

COVID-19: When applying the requirements of this or any other Policy or Standard, please do so in conjunction with the safe work and social distancing requirements outlined by your Government and Health Authorities.

To find out more about the Anglo American WeCARE programme as a community response to COVID-19 please visit our website <http://www.angloamerican.com>

RESPONSIBLE SOURCING STANDARD FOR SUPPLIERS 2020

Ref: STD.EXT.SUP.012.EN
Effective from 01 July 2020



Aligned to our burning ambition of **'re-imagining mining to improve people's lives'**, this Responsible Sourcing Standard for Suppliers ('Standard') defines minimum sustainability requirements and decent work principles required by suppliers to Anglo American. Within our business, the commitment to responsible sourcing prioritises ethical decision making when purchasing goods and services.



Real Mining. Real People. Real Difference.

WE EXPECT ALL SUPPLIERS TO MEET APPLICABLE LAWS – WHILE SHARING OUR COMMITMENT TO IMPROVE PEOPLE'S LIVES, SOCIETY AND OUR ENVIRONMENT

As a condition of working with our business, suppliers must comply with all relevant laws, industry regulations, Anglo American policies, site requirements and other supply conditions.

This Standard does not substitute any of those requirements and is designed to allow for easier referencing of the minimum expectations we have for suppliers. This Standard is structured across '5 Pillars':



PROTECT SAFETY AND HEALTH



PROTECT OUR ENVIRONMENT



RESPECT LABOUR AND HUMAN RIGHTS



CONTRIBUTE TO THRIVING COMMUNITIES



CONDUCT BUSINESS FAIRLY AND WITH INTEGRITY

Why Responsible Sourcing is important

As a business, we have committed to being the most valued mining company in the world by 2023.

This journey compels us to consider the impact of our decisions across a wide range of stakeholders – including employees, communities, customers, business partners and shareholders.

Our suppliers are a critical part of this journey, supporting us to conduct our business practices fairly and transparently - while working together to promote decent and safe work.

Which suppliers do these apply to

In addition to legal requirements, Responsible Sourcing applies to all suppliers, everywhere in the world.

Suppliers describes all providers of goods and services to Anglo American and its subsidiaries - this includes all agents, trader partners, contractors, consultants and other forms of intermediaries.

What went into the Standard

This Standard references various Company Policies - such as our Code of Conduct, as well as external conventions and best practices, including recommendations on best practices from various Human Rights conventions, including the United Nations Guiding Principles on Business and Human Rights, the Voluntary Principles on Security and Human Rights and the Conventions of the International Labour Organization (ILO).

How can we work together

Anglo American is committed to support suppliers to enhance their understanding and ability to implement responsible sourcing requirements. We continue to invest in capability programmes which support suppliers to increase awareness of sustainability related issues and the management of risk.

GUIDANCE FOR IMPLEMENTATION

Suppliers must adopt responsible sourcing practices within their organisation, and support the implementation into their supply chains, including agents, trade partners, intermediaries, contractors and suppliers.

Suppliers are encouraged to adopt a Responsible Sourcing Management System to support the identification and management of risk. Principles of a management system include:

- Consider different types of risk and assess its impact
- Maintain up-to-date policies & workplace procedures which manage risk
- Conduct training for the workforce and business partners
- Monitor and continuously improve activities
- Keep records and other required documentation
- Deal fairly with complaints and grievances

BREACHES OF THIS STANDARD

A breach refers to a serious non-compliance of a core legal or Responsible Sourcing requirement. To avoid doubt, breaches may include, but are not limited to:

- Wilful or negligent acts or omissions resulting in serious injury or death,
- Wilful non-compliance to legal requirements or Anglo American site requirements,
- Refusal to remediate and contain adverse environmental effects,
- The use of child labour, forced labour and other forms of Modern Slavery,
- Discrimination or the abuse of human rights,
- Excessive working hours, Illegal wage deductions and non-payment of minimum wage or legal benefits,
- Refusal to implement agreed measures for community impacts and development
- Bribery, money laundering or the financing of terrorism.

