

INTERNAL

BUSINESS INTEGRITY



**“Our policies guide us
to do the right thing.”**

Mark Cutifani
Chief Executive

GROUP CONFLICTS OF INTEREST PREVENTION OF CORRUPTION PROCEDURE

v.1

Valid from: 15/05/2019

Policy owner: Head of Ethical Business Conduct

Context:

This Procedure explains what may constitute a conflict of interest in the context of Anglo American's operations, and sets out our approach to preventing such conflicts and managing the risks that they can create.

The Procedure:

- *Describes the company's policy on conflicts of interest.*
- *Gives different examples of conflicts of interest.*
- *Describe what constitute unacceptable conflicts of interests and sets out how to mitigate the risks.*

Does this apply to me?

The Group Business Integrity Policy and its accompanying Prevention of Corruption Procedures apply to all employees and contractors of Anglo American. Anglo American's supplier contracts will require suppliers of goods and services to the Company to adopt this Policy and its Procedures or equivalent standards and our Board representatives will seek to secure the adoption of comparable standards in joint ventures or associate companies.

These are Group Procedures that apply to Anglo American globally, unless any aspect of their content is not permitted by local law or regulation.

What are Group Function and Business Unit Responsibilities?

ABAS – Ethical Business Conduct Team (EBCT)

- The EBCT are responsible for maintaining and communicating the Business Integrity Policy and its accompanying Prevention of Corruption Procedures around the Group through training and awareness-raising activities.
- The EBCT are responsible for developing and sharing good-practice examples of conflicts of interest registers and other relevant prevention of corruption materials to Corporate Functions and Business Units where requested to do so.
- The EBCT are responsible for providing advice and guidance on how to resolve individual conflicts of interest identified by Corporate Functions and Business Units in line with the Anglo American Code of Conduct and Business Integrity Policy.
- The EBCT are responsible for monitoring the implementation and effective functioning of the Business Integrity Policy and its accompanying Prevention of Corruption Procedures.

Group Legal

- Group Legal are responsible for providing a legal opinion, where requested to do so, on whether an identified conflict of interest involving one or more Group personnel represents a breach of any legislation to which Anglo American Group is subject.

Business Units/Corporate Functions

- All Business Units / Corporate Functions are responsible for ensuring that a conflicts of interest register is in place and that all designated personnel with managerial (including recruitment, promotion or procurement) decision-making and personnel oversight authority fully complete a conflicts of interest declaration upon joining the Group and update this on a regular basis (at least annually).
- All Business Units / Corporate Functions are responsible for defining which employees, contractors and third parties, whose roles expose them to the risks of bribery and corruption, including conflicts of interest, must receive online and focused Business Integrity training.
- All Business Units / Corporate Functions are responsible for defining and communicating which Line Managers or other designated Senior Manager(s) have the authority to adjudicate whether a conflict of interest is acceptable or not, and - where it is acceptable – how it must be appropriately managed before written approval to maintain the relationship(s) in question is provided.
- All Business Units / Corporate Functions are responsible for ensuring that they have robust consultation, disclosure and approval processes in place in relation to conflicts of interest, and that these processes are clearly communicated to employees.
- All Business Units / Corporate Functions must ensure compliance with local anti-corruption laws.

What are Conflicts of Interest?

Conflicts of interest can arise in situations when:

- Financial or personal considerations may influence, or appear to influence, the judgement of an employee in conducting their duties.
- Private and company interests are mixed.
- Business decisions are based on private interests.
- The other interest/activity is so intensive as to distract an employee from effective fulfilment of their duties.

Examples of Conflicts of Interest

- **Outside jobs and affiliations.** Examples include an employee having a second job, performing services, serving as a director or consultant or holding a financial interest in a third party organisation which is a customer, competitor, potential business partner or a supplier of goods or services to an

Anglo American company – or seeking to become so. These situations may give rise to a conflict of interest or the appearance of a conflict of interest.

- **The jobs and activities of close relatives.** The activities of close relatives performing services for customers, potential or actual business partners, competitors or suppliers of Anglo American may also give rise to actual or perceived conflicts of interest. For the purpose of this Procedure, a 'close relative' means a spouse, partner, intimate, parent, step-parent, dependent, child, stepchild, sibling, step-sibling, nephew, niece, first cousin, grandparent and grandchild (including in-laws).
- **Serving on the board of directors of another organization.** In certain situations employees may be asked to serve on the board of directors of another organization, either commercial or not-for-profit. This may give rise to conflicts of interest.
- **Investments held by employees or their close relatives.** Conflicts of interest can occur if investments are held by an employee in competitors, potential or actual business partners, suppliers or customers of Anglo American which are sufficiently material to the net worth of the individual to impair, or be perceived to impair, the ability of employees to make objective decisions on behalf of Anglo American.

Two more detailed illustrative examples are provided in [Appendix 1](#) below.

What are my Responsibilities?

Employees must avoid actual or perceived conflicts of interest involving themselves or close relatives and where such a conflict has the potential to arise and must draw this to the attention of their line manager and of any person designated by their operation or Business Unit / Corporate Function for this purpose.

