



## CSR PROJECTS AND SPONSORSHIP POLICY

### Compliance Policies - Policy 13.1- CSR Projects and Sponsorship

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<b>Approved by</b>	The Board of Managers
<b>Origin Date:</b>	November 12, 2017
<b>Last Revised Date:</b>	
<b>Policy owner(s):</b>	Acting Group Head of Compliance
<b>Contact(s):</b>	Compliance specialists

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*In this document, the “Company” or “ERG” means Eurasian Resources Group S.á.r.l. and includes, where applicable, all subsidiaries.*

#### 1. Policy Objective

- 1.1. The Policy sets out ERG’s requirements in relation to Sponsorships and CSR Project expenditure (as defined below). CSR Project expenditure (including, but not limited to, charitable donations, social partnerships and all other Community Social Responsibility expenditure) support programs designed to address social and environmental concerns in relation to the business of the Company and contribute to sustainable development by delivering economic, social and environmental benefits for all stakeholders (“Sustainable Development”). It can include support to non-governmental organizations with demonstrated capacity to deliver on community development initiatives. It may also include programmes in which the Company partners with a local authority to deliver long term economic benefits.
- 1.2. CSR Project expenditure and Sponsorships shall:
  - further the vision and strategy of the Company and its Regions;
  - be determined by a consistent set of criteria with proper controls in place to ensure transparency; and
  - comply with applicable anti-corruption or anti-bribery legislation, ERG’s Code of Conduct, corporate policies, specifically the Anti-bribery and Corruption Policy, and the Company’s regulatory and discretionary commitments.
- 1.3. The Policy sets out:
  - baseline standards of conduct regarding the provision of CSR Projects and Sponsorship expenditures in the areas in which the Company operates;
  - the requirements for review, approval, monitoring and reporting of CSR Projects and Sponsorship expenditures;
  - roles and responsibilities in ensuring compliance with this Policy.
- 1.4. This Policy should be applied together with the ERG Code of Conduct, ERG Anti-bribery and Corruption Policy, ERG Anti-Money Laundering Policy and other Company policies and applicable delegation of authority instruments.
- 1.5. Organisations supported by the Company are required to share the values of the Company, its ethics, Code of Conduct, Anti-bribery and Corruption and Anti-Money Laundering Policies.

#### 2. Scope

- 2.1. This Policy applies to:
  - 2.1.1. the Company and its business subsidiaries (the “Company”);
  - 2.1.2. all directors and employees of the Company (including temporary or contract staff).
- 2.2. Financial compensation to employees, membership fees to industry associations and organizations, and trade union dues do not qualify as CSR and Sponsorship projects and are not governed by this Policy.

### 3. Definitions

- 3.1. **The Board** - the Board of Managers of Eurasian Resources Group S.ár.l.
- 3.2. **Beneficiary** - organization or a single individual receiving CSR and/or Sponsorship expenditure.
- 3.3. **Requester** – requester of CSR Project and/or Sponsorship expenditure on behalf of beneficiary (if different than beneficiary).
- 3.4. **CSR Projects** –programmes designed to address social and environmental concerns in relation to the business of the Company and contribute to sustainable development by delivering economic, social and environmental benefits for all stakeholders, including Charitable Donations, Social Partnership etc. Examples of CSR Project expenditure are contained in 4.3.
- *Charitable Donation* - a voluntary contribution in the form of monetary or non-monetary support to a not-for-profit organization to support charitable activities where the Company received no significant benefit or deliverable.
  - *Social Partnership* - Company's partnership with local authorities in the regions in which the Company operates providing funding by socio-economic partnership agreements or other equivalent agreements.
- 3.5. **Sponsorship** - purchase of the right to associate the sponsor's name, products, and services with the sponsored organisation's service, product or activity in return for negotiated benefits, primarily of a public relations and commercial or corporate nature. Sponsorship rights can be purchased through financial contributions or the provision of in-kind goods or services. It does not include Social Partnerships, CSR Project Expenditure or Charitable Donations which have a minor or ancillary benefit but are not primarily for commercial, branding or marketing purposes.
- 3.6. **"Government Official"** shall be broadly interpreted and means:
- i. any elected or appointed Government official (e.g. a legislator or a member of a Government ministry),
  - ii. any employee or individual acting for or on behalf of a Government Official, agency or enterprise performing a governmental function, or owned or controlled by, a Government, (e.g. an entity hired to review bids on behalf of a government agency),
  - iii. any political party officer, candidate for public office, officer, or employee or individual acting for or on behalf of a political party or candidate for public office,
  - iv. any employee or individual acting for or on behalf of a public international organisation (e.g. the World Bank, the United Nations, the European Commission),
  - v. any member of a royal family or a member of the military, and
  - vi. any individual otherwise categorised as a Government Official under law.
- "Government" means all levels and subdivisions of governments, including local, regional, national, administrative, legislative or executive).

