

PUBLIC

BUSINESS INTEGRITY

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

Mark Cutifani  
Chief Executive



# GROUP BUSINESS INTRGRITY POLICY

v.1

Valid from: 13/03/2018

Next review: 13/03/2020

Policy owner: Group Director – Finance

## Context:

Our Code of Conduct sets out the standards and expected behaviours which guide how we do business. These make clear that we are implacably opposed to corruption, which goes against our core values of integrity and accountability. We will neither give nor accept bribes nor permit others to do so in our name, either in our dealings with public officials or with suppliers and customers. We are committed to operate to the same high standard of integrity wherever we work.

As a long-term investor, we are committed to contributing to the sustainable development and good governance of the countries where we work. Corruption undermines that objective; it erodes trust, drives away investment, undermines the rule of law upon which our investment security depends, and increases the costs and unpredictability of doing business. It significantly reduces the ability of our business to produce positive development outcomes.

Bribes and other corrupt payments are illegal. In addition to compliance with this Policy, our employees and contractors have a duty to uphold and comply with the laws of the countries and jurisdictions in which they operate.

The purpose of this Policy 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 combating corrupt behaviour of all types. The Policy:

- Describes the principal bribery and corruption risks for Anglo American.
- Sets out the consequences of non-compliance with the Policy.
- Identifies the principal related guidance to eliminate corruption at Anglo American.
- Provides the foundation for the associated Business Integrity Prevention of Corruption Procedures (Procedures), which are summarised on pages 4-8. These Procedures provide more detailed guidance on how to identify a potential or actual situation of corruption, and set out the controls that must be in place and the behavioural standards required to manage the risks of bribery and corruption and to undertake business with integrity.

We are committed, through our involvement in international frameworks such as the Extractive Industries Transparency Initiative (EITI), and our mandatory transparency filings such as the Payments to Government Report, to working with stakeholders in government, business and civil society to promote good governance, the responsible use of mineral wealth and to prevent corruption. We will be advocates for the EITI in the countries where we operate. In those countries where our host government has decided to implement the EITI we will fully support the process. In addition, we make disclosure of our tax and royalty payments for our most significant countries of operation in both our annual 'Sustainability Report' and our 'Tax and Economic Contribution Report'.

## Does this apply to me?

This Policy and its accompanying 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.

This is a Group Policy that applies to Anglo American globally, unless any aspect of the Policy is not permitted by local law or regulation.

## What do I need to know?

### *Definitions*

For the purposes of this Policy, **corruption** is defined as "any act intended to result in the misuse of entrusted power for a personal or corporate gain." This includes bribery, conflicts of interest, theft, extortion, fraud and misuse of company assets. **Bribery** is defined as "the act of promising, offering, or giving an advantage to a person or entity, either directly or indirectly, so that the person or entity perform or refrain from performing, an act in breach of their business or public duties."

Common examples of bribery include:

- Cash or other forms of payment that is used to secure a contract or obtain a license.
- Improper donations to political parties or related organisations.
- Excessive gifts or entertainment intended to influence the recipient to undertake a particular course of action.

For the purpose of this policy, a bribe may consist of anything of material value, not simply a payment of cash, and may include the provision or receipt of:

- Lavish or disproportionate gifts and entertainment.
- Donations with an ulterior motive.
- Payment of travel expenses or accommodation for a customer or official when there is no underlying business purpose for a trip.
- Use of corporate assets for activities which are unrelated to our business or approved charitable purposes.

**Conflicts of interest** can arise when financial or personal considerations may influence or appear to influence the judgement or actions of our employees in performing their duties, or have the potential to do so. Such conflicts can occur when private and company interests are mixed or when business or governmental decisions are based on private interests.

**Extortion** is defined as the illegal use of an official position or powers to obtain property or funds.

**Fraud** can be defined as any deception deliberately practiced in order to secure unfair or illegal gain.

#### *The exercise of improper influence*

We will not, either directly or indirectly through intermediaries or other third parties, solicit, receive, offer, promise or provide money or anything of material value (including confidential or sensitive business and financial information and intellectual property) or otherwise exercise improper influence in our business or governmental relationships, with the intention of obtaining a contract, permit or any other specific benefit or any improper advantage in the conduct of business.

This applies both to our relationships with governmental organisations and officials and in our dealings with other businesses or civil society organisations. We will not tolerate any such activity by our employees, agents, contractors or business partners.

