



# 2022 HUMAN RIGHTS REPORT

TRAFIGURA GROUP PTE. LTD.



# About this Report

This Human Rights Report sets out our human rights approach and our key human rights activities during FY2022.<sup>1</sup> It also provides an overview of our salient human rights risks –those human rights at risk of the most severe impact through our activities and business relationships – and how we manage those risks.

This report should be read alongside Trafigura’s 2022 Sustainability Report<sup>2</sup> as well as other related publications as featured on Trafigura’s website.

In preparing this report, we have drawn on the UN Guiding Principles on Business and Human Rights Reporting Framework (UNGPRF) and the Appendix maps our reporting against the UNGPRF. In addition, it includes interviews with and quotes from internal stakeholders and case studies to demonstrate how we are implementing our commitment to respect human rights in practice.

The companies in which Trafigura Group Pte. Ltd. directly or indirectly owns investments are each separate legal entities and should not be considered or construed otherwise. This report refers to: (i) certain subsidiaries over which Trafigura Group Pte. Ltd. has direct or indirect control; and (ii) certain joint venture entities and arrangements where Trafigura Group Pte. Ltd. has direct or indirect joint control; and (iii) certain other investments where Trafigura Group Pte. Ltd. has neither control nor joint control and may or may not have influence. For the avoidance of doubt, references to "Trafigura", "Trafigura Group", "the company", "the Group", "we", "us", "our" and "ourselves" may be used for convenience (not for legal) purposes to refer to Trafigura Group Pte. Ltd., its subsidiaries, and/or its joint ventures.

<sup>1</sup> Trafigura's financial year, FY2022, ran from 1 October 2021 to 30 September 2022.

<sup>2</sup> [www.trafigura.com/2022SR](https://www.trafigura.com/2022SR)

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# Message from the Executive Chairman and Chief Executive Officer



**Jeremy Weir**  
Executive Chairman and  
Chief Executive Officer

We are committed to respecting internationally recognised human rights and have regard to the UN Guiding Principles on Business and Human Rights (UNGPs).

Everyday, Trafigura supplies commodities that are essential to the daily lives of people around the world, connecting producers and consumers reliably, efficiently and responsibly. In conducting our business, we are committed to respecting human rights.

I am pleased to present Trafigura's second Human Rights Report, setting out our human rights approach and key activities during FY2022. This report complements our 2022 Annual Report and Sustainability Report and other information available online at [www.trafigura.com](http://www.trafigura.com).

We have continued to focus efforts on key areas of risk in our value chain – such as collaborative efforts to help drive sustainability in the responsible sourcing and sale of key commodities, such as critical metals. We have also invested in building the capacity of our own staff in understanding and responding to modern slavery.

We recognise growing expectations on companies (including from commercial counterparts) to manage – and communicate – their approach to human rights risks in their value chains, reflected in increasing legislative requirements in a number of jurisdictions.

We look forward to continued engagement with our stakeholders around how we can continue to work together to drive respect for human rights.

