



2021  
**HUMAN RIGHTS  
REPORT**

TRAFIGURA GROUP PTE. LTD.



## Contents

<a href="#">Message from the Executive Chairman and Chief Executive Officer</a>	<a href="#">02</a>
<b>Our approach to human rights</b>	<b>04</b>
Our policy commitments	06
Embedding respect for human rights	08
Human rights due diligence	10
Access to remedy	18
Stakeholder engagement	19
<b>Our salient human rights risks</b>	<b>21</b>
Labour rights	22
Worker health and safety	24
Community health, safety and security	27
Community consent	29
Environmental impacts	30
Bribery and corruption	31
Access to grievance mechanisms	32
<b>Looking forward</b>	<b>33</b>
<a href="#">Appendix: UNGPRF Index</a>	<a href="#">34</a>

## Statement from the Executive Chairman and Chief Executive Officer Committed to human rights



At Trafigura, we recognise our potential to impact human rights through our activities and business relationships. We are committed to respecting internationally recognised human rights and are dedicated to continuous progress, engaging constructively with our stakeholders, and to preventing, mitigating and, where appropriate, remediating adverse human rights impacts with which we are involved in line with the UN Guiding Principles on Business and Human Rights.

**Jeremy Weir**  
Executive Chairman and  
Chief Executive Officer

Everyday Trafigura supplies commodities that are essential to the daily lives of people around the world, connecting producers and consumers reliably, efficiently and responsibly. In conducting our business, we are committed to respecting human rights.

I am pleased to present Trafigura's Human Rights Report, setting out our human rights approach and key activities during FY2021. This report complements our 2021 Annual Report and Sustainability Report and a wealth of information available online at [Trafigura.com](http://Trafigura.com).

*2021  
Sustainability Report:*  
[www.trafigura.com/  
2021SR](http://www.trafigura.com/2021SR)

As a result of COVID-19, the past two years have been challenging and volatile for the global economy and for commodity markets, and for people right around the world. We recognise that the pandemic has heightened a range of human rights risks, and we have worked hard to implement our commitment to respect human rights throughout the pandemic.

*2020 Modern  
Slavery Statement:*  
[www.trafigura.com/  
brochure/  
2020-modern-  
slavery-statement](http://www.trafigura.com/brochure/2020-modern-slavery-statement)

While we have made progress in advancing responsible business over the past year, our Sustainability Report outlines scope for improvement. I am saddened to report that three employees and three contractors lost their lives at work during the year, including four fatal incidents at mining operations. This is simply not good enough. Safety improvement plans are being implemented with urgency across our operations to align performance with the very high safety standards to which we aspire.

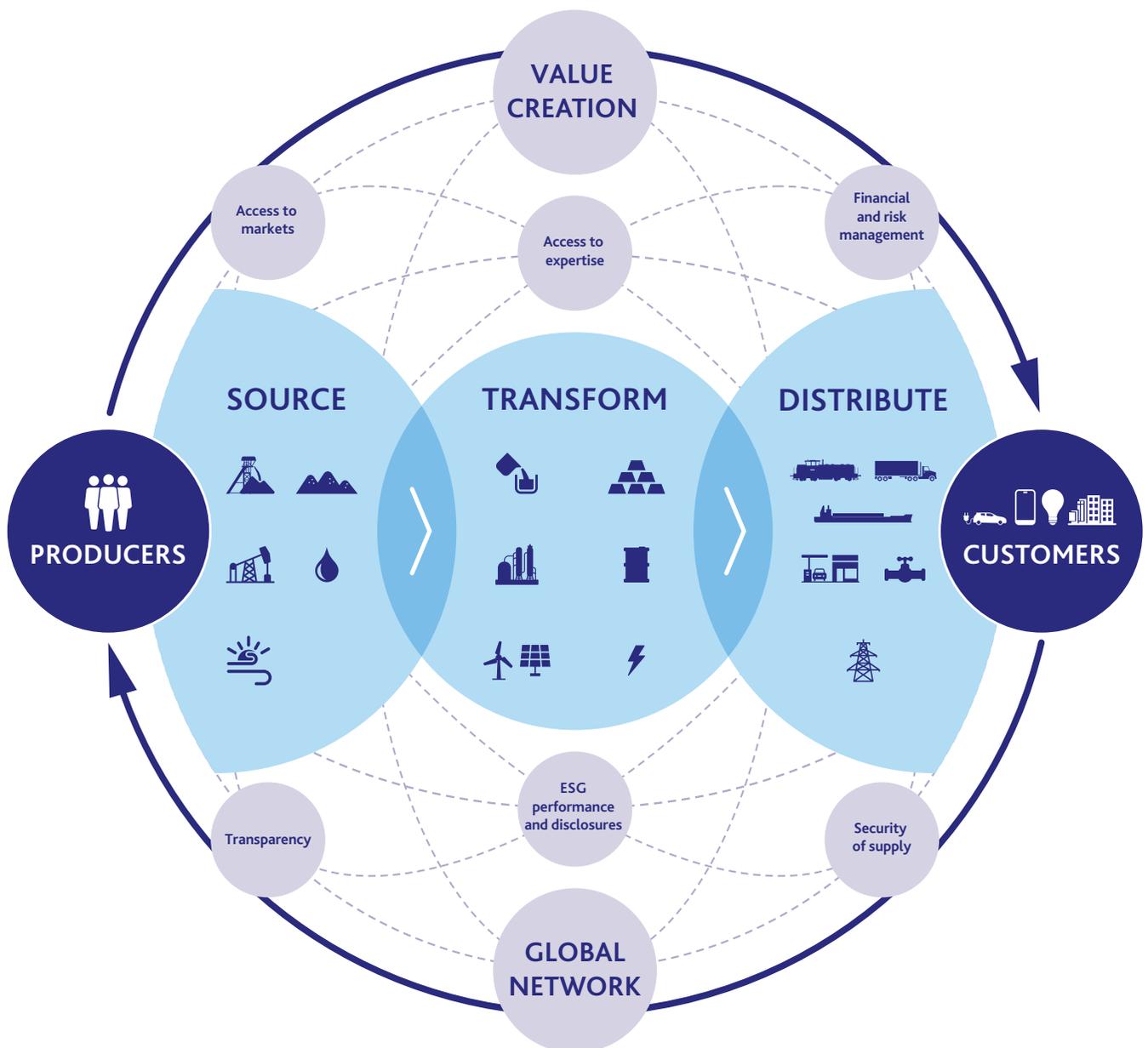
June 2021 marked the 10<sup>th</sup> anniversary of the unanimous endorsement by the United Nations Human Rights Council of the UN Guiding Principles on Business and Human Rights (UNGPs), the global standard for businesses to 'know and show' that they respect human rights. For Trafigura, this anniversary represented an opportunity to reflect on how we must continue to strengthen our human rights approach. As a key foundational step for building improvements, we refreshed our salient human rights risk analysis to identify the human rights at risk of the most severe negative impact through our activities, including our interactions with counterparties. We have used these risks to elaborate our approach in this report.

In 2021, we also published our 2020 Modern Slavery Statement – our first under the Australian Modern Slavery Act and fourth under the UK Modern Slavery Act. The Statement details the concrete steps we have taken to identify and address our modern slavery risks throughout our global business and supply chains.

In closing, I believe that the disclosure of our human rights performance is an important step towards the attainment of international business and human rights standards.

## Our business model

At the heart of global supply, Trafigura connects the world with the vital resources it needs. Through our Oil and Petroleum Products, Metals and Minerals, and Power and Renewables divisions, we deploy infrastructure, skills and a global network to move commodities from where they are plentiful to where they are needed most, forming strong relationships that make supply chains more efficient, secure and sustainable.



# Our approach to human rights

At its core, Trafigura is a service company. We create value by connecting counterparts, organising value chains and developing physical commodity markets reliably, efficiently and responsibly.

We recognise that our activities can impact, both positively and negatively, on people and the environment. We recognise the importance of acting responsibly. Respect for human rights is integrated into our approach to business and is key to our ability to earn and maintain a social licence to operate.

We support the UNGPs and we are committed to respecting internationally recognised human rights.

We seek to understand the actual and potential human rights impacts of our activities and business relationships. We endeavour to avoid, mitigate or minimise causing or contributing to adverse human rights impacts through our activities and to address such impacts when they occur. We also seek to prevent or mitigate adverse human rights impacts that are directly linked to our activities through our products, services or operations. In addition, we are committed to establishing and participating in effective operational-level grievance mechanisms for individuals and communities that may be adversely impacted by our activities. Where we identify that we have caused or contributed to adverse impacts, we seek to provide for or cooperate in their remediation through legitimate processes in line with the UNGPs, so as to promote access to remedy.

## Trafigura's approach to managing human rights impacts

<b>Where we are...</b>	Asset owners and operators	or	Procurers of goods and services	or	Industry participants
<b>If we identify that we have...</b>	caused, or may cause, a negative impact on people or the environment (e.g. at owned assets)	or	contributed to, or may contribute to a negative issue (e.g. through supplier agreements or contracting)	or	a link between a harm and our operations, products or services, but Trafigura did not cause or contribute to it
<b>First we...</b>	stop or prevent the action causing the harm.	or	stop or prevent the action contributing to the harm. Use influence to mitigate any remaining impact to the greatest extent possible.	or	build or use leverage to prevent or mitigate the impact continuing or recurring to the greatest extent possible.
<b>Second we...</b>	provide for or cooperate in remediation of the harm	or	provide for or cooperate in remediation of the harm	or	consider if we play a role in any remediation and seek to motivate change

## External voice: Making trade happen

By Gerald Pachoud, Former Special Representative of the UN Assistant Secretary General on Business and Human Rights

In the last five years, Trafigura has made real progress on human rights. It has developed a coherent human rights policy framework, contractor due diligence and responsible sourcing programmes, plus a commitment to build transparency and enhance disclosures, including disclosing payments to governments under the Extractive Industries Transparency Initiative (EITI) so that citizens can hold their governments to account.

2021 marked the 10<sup>th</sup> anniversary of the United Nations Guiding Principles on Business and Human Rights (UNGPs), the authoritative standard for corporate respect for human rights. In many ways, the Trafigura journey is illustrative of these past ten years of implementation of the UNGPs. Basically, they have provided a global consensus, as well as a baseline, on how companies need to respect the full range of human rights in all business contexts.

Few sectors are more impacted by the trend towards human rights in particular and environmental, social and governance (ESG) in general than the energy sector, including the oil and gas industry. Some companies are adapting to this new environment.

But there is no doubt that these regulatory developments, as well as increased pressure from investors, highlight the fact that companies that adopted the UNGPs did the right thing – not only in a moral or idealistic sense, but they understood it as a pure business strategic decision, seeing and adapting to the market conditions of the very near future, rather than just today.