Actual conflicts of interest must be avoided, but even the appearance of a conflict of interest can be harmful and needs to be made transparent and subject to independent oversight.

The key requirement of this Procedure is that all potential conflicts of interest must be declared and transparent, and approved in line with the Business Unit's / Corporate Function's approval process.

It is mandatory that everyone attends and/or completes the relevant Business Integrity training and awareness on conflicts of interest.

It is everyone's responsibility to know where to go to for further guidance (e.g. guidance on the portal) and who to speak to if necessary (e.g. the EBCT). If you are in any doubt about a situation, or require a clearer interpretation of what is appropriate, legitimate or ethical business behaviour, you must discuss this with your line manager or seek advice from the EBCT.

Outside Jobs and Activities

Employees must never work or provide services for anyone or any organization that they deal with as part of their job for Anglo American. Other outside employment or similar activities may only be taken up with the prior written approval of their line manager or a senior manager designated by their operation or Business Unit / Corporate Function for this purpose.

In the case of any other relationships with competitors, potential or actual business partners, customers or suppliers, an employee must first disclose these and obtain prior written approval from their line manager or any person designated by their operation or Business Unit / Corporate Function for this purpose. They must ensure that in taking on any such role that they do not compromise their ability to devote their principal energies to their job with Anglo American.

Serving on Boards of Directors

Any employee considering outside directorships must obtain prior approval from their line manager or any person designated by their operation or Business Unit / Corporate Function for this purpose.

Close Relatives

If an employee becomes aware that a close relative works or performs services for a competitor, actual or potential business partner, or a customer or supplier, they must promptly notify their line manager to determine if action is required. In general, relatives of Anglo American employees must not have business dealings with them or with anyone reporting to them.

In addition, it is not acceptable for any employee to be in a position where they are able to hire, supervise, affect terms and conditions of employment or influence the management of any close relative, regardless of whether that person is an Anglo American employee or employed by an Anglo American contractor. Exceptions require specific approval in line with the Business Unit / Corporate Function's approval process, for e.g. the relevant employee's line manager or any person designated by their operation or Business Unit / Corporate Function for this purpose.

Personal Investments

Anglo American respects the right of all employees to make personal investment decisions as they see fit, as long as these decisions do not contravene this Procedure or any other applicable policy or legislation and provided these decisions are not made on the basis of material non-public information acquired by reason of an employee's service with Anglo American (in accordance with the **Group Dealing Policy**).

This Procedure relates only to investments which are directly held by employees. Investments which are indirectly held via pension schemes or mutual funds for example, where the employee has no discretion or influence over the investment decisions made, are not relevant for these purposes.

Some investments are always wrong. An employee must never invest in a supplier if they have any involvement in the selection or assessment of, or negotiations with, the supplier or if they supervise anyone who has such a responsibility. An employee must never invest in a customer if they are responsible for dealings with that customer or supervise anyone with such responsibility.

For other employees any substantial interest in a customer, supplier or competitor requires the prior written approval of the employee's line manager. For the purpose of this Procedure a substantial interest means any economic interest that might influence or appear to influence your judgement. If in doubt, employees must consult their line manager or any person designated by their operation or Business Unit / Corporate Function for this purpose.

When deciding whether an investment might create a conflict of interest an employee must consider the following questions:

- Would the investment affect any decisions I will make on behalf of Anglo American?
- How would my investment look to others inside the Group – would they think it might affect how I do my job?
- How would my investment look to someone outside Anglo American, such as a customer or shareholder?

Gifts and Entertainment

Conflicts of interest can arise where employees are offered or accept gifts, hospitality or other favours which may be perceived to influence their judgement in relation to business transactions such as the placing of orders and contracts.

Employees must also refer to the **Gifts, Entertainment and Hospitality Prevention of Corruption Procedure**.

Disclosure

If employees think they may have a conflict of interest or that others might think that an activity in which they are engaged represents a conflict of interest, they must promptly disclose this to their line manager.

If subsequent to making an investment or becoming involved in an activity an employee becomes aware that they do or may have a conflict of interest they must inform their line manager as soon as possible. Many conflicts of interest can be resolved in a manner that is mutually acceptable but they must be explicitly addressed.

Failure to disclose an actual or potential conflict of interest at the time the conflict became known or should reasonably have become known may lead to disciplinary action.

Spreading the Word

Training and Communication

All relevant employees and contractors must be made aware of the Group Business Integrity Policy and its accompanying Procedures in their induction.

Workshop and online training are provided to those employees, contractors and third parties whose roles expose them to the risks of bribery and corruption, including conflicts of interest. These 'relevant' employees will be defined by Business Integrity Implementation Managers in conjunction with their Heads of Department, and, where appropriate, the EBCT.

Communication and awareness materials are available to ensure that the Policy, the requirements of the Business Integrity Prevention of Corruption Procedures and supporting tools are regularly communicated throughout the organisation through communications, management engagement, EBCT briefings and training.

All Business Units / Corporate Functions are responsible for ensuring that their consultation, disclosure and approval processes in place in relation to conflicts of interest are clearly communicated to employees.