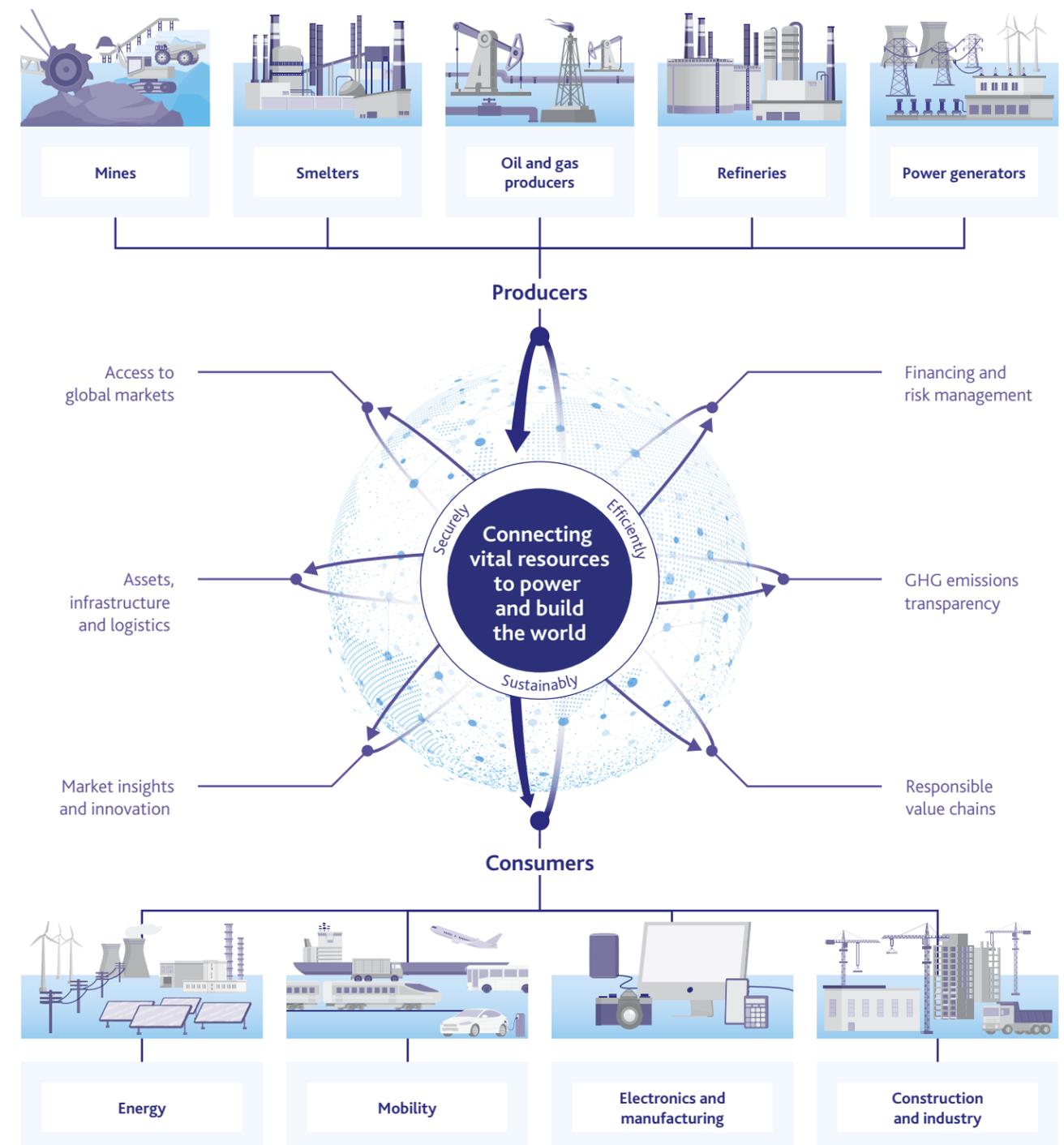
2022 Annual Report:  
[www.trafigura.com/  
2021AR](http://www.trafigura.com/2021AR)

2022 Sustainability Report:  
[www.trafigura.com/  
2022SR](http://www.trafigura.com/2022SR)

# Our business model

At the heart of global supply, Trafigura connects vital resources to power and build the world. And we make it our mission to do this responsibly. We listen to society's needs, and we use our deep understanding of the markets we serve to make supply more efficient, secure and sustainable.

Across our global network, we deploy infrastructure, logistics and financing to connect producers and consumers, bringing greater transparency and trust to complex supply chains. And we invest in renewable energy projects and technologies to help facilitate the transition to a low-carbon future.



# Our human rights approach

As a leading participant of the global commodities industry, the scale and breadth of our business means that we interact with a large number of counterparties and stakeholders throughout the value chain. Our business is centred around the following three core areas of activity.