Trafigura makes trade happen and makes it its mission to do that responsibly. This is a journey of continuous improvement. Progress has been made in many areas, yet challenges remain, including, in the green economy of today, in relation to playing a significant role in constructing a green market aligned with human rights.

Full version available online: [www.trafigura.com/sustainability/external-voices](http://www.trafigura.com/sustainability/external-voices)



## International standards

Our policies and procedures are developed with reference to international standards, including:

- International Bill of Human Rights;
- International Labour Organization Declaration on Fundamental Principles and Rights at Work;
- UN Guiding Principles on Business and Human Rights;
- IFC Performance Standards;
- Voluntary Principles on Security and Human Rights;
- The Ten Principles of the UN Global Compact.



# Our policy commitments

We have a number of policies and guidelines that define how we do business. Those most relevant to our human rights approach are summarised below.

All policies and guidelines are made available to staff through Trafigura's intranet 'PULSE' and, where applicable, are supported by e-learning tools, as well as explanatory videos and animations, to promote uptake and familiarisation.

Many of the relevant policies are also available on our website and are increasingly referenced within commercial agreements, particularly where Trafigura is procuring goods from suppliers in high-risk areas or services from contractors engaged in high-risk activities.

Over the course of FY2021, there was a marked increase in enquiries from potential and existing counterparts as well as financing institutions wishing to learn about our human rights approach and to ensure alignment with their own.

Policy/Guideline	Target audience	Overview
<p><b>Code of Business Conduct</b>  <a href="http://www.trafigura.com/brochure/trafigura-code-of-business-conduct">www.trafigura.com/brochure/trafigura-code-of-business-conduct</a></p>	 <b>Employees</b>	<p>Sets out behavioural and integrity expectations for Trafigura's people and businesses. This includes expectations in relation to anti-bribery and corruption and more generally relating to acting within the law, internal policies and in an ethical manner.</p>
<p><b>Trafigura Corporate Responsibility Policy</b>  <a href="http://www.trafigura.com/brochure/trafigura-corporate-responsibility-policy">www.trafigura.com/brochure/trafigura-corporate-responsibility-policy</a></p>	 <b>Employees</b>	<p>Sets out the Board's high-level priorities and commitments with respect to acting responsibly. This includes an aim to avoid causing or contributing to adverse human rights impacts through our activities, to seek to address such impacts when they occur, and to seek to mitigate adverse social and environmental impacts directly linked to our operations or services.</p>
<p><b>Our Business Principles on Health and Safety, Environment, Human Rights and Labour Practices, and Community Relations</b>  <a href="http://www.trafigura.com/brochure/trafigura-hsec-business-principles">www.trafigura.com/brochure/trafigura-hsec-business-principles</a></p>	 <b>Employees</b>	<p>Set out the Board's expectations of the Group and its divisions and operating companies in relation to corporate responsibility. They recognise our responsibility to: respect the rights of people involved in our operations; comply with relevant labour law and regulations; respect internationally recognised human rights; and engage constructively with relevant stakeholders.</p> <p>Our Business Principles are complemented by a Health, Safety, Environment and Community (HSEC) Management System Framework to ensure that HSEC risks are identified and managed in a consistent way.</p> <p>Each company within the Trafigura Group is expected to supplement the Business Principles and Management System Framework with relevant and adequate sector-specific standards and supporting policies and procedures for their day-to-day operations.</p>

Policy/Guideline	Target audience	Overview
<p><b>Trafigura HSEC Contractor Screening and Management Process<sup>1</sup></b></p> <p><a href="http://www.trafigura.com/brochure/trafigura-hsec-contractor-screening-and-management-process">www.trafigura.com/brochure/trafigura-hsec-contractor-screening-and-management-process</a></p>		<p> <b>Contractors</b></p> <p>Promotes consistency in how contractors are engaged globally with respect to HSEC matters while allowing informed and localised responses to risks.</p> <p><sup>1</sup> This process specifically applies to any company, agent or third party engaged directly or indirectly by Trafigura's Oil and Petroleum Products trading division, Metals and Minerals division and Shipping and Chartering desk to provide contracting, intermediary or other services to Trafigura.</p>
<p><b>Trafigura Contractor HSEC Code of Conduct (HSEC Contractor Code)</b></p> <p><a href="http://www.trafigura.com/brochure/trafigura-contractor-hsec-code-of-conduct">www.trafigura.com/brochure/trafigura-contractor-hsec-code-of-conduct</a></p>		<p> <b>Contractors</b></p> <p>Sets out expectations of contractors including that they should respect labour rights and the human rights of their workers, sub-contractors, local communities and others affected by their business operations in line with applicable laws and regulations and international human rights standards.</p>
<p><b>Metals &amp; Minerals: Responsible Sourcing and Supply Chain Expectations</b></p> <p><a href="http://www.trafigura.com/brochure/responsible-sourcing-and-supply-chain-expectations">www.trafigura.com/brochure/responsible-sourcing-and-supply-chain-expectations</a></p>		<p> <b>Suppliers</b></p> <p>Sets out expectations for suppliers including that they should not profit from, contribute to, assist with or facilitate the commission of serious abuses, including forced or compulsory labour, the worst forms of child labour and other gross human rights violations and abuses. The Expectations also outline our approaches to supply chain due diligence and supplier engagement.</p>
<p><b>Payments to Governments Policy</b></p> <p><a href="http://www.trafigura.com/brochure/trafigura-payments-to-governments-policy">www.trafigura.com/brochure/trafigura-payments-to-governments-policy</a></p>		<p> <b>Suppliers and Employees</b></p> <p>Reflects Trafigura's commitment to transparency and accountability as core components of responsible trade and better-governed natural resources sectors and the positive development effects associated with these. The Policy sets out our commitment to voluntarily publish details of payments to governments in Extractives Industries Transparency Initiative (EITI) implementing countries.</p>
<p><b>The Way We Work</b></p> <p><a href="http://www.trafigura.com/brochure/the-way-we-work">www.trafigura.com/brochure/the-way-we-work</a></p>		<p> <b>Employees</b></p> <p>Provides a guide to the way that we work at Trafigura. All employees are encouraged to act responsibly, including by exercising diligence in identifying and mitigating risks.</p>
<p><b>Global Grievance Mechanism Guidelines</b></p>		<p> <b>Employees and external stakeholders</b></p> <p>Describes how Trafigura promotes the prompt, transparent and anonymous escalation and corresponding mitigation of issues and concerns from a wide range of internal and external stakeholders via its online grievance management system, EthicsPoint.</p>
<p><b>Operation Level Guidance for the Handling of Complaints and Grievances</b></p>		<p> <b>Employees</b></p> <p>Outlines the key criteria and process steps to be considered when designing and implementing a community-level mechanism for the receipt, handling and management of issues raised by local communities and other external parties.</p>
<p><b>Corporate Social Investment Guidance</b></p>		<p> <b>Employees</b></p> <p>Offers guidance to those Trafigura Group employees who are seeking to develop a corporate social investment (CSI) plan. Trafigura defines voluntary CSI as contributions (monetary, staff time or gifts in kind) separate to those made by the Trafigura Foundation that bring direct benefits to communities over and above an operation's core activities that also support business objectives.</p>

# Embedding respect for human rights

## Governance

The principal oversight body for the Group is the Board of Directors, which sets the strategic direction and management of the Group, including for human rights. The Directors with executive responsibilities are also members of the Management Committee and some subsidiary committees as outlined below. Our Operational HSEC Steering Committee and Commercial ESG Committees oversee our human rights performance. Management of the Group is characterised by short reporting lines, flat structures, clear delineation and segregation of responsibilities and personal accountability.

Trafigura sets a clear tone from the top, whereby respect for human rights is endorsed at the highest management level. Governance and oversight of our policies and guidelines are both set and enforced by senior management and the following committees:

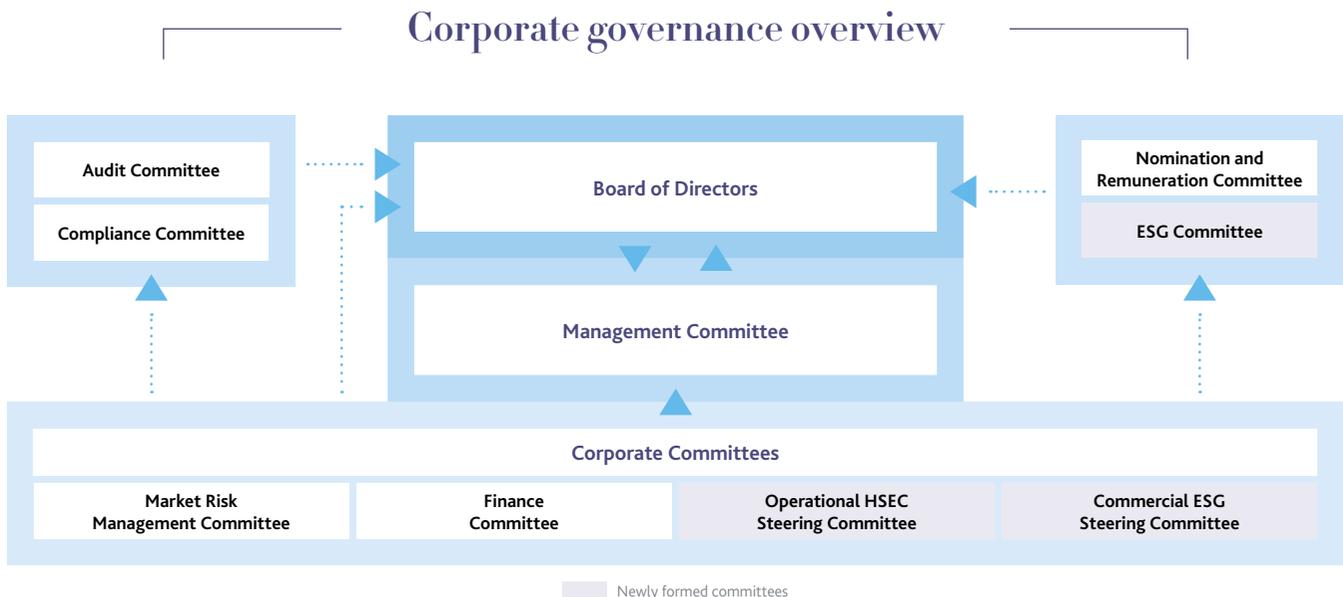
### Board Committees:

- Audit Committee
- Compliance Committee
- ESG Committee
- Nomination and Remuneration Committee

### Corporate Committees:

- Operational HSEC Steering Committee
- Commercial ESG Steering Committee
- Market Risk Management Committee
- Finance Committee

The Corporate Affairs function has day-to-day responsibility for overseeing our human rights approach.





### Enhancing our ESG governance structure

In September 2021, a new Board sub-committee focused on ESG risks and strategy was established to sit within the Board of Directors alongside the existing Audit Committee, Compliance Committee and the Nomination and Remuneration Committee.

