



# Modern Slavery Statement 2020

Metallurgical Coal, Australia



# CEO Statement



At Anglo American, we are fully committed to an ethical value chain that respects human rights and is free of modern slavery.

As a global mining company, we understand that our business has the ability to influence people and organisations in broader society—from our employees and the communities where we operate, to our suppliers and customers.

Our value and supply chains can be long and complex, extending from the discovery and sourcing of raw materials, through to the shipping and manufacture of products around the world. It is through these processes that we can influence the large-scale adoption of human rights principles and responsible sourcing right across our value chains. We are committed to making that happen.

This commitment is enshrined in our global Sustainable Mining Plan, which was designed to tackle our most pressing environmental, social and governance challenges. Aligned with the United Nation’s Sustainable Development Goals and underpinned by critical foundations such as Human Rights and Zero Harm, our Sustainable Mining Plan seeks to transform how our stakeholders experience our business—both locally and globally.

One of the three Global Sustainability Pillars at the centre of this plan is being a **Trusted Corporate Leader**. Our vision in this area is to be a part of a value chain that supports and reinforces positive human rights and sustainability outcomes, and we have a significant body of work underway to achieve this.

Locally in Australia, we have reviewed our own supply chains to ensure that they continue to uphold our strong values and engaged with our suppliers to assess their operations against our comprehensive Self-Assessment Questionnaire (SAQs) which works to strengthen any weaknesses identified in associated supply chains. We are collaborating with like-minded organisations across the minerals and resources sector to identify ways to promote ethical business practices and increase awareness around the risks of modern slavery.

We are pleased to release our Metallurgical Coal business’ first Modern Slavery Statement, which demonstrates our commitment to ensuring our supply chains protect the rights of all workers and our alignment with the *Modern Slavery Act 2018*. It sets the framework for further work to come as we continue work with our stakeholders to address our own modern slavery risks and further improve our processes.

In taking collaborative action, I believe we will eliminate global occurrences of modern slavery for future generations.

This Modern Slavery Statement 2021 was approved by the Anglo American Australia Limited’s Board. The Board and the Metallurgical Coal Leadership Team met on 5 May 2021 to review and endorse this statement.

A handwritten signature in blue ink, appearing to read 'Tyler Mitchelson'. The signature is stylized and cursive.

**Tyler Mitchelson**  
CEO Metallurgical Coal,  
Anglo American



We understand that our business has the ability to influence people and organisations in broader society.

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# Executive Summary

The Global Estimates of Modern Slavery (a collaboration between the International Labour Organisation and Walk Free) estimated that in 2016 there were 40.3 million people who were victims of modern slavery and 24.9 million people in forced labour globally.

At Anglo American, we believe that every form of human rights abuse and exploitation is unacceptable. Our vision is to be part of a value chain that supports and reinforces human rights.

Our Human Rights Framework is focused on achieving zero harm to people, society and the environment. We maintain several policies, including our Group Human Rights Policy and the Anglo American Responsible Sourcing Standard for Suppliers (the **Standard**); the latter places emphasis on suppliers to respect labour and human rights, including combating modern slavery and human trafficking within their businesses—and their supply chains. The Standard complements a comprehensive policy framework that includes our Code of Conduct, The Social Way, and our Safety, Health and Environment (SHE) Policy and our Sustainable Mining Plan.



Our vision is to be part of a value chain that supports and reinforces human rights.

Our Responsible Sourcing Framework ensures that we only engage with suppliers who reflect the same strong human rights principles as we do. Extensive checks are done before any new suppliers are onboarded and all suppliers must commit to our Group Human Rights Policy and Responsible Sourcing Standard for Suppliers. We take a risk-based approach to supplier management and suppliers deemed as a higher risk are required to complete a Responsible Sourcing Self-Assessment Questionnaire (SAQ) which we then review and we collaborate with the suppliers to rectify any identified issues.

We regularly review and update supplier contract templates and other legal instruments to include core legal, human rights and core responsible sourcing requirements.

Our YourVoice reporting channel is a confidential and secure means for our stakeholders, including suppliers, to report concerns about conduct that is, or may be, illegal, unethical and/or contrary to our values, including our commitment to respect human rights.

As part of our supplier engagements, we have been encouraging suppliers, and their employees, to use the reporting facility to raise concerns. No alerts related to modern slavery or human trafficking within Anglo American's Metallurgical Coal business or our supply chain were received in 2020.

We understand that the complex issues around modern slavery and forced labour can only be overcome with strong collaboration and partnerships. We have actively sought opportunities to increase our knowledge of the issues around modern slavery, and our positive influence within the resources industry and with our partners.

# Overview of Activities

## Prior to 2020



### Global

- 2003** Introduction of Social Way
- 2005** Anglo American signs up to and adopts the UN Voluntary Principle
- 2011** Anglo American develops Group Business Integrity Policy
- 2014** Anglo American develops Global Human Rights Policy
- 2016** Anglo American develops Global Responsible Sourcing Framework
- 2016** Anglo American Group begins reporting against the Modern Slavery Act (UK)
- 2018** Anglo American implements Global Responsible Sourcing Standard for Suppliers
- 2018** Anglo American launches global Sustainable Mining Plan



### Metallurgical Coal Business

- 2019** Anglo American becomes a member of the West Australian Modern Slavery Collaborative Group which developed a standard set of self-assessment questionnaires
- 2019** Modern Slavery Working Group established
- 2019** Anglo American hosts a Modern Slavery Roundtable on behalf of the Minerals Council of Australia

## 2020



### Global

- May/June** Global Supply Chain teams reach out to suppliers with COVID-19 Impact on Supply Chain Guidance
- December** Modern slavery training rolled out globally across all locations
  - 432 suppliers complete self-assessment questionnaires
  - Pilot started on two Supply Chain human rights risk systems
  - Completed a gap analysis of business relationships (marketing, M&As, JVs and disposals)



### Metallurgical Coal Business

- Understand, Engage and Collaborate:**
  - Member of the WA Collaborative Group
  - Member of the Minerals Council of Australia Modern Slavery Taskforce
  - Participated in numerous workshops and forums
  - Engaged with some key suppliers to understand the controls they have within their supply chain
- Educate:**
  - Responsible sourcing and modern slavery training rolled out to all Supply Chain team members through the year
  - June: COVID-19 Impact on Supply Chain human rights guidance sent to all suppliers
  - December: modern slavery training presented to Supply Chain, operations and selected suppliers

### Supplier Due Diligence:

- All existing suppliers were re-onboarded as part of a system migration and had to commit to uphold our Human Rights Policy and Responsible Sourcing Standard for Suppliers. They were also required to answer responsible sourcing questions which were reviewed, and clarification requested as required
- 45 suppliers in high-risk industries for modern slavery (construction, transport, labour) completed self-assessment questions (SAQ)
- Participated in Global Supply Chain pilot of a supplier human rights risk system

## 2021 onwards



### Global

- Development and implementation of long-term strategic Supplier Human Rights Risk system strategy
- Engage with global suppliers to map global supply chain



### Metallurgical Coal Business

#### Partner:

- Work with key suppliers to review multi-tiered supply chain
- Work across resource industry and other stakeholders to develop modern slavery practice processes and controls
- Engage third-party organisations to address and remedy high-risk suppliers

#### Embed:

- Mandatory modern slavery and human rights training implemented across all areas of Metallurgical Coal business

#### Supplier Due Diligence:

- Mandatory supplier/contractor training developed and rolled out
- Embed supplier human rights risk system
- All new suppliers onboarded through the Supplier Lifecycle Portal with human rights and modern slavery questions
- SAQs completed by 5% of supplier population and third-party audits done where additional risk identified



# Covered Entities

This statement sets out the progress that Anglo American’s Metallurgical Coal business in Australia has made in implementing the transparency requirements of the *Modern Slavery Act 2018* (Cth) (the Act) during 2020 and our plans for further actions in coming years.

This statement is made by Anglo American Australia Limited, the holding company of Anglo American’s Metallurgical Coal business (Metallurgical Coal<sup>1</sup>) and its relevant subsidiaries in accordance with section 13 of the Act. In accordance with the Australian Government guidance, Anglo American has produced a Group statement that these entities can also use to meet section 14 of the Act.