<p><b>Managing commodity supply chains</b></p> <p>Our core business is sourcing and supplying commodities, including non-ferrous metal concentrates and refined metals, bulk commodities, oil and petroleum products and power to customers globally. We manage complex supply chains and logistics efficiently and responsibly to connect producers and consumers while providing the commodities required for access to energy, mobility, industrial production and daily life.</p>	<p><b>Assets owners and operators</b></p> <p>We own and operate or invest in mines, ports, terminals, storage facilities, smelters and refineries, renewable power generation and battery energy storage facilities, directly, through joint ventures or as a minority investor.</p> <p>We also own, operate and lease a fleet of tankers, bulk, container and gas carrier vessels that are essential to the global supply of commodities as the most efficient means of transportation over long distances.</p>	<p><b>Engagement</b></p> <p>We recognise our role as a major company in the global commodities industry and we collaborate with other value chain actors in order to promote sustainable growth.</p> <p>We work with governments, regulators, non-profit and charitable organisations, financial institutions, industry bodies and other companies to advocate for responsible supply chains.</p>

We recognise that our activities can impact, both positively and negatively, on people and the environment. We recognise the importance of acting responsibly. Respect for human rights is integrated into our approach to business.

We are committed to respecting internationally recognised human rights and have regard to the UN Guiding Principles on Business and Human Rights (UNGPs).

We seek to understand the actual and potential human rights impacts of our activities and business relationships. We endeavour to avoid causing or contributing to adverse human rights impacts through our activities and to address such impacts when they occur. We also seek to prevent or mitigate adverse human rights impacts that are directly linked to our activities through our operations, products or services by our business relationships. In addition, we provide grievance mechanisms for people whose human rights may be adversely impacted by our activities and business relationships.

Where we identify that we have caused or contributed to adverse impacts, we seek to provide for or cooperate in their remediation.

## Trafigura's approach to managing human rights impacts

<p><b>Where we are...</b></p>	<p>Managing commodity supply chains</p>	<p>or</p> <p>Asset owners and operators</p>	<p>or</p> <p>Engaged as industry participants</p>
<p><b>If we identify that...</b></p>	<p>we have contributed to, or may contribute to, a negative impact on people or the environment (e.g. through financing, supplier agreements or contracting)</p>	<p>or</p> <p>we have contributed, caused, or may cause, a negative impact on people or the environment (e.g. at owned assets)</p>	<p>or</p> <p>a negative impact on people or the environment is directly linked to our operations, products or services by a business relationship</p>
<p><b>First we...</b></p>	<p>stop or prevent the action contributing to the harm and use influence to mitigate any remaining impact</p>	<p>or</p> <p>stop or prevent the action causing the harm</p>	<p>or</p> <p>build or use leverage to prevent or mitigate the impact of the impact continuing or recurring to the greatest extent possible</p>
<p><b>Second we...</b></p>	<p>provide for or cooperate in remediating the harm</p>	<p>or</p> <p>provide for or cooperate in remediating the harm</p>	<p>or</p> <p>consider if we play a role in any remediation and seek to influence change</p>



### Highlights of FY2022\*

- Commenced development of standalone human rights policy.
- Conducted a formal assessment of the activities of technical managers, responsible for overseeing our fleet of owned vessels, against the recommendations of the Seafarers' Rights and Welfare Code of Conduct.
- Committed to obtain alignment with the Voluntary Principles on Security and Human Rights (VPSHR) at all Trafigura Group sites where security contractors are directly contracted by Trafigura entities by the end of FY2024.
- Conducted a global review of Impala Terminals' private security companies' alignment with the VPSHR.
- Published our fifth standalone Modern Slavery Statement – in line with the requirements of the UK Modern Slavery Act and the Australian Modern Slavery Act.
- Developed and rolled-out mandatory modern slavery awareness training for subsidiaries in scope of the UK and Australian Modern Slavery Acts.

\* Further information on the highlights are set out in this Report.



### International Standards

In designing our policies and procedures, we are informed by a range of international standards and frameworks including:

- International Bill of Human Rights (comprising the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights).
- International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- UN Guiding Principles on Business and Human Rights.
- Voluntary Principles on Security and Human Rights.
- UN Global Compact.

# Our policy commitments

We have a number of policies and guidelines that define how we do business. Those most relevant to our human rights approach are summarised below.