The principal objective of the restructure was to promote Board level engagement, information and input into the Group's material ESG risks and strategy, including in relation to human rights, while preserving forums for more detailed information and best-practice sharing among related but separate teams and businesses.

At a Board level, the ESG Committee is chaired by the Group's Executive Chairman and Chief Executive Officer, and also comprises one executive director and two non-executive directors. The new committee enables further Board-level engagement and input into the Group's ESG strategy.

At Management Committee level, the Group's HSEC Steering Committee and Climate Change Group were dissolved and reformed into the Operational HSEC Steering Committee and the Commercial ESG Steering Committee.

These new steering committees, which separate operational health, safety, environment and community (HSEC), human rights and commercial ESG issues, enable discussions to be more targeted, efficient and directly relevant to members and attendees. Each of the new steering committees are led by a member of the Management Committee to ensure that management is kept informed about and can engage with key HSEC and ESG issues relating to the Trafigura Group.

### Training and awareness raising

We require employees to complete mandatory online compliance training, including a module on the Code of Business Conduct, and modules focused on addressing practices such as bribery and corruption, which is one of our salient human rights risks.

New-starter employees are provided with access to corporate responsibility training, which includes an overview of our human-rights commitments.

We also engage with suppliers to build their capacity to understand and meet our human rights expectations, including through developing relevant policies and procedures and promoting the sharing and adoption of similar standards across the supply chain.

## 10,188

Total mandatory compliance training courses completed by employees (2020: 10,576)

## 99%

Completion rate of mandatory compliance training by existing employees (2020: 99 percent)

## 99%

Completion rate of mandatory compliance training by new-starter employees (2020: 97 percent)

# Human rights due diligence

## Identifying and assessing adverse human rights risks

We identify and assess our human rights risks, both in our operations and through our business relationships, in a number of ways. We seek to consult with potentially affected groups and other relevant stakeholders as part of this process, for example, through regular meetings with communities near our operations.

During FY2021, we undertook a salient human rights risk assessment. This process identified the human rights at risk of the most severe negative impact through our activities and business relationships, which are set out in the 'Our salient human rights risks' section of this report. We have three ongoing due diligence processes for our counterparties and contractors that focus on the highest risk areas in our supply chains.

## Know Your Counterparty

Under our Know Your Counterparty process, all our trading counterparties and service contractors are screened through World Check for risks relating to corruption, money-laundering and other compliance issues, as well as for sanctions and for negative information in the public domain. Given the nature of our trading business, trading counterparties are screened for compliance daily and certain other higher-risk service providers are also rescreened daily for negative media coverage. If particular issues of concern are identified, these are escalated internally.

## Responsible Sourcing Programme

Our Responsible Sourcing Programme follows our own policies and principles, and is developed with reference to the Organisation for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains, the UN Guiding Principles on Business and Human Rights and requirements established by the London Metal Exchange, among other international standards. Our Programme has three main goals:

- To identify and mitigate risks to people and the environment;
- To engage with those impacted and promote positive outcomes; and
- To report transparently and provide assurances where required.

UN GUIDING PRINCIPLES  
REPORTING FRAMEWORK

UN Guiding Principles Framework for respecting Human Rights: [www.ungreporting.org](http://www.ungreporting.org)



OECD Guidance: [www.oecd.org/corporate/mne/mining.htm](http://www.oecd.org/corporate/mne/mining.htm)



London Metal Exchange: [www.lme.com/Company/Responsibility/Responsible-sourcing](http://www.lme.com/Company/Responsibility/Responsible-sourcing)



## Human rights due diligence

In accordance with UNGP 17, human rights due diligence is an ongoing process carried out in order to identify, prevent, mitigate and account for how we address our adverse human rights impacts. The process involves identifying and assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses and communicating how impacts are addressed.

The programme involves desk-based research and supplier self-assessment questionnaires (including specific questions in relation to labour practices) for certain new and existing suppliers operating from specific higher-risk countries or looking to sell certain higher-risk commodities to Trafigura. For example, diligence focuses on health and safety performance, labour practices, working hours, training, the availability and effectiveness of grievance mechanisms, the appointment and deployment of security forces and the incidence of human rights abuses in the value chain. Suppliers considered high-risk based on these steps may then be subject to a site-based assessment including comprehensive interviews with workers, contractors and community members. We then monitor and follow up with suppliers and, where appropriate, provide assistance to support their mitigation activities. The process is elaborated in the supply chain due-diligence steps infographic on page 14.

We are committed to continuously improving our approach. At the close of the 2020 calendar year, we engaged independent verification body ERM CVS to review our responsible sourcing management system, and they found it to 'broadly align with the principles and guidance set out in the ISO20400 Guidance'.<sup>1</sup>

We continued to achieve further alignment with ISO20400 Guidance in FY2021, including through:

- **Implementation:** Clarifying roles and responsibilities for sustainable procurement throughout the organisation;
- **Organisational culture:** Identifying and responding to the learning and development needs of those involved;
- **Defining metrics and indicators:** Establishing baseline monitoring, benchmarking and assessment criteria, as well as processes for continual improvement and reporting;
- **Setting expectations:** Considering, for example, a combination of minimum levels of acceptable performance, as well as optional requirements for those engaged in the programme; and
- **Evaluating performance and communicating results:** Ensuring processes for review and, if necessary, escalation were required.

Areas of focus in FY2022 will include:

- **Managing opportunities:** Formalising our approach to improve the identification, prioritisation and management of internal and external opportunities for the programme, where such opportunities may include better aligning with industry associations and due diligence frameworks, or developing new markets and traceability systems through emerging technologies such as Blockchain;
- **Aligning responsible sourcing goals with the objectives of other teams and wider corporate ESG targets:** Developing objectives and targets for trading desks and operators to drive greater ownership of the Responsible Sourcing Programme;
- **Developing contract management plans:** Working with existing and potential suppliers to improve the flow of information, for instance in relation to feedback following diligence reviews, with a view to then integrating improvement plans within contracts; and
- **Improving lessons learnt:** Periodically reviewing supplier performance against our Responsible Sourcing Programme and highlighting areas for future improvement, either at a micro or macro level.

We are targeting full alignment of our Metals and Minerals trading activities with all applicable elements of ISO 20400:2017 Guidance by the end of 2023.

<sup>1</sup>ISO 20400:2017 Guidance provides guidance to organisations on integrating sustainability within procurement, as described in ISO 26000. The Standard directly supports a range of Sustainable Development Goals, including 1, 2, 5, 8, 10, 11, 12 and 16.



## Development and launch of mandatory training for all metals and minerals traders and operators on responsible sourcing due diligence

As part of our commitment to aligning with ISO 20400:2017 Guidance, in FY2021 we developed two online training modules on responsible sourcing for our Metals and Minerals division.

The training was aimed at strengthening traders' understanding of human rights and responsible sourcing frameworks such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("OECD Guidance").<sup>1</sup> It also provided a detailed overview of Trafigura's due diligence process and how social and environmental risks in the value chain are considered. The training emphasised the importance of traders engaging with their responsible sourcing team with a view to co-developing mechanisms for remediation where risks and/or impacts are identified.

Training was also designed to help metals and minerals traders and operators engage confidently with existing and potential counterparts, financiers and other stakeholders on the subject of responsible sourcing as it becomes an increasingly important component of our value proposition as a trusted commercial counterpart.

# 451

Total mandatory responsible sourcing training courses completed in 2021 by employees

# 90%

Completion rate of responsible sourcing training by applicable employees

<sup>1</sup> [www.oecd.org/corporate/mne/mining.htm](http://www.oecd.org/corporate/mne/mining.htm)





## Development and launch of online training and familiarisation for suppliers and receivers of metals and minerals

In 2020, Trafigura made a commitment that its Metals and Minerals trading division would progressively implement ISO 20400:2017 Guidance as part of its responsible sourcing of metals and mineral ores and concentrates. Part of this alignment required us to enhance training and awareness relating to responsible sourcing.

In August 2021, we launched a page on our website specifically devoted to setting out our expectations on responsible sourcing for our suppliers. This includes an animation video and explanatory booklet. These resources, available in multiple languages, provide a step-by-step guide on how our Responsible Sourcing Programme works so our suppliers have a clear understanding of our on-boarding and ongoing requirements.

In participating in our Responsible Sourcing Programme, our suppliers are expected to:

- Respond to requests for information;
- Cooperate throughout the process, making premises and staff available where necessary;
- Address issues raised and implement agreed actions; and
- Share questions, comments or feedback.

The video and booklet are already being used by our commercial teams when engaging with new and existing suppliers.

In September 2021, we launched a suite of tools designed to explain our Responsible Sourcing Programme to downstream receivers of metals and minerals that also included an animation video and explanatory booklet.

## Our responsible sourcing approach is aligned with



**Policies**



**International norms**



**Due diligence frameworks**

[www.trafigura.com/sustainability/responsible-sourcing/training-and-familiarisation](http://www.trafigura.com/sustainability/responsible-sourcing/training-and-familiarisation)

