

INTERNAL

BUSINESS INTEGRITY



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

Mark Cutifani
Chief Executive

GROUP SPONSORSHIPS PREVENTION OF CORRUPTION PROCEDURE

v.1

Valid from: 15/05/2019

Policy owner: Head of Ethical Business Conduct

Context

This Procedure sets out our approach for managing any corruption risks that offering sponsorships can create for Anglo American.

The purpose of this document is to set out the standards of conduct required at every level within Anglo American, our subsidiaries, joint ventures and associates on the part of those with which we do business and those who work on our behalf in providing and managing sponsorships. The Procedure:

- *Describes the circumstances in which sponsorships may legitimately be offered, promised and provided.*
- *Sets out corruption risks associated with providing sponsorships.*
- *Outlines mandatory procedures for evaluating and approving proposed sponsorships.*

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 example approaches of evaluation and approval mechanisms for sponsorships and other relevant prevention of corruption materials to Corporate Functions and Business Units where requested to do so.
- The EBCT must be consulted in the case of any doubts as to the appropriateness of a proposed sponsorship.

- The EBCT are responsible for providing advice and guidance on how to resolve unsuitable sponsorships identified by Corporate Functions and Business Units in line with the Anglo American Code of Conduct and Business Integrity Policy.
- The ECBT 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 any proposed or active sponsorship undertaken on behalf of Anglo American represents a breach of any legislation to which the Group is subject.

Sponsorship Approval Committee

- The Sponsorship Approval Committee is responsible for the review and approval of all proposed sponsorships in excess of \$100,000.

Business Units / Corporate Functions

- All Business Units / Corporate Functions are responsible for defining and communicating their own sponsorship due diligence processes.
- All Business Units / Corporate Functions are responsible for ensuring that there is a process of approval for all relevant categories of proposed sponsorships below \$100,000 in value.
- The Business Units / Corporate Functions are required to conduct adequate risk based due diligence. Questions and issues raised should be resolved and adequate records of the process and results should be maintained. The results should also be reported to the designated management.
- All Business Integrity Implementation Managers, in conjunction with the Business Unit Heads and, where appropriate, the EBCT are responsible for determining who requires training in their respective Business Units / Corporate Functions and to monitor completion of training.
- All Business Units / Corporate Functions must ensure compliance with local anti-corruption laws.

What Constitutes Sponsorship?

A full definition of sponsorship and the different types of sponsorships that may be undertaken, together with further information on Anglo American's agreed Group sponsorship themes, can be found in the **Group Sponsorship Policy** and its accompanying Procedures.

What are my Responsibilities?

Sponsorship may be an important part of Anglo American's communication with customers and stakeholders and provides a means of strengthening the Anglo

American brand with target groups. This differentiates it from charitable donations or social and community investments since sponsorships are typically undertaken with a clear expectation of a direct business return.

Nevertheless, sponsorship can create the appearance of impropriety if it is seen as being linked to seeking or obtaining an improper advantage.

In addition, Anglo American sponsored activities and events typically provide opportunities for entertainment and hospitality. As such, this Procedure must also be read in conjunction with **Group Gifts, Entertainment And Hospitality Prevention of Corruption Procedure**.

A detailed illustrative example has been provided in [Appendix 1](#) below.

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

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.

Circumstances in which Sponsorship is Unacceptable

Sponsorship may not be promised, offered or provided in exchange for a contract, permit or specific regulatory benefit. It must not be offered to obtain an improper advantage in the conduct of business or if it is likely to be perceived as having this intention.

Sponsorship may not be offered, promised or provided if it is:

- Offered or provided in exchange for a contract, permit or similar specific regulatory benefit.
- Offered with the intention of seeking to obtain an improper advantage in the conduct of business.
- Likely to be perceived as having this intention.

Sponsorship Evaluation, Approval and Consultation

Sponsorship arrangements must be transparent and where applicable, subject to a formal contractual arrangement, in line with the Business Unit / Corporate Function's processes. Where appropriate, relevant due diligence must be carried out on any organisation requesting or receiving the benefit of Anglo American sponsorship to ensure that its constitution, activities and reputation are appropriate to and consistent with Anglo American's values and Code of Conduct. All proposed sponsorships in excess of \$100,000 must be sent to the Group Sponsorship Approval Committee for central review. The Ethical Business Conduct Team must be consulted where there is doubt as to the appropriateness of a sponsorship.

Risk Factors

Some examples of warning signs that offering or providing sponsorship risks creating an appearance of impropriety or may be linked to obtaining an improper advantage are:

- Sponsorship of an activity or an event linked to a public official or sponsorship of political events.
- Sponsorship of an event which provides significant or lavish benefits to those attending.
- A cost of sponsorship which is excessive, relative to the nature or size of the event sponsored.
- Entering into arrangements where it is unclear how the sponsorship monies will be used or applied.
- Sponsorship arrangements where there is no clear or justifiable marketing or community relations purpose.
- The request for sponsorship is closely related to community members or professional advisers who are undertaking an important function for Anglo American, such as being on a standing community liaison panel or participating in the governance and oversight of a resettlement project, the performance of which can have a direct and material impact upon Anglo American's business.

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 facilitation payments. 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 and escalation processes in place in relation to facilitation payments 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 Sponsorship Policy and Procedure
- Group Whistleblowing Policy

Appendix

1. Illustrative example of sponsorships

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

Appendix 1: Illustrative example of sponsorships

Illustrative example 1

You are in negotiations concerning an environmental impact assessment with a public official. You are aware that the official's spouse is a keen collector and promoter of landscape art, is planning to put on an exhibition at a local gallery and is currently seeking funding. The gallery has asked you if Anglo American may be interested in sponsoring the exhibition in return for publicity in all of the related promotional material and the opportunity to entertain clients at the launch event. The sum involved is relatively modest and you know that the paintings are of a very high quality. As such, you are minded to accept, reasoning that this will provide valuable exposure for Anglo American and create goodwill in a new operational location.

The following issues must be considered:

- | |
|---|
| <ul style="list-style-type: none"> • Are you providing something of value? |
| <ul style="list-style-type: none"> • Is there a justifiable business purpose for sponsorship of the exhibition? |
| <ul style="list-style-type: none"> • Is there a business related decision pending on the part of the government? |
| <ul style="list-style-type: none"> • How might sponsorship of the exhibition be perceived by the company or by an objective third party? |

Resolution

Although the sum involved is modest and there may be a clear business and commercial justification for the sponsorship, the manner in which it is perceived will depend on the context.

In this example, if given, sponsorship would be provided in support of a project run by a close relative of a government official who appears to be in a position to influence Anglo American's operational and commercial prospects. As such, there is a risk that the sponsorship may be perceived as being provided in exchange for favourable treatment for Anglo American by the public official whose spouse is arranging the exhibition.

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
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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 Sponsorships 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.