TRAFIGURA

Non-Ferrous and Bulk Trading Division

“Conflict Minerals” (3TG) Due Diligence Policy

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1 Introduction

Trafigura's Non-Ferrous and Bulk Trading Division "Conflict Minerals" (3TG) Due Diligence Policy" (hereafter "Due Diligence Policy") has been designed specifically for, and is licensed[i] to, Trafigura's Non-ferrous and Bulk trading division. Contents remain subject to regular and on-going review.

This policy document responds to existing legislation and associated compliance requirements relevant to the sourcing of so-called "Conflict Minerals": tin, tungsten, tantalum and gold sourced from areas defined by the Conflict Free Smelter Assessment Program as high risk 'level 2 or 3' countries (hereafter "3TG from high risk areas").

Policy statements respect emerging trends and requirements as described within the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereafter "OECD DDG").

It is Trafigura's policy to source 3TG from high risk areas solely from CFSI approved assurance schemes such as the **ITRI Tin Supply Chain Initiative (ITSCI).** Trafigura does not and will not buy any 3TG material from high risk areas unless certification is provided by ITSCI or a similar CFSI-approved scheme. Shipments of 3TG that have been tagged under the iTSCi scheme and have been received from a supplier vetted by Trafigura's enhanced KYC process are considered compliant with the CFSI Program requirements, subject to all supporting documentation on the origin and chain of custody of the 3TG be made available to Trafigura upon request..

Trafigura's Due Diligence Policy as well as any information required under the Due Diligence process is to be communicated to all new and existing 3TG suppliers operating in high risk areas. Relevant suppliers will be asked to indicate their understanding of and commitment to Trafigura's Due Diligence requirements by returning a signed copy of the Due Diligence Policy that commits them to be in compliance with Trafigura's policy.

OECD Definition of "Conflict-Affected and High-Risk Areas":
The OECD DDG defines conflict-affected and high-risk areas by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterised by widespread human rights abuses and violations of national or international law.

This document is to be read in conjunction with the Trafigura due diligence internal guidance, Trafigura Group's Health, Safety, Environment and Communities (HSEC) Policy and HSEC Principles (CLICK HERE), and Trafigura's Code of Business Conduct.

This Policy is not a substitute for national laws and regulations which take precedence over the Due Diligence Policy. Where a conflict occurs it is incumbent on the relevant entity to contact HSEC@trafigura.com accordingly.

2 “Conflict minerals” Due Diligence Policy

This Policy is based on the OECD’s “Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas”. The Policy adapts the OECD model to Trafigura’s position in the supply chain as an upstream mineral exporter and concentrate trader. It refers directly to the Electronic Industry Citizenship Coalition (EICC) Conflict-Free Sourcing Initiative (hereafter “CFSI”) audit protocols, which represents the bulk of Trafigura’s customers, and which require expanded due diligence when sourcing from high risk areas. It also includes guidance in relation to the sourcing of “conflict minerals”, either directly or indirectly, from the artisanal small-scale mining sector (“ASM”).

“Conflict Minerals”, are formerly defined as tin, tungsten, tantalum and gold (hereafter “3TG”). High risk areas are defined as being any country listed as **Level 2** or **Level 3** countries by the CFSI“3Ts Audit Protocol” and the “Gold Standard and Instructions” document.

For the 3Ts Audit Protocol:

- **Level 2** countries are described as “known or plausible countries for the smuggling, export out of region or transit of tin/tantalum/tungsten containing mineral”. In September 2013 these included: Mozambique, Nigeria, South Africa.
- **Level 3** countries are defined as “the DRC and its nine adjoining countries.” In September 2013 these included: Democratic Republic of Congo, Angola, Burundi, Central African Republic, Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia.

For the Gold Standard and Instructions:

- **Level 2A** countries are described as “countries which are known or plausible destinations of smuggled or exported gold from conflict regions. In September 2013 these included: Kenya, United Arab Emirates.