In the event of a breach you are required to:

- 1) Immediately inform Anglo American
- 2) Develop a Corrective Action Plan (CAP)
- 3) Provide regular feedback and evidence on the steps being undertaken to resolve any breach
- 4) Take steps to prevent it recurring

IN SUMMARY: RESPONSIBLE SOURCING REQUIREMENTS*

4 STEPS FOR SUPPLIERS



① COMMIT TO RESPONSIBLE BUSINESS PRACTICES

Every supplier to our business is required to comply with relevant laws and commit to Anglo American's Responsible Sourcing requirements as a precondition to supply. These requirements are also in our contract templates and purchase order conditions.



② COMPLETE A SELF-ASSESSMENT

Suppliers are to complete a self-assessment questionnaire (SAQ), including making updates to the information provided. The SAQ is typically required during supplier registration, qualification, updates and sourcing events.



③ PROVIDE EVIDENCE OF THIRD PARTY ASSESSMENT

Suppliers may be required to provide evidence of previously conducted responsible sourcing assessments, or be requested to conduct a new, third party assessment.



④ MANAGE YOUR RISK

Where Responsible Sourcing risk has been identified - including any breaches to this Standard - suppliers are required to inform Anglo American, develop corrective action plans with realistic timelines to address them and provide feedback on progress.

OUR COMMITMENT TO INDUSTRY COLLABORATION AND MUTUAL RECOGNITION:

Please email evidence to your Supply Chain representative should you have done any of the following within the past 36 months:

- Already completed a SAQ,
- Conducted any third party certification or accreditation on your facility such as ISO 26001 or SA 8000,
- Completed sustainability, ethical sourcing or similar assessments on behalf of another customer.

We aim to reduce the effort required to common suppliers to the wider extractives industry through the sharing of non-competitive responsible sourcing data.

RESPONSIBLE SOURCING REQUIREMENTS ARE INCLUDED...



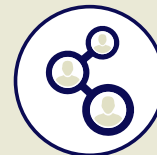
During registration as a supplier:

- Agree to company policies and requirements including Responsible Sourcing and commitment to combatting Modern Slavery
- External checks including sanctions checks, anti-money laundering, anti-bribery and corruption and criminal records



During sourcing events:

- SAQ's and other information may be required as part of a Request for Information (RFI) or Request for Quotation (RFQ)
- External checks including sanctions checks, tax compliance, anti-money laundering, anti-bribery and corruption and criminal records



As part of our ongoing relationship:

- In supply contracts and purchase order terms & conditions (T&C's)
- Routine requests for information

*For more information please refer to the Responsible Sourcing Frequently Asked Questions or contact an Anglo American Supply Chain representative.

Suppliers must protect the safety and health of their workforce:

1.1. We work together to maintain a safe and healthy workplace

- 1.1.1. Suppliers shall strive to eliminate fatalities, work-related injuries and health impairment of the workforce.
- 1.1.2. Injuries, cases of occupational disease and injury incident rates shall be measured and used as a basis to improve performance.
- 1.1.3. Necessary steps shall be taken to learn from safety incidents to prevent recurrence.
- 1.1.4. We encourage suppliers to remain aware of external safety incidents and consider practices which limit harm of the workforce.

1.2. Comply with all applicable legislation, regulations, by-laws and best practice guidelines

- 1.2.1. Suppliers are expected to maintain all safety and health related documentation - including permits, licenses and other records as required by law.
- 1.2.2. Where applicable, including where recognised as best practice in that industry, suppliers are encouraged to undertake the latest versions of 3rd party safety-related certification (e.g. OSHAS 18001/ ISO45001).
- 1.2.3. Suppliers must safeguard against the unauthorised use or distribution of health information which could identify affected individuals.

1.3. Maintain a zero-tolerance approach to unsafe behaviour

- 1.3.1. Leaders and managers should be held accountable for the safety of their employees and demonstrate visible safety leadership.
- 1.3.2. Suppliers must maintain an alcohol and drug free policy.

