

ENGLISH

A woman wearing a white hard hat, safety glasses, and a tan work shirt with a TRAFIGURA logo. She is holding a handheld device. The background is a blurred outdoor setting.

**2018**  
**RESPONSIBILITY**  
**REPORT SUMMARY**

TRAFIGURA GROUP PTE. LTD.

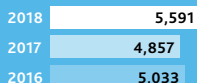
*ADVANCING*  
**TRADE**

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- 07 Health and safety: A safe and healthy workplace
- 08 Environment: Managing environmental risk
- 09 People: Forging a responsibility culture

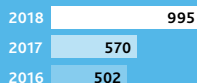
## Average number of employees<sup>1</sup>

5,591



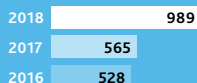
## Employees trained on anti-bribery and corruption

995



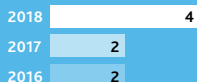
## Employees trained on anti-money laundering

989



## Fatalities

4



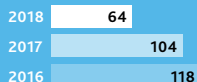
## Health and safety incidents reported

495



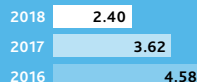
## Lost-time incidents

64



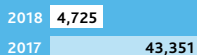
## Lost-time injury rate

2.40



## Volume of oil spills in litres

4,725



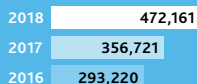
## Environmental incidents reported

146



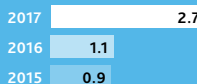
## Scope 1 and Scope 2 greenhouse gas emissions

472,161 tCO<sub>2</sub>e



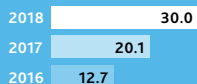
## Aggregate first purchases from NOCs in EITI countries in 2017

\$2.7bn



## Aggregate first purchases from NOCs in non-EITI countries in 2017

\$30.0bn



## Know-your-counterparty checks

6,475



1. Employee numbers include assets where Trafigura retains management control, e.g. MATSA (Spain), Porto Sudeste (Brazil) and the Mawson West mine (DRC). Such assets are deconsolidated from Trafigura's balance sheet and as such the average number of employees reported will vary between the Responsibility Report and Trafigura's Annual Report.

## Statement from the Executive Chairman and Chief Executive Officer

# Trading responsibly



*“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.”*

I am pleased to present this summary of Trafigura’s 2018 Responsibility Report.

The 2018 Report is our fourth, and records our 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.

We have progress to report, but also acknowledge that there is still much to do.

We have a clear goal of zero fatalities but regrettably there were four fatalities associated with our operations in 2018. This a key area of focus and throughout the business we continue to prioritise and invest in improving safety practices. We saw further reduction in injury frequency rates in our operations 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 measuring 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 the main Report we describe our responsible sourcing initiatives in further detail.

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

Our approach is characterised by engagement and transparency. 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**

Chief Executive Officer



For a copy of Trafigura’s full 2018 Responsibility Report please refer to:

[www.trafigura.com/2018RR](http://www.trafigura.com/2018RR)

# Responsibility and strategy

Responsible business practices and policies are integral to our strategy and are embedded in our day-to-day operations.

## Our approach

Trafigura measures its performance against responsibility objectives in five key areas.

### 1. Compliance (p5)

**OBJECTIVE: To ensure that our employees operate in compliance with our Code of Business Conduct and that activities are compliant with all laws and regulations as applicable.**

We maintain a comprehensive programme of Know Your Counterparty (KYC) checks and compliance training. In 2018, we continued our engagement with regulators on key issues relating to the commodities trading sector.

### 2. Society (p6)

**OBJECTIVE: To increase positive impacts on communities while working to avoid negative social, environmental and economic impacts.**

In 2018, we maintained our programme of reporting payments to National Oil Companies (NOCs) for the purchase of oil and gas under the Extractive Industries Transparency Initiative (EITI).

We enhanced our Responsible Sourcing programme, first piloted in 2017, to address the potential for adverse social or environmental impacts associated with mineral extraction. The programme is cognizant of the OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The initial focus here, described in detail in the main report, has been to conduct assessments of suppliers that either operate in high-risk geographies or supply Trafigura with high-risk products, such as cobalt.

### 3. Health and safety (p7)

**OBJECTIVE: To perform our operations safely and to reduce and manage risk.**

Our Health, Safety, Environment and Communities (HSEC) Steering Committee is mandated by the Board of Directors to provide guidance and monitor its implementation across our operations.

Safety in our operations remains a key priority. However, in 2018 we did not meet our goal of zero fatalities. Our main report explains what is being done to achieve the target at the earliest possible opportunity.

