

Supplier Sustainable Development Code

2008





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Introduction

It is our vision for our entire supply chain to embrace and share our commitment to sustainable development. We encourage our suppliers to travel this journey with us, demonstrating their commitment to sustainable development and striving to follow this code.

As our core values are grounded in integrity, we expect our employees and suppliers to be honest in all business dealings. We insist on a workplace that is safe, healthy and considerate of employees' wellbeing; we strive to conduct our businesses in such a way as to maximise the benefits and to minimise negative impacts on the communities associated with our operations. We expect the same from our suppliers.

This *Anglo American Supplier Sustainable Development Code* ("Code") must be read in conjunction with our policy on *Sustainable Development in the Anglo American Supply Chain*, which is underpinned by three fundamental principles:

It has **universal application**: Our policy pertains to **all** suppliers wishing to do business with Anglo American and **all** Anglo American staff, particularly all those involved in dealing with suppliers on Anglo American's behalf.

A journey of continuous improvement: We will work proactively with our suppliers to continuously improve and to embed positive practices within the supply chain process.

Adoption of consistent, simple standards: We will continue to develop and refine common, consistent standards throughout the Anglo American Group that are effective and efficient.

This Code is based on the *Anglo American Good Citizenship: Our Business Principles* and on our sustainable development principles. It has been designed to help suppliers understand what Anglo American expects of them in regard to sustainable development. Referenced Anglo American policies are available on the Anglo American website at www.angloamerican.co.uk.

While this Code contains standards that Anglo American regards as mandatory as well as standards that are strongly encouraged, Anglo American appreciates that we may need to collaborate with suppliers to enhance their capability to meet these standards. As such, we see this as an evolving, interactive and collaborative process.

Expectations of our Suppliers

SAFETY AND OCCUPATIONAL HEALTH

Suppliers must strive to achieve best practice to protect the safety and health of their workforce.

Suppliers must:

- Have an **appropriate policy** protecting the safety and health of their workforce with a vision of zero harm and a healthy and productive workforce.
- Strive to **eliminate fatalities, work-related injuries and health impairment** of their workforce.
- Comply with all **legislation**, regulation, by-laws and any guidelines, as applicable, when providing services and or supply to Anglo American.



In addition, suppliers conducting work on an Anglo American site must ensure that they comply with all our corporate and site-specific safety and occupational health standards, *The Anglo Safety Way*, *The Anglo Fatal Risk Standards*, *The Anglo Occupational Health Way* and relevant performance standards, and that they have a clear understanding of the consequences of non-compliance.

Suppliers are strongly encouraged to collaborate with Anglo American to **identify opportunities** to improve safety and minimise occupational health impacts.

EMPLOYMENT AND LABOUR REQUIREMENTS

Suppliers must be committed to fair labour practices and ensure that their conditions of service comply with all applicable laws and industry standards.

Suppliers must:

- **Prohibit the use of exploitative child labour.**
- **Not tolerate forced, bonded or involuntary prison labour.**
- **Not tolerate inhumane treatment of their workforce** including any form of physical, sexual or verbal abuse, bullying or any other forms of intimidation.
- Recognise and respect the right of their workforce to **freedom of association**.
- Operate fair and appropriate means for the determination of **terms of conditions of employment** including, but not limited to, working hours and remuneration.
- Eliminate all forms of **unfair discrimination** and encourage diversity in their workforce.
- Ensure that **accommodation**, where provided, is clean and safe and meets the basic needs of the workforce.

HIV/AIDS

Anglo American encourages suppliers to join them in the fight against HIV/AIDS.

Where HIV/AIDS is prevalent in a supplier's location of operations, suppliers:

- Must strive to eliminate any stigma or unfair discrimination on the basis of real or perceived HIV status.
- Should have a clear policy for addressing HIV/AIDS issues in the workplace, founded on voluntary counselling and testing and patient confidentiality.
- Are encouraged to have a prevention and treatment strategy linked to programmes of care for those with HIV/AIDS.



BUSINESS INTEGRITY AND ETHICS

Suppliers must be accountable for conducting their business ethically and acting with integrity.

Suppliers must:

- **Comply with all applicable laws** in the performance of their contract with Anglo American. Suppliers must ensure that their operations, products and services supplied to Anglo American comply with all national and other applicable laws, including those against anti-competitive practices. When supplying these on or to an Anglo American site, suppliers must comply with any additional site-specific standards, instructions and procedures.
- **Oppose corruption.** Corruption, bribery, fraud and embezzlement are prohibited. Suppliers must not pay or accept bribes, tolerate any form of money laundering or participate in other illegal incentives in business.
- **Be committed to transparency and accountability** in their business dealings.

