

Embedding responsibility across the organisation

Statement from the Co-Chairs of the HSEC Steering Committee



Jonas Moberg and
Andrew Vickerman
Co-Chairs of the
HSEC Steering
Committee

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This Responsibility Report marks our fifth annual account of our environmental, social and governance (ESG) performance. Further to growing interest from stakeholders, we give emphasis in this report to four areas. First, the safety of those impacted by our operations. Second, our climate change strategy and emissions reporting, reflecting the priorities and principles of the Financial Stability Board’s Task Force on Disclosure (TCFD). Third, our growing responsible sourcing programme; and fourth, our efforts to enhance transparency and engagement with our stakeholders.

Safety

Despite the many achievements of 2019, in terms of safety, we regrettably fell short of our objective of no fatalities associated with our Group’s activities. In May, a mariner on a vessel off the coast of West Africa died having contracted malaria. Following this tragic fatality, emergency plans have been reviewed, new guidance issued, and malaria self-diagnosis kits provided.

Our serious injury rate continued to fall over the course of 2019. Our lost time incident rate fell by 27 percent – this follows reductions of 38 percent in 2018 and 12 percent in 2017. Our efforts to ensure a safe working environment remain unrelenting, and this report offers a timely opportunity to thank colleagues for their work in support of this objective.

Following a serious road traffic accident in 2018, a key safety focus has been reducing road transport risk.

We revised and strengthened our Road Transport Risk Management Guidance, ran a road safety campaign across the Group and fitted in-vehicle monitoring systems in all company owned and leased vehicles.

Climate change and emissions reporting

International seaborne trade is of critical importance to our business model. It is also our greatest source of emissions, accounting for 89 percent of our total emissions in 2019.

Given that Trafigura operates a small fleet of controlled vessels, our emissions are predominantly generated by third parties. In a fragmented industry, characterised by small margins, there is a pressing need for industry and regulators, amongst others, to come together urgently to mitigate the climate-related risks posed by shipping. For this reason, Trafigura is an active supporter of the Global Maritime Forum.

In 2019, we spoke out in favour of a series of initiatives in support of climate risk mitigation. These included the introduction of a carbon levy for the maritime sector, which we consider necessary to drive the development of zero carbon emitting fuels. We favour regulations in support of slow steaming, meaning that there would be international rules capping vessel speeds – substantially cutting emissions. And we have joined the Global Maritime Forum’s “Getting to Zero Coalition”, calling for accelerated decarbonisation of shipping through the development and deployment of commercially viable zero-emission vessels by 2030.

There are actions the shipping industry can take to improve efficiencies: through route optimisation and better planning; building new fuel-efficient vessels; and, the chartering of vessels with lower emissions. We are working to reduce the emissions intensity of our shipping fleet.

Demands for environmental impact data have grown in recent years. This year, we are pleased to report improved accuracy of measurement of all emissions for which we are responsible. Better accuracy gives us greater confidence in our ability to report and benchmark our emissions intensity: the greenhouse gas emissions attributable to each tonne of commodity moved per kilometre.

Responsible sourcing

In 2019, the scope of our Responsible Sourcing activities extended from Trafigura's worldwide purchases of gold concentrates and copper and cobalt from the Democratic Republic of the Congo and Zambia to cover other geographies and products. Such developments reflected a growing industry trend, bolstered by the efforts of the London Metals Exchange, towards enhanced supply chain diligence. We continue to engage and support this drive, reflecting our own policy position and market demand.

We recognise that the evolving ESG agenda requires new skills and knowledge: measuring and reporting our emissions; incorporating responsible sourcing due diligence into trades; and, developing new safety competencies. We would like to thank our colleagues on the HSEC Steering Committee and across the Group for their continued contribution throughout 2019 and we look forward to reporting further progress.

Transparency and engagement

Over recent years, Trafigura has played an active role in support of commodities trading transparency and, in particular, the Extractive Industries Transparency Initiative (EITI). In 2019, we became the first commodity trading company to join the board of the EITI. Trafigura is committed towards advancing the mission of the organisation and extending its reach internationally.

Multi-stakeholder forums (MSFs) have become an integral part of Trafigura's approach to transparency and engagement. Such opportunities enable us to build a greater understanding of our impacts, positive or negative, real or perceived.

We recognise the importance of our stakeholders' views and this helps us identify, inform and prioritise our actions. We look forward to enhancing our engagement programme in 2020 and reporting extensively on matters of concern and interest to those around us in future years.