## Integrating and acting on due diligence findings

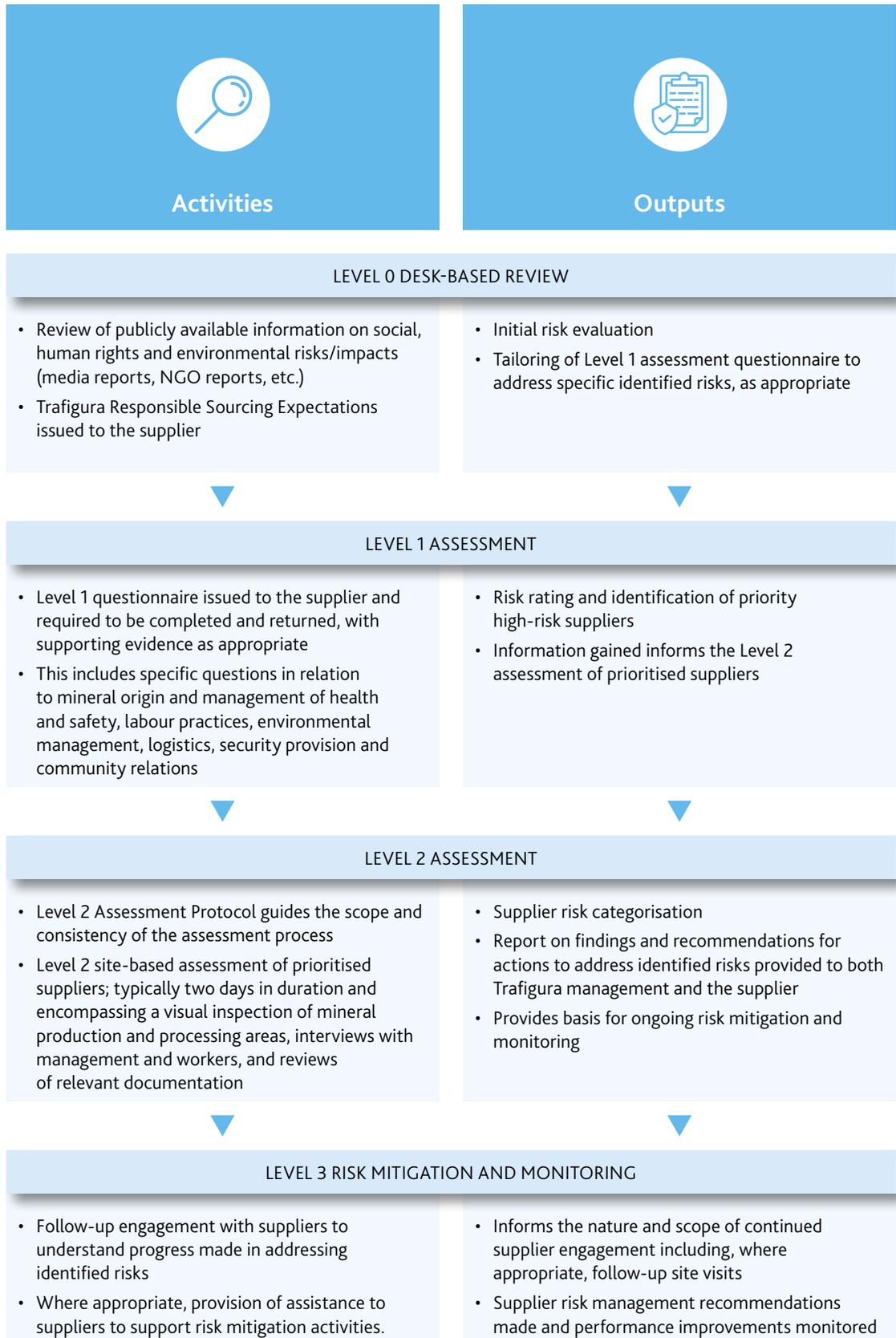
On completion of a due diligence assessment, Trafigura's responsible sourcing team files a formal report that is signed-off on by both the Group's Head of Corporate Responsibility and the head of the relevant trading desk. These reports are consequently shared 'upstream' with the relevant supplier under review and 'downstream' with the receiver of material.

According to our management system, where a due diligence assessment indicates that risks do not meet our expectations, the supplier relationship may be terminated or suspended until the identified risks are suitably mitigated.

In all such instances, suppliers are required to put in place time-bound risk mitigation efforts. Trafigura's Global Head of Corporate Responsibility, who has oversight over the Responsible Sourcing Programme, then presents findings and risk mitigation strategies to relevant management for consideration.

Over the course of FY2021, a total of 145 counterpart due diligence reviews were initiated by our responsible sourcing team. Of this figure, 95 counterparts were active in Conflict Affected and High-Risk Areas (CAHRAs) as determined by the European Commission's CAHRAs list.

## Supply chain due-diligence steps





### Understanding human rights risks associated with Bolivian zinc and lead sourcing

Bolivia has a long history of small-scale mining for zinc, lead, silver, tin and gold, dating back to pre-Inca times. Mining cooperatives were formed as a means for mineworkers to support their livelihoods in the face of closures of industrial mining operations, particularly following the collapse of metal prices during the 1980s. Today, there are approximately 2,000 cooperatives, accounting for almost 80 percent of Bolivia's total zinc production and 90 percent of its lead production.

While small-scale mining is undoubtedly a major employment source within the country, there has been little investment from Bolivia's mining cooperatives in new technologies or more efficient mining processes. We source zinc and lead concentrates from Bolivian exporters and these exporters purchase material from a range of sources domestically, including from refiners that have purchased from mining cooperatives. As business constraints imposed by the COVID-19 pandemic started to ease, our responsible sourcing team initiated a due diligence programme to better understand social and environmental risks in the Bolivian zinc and lead supply chain.

Working with external responsible sourcing specialists, we reviewed research publications and media reports on the risks and impacts associated with small-scale mining in Bolivia. This review was supported by stakeholder interviews with a number of our suppliers, as well as international organisations and researchers working with Bolivian mining cooperatives. We then carried out field visits to a number of zinc and lead suppliers in Bolivia.

We are now further developing our responsible sourcing due-diligence programme for our Bolivian supply chain by engaging with the exporters that we purchase from and supporting their efforts to drive good responsible sourcing practices into the supply chain so as to align with newly released regulatory requirements, as well as evolving customer demands.





## Transforming Kasulo: Preparing a safe and responsible operating site

In 2020, Trafigura entered into an agreement with DRC state-owned enterprise 'Entreprise Générale du Cobalt' (EGC) for the procurement of cobalt. EGC was established in response to two decrees issued in November 2019 by the Prime Minister and the Minister of Mines of the DRC. EGC's role is to purchase, process and sell cobalt produced by artisanal miners or companies involved in artisanal and small-scale mining in the DRC.

As part of our agreement, we are working with Pact, an NGO, to support EGC and its partners to develop controls and traceability associated with artisanal and small-scale mining cobalt production. Together, we believe that formalising the artisanal and small-scale mining cobalt sector represents a game-changing opportunity for the country and for the wider cobalt industry.

[www.trafigura.com/sustainability/responsible-sourcing/our-agreement-with-entreprise-generale-du-cobalt](http://www.trafigura.com/sustainability/responsible-sourcing/our-agreement-with-entreprise-generale-du-cobalt)

### The challenge

In July 2021, the EGC Technical Committee appointed experts from the Pole Institute to conduct a socio-economic baseline assessment of Kasulo, an artisanal cobalt mining zone in the Lualaba Province of the DRC.

The Pole Institute's socio-economic assessment complemented an earlier review of the Kasulo site by external responsible sourcing specialists. Both studies revealed multiple and in many cases severe risks related to occupational health and safety, supply chain transparency and labour practices. This underlined the need for improvement if Trafigura was to make future purchases from the site.

In March 2021, EGC formally launched its 'EGC Responsible Sourcing Standard' (EGC Standard). The Standard will apply to all sites overseen by EGC and was designed to clearly outline the level of social and environmental performance expected of sites.

Considering the conditions identified at the Kasulo site, a key challenge is how to safely transition from 'worst case' artisanal and small-scale mining to a safe and responsible semi-mechanised mine site. The transition needs to be technically safe, bearing in mind that heavy earth-moving equipment would be deployed for a period of time (thus necessitating the full or partial removal of artisanal and small-scale mining workers), and economically responsible, considering that workers might be denied a critical source of revenue over this period.

[www.pactworld.org/library/socio-economic-baseline-study-kasulo-kolwezi-democratic-republic-congo](http://www.pactworld.org/library/socio-economic-baseline-study-kasulo-kolwezi-democratic-republic-congo)

[www.trafigura.com/sustainability/responsible-sourcing/egc-responsible-sourcing-standard](http://www.trafigura.com/sustainability/responsible-sourcing/egc-responsible-sourcing-standard)

### The approach

To safely transition, input and buy-in of multiple stakeholders is needed, including the EGC Technical Committee, relevant government agencies and cooperatives and impacted communities. The objective is ambitious: protect, respect and deliver against social and environmental improvements with care, with efficiency and at scale.

### Preparing a safe site

To prepare a safe site, the EGC Standard restricts the pit depth of mines to 10 metres and forbids tunnelling of any kind despite DRC law permitting pit depths of 30 metres.

The semi-mechanised artisanal and small-scale mining approach to be deployed at Kasulo will allow for the use of machinery to remove waste rock or 'overburden', thus directly exposing the ore body. This will eliminate safety risks associated with pit and tunnel cave-ins and optimise production.

To achieve a safe site transition, EGC is working closely with expert mining engineers and SAEMAPE to ensure a clear understanding of the underground landscape. For many years, tunnelling has been undertaken at Kasulo, and excavations are complex and extend well beyond legal depth limits. Some tunnels have partially collapsed, presenting a safety threat to the operators of heavy earth-moving equipment onsite. Some tunnels reach beyond the parameters of Kasulo's walls, presenting a wider threat to the surrounding community. All such tunnels will be closed and the site will be made safe prior to semi-mechanised operations commencing.

### Paid training

While a total site shutdown at Kasulo is the safest option from a technical perspective, any halt in production will negatively impact miners' livelihoods. Accordingly, the EGC Technical Committee has sanctioned a series of paid training courses for the miners throughout the shutdown period, creating an engaged platform to introduce and embed the rationale for new standards and working practices. The training syllabus will cover:

- Occupational health and safety, including effective use of, and regulations relating to, personal protective equipment (PPE);
- Environmental management and regulations;
- The EGC Standard and why it matters;
- Security, human rights and site access protocols;
- Risk assessment, mitigation and monitoring;
- Incident reporting; and
- Mineral traceability.

The training curriculum and its implementation have been created and planned-for by the NGO Pact that, amongst other areas, have drawn on its experience from the Mutoshi Pilot Project, albeit with content having been adapted to meet the specific circumstances of the Kasulo mine, and their understanding of the needs of surrounding communities.

Securing a safe and responsible transition at Kasulo will not only safeguard lives and livelihoods in the immediate community, it will also create a model to be replicated at other such sites in future.

[www.trafigura.com/sustainability/responsible-sourcing/mutoshi-pilot-project](http://www.trafigura.com/sustainability/responsible-sourcing/mutoshi-pilot-project)

**998**

Contractor HSEC assessments conducted in FY2021 (2020: 1,268)

**848**

Contractors approved following HSEC due diligence (2020: 702)

**72**

Contractors rejected following HSEC due diligence (2020: 547)

**78**

New contractors being actively assessed at year-end (2020: 517)

### HSEC contractor due diligence and assurance

Contractors that undertake particular activities for us that are considered high risk from a HSEC perspective, including ship-to-ship oil transfers, the trucking of commodities, bulk oil storage and the disposal of liquid waste from vessels, are assessed through a two-phase due diligence process.

The first phase involves desk-based due diligence that seeks to confirm the contractor's ability to meet minimum HSEC expectations, including whether it has competent staff, sound maintenance procedures and the necessary equipment to perform its work safely.

Contractors that pass this assessment may then have an on-site inspection. Contractors that fail due diligence but are willing and able to work to upgrade their processes can gain temporary approval for an interim period. Those that are unable or unwilling to improve are rejected.

### Tracking performance

We recognise the importance of assessing the effectiveness of actions taken to prevent and address human rights impacts.

We track our human rights performance in a number of ways, including through assurance reviews, stakeholder perception surveys and the analysis of grievance data, which helps us to continually improve our approach. We also use key performance indicators to assess how effectively we manage our salient human rights risks. Additional details in relation to key performance indicators we use are set out in the 'Our salient human rights risks' section.

We also seek feedback on our human rights approach through stakeholder engagement. Additional details in relation to our engagement with stakeholders are set out in the 'Stakeholder engagement' section.