Our policies and guidelines are made available to staff through Trafigura's intranet and, where applicable, are supported by e-learning tools, explanatory videos and animations to promote uptake and familiarisation.

Many of these policies and guidelines are also publicly available on our website.

In FY2022, we initiated a review of our existing human rights commitments and will report on progress in future reports.

Policy/Guideline	Target audience	Overview
<b>Code of Business Conduct</b> <a href="http://www.trafigura.com/brochure/trafigura-code-of-business-conduct">www.trafigura.com/brochure/trafigura-code-of-business-conduct</a> 	 <b>Employees</b>	Sets out behavioural and integrity expectations for Trafigura's people and businesses. This includes expectations in relation to anti-bribery and corruption and more generally relating to acting within the law and in an ethical manner. Everybody who joins Trafigura makes a commitment to operate in compliance with the standards set by the Code and failure to do so can result in serious disciplinary action.
<b>Trafigura Corporate Responsibility Policy</b> <a href="http://www.trafigura.com/brochure/trafigura-corporate-responsibility-policy">www.trafigura.com/brochure/trafigura-corporate-responsibility-policy</a> 	 <b>Employees</b>	Sets out the Board's high-level priorities and commitments with respect to acting responsibly. This includes an aim to avoid causing or contributing to adverse human rights impacts through our activities, to seek to address such impacts when they occur, and to seek to mitigate adverse social and environmental impacts directly linked to our operations or services.
<b>Our Business Principles on Health and Safety, Environment, Human Rights and Labour Practices, and Community Relations (HSEC Business Principles)</b> <a href="http://www.trafigura.com/brochure/trafigura-hsec-business-principles">www.trafigura.com/brochure/trafigura-hsec-business-principles</a> 	 <b>Employees</b>	Set out the Board's expectations of the Group and its divisions and operating companies in relation to corporate responsibility. They recognise our responsibility to: respect the rights of people involved in our operations; comply with applicable labour law and regulations; have regard to internationally recognised human rights standards; and engage constructively with relevant stakeholders.  Our Business Principles are complemented by a Health, Safety, Environment and Community (HSEC) Management System Framework to ensure that HSEC risks are identified and managed in a consistent way.  Each company within the Trafigura Group is expected to reflect the Business Principles and HSEC Management System Framework with relevant and adequate sector-specific standards and supporting policies and procedures for their day-to-day operations.

Policy/Guideline	Target audience	Overview
<b>Trafigura HSEC Contractor Screening and Management Process<sup>1</sup></b> <a href="http://www.trafigura.com/brochure/trafigura-hsec-contractor-screening-and-management-process">www.trafigura.com/brochure/trafigura-hsec-contractor-screening-and-management-process</a> 	 <b>Contractors</b>	Contractors who undertake activities for us that are considered high risk from a HSEC perspective are assessed through a two-phase due-diligence process. The first phase involves desk-based due-diligence that seeks to confirm the contractor's ability to meet minimum HSEC expectations, including whether it has competent staff, sound maintenance procedures and the necessary equipment to perform its work safely. Contractors that pass this assessment may then be subject to an on-site inspection. The screening programme promotes consistency in how contractors are engaged globally with respect to HSEC matters while allowing informed and localised responses to risks.
<b>Trafigura Contractor HSEC Code of Conduct (HSEC Contractor Code)</b> <a href="http://www.trafigura.com/brochure/trafigura-contractor-hsec-code-of-conduct">www.trafigura.com/brochure/trafigura-contractor-hsec-code-of-conduct</a> 	 <b>Contractors</b>	Sets out expectations of contractors including that they should respect labour rights and the human rights of their workers, sub-contractors, local communities and others affected by their business operations in line with applicable laws and regulations and international human rights standards.
<b>Metals &amp; Minerals: Responsible Sourcing and Supply Chain Expectations</b> <a href="http://www.trafigura.com/brochure/responsible-sourcing-and-supply-chain-expectations">www.trafigura.com/brochure/responsible-sourcing-and-supply-chain-expectations</a> 	 <b>Suppliers</b>	Sets out expectations for suppliers including that they should not profit from, contribute to, assist with or facilitate the commission of serious abuses, including forced or compulsory labour, the worst forms of child labour and other gross human rights violations and abuses. It also outlines our approaches to supply chain due diligence and supplier engagement.
<b>Payments to Governments Policy</b> <a href="http://www.trafigura.com/brochure/trafigura-payments-to-governments-policy">www.trafigura.com/brochure/trafigura-payments-to-governments-policy</a> 	 <b>Suppliers and Employees</b>	Reflects Trafigura's commitment to contribute to transparency and good governance. This policy sets out our commitment to voluntarily publish details of payments to governments in Extractives Industries Transparency Initiative (EITI) implementing countries.
<b>Global Grievance Mechanism Guidelines</b>	 <b>Employees and external stakeholders</b>	Describes how Trafigura promotes the prompt, transparent and anonymous reporting and corresponding mitigation of issues and concerns from a wide range of internal and external stakeholders via its online grievance management system, EthicsPoint.
<b>Operation Level Guidance for the Handling of Complaints and Grievances</b>	 <b>Employees</b>	Outlines the key criteria and process steps to be considered by Trafigura's employees when designing and implementing a community-level mechanism for the receipt, handling and management of issues raised by local communities and other external parties.
<b>Corporate Social Investment Guidance</b>	 <b>Employees</b>	Offers guidance on developing appropriate corporate social investment plans that support communities associated with our operations and activities.