These entities are:

- **Anglo American Australia Limited**  
ACN 004 892 371
- **Anglo American Metallurgical Coal Holdings Limited** ACN 079 017 940
- **Anglo American Metallurgical Coal Assets Pty Ltd** ACN 081 022 246
- **Anglo American Metallurgical Coal Assets Eastern Australia Limited**  
ACN 009 727 851
- **Anglo Coal (German Creek) Pty Ltd**  
ACN 081 022 415
- **Anglo Coal (Dawson) Holdings Pty Ltd** ACN 100 197 699
- **Anglo Coal (Dawson) Limited**  
ACN 100 155 342
- **Moranbah North Coal Pty Ltd**  
ACN 007 083 249.

Each of the aforementioned entities has approved this statement. In publishing this statement, we reaffirm our zero-tolerance position in respect of all forms of modern slavery in our organisation and in our supply chains and we are pleased to take this opportunity to outline our ongoing work in this important area of human rights.

This report does not cover any Anglo American entities operating outside of Australia; these overseas entities are covered by the Anglo American Group UK Modern Slavery Statement.



<sup>1</sup> For ease of reading, we use generic language in describing the Group and the Metallurgical Coal business.

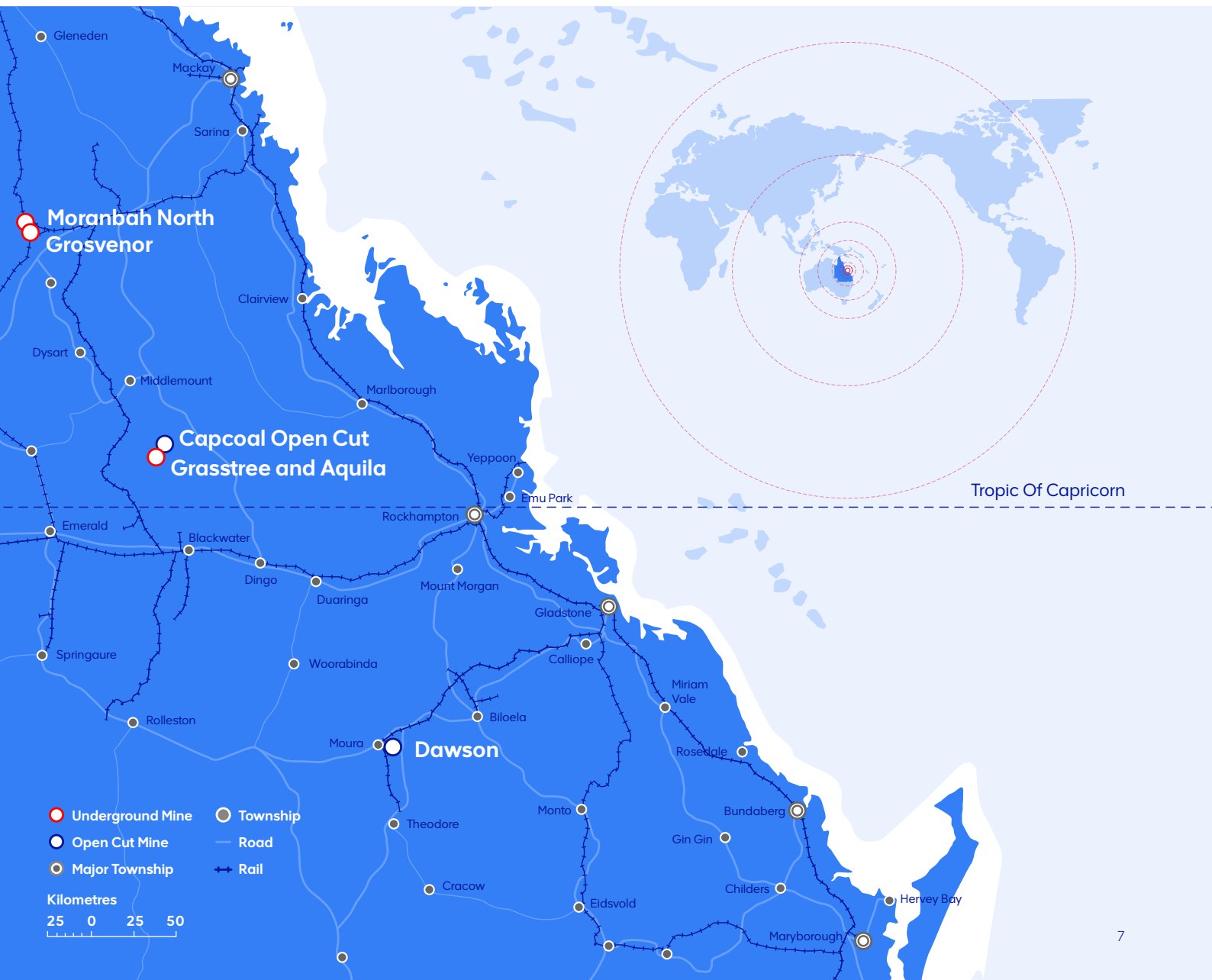
# Our Structure, Operations and Supply Chains

## Acknowledgement of Country

We acknowledge the First Nations peoples and local communities of the lands on which Anglo American operations are located and where we conduct our business.

We respect the traditions, values and cultures of Aboriginal and Torres Strait Islander peoples and acknowledge their role as the Traditional Owners and Custodians of Country throughout Australia. We recognise that this land has always been under their custodianship and acknowledge the unique cultural and spiritual relationships they have to the land.

In the spirit of Reconciliation, we seek to raise awareness of the history and cultural heritage practices of the Aboriginal and Torres Strait Islander Peoples and pay respect to their Elders past, present and emerging.



## Anglo American's Business Structure

Anglo American is a leading global mining company and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive operations, development projects and undeveloped resources, provides many of the metals and minerals that enable a cleaner, greener, more sustainable world and that meet the fast growing consumer-driven demands of developed and maturing economies. With our people at the heart of our business, we use innovative practices and the latest technologies to mine, process, move and market our products to our customers—and to discover new resources—safely and sustainably.

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, the steelmaking ingredients of iron ore and metallurgical coal, and nickel—with crop nutrients in development and thermal coal operations planned for divestment—we are committed to being carbon neutral across our operations by 2040.

Anglo American's Metallurgical Coal business is a subsidiary of the Anglo American Group.

We work together with our business partners and diverse stakeholders to unlock sustainable value from precious natural resources for the benefit of the communities and countries in which we operate, for society as a whole, and for our shareholders.

Anglo American is re-imagining mining to improve people's lives.

## Our Operations

In Australia, our Metallurgical Coal business includes two open cut and three underground metallurgical coal mines in Queensland's Bowen Basin, along with additional joint-venture interests and growth projects like our new Aquila mine near Middlemount. From our operations, we produce and export millions of tonnes of the highest quality hard coking coal each year, which is used in steel production for critical building and infrastructure around the world. We also have a significant copper exploration project underway in North West Queensland.

Anglo American are committed to the highest standards of working, especially when it comes to human rights. This is demonstrated in our day-to-day activities which are underpinned by our Code of Conduct, Group Human Rights Policy and our Responsible Sourcing Standard for Suppliers, as well as our approach to engagement with governments and our communities.

We welcome the opportunity to collaborate with suppliers and partners across Australia to increase our knowledge and identify opportunities to reduce risks across our operations and our supply chain.

## Our Supply Chain

Anglo American's Metallurgical Coal business is a significant consumer of goods and services within the Australian market. In 2020 we procured goods and services to the value of AUD3.4 billion, with 98 per cent being from Australian-based suppliers and 66 per cent of spend from Queensland-based suppliers. As at 31st December 2020 we had 2,680 active suppliers.



Anglo American is re-imagining mining to improve people's lives.

## Anglo American's Metallurgical Coal Business



**Anglo American is a leading global mining company**, with significant investments within Australia and particularly in Queensland.



**We are the world's third largest exporter of metallurgical coal**, with two open cut and three underground metallurgical coal mines in Queensland's Bowen Basin, along with additional joint venture interests and a copper exploration project in North West Queensland.



**Anglo American is the largest underground metallurgical coal miner in Australia**, employing around 5,000 people.



**Each year we produce and export millions of tonnes of the highest quality hard coking coal**, which is used in steel production for critical building and infrastructure around the world.