### Communicating

We communicate with stakeholders in relation to our human rights approach and performance through formal reporting, such as this Human Rights Report, our Sustainability Report and our Modern Slavery Statement, as well as through various stakeholder engagement activities and channels. Additional details in relation to our engagement with stakeholders are set out in the 'Stakeholder engagement' section.

2021 Trafigura Sustainability Report: [www.trafigura.com/2021SR](http://www.trafigura.com/2021SR)

2020 Modern Slavery Statement: [www.trafigura.com/brochure/2020-modern-slavery-statement](http://www.trafigura.com/brochure/2020-modern-slavery-statement)



# Access to remedy

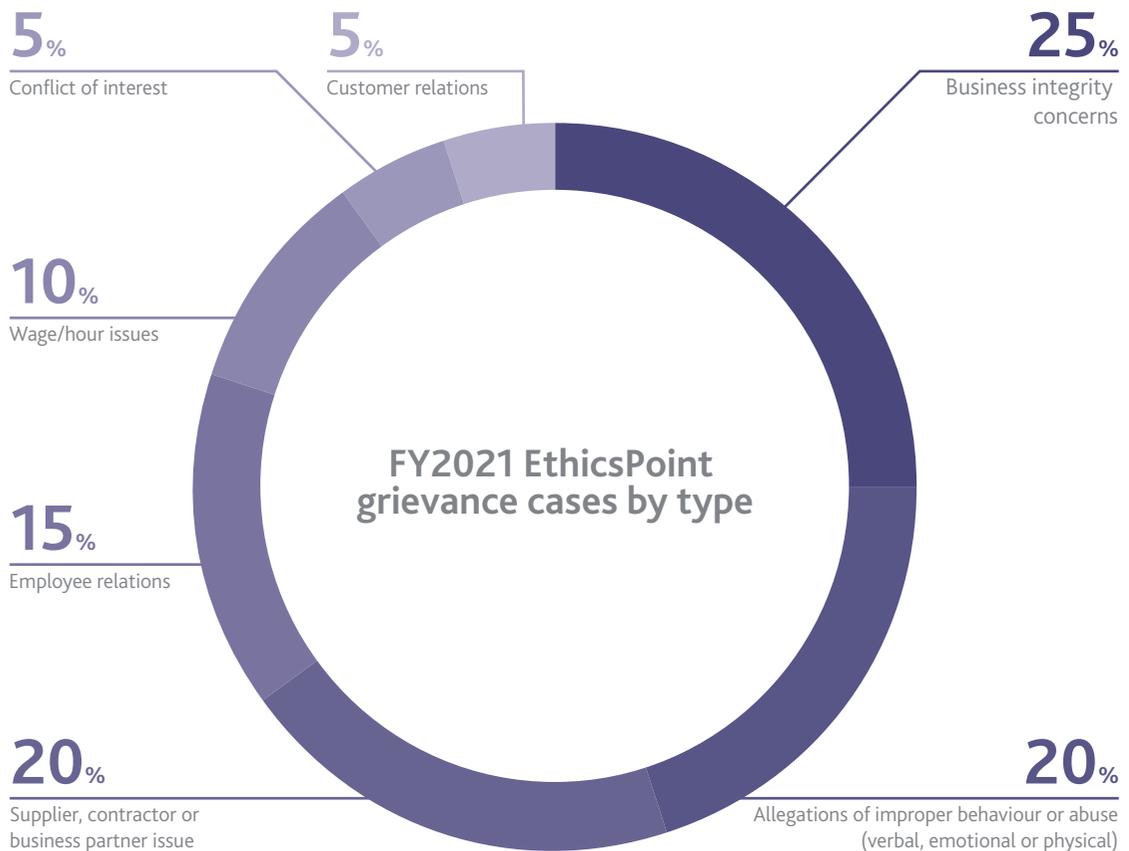
We encourage the identification and escalation of issues, including human rights issues, relating to Trafigura that may negatively impact our operations or reputation, the wellbeing of employees or our communities.

<sup>1</sup> All non-judicial grievance mechanisms should meet key effectiveness criteria by being legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and (in the case of operational-level mechanisms) based on dialogue and engagement.

Internationally, we have deployed EthicsPoint, an anonymous 24/7 multilingual telephone hotline and web reporting service provided by NAVEX Global to facilitate the reporting of grievances. We accept a wide range of grievances, including those relating to human rights, and the service is available to all internal and external stakeholders.

EthicsPoint is promoted via several channels, including the Trafigura website and through training. Once a grievance is received it is channelled to specific departments, as relevant, in accordance with our 'Global Grievance Mechanism Guidelines'. Procedures are in place to avoid real or perceived conflicts of interest during investigations and in our response. This is supported by a formal appeal procedure. The chart below shows the range of grievances by type reported via EthicsPoint in FY2021.

At an operational level, all major installations are also required to maintain a local grievance process. The process is supported by a range of corporate policies and a standardised toolkit entitled 'Global Grievance Mechanism Guidelines', which was updated in FY2021, as well as our 'Operation Level Guidance for the Handling of Complaints & Grievances', which explicitly references the fact that grievance mechanisms implemented across the Group must respect the UNGP effectiveness criteria.<sup>1</sup>



# Stakeholder engagement

Ongoing engagement with our stakeholders is a vital part of our commitment to responsible business practices. We seek to build trust and facilitate constructive, open dialogue with the many stakeholders associated with our business. Engaging transparently with regard to our approach and our performance helps us manage risk, drive improvements and identify opportunities. It also helps us understand and respond to the topics and issues that matter most.

We seek feedback on our human rights approach through multi-stakeholder forums and other stakeholder engagement activities, including bilateral meetings. Key stakeholder groups that we engage with in relation to human rights include our employees, communities, non-governmental organisations, customers, suppliers, governments, industry peers, educational institutions and financiers.

During the reporting period, the COVID-19 pandemic constrained face-to-face engagement with stakeholders. We worked hard to maintain open dialogue, including through more frequent online interaction.

## Collaborating in multi-stakeholder initiatives

We participate in a number of industry and multi-stakeholder initiatives that provide opportunities to share and communicate our approach and engage with and learn from others.

Industry initiative	Date joined	Function	Trafigura's objective
 <b>Aluminium Stewardship Initiative</b>	2019	Defines standards for sustainability performance and material chain-of-custody for the aluminium value chain, including an associated assurance and certification system.	To ensure that the impacts, activities and interests of our business and the wider commodities trading sector are appropriately integrated into the ASI Performance Standard and Chain of Custody Standard.
 <b>Extractive Industries Transparency Initiative</b>	2014	Promotes transparency and accountability in the oil, gas and mining sectors through its global standard.	To advance commodity trading transparency. Trafigura participates on the International Board of EITI, as well as the Working Group on Transparency in Commodity Trading, and engages with existing as well as prospective commercial counterparts in relation to transparency.
 <b>Global Business Initiative on Human Rights</b>	2017	Helps companies to embed human rights in their daily operations and share their practices and progress.	To learn from peers and experts and help shape policy and practice on business and human rights developments and trends.
 <b>Multi-Stakeholder Group</b>	2018	Drives transparency, company management systems and public policies for due diligence and responsible mining practices across the battery value chain.	To ensure that the impacts, activities and interests of our business and the wider commodities trading sector are appropriately integrated into the OECD responsible sourcing agenda.
 <b>Responsible Minerals Initiative</b>	2018	Develops tools and resources, including the Responsible Minerals Assurance Process and the Conflict Minerals Reporting Template, and a range of guidance documents on responsible minerals sourcing.	To support the standardisation of responsible sourcing processes and protocols with a particular emphasis on supporting improvements to audit standards in the cobalt supply chain.
 <b>United Nations Global Compact</b>	2015	Encourages business to adopt sustainable and socially responsible policies and report on their implementation.	To demonstrate commitment to sustainability and engage with peers, experts and other stakeholders to support understanding and action on a range of issues including human rights. Trafigura plays an active role on the Board of the Swiss branch of the UNGC Network.
 <b>Global Battery Alliance</b>	2018	Drives transparency, company management systems and public policies for due diligence and responsible mining practices across the battery value chain.	To give particular support to the efforts of the Global Battery Alliance (GBA) Cobalt Working Group (CWG) in scaling-up support for the formalisation of ASM and the acceptance of responsibly sourced ASM-produced cobalt into the global supply chain. Trafigura serves on the Executive Board of the Global Battery Alliance.



## Engagement in industry dialogue

Trafigura maintains an active outreach and engagement programme through a range of industry associations. In 2021, Trafigura was appointed to the Executive Board of the Global Battery Alliance (GBA). The GBA represents an association of over 70 businesses, governments, academics, international organisations and non-governmental organisations that are committed to ensuring that battery production not only supports green energy, but also safeguards human rights and promotes health and environmental sustainability.

Trafigura's participation in the GBA centres largely on its 'Cobalt Action Partnership', the objective of which is to end child labour in the cobalt supply chain and contribute to the sustainable development of mining communities. Over the course of FY2021, Trafigura contributed to discussions and efforts to agree upon a single standard for the responsible production of cobalt from semi-mechanised mines.



## Multi-stakeholder forum on responsible sourcing and just transition

In June 2021, we held a multi-stakeholder forum in collaboration with the Global Business Initiative on Human Rights (GBI) to seek stakeholder input on our strategy for advancing the transition to a green economy responsibly, including with respect for human rights. The forum was facilitated by John Morrison, CEO of the Institute for Human Rights and Business, and attended by senior representations from civil society, government and industry bodies.

Stakeholders highlighted that we have taken a strong leadership role in relation to responsible sourcing in the DRC and challenged us to deploy this approach globally, to engage with stakeholders including artisanal miners and local communities, to continue to be transparent about our sourcing practices, and to engage with other companies to share our knowledge relating to responsible sourcing. This feedback has proven pivotal as we further develop our responsible sourcing strategy for FY2022.

## External voice: The role of multi-stakeholder initiatives in advancing human rights due diligence

By Prof. Dorothee Baumann-Pauly, Geneva Center for Business and Human Rights

The 'Decade of Action', a plan the UN launched in 2020 with the target to deliver the sustainable development goals by 2030, should also be used to explain the exact steps companies need to take to conduct effective human rights due diligence in line with the UNGPs. During this period, one goal must be to ensure that the human rights due diligence concept is not reduced to another whitewashing exercise, but instead effectively advances human rights in corporate practice.

Developing a common standard across all traded commodities in the highly heterogeneous commodity trading industry might be an ambitious first step. However, developing concrete human rights standards for specific commodity supply chains can be a way to begin defining good business practices. Such common standards will create a level playing field for all trading companies that source the same commodity and ensure that engaging in human rights due diligence does not disadvantage individual companies that make targeted efforts to deliver on their human rights commitments.

Multi-stakeholder initiatives (MSIs) serve as ideal platforms to discuss and formulate a common understanding of what 'responsible sourcing' means in different commodity supply chains.