CORPORATE CITIZENSHIP

Suppliers must be good corporate citizens within the communities where they operate.

We strongly encourage suppliers to:

- Support the principles set forth in the Universal Declaration of Human Rights.
- Respect human dignity and the rights of individuals and of the communities associated with their operations.
- Make a contribution to the economic, social and educational well-being of the communities where they operate.
- Have regard for the impact on the local communities when recruiting, employing and accommodating the workforce.

- Where applicable, operate in conformity with the Voluntary Principles on Security and Human Rights.
- Recognise the cultural heritage and traditions of indigenous communities and handle any matters in a spirit of respect, trust and dialogue.

ENVIRONMENTAL MANAGEMENT

Suppliers must strive to achieve best practice in environmental and material stewardship.

- Suppliers must have an appropriate **environmental policy**.
- Suppliers must comply with all **legislation**, regulation, by-laws and any guidelines, as applicable, when providing services and or supply to Anglo American.
- **In addition, suppliers conducting work on an Anglo American site must** ensure that they comply with the appropriate standards set out in *The Anglo Environmental Way*.
- For specified suppliers, ISO 14001 or Responsible Care certification is a requirement. Other appropriate, medium and large suppliers are strongly encouraged to adopt these management systems.
- Suppliers are encouraged to collaborate with Anglo American to identify opportunities and should pay particular attention to improve the following:
 - Energy consumption and greenhouse gas emissions.
 - The responsible use of water.
 - The safe handling, movement and disposal of chemicals.
 - The management of waste, air emissions and waste-water discharges.

IMPLEMENTATION and ASSESSMENT

Through implementation the end-effect should be both the reduction of risk to Anglo American and the supplier and the raising of sustainable development awareness and performance throughout the value chain.

Implementation

In selecting suppliers, Anglo American will, in conjunction with selected evaluation criteria, show preference to those suppliers that show commitment to sustainable development.

- Suppliers are responsible for ensuring the implementation of this Code within their organisation.
- Suppliers must ensure that this Code is cascaded into their supply chain. Suppliers must ensure that their agents, contractors and suppliers are made aware of this Code and its implications.
- Suppliers must maintain effective management systems that are based on sound business and scientific principles, which include establishing appropriate objectives and targets, regularly assessing performance, and practising continual improvement.

When engaging with suppliers, Anglo American will take into consideration the size and maturity of the supplier.

Assessment

- Suppliers may be required to complete a self-assessment questionnaire based on this Code, provide proof of statements made and demonstrate that this Code is followed.
- Suppliers must provide clear, accurate and appropriate reporting on agreed indicators as determined from time to time by the parties.
- Anglo American may conduct site visits and audits by Anglo American managers/auditors or third-party managers/auditors nominated by Anglo American to verify compliance with this Code. Therefore, we expect our suppliers to allow Anglo American staff or a third-party auditor appointed by Anglo American to audit operations and be allowed access to relevant documentation, premises and workers.



Non-conformance

- Where elements of this Code are not met, the supplier may be required to prepare, document and implement a corrective action plan to amend the situation and prevent the recurrence.
- In case of non-compliance, Anglo American may collaborate with or assist suppliers to become compliant.
- Anglo American reserves the right to disengage from suppliers who fail to comply with this Code.

General

We encourage suppliers to take personal responsibility for ensuring that all business conduct complies with the principles of this Code. No one will suffer for raising with Anglo American management violations of this Code or any legal or ethical concern. Suppliers may also use “Speak Up” at www.anglospeakup.com to report any inappropriate business practices, including inappropriate behaviours exhibited by Anglo American staff.

EXTERNAL REFERENCE POINTS:

The following have been used as reference points and may be referred to by suppliers if additional detail is required:

- International Labour Organisation Core Labour Standards
- Universal Declaration of Human Rights
- United Nations Global Compact
- International Council on Mining & Metals: Framework for Sustainable Development
- Voluntary Principles on Security and Human Rights
- International Standards Organisation 9001 (ISO 9001)
- International Standards Organisation 14001 (ISO 14001)
- Occupational Health and Safety Assessment Series 18001 (OHSAS 18001)
- Social Accountability 8000 (SA 8000)

This *Supplier Sustainable Development Code* will be reviewed by Anglo American at appropriate intervals and revised when deemed necessary. Changes will be communicated effectively to suppliers.