

Statement from the Executive Chairman and Chief Executive Officer

Trading responsibly



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I am pleased to present Trafigura Group’s 2018 Responsibility Report. This annual compendium of non-financial reporting on our business complements our Annual Report, which is published each December and includes our audited financial statements.

This Responsibility Report is our fourth. Like its predecessors, it records progress in meeting the commitments we have made to operate a responsible business. It also addresses challenges we have encountered in doing so.

It is our declared intent within the Trafigura Group to take a leading role in corporate responsibility appropriate to our position as one of the world’s largest independent traders of oil, refined products, non-ferrous metals and bulk minerals.

We believe this underpins our ability to operate as a multinational business and it also supports our commercial objectives. Our customers and our financial partners expect us to act transparently and responsibly. Doing so is vital to maintaining our reputation, which is ever more important to business success in today’s world.

Two years ago, Trafigura adopted a new Responsibility Policy and accompanying Business Principles. This report provides a detailed update on our performance against these goals and a series of practical case studies from around the world.

We believe this material demonstrates that responsible business practices and policies are both integral to our strategy and embedded in our day-to-day operations. I would add that we see our overall business mission itself as being responsible. It entails advancing trade by tackling inefficiencies in the global commodities supply chain and thus delivering value for producers and consumers.

In turn, that involves performing diligence on those with whom we choose to do business. It means assessing actual or potential impacts of our business on human rights and the environment.

It also means ensuring we maintain an understanding of how regulations and markets are changing and what we need to do to stay abreast or ahead of these changes. As we grow our business, we are seeking to do the right thing by our stakeholders.

I would like to highlight several areas that are the subject of more detailed reporting in the pages that follow.

Regrettably, we experienced four fatalities associated with our operations in 2018. We continue to invest in improving safety practices but still have work to do in meeting our objectives.

Performance on injury frequency rates in our operations continues to improve and we are making progress in managing the extensive network of contractors that we rely on to conduct our business.

We continue to lead the industry in transparency by reporting our payments to National Oil Companies for purchases of oil and gas. In addition we have improved our environmental disclosure by more accurately capturing greenhouse gas emissions from all our activities, and have taken steps to define a Climate Change Strategy to manage the emissions intensity of our business.

Responsible sourcing of cobalt, a vital component in the lithium-ion batteries that power electric vehicles, is an important focus for consumers, battery makers and technology companies alike. In this report we describe our responsible sourcing initiatives.

As a founder member of the World Economic Forum’s Global Battery Alliance, we are also working with others in the battery supply chain to establish and disseminate best practice.

Our broad exposure to the resources industry makes us acutely aware of the significant changes afoot as a result of technological innovation and of the world’s ongoing transition to a lower-carbon economy. Trafigura has been active during 2018 in promoting the notion of a ‘commodities transition’ over the coming years and decades that will have radical effects, not just on the energy business but also on other commodities sectors, including metals and minerals. We are positioning our business to support this gradual transition towards cleaner, more efficient fuels, more sustainable methods of transportation and more transparently and responsibly sourced materials.

Last but not least, we remain vigilant and proactive with regard to compliance in all areas of our business, not least in application of economic sanctions.

Our approach is characterised by engagement and transparency, on the basis that this offers the most effective path to winning and maintaining public trust. Our counterparts in business, government and finance tell us that they recognise and welcome these efforts, which will encourage us to maintain and intensify them over the coming year.

Jeremy Weir

Executive Chairman and Chief Executive Officer