

Responsible Commodity Sourcing Policy for Marketing

Our approach to responsible
commodity sourcing, ethical value
chains and transparency



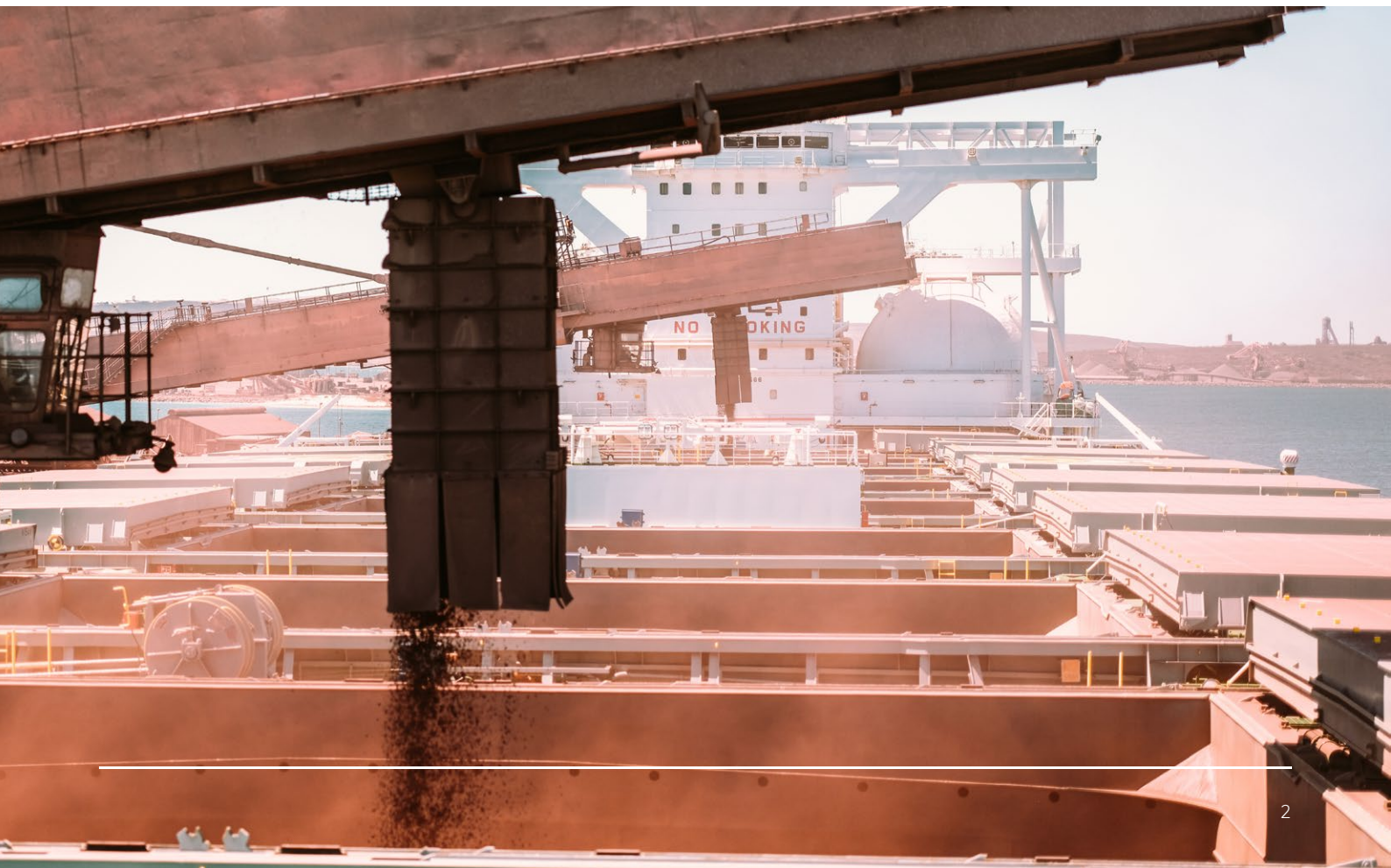
Context

This Responsible Commodity Sourcing Policy (the “Policy”) outlines the Marketing Business’s requirements for sourcing metals and minerals. The Policy is designed to ensure a risk-based approach is undertaken for all sourcing activities to identify, mitigate, and address supply chain-related risks in line with Marketing’s commitment of ‘responsibly mined and sourced products by Anglo American’.

