

Ross Dickie 0:07

Hello, you're listening to the Future Talent Learning podcast developed to help you build your leadership and management skills. I'm Ross Dickie, and I'm Ross Garner. This week, we're asking why sustainability important Anglo American? What challenges do we face? And how are we adapting? To answer these questions? We're speaking to Rob Greenberg, head of sustainability, integration, governance and performance. Hi, Rob. How's it going?

Rob Greenberg 0:28

Great. Thank you guys. Fantastic to be on this conversation.

Ross Dickie 0:30

Yeah, good to have you here. And we're also joined by Mariana Abugattas, US government affairs and sustainability manager in Peru. Hello, Mariana.

Mariana Abugattas 0:39

Good morning, and good afternoon. I'm very happy to be with you today. And to be able to have some time to tell you about Keiko, above all to be able to talk about sustainability and what we see as opportunities in Peru.

Ross Dickie 0:52

Great. Yeah. Should be a good conversation. So Rob, just to get us started. You're in the group sustainability integration impact team, but come from a finance and investor relations background? Why is sustainability important for Anglo American? And is this something that our investors care about?

Rob Greenberg 1:09

Yeah, I mean, I think it won't be a great surprise to anybody really, to hear that, that it's something that the investors care about. And, and I'll come back from that to, you know, what it means for us and why it's so important. But look, if I can just kind of illustrate this with a bit of a bit of, you know, what happens in practice, when when we've been dealing with investors and how they'd been looking at this.

If I go back, maybe four or five years? In meetings with investors, we'd probably expect to have maybe one question towards the end of the meeting, which probably linked to sustainability, and it would usually be something that felt a

bit like a tick box exercise. Now, over that past four or five years, what I've seen is, first of all, it was that that tick box question, then the question became slightly more, slightly more focused, and there was a little bit more discussion about it.

And then it went to there being potentially somebody in the room in the investor meeting, who was maybe from the sustainability or ESG, as investors tend to call it team within that within that investment house, and there'll be a more detailed conversation, then it went towards the, the fund managers, the guys who actually manage the money starting to lead those questions themselves. And then you'd have whole meetings about sustainability, which probably where, you know, we are now where sustainability and related questions can dominate a conversation with an investor and only speak to you, you know, four or five times a year.

So that's sort of our so they have with with with their investments, they choose to spend it on this link that illustrates where they're coming from, and and how important it has become to our investors. And I think, you know, when you think about why that might be, that helps to understand helps us to understand why it's important for us as well. And there's probably a couple of aspects to this. And, I mean, the first part of this is really around the importance of being a responsible producer, in our social licence to operate, and then our wider societal licence to operate. Because what you have to remember is that an investor's angle on this is very much, you know, it starts from a quite a man on the street angle.

This is different to the perspective of a community or region or an NGO or government. And, and I think it demonstrates the link to the increasing prominence of sustainability. And in particular, I think climate change has been the leading the leading topic, but others as well in wider society, and you've seen sort of growing societal movements in this respect. So we need to be able to address this and answer these questions for our social and indeed societal licence to operate. So that's kind of one part of it, but also it goes beyond that.

And I think investors see see this as sort of central to the way a future facing company operates and will be set up to survive in an evolving world where the macro demand themes pertain to becoming a more electrified greener world and being able to feed a growing population in a sustainable fashion.

So all these macro demand themes actually fit with sustainability as well. And for us to be on a sort of holistic level sustainable company is viewed as important not just because it's the right thing to do, but also because it helps support our existence as a business in the longer run. And I think you know, this this links not just to the longer one but also to the shorter one, where you look for example, that the impact of things like do can gorge and the and, and the societal issues there was on Rio Tinto and how it ultimately affects the way they do business. So is where you do business now. And it's also the way you're set up going forward.

Ross Garner 5:03

But those conversations with investors and difficult conversations, because obviously every organisation has an environmental impact, but being a mining company, yours is perhaps, and easier to observe and possibly in the public imagination. not that obvious green investment. So what are those competitions like with investors? Do you ever have challenges around and practices or threats of divesting or whatever it may be? Yeah, looks

Rob Greenberg 5:32

a great point. And absolutely the the world has sort of evolved and moved on and sort of the angle and tenor of the conversation has changed over time.