<sup>1</sup> This process specifically applies to any company, agent or third party engaged directly or indirectly by Trafigura's Oil and Petroleum Products trading division, Metals and Minerals division and Shipping and Chartering desk to provide contracting, intermediary or other services to Trafigura.

# Embedding respect for human rights

## Governance

Everyone at Trafigura has a role to play in meeting our human rights commitments. This ensures that respect for human rights is part of how everyday business is conducted. All entities within the Trafigura Group are expected to implement applicable policies and standards that are established at a Group level and, furthermore, to supplement such policies with relevant and adequate sector-specific standards where appropriate. Trafigura sets a clear tone from the top, whereby respect for human rights is endorsed at the highest management level. The Board has oversight in respect of Trafigura's strategy and policies relating to human rights, with such oversight part of the mandate of the Board ESG Committee which in turn reports to the broader Board. The Operational HSEC and Commercial ESG Steering Committees have responsibility for the development and implementation of Trafigura's strategy and policies on human rights and provides updates to the Board ESG Committee as required. Trafigura's Head of Social Responsibility manages the Group's approach to human rights and leads associated engagement with relevant stakeholders.

## Board ESG Committee

In 2022, the Board ESG Committee met on three occasions and addressed the following topics, amongst others:

- Reviewed HSEC performance and progress against strategy and targets, including evaluation of circumstances around any fatalities or significant injuries, near misses and material HSEC risks.
- Reviewed output from the HSEC Steering Committee and Commercial ESG Steering Committee, including the priority areas of focus.
- Considered approach and investment proposals for specific measures such as improving road safety associated with trucking activities, establishing our internal carbon calculator and the extension of our responsible value chains programme;
- Considered Group-wide ESG related objectives, including GHG targets covering upstream Scope 3 emissions and a transition pathway to carbon neutrality (net zero scope 1 and 2 emissions).

## Commercial ESG Steering Committee

3

### Key updates in FY2022

- 1 Made recommendations to the Board ESG Committee on climate change strategy, including approach to Scope 3 supply chain emissions and transition pathway to carbon neutrality
- 2 Reviewed sustainability policies and established a process for the development of a revised Group-wide ESG policy framework, to be developed following a comprehensive engagement across functions in FY2023
- 3 Evaluated progress against responsible value chain targets, and alignment with the international sustainable procurement standard ISO 20400:2017.