### 4. Policy statements

- 4.1. Company employees shall not commit to a CSR or Sponsorship project before approval in given in accordance with this Policy and an appropriate written letter agreement, MOU or contract is finalized by Legal and executed.
- 4.2. The Group's CSR and Sponsorship projects shall be based on the following underlying **principles**:
- *Lawfulness* - donation / sponsorship is made in compliance with applicable laws including local laws and regulations;
  - *Transparency* - donation has a valid charitable purpose and is not made to secure an improper business advantage, sponsorship clearly states the benefits of the package;
  - *Alignment with sustainability objectives* - the contribution is aligned with the Company's sustainability approach and objectives;
  - Documentation – appropriate documentation provided and retained; and

- *Voluntary involvement* – the decisions shall be free of external influence for any improper purpose.

4.3. CSR and Sponsorship projects should be consistent with the Company strategy and promote the Company's image and priorities including the following:

- Health care and promotion of safety and environmental programs.
- Infrastructure and social welfare.
- Promotion of education and support for youth.
- Support of sports and promotion of a healthy lifestyle.
- Preservation of cultural heritage and ethnic harmony.
- Economic development, community training and development and programmes supporting the Company's Human Rights Policy ie programmes to eliminate child labour in the supply chain

4.4. The following CSR Project and Sponsorship expenditures **shall not be permitted**:

- To any Government Officials, political parties and alliances, including independent candidates for election at any levels;
- to single individuals: only on exceptional basis based on strong charitable reasons if approved in advance by the Group Head of Compliance;
- to organisations that discriminate on the basis of race, ethnicity, nationality, religion, gender, sexual orientation, age or disability;
- to organisations which is linked to a bid, tender, contract renewal or prospective business relationship without prior approval by the Group Head of Compliance or their delegate; or
- In support of activities which are in conflict with the Company's Code of Conduct or any activities which could reasonably be seen to create a potential reputational risk for the Company.

4.5. **Approval**

4.5.1. CSR and Sponsorship projects must comply with applicable Delegation of Authorities in addition to the approvals set out in this Policy. CSR and sponsorship budget will be established annually as part of the Company's budgeting (Business Plan) process.

4.5.2. CSR Project and Sponsorship expenditures proposed to be made to a recipient that is higher than USD100,000 (or which involves multiple donations in a 12 month period which exceeds USD 100,000 in aggregate) should be pre-approved in writing by Group Compliance before any commitment is made.

Any CSR and Sponsorship projects granted to an individual or religious organization, regardless of value, must be pre-approved in writing by the Group Head of Compliance or their delegate.

Any recipient or beneficiary of a CSR Project and Sponsorship expenditures should pass:

- Company's counterparty due diligence process according to risk-level approach according to the CPDD Manual;
- provide the documentation specified in this Policy;
- agree with ERG's standard compliance clauses including anti-bribery and corruption, anti-money laundering and other requirements.

4.5.3. Regions may establish procedures which involve additional review above that set out in this Policy.

4.5.4. **Approval – CSR Projects**

At a minimum, all CSR Projects must be reviewed by the Head of the following functional areas within the region or their delegate:

- Finance
- Legal
- Compliance
- Business (Regional CEO or their delegate)
- Human Resources (if the project has a human resources focus)

Unbudgeted CSR Project expenditure must be approved as per the applicable DOA escalation process.

#### 4.5.5. **Approval – Sponsorships**

4.5.6. All Sponsorships must be approved by the Head of the following functional areas within the region or their delegate:

- Finance
- Legal (unless standard sponsorship template is used, in which case, not required)
- Compliance
- Business (Regional CEO or their delegate)
- Public Relations

#### 4.6. **Documentation**

4.6.1. The following documentation is required for CSR Project and Sponsorship expenditures:

##### **a) CSR Projects**

- Written request describing the purpose and nature of the proposed CSR project and supporting documentation including details of the proposed project.
- Business reason to support this activity
- Where the beneficiary is a company or incorporated charitable not for profit or charitable organization, copies of the constituting documents or proof of validity of the entity;
- Declaration by beneficiary as to any affiliation with any Government Instrumentality or Government official, (if any)
- Information on any previously received CSR expenditure provided by the Company and proof of delivery
- Draft of the MOU/Letter Agreement/Contract

##### **b) Sponsorship**

- Written request describing the purpose and nature of the proposed sponsorship
- Agenda, description of the event/activity
- Business reason to support this activity
- Draft of the MOU/Letter Agreement/Contract

4.6.2. For all CSR Project and Sponsorship expenditures the contract, letter agreement or MOU (as applicable) shall include ERG's standard compliance clauses including anti-bribery and corruption, anti-money laundering and other requirements published by the ERG Compliance and Legal Departments from time to time, and shall include the ability to audit any provided funds and to terminate the contract or MOU in the event of a breach of such clause.

