5%	3.1%
Leadership Time in Field – one high quality visible felt leadership (VFL) per week between 1 March – 30 June then three high quality VFLs per week between 1 July – 31 December by all band 4-6 employees based at managerial operations	Operations	With the introduction of this measure for 2023, we have seen a sustained focus at all Businesses resulting in an improved safety performance, as demonstrated by TRIFR outcome. This measure has been delivered in full.		
Ecological Health – improvement in footprint intensity – expressed as the sum of metrics for Land, Air, Nature and Water	Environment	Targets have been met across the four target areas, delivering full vesting for this measure.	10%	10%
Total			**20%**	**18.1%**

Shared strategic performance

Metric	Metric type	Achievement	Weighting	Outcome
Delivery of decarbonisation For SA renewables, deliver 2023 milestones, to enable Phase 1 production of 425MW in 2025: – Power purchase agreements agreements, and electricity offtake agreements signed – Bank mandate in place and financial close – For hydrogen infrastructure, work with FirstMode to develop a roadmap to secure necessary infrastructure for on-site hydrogen production, to support truck operations.	Innovation	– The grid connection and the trading licence have been obtained, with financial close expected during Q1 2024. Delays in financial close due to Eskom connection process, national reform and delays in obtaining the trading licence – Hydrogen supply workstream is under way with First Mode, supporting various alternative deployment models.	5%	2.5%
Key strategic choices Update assessment of portfolio opportunities.	Portfolio	Significantly progressed subject to further market analysis.	5%	3%
Effectiveness review Define and implement a more effective organisational model focused on strategy execution.	People	Organisational changes were implemented by 31 December as planned. This resulted in prioritisation of work, clear accountabilities, significant corporate headcount reduction, and sustainable annual corporate cost savings.	5%	5%
Inclusion & Diversity; Talent Delivery Detailed succession and/or retention plans for critical senior management roles in place as part of restructuring process. Following the restructure, detailed roadmap to deliver gender diversity targets by 2025.	People	Majority of in-scope senior roles had viable succession plans in place. Female representation in the CE's employee-once-removed (EoR) population was 29% at year end, versus a target of 33%, largely due to a decrease in the overall number of CE EoR positions as a consequence of organisational design work, with 2025 roadmap under way.	5%	4%
Total			**20%**	**14.5%**