The question of what constitutes 'material value' will vary according to context. It will be defined by:

1. The context of the potential inducement.
2. Whether what is offered or promised has sufficient potential value to the recipient, whether monetary or by its nature, to potentially sway the recipient's opinions or actions.

This Policy covers the soliciting and receipt of bribes or other inducements from third parties by Anglo American employees as well as the provision and payment of bribes.

The Business Integrity Prevention of Corruption Procedures cover the following areas:

#### *Gifts, entertainment and hospitality*

##### *Offering or providing gifts, entertainment and hospitality*

The exchange of modest gifts and entertainment may help to build goodwill and this Policy is not intended to detract from the desirability of fostering good relations with business partners and other stakeholders through legitimate, occasional social interactions.

However, offering or providing inappropriate gifts or entertainment may cause embarrassment to Anglo American and damage our reputation. Particular concerns arise when the offering of gifts and entertainment may be connected in some way with an actual or potential business transaction or regulatory approval. Even if the intent is not corrupt, there is still a risk that a recipient or an objective third party may perceive the gift or entertainment to be an attempt to gain an improper advantage.

Any gift or entertainment is always unacceptable if it:

- Is offered or made in exchange for a contract, a permit or any other specific benefit.

- Is offered to obtain an improper advantage in the conduct of business.
- Is in breach of local or international bribery laws.
- Would be considered unacceptable if offered by a supplier or business partner to one of our own employees.
- Would, if it became public, adversely affect our reputation.

### Receiving gifts, entertainment and hospitality

We have a responsibility to ensure that our dealings with suppliers are based on objective decisions and are not influenced by gifts or favours. We prohibit employees from soliciting or receiving gifts and entertainment including favours, goods, gratuities, money and services that:

- May create a sense of obligation.
- May influence or be perceived to influence their business judgement.
- May create, or appear to create, a conflict between an employee's personal interests and those of their employer or of the Anglo American Group as a whole.

### Conflicts of interest

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

### Facilitation payments

We prohibit the making of facilitation payments. A facilitation payment is a payment of nominal value made to a low level government official whose duties are essentially administrative in nature in order to secure the performance of routine governmental non-discretionary actions to which the payer is legally entitled. Examples of such payments include for the processing of a visa application or connecting power or water supplies, when all relevant requirements have clearly been met.

We recognise that occasionally payments may be demanded under duress. Duress may be defined as a situation of actual or threatened violence, imprisonment or other personal threat to coerce person to enter into an agreement or to do an act against their will. The threat may be to the person themselves or to others. We do not expect any employees to compromise their safety or security or that of others in order to comply with our Policy, but we do require employees to report any incidence where they have been threatened or intimidated so that appropriate action can be taken to prevent any recurrence.

### Use of company assets

We will not, either directly or indirectly through intermediaries and other third parties, offer, promise or provide money or anything of value or otherwise exercise improper influence in our business relationships, with the intention of obtaining a contract, permit or any other specific benefit or any improper advantage in the conduct of business. This applies both to our relationships with governmental organisations and

officials and in our dealings with the private sector. We will not tolerate any such activity by our employees or business partners.

The use of company assets, such as premises, equipment or vehicles, free of charge represents something of value for the intended recipient. Company assets must not be provided for the personal or discretionary use of customers, public officials or other third parties where there is no underlying proper business purpose or clear public benefit.

#### *Political donations*

We prohibit the making of donations for political purposes to any politician, political party or related organisation, an official of a political party or candidate for political office in any circumstances either directly or through third parties.

#### *Interactions with government officials and lobbying*

We promote honest and constructive engagement with our host governments at all levels. We will consult widely with people who are affected by our activities and we will proceed in our dealings with governments and public officials in a transparent and ethical way.

We will not, either directly or indirectly through intermediaries and other third parties, offer, promise or provide money or anything of material value or otherwise seek to exercise improper influence in our business relationships, with the intention of obtaining a contract, permit or any other specific benefit or any improper advantage in the conduct of business. This applies both to our relationships with governmental organisations and officials and in our dealings with the private sector. We will not tolerate any such activity by our employees or business partners.

#### *Charitable donations and social and community investment and enterprise development activities*

We make charitable contributions and social and community investments with the objective of promoting sustainable community development, combating poverty and disease, protecting the environment and developing the capacities of people or institutions in the countries where we work. We take care, however, that such donations do not work primarily to the benefit of a particular government official, politician or party and put controls in place to ensure that they are not misused by third parties. Donations and social and community investments must not be made if they either create or have the potential to create, the perception of impropriety.

In our dealings with communities and their representatives we will act transparently and in good faith.