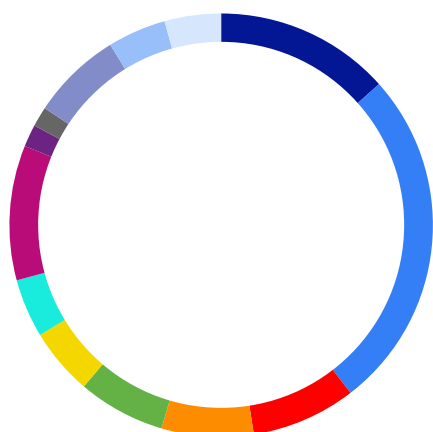




### Anglo American Metallurgical Coal Supply Chain by Region

Region	Number of suppliers	Percent of Total
Australia	2,619	98%
QLD	1,780	66%
Rest of Australia	839	31%
Rest of Oceania	15	0.5%
Asia	7	0.3%
Africa	9	0.05%
Europe	11	0.22%
UK	15	0.6%
North America	4	0.15%
<b>Total</b>	<b>2,680</b>	<b>100%</b>

### Anglo American Metallurgical Coal Supplier Breakdown of Service Categories



- Professional Services and Consulting **13%**
- Mining services, equipment and commodities **26%**
- Electrical, control and instrumentation **8%**
- Facilities management **7%**
- Construction **7%**
- Information Technology **5%**
- HR Services **5%**
- Material and Fluid Handling **10%**
- Transport and Logistics **2%**
- Utilities **2%**
- Mechanical Spares **7%**
- Processing **4%**
- Other **4%**



## Our Approach to Human Rights

We are dedicated to further building a culture that respects and values the human rights of employees, community members and people within our supply chains. Our efforts in building responsible supply chains are driven by our values, our policies, especially our Group Human Rights Policy, and Code of Conduct—because it is the right thing to do. Our efforts against modern slavery are crucial to the supply chain focus of our human rights program.

We have integrated the United Nations Guiding Principles on Business and Human Rights (UNGPs), as well as the Voluntary Principles on Security and Human Rights (VPs), into our business practices.

The protection of human rights is best delivered through partnership and dialogue with our stakeholders. To this end, we work with civil society, industry groups and suppliers to ensure regular reflection on, and improvement in, our processes.

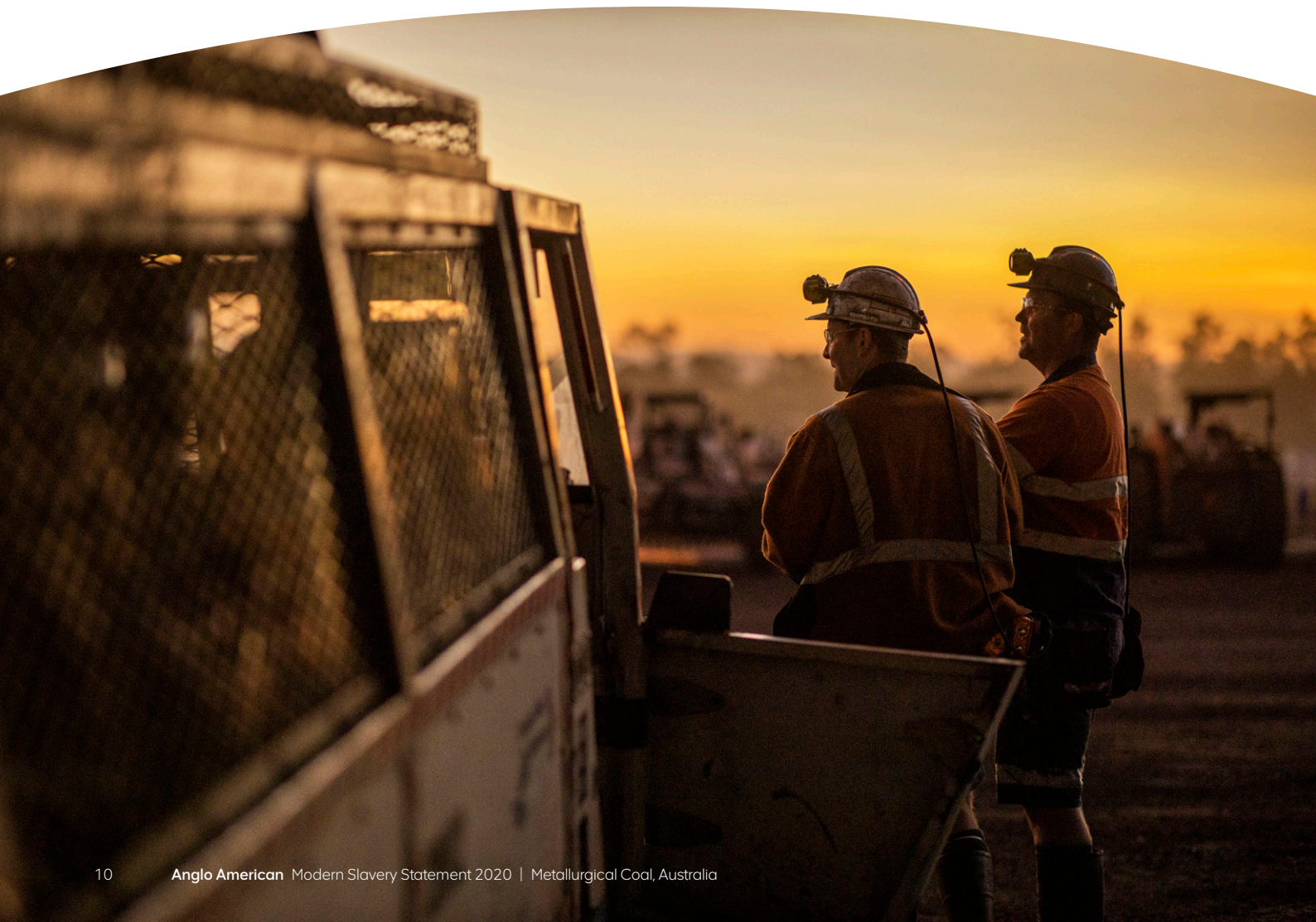
### Sustainable Mining Plan

Anglo American’s far-reaching Sustainable Mining Plan, launched in 2018, commits us to a series of ambitious medium- and longer-term goals.

These relate to three major pillars of sustainability that are aligned with the UN’s Sustainable Development Goals (SDGs):

1. Trusted corporate leader (advocating for the highest standards of governance to drive transparency and trust in mining and mined products)
2. Healthy environment
3. Thriving communities.

As part of the trusted corporate leader pillar, we have committed to ethical value chains. Our vision is to be part of a value chain that supports and reinforces positive human rights—a critical foundation of the Sustainable Mining Plan. We aim to implement a mine-certification standard across our operations and advocate for the development of a common responsible sourcing standard for the mining industry.



## Our Values



### Safety

**We give our all eliminating injuries because we value life and are unconditional about safety, health and well-being at work and at home.**

How we behave:

- I put safety and health first in everything I do, no matter what
- I do everything I can to eliminate loss of life and believe all injuries are preventable
- I care about the safety of my colleagues, communities and all our stakeholders as much as I care about my own
- I am aware of my surroundings and what I need to do to manage risks by ensuring that critical controls and standards are in place
- I have the courage to take action and empower others to speak up and do the same.



### Care and Respect

**We believe in humanity and therefore show care and respect for all people and will not turn a blind eye to what is wrong.**

How we behave:

- I include and embrace diversity in all its forms
- I put myself in others' shoes and take the time to appreciate and consider their views and needs
- I listen to understand and communicate openly, always welcoming different points of view
- I think carefully about the impact of what I do on others and I am open to change to achieve a better outcome for all
- I take into account the best interest of my colleagues, our stakeholders and the environment and act accordingly.



### Integrity

**We always act honestly, fairly, ethically and transparently.**

How we behave:

- I hold myself accountable for doing what I say and being clear about my motives
- I do the right thing and speak up if it is not right, even when something is uncomfortable
- I listen to and respect people's concerns without pre-judging and resolve them positively
- I never take shortcuts that could compromise the principles by which we behave
- I do my part to help create a workplace where people do not hesitate to challenge and call out what is wrong.



### Accountability

**We own our decisions, actions and performance, and are empowered to make choices and learn from our experiences.**

How we behave:

- I own what and how I do my work together with my team and clarify anything I am unsure of
- I have a 'can-do' attitude and encourage it in others
- I have the courage to admit my mistakes and ensure we all learn from them
- I go above and beyond for the good of our organisation and our stakeholders
- I deliver on our shared commitments.



### Collaboration

**We collaborate with colleagues and stakeholders towards a common purpose and to achieve exceptional outcomes.**

How we behave:

- I make decisions based on what is good for the entire organisation and our stakeholders, not my own self-interest
- I believe in, trust and build on the contributions of colleagues
- I actively listen to my colleagues, align on goals and create better ways of working together
- I support the success of others, encourage their feedback and appreciate what we all bring
- I partner and share with others, to add value and achieve our goals.