Meetings held in FY2022

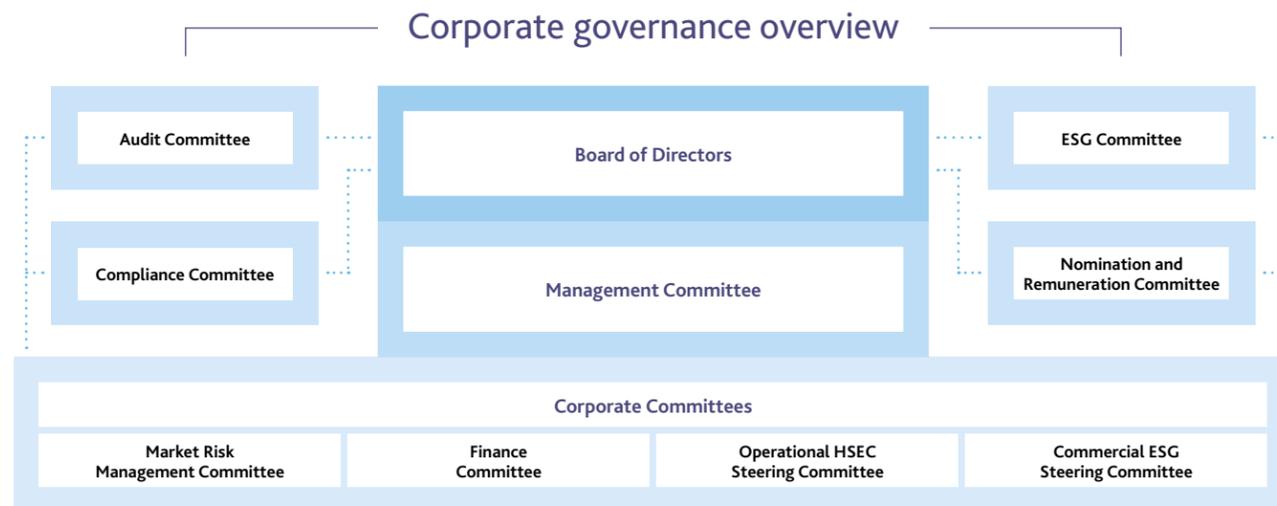
## Operational HSEC Steering Committee

4

### Key updates in FY2022

- 1 Established a consistent approach to evaluating and mitigating risk, through implementing a common HSEC risk framework across all assets, operating companies and divisions
- 2 Improved the sharing of good practice across the Group through, for example, collaboration on HSEC assurance audits across divisions and assets
- 3 Reviewed proposed measures to improve road transport safety across supply chain, especially in Africa
- 4 Assessed implementation of workplace safety programmes, evaluated progress towards HSEC targets and recommended and agreed longer-term safety targets
- 5 Reviewed the investigation reports of significant incidents including the two fatalities to determine any additional actions necessary as well as ensuring the lessons are learned across the whole of the Group.

Meetings held in FY2022



*Responsible Sourcing Resource Centre:*  
[www.trafigura.com/sustainability/responsible-sourcing/responsible-sourcing-resource-centre](http://www.trafigura.com/sustainability/responsible-sourcing/responsible-sourcing-resource-centre)

### Training and awareness raising

We require employees to complete mandatory online compliance training, including a module on the Code of Business Conduct, and modules focused on preventing practices such as bribery and corruption, which is one of our salient human rights risks. New-starter employees are required to complete corporate responsibility training, which includes an overview of our human rights commitments. Responsible sourcing training modules for commercial personnel in our Metals and Minerals division aim to ensure understanding of Trafigura's due diligence process, how to consider social and environmental risks in the value chain and engage confidently with existing and potential counterparts, financiers and other stakeholders on the topic of responsible sourcing. During FY2022, we also developed and rolled out two modern slavery training modules for our traders.

#### Know Your Counterparty compliance checks undertaken

**9,229 checks**

We continued to improve our Know Your Counterparty (KYC) monitoring and assessment process.

**9,842<sup>1</sup>**

Total compliance training courses completed by employees (FY2021: 10,188)

<sup>1</sup> Nyrstar runs a separate compliance training programme and its training numbers are not included in this total.

