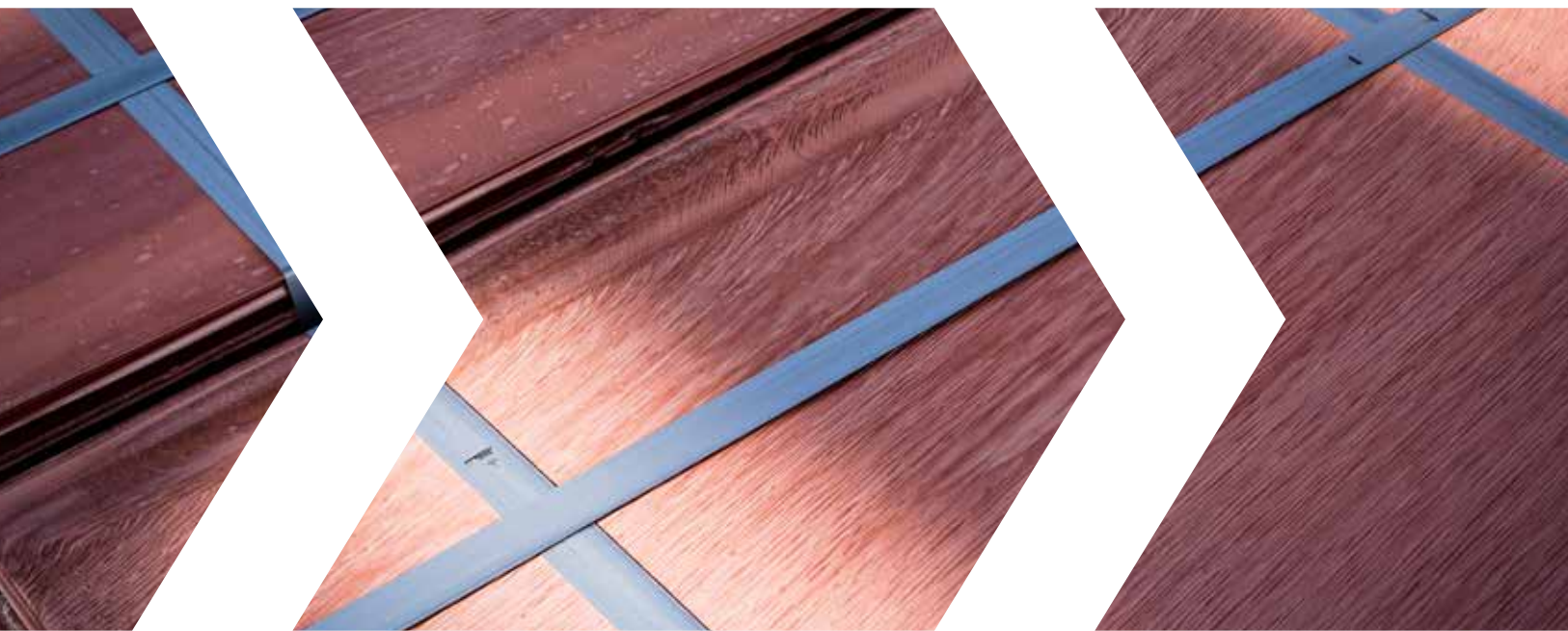




METALS AND MINERALS
**RESPONSIBLE SOURCING AND
SUPPLY CHAIN EXPECTATIONS**

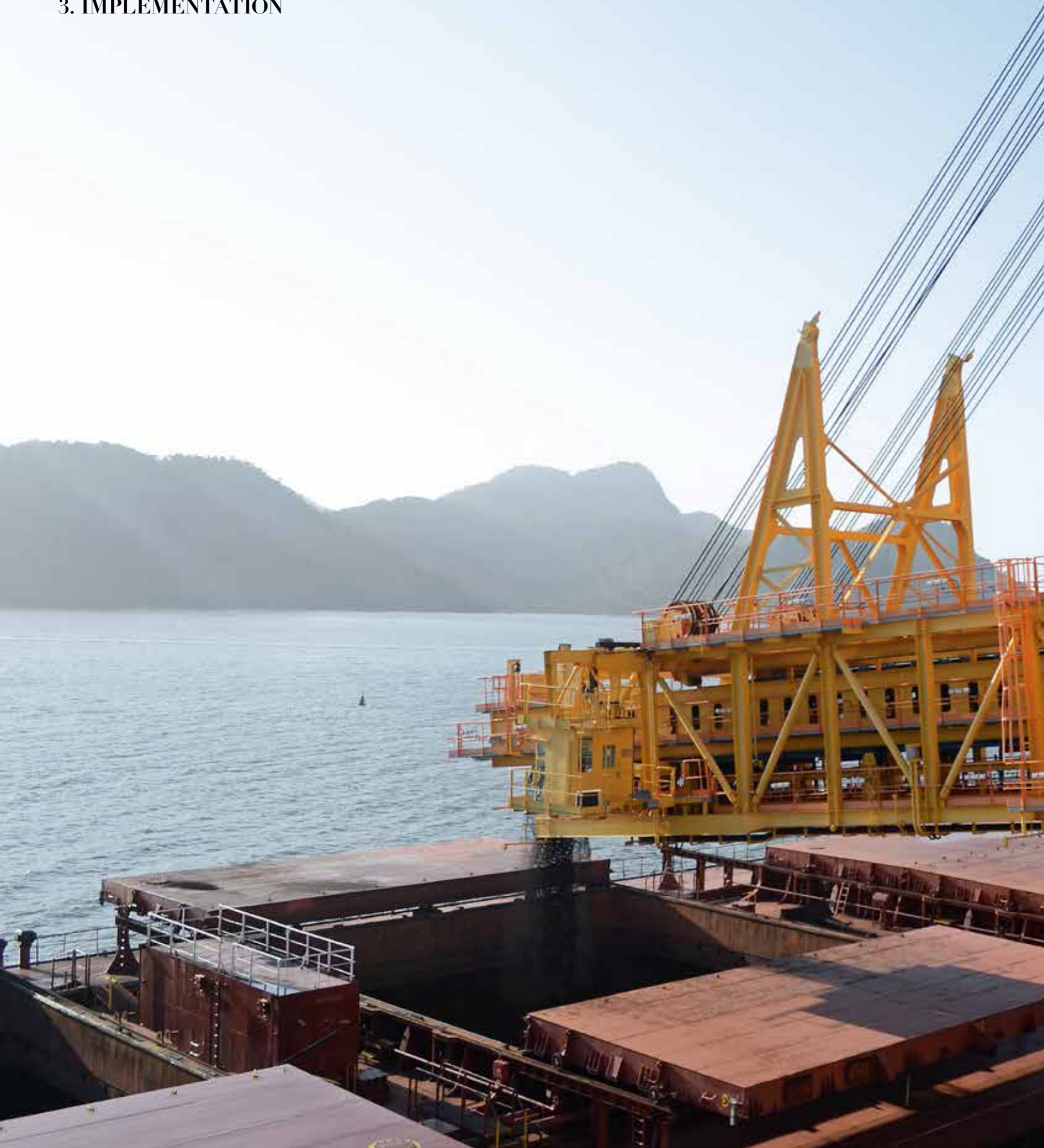


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1.

INTRODUCTION

Trafigura recognises that the extraction, handling, processing, transportation and trade of metals and minerals have the potential to contribute to, benefit from, or result in adverse social and environmental impacts.

We are committed to responsible sourcing. Our ambition is to identify and mitigate salient social and environmental risks in our supply chain. We prefer to partner with those suppliers that are committed to continuous improvement in the sphere of corporate responsibility.

Our approach to corporate responsibility is enshrined in our 'Corporate Responsibility Policy', 'Business Principles' and 'Code of Business Conduct', which apply to all Trafigura Group companies. We believe that all business relationships across our value chain should adopt and implement comparable standards. At a minimum, our counterparties should comply with international and host country laws and regulations applicable to such counterparty.