So if I went back a few years, the majority of the conversations would be around, you know, our investment in thermal coal and production of thermal coal. And obviously, there's documented incidents of big investors divesting and just not to talking about us here, I'm talking more broadly divesting from producers to thermal coal. And obviously, since then it's become a more and more nuanced, more nuanced conversation.

But and, you know, we've always been quite clear on something like that, that we were trying to do the right thing in the right way. And that we would take our

time and get to the right answer, as we did with the spin off of tin Gala. Rather than sort of washing our hands of something and and divesting it into maybe a less transparent and less role One Belt, One organisation. So that's part of it, and it was definitely a very live debate there. Are those are those conversations difficult? I mean, they're part of what you would expect the conversation to be, I think, what I think is, is a, you know, a challenge, I think that people are starting to now sort of understand a bit better is the wider meaning of what we do from an environmental standpoint.

So there's two aspects to what we do, I guess, and there's there's the products we produce and the way that we produce them. And I think what's, what's what's starting to be recognised to a greater extent now is the extent to which the products we produce contribute to the world becoming more sustainable to becoming greener and becoming more electrified through copper through nickel through PGM, contributing to the hydrogen economy, etc.

And other and our high quality iron ore, obviously being key to relatively clean steelmaking. But so that's the products we produce, and how we produce them. And that this, this is kind of comes back to us and we produce the products the world needs, we have to do it in the right way. And we have to do it in a sustainable responsible way.

And our sustainable mining plan is very much part of that. So yeah, absolutely. I think the starting point for I sort of referred to the man on the street earlier, the starting point, there is certainly that mining, you know, isn't isn't your starting point is a green investment. But I think people are starting to understand that and actually, what's helping them understand that is the way that the, you know, the market has responded in the way that macro demand themes are, would appear to be supporting, you know, pricing on on on commodities that contribute to that suffocation and decarbonisation. But yeah, it's certainly certainly a conversation we have.

And I think it's really important that people get to understand that and I think Marx often explained himself on how he sort of views mining as supporting Vamp up 45% of global GDP through the materials we produce and supporting

development of infrastructure in developing countries supporting decarbonisation.

So this this, this is a it's really key for us that we can tell the story about the value our products can add to society in all these ways, whether it's decarbonization or frankly whether it's feeding people via you know, the crop nutrients business when we're up and running or whether it's through developing modern infrastructure, but that we can articulate that we're doing that in a in a responsible and sustainable fashion.

Ross Garner 9:03

Sure. What does that look like in Peru Mariana

Mariana Abuggatas 9:07

well in Peru is similar I think definitely, sustainability has been embedded in in KR eco since the beginning. This project was ready to start construction with all the permits from government in place and in 2011 we had to make a complete full stop people from okay our concern about water, not only about quantity, but quality the environment, and Mokuba is located in a part of pollute water scarcity is really high. So there are lots of concerns about mining companies around or near people. But definitely as As Rob mentioned, we have these potential to bring copper in the case of KL eco to a world and that will help for sure about decarbonisation.

Ross Dickie 9:59

What are some of the sustainability challenges that we're facing as a mining company, and then how are we adapting to those? And then as a sort of follow up to that, what are we doing to ensure that we're sort of leader in this in this field?

Rob Greenberg 10:12

Yeah. I mean, look, again, it's a good question. And so the globally, we're facing a range of key issues, and those probably translate through to us. And I think that, yeah, the challenge around doing what we have to do as a wider world to meet our climate goals is undoubtedly a key one for all of us. And Marianna says sort of care of echo is contributing to that via the products we produce. But also, there were water challenges.

And again, I think maybe sort of elements there from a cave echo standpoint, but social challenges inequality increasing, I think the pandemic has probably showing a bit of a light on that, when in fact, even before then we're sort of seeing social movements pertaining to inequality. And I think that this is an area again, where we have an opportunity to demonstrate the value we can add to the society to the communities and regions that we work in, through, whether it's the supply chains, the value of supply chain, drive, or whether it's a work around collaborative regional development, as well as obviously the products and the impacts they ultimately have.