4.6.3. Payment of CSR Project and Sponsorship expenditures shall not be done in cash, without prior approval of Group Head of Compliance.

4.6.4. A receiver of CSR Project and Sponsorship expenditures must provide a proof of delivery confirming achievement of the purpose of request. Where there are capacity issues in delivering such a proof of delivery, Company employees may assist in gathering appropriate evidence of delivery of the project to be maintained in a file with the other documents relevant to the expenditure.

4.6.5. Provided funds must be returned to the Company's account if the terms of the agreement are not being met. Donations and sponsorships are not automatically renewed and a new review is required when a request for renewal is made.

4.6.6. The Company has the right at its sole discretion to terminate support for a community involvement initiative, donation, event or program when:

- A situation arises that creates a conflict with this Policy or the Code of Conduct;
- The initiative, event or program no longer supports the best interests of the community, the Company or its employees;
- The terms of the agreement are not being met;
- Evidence of misconduct or conflict of interest becomes known.

## **5. Accounting provisions: accurate books and records**

- 5.1. The Company must make and keep books, records and accounts that accurately and fairly reflect its transactions and disposition of assets in sufficient details to facilitate a full understanding and audit trial.
- 5.2. No payment on behalf of the Company should be approved without adequate supporting documentation or made with the intention or understanding that all or part of any such payment is to be used for any purpose other than that described by documents supporting the payment.
- 5.3. Payments in cash are prohibited without the prior written approval of the Group Head of Compliance, and must be supported with sufficient documentation setting out the circumstance requiring payment in cash .
- 5.4. Expenses should be posted on separate accounts “CSR Projects and Donations” and “Sponsorship”.

## **6. Responsibilities**

- 6.1. *Employee*: It is the responsibility of every ERG employee to comply with this Policy. Training on the Policy will be provided by Compliance to employees with particular responsibilities under this Policy. Lack of awareness of this or any other policy does not release the employee from these responsibilities.
- 6.2. *Managers*: It is the responsibility of every ERG manager to monitor compliance with this Policy and take corrective action when employee behaviour does not align with this Policy as stated above. Failure to perform this responsibility can result in corrective action against the manager.
- 6.3. *Finance department*: The regional finance team will perform quarterly reviews of the CSR and Sponsorship cost codes against budget and review any inconsistencies for conformity with this Policy. All non-compliance with the Policy will be brought to Compliance Group.
- 6.4. *Regional CEOs*: It is the responsibility of Regional CEOs to enforce this Policy.
- 6.5. *Compliance department*: to conduct an annual monitoring of compliance with this Policy.

## **7. Reporting**

- 7.1. Group Head of Compliance should periodically, but not less than annually, report on the status of the Policy to the Executive Committee.
- 7.2. CSR and Sponsorship projects may be disclosed on the Company’s website, Sustainability Report or other forms of Company publications or disclosure. Any recipient of CSR Project and Sponsorship expenditure must agree to the disclosure of the fact and nature of the expenditure in the Company’s Sustainability Report, website, promotional material or other public reporting or disclosure.

## **8. Exception**

- 8.1. Exception to this policy should be provided in writing by Group Head of Compliance

## **9. Non-compliance**



- 9.1. Any non-compliance with the Policy should be documented and reported to Legal or Compliance Departments, or the ERG hotline.
- 9.2. Any ERG employee found to have violated the Policy may be subject to disciplinary action, or administrative or criminal liability, or termination of the Company's business relationship with such person in accordance with applicable laws.
- 9.3. If the Company employee has concern around activities of other Company employees, which could contravene the Policy, they are encouraged to report such concerns to the Company management, Compliance, Human Resources, Legal or ERG Hotline (the ERG Hotline website ([www.erg.ethicspoint.com](http://www.erg.ethicspoint.com))), by phone (list if the numbers provided on [www.erg.ethicspoint.com](http://www.erg.ethicspoint.com)) or send email to [Compliance@erg.net](mailto:Compliance@erg.net).

**10. Revision Process**

- 10.1. This ERG Policy will be updated periodically (but not less than once every 2 years) to reflect any change in business requirements.
- 10.2. All change requests should be directed to one of the document owners (contacts).
- 10.3. Material changes to this ERG Policy must be approved by The Board. Non-material changes, corrections and clarifications may be approved by the Chief Executive Officer.

version	Last revision date	Approved by	Date of approval	Comments