The Global Battery Alliance (GBA) is an important MSI. It brings together over 70 stakeholders from businesses, government, academia, international organisations and NGOs to ensure that battery production not only supports green energy, but also safeguards human rights and environmental sustainability. The GBA's Cobalt Action Partnership serves as an example of a multi-stakeholder platform that aims to develop commodity-specific standards.

The discussions in MSIs may be lengthy and difficult but any standard that results from such a process will most likely reflect robust compromises that are supported by committed stakeholders. This increases the chances for the standard's wide adoption and implementation. Supporting MSI processes may therefore be a smart business approach that pays off long-term.

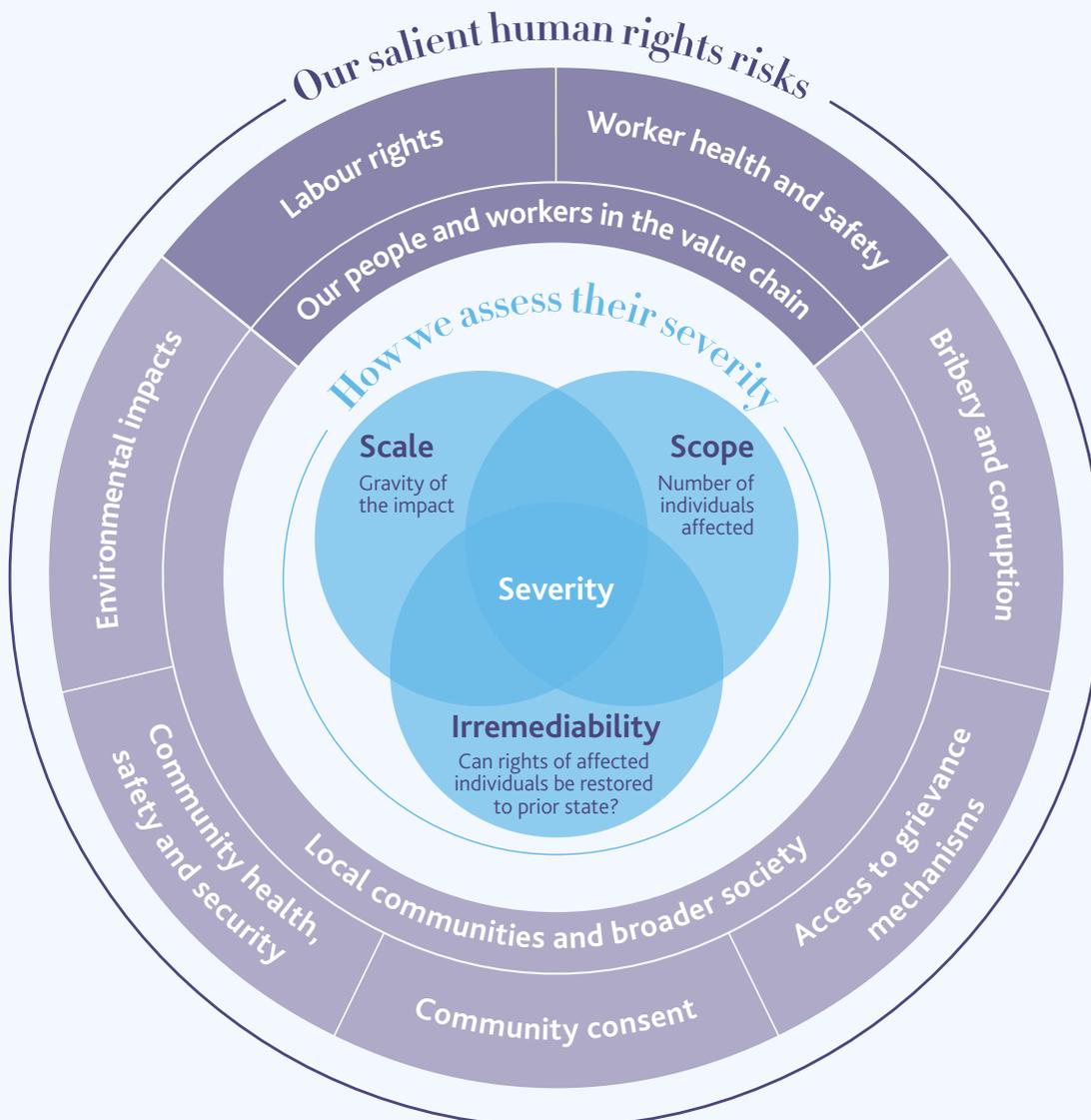
Full version available online: [www.trafigura.com/sustainability/external-voices](http://www.trafigura.com/sustainability/external-voices)

# Our salient human rights risks

Our salient human rights risks are those human rights at risk of the most severe negative impact through our activities and business relationships.

During FY2021, we engaged an expert third party to support us to identify our salient human rights risks. The process involved identifying our actual and potential human rights impacts, including through engaging with internal stakeholders from a range of businesses and functions, and assessing the severity of those impacts based on scale, scope and irremediability. Through this process, we determined our salient human rights risks shown in the infographic below.

Our approach to and progress in addressing each of these risk areas is outlined in the following pages.



## **Trafigura collaborates with the World Business Council for Sustainable Development and the GBI to support the identification of salient impacts**

In September 2021, Trafigura participated in a virtual workshop hosted by the World Business Council for Sustainable Development (WBCSD) and the GBI. The webinar formed part of the WBCSD's and GBI's ongoing collaboration to support practical peer learning and sharing on human rights risk management among business practitioners in India.

The workshop afforded Trafigura the opportunity to present the Group's operational activities and its approach to human rights, prior to opening up the floor for explicit and candid feedback from participants on Trafigura's identification of human rights risks.

To help guide the conversation, focus groups were established to respond to the following key questions:

1. What do you think Trafigura's key issues are and how would you prioritise them?
2. What can Trafigura do to ensure substandard working conditions are systematically identified and addressed across its business?

During such discussions a variety of critical interest areas emerged – these included:

1. Addressing emerging requirements around modern slavery regulations;
2. Ethical recruitment in supply chains;
3. Product origination and traceability;
4. Mitigation of environmental and human rights risks in the value chain; and
5. Seafarer and port worker welfare.

These issues are reflected in our salient human rights risks.



# Labour rights

We are committed to respecting the rights of our employees and workers in our value chain.

We recognise that a range of risks to labour rights, including to seafarers, are present in our operations and supply chain. These include risks to the right to freedom from forced and child labour, and rights relating to wages and working hours, discrimination and freedom of association and collective bargaining.

## Key actions to manage risk

### Operations

- We have a range of employment controls and processes in place to ensure that we comply with all applicable workplace and industrial relations laws and regulations in relation to our employees and contractors. All of our employees receive benefits above applicable minimum wages.
- In relation to unionised workers, we regularly renegotiate collective agreements with union representatives. We seek to enter such negotiations in a spirit of cooperation, focusing on arriving at a mutually acceptable outcome.

### Supply chain

- Our Responsible Sourcing Programme assesses our counterparties for all metals and minerals traded in ore, concentrate and semi-refined form for a range of risks, including labour and other human rights. Additional details in relation to our Responsible Sourcing Programme are set out in the 'Human rights due diligence' section.
- Our HSEC Contractor Code sets out our expectation that contractors respect labour rights. If a contractor is working in a manner that contravenes our Code, the contractor will be required to take action to rectify the situation within an agreed timeframe. If the contractor fails to do so, we have the right to terminate the agreement immediately in accordance with our HSEC Contractor Terms.

### HSEC

*Contractor Terms:*  
[www.trafigura.com/  
 brochure/  
 trafigura-hsec-  
 contractor-terms](http://www.trafigura.com/brochure/trafigura-hsec-contractor-terms)

*Contractor HSEC  
 Code of Conduct:*  
[www.trafigura.com/  
 brochure/trafigura-  
 contractor-hsec-  
 code-of-conduct](http://www.trafigura.com/brochure/trafigura-contractor-hsec-code-of-conduct)



# Workplace health and safety

The health and safety of workers, including those in our supply chain, is paramount. We are committed to building a safety culture across the business in which the value of safety is embedded at every level of the workforce.

We recognise that the nature of activities in our operations and along our supply chain give rise to health and safety risks for workers, which could impact on various rights, including the rights to a safe and healthy work environment, health and life.

HSEC  
Contractor Terms:  
[www.trafigura.com/  
brochure/  
trafigura-hsec-  
contractor-terms](http://www.trafigura.com/brochure/trafigura-hsec-contractor-terms)

Contractor HSEC  
Code of Conduct:  
[www.trafigura.com/  
brochure/trafigura-  
contractor-hsec-  
code-of-conduct](http://www.trafigura.com/brochure/trafigura-contractor-hsec-code-of-conduct)

## Key actions to manage risk

### Operations

- Our HSEC Management System Framework sets out in detail how we manage HSEC risks across the company. We encourage those we do business with, such as joint venture partners and suppliers, to adopt and implement comparable standards.
- We investigate incidents and near misses to identify their causes and learn lessons that can prevent their recurrence. We develop emergency plans to manage incidents from high-consequence activities. We also rehearse our responses to worst-case outcomes by conducting simulations.
- We conduct HSEC training. In FY2021, we delivered 386,388 hours of HSEC training (2020: 257,696 hours), averaging 28.1 hours (2020: 18.3 hours) per person in operational roles.
- Senior managers and facility managers are required to achieve HSEC goals within their specific areas of responsibility, which include quantitative and qualitative targets.

- Specific assurance protocols have been introduced for contractors, suppliers and potential merger and acquisition counterparties.

### Supply chain

- Contractors that provide particular activities considered high risk from a HSEC perspective (e.g., trucking and ship-to-ship transfers) are assessed through a two-phase due diligence process. Additional details in relation to our HSEC contractor due diligence and assurance process are set out in the 'Human rights due diligence' section.
- In our HSEC Contractor Code, we expect contractors to operate and maintain a healthy and safe workplace through the implementation of appropriate health and safety standards and management systems. If a contractor is working in a manner that contravenes our Code, the contractor will be required to take action to rectify the situation within an agreed timeframe. If the contractor fails to do so, we have the right to terminate the agreement with the contractor immediately in accordance with our HSEC Contractor Terms. The Terms also require contractors to provide their personnel with all necessary personal protective equipment and suitable welfare facilities.

**6** fatalities

(2020: 3)

**1.70** LTIR

Lost-time injury rate  
(2020:1.53)

**386,388** hours

Total of HSEC training delivered in FY2021  
(2020: 257,696)

**18.3** hours

Average of HSEC training delivered per person in FY2021

## Improving our safety performance

In 2021, our safety performance was not as strong as in previous years. We are saddened to announce six fatalities across the Group, three of which occurred at Nyrstar mining operations.