1.4. Conduct risk assessments and manage safety risks

- 1.4.1. Suppliers shall assess and manage safety risks. As applicable, written procedures, work instructions and appropriate controls should be implemented to address residual risks.
- 1.4.2. Where there is an increased likelihood of occupational exposure, employees must receive confidential medical examinations in order to monitor any potential exposure hazards (e.g. noise, inhalable hazards, dust and excessive vibrations).
- 1.4.3. Suppliers shall maintain a high level of emergency preparedness to manage any potential safety or health emergency, including fire risk.
- 1.4.4. Supplier employees shall have access to emergency medical facilities.
- 1.4.5. Where applicable, facilities for food preparation and storage need to be sanitary and meet Legal requirements.

1.5. Ensure that employees are trained and issued with protective equipment

- 1.5.1. Workers shall receive regular health and safety training. Such training shall be repeated for new or reassigned workers. Details of training provided should be recorded as evidence of training.
- 1.5.2. Appropriate personal protective equipment (PPE) must be available for the type of operation performed and available at no cost to the employee.

1.6. Offer unrestricted access to water and sanitary facilities

- 1.6.1. Employees shall always have unrestricted access to potable (drinkable) water.
- 1.6.2. Employees shall have unrestricted access to clean lavatory facilities, with gender appropriate segregation.
- 1.6.3. Where applicable, facilities for food preparation and storage need to be sanitary and meet legal requirements.

1.7. Manage infectious diseases

- 1.7.1. Where infectious diseases are prevalent, suppliers should have a clear policy for addressing these in the workplace.
- 1.7.2. Suppliers should have a prevention and treatment strategy linked to programmes of care for those with infectious diseases.
- 1.7.3. If treatment programmes are provided, these should be founded on principles of voluntary testing, while ensuring patient confidentiality.

1.8. Contribute to safety innovation and performance

- 1.8.1. All suppliers conducting work on behalf of Anglo American must comply with all applicable safety and health requirements (including local laws, Anglo American policies including relevant Standards and any other site-based requirements).
- 1.8.2. Breaches of this Standard or other forms of non-compliance may result in a review of the supply agreement. Suppliers are encouraged to raise and clarify safety and health expectations prior to any contract award.
- 1.8.3. Suppliers are encouraged to identify opportunities to improve the safety performance of Anglo American, through the sharing best practices and observations.
- 1.8.4. Suppliers shall notify Anglo American of safety related incidents linked to equipment or services provided to other customers and advise on preventive actions.

1.9. Accommodation (where provided) meets health and fire code requirements

- 1.9.1. All accommodation provided must comply with legal requirements, be clean, safe and meets the basic needs of the occupants.
- 1.9.2. Dormitories must comply with all fire safety regulations and have appropriate smoke detectors, audible alarms and suitable means of extinguishing fire.

Suppliers must protect our environment:

This can be achieved by working together to maintain a healthy environment for us all.

2.1. Comply with all applicable legislation, regulations, by-laws and any guidelines, striving towards best practice

- 2.1.1. Suppliers are expected to maintain all environmental related documentation - including permits, licenses, emission certificates, safe disposal certificates and other records as required by law.
- 2.1.2. Where applicable, including where recognised as best practice in that industry, suppliers are encouraged to undertake the latest versions of 3rd party responsible environmental management certification schemes (e.g. biodiversity, ISO 14001, ISO 50001).
- 2.1.3. Dependent on the nature of goods or services being procured - environmental disclosures or certification such as greenhouse gas (GHG) and air emissions, energy efficiency and waste management is a supply requirement.
- 2.1.4. Breaches of this Standard or other forms of non-compliance may result in a review of the supply agreement. Suppliers are encouraged to raise and clarify environment related expectations prior to any contract award.
- 2.1.5. Suppliers may be requested to provide additional reporting on environmental performance.

2.2. Conduct risk assessments and manage environmental risks

- 2.2.1. Suppliers shall assess and manage environmental risk, maintaining written procedures and work instructions.
- 2.2.2. Chemicals and hazardous materials must always be handled safely and disposed of appropriately.
- 2.2.3. Procedures must be in place to manage the prevention and containment of spillages and other potential accidental discharges.
- 2.2.4. Suppliers shall maintain a high level of emergency preparedness to manage any potential environmental emergency.