  Level 2B countries are described as “countries that have been specifically identified by national or international governmental agencies as having a significantly enhanced risk of smuggled or exported gold from conflict regions”. In September 2013 these included: Angola, Burundi, Central African Republic, Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia.
- **Level 3** country for gold is the Democratic Republic of Congo.

Through the adoption and implementation of this Due Diligence Policy, Trafigura commits to responsibly sourcing 3TG high risk areas, from:

1. Mechanized mining sources that are members of or affiliated with a recognized initiative for the responsible sourcing of 3TG, ensuring at a minimum that operations are free of conflict, child labour and forced labour.
2. Only source from ASM producers that are able to provide evidence that the 3TG they supply:
   i) Is produced and exported legally and respecting minimum conditions related to armed conflict, human rights abuse, legal operations and child and forced labour, and

ii) export material in compliance with requirements of the CFSI and The ICGLR regional certification mechanism.

2.1 Due Diligence Policy

This Policy complements and is to be read in conjunction with the Trafigura Group's HSEC Policy and Principles as well as Trafigura's Code of Business Conduct and associated KYC process. As such this Due Diligence Policy is supported by best practice policy statements and associated assurance mechanisms in, for example, the following areas:

- Bribery and fraudulent misrepresentation of the origin of minerals
- Money laundering
- Payment of taxes, fees and royalties due to governments.
- Serious human rights abuses
- Child and/or forced labour
- Support to non-state armed groups
- Public or private security forces

2.1.1 Serious abuses associated with the extraction, transport or trade of 3TG minerals and metals from high risk areas:

A. While sourcing from, or operating in, conflict-affected and high-risk areas, Trafigura will neither tolerate or by any means profit from, contribute to, assist with or facilitate the commission by any party of:

i) any forms of torture, cruel, inhuman and degrading treatment;

ii) any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;

iii) the worst forms of child labour;

iv) other gross human rights violations and abuses such as widespread sexual violence;

v) war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

Risk management of serious abuses:

Trafigura will immediately suspend or discontinue any commercial engagement with upstream suppliers where Trafigura identifies a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined in 2.1.1. Engagement with upstream suppliers will remain suspended until a credible and independent third party auditor approves the source as free from the abuses identified in 2.1.1.

2.1.2 Direct or indirect support to non-state armed groups:

A. Trafigura will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of 3TG from high risk areas. "Direct or indirect support" to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

vi) illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or

vii) illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or

viii) illegally tax or extort intermediaries, export companies or international traders.

Risk management of direct or indirect support to non-state armed groups:
Trafigura will immediately suspend or discontinue engagement with upstream suppliers where Trafigura identifies a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined in 2.1.2.

2.1.3 Public or private security forces:

A. Trafigura agrees to eliminate, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.

B. Trafigura recognises that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.

C. Where Trafigura or its suppliers contract public or private security forces, Trafigura will conduct reasonable steps as part of the due diligence process, to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired, by checking lists of sanctioned individuals provided by the United Nations and, where available, of the State where public or private security forces are contracted, as well as verifying if the individual is flagged by law enforcement in the respective State.

D. Trafigura will engage with local authorities, international organisations and civil society organisations to avoid or minimise the exposure of vulnerable groups, and particularly artisanal miners, to adverse impacts associated with the presence of security forces, public or private, on mine sites.

Risk management of public or private security forces:
Trafigura's policy is to solely source 3TG minerals and metals from suppliers that produce and export material under a CFSI-approved assurance scheme which are designed to prevent or mitigate the risk of direct or indirect support to public or private security forces, as identified in 2.1.3. However,

should Trafigura independently identify a risk of direct or indirect support to public or private security forces, it will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan. Where Trafigura identifies a reasonable risk of activities inconsistent with paragraphs 5 and 6, Trafigura will respond in the same vein.