### Innovation

**We challenge assumptions, seek other perspectives and pursue innovative opportunities to transform our business.**

How we behave:

- I constantly search for new ways of thinking and working, experimenting and learning all the time
- I take considered risks in pushing the boundaries, assessing where the chances to improve outweigh failure
- I accept the possibility of failure and learn from it
- I simplify complexity and remove obstacles
- I seek out and harness inspiration from inside and outside our organisation.

# Human Rights and Modern Slavery Risks Across Our Operations and Supply Chain

In order to understand the risks of modern slavery within Anglo American’s Metallurgical Coal business, at the end of 2019 we conducted a risk assessment across all aspects of our business.

As all the Anglo American entities covered by this report are based in Australia, we identified the location risk for our operations was low. All entities within Australia follow all labour regulations in place in Australia based on Fair Work Act 2009, the National Employment Standards and applicable negotiated enterprise agreements and we require that all suppliers who provide contractors and labour hire employees meet the same requirements. Anglo American’s Metallurgical Coal business also has very robust human resource policies and procedures in place to ensure that all legal recruitment and employment controls are met.

Our analysis identified that our highest risk of modern slavery and human rights abuse was within the layers of our supply chain. Although 98% of our suppliers are Australian-based, and all of our suppliers are required to sign-up to our Human Rights Policy and Responsible Sourcing for Suppliers Standard at onboarding, many of them source goods from high-risk countries. Key risks come from a lack of transparency on the origin of raw materials, the manufacturing location and the production conditions.

## COVID-19 Risk

The spread across Australia, and the globe, of COVID-19 and the resulting impact to society, work and global supply chains has created a significant risk of human rights exploitation across all levels of supply chains. Because of the requirement for Anglo American, and many other businesses and governments, to source significant volumes of additional PPE, sanitisers and other health equipment there was, and continues to be, a risk that suppliers (and suppliers’ suppliers) may exploit workers in order to meet increased demand. Global economies are under significant strain and many people have lost their jobs which has increased the risk of vulnerable people, especially women and children, being exploited.

This has only served to deepen vulnerabilities and force more workers into precarious work. There is a risk that many employers will attempt to reduce pay and extend hours. For workers who need time off for family responsibility or get sick, there is a higher likelihood that they will be laid off with no notice or severance. These impacts and labour rights violations have already impacted the most vulnerable disproportionately.<sup>2</sup>

In 2020, as the COVID-19 situation evolved, the global Supply Chain teams (including the Metallurgical Coal team members) worked with our existing suppliers to secure the additional PPE and goods we required to ensure the safety of our work force and the communities within which we operate. In the cases where our existing suppliers could not meet additional demand reputable suppliers were engaged and went through our Emergency Onboarding procedure which is in place to ensure that suppliers who provide goods in an emergency situation still go through our rigorous onboarding checks shortly after the emergency situation.



**40.3 million** people are victims of modern slavery





Including **24.9 million** in forced labour

Of those trapped in forced labour, **16 million** people are believed to be in the private sector (notably in domestic work, construction or agriculture)

2 <http://www.homeaffairs.gov.au> www.homeaffairs.gov.au, Modern Slavery Act: Information for reporting entities about the impacts of coronavirus.



## Modern Slavery Risk Matrix for Australian Entities

Risk Area	Overview of Anglo American’s position
 <b>Country Risk</b>	The Walk Free Global Slavery Index rates the risk of modern slavery in Australia as low. As all the entities that are covered in this report are based in Australia.
 <b>Employment Risk</b>	As we follow Australia Fair Work Act guidelines and the National Employment Standards the employment risk in our operations is low.
 <b>Supply Risk</b>	<p>We identified that the following goods that we purchase are high-risk for modern slavery relating to the sourcing of raw materials and the potential for human rights violations in their production and transportation:</p> <ul style="list-style-type: none"> <li>- Electrical components</li> <li>- Electronic equipment</li> <li>- Explosives</li> <li>- Tyres and conveyor belts</li> <li>- Construction material</li> <li>- Equipment and parts</li> <li>- Personal Protective Equipment (PPE) and uniforms</li> </ul> <p>The following services are also deemed to be at a higher-risk:</p> <ul style="list-style-type: none"> <li>- Construction</li> <li>- Transport</li> <li>- Security</li> <li>- Facilities Management Services including cleaning and food services.</li> </ul>
 <b>Shipping Risk</b>	<p>We have assessed that due to the inherent complex nature of the international shipping industry that the risk of labour violations and possible modern slavery are high.</p> <p>Marketing and sales arrangements for the Metallurgical Coal business are undertaken by an Anglo American entity based in Singapore. The vast majority of metallurgical coal is sold as free onboard (FOB), whereby the buyer of the cargo arranges and contracts the ocean freight, which limits the influence that we have on the labour conditions onboard; however, full due diligence is completed on all buyers of our product and we endeavour to partner with clients who share the same strong values as Anglo American.</p>

## The Six Forms of Modern Slavery

					
<b>Human trafficking</b>	<b>Debt bondage</b>	<b>Forced marriage</b>	<b>Slavery and slavery-like practices</b>	<b>Forced labour</b>	<b>Worst forms of child labour</b>



### Case Study 1 Response to COVID-19 Human Rights Risk

Globally, Anglo American took early actions to address the risk and impacts of COVID-19; working with communities and governments to provide PPE, test kits and support as applicable.

We also implemented a global WeCare program to support employees and the communities within which we operate.

In Anglo American's Metallurgical Coal business, we took the following actions to reduce the risk of COVID-19 to all employees and contractors:

- From late February 2020 we implemented updated travel protocols as per the Australian and Queensland Government directives for all our sites for all employees, contractors and site visitors.
- In late March we confirmed that we would provide all employees and contractors (labour hire or embedded services contractor) special COVID-19 paid leave provision, for a maximum of 14 calendar days.
- From late March until late-July all employees and contractors who were able, were required to work from home and robust COVID-Safe plans were implemented across all sites; these included the implementation of mandatory temperature checking, extensive cleaning and safe distancing protocols.
- Throughout 2020, we supported community organisations through the supply of hygiene products, masks and medical supplies.
- We also provided grants to charities for basic needs, emergency funding support, school equipment for remote learning and improved payment terms for small and medium sized businesses.



Follow the QR Code to find out more about WeCare.

As part of a Group Supply Chain initiative letters were sent to all Metallurgical Coal business suppliers reiterating our commitment to ensuring the safety and wellbeing of our employees, suppliers and host communities.

## Five Guiding Steps were Developed for Suppliers to Follow

1.

### Exercise a duty of care and empathy when engaging with your employees and your suppliers.

We need to be mindful of the significant pressure both professionally and personally that workers and our suppliers may be under. Employees may be feeling vulnerable and uncertain around their future; while supplier businesses may be experiencing difficulty in meeting business obligations.

2.

### Continue to protect and uphold worker rights in your business, ensuring that all work remains voluntary, appropriately compensated and done without detriment to the safety or well-being of your workforce.

- **Respect the right to privacy:** Safeguard against the improper or unauthorised use of or distribution of individual employee health information.
- **Non-discrimination:** In addition to their rights of privacy, and with due consideration to the health of your wider workforce, ensure that individuals who are currently infected or have recovered from COVID-19 are not discriminated against.

3.

### Manage potential new Human Rights and other forms of Modern Slavery risk within your supply chain.

Changes to the business models of your suppliers may result in:

- Wage and overtime violations—including reduction in mandated entitlements
- Increased discrimination and harassment of vulnerable workers—including detrimental impact for the refusal or ceasing of work
- Restricted personal freedoms, movement and increased surveillance of workers
- Restrictions on mechanisms to address worker rights—such as union activity and worker forums
- Opportunistic behaviour which could include the demanding of sexual favours, demanding cash or other forms of ‘kickbacks’ to retain jobs or for new recruitment
- Increased likelihood of child labour, undocumented workers or forms of unethical recruitment practices
- Potential lack of focus on safe workplace practices.

4.

### Access resources to support your initiatives.

Various external resources have been made available to businesses to support the identification and management of potential Human Rights and Modern Slavery related risk. Our Corporate website contains information including:

- Anglo American Responsible Sourcing Standard for Suppliers
- Anglo American Code of Conduct
- Anglo American Human Rights Policy
- Anglo American Social Way
- Anglo American Safety, Health and Environment Policy
- Modern Slavery Act (MSA) Statements
- De Beers Best Practice Principles programme.