So I think that those are the kind of the challenges no responses to them. But also like a challenge for us is to ensure that we can not just say we're gonna do something, but also do it. And I like to say that knowing honours guys at Quebec has been a fantastic example of saying you'll do something and doing it.

And I think we've set a range of ambitious goals, in environment, in social aspects, and also in sort of being a trusted corporate leader. And we have to ensure that we meet those goals to attain our the trust of society and retain our societal licence to operate.

So it's both the global goals and how they pertain to us and also our ability to demonstrate what we're doing. And the final thing I'd probably say as a challenge is, is thinking about your starting point on the wider industry, and how we, as Anglo American, as a mining company, and as a materials company can lead the industry and raise the bar for the whole industry.

Ross Dickie 12:30

And Mariana how, how does Kia VECO embody that, that approach or that sort of desire to be a leader in this field?

Mariana Abuggatas 12:38

Yeah, and maybe I can give you an example. I've mentioned that we had to go to a complete full stop, while we were just about to start construction. But we've

heard lots of concerns around Qayyarah, eco. And we started a process of effective engagement with all stakeholders.

And by this I mean, not only authorities, civil society and our company as well. And it is like that, how we started the dialogue table in 2011.

And after 18 months of conversation, we really got to understand those concerns around water. And we had to reevaluate the way we were going to use the water and lots of things around our project. So we prioritise the use of naturally contaminated water that was not suitable for human consumption or agricultural use even. It had high burn and arsenic content. And we also decided to use excess water that flows and usually ends up in the sea during the rainy season for and we built our dam, bees catches them under the concept of shared value. And we were allowed to return freshwater and deliver of water to a population that will allow the expansion of the agricultural frontier. But at the same time, we will also bring water for our project. So instead of having a small dam, we ended up with a dam that was almost three times bigger than that, in order to provide water for the community as well.

Another thing we had to do was divert a river that went through our property through the place where we are going to have the pit. And these diversion is a seven kilometre tunnel that will avoid this water coming into contact with our operations. So we are using technology and also having the concerns of the community to reimagine the way we were going to deliver copper in the future. So I think that was really important for us. We had a monitoring committee established to verify that we comply with all the things we agreed on doing Those 18 months we were discussing, because it was not only related to how we were going to be responsible with water management, but also how we were going to care for the environment and social responsibility.

So what we have now is a really important space, the Monitoring Committee, where we, every month provide information about how we are evolving progressing, but also how are those 26 commitments we agreed on evolving as well, some of them were going to be delivered before construction, others during construction, and some of them are remaining for when we start

operations. The progress of the commitments, as I mentioned, are being constantly reported. And I think that this is key. And it's part of being transparent, providing information, but also listening to constraints of the community. You guys,

Ross Garner 15:57

I think, make a convincing argument. And I think that there's, in the public imagination, when you hear a mining company talk about sustainability, it can sound like greenwashing, by which I mean, I'm talking about environmental credentials as a way of covering up the sins that may be going on.

But actually, the way you're talking about it just now is that the activities that you're undertaking, are crucial to the operation of your business, because you need to have good relationships with your investors, protect customers, with local and national governments, with the local communities that you're working with. And it's, you're actually partnering with these stakeholders to address their concerns in an environmentally sustainable way. And to an extent you don't have a choice in that, by the sounds of it. It's a both the right thing to do. But it's also like a critical to your ongoing operations. Is that fair to say?

Rob Greenberg 16:51

Yeah, I think and what Marianna says illustrates beautifully some of the ways that we can, you know, as you say, partner with and, and add value to our local communities and regions. And we actually also saw that in the earliest stages of the, of the pandemic, in South Africa, where there was there was a brief period where in common with a lot of countries, businesses were being closed down in response to controlling the spread, left, right and centre.

And very quickly, it became obvious that we, through operations, as well as mining, we're providing water, power, other infrastructure, to local communities. And that was actually the reason why it was decided that we should remain open because we were recognised as being so critical to support of local communities. So no, I think what you said is exactly right. And I think actually, it's important that we can articulate that story as well as as well as doing it.