2.1.4 Bribery and fraudulent misrepresentation of the origin of minerals:

A. Trafigura's Zero Tolerance Policy strictly prohibits the offer or acceptance of a bribe in any form, including kickbacks or the use of any route of which the intention is to provide improper benefits to third parties, in both public and private sectors, whether made directly or indirectly. Parties should refer to **Trafigura's Code of Business Conduct for full details of the policy.**

B. Specific to the trade in 3TG material, Trafigura will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.

2.1.5 Money laundering:

A. In accordance with Trafigura's Code of Business Conduct Trafigura will not condone, facilitate or support money laundering. Trafigura will support efforts, or take steps, to contribute to the effective elimination of money laundering where Trafigura identifies a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

Risk management of money laundering
Trafigura's Compliance Department will carry out comprehensive KYC procedures relevant to this Due Diligence Policy and the company's wider Compliance programme prior to engaging with any new supplier of 3TG from high risk areas. Trafigura will make payment for purchases of minerals solely via bank transfer.

2.1.6 Payment of taxes, fees and royalties due to governments:

Trafigura traders and KYC officers will request and store documents from its suppliers consistent with the requirements of the CFSI and the ITSCi program that show that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments.

2.1.7 Third Party Risk Assessments

Where suppliers of 3TG material sold to Trafigura are identified in the KYC process to be sourcing from ASM operations in a Level 3 country as defined by the CFSI, Trafigura will hire a 3rd party assessor to carry out due diligence verification in accordance with the OECD Due Diligence Guidance within a 4 month period of entering a contractual relationship with the supplier. Due Diligence will also be carried out on existing 3TG suppliers operating in CFSI level 3 countries over a period of 6 months from the adoption of the policy.

As part of the due diligence, the 3rd party assessors will seek to verify:

a) The ownership, company officer and company information data provided during the expanding KYC due diligence.
b) Locations where minerals and/or metals are consolidated, traded, processed or upgraded.
c) Identification of all upstream intermediaries, consolidators or other actors in the upstream supply chain.
d) That the material is produced in a manner which:
    a. Does not contribute to conflict and human rights,
    b. Does not utilise child or forced labour
    c. is legally exported
e) Transportation routes of the material

2.2 Definitions

Artisanal and small-scale mining (ASM) is capital-light, labour-intense, mining conducted in small operations compared to medium or large-scale mining. It encompasses each phase of the mine life cycle from exploration, through pre-feasibility, feasibility, and operation to closure and post-closure. The ASM sector encompasses mining, but also processing, smelting/refining, transport and trading, and service providers along this value chain.

ASM operator/operation – Anyone undertaking the above activities will be referred to as ASM operator. An organised set of any of the above ASM activities is an ASM operation.

ASM stakeholders – Stakeholders with interests in ASM will differ from case to case, but these tend to include: ASM operators; national, regional and local government; civil society organisations; community representatives; donor and other international development organisations and other large-scale mining companies.

High-risk countries, Phase 1 – For the purposes of this document, high-risk countries are defined as being any country listed as Level 2 or Level 3 countries by the EICC-GeSI Conflict-Free Smelter Program, 3Ts Audit Protocol and the Gold Standard and Instructions document.

High risk countries, Phase 2 – For purposes of this document, high-risk countries are defined as being any country listed as Level 2 or Level 3 countries by the EICC-GeSI Conflict-Free Smelter Program, 3Ts Audit Protocol and the Gold Standard and Instructions document and/or that are **not** considered free of conflict by the HIIC Conflict Barometer.

Mechanised Mining – For the purposes of this document, mechanised mining is defined as a small, medium or large scale operation that uses a fully mechanised labour force to extract metals or minerals, typically from a point resource and **does not** buy any material from artisanal miners outside of the concession owned or operated by the miner.

Trafigura supplier – each company or operation which has a contractual relationship to supply minerals or metals to the Trafigura Group will be referred to as a 'Trafigura supplier' within this document.

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[i] This policy and accompanying guidance has been developed by Resource Consulting Services Limited (trading as RCS Global). The Output Material derives from information or material owned by RCS Global and the ownership of such underlying material or information remains with RCS Global. Trafigura has a license to use such material or information on non-exclusive, royalty free basis as part of the Output Material.