5.

### Create wider awareness of rights and mechanisms to report violations

We will always encourage the fair, ethical and acceptable treatment of people, whether these are workers, their families or other vulnerable groups.

- **Gender based violence**—take a stand against gender based violence by sharing with your employees details of support programmes and reporting mechanisms. This may help direct individuals suffering from domestic violence into support programmes.
- **Report** suspicious, unethical or improper behaviour using whistleblowing channels.
- **Encourage** your employees and those of your suppliers to use **YourVoice**. YourVoice is a confidential channel managed by an independent organisation, which is used by Anglo American and De Beers Group. YourVoice allows individuals to report unethical or suspicious behaviour without fear of retaliation.
  - Reports can be logged via an online platform, or via a comprehensive list of global telephone numbers available on [yourvoice.angloamerican.com](https://yourvoice.angloamerican.com)

# Actions Taken to Address Risks Identified

Anglo American takes both a global and Business Unit approach to managing Human Rights and Modern Slavery risk within our operations.

Our Human Rights Framework and other relevant policies are defined at an Anglo American Group level with the implementation and controls set at a function and Business Unit level taking into account relevant industry standards and legislative requirements.

The following key controls are in place to reduce the risk of forced labour and modern slavery within our operations.

### Policy and Control Framework

Anglo American has a robust policy and control framework which is underpinned by our Code of Conduct. Our Human Rights Framework is focused on achieving zero harm to people, society and the environment. Our policies and controls are reviewed and updated regularly to ensure that they reflect the latest international best practice and standard.

### Supply Chain Controls and Responsible Sourcing Framework

Our global Responsible Sourcing Framework and Responsible Sourcing Standard for Suppliers were implemented in 2016 and 2018 respectively and ensure that we only work with suppliers that meet the highest standards for human rights and responsible sourcing.

We have also focused on the following key areas to support our journey to eliminate modern slavery within our areas of influence:

- **Awareness and Education:** Over the last few years, as there has been an increased focus on modern slavery, Anglo American Group and the Metallurgical Coal business have worked to increase our knowledge of the related issues and increase internal knowledge of the risks and actions that can be taken to reduce the risk of modern slavery within our operations.

- **Collaboration and Engagement:** Both globally and within Australia, Anglo American is committed to working with diverse organisations and business partners to increase awareness of the issues relating to modern slavery and to identify and implement pathways to eliminate it.

### Policy and Control Framework

Anglo American has a long history of focusing on human rights within our operations and the communities which are impacted by our business. In 2005 we signed up to and adopted the UN Voluntary Principles and in 2014 we implemented our Global Human Rights Policy.

We have several policies and standards in place to guide our approach to business integrity, preventing modern slavery and forced labour in our business and across our supply chain, and achieving zero harm to people, society and the environment.

These policies and standards, together with several others, are available on Anglo American’s website:

- Code of Conduct
- Human Rights Policy
- Business Integrity Policy
- Responsible Sourcing Standard for Suppliers
- The Social Way
- The Safety, Health and Environment Policy
- Sustainable Mining Plan.

### Social Performance Function

In 2018, the Metallurgical Coal business established its Social Performance team, within the Corporate Relations and Social Impact function, to further develop stakeholder relationships in our host communities and support the implementation of Social Way—Anglo American’s integrated management system for social performance.

Social Performance Specialists are based in each of the communities where we operate, with easily accessible offices within local shopping precincts. The Social Performance team:

- provides a first point of contact for the community and lead stakeholder engagement
- engages with the community to understand our operational impacts, both positive and negative
- works with the operations to develop and implement social management plans to manage our impacts and risks
- facilitate the social incidents and grievance procedure so that the community can report directly to the Metallurgical Coal Business about what isn’t working so well and to have their concerns addressed
- monitors and reports on our social licence to operate.



### Anglo American Social Way

Anglo American Social Way is our industry-leading management system for social performance. Through the Social Way, we have been able to ensure that policies and systems are in place in all Anglo American managed sites to support effective engagement

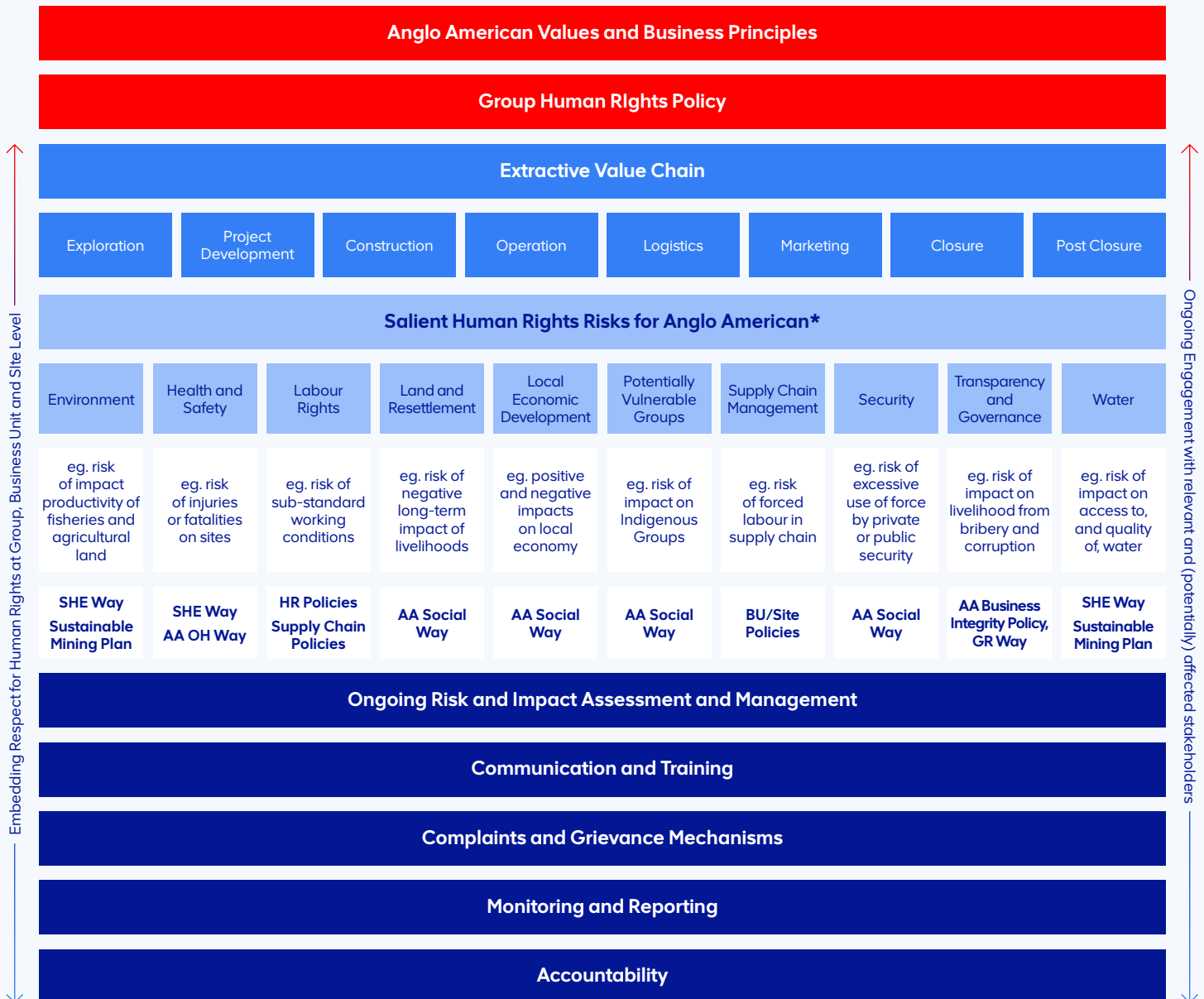
with affected communities, avoid or minimise adverse social impacts, and maximise development opportunities.

We were the first mining company to adopt this kind of approach. We launched the Social Way in 2003 with our Socio-Economic Assessment Toolbox (SEAT), followed by the Social Way policy in 2009.

It has been updated several times since then, gaining us a reputation as a leader in social performance in our industry.

After an in-depth review, in 2020 we revised the Social Way once again to take account of internal changes, such as the launch of our Purpose and Sustainable Mining Plan, and to keep pace with evolving international best practice and standards.