#### *Sponsorships*

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.



### *Retention and payment of intermediaries and mergers, acquisitions, joint ventures and associates*

Our reputation can be damaged by the actions of third parties such as advisers, suppliers, agents, contractors, lobbyists and joint venture partners and Anglo American may find itself liable for their actions. It is never acceptable for a third party to carry out an act on Anglo American's behalf which, were it done by Anglo American directly, would be a breach of this Policy.

In order to protect against the risk of bribes being paid indirectly, we are committed to:

- Taking all reasonable steps to ensure that our business partners understand and comply with our Business Integrity Policy and Procedures.
- Investigating the reputation and qualifications of our business partners and carrying out formal due diligence, where appropriate, to satisfy ourselves of their integrity and bona fides.
- Putting in place appropriate controls and checks to monitor the use of Anglo American's money by third parties purporting to act on our behalf.
- Ensuring that joint ventures and associate companies have equivalent processes in place.

We are committed to thoroughly investigating the background, reputation, ethical and cultural values of any company we invest in or acquire and any partner with which we decide to enter into a joint venture, and of the nature of investments we thereby inherit.

### *The safety of our people*

Anglo American employees must be free to carry out their duties without fear of intimidation or threat of violence. The safety and security of our employees is our paramount concern. We do not expect our employees to compromise their safety or security or that of others in order to comply with the terms of this Policy.

Employees must, however, immediately report any incident where they have been threatened or intimidated to carry out an act which may result in a breach of this Policy to the designated responsible person within their Business Unit, copied to the Ethical Business Conduct Team. After appropriate internal consultation such incidents must also be reported to the relevant authorities in order to prevent any recurrence.

## **What do I need to do?**

It is everyone's responsibility to uphold Anglo American reputation and demonstrate accountability and integrity. This means that we must understand and comply with Anglo American's Code of Conduct, the Business Integrity Policy and the Business Integrity Prevention of Corruption Procedures. You must also seek advice and consult if you are unsure whether the course of action is correct to the designated person in your Business Unit. You must have the courage to report and raise

concerns on conduct that goes against our values and standards, as described within the Business Integrity Policy and the Business Integrity Procedures.

### *Training and communication*

All employees and contractors must be made aware of this Policy and its requirements 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. These 'relevant' employees will be defined by Business Integrity Implementation Managers in conjunction with their Heads of Department, and, where appropriate, the Ethical Business Conduct Team (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.

## **Monitoring and reporting:**

### *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, controls and training that may be required.

### *Consequence of breach*

Employees, contractors and suppliers must report any breaches, or potential breaches of this Policy. Violations of this Policy 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.

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 Speak Up will be investigated and appropriate action taken, including disciplinary action up to and including dismissal of the employee(s) responsible for reprisals.

### *Speak Up*

The Speak Up 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, this Policy and the accompanying Business Integrity Prevention of Corruption Procedures.

Speak Up provides telephone, email and website contact 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 Speak Up facility is provided on Eureka!. Speak Up can also be contacted via [www.speak-up-site.com](http://www.speak-up-site.com) or by emailing [anonymous@spea](mailto:anonymous@speak-up-site.com)

## Further information:

### *Internal references*

- Anglo American Code of Conduct
- Group Business Integrity Prevention of Corruption Procedures
- Group International and Government Relations Policy
- Group Sponsorship Policy
- Group Whistleblowing Policy
- [Speak Up](#)

### *External references*

[Anglo American Sustainability Report and Tax and Economic Contribution Report](#)  
[The Extractives Industries Transparency Initiative](#)

If you need any further information or required guidance on potential or actual bribery and corruption incidents, email [businessintegrity@angloamerican.com](mailto:businessintegrity@angloamerican.com) or contact the Ethical Business Conduct Team.

## Revision history

### Policy governance commitment:

Approval date by PGC:	26 February 2018
Approval by CorpCo:	13 March 2018

### Document Control

Frequency of Policy review after date of issue:	Every <b>two years</b> or when required by substantive changes to applicable anti-bribery and corruption legislation
---	--

### *If this Policy 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 Policy name, date and version number:	<b>Business Integrity Policy and Performance Standards (May 2014)</b>
Main changes made:	<ul style="list-style-type: none"> <li>• Policy previously embedded in one document with accompanying Prevention of Corruption Performance Standards. Those Standards are now reclassified and referenced as separate Procedures.</li> <li>• Previous references to Good Citizenship Business Principles replaced with alignment to Anglo American Code of Conduct and Values.</li> </ul>