2.3. Use water responsibly, reduce emissions and waste

- 2.3.1. Water usage shall be monitored. Where possible opportunities to re-use, or reduce usage shall be implemented.
- 2.3.2. Measures aimed at improving management of waste, reducing energy, limiting Green-House Gasses (GHG) and air emissions, monitoring waste-water and other discharges are encouraged.
- 2.3.3. Suppliers should eliminate unnecessary packaging and where feasible take it back for re-use.
- 2.3.4. Suppliers are encouraged to safely recycle or re-use by-products and consider 'circular economy' principles which could benefit Anglo American operations.

2.4. Comply with all site requirements (applicable to all work conducted on Anglo American sites)

- 2.4.1. Suppliers conducting work on, or supplying directly to Anglo American sites must comply with all site specific environment requirements.
- 2.4.2. Site-based contractors shall obtain requisite written approval should activity result in land disturbance or biodiversity impact e.g. cutting down of trees, etc.
- 2.4.3. All hazardous or harmful materials and chemicals brought onto site must be approved by the respective hazardous materials management coordinator. All materials must be accompanied with up to date Material Safety Data Sheets (MSDS), supplied in properly labelled packaging and handled with appropriate care.
- 2.4.4. Persons performing work on site shall ensure that all chemicals brought onto site, and any waste generated through their activities, are properly segregated, stored and disposed of in accordance with legal requirements.



Suppliers shall respect all labour and human rights through their value chain including at a minimum, those expressed in the International Bill of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at work:

3.1. Work towards UN Guiding Principles on Business and Human Rights

- 3.1.1. Develop a policy commitment on human rights
- 3.1.2. Take measures to prevent, mitigate and remediate infringements associated with business activities - encouraging your suppliers to do the same.
- 3.1.3. Provide or allow access to a grievance mechanism - including Anglo American's **YourVoice**.

3.2. Not use child labour

- 3.2.1. The age of labour shall always be the higher of a) national legislation or b) ILO minimum age convention or c) 'light work' at a minimum of 15 years and hazardous work at a minimum of 18 years.
- 3.2.2. Practices shall be in place to prohibit the new recruitment of child labour.
- 3.2.3. In territories where 'light work' is allowed for young workers, employers shall assure that such work is not economically exploitive or harmful to their physical, mental, spiritual or moral wellbeing, social development or education and training.

3.3. Combat all forms of modern slavery – including the elimination of trafficked, forced, bonded and involuntary prison labour

- 3.3.1. Suppliers shall assure the existence of appropriate mechanisms to evaluate and address risks of modern slavery and human trafficking.
- 3.3.2. Appropriate practices shall be in place to prohibit the use of human trafficking when recruiting employees.
- 3.3.3. Original identity or travel documents of employees shall not be retained.
- 3.3.4. Suppliers are encouraged to increase visibility and raise awareness of modern slavery and human trafficking risk with other business partners.
- 3.3.5. No employee, including employees of suppliers' sub-contractors, shall pay for the right to work i.e. direct payments to the supplier or any recruitment fees.
- 3.3.6. No employee shall be required to lodge any "deposits" or other refundable securities to the supplier company. Suppliers shall neither deduct nor withhold any salary portion towards security deposits.

3.4. Oppose unfair or inhumane treatment of the workforce, including all forms of bullying and harassment

- 3.4.1. Suppliers must adopt a ZERO TOLERANCE approach to all forms of inhumane treatment within the workplace (or work related events, travel, functions and in recruitment processes). This includes acts of bullying, harassment and/or victimisation whether physical, verbal or nonverbal, including conduct that is not face-to-face, including via text message, email and social media (cyber-bullying).
- 3.4.2. Employers should create policies and implement programmes to increase awareness of worker rights, including the acceptable treatment of the workforce.

3.5. Allow and respect freedom of association

- 3.5.1. The right of the workforce to collectively bargain, join trade unions, workplace forums or other similar organisations shall be respected.
- 3.5.2. Suppliers must ensure that there is zero retribution against employees who raise grievances or wish to participate in forums which allow for collective bargaining.