### Anglo American Human Rights Framework (Combined)



## Supply Chain Controls and Responsible Sourcing Framework

### Our Responsible Sourcing Approach

#### Our Supply Chain Sustainability Ambition

Employees, communities and partners have taken a stand with us in a sustainable, inclusive and prosperous future. **Responsible sourcing prioritises ethical decision making when purchasing goods and services.**

#### 1. Progressive Standards and Policies

Affirms our non-negotiable requirements and ambition from suppliers which go beyond compliance.



#### 2. Awareness Training and Capacity Building

Supporting suppliers and internal teams to meet the requirements.



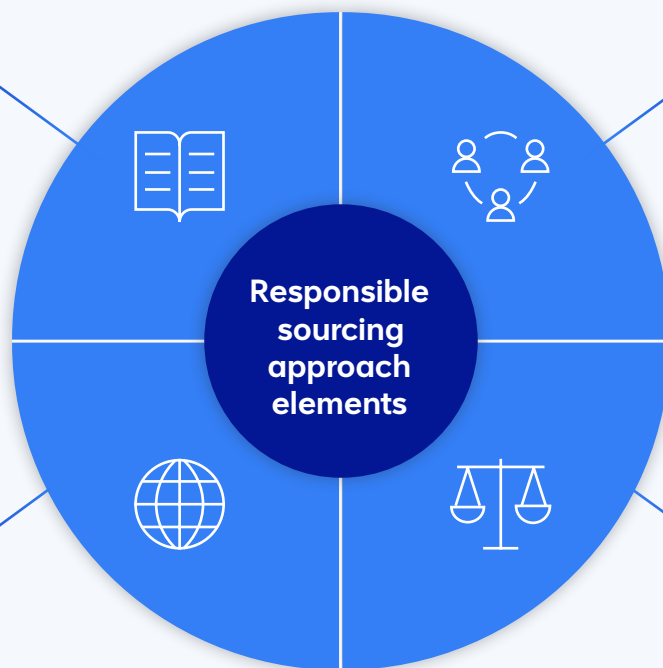
#### 4. Advocate for Wider Industry Alignment

Work within the extractives sector to reduce duplication of effort towards shared sustainability outcomes.



#### 3. Risk-based Due Diligence

Ensure that our processes and supplier engagement approach supports the identification and management of risk.



#### Supported through:

Regularly reviewed and benchmarked Standards	Collaborating with large spend suppliers	Internal training and awareness drives	Risk and incident management processes	Mutual recognition framework
Integration within supplier registration, onboarding and contracting	Building SMME supplier awareness and capacity (small business)	Risk based supplier engagement (heatmap and nominations)	Supplier SAQ (Self Assessment Questionnaire) and third party assessment	Engagement with industry-wide initiatives

**The Role of the Supply Chain Function to Mitigate Modern Slavery Risk**

According to the International Labour Organization (ILO) and Walk-Free Foundation, in 2017 an estimated 152 million children were connected to some form of child labour and 25 million adults and children are in some form of forced labour—including within global supply chains. The COVID-19 pandemic has exacerbated this issue even further.

Anglo American has high standards of sustainable mining and is a signatory to the Sustainable Development Goals (SDGs) target to end child labour by 2025 and forced labour and human trafficking by 2030. We acknowledge the role and influence that our supply chain has to address human rights violations.

Our Responsible Sourcing Standard for Suppliers details our expectations of existing or prospective suppliers. The Standard provides guidance on its implementation, including highlighting material breaches of which suppliers should be aware.

The Standard consists of five pillars, providing guidance relating to:

1. Protecting safety and health
2. Protecting our environment
3. Respecting labour and human rights
4. Increasing social accountability
5. Conducting business fairly and with integrity.

Within the ‘respecting labour and human rights’ pillar, we emphasise the role that suppliers should play to combat modern slavery and human trafficking as a condition of supplying to Anglo American. We routinely engage with outside parties, including other mining companies and stakeholder groups, to test the relevance of the Standard and its applicability for the wider industry.

Building on lessons from the prior years, throughout 2020 we focused on creating more visibility of our Responsible Sourcing Standard for suppliers and its requirements and making it more accessible.

To this end, we undertook three pieces of work:

1. **Simplified supplier communications:** a pamphlet summarising the five pillars and requirements for suppliers has been developed and distributed during supplier events and engagements in Australia (effectiveness impacted by the social distancing requirements of COVID-19).
2. **Responsible Sourcing video:** ([angloamerican.com/suppliers/responsible-sourcing](http://angloamerican.com/suppliers/responsible-sourcing)) a video, which highlights the context for responsible sourcing, and provides guidance on our expectations of suppliers. The video was developed, shared with our suppliers, and posted on the Anglo American website.
3. **Supplier onboarding:** All suppliers are required to review and agree to uphold our Human Rights and Responsible Sourcing for Suppliers Standard at onboarding.

**Responsible Sourcing Pillars**



**Protect Safety and Health**

Suppliers must protect the safety and health of their workforce.



**Protect Our Environment**

Suppliers must demonstrate protection of the environment.



**Respect Labour and Human Rights**

Suppliers shall respect all labour and human rights through their value chain.



**Increase Social Accountability**

Suppliers shall be good corporate citizens within the communities where they operate.



**Conduct Business Fairly and With Integrity**

Suppliers must conduct business with the utmost integrity and always act in a proper manner, fairly and lawfully.

Anglo American is committed to working with suppliers who comply with applicable laws, while striving for ‘zero harm’ to people, society and our environment. At a minimum, suppliers are expected to comply with all relevant laws.

All suppliers to Anglo American are required to:



**Commit to responsible sourcing**

Every supplier to Anglo American is required to comply with relevant laws and commit to Responsible Sourcing requirements as a pre-condition to supply



**Complete a self-assessment**

Suppliers will be required to complete and regularly update a self-assessment questionnaire (SAQ). This will be included during supplier registration and sourcing events.



**Conduct a third-party assessment**

On a sample basis, suppliers may be required to provide evidence of previous Responsible Sourcing audits, or be requested to conduct a new, third party assessment



**Manage your risk**

We expect suppliers to develop plans with realistic timelines to address the requirements of this Standard, and any issues identified during the SAQ or audit process.

**Suppliers must ensure progressive implementation of responsible sourcing requirements within their organisation and supply chains (this includes agents, intermediaries, contractors and suppliers).**

**Our Supplier Engagement Approach**

Our approach to responsible sourcing has four focus areas:

**1. Progressive standards and policies:**

These provide simplified guidance to suppliers on our non-negotiable requirements that go beyond compliance.

**2. Raise awareness and build capacity:**

We expect all suppliers to commit to responsible sourcing as part of their engagement with Anglo American and recognise the need to support suppliers to identify and manage sustainability risk.

**3. Risk-based due diligence:**

The progressive roll-out of our responsible sourcing programme by identifying critical suppliers and those with risk potential, which are then requested to complete self-assessment questionnaires and/or participate in a third-party on-site assessment.

**4. Influence wider industry alignment:**

We work within the extractives sector to promote common messages and requirements to the supplier community in order to reduce the duplication of effort by suppliers.





## Prioritisation and Risk Management Across Our Supplier Lifecycle



### Supplier commitment to responsible sourcing

Upfront acknowledgement of responsible sourcing, Anglo American Policies and legal requirements



### Checks during supplier onboarding

Typically include regulatory and compliance-related verifications, security-related validations and third-party provided 'adverse-media' screenings



### Risk heatmap to identify potential

1. Category risk potential
2. Country of origin
3. Degree of regulation
4. Reliance on manual labour
5. Spend with supplier



### Nomination of potential risk suppliers for due diligence

1. Via YourVoice
2. Manual process



### Integration of third party risk sources

### Checks During Supplier Onboarding and Contracting

We have updated, and will continue to update as legislation and best practice changes, elements of our supplier onboarding process to include acknowledgement of responsible sourcing and other requirements for suppliers. These checks include regulatory and compliance-related verifications, security-related validations and third-party-provided 'adverse media' screenings.

In 2020 the Anglo American Metallurgical Coal business, as part of a process improvement initiative, re-onboarded all existing suppliers. This process required all suppliers to update their information and reaffirm their commitment to our Human Rights Policy and Responsible Sourcing Standard for Suppliers and all the relevant internal security and risk checks were done on suppliers. Suppliers that did not meet our stringent checks or did not agree to our policies and standards were not onboarded.