### Development of modern slavery training modules

In FY2022, we developed and launched modern slavery training for our commercial teams and all other employees employed by entities that are subject to the UK or Australian Modern Slavery Act. The training incorporates an overview of:

- What modern slavery is;
- Why it is important for businesses to act on modern slavery risks with a focus on evolving stakeholder expectations;
- Our key modern slavery risks associated with supplying specific commodities or products;
- Our approach to managing modern slavery risks; and
- How to take steps to help prevent and mitigate modern slavery risks.

The training incorporates practical examples to support employees' understanding of how modern slavery risks can arise across the value chain, including when buying, transporting, storing, blending and refining, and selling commodities. It also includes a range of company specific scenarios, focused on raising awareness on the topic, identifying and addressing supply chain risks and building an appreciation of different context-specific management approaches. At the end of the training, employees are required to complete an assessment of their understanding.

By the end of FY2022, over 97 percent of all Trafigura Pte Ltd ("TPTE") and Trafigura Asia Trading Pte. Ltd ("TAT") staff members, including associated commercial teams, had completed the training. We will continue to require completion of this training as standard across all new joiners to the business.



# Human rights due diligence

## Identifying and assessing human rights risks

We identify and assess human rights risks in our operations and business relationships in a number of ways. We seek to consult with potentially affected groups and other relevant stakeholders as part of this process, for example, through meetings with communities near our operations.

During FY2021, we undertook a salient human rights risk assessment. This process identified the human rights at risk of the most severe negative impact through our activities and business relationships, which are set out in the 'Our salient human rights risks' section of this report.

We have three ongoing due diligence processes for our business relationships that focus on the highest risk areas in our supply chains.

1. Know Your Counterparty;
2. Responsible Sourcing Programme;
3. HSEC Contractor Due Diligence and Assurance.



## Human rights due diligence

In accordance with UNGP 17, human rights due diligence is an ongoing process carried out in order to identify, prevent, mitigate and account for how we address our adverse human rights impacts. The process involves identifying and assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses and communicating how impacts are addressed.

## Know your Counterparty

Under our Know Your Counterparty process, all commercial counterparties and service contractors are screened through World Check for risks relating to corruption, money-laundering and other compliance issues, as well as for sanctions and for negative information in the public domain. Given the nature of our trading business, trading counterparties are screened for compliance daily; certain other higher-risk service providers are also rescreened daily for negative media coverage. Any issues of concern identified are escalated internally.

## Responsible Sourcing Programme

Our Responsible Sourcing Programme assesses social and environmental risks (including those associated with human rights) of metals and minerals suppliers operating within Conflict Affected and High-Risk Areas (CAHRAs) and/or selling certain high-risk materials in concentrate and semi-refined form. The programme follows our own policies and principles and was developed with regard to the Organisation for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains, the UNGPs and London Metal Exchange requirements, among other international standards.

The Responsible Sourcing Programme process is elaborated in the infographic on page 17. It involves desk-based research and supplier self-assessment questionnaires (including specific questions in relation to labour practices) for certain new and existing suppliers operating from specific higher-risk countries or selling certain higher-risk commodities to Trafigura. Human rights-related aspects of the due diligence focus on health and safety performance, labour practices, working hours, training, the availability and effectiveness of grievance mechanisms, the appointment and deployment of security forces and the incidence of human rights abuses in the value chain. Suppliers considered high-risk based on these steps may be subject to a site-based assessment including interviews with workers, contractors and community members. We then monitor and follow up with suppliers and, where appropriate, provide assistance to support their mitigation activities.

In FY2022, 156 counterparty diligence reviews were initiated by our responsible sourcing team (2021: 145 diligence reviews). Of these, 89 counterparties were active in conflict affected and high-risk areas (CAHRAs) (2021: 95), as determined by the European Commission's CAHRA list. We undertook 25 site-based assessments in FY2022. Over the last two years, we have assessed counterparties in 47 different countries. The top three countries with the most counterparties that have been assessed are Mexico, the DRC and Bolivia.