3.6. Maintain working hours which meet legal requirements and operate shifts under 12 hours

- 3.6.1. Working hours shall be the lower of ILO guidelines or National Legislation. In the absence of special written directives by the respective government ministry, this is limited to 40 hours per week, excluding overtime.
- 3.6.2. Working hours, inclusive of overtime, shall not exceed 12 hours in any 24-hour period unless a written directive is provided by the respective government Ministry.
- 3.6.3. A minimum of 24 consecutive hours of rest shall be provided within every 7-day period.

3.7. Demonstrate that overtime is voluntary, within legal limits and appropriately compensated

- 3.7.1. Overtime shall never be excessive, not be regular and remain voluntary. Evidence of voluntary overtime may be requested.
- 3.7.2. Overtime shall always be compensated at the premium rate prescribed by legislation.

3.8. Maintain fair and legal terms of employment

- 3.8.1. All terms of employment – including, but not limited to, wages and benefits shall at minimum meet legal requirements.
- 3.8.2. All employees shall be provided with a copy of their employment contract in a language that they understand.

3.9. Not permit unauthorised or illegal salary deductions

- 3.9.1. Deductions from wages – either as a disciplinary measure, or those not permitted by national law - will never be tolerated.
- 3.9.2. All employees shall be provided with payslips, prior to payment, which contain compensation and deduction details (as applicable).
- 3.9.3. Where loans are provided to employees, these are to be done in accordance with responsible lending practices and any prevailing laws. Loans shall never increase risk of modern slavery.

3.10. Eliminate irregular employment

- 3.10.1. Regular employment must be provided. Suppliers must recognise tenure of work service and eliminate the use of short-term contracts, or mechanisms which avoid or reduce legally mandated benefits and entitlements for workers.
- 3.10.2. All probationary periods for new employees must be consistent with legal requirements.

3.11. Eliminate illegal and unfair discrimination

- 3.11.1. All forms of illegal or unfair discrimination shall be eliminated. This includes discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation, or on the basis of real or perceived HIV/AIDS status or other infectious diseases.

3.12. Promote an inclusive workplace

- 3.12.1. Suppliers are encouraged to promote workplace diversity, striving to create an environment where individuals are respected and bring their 'whole self' to work.



Suppliers shall contribute to our objectives for thriving communities. To this end, suppliers shall:

4.1. Respect rights of communities and individuals

- 4.1.1. Respect the human rights of our communities, including their traditions, customs and cultural heritage, and treat our communities with respect.
- 4.1.2. Seek to avoid, minimise, mitigate and remediate potential negative impacts and risks arising from its activities.

Social and economic improvement which support thriving communities takes many forms, including:

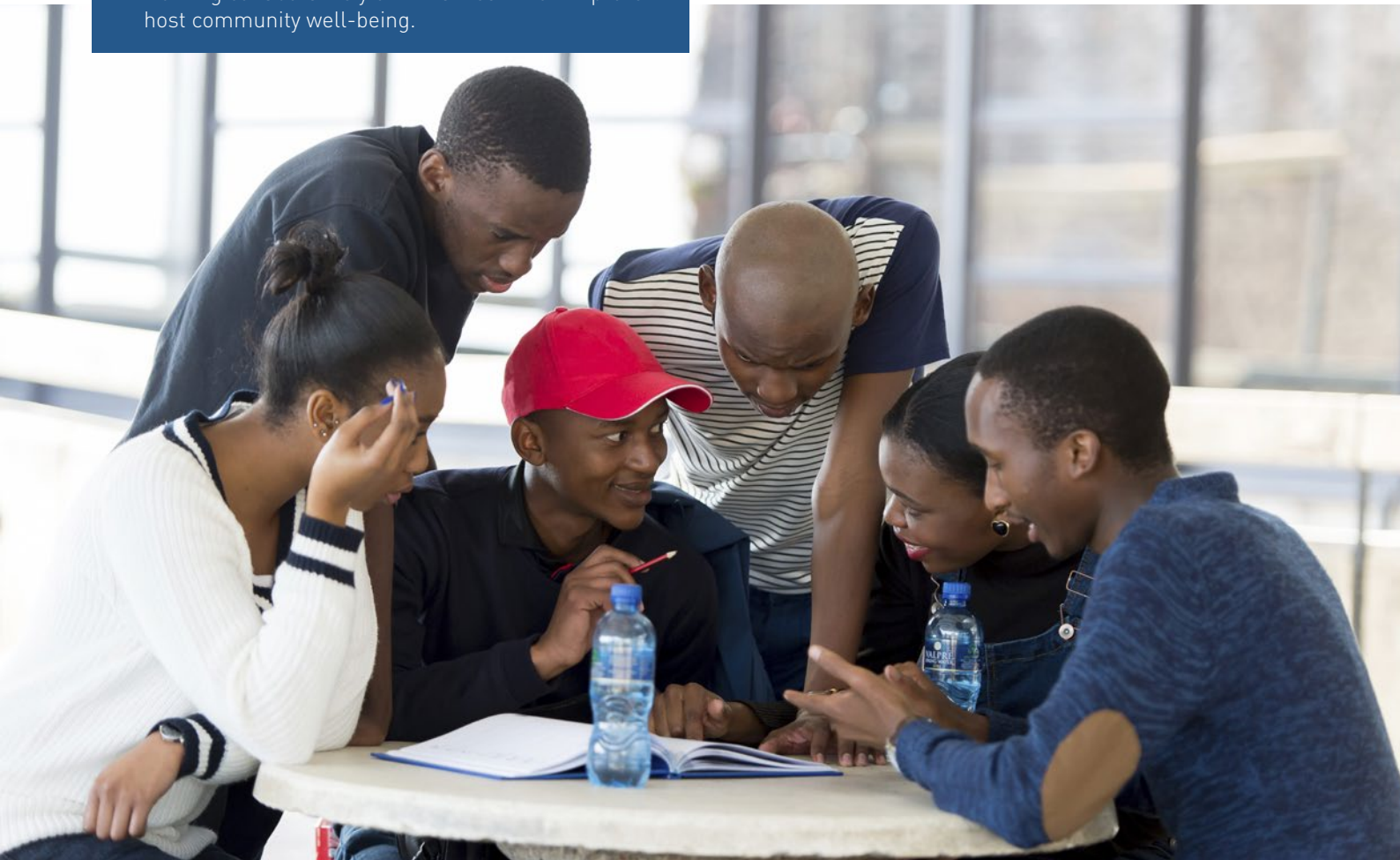
- Identifying opportunities for host community recruitment, in particular reserving work for local workers.
- Transferring critical skills to host communities.
- In consultation with Anglo American, conducting transparent and inclusive procurement processes which increase the participation of host community suppliers.
- In consultation with Anglo American, investing in social projects and community benefit development initiatives.
- In consultation with Anglo American, identifying and working collaboratively on initiatives which improve host community well-being.

4.2. Comply with all site-specific social performance management requirements.

- 4.2.1. Participate in the grievance and incident management process as per site procedures and requirements.
- 4.2.2. Participate in community engagement activities as per site procedures and requirements.
- 4.2.3. Maximise local employment, local and inclusive procurement, and local training opportunities as per site procedures and requirements.
- 4.2.4. Participate in and coordinate socio-economic development initiatives as per site procedures and requirements.
- 4.2.5. Refrain from making commitments to external and community stakeholders on the site's behalf unless specifically allowed as per site procedures and requirements

4.3. Manage the provision of security related services

- 4.3.1. For providers of security related services to Anglo American sites, including where contractors have their own security provisions, these shall adhere to local law and to the Voluntary Principles on Security and Human Rights and be coordinated with the site's Security Management Plan.



Suppliers must conduct business with the utmost integrity and always act in a proper manner, fairly and lawfully:

5.1. Oppose bribery

- 5.1.1. Suppliers shall neither give nor accept bribes, kickbacks or facilitation payments, nor permit others acting on their behalf to do so.

5.2. Do not offer gifts, entertainment or hospitality

- 5.2.1. Suppliers, their employees and contractors must not offer items to Anglo American personnel which could be perceived as a means to gain unfair advantage. This includes but is not limited to offers of gifts, entertainment and hospitality or similar acts.