In other respects, we are making good progress, with a reduction in the lost-time injury rate (LTIR), improved incident and near-miss reporting, and other steps to strengthen our management of operational risk.

### 4. Environment (p8)

**OBJECTIVE: To minimise adverse impacts on the natural environment and respond to the effects of climate change.**

We achieved our target of zero major environmental incidents and we report good progress in setting minimum expectations for managing operations deemed to carry higher environmental risks. The Group also adopted and started to implement a Climate Change Strategy aimed at managing greenhouse emissions within our scope of responsibility, with a particular focus on reducing the carbon intensity of our shipping operations.

### 5. Engagement and transparency

**OBJECTIVE: To develop relationships with our stakeholders, promote transparency and report on our performance.**

Stakeholder engagement is central to our approach in all the above areas and has been instrumental in our ongoing work to define and refine salient issues in our Responsibility Strategy. In 2018, we commissioned a survey with a number of our lenders and investors to seek their opinions on our external reporting. These consultations provided an overall validation of our approach and encouraged the inclusion of more data where possible, and more real-life case studies to reflect and reinforce our progress.

Further details on our various initiatives can be found online and in the main report.

# Compliance

Trafigura's business is conducted within national and international laws and regulations. Wherever we operate, we aim to ensure our conduct is in line with applicable and relevant internationally recognised standards.

## Our approach

We focus on promoting and sustaining a sound compliance culture where all staff recognise both a personal and a collective responsibility for meeting Group compliance objectives. Our Code of Business Conduct defines what is expected of our people.

Trafigura's Compliance Department oversees Group activities. It operates in partnership with front office functions to ensure our controls are relevant and robust. Trafigura's Head of Compliance reports directly to the Group's Chief Operating Officer.

## Our performance

- 570 new-start, office-based Trafigura employees trained on our Code of Business Conduct.
- Anti-money laundering training delivered to over 989 staff members in 41 locations.
- Anti-bribery and corruption training delivered to over 995 staff members in 41 locations.
- 3,976 vessels screened by IMO number to mitigate risk associated with the reflagging of vessels by sanctioned countries, entities or individuals.

**6,475**

Know your counterparty (KYC) checks carried out in 2018  
(2017: 5,975)

**989**

Anti-money laundering training sessions delivered in 2018  
(2017: 565)

**570**

New start, office-based employees trained on Code of Business Conduct in 2018  
(2017: 680)

**995**

Anti-bribery and corruption training sessions delivered in 2018  
(2017: 570)



# Society

Earning and maintaining our social licence in communities where we operate reduces risk, supports the development of our business and enhances our access to talent, capital and liquidity. Promoting closer links the communities and driving greater levels of transparency locally and internationally are vital components. Where our activities impact others, we act to avoid infringing their rights and to address adverse impacts with which we are involved.

## Our approach

We are a major facilitator of global trade. We believe that natural resource wealth should be an engine for economic growth that, when used prudently, contributes to sustainable development and poverty reduction.

Our activities stimulate development in local communities and national economies. We create employment, develop skills, build infrastructure and procure from local suppliers. At the same time, we recognise that our activities and those of our business relationships can also have adverse impacts.

We monitor and seek to manage risks where we have indirect supply chain impacts. We endeavour to mitigate such risks by acting responsibly and by exercising diligence in appointing suppliers and contractors. How we act is codified through our Responsibility Policy, Business Principles and, where appropriate, specified operating expectations.

Internationally, we contribute to the expanding conversation on and response to impacts related to our sector, the geographies in which we trade, the business relationships that we keep, the products that we handle and the services that we deliver.

## Our performance

- Trafigura's 'Responsible Sourcing & Supply Chain Expectations' was distributed to all suppliers of metals and/or minerals from the Democratic Republic of the Congo (DRC) and Zambia.
- 'Responsible Sourcing & Supply Chain Expectations' distributed to all gold suppliers. Desk-based due diligence initiated following training provided to relevant in-house trading and operations staff.
- Trafigura worked with Kumi Consulting and the NGO Pact to formalise its expectations for suppliers of material recovered via artisanal and small-scale mining (ASM).
- In April, we presented our progress on responsible sourcing at the OECD's 'Forum on Responsible Mineral Supply Chains' in Paris.
- Trafigura has been helping to frame guidelines for ethical cobalt sourcing as founding member of the Cobalt Working Group for the World Economic Forum's Global Battery Alliance (GBA).
- Trafigura continued to support the EITI-mandated multi-stakeholder working group in developing guidance on 'first-trade' reporting of crude oil sales by state-owned enterprises (SOEs).