Anglo American has a long-established commitment to ethical decision making when purchasing goods and services. The [Anglo American Responsible Sourcing Standard for Suppliers \(RSS\)](#) defines the minimum sustainability requirements and decent work principles required by all suppliers to Anglo American. Furthermore, Anglo American has a strong commitment to respect human rights in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs). The commitment to respect human rights includes recognition of all internationally-recognised human rights, in particular: those contained in the International Bill of Human Rights, the International Labour Organisation (ILO)’s Declaration on Fundamental Principles and Rights at Work, and international humanitarian law, where applicable. This policy aligns with the existing Anglo American standards and commitments.

Marketing recognises that the extraction, handling, processing, transporting and trade of the metals and minerals we source has the potential to contribute positively to sustainable development. These activities can also result in adverse social and environmental impacts. Consequently, we see an opportunity to compliment continuing efforts aimed at responsible sourcing by outlining our requirements for commodity sourcing explicitly, and providing additional guidance to internal teams and counterparties.

This Policy is part of the Marketing Business’s governance framework and should be read in conjunction with relevant governance documents, including but not limited to Marketing Business’s Trading Mandates, The Complex Structured Deal Governance Policy, the Approved Product spreadsheet, Country Risk framework, and Marketing Deal Governance Policy. The Policy builds on these existing frameworks and external benchmarking to set expectations regarding due diligence requirements when sourcing commodities. It is informed by the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#), and is aligned with requirements of Anglo American’s Responsible Sourcing for Suppliers Standard.



Does this apply to me?

This Policy applies to all Marketing employees including all persons acting as an agent or on behalf of Anglo American Marketing Limited to source commodities from a counterparty or through a commodity trading platform(s). It is a prerequisite for those personnel to have read, understood, and acknowledged this Policy, the spirit of its intent as well as the letter, and how it applies to their daily activities.

The Policy sets out the minimum requirements that each Commodity Marketing Team (CMTs) must comply with when engaging with both existing or prospective counterparties. In certain instances, there may be some variations in sourcing approaches amongst the CMTs based on the risk profile of the counterparty, the type of deal, or the complexity of the transaction. In these instances, the differential should be understood, and the required level of due diligence applied over and above the minimum requirements.

Context	Does this apply to me?	What do I need to know?	What do I need to do?	Further information
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What do I need to know?

Evolving expectations on supply chain due diligence

Companies are subject to increasing pressure from regulators, investors, customers, and other relevant stakeholders to demonstrate that they can operate in a responsible and sustainable way. In particular, the regulatory context is rapidly evolving to strengthen responsible sourcing and due diligence requirements from companies operating in the minerals and metals sector, thereby

urging companies to strengthen their internal management systems to ensure they know and can show how they identify and address risks and leverage opportunities within their supply chains.

Within this operating environment, sourcing third-party commodities under any circumstance poses significant reputational risk to

Anglo American and potentially our ability to continue supplying to certain customers if applicable legislation is not complied with. Accordingly, having in place a robust due diligence process is not only the right thing to do, but it is critical for us as a corporate sustainability leader to maintain trust in our brand.

An integrated due diligence approach

Building on our established Know Your Counterparty (KYC) process, we have put in place a consistent approach to identify and manage sustainability risks and opportunities for both the counterparty and the supply chains of the commodities sourced. This process, as outlined below, should be applied except where the source of the commodity is subject to other industry or third-party certification processes that we consider to be informed by similar principles to our own.



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Expectations of counterparties

As a pre-condition of any supplier contract, we expect counterparties to comply with all relevant laws and regulations applicable in their jurisdiction(s) and industry. In addition, some counterparties will be required to complete the Self-Assessment Questionnaire (SAQ) and periodically update the information provided. The SAQ will be completed pre-onboarding, at the renewal of an existing contract term, or as needed during the lifecycle of the business relationship.

Counterparts must implement appropriate mechanisms to evaluate and address supply chain-related risks for the metals and materials they supply to Marketing, as follows:

