

Anglo American Position Statement: Climate Change September 2015

Anglo American recognises the complex global challenge posed by climate change and our responsibility to take action to address its causes and protect our employees, assets and host communities, against its potential impacts. We are committed to working in partnership and consultation with all relevant stakeholders to help address the causes and impacts of climate change.

We expect climate change and the associated public policy response to have implications for our business in three principle ways:

- the demand for some of our products will change;
- climate regulation and taxation will affect our operations; and
- the physical and social impacts of a changing climate, such as water scarcity and more frequent extreme weather events, may affect our operations and host communities.

Anglo American is a major user of energy and producer of thermal and metallurgical coal. We are also a significant producer of copper and platinum group metals, critical products in enabling alternative energy technologies. We report annually our energy consumption and our greenhouse gas emissions – direct, indirect and product related – in both our [Sustainability Report](#) and our carbon disclosure to the CDP.

In response to the challenges posed by climate change we actively address our own carbon footprint through operational excellence and our ECO2MAN energy efficiency programme. In addition, we have invested in low-carbon technologies, such as carbon capture and storage (CCS) since 2009.

We recognise:

- the science of climate change and the need to limit global warming to 2°C, in accordance with the findings and recommendations of the United Nations' Intergovernmental Panel on Climate Change;
- that all credible energy forecasts – including those consistent with limiting global warming to 2°C – show continued use of fossil fuels in the energy mix, together with an increased use of alternative energy sources;
- that there is a role for developed countries to support developing countries in their transition to a low-carbon economy; and
- that combustion efficiencies must play a critical role in reducing emissions, as they have the potential to almost halve carbon emissions from coal fired power stations, but that efficiencies alone will not achieve the required reduction in global carbon emissions.

We therefore support:

- a clear, global and binding agreement to mitigate the impacts of climate change, limit global warming to 2°C and enable actions at regional and national levels;
- collaborative multi-stakeholder actions in support of a global framework to support a diverse, low-carbon energy mix and to regulate carbon emissions;
- ending public subsidies for the production and consumption of fossil fuels, unless they are carefully and effectively targeted as a last resort at the poorest households in developing countries;
- the use of fair and well-designed market-based instruments, such as carbon pricing;
- greater provision of public-private funding for research and development and for the deployment of CCS and carbon capture, sequestration and reuse (CCR) technologies;
- treatment of CCS on a comparable basis to other technologies that abate carbon emissions;
- improved science-based understanding of physical climate risks, and for investment in adaptation measures, in particular to help build resilience in developing countries; and
- an honest, fact-based and open dialogue that engages all relevant parties, including utility companies, on how current fossil fuel producers and users can shape the future energy mix and be part of the transition to the low-carbon economy.

We will:

- continue to engage proactively and constructively on climate change issues with investors and other stakeholders;
- continue to measure and report on direct, indirect and product-related emissions;
- reduce our own carbon emissions and energy and water use, and investigate new technologies to support carbon and water neutral mining operations in the future;
- continue to invest in alternative and renewable, low-carbon energy technologies including solar, fuel cells, waste heat recovery, biomass and biofuels;
- continue to implement appropriate climate adaptation measures at our operations and support our host governments and communities to adapt to the local consequences of climate change;
- use scenario planning to inform our view on climate and energy risks and opportunities, and continue to evaluate any future investments with climate risks in mind, including carbon pricing;
- proactively seek partnerships to adapt to the impacts of climate change and to reduce the emissions from coal combustion, in particular through CCS and CCR, and try to work towards applying this to developing countries' contexts; and
- continue to update our Board, investors, host governments and other relevant stakeholders on our own progress in reducing carbon emissions.