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- 1 The explicit designation of suppliers, in the context of these guidelines, will be determined by Trafigura's Health, Safety, Environment and Communities (HSEC) Steering Committee.
 - 2 http://www.trafigura.com/media/4017/trafigura_corporate_responsibility_policy_2016.pdf
 - 3 http://www.trafigura.com/media/4016/trafigura_business_principles_2016.pdf



2.

OUR EXPECTATIONS OF OUR SUPPLIERS

Regarding serious abuses associated with the extraction, handling, processing, transportation and trade of metals and minerals:

1. Supplier should not profit from, contribute to, assist with or facilitate the commission of the following serious abuses:
 - i. torture, cruel, inhuman and degrading treatment;
 - ii. forced or compulsory labour;⁴
 - iii. the worst forms of child labour;⁵
 - iv. other gross human rights violations and abuses.

Regarding risk management of serious abuses:

2. Supplier to suspend or discontinue engagement with upstream suppliers where they identify that they are sourcing from, or linked to, any party committing serious abuses as defined in paragraph 1 and where attempts to mitigate such impacts have failed.
3. Supplier to engage with local authorities, international organisations and civil society organisations to avoid or minimise the exposure of vulnerable groups, in particular, where minerals in the supply chain are extracted through artisanal or small-scale mining.

Regarding public or private security forces:

4. Supplier to screen public or private security forces to ensure that individuals or units of security forces that are known to be responsible for gross human rights abuses will either not be hired, in the case of 'individuals', or required to demonstrate measures to mitigate the likelihood of such impacts occurring in future, in the case of 'units'.

Regarding bribery and fraudulent misrepresentation of the origin of minerals:

5. Supplier to devise, adopt and implement policies and procedures designed to prevent or mitigate the risk of bribery and/or the solicitation of bribes to conceal or disguise the origin of metals and minerals associated with the extraction, handling, processing, transportation and trade of metals and minerals.⁶

Regarding money laundering:

6. Supplier to devise, adopt and implement policies and procedures designed to prevent or mitigate the risk of money laundering resulting from, or connected to, the extraction, handling, processing, transportation and trade of metals and minerals.

Regarding the payment of taxes, fees and royalties due to governments:

7. Supplier to devise, adopt and implement policies and procedures designed to ensure that all required taxes, fees, and royalties are paid to governments in accordance with the supplier's position in the supply chain.⁷

If Trafigura has reason to believe that the sourcing practices of a supplier are not aligned with these expectations or applicable international and host country laws and regulations, Trafigura may ultimately choose to exit the relationship.

⁴ See ILO Convention No. 29 on Forced Labour and ILO Convention No. 105 on Abolition of Forced Labour where 'forced labour' refers to any form of indentured servitude including methods of discipline or control such as retaining employees' identification, passports, work permits or deposits as a condition of employment.

⁵ See ILO Convention No. 182 on the Worst Forms of Child Labour (1999). If the supplier employs young workers, such employment should not expose them to undue physical risks that can harm physical, mental or emotional development.

⁶ See OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997); and the United Nations Convention Against Corruption (2004).

⁷ Trafigura commits to disclose such payments in accordance with the principles set forth under the Extractive Industries Transparency Initiative (EITI). Suppliers are encouraged to do the same.

3.

IMPLEMENTATION

In support of these expectations, Trafigura intends to:

- Communicate and train relevant Trafigura employees to ensure that they are aware of and responsive to salient social and environmental risks, and are aligned with our aspiration to maintain a responsible supply chain.
- Undertake risk based due diligence on our supply chain focusing on those activities in our supply chain where risks to people and the environment are greatest.
- Engage with suppliers to develop policies and procedures in line with these expectations.
- Engage with suppliers to engage with their business relationships to promote the dissemination and adoption of similar standards across the supply chain.
- Regularly review our practices and guidance to ensure that they remain responsive to our assessment of evolving supply chain risks.
- Report on supply chain due diligence where appropriate or required by legislation in our annual Responsibility Report.

Where suppliers or other stakeholders wish to raise concerns relating to this document they are encouraged to do so via Trafigura's online grievance hotline, available at www.trafigura.com.





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