Ross Dickie 17:57

In your experience, used typically responsible for ensuring sustainability is



embedded at a site level, to people listening, kind of who's actually going to sort of make sure all this stuff actually happens.

Mariana Abuggatas 18:09

Definitely, we are all responsible for ensuring that sustainability is incorporated at site, this will never be achieved. If we don't involve operation areas, field areas, we need to continue searching for better ways of doing things, but always having sustainability of part of the decisions we take.

So in our case, we are we were really lucky, we had the opportunity to start from scratch and having sustainability as an ally, helping us identifying in advance what we could do things in a better way. We are having discussions every month with all areas that have something to do with our pillars, thriving communities, healthy environment and trust Recopa leader. And we take them out of their daily work to discuss how we're working to reach our targets, sharing ideas, or solutions from other places that can be adapted to our future operation.

So since we are in construction, we have that luxury of really looking for long term things that could that needs to start from now. And I would like to share a quote that I read some time ago that just stuck with me, it was that copper has the potential to induce a sustainable future. And that has a lot to do with what Rob has already mentioned. The sentence left me thinking about the importance of what we're doing to produce and that besides what we have been already doing, aligned to our purpose of reimagining mining to improve people's lives. When we start producing, we will continue to continue to do it by providing corporate to the world. But definitely, we are doing so many things and we won't have that much time to share all of that with you. But we will start from day one operations with 100% renewable energy.

And we really have lots of things that we've included it like half a freshwater target consumption of sea will point 41 cubic metres per tonne produced. So those kinds of things are huge. And, and those are hand in hand with technology. We are also having a way of having this net positive impact in biodiversity protecting wetlands gain, you are stories that are part of our biodiversity in Peru. And we are also looking for ways of helping education. We

have identified 56 schools and two institutions of higher education that we can help to get their target as their goals to improve the way that they will start learning. And definitely that's been part of our community, we are really engaged, we live our purpose.

And and with these examples, really, we are letting them know that we walked the talk. And I will want to end adding something about the CRD platform that Rob mentioned. Definitely we have launched that last year in Peru, it's called Mokuba Cressy. And this collaborative regional development platform made a special study spatial study of all the territory in moquegua. And we put layers of information to identify the potentialities that the territory had in the whole region, not only where we were based, and this study brought lots of information to to identify those potentialities of moquegua.

And we share that information along the whole process. Since day one, with authorities with civil society, we've heard also what they had to say. And now we are promoting things that are not necessarily linked to mining, but will help them have a better life. And imagine if we do this what we are doing right now only in the sector of Peru, at the whole country, we will be really targeting and making better decisions, thinking in the long term because many people think that we need communities ask you for something, and you want to just deliver what they are asking.

That's not the proper way of doing things. So we work together, but we also analyse if whatever we are going to do will be sustainable in the long term. So I think that's that's part of the way we do things. And it's really linked to our purpose. We need to inspire all all stakeholders. And we need to start with our co workers for sure.

Rob Greenberg 22:50

If I may, I just wanted to add an echo a little bit of what Mariana said there about collaborative regional development and actually collaboration more broadly than that, because you sort of asked who's responsible, and it's, it's not something we can do on our own.

I think that the the integration approach to ensure that best practices are shared across businesses, the collaboration between technical specialists of different functions, and also between the businesses, and the functions is absolutely critical to this. So the responsibility is, is more than than just one place. And the embedding and integration is something that we inherently need to do as a business and collaboration is absolutely central to this.

Ross Garner 23:33

Our if I may ask about existing operations, where sustainability could be improved, because certainly Marianne has done an awful lot of work. She's achieved an awful lot of positive outcomes, but she's also started with sustainability in mind for those operations that already exist. And maybe people listen to this podcast think that they could be doing better. Is that does that present? Is that more difficult context? Are there things that can be done and are people welcome to share ideas? And how does how does that work? Yeah,

Rob Greenberg 24:02

look, is it more difficult I suspect if you ask Mary on her team and having to build the thing from scratch, it's very difficult to but look absolute

Ross Garner 24:12

effort. It's very powerful.