- a)** any forms of torture or cruel, inhumane, or degrading treatment of people;
- b)** widespread sexual violence, war crimes, or other serious violations of international humanitarian law;
- c)** the use of child labour (including, in particular, the worst forms of child labour),
- d)** all forms of forced or compulsory labour including other forms of modern slavery,
- e)** any direct or indirect support to non-state armed groups and/or public or private security forces acting illegally. This includes but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to non-state armed groups or their affiliates who:
 - i.** illegally control mine sites or otherwise control transportation routes where minerals are traded; and/or
 - ii.** illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points traded; and/or
 - iii.** illegally tax or extort intermediaries, export companies or international traders.
- f)** all forms of bribery, including bribery to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport, and export;
- g)** money-laundering and the financing of terrorist activities;
- h)** fraudulent misrepresentation of the origin of the materials or deliberately impeding traceability in any way;
- i)** environmental violations that cause permanent or irreversible adverse effects to the environment such as serious discharges of hazardous substances into the air, land, or water; or damage of cultural heritage sites.
- j)** wilful or negligent acts or omissions resulting in serious work-related injuries or fatalities;
- k)** all forms of illegal discrimination or non-conformance to relevant labour laws including at a minimum those expressed in the ILO's Declaration on Fundamental Principles and Rights at Work
- l)** unlawful evicting persons from or depriving them of the use of land, forest or water when those persons are dependent on the land, forest or water for their livelihood
- m)** illegal wage deductions and non-payment of minimum wage or legal benefits;
- n)** refusal to implement legally agreed measures for social impacts.

Breaches of this policy



Where a sustainability risk is identified suppliers will be assessed on a case-by-case basis. In the first instance, the relevant CMT, with the support from Marketing Sustainability Team, will seek to work with the counterpart to develop a corrective action plan with realistic timelines to close policy breaches. The counterpart shall commit to provide regular feedback and evidence on the steps being taken to resolve any breach. The ultimate decision on high-risk counterparts and/or transactions will be made by the Marketing Risk Committee in line with Marketing's governance framework.

In the absence of sufficient and evidence-based rectification of the breach identified, Marketing will reserve its right to suspend and/or terminate its relationship with the counterparty.

What do I need to do?

Marketing Front Office employees are required to inform strategic counterparties on this policy and ensure that new counterparties complete the required forms as part of the on-boarding process. Additional documents and training will be provided to support in this effective.

The Heads of CMTs along with functional team managers are required to cascade the policy to check that their teams have understood their role and are capacitated to ensure compliance with the spirit of this policy. The Heads of CMTs have the primary accountability to conduct the business in line with the guidance provided by the policy framework and execute controls to manage the risks.

Marketing Sustainability Team is required to ensure that the SAQ and the Counterparty Onboarding portal and its associated online links are made available to all Marketing Employees and SAQs, if applicable, are submitted and proceeded in a timely manner.

If there are any concerns on conduct that does not comply with this policy or irregularities in how it is applied, please escalate to the **Marketing Sustainability Team**. Alternatively, you can confidentially and securely communicate your concerns via **YourVoice**.

Email: marketingsustainability@angloamerican.com

Helmer Vasquez, Senior Biodiversity and Closure Supervisor



Further information

Monitoring and reporting

Marketing Sustainability Team will monitor and oversee the implementation of the policy. The policy is subject to review either annually or when there is a material change in the operating environment that necessitates amendments, depending on what is sooner.

Furthermore, the Marketing Sustainability Team will provide periodic management information to the Marketing Executive Committee and the MRC on the adherence by Marketing Employees to this Policy and track the trends across CMTs to offer continuous improvement opportunities on the due diligence process.

Material Terms

Term	Explanation
Counterparty	A customer or supplier of Anglo American Marketing.
CMTs	Commodity Marketing Teams refers to internal departments within the Marketing Business accountability for different commodity types.
Due Diligence	Refers to an on-going, proactive and reactive process through which companies can ensure that they respect human rights, do not contribute to conflict, and observe international and domestic laws, including those governing the illicit trade in minerals.
Marketing Employee	An officer, agent, temporary worker, contractor, intern or any other person who works for Anglo American Marketing, regardless of their duration of employment or contract.
Modern slavery	The term modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. Modern slavery includes the worst forms of child labour.
MRC	Marketing Risk Committee provide governance oversight on policies frameworks and controls the risk appetite associated with the Marketing BU. The committee is also required to evaluate, monitor and direct the management of risk associated with the sales and trading activities.
OECD Guidance	OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRA) (2016) sets out a framework for companies to source responsibly from CAHRA.
Responsible Sourcing	A commitment by companies to take into account social, environmental and governance considerations when managing their relationships with suppliers and supply chains.
Risk-based due diligence	Refers to the steps companies should take to identify and address actual or potential risks to prevent or mitigate adverse impacts associated with their activities or sourcing decisions.
Worst forms of child labour (WFCL)	Includes slavery and similar issues such as the trafficking of children, debt bondage, serfdom; the involvement of children in armed conflicts and in illicit activities, such as for example, the production and trafficking of drugs; sexual exploitation of children; work which is likely to harm the health, safety or morals of children.