In October 2018 all Anglo American Metallurgical Coal business supplier contract templates and our Terms and Conditions were updated to include Anti-Slavery terms to ensure that supplier obligations relating to anti-slavery controls and obligations were formalised.

### Risk Assessment and Heat Map

We have developed a risk heat map that integrates numerous factors, including categories of supply with heightened responsible sourcing risk potential (such as human rights violations and modern slavery risk), country of origin, the degree of regulation within certain industries, and the extent to which the goods or services are reliant on manual labour.

In 2020 the Anglo American Metallurgical Coal business focused on using our heat map process to identify suppliers that were at a higher risk of having modern slavery within their operations or their supply chain.

### Nomination of Potential Risk Suppliers for Due Diligence

While the heat map provides a view of potential supplier risk, sometimes suppliers who pose potential for risk may be de-prioritised when supplier-specific filters are applied strictly (for example, suppliers located in low-risk territories or with low levels of expenditure). We therefore encourage colleagues within the Supply Chain function to identify and manage potential sustainability-related risks posed by suppliers.

Select, potential suppliers involved in tenders are also required to completed self-assessment questionnaires which are reviewed as part of the tender process.

## ACTIONS TAKEN TO ADDRESS RISKS IDENTIFIED

The table below provides an example of how various supply categories are mapped for likelihood of risk using a heatmap. Anglo American's approach to mitigating supply chain risk is addressed in the following sections.

Risk level	Category	Potential drivers of risk				
		Safety	Environment	Human and labour	Community impact	Business integrity
<p>High</p> <p>Medium</p> <p>Moderate</p> <p>Low</p>	Road Transport	●	●	●	●	●
	Construction Materials	●	●	●	●	●
	Construction Services	●	●	●	●	●
	Load and Haul Services	●	●	●	●	●
	Contract Mining	●	●	●	●	●
	Feeder, Screens and Cyclones	●	●	●	●	●
	Bulk Chemicals	●	●	●	●	●
	Reagents and Frothers	●	●	●	●	●
	Mine Ventilation	●	●	●	●	●
	Maintenance Services	●	●	●	●	●
	Site Rehabilitation	●	●	●	●	●
	Drilling Services	●	●	●	●	●
	Rail Transport	●	●	●	●	●
	Medical Services	●	●	●	●	●
	Consulting	●	●	●	●	●

● High ● Medium ● Low

### Engaging Suppliers with Increased Risk Potential

Suppliers that have increased potential for risk as a result of factors, including their industry, the countries where they operate or their kinds of business processes, are also requested to complete self-assessment questionnaires. Some suppliers may also be asked to participate in an on-site audit. The outcomes of the assessments provide both suppliers and Anglo American with insights into workplace practices, and potential gaps against legal requirements and the Standard.

For suppliers with whom we have not yet engaged directly, we have posted a version of the self-assessment questionnaire on the Anglo American website. This document can be accessed by third parties, including prospective and current suppliers, in order to better understand the minimum legal and responsible sourcing requirements. Additional measures may apply or be imposed locally.

In 2020, due to the business impact of COVID-19, we reached out to a smaller number of suppliers to complete self-assessment questionnaires than we had originally planned. 45 suppliers, focused on higher-risk industries for modern slavery, completed the SAQs which were reviewed and followed up where there were any concerns with their responses. Due to social distancing requirements no on-site audits were completed.

We intend to assess up to 80 high-risk suppliers in 2021, and to conduct on-site audits where possible, subject to COVID-19 constraints.

### Strategic Partnerships with Suppliers

Collaboration is critical for tackling modern slavery and building the scale to meaningfully drive positive sustainability outcomes. As our suppliers with complex and diverse supply chains often face similar risks to Anglo American we actively share our experiences with such suppliers and look for opportunities to co-operate on areas of mutual interest and in accordance with applicable law.

In 2020, members of the Anglo American Metallurgical Coal business's Supply Chain team engaged with a number of our key suppliers to understand their approaches to implementing modern slavery programs and to also identify areas where we can work together. These engagements will continue in the coming years and further opportunities to gain a better understanding of our complex shared supply chains will be progressed.

### Integration of Third-Party Information Sources

In the second half of 2019, Anglo American investigated the use of credible, third-party risk information about suppliers in order to supplement our own risk information. This includes checks against public databases and adverse media on issues, including child labour, modern slavery and human rights.

In 2020, we introduced an online portal for suppliers to complete self-assessment questionnaires; and towards the end of 2020 we commenced a pilot to use two well-regarded online systems to better identify and manage the human rights and responsible sourcing risks across our supply chain. The pilot will continue into 2021 and will culminate in the implementation of a long-term strategy to increase visibility and management of risk across the layers of our supply chain.

**Human Rights Due Diligence**

In 2018, an independent Group-wide review of our human rights framework was completed. The purpose of the review was to determine how aligned our human rights framework was to good practice. The exercise included a review of policies and procedures in place across the Group, extensive consultation with internal and external stakeholders, and an in-depth analysis of supply chain management and site-level due diligence. As a result, the Group revisited the categorisation of salient human rights risks.

An outcome of the Group-wide review was a set of recommendations and we incorporated the supply-chain-related recommendations in our plans for 2020 and beyond. Human rights were integrated into the relevant Group policies and standards. This includes the most recent version of The Social Way. Social Way 3.0 defines our governing framework for social performance, with human rights embedded in the policy, toolkit and assurance framework.

Despite much progress, there is more work to be done on integrating human rights across all parts of the business to ensure effective human rights risk management by each of our regions and operations. In this regard, we are expanding our human rights due-diligence guidance to align with best practice and further integrate with internal processes and standards.

One of the recommendations emerging from the Group-wide review was to improve our approach to human rights due diligence across the full value chain. Our current approach is robust for certain salient risks and can be strengthened for others.

In 2020, we conducted a gap-analysis of current processes and addressed the gaps identified. Further work has been identified in addressing human rights risks in our business relationships. The outcomes of the process are being socialised across the business and will form part of our five year human rights action plan going forward.

**Internal Awareness and Training**

Since 2018, internal-awareness sessions aimed at raising awareness of the Responsible Sourcing Standard for Suppliers and its requirements have been delivered across the Group, targeting mostly supplier-facing members of the Supply Chain team. The Standard encourages the use of YourVoice to report suspected infringements of the Standard by both suppliers and Anglo American employees.

Across Anglo American, a network of Responsible Sourcing Champions was formalised in 2019. The network comprises individuals across our Supply Chain function who represent various Anglo American business units and champion and work to embed responsible sourcing best practice within Anglo American.

In 2020, the Anglo American Metallurgical Coal business Responsible Sourcing Champions focused on training and raising awareness within the broader business about responsible sourcing and modern slavery. All Supply Chain team members undertake training upon commencement of their employment and annually. New starters in the Brisbane Corporate Office also receive Modern Slavery information in the building induction.

Last year, an external specialist consultancy was commissioned to roll out a global training program for all Supply Chain team members and interested parties within our operations as well as select suppliers. The Australia-specific training also covered Anglo American’s obligations under the Act.

**Reporting Potential Violations**

Suppliers, their employees and business partners are encouraged to report potential breaches of the Responsible Sourcing Standard for Suppliers or other business integrity concerns on the independent ‘YourVoice’ service.

For further information about **YourVoice** visit: [yourvoice.angloamerican.com](http://yourvoice.angloamerican.com) or [yourvoice.debeersgroup.com](http://yourvoice.debeersgroup.com)

Or contact **YourVoice** at one of the following hotline numbers:

Australia <b>1300 894 021</b>	China <b>400 120 0372</b>
Botswana <b>0800 7861 035</b>	Peru <b>1 7009765</b>
Brazil <b>0800 892 0491</b>	Singapore <b>800 492 2387</b>
Canada <b>1 855 303 7713</b>	South Africa <b>087 232 5426</b>
Chile <b>800 914 059</b>	United Kingdom <b>0800 068 8792</b>

For full contact details for all countries, please visit the website.



## Awareness, Education, Collaboration and Engagement

The Anglo American Metallurgical Coal business understands the importance of working with other groups, industry bodies and advocate organisations to increase awareness of the issues around modern slavery and to improve our knowledge and anti-slavery program. We have undertaken the following engagements:

- Since early 2019, we have been a member of the WA Collaboration Group which worked together to release a practical toolkit to pre-screen for modern slavery within supply chains.
- In November 2019, we hosted a Modern Slavery Roundtable in Partnership with the Minerals Council of Australia.