Rob Greenberg 24:15

It's it's different talent, it's a different challenge. A clean clean sheet of paper is definitely a benefit in a lot of respects and there's an opportunity for care backhoe to be the most modern mine has ever been produced, ever been built and, and to contribute sustainability in a way that others haven't before.

But equally, there are opportunities right across the business now, whether it's in terms of implementing our hydrogen powered haulage to reduce emissions at the site level, which undoubtedly there are opportunities across the open pit portfolio, or whether it's more from a social perspective where there are different socio economic needs in different areas and different employment needs in different areas. Absolutely. There's loads and loads to be done. sustainable binding plan was was designed to to address these issues.

And it was a 12 year plan when it was set up before years it and there's a lot to do still and lots of opportunities, a lot of work to do. So, I mean, one of the key areas, I guess, sort of we've talked about some of the environmental ones, and certainly water is going to be a major focus in into the Andean operations, but also in Africa, as well, and in Australia, for that matter. supporting jobs and supporting or creating jobs and local employment, you know, again, in the, in the profile of countries in which our portfolio operates. That's, that's, that's key for us, I think, and probably more so than some of our peers who are more focused on more developed jurisdiction. So look, that there's, there's a lot of things that still need to be done.

I mean, I think there's, we're far from saying we're done with this. And far from saying that we're, we're perfect, not all the guys listening to this will know, we're all doing tonnes of work to improve things and to make things better for all our stakeholders. And I think there's also opportunities for more strategic perspective with our products. And we've sort of seen the evolution of our portfolio, away from things like thermal column towards more copper and towards, quote, nutrients, all of which suit those macro themes of sustainability that I talked about earlier on. So yeah, it's an evolution for the business strategically and operationally.

Ross Garner 26:38

Yeah. And for anyone listening to this to, it's good to come away thinking okay of eco that sounds like the easiest project in the world, I think we should remind our listeners that might interest you had to build a seven kilometre tunnel underground to read over a river that made

Rob Greenberg 26:51

it look easy.

Ross Dickie 26:55

Would either if you'd like to add anything before we wrap up,

Mariana Abuggatas 26:57

so Ross, we all have a great opportunity to include sustainability on our decisions, because more but everything keeps adding up and aiming to our

purpose. It depends on the efforts of all of us that we can achieve the different goals we have set hand in hand with sustainability and innovation, for sure.

I also think that today, we have the obligation to be disruptive, using innovation and sustainability as our allies for sure. to challenge the way we have always been doing things even in the way that we engage with our neighbours. Here, we all have our fundamental role as leaders of change. And keeping in mind, always, always the person's human beings and trying to make their lives better, if we will, that daily, we will be closer to achieving a more developed just fair world by positively impacting people's lives.

Rob Greenberg 27:49

And I'd probably just slightly reiterate what I said before that this is not something that we can do alone or in silos, collaboration is absolutely key to this. And I think our ability to show leadership and drive the way we make decisions, whether it's an investment decision or an operating decision, or day to day decision about anything by understanding better the impacts on our stakeholders is key.

But to understand that property collaboration is going to be central to I think we want to show leadership, and I think collaboration is the way to do it.

Ross Dickie 28:21

Great. Okay. So let's wrap up. Ross, will you be taking away from this conversation and applying in your life this week?

Ross Garner 28:29

Yeah, I think I'll just be reflecting on the broader concepts of sustainability. I think we've documented this podcast thinking about environmental sustainability, but actually, a lot of what you talked about was the sustainability of communities. So providing education, clean water, jobs, these kinds of things. If you don't have a community's there to support Anglo Americans operations, then those operations aren't sustainable. So I think that was a fresh perspective for me, and something I'll be reflecting on.

Ross Dickie 28:58

Yeah, I think, for me, it's it's kind of what Rob was saying at the beginning is you

know that sustainability is just the right thing to do. It's also the right thing to do for our business. And as you're saying, collaboration is key to that. And I don't know, just within the business, but working with the communities where we operate. Robert had a message for accelerators, what would that be?

Rob Greenberg 29:20

No, I think that's it. It's, it's if we want to make this a sustainable business into the future, then we need to work together on this. And I think collaboration leadership is central to that.

Ross Dickie 29:32

Mariana, did you have anything to a message you'd like to share with accelerators?