Challenging operating conditions during the year as a result of COVID-19 were a significant contributory factor, including operational disruptions, increased absenteeism and travel restrictions that prevented cross-site learning and closer management oversight. Other factors that negatively affected safety performance included an ageing workforce incurring more musculo-skeletal injuries, increased portfolio risk with the integration of Nyrstar and, at some operations, the need for continued vigilance after several years of improving safety performance.

In order to address these related issues, we have taken several actions. These are outlined in detail in the Workplace safety section of our 2021 Sustainability Report.



### Improving trucking safety and performance

Impala Terminals is a 50:50 joint venture between Trafigura and global investment management firm IFM Investors that owns and operates a network of base metals terminals infrastructure in Mexico, Spain and Peru. The joint venture also includes refined products storage, distribution and fluvial operations in Paraguay and a Switzerland-based operation, which provides global freight forwarding and multimodal transportation services in the African Copperbelt.

Impala Terminals engages a number of trucking providers to transport commodities between different locations in Africa. Impala Terminals' specific focus on safety and other working conditions in its African trucking supply chain began in 2016. Road transportation has been the biggest cause of injuries and incidents in Impala Terminals' operations and a significant cause of business interruption. The objective of applying enhanced due diligence in the selection of transport contractors was to ensure they work with haulier companies with effective transport risk management processes in order to reduce the likelihood of road traffic accidents, injuries and business interruption events during the transportation of commodities from mine to port.

Impala Terminals introduced a process to screen and audit trucking providers. The screening involves a multifaceted approach, starting with a self-assessment questionnaire. This is then followed by a site visit where evidence is reviewed which includes company policies and procedures, and driver and fleet management.

Audits provide physical verification of the trucks and fleet providers to confirm the condition of the trucks,

their capacity and efficiency and how they manage their drivers to ensure compliance to Group minimum expectations. Impala Terminals takes a collaborative approach, supporting our providers to understand and meet expectations.

One major contractor in Tanzania had an accident that resulted in the death of a member of a security escort provided by Impala Terminals. Following the incident investigation, we were not satisfied that the trucking provider was consistently meeting Group expectations. The contractor was immediately suspended, despite the challenges this presented for their capacity to meet transportation requirements. Impala Terminals continued to engage with the suspended supplier to improve their approach, including through sharing expertise, documents and processes.

After 18 months, the trucking provider indicated that they have improved their processes and were able to consistently meet Group standards. Impala Terminals conducted another audit that confirmed this and subsequently lifted the suspension. The provider has grown from four trucks to around 35 trucks with trained and vetted drivers. The provider also found that making the improvements required to work with the Trafigura Group resulted in financial and operational efficiencies. This approach is followed for all current and prospective trucking providers.

In FY2021, we recorded a 21 percent decline in road traffic accident frequency (accidents per million kilometres) to 0.46 from 0.58 in FY2020.

### Mapping our marine fleet and potential exposures to human rights risks

At any one point in time, Trafigura oversees the movement of approximately 300 vessels worldwide. These vessels carry a range of oil and petroleum products, gas and metals and minerals. Vessels can be owned or chartered on a voyage or time-charter basis.

While our owned fleet is relatively small (2021: 34), the management of these vessels is, without exception, overseen by vessel management companies that we appoint. In FY2021, eight management companies serviced our vessels. These management companies either staff our vessels with their own employees or via labour agencies.

In FY2021, we reviewed our vessel management companies to map their activities and consider their social performance as relevant to our engagement with them.

In FY2021, our eight vessel management companies oversaw 296 vessels. These vessels were staffed by 6,507 employees. A total of 718 employees were

deployed on Trafigura-owned vessels. Three of our vessel management companies deployed their own staff to Trafigura-owned vessels, while the balance outsourced their staffing to a total of 15 agencies.

Over the course of the year, we ran a desk-based human rights diligence review of all vessel management companies and their labour agencies. The review did not identify any specific areas for concern, however it did inform our views as to how such diligence might be made more robust in future.

On the basis of our assessment in FY2021 and the additional research as outlined below, we are committed to enhancing our seafarer diligence programme for both owned and chartered vessels, and will report on our progress accordingly. In FY2022, Trafigura will report on the measures taken to formalise this process.



### Seafarers: Understanding the evolving diligence landscape

In FY2021, we reviewed Trafigura's existing policies and procedures, legal requirements and international frameworks on human rights due-diligence in shipping and key emerging trends and best-in-class approaches in respect of human rights at sea.

Our review identified a range of important findings, including:

- The Maritime Labour Convention is the most comprehensive convention setting out standards, recommendations and guidance on seafarer welfare. Further, there are a wide range of additional conventions to consider in relation to working hours, resting hours, health and safety, wages, duration of service without shore leave, crew changes, wellbeing, grievance mechanisms, freedom of association, exploitative recruitment fees, COVID-19 related measures and modern slavery.
- Leading NGOs, international organisations and trade unions are increasingly exploring means to enhance practices and conditions in relation

to human rights due diligence, crew changes, wellbeing, modern slavery, exploitative recruitment fees, mental health, gender equality, disappearance and misconduct of security personnel.

- There is an increasing amount of regulatory requirements concerning mandatory human rights due diligence.
- Trafigura's policies and procedures can be enhanced as they pertain to shipping activities and the welfare of seafarers, particularly considering the ongoing impact of the COVID-19 pandemic.
- A number of our peers have developed comprehensive programmes in partnership with NGOs (such as the International Seafarers' Welfare and Assistance Network – ISWAN) that could have important learnings for Trafigura.

Having completed this comprehensive review, in FY2022, Trafigura will implement wide-ranging improvements to its human rights programme in relation to respect for seafarer rights.

### Seafarer welfare during the COVID-19 pandemic

The COVID-19 pandemic resulted in restrictions on crew changes. To address the risks associated with these restrictions we:

- Compensated seafarers for the additional time spent on our owned vessels through the payment of bonuses; and
- Diverted vessels to friendly ports so that crew changes could occur, where possible.

We are a signatory to the Global Maritime Forum's Neptune Declaration on Seafarer Wellbeing and Crew Change. The Declaration explicitly recognises the shared responsibility between ship operators and charterers to facilitate crew changes through:

- Sharing relevant information transparently and collaborating to ensure that necessary crew changes can be carried out with the least impact possible in terms of cost and delays;
- Not using "no crew change" in charter contracts; and
- Implementing health protocols to minimise the risk of COVID-19.

The Trafigura Foundation also provides assistance to ISWAN, which offers comprehensive support to help seafarers cope with their long periods away from home, including a 24-hour multilingual helpline. The Trafigura Foundation also supports the ISWAN Regional Programme that provides humanitarian help to seafarers and their families in South-East Asia and West and Central Africa.



GLOBAL  
MARITIME  
FORUM

# Community health, safety and security

We consider the impact of our activities and aim to protect the health, safety and security of the communities in the areas in which we operate.

We recognise that there are a range of risks that could impact on communities' rights to life, health, adequate standard of living and security of person. These include risks relating to access to water, tailings dams, transportation safety, noise, dust, pollution and contamination, and the use of security personnel.

## Key actions to manage risk

- Our HSEC Management System Framework requires each company within the Trafigura Group to report all work-related incidents, dangerous occurrences, near misses and hazards that have an actual or potential impact on the health and safety of local communities.

- Our Trafigura Corporate Social Investment Guidance sets out guidance for our company in relation to supporting local community projects. The Guidance sets out criteria that projects should meet, including prioritising communities directly impacted by our operations or activities and seeking to address recognised challenges in local communities. Projects should be developed with directly affected stakeholders, including local communities and vulnerable groups, and social, environmental, and health and safety risks associated with projects should be identified and managed while planning initiatives.

- In line with our HSEC Contractor Code, we expect contractors to implement appropriate social management processes and/or systems to ensure the management of hazards, risks and potential impacts. If a contractor is working in a manner that contravenes our Code, the contractor will be required to take action to rectify the situation within an agreed timeframe. If the contractor fails to do so, we have the right to terminate the agreement with the contractor immediately in accordance with our HSEC Contractor Terms.

### HSEC

Contractor Terms:

[www.trafigura.com/  
brochure/  
trafigura-hsec-  
contractor-terms](http://www.trafigura.com/brochure/trafigura-hsec-contractor-terms)

Contractor HSEC  
Code of Conduct:

[www.trafigura.com/  
brochure/trafigura-  
contractor-hsec-  
code-of-conduct](http://www.trafigura.com/brochure/trafigura-contractor-hsec-code-of-conduct)





EGC Responsible Sourcing Standard:  
[www.trafigura.com/brochure/egc-responsible-sourcing-standards](http://www.trafigura.com/brochure/egc-responsible-sourcing-standards)

## Implementing the Voluntary Principles on Security and Human Rights (VPSHR) in collaboration with our commercial partners

Entreprise Générale du Cobalt (EGC) was established by the DRC Government to purchase, process and sell cobalt produced by artisanal miners or companies involved in artisanal and small-scale mining (ASM) in the DRC. In October 2020, Trafigura entered into an offtake agreement with EGC for cobalt. A component of the agreement included the provision of support by Trafigura to EGC and its partners for the development of controls and traceability by EGC associated with ASM cobalt production.

The NGO Pact supports this objective through training and monitoring associated with implementation of the 'EGC Responsible Sourcing Standard' (EGC Standard).

The EGC Standard, which aligns with DRC law, DRC mining regulations and the OECD Guidance, includes specific commitments related to the provision of security at EGC project sites. For example, it requires EGC to ensure that:

- There is "No direct or indirect support to security forces implicated in human rights abuses";
- "No public or private security forces who illegally control mine sites or mineral trade or who have been credibly implicated in human rights abuses shall be contracted to provide' security for any ASM cobalt sites"; and
- "All directly contracted security forces will be engaged in accordance with the principles of the Voluntary Principles on Security and Human Rights (VPSHR)."

### Towards implementation of the VPSHR

The achievement of these requirements necessitates close collaboration between EGC's staff, its technical support providers (such as Trafigura and the NGO Pact), contractors (such as private security providers) and public security providers (such as the police).

Pact is a founding member of the Voluntary Principles Initiative, a multi-stakeholder platform dedicated to sharing best practices and mutually supporting the implementation of the VPSHR. In the context of its work with EGC, Pact has been appointed by the EGC Technical Committee to lead the promotion of the VPSHR across the EGC value chain.

Beyond its inclusion in the EGC Standard, the intent to adhere to and implement the VPSHR across EGC's value chain was agreed by the EGC Technical Committee in September 2021.

Additionally, the EGC Technical Committee will publish a report on the implementation of the VPSHR on an annual basis.

### An evolving process

Ultimately, the EGC Technical Committee has agreed within its commitment that procedures supporting the implementation of the VPSHR must continually adapt and evolve. Every six months a formal review will be instigated by Pact with a view to ensuring that commitments and activities pertaining to the promotion of security are sufficient and responsive to the operational realities of the project.