Keeping on Track

Monitoring, Reporting and Assurance

Adherence to the Business Integrity Policy and implementation and evolution of its associated programme is subject to regular reporting and monitoring, and annual assurance to enable the determination any development or adaptation of Policy, Procedures, controls and training that may be required.

Consequence of Breach

Employees, contractors and suppliers must report any breaches, or potential breaches of the Business Integrity Policy and this Procedure. Violations of this Procedure will lead to disciplinary action in accordance with the Group disciplinary procedures. Disciplinary actions may involve sanctions up to and including summary dismissal.

We are committed to reporting all instances of corruption and other forms of dishonesty to the relevant authorities and to facilitating criminal action against the individual(s) concerned and we will seek redress for any losses arising from such actions.

YourVoice

The YourVoice facility provides a confidential and secure means for our employees, contractors, suppliers, business partners and other external stakeholders to report and raise concerns about conduct which is contrary to our values and standards, as described in our Code of Conduct, the Business Integrity Policy and the accompanying Business Integrity Prevention of Corruption Procedures.

YourVoice provides telephone and website intake channels operated by independent companies in the regions that Anglo American operates. The facility is available 24 hours a day, seven days a week and includes translation services. A link to the YourVoice facility is provided on Eureka!. YourVoice can also be contacted via www.yourvoice.angloamerican.com.

At Anglo American we do not tolerate any form of retaliation against employees raising concerns in good faith. Allegations of retaliation against or harassment or intimidation of an employee by others as a result of a call to YourVoice will be investigated and appropriate action taken, including disciplinary action up to and including dismissal of the employee(s) responsible for reprisals.

Further Information

Internal References

This Procedure must be read in conjunction with the following other resources:

- Group Business Integrity Policy
- All relevant Business Integrity Prevention of Corruption Procedures
- Group Whistleblowing Policy

Appendix

1. Illustrative examples of conflicts of interest

If you need any further information, contact the Ethical Business Conduct Team via EBCT@angloamerican.com.

Appendix 1: Illustrative Examples of Conflicts of Interest

Illustrative example 1

You have just been asked to act, in your free time, as a board member of a charity. You have a longstanding involvement with its work. The charity has specifically approached you to join the board because of your professional background in human resources. The board meets one evening a month. Board members also occasionally attend day and evening events promoting the charity's work.

The following issues must be considered:

- Will you be able to balance your family and work responsibilities and this new role, without detriment to your family and work life?
- As board member of the charity, might the role represent a real or perceived conflict of interest with your responsibilities for Anglo American? For example, is the charity currently seeking financial support for its work from Anglo American? If so, does the charity have processes in place enabling you to abstain from voting or discussion on these matters?

- Might your relationship with the other board members give rise to a real or perceived conflict of interest? In their professional lives are the other board members affiliated to a customer, competitor or supplier of Anglo American?

Resolution

If, after careful consideration and consultation where appropriate, you are satisfied that these factors do not give rise to any concerns, then it would be reasonable to accept the appointment, provided that the required approval has been obtained.

Illustrative example 2

In the course of interviewing a very strong applicant for a role in Group Supply Chain, you discover that the applicant's brother-in-law works for a major supplier of Anglo American.

The following issues must be considered:

- Does a potential conflict of interest arise? If the applicant were hired, would their responsibilities involve them in dealing with the supplier for which their brother-in-law works? Would the applicant potentially be in a position to award contracts to that supplier or influence the award of contracts?
- How would such an appointment be viewed externally?
- Is there a way in which this situation can be avoided, either by reallocating the applicant's proposed responsibilities or ensuring that any decisions involving the supplier concerned are independently reviewed and approved?

Resolution

Anglo American seeks the best quality candidates for its operations. If the role did involve awarding or influencing the award of contracts to the supplier for which the applicant's brother-in-law works, this would give rise to a conflict of interests. Any conflict of interests must be reported to the line manager and consideration given as to how decisions involving this supplier can be reallocated to others in the team or measures that can be applied to ensure contracts are awarded transparently.

Document Control

Procedure approval:

Name/job title of Policy owner:	Group Director - Finance
Approval date by Policy owner:	19/11/2018

Document Control

Frequency of procedure review after date of issue:	Every 2 years
---	---------------

If this procedure has one or more approved waivers in place:

No.	N/A
Waiver applies to	N/A
Waiver in place from	N/A
Expiration of waiver	N/A
Date waiver approved	N/A

The following changes have been made since this document was previously issued:

Old procedure name, date, and version number:	Group Conflicts of Interest Prevention of Corruption Procedures (Nov 2018)
Main changes made:	<ul style="list-style-type: none"> Replaced Speak Up with YourVoice as the name of the Whistleblowing service and update associated content.

Suggested changes to the Procedure:

Any suggested changes or amendments to this Procedure document should be submitted to the Policy owner along with the reasons for suggesting them. Updates to this Procedure will, from time to time, be tabled for approval at the Policy Governance Committee.

All suggestions will be acknowledged and if rejected, the reasons given for their rejection.

Accepted changes will be administered through the policy governance system.