Mariana Abuggatas 29:37

Just to really be disruptive and be curious and always be asking why and why is this been done like this thinking ways of doing things differently? Sometimes, by doing that we can achieve really, really good things for people's lives.

Ross Dickie 30:02

So before we go, just go to him for a regular feature. One thing I've learned this week, Ross, do you want to go first?

Ross Garner 30:09

I sure will. And so this week, I learned something that's not at all sustainability related. I was reading a Twitter thread from Twitter. So Twitter user, Uncle Bernbach, writes about advertising and the thread focused on the story behind Cadbury's gorilla commercial. Now, I suspect this didn't play in Peru. So Mariana may have no idea what I'm talking about, by hope that Ross and Rob remember the art of a gorilla sitting at a drummer Phil Collins.

Exactly, yeah, so for the international audiences. Back in 2007, Cadbury's chocolate aired an ad on TV featuring a gorilla sitting at a drumkit Phil Collins in the air tonight plays, and when the drama dread the drums in the song kick and the gorilla starts playing them. And what stands out about the ad, is it doesn't show any Cadbury's products whatsoever. So don't want to ruin this thread.

But I think it's worth checking out to see where that idea came from, and also how controversial it was within Cadbury. And then ultimately, how incredibly successful it was to focus on the feeling that Cadbury's chocolate gives you rather than the product itself. So I'll put a link to that. In the show notes. It's a really interesting story. Great.

Ross Dickie 31:19

Rob was one thing we've learned this week, I'll give

Rob Greenberg 31:23

a quick one which I was, I actually shared with with with my wider team the other day, when I had been sort of reflecting on how we go about our lives, particularly in this this new world of primarily working from home or partly working from home and how we understand how we function.

And when when I always assumed that some people were just better at getting up and some people were worth getting up. But actually, you know, people are all different. There's things called Chronotypes to determine when you're good at doing things and different times of the day. So it was fascinating for me to figure out that it wasn't just that I was bad at getting up and found off the hour after lunch difficult. That was a normal thing. So I was quite pleased to hear that.

Ross Dickie 32:08

Have you been reading 'Why we sleep' by any chance?

Rob Greenberg 32:12

Not that one, it's pretty similar. But the main point I took from it actually, it's you know, it's interesting, but actually what you really learn is to understand how your team works, how parts of your team work. And when you can be at your most effective, I always think that we we were very careful and precise about how we maintain our physical equipment. But we have to be equal equally careful and precise about how we maintain ourselves to operate as effectively as we can.

Ross Dickie 32:41

Absolutely. Mariana what's one thing that you've learned this week,

Mariana Abuggatas 32:43

is something really domestic. This week, my son started classes after two years of being just inside the house learning from, from from the computer with their teachers. And I was worried on how this new change was going to come since I have a little one just born during the pandemic.

One thing that I was worried about is how was he going to do in school his first day. And that showed me how resilient children are, and how happy they are to new things again, and I think that that's important, we need to be like child's, the children sometimes to to be just eager to go to new things and just experiment them.

And that's something that I've learned from my child this week, that it's important to be curious, to be happy to be doing new things. And it's okay to be a little bit afraid. And it's not bad to show it as well. We need to show sometimes our vulnerability is to be closer to others and let others be closer to us and share us well. That's what I learned this week.

Ross Dickie 34:04

Great. Well, speaking of childlike curiosity, I've been learning something new we're exploring VR so recently acquired a VR headset. Mostly for work purposes, we're exploring how it can be applied for learning. But also we use it to play some games playing this game called super hot, which is a sort of Matrix style game. And what I realised is that I think I sweat more playing this game that I do want to go running.

I find it incredibly stressful. It's so immersive really feels like they're like agents running towards me. Take the headset off. I mean, admittedly, I do run with a massive headset on but it was incredibly stressed like anxious really felt like I was completely immersed in the situation so eager to explore well, more games, but then also how we can apply this for learning as well.



And that's it, you've been listening to the Future Talent Learning podcast with me Ross Dickie and Ross Garner. Our guests this week were Rob Greenberg and Mariana Abugattas. Thanks for listening. Bye for now.