5.3. Do not engage in unfair commercial practices

- 5.3.1. Suppliers must not engage in any practices involving corruption, anti-competitive business practices, tax evasion, or any acts that could be perceived as market abuse or manipulation.

5.4. Manage conflicts of interest

- 5.4.1. Suppliers must appropriately manage actual or perceived conflicts of interest when working with Anglo American. Potential conflicts of interest must be declared in advance of any dealings with Anglo American personnel.
- 5.4.2. Suppliers are made aware of the risk of association with "politically exposed persons" (PEP) and declare these in all dealings with Anglo American.

5.5. Maintain information security

- 5.5.1. Suppliers shall safeguard against the improper use, loss, theft, abuse, unauthorised access or disposal of Anglo American or third-party information, assets and property, reporting any incidents promptly and collaborating with Anglo American on potential investigation and resolution.
- 5.5.2. Suppliers shall comply with all applicable privacy legislation.
 - Suppliers must never use Anglo American data for any purpose other than what is agreed with Anglo American.
 - Suppliers may be required to provide assurance and evidence (as required) that contractual and legal requirements relating to data privacy are met.

5.6. Comply with anti-money laundering laws, anti-terrorism financing laws, tax and trade regulations

- 5.6.1. Suppliers must comply with all applicable laws relating to the prevention of money laundering and to the combating of terrorism.
- 5.6.2. Suppliers must comply with all applicable tax and trade laws (including economic sanctions, and import and export laws).

5.7. Encourage "whistleblowing" and speaking up against unethical behaviour

- 5.7.1. Suppliers are expected to be transparent and accountable in their business dealings. To that end, we strongly encourage the adoption of confidential "whistleblowing" channels to raise concerns.
- 5.7.2. Whistleblowing processes should ensure that there is zero retribution to persons who raise concerns in good faith.
- 5.7.3. The 'YourVoice' facility may be used by any person to report any potential violations of this Standard or other suspicious, illegal or unethical behaviour.

HOW TO USE YOURVOICE

All suppliers, including their employees, business associates or others may use the independently managed 'YourVoice' facility to report any potential or actual breach of this Standard, Legal requirements or inappropriate behaviours exhibited by Anglo American or De Beers Group staff.

For further information about **YourVoice** visit:
www.yourvoice.angloamerican.com

or www.yourvoice.debeersgroup.com

or contact **YourVoice** at one of the following hotline numbers:

Australia:	1300 894 021
Botswana:	0800 7861 035
Brazil:	0800 892 0491
Canada:	1 855 303 7713
Chile:	800 914 059
China:	400 120 0372
Peru:	1 7009765
Singapore:	800 492 2387
South Africa:	087 232 5426
United Kingdom:	0800 068 8792

For full contact details for all countries, please visit the website.

REFERENCED INFORMATION

In addition to various Anglo American Global policies and Technical Standards, the following have guided the development of this Standard and may be accessed via our global website:

- Anglo American Business Integrity Policy
- Anglo American Code of Conduct
- Anglo American Contractor Management requirements
- Anglo American Data Privacy Policy
- Anglo American Human Rights Policy and Framework
- Anglo American SHE (Safety, Health and Environment) Policy
- Anglo American Social Way and Social Way Toolkit
- Anglo American Sustainable Mining Plan
- De Beers Group Best Practice Principles (BPP)
- Australia Modern Slavery Act 2018
- California Transparency in Supply Chains Act
- Ethical Trading Initiative (ETI) Basecode
- International Council on Mining and Metals: Framework for Sustainable Development
- International Labour Organisation Core Labour Standards
- International Standards Organisation 9001 / ISO 9001 (Quality Management), 14001 / ISO 14001 (Environmental Management) and 26000 / ISO 26000 (Social Responsibility)
- Occupational Health and Safety management – including OHSAS 18001 and ISO 45001
- Social Accountability 8000 (SA8000) Standard
- UK Modern Slavery Act 2015
- United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- United Nations Sustainable Development Goals
- Voluntary Principles on Security and Human Rights



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