[www.trafigura.com/egc](http://www.trafigura.com/egc)

[www.trafigura.com/sustainability/responsible-sourcing/egc-responsible-sourcing-standard](http://www.trafigura.com/sustainability/responsible-sourcing/egc-responsible-sourcing-standard)

# Community consent

We recognise that challenges in relation to securing broad-based community consent during land acquisition or use (e.g. during exploration, construction or operations), including in situations of resettlement, could have an impact on a range of local community rights, including rights to property, an adequate standard of living, food, water and culture.

## Key actions to manage risk

- When we consider whether to construct a new development, we conduct an environmental and social impact assessment in line with our own Business Principles, which reference the International Finance Corporation Performance Standards. As part of this process, we engage with local communities and consider feedback received on the design of the development.
- In some of the locations where we operate, we have Community Liaison Officers who engage with local communities on a regular basis.



# Environmental impacts

We recognise that environmental impacts in our value chain, including those relating to climate change, water use and the extraction, storage, transformation and transportation of commodities, could have human rights impacts, particularly for communities in the areas in which we operate. The human rights that could be impacted include rights to a clean, safe, healthy and sustainable environment, to health, to an adequate standard of living and to water and sanitation.

## Key actions to manage risk

### Operations

- We regularly review our approach to tailings storage facilities management in line with evolving best practice. We use equipment to monitor activity in real time at the most sensitive locations. We also assess tailings storage facilities for risks relating to climate change and changes in frequency and intensity of extreme weather events. Our tailings storage facilities are subject to periodic inspection and regular, formal integrity and safety audits, which are conducted by acknowledged and independent experts in the field.
- We apply lessons learnt to reduce the likelihood of spills and prevent repeat incidents.
- We have set a Group target to reduce Scope 1 and Scope 2 greenhouse gas emissions by at least 30 percent by the end of our 2023 financial year (compared to 2020). In order to achieve this target, we will employ four main strategies: improving energy efficiency, capital expenditure, securing renewable electricity and offsetting residual emissions that cannot be avoided. Further information about our approach is set out in our Sustainability Report.

### Supply chain

- In our HSEC Contractor Code, we expect contractors to seek to minimise the negative impact of their business operations on the environment, including by identifying and managing material environmental risks and impacts. If a contractor is working in a manner that contravenes our Code, the contractor will be required to act to rectify the situation within an agreed timeframe. If the contractor fails to do so, we have the right to terminate the agreement with the contractor immediately in accordance with our HSEC Contractor Terms.

2021 Trafigura  
Sustainability Report:  
[www.trafigura.com/  
2021SR](http://www.trafigura.com/2021SR)

HSEC  
Contractor Terms:  
[www.trafigura.com/  
brochure/  
trafigura-hsec-  
contractor-terms](http://www.trafigura.com/brochure/trafigura-hsec-contractor-terms)

Tailing storage  
facilities  
management:  
[www.trafigura.com/  
brochure/  
tailing-storage-  
facilities-under-the-  
direct-and-indirect-  
management-  
of-trafigura](http://www.trafigura.com/brochure/tailing-storage-facilities-under-the-direct-and-indirect-management-of-trafigura)



# Bribery and corruption

We are committed to always operating in line with the principles articulated in the UK Bribery Act 2010 and the Foreign Corrupt Practices Act, and the Trafigura Group prohibits bribery and corruption in any form.

We recognise that we operate in and source from a range of countries including some with high corruption risk. Corruption can negatively impact a range of human rights, including to health, education and development, and can impede access to justice. It also disproportionately impacts the most vulnerable members of society.

## Key actions to manage risk

- Detailed guidance for employees is set out in our Anti-Bribery and Corruption Policy, which is included within our Code of Business Conduct. This document explains the principles applied by Trafigura to its business activities, appropriate employee behaviour and how to handle high-risk activities, such as the use of certain third-party advisors, joint venture arrangements and the provision of gifts and entertainment.

- Since 2014, we have been an EITI supporting company. In our Payments to Government Policy, we have made a commitment to voluntarily publish details of payments to governments in EITI implementing countries. In this regard, in 2020, we published our first standalone Payments to Governments Report setting out our payments to governments and state-owned entities for oil and petroleum products and our metals and minerals purchasing activities.
- We require new and existing employees to complete mandatory online compliance training, which includes a module focused on addressing bribery and corruption practices.

*Payments to Governments Report:*  
[www.trafigura.com/brochure/2021-payments-to-governments-report](http://www.trafigura.com/brochure/2021-payments-to-governments-report)

## Reporting on payments to governments

Trafigura has a longstanding commitment to reporting transparently. Since our first disclosure of payments to governments, published in our 2015 Sustainability Report, we have progressively brought greater transparency to the financial contributions we make to commodity producing nations. In January 2021, we published our first standalone Payments to Governments Report on payments to governments and state-owned entities. This complemented our 2020 Sustainability Report by providing greater detail and a broader scope of data across both our oil and petroleum products and our metals and minerals purchasing activities in 2019.

The granularity of data reported exceeds prior disclosures made by Trafigura. Our goal in shining more light on our commercial activities in this regard is guided by two critical imperatives: firstly, to build confidence amongst existing and prospective state-owned entities that we currently, or hope to, transact with; and secondly, to ensure that those same state-owned entities are able to maintain trust amongst the citizens and wider civil society that they serve.

As we look to the future, we know that one of the greatest contributions we can make to driving transparency in this area is by encouraging greater participation by countries, companies and relevant industry sectors.

Further to the publication of our 2020 Payments to Governments Report, Trafigura released a video to explain to stakeholders why we make disclosures and the value of doing so.

[www.trafigura.com/sustainability/responsible-operation/engagement-and-transparency](http://www.trafigura.com/sustainability/responsible-operation/engagement-and-transparency)

*2021 Trafigura Sustainability Report:*  
[www.trafigura.com/2021SR](http://www.trafigura.com/2021SR)



# Access to grievance mechanisms

We are committed to establishing or participating in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted by our activities. We recognise that the ability for stakeholders, including those whose human rights have been adversely impacted, to access effective grievance mechanisms is critical to ensuring respect for human rights.

## Key actions to manage risk

### Operations:

- All internal and external stakeholders can raise grievances, including grievances related to human rights, through EthicsPoint, an anonymous 24/7 multilingual telephone hotline and web reporting service.
- At an operational level, all major installations are required to maintain a grievance process. We conduct assurance reviews of our major installations to check that they have the relevant process in place.

### Supply chain:

- Suppliers and supply chain workers can raise grievances, including grievances related to human rights, through EthicsPoint.
- In our HSEC Contractor Code, we encourage our contractors to provide workers with access to a formal grievance mechanism to enable concerns or complaints to be raised and addressed in a timely manner. We encourage contractors to follow legitimate processes to remediate adverse human rights impacts that their operations have caused or to which their operations have contributed.

## Assessing the effectiveness of our grievance reporting service: EthicsPoint

In FY2021, we instituted a global assessment of the effectiveness of EthicsPoint with a view to ensuring that all channels of communication were functioning fully. Our review assessed the effectiveness of the system across 34 countries when calling from landline, internet (Voice over Internet Protocol) or mobile phone. The results of the assessment were, almost without exception, positive in so much as callers were able to connect with service operators.

However, the review identified two potential flaws in the system that could not be overcome. Firstly, EthicsPoint utilises an international toll-free platform that is open and available to domestic carriers. In the event that a domestic carrier chooses not to participate in or cooperate with the platform, stakeholders will not be able to raise a grievance. Secondly, if a government places a restriction on services of this nature then, again, stakeholders will not be able to raise a grievance.

On the basis of these constraints, both of which are beyond the scope of control and influence of the provider, we amended our EthicsPoint website instructions to provide an additional way in which stakeholders can raise a grievance: they can now do so by email.

We will continue to assess the effectiveness and accessibility of grievance channels available to our stakeholders on an ongoing basis.

# Looking forward

We recognise that we need to continuously improve our human rights performance. In 2022, we aim to deliver against the following high-level objectives:

## Review and update policy commitments

Revise and update our human rights policy framework so as to reflect changes both in our ESG Governance structure, as well as in the global regulatory environment.

## Embedding respect for human rights

Enhance human rights training and awareness at a Group-level, as well as by providing training at a functional level. Continue to support human rights awareness amongst our suppliers, contractors and downstream partners.

## Human rights due diligence

Continue to progress work to fully align and extend our Responsible Sourcing Programme with and in relation to the relevant requirements of ISO 20400:2017 Guidance.

## Security and human rights

To incrementally ensure that, within three years, all operational facilities owned by Trafigura, Puma Energy, Impala Terminals and Mining are aligned with the VPSHR.

To assess and implement improvements to our human rights programme as it pertains to respect for seafarer rights.

## Access to grievance mechanisms

Continue to promote ready access to Trafigura's grievance mechanisms, both at a site-level but also relevant to our international trading activities.

## Access to remedy

Uphold and extend our existing responsible sourcing capacity building programme for suppliers operating in high-risk regions, handling high-risk products and/or engaged in high-risk activities.

## Stakeholder engagement

Build on our stakeholder engagement programme, for example through holding multi-stakeholder forums, with a view to enhancing our appreciation for and response to salient impacts across our value chain.



We welcome feedback on our 2021 Human Rights Report. Please contact us at [enquiries@trafigura.com](mailto:enquiries@trafigura.com) with any comments.

## Appendix:

# UN Guiding Principles on Business and Human Rights Reporting Framework

### Section of UNGPRF

### Relevant section of Human Rights Report

#### Part A: Governance of Respect for Human Rights

A1 Policy commitment	Our policy commitments
A2 Embedding respect for human rights	Embedding respect for human rights

#### Part B: Defining a Reporting Focus

B1 Statement of salient issues	Our salient human rights risks
B2 Determination of salient issues	Our salient human rights risks
B3 Choice of focal geographies	N/A
B4 Additional severe impacts	N/A

#### Part C: Management of Salient Human Rights Issues

C.1 Specific policies	Our policy commitments
C.2 Stakeholder engagement	Stakeholder engagement
C.3 Assessing impacts	Human rights due diligence
C.4 Integrating findings and taking action	Human rights due diligence
C.5 Tracking performance	Human rights due diligence
C.6 Remediation	Access to remedy





Printed by Pureprint on Vision Superior which is FSC certified.

Pureprint is certified to ISO 14001 environmental management system, is registered to EMAS the Eco Management Audit Scheme, is a Carbon Neutral Company and has been awarded the Queen's Award for Enterprise: Sustainable Development.

Designed and produced by Pillar Two and Group Charlescannon SARL.





**Trafigura Group Pte. Ltd.**

10 Collyer Quay #29-01  
Ocean Financial Centre  
Singapore 049315  
Email: [enquiries@trafigura.com](mailto:enquiries@trafigura.com)

[www.trafigura.com](http://www.trafigura.com)  
TL/0389.1e