- In March 2020, one of the Metallurgical Coal business's Responsible Sourcing Champions attended a Modern Slavery Reporting and Remedy workshop as a guest of the Minerals Council of Australia.
- In May and June 2020, we contributed to scoping of tailored industry guidance to assist companies to identify, address and report on modern slavery risks arising from the COVID-19 pandemic. The guidance was prepared by the Minerals Council of Australia in collaboration with business and human rights advisory firm Pillar Two and was shared with the industry in October.
- In June, we participated in a Queensland Resource Council modern slavery workshop with other Queensland-based resource companies.
- Throughout the year, we attended numerous online workshops and discussions in order to increase our knowledge across all areas of modern slavery risks, controls and remedies.

## Shipping Update

In late 2020, Anglo American joined the Charterers Crew Change Working Group coordinated by the Global Maritime forum to promote collaboration between stakeholders for regular crew changes, reduce resistance and standardise cost allocation procedures for the extra costs that are generated with voyage deviations and additional quarantine requirements.

This builds on the necessity of recognising that seafarers are key to global shipping operations and therefore to the global economy. As the COVID-19 pandemic unfolded and much of world slipped into lockdowns, the shipping industry—through the work of thousands of seafarers—has continued to guarantee the provision of vital supplies to the global economy.

The result of these joint efforts was the Neptune Declaration on Seafarer Wellbeing and Crew Change which was launched in January 2021.



# Our Future Actions

Both Anglo American globally and Anglo American’s Metallurgical Coal business have had robust employment and responsible sourcing controls in place for many years and we have used these as the foundation of our modern slavery approach in 2020.

In the coming years we will focus on strengthening these controls across our business and our supply chain. We will continue to work with suppliers to improve visibility across our supply chain, map the supply chain of high-risk goods and continue to work within the resource industry to advocate for better controls.

In the coming reporting period we will:

1. Continue to pilot the use of 2 third-party risk systems to assess supplier and supply chain risk within our operation.
2. Depending on the success of the pilot, we will implement a long-term third-party risk system to complement our already robust supplier onboarding process.
3. Work closely with key suppliers to improve the controls across our complex supply chains.
4. Increase supplier training on the issues of modern slavery.
5. Continue to partner with external organisations to advocate for standard controls across the resource industry and global supply chains.
6. Enhance our internal training program on modern slavery to ensure all employees and contractors understand the risks of modern slavery within our operations and complex supply chain and take appropriate actions to eliminate these.
7. Continue to investigate and develop a remedy strategy should modern slavery be identified across our complex supply chain.

Anglo American’s Metallurgical Coal business is committed to ensuring that our modern slavery program is effective and elicits real change within our areas of influence. For this reason, we will continually review our program and amend as required to ensure that it has the most impact.

We know that the COVID-19 pandemic will continue to be an issue for the foreseeable future and we will continue to engage with suppliers to ensure that human rights principles are upheld across our operations and supply chain and we will take appropriate action as the global situation evolves.



We will continue to work with suppliers to improve visibility across our supply chain, map the supply chain of high-risk goods and continue to work within the resource industry to advocate for better controls.



## Case Study 2 Hosting of Modern Slavery Roundtable

In November 2019, Anglo American partnered with the Minerals Council of Australia (MCA) to host a Modern Slavery Roundtable at the Brisbane Corporate Office which was attended by representatives from other resource companies and representatives from an advisory firm.

The roundtable provided the Anglo American team additional insights into the issues of modern slavery and the importance of remedy.

The roundtable was an important part of the Anglo American learning journey; throughout 2020 representatives have attended numerous modern slavery events to increase our understanding of the issues relating to modern slavery and to increase collaboration across the resource industry and other related stakeholders.



### Case Study 3 Goods Supplier Engagement on second-level Supply Chain

In response to the COVID-19 pandemic, Human Rights impact letters were sent to all Metallurgical Coal suppliers in June/July 2020 to highlight the impacts of COVID-19. One of our key goods suppliers contacted us to present their Ethical Sourcing program to us which included providing details of the audit processes and controls that they have for their suppliers across the globe. During the presentation it was flagged that the supplier did not meet the Anglo American Responsible Sourcing Standard for Suppliers criteria of 'A minimum of 24 consecutive hours of rest shall be provided within every seven day period in one region.'

It was requested that the supplier review the employee working days of their suppliers who provide goods to Anglo American Metallurgical Coal.

The supplier advised that the review had highlighted areas for further audit focus for them and for Anglo American. It highlighted the importance of greater collaboration with key suppliers to review our second tier supply chain.

As part of the review we asked the relevant audit team to complete the following:



**1. Review** the latest supplier audits related to Anglo American supply.



**2. Follow up** on all suppliers where the audit had found working more than seven days but less than 30 Days without a break.



**3. Report** on what period and why the supplier had worked more than seven days without a one-day rest break.



**4. Audit** up to date payroll records to see if there were any changes in the working conditions and procedures in place for rest days.



**5. Report** on findings and future actions from the factories.

Throughout this extra audit review process the following was found:

1. The latest supplier audit records found that three factories had workers working more than seven days without a rest break.
2. The time when these factories had workers working more than seven days were December to January leading up to Chinese New Year.
3. The factories provided evidence of extra time off given during these periods such as two days off after 14 days worked and or extra time during Chinese New Year.
4. Evidence provided showed that the time given off was equal to one day off for every seven days worked.
5. Evidence was provided for correct pay and overtime in line with local government wages.
6. A number of factories had transient workers who lived in other provinces and travelled home for extra time off during Chinese New Year and other holiday periods.
7. The most recent attendance records between May and July showed evidence of one day off every seven days worked.
8. Factories provided updates of their production planning to ensure workers received one day off every seven days worked.
9. Factories were reminded of Zero Tolerance Policies and policies around one day off every seven days worked.

## Effectiveness of Actions

Anglo American's Metallurgical Coal business' Modern Slavery Working Group will be responsible for measuring and tracking the effectiveness of the actions which are being undertaken to address modern slavery within our operations and areas of influence. They will be supported by the Global Supply Chain and International and Government Relationship teams and the Metallurgical Coal business's Sustainable Mining Plan Steering Committee.

As Anglo American's Responsible Sourcing Framework has been embedded within the Metallurgical Coal business for a number of years, our recent focus has largely been on increasing internal and external awareness of the issues of modern slavery and approaches that can be taken to reduce the risk of modern slavery within operations.

The following measures will be used on an ongoing and annual basis to assess the effectiveness of our actions:

### 1. Internal assessment of modern slavery awareness:

- The focus on modern slavery within the Metallurgical Coal business during the reporting year, with the establishment of the Modern Slavery Working Group and awareness and training which has been rolled out, has resulted in an increased internal awareness of the Modern Slavery risks within our business.
- In the future an annual internal survey will assess the knowledge of the Metallurgical Coal business employees and contractors of the issues and risks relating to modern slavery.

### 2. External assessment of Modern Slavery awareness:

- Ongoing review of our supplier responses to the relevant human rights, labour and modern slavery questions in our Self-Assessment Questionnaire (SAQ). Increased positive responses to questions regarding policies and visibility of supply chain will show increased supplier awareness of the issues and risks relating to modern slavery.
- In the future an annual supplier survey will be used to assess the effectiveness of our supplier education programs and adherence to our supplier responsible sourcing requirements.

### 3. Review of internal Policies, Processes and Controls:

- Annually our human rights and modern slavery policies, processes and controls will be reviewed and updated to ensure that they meet both national requirements and global best practice.
- Site level controls will also be reviewed ongoing as part of the management of our Sustainable Mining Plan.

Annually the Working Group will assess the effectiveness of both the work being done to address the risks of forced labour and modern slavery within our operations and also the assessment measures of the work being done. The Working Group will also engage with external parties and review best practice to identify where we can improve our assessment processes.

## Consultation with Reporting Entities

Anglo American's Metallurgical Coal business manages all its Australian entities covered under this report as a single operational group with umbrella policies, procedures and controls being implemented from a Group level and from central corporate teams based in our Brisbane Corporate Office.

Anglo American's Metallurgical Coal business also has majority shares in, and manages, a number of joint venture mining complexes. These joint ventures follow all Anglo American's Metallurgical Coal business policies, procedures and controls. Joint Venture partners were made aware of our modern slavery approach at Joint Venture meetings.

The board of Anglo American Australia Limited and Anglo American's Metallurgical Coal Leadership Team met on 5 May 2021 to review and endorse this report.