### \$2.7bn

Aggregate first purchases from NOC's in EITI currencies in 2017 (2016: USD1.1bn)

### \$30.0bn

\$30.0bn Aggregate first purchases from NOCs in non-EITI countries in 2017 (2016: USD20.1bn)

# Health & Safety

Performing our operations safely is of fundamental importance to the Trafigura Group.

## Our approach

We have three high-level objectives. First, we aim for zero work-related fatalities; second, we aim to reduce the number of serious incidents we experience; and third, we are committed to the prevention of serious incidents reoccurring.

Our robust, targeted approach is increasingly informed by solid data. We are asserting the primary importance of safe, healthy working conditions through strong governance supported by an active network of HSEC practitioners. We aim to eliminate or mitigate operational risks to as low as reasonably practicable, whether they relate to our employees or to others carrying out or overseeing duties on our behalf.

Our approach has its foundations in our Corporate Responsibility Policy and Business Principles. We are meeting these commitments through strong governance at Group and operating levels. We are strengthening our assurance and formalising our processes. We focus on skills development and risk management, and share good practice across the organisation.

## Our performance

- Four fatalities associated with Trafigura operations.
- Greater rigour brought to serious incident reviews through enhanced oversight.
- 38 percent reduction in total amount of lost-time incidents.
- 34 percent reduction in overall Group-wide lost-time incident rate (LTIR).
- 204 percent increase in near-miss reporting.

**495**

Number of health and safety incidents reported (level 1-5)  
(2017: 423)

**2.40**

Lost-time incident rate (LTIR)  
(2017: 3.62)

**64**

Lost-time incidents (LTI)  
(2017: 104)



# Environment

We aim to minimise any adverse impacts from our business operations on the natural environment. This includes building our understanding climate change and responding to its effects.

## Our approach

We are entrusted with the safe handling, storage and transportation of significant volumes of commodities every day, including oil and petroleum products, ores, concentrates and refined metals. It is our duty to prevent, minimise or remediate any unintended releases of these products to the natural environment.

Trafigura divisions and operating companies that manage industrial assets aim to eliminate or mitigate any adverse environmental impacts associated with their activities.

We seek to reduce emissions, explore ways in which we can create supply chain efficiencies in logistics, and adapt our operations to meet the reality of climate change.

## Our performance

- More comprehensive and accurate reporting on Scope 1, 2 and 3 Greenhouse Gas (GHG) emissions
- Publication of full-disclosure Carbon Disclosure Project (CDP) Report.
- Global Logistics Emissions Council (GLEC) reporting framework adopted.
- Group Climate Change Strategy adopted..

**472,161** tCO<sub>2</sub>e

Scope 1 and Scope 2 GHG emissions  
(2017: 356,721 tCO<sub>2</sub>e)

**4,856,738** tCO<sub>2</sub>e

Scope 3 GHG emissions  
(2017: 2,421,642 tCO<sub>2</sub>e)

**10**

Total number of oil spills  
(2017: 13)

**4,725**

Volume of oil spills in litres  
(2017: 43,351)





# People

We are proud of our meritocratic working environment – one that is forged in an atmosphere of integrity, ethical conduct, equal opportunity and mutual respect. To have a successful and sustainable business we need to attract, develop and retain a skilled and high-performing workforce.

## Our approach

We set high standards for ourselves and for our partners in our day-to-day activities. We work in an environment based on respect, diversity and performance where people can flourish and maximise their potential.

Trafigura people combine entrepreneurialism with responsibility. Devolved decision-making gives employees significant autonomy. Increasingly robust systems and processes ensure full accountability and control.

It is an approach that aims to motivate staff, promote agility and allow close-knit teams to operate effectively across diverse businesses with differing norms and in varying socio-economic conditions.

Trafigura's Human Resources (HR) team oversees our people strategy on behalf of the Group. The Global Head of HR reports to Trafigura's COO who sits on Trafigura's Executive Committee.

## Our performance

- 2,150 employees joined Trafigura Group in 2018 (49 percent office workers and 51 percent blue-collar workers).
- 32 people hired onto the Graduate Programme (including five from our Apprenticeship Programme), six onto the Apprenticeship Programme, 25 onto the International Trader Opportunity, and five onto the Impala Terminals Graduate Programme.
- 26,736 learning and development-related activities completed across the Group, including e-learning modules, structured on-the-job training, classroom training and skills evaluations.
- 484 employees had a career development opportunity, i.e. a change of role or a promotion.
- 102 employees relocated internationally.

# 5,591

Average total employees worldwide  
(2017: 4,857)





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TI/0274.1e

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