In 2020, Trafigura made a commitment that its Metals and Minerals responsible sourcing programme would progressively refer to the requirements of the International Guidance on Sustainable Procurement: ISO 20400:2017. At the end of 2022, our responsible sourcing programme was externally assured by ERM CVS to have an overall alignment status of 96 percent, having addressed a further 57 percent of the gaps identified in FY2020.

Progress in FY2022 included integrating responsible sourcing parameters in the performance appraisal process for commercial teams, upgrading the performance monitoring tracker and dashboard, defining new responsible sourcing KPIs and targets, strengthening the counterparty diligence process, rolling out training to relevant personnel on responsible sourcing and delivering capacity building workshops for counterparties in the DRC and Bolivia.



### Responsible sourcing targets

In FY2022, as part of our progressive alignment with ISO 20400:2017, we refined and enhanced our targets in pursuit of responsible value chains as follows.

Target	Description	Completion date	Progress (FY2022)
1	All new metals traders and operators will be trained on our responsible sourcing policy and supporting programme on entry to the business	Continual	100% (on-track)
2	We will target full alignment of Trafigura's Responsible Sourcing Programme with applicable elements of ISO 20400:2017 by an independent expert third-party assessor	End FY2023	On-track
3	We will strengthen our digital infrastructure to continually improve the efficiency of our 'Level 0' and 'Level 1' diligence process	End FY2023	In-progress
4	Our 'Level 2' site-based assessment protocol will be revised in accordance with policy amendments and stakeholder feedback	End FY2023	To be initiated
5	100% of our suppliers assessed at a site-level and defined as 'materially misaligned' with our expectations will have an improvement plan in place within a three-month period	Continual	To be reported in FY2023
6	100% of our suppliers visited and assessed as 'materially misaligned' with our expectations must demonstrate positive improvement <sup>1</sup> in performance within a 24-month period	Continual	To be reported in FY2023
7	We will establish an online awareness raising platform for our upstream suppliers relating to at least three different topics of strategic importance to our value chain. Where examples may include: <ul style="list-style-type: none"> <li>• UN Guiding Principles on Business and Human Rights</li> <li>• Modern Slavery</li> <li>• Extractive Industries Transparency Initiative (EITI)</li> <li>• Voluntary Principles on Security and Human Rights (VPs)</li> </ul>	End FY2024	To be initiated

<sup>1</sup> An 'improvement' is defined as a single level of enhancement in a counterpart's alignment with Trafigura's responsible sourcing expectations (i.e. their ranking moves from 'partially aligned' to 'aligned').



### Capacity building in our supply chains

A critical element of our responsible sourcing programme is engaging with suppliers on our expectations and their corresponding performance. Where appropriate, we increasingly support them in their risk mitigation efforts through information sharing and time spent onsite.

We have developed and issued a responsible sourcing due-diligence toolkit to supplement on-line supplier training and familiarisation materials released in 2021. Intended for use by primary producers such as miners, and others active in the supply chain such as suppliers of third-party ores and concentrates, the toolkit is based on international good practice such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, in addition to our experience in supporting suppliers worldwide over the last decade.

In FY2022, we supported 16 counterparts through providing capacity building. One example involved a mining company that was considered materially misaligned with our supplier expectations when first assessed in FY2021, mainly due to sourcing practices that were deemed to be insufficiently controlled.

In partnership with the NGO Pact, we supported the counterpart to build their responsible sourcing management system and to train their staff. In FY2022, the counterpart committed to and delivered against full traceability for products delivered to Trafigura. We have consequently re-assessed the company as 'aligned' with our expectations and we perform regular monitoring visits to ensure ongoing compliance. Furthermore, the counterpart has agreed to embark on a two-year programme to align with the Responsible Mineral Initiative's (RMI) Risk Readiness Assessment (RRA) criteria.

### Building capacity of Bolivian exporters

Trafigura purchases lead and zinc concentrates from a number of Bolivian exporters. As is typical in the region, we source indirectly from mining cooperatives that are organised as groups of individual miners each of which works on an area of a mining concession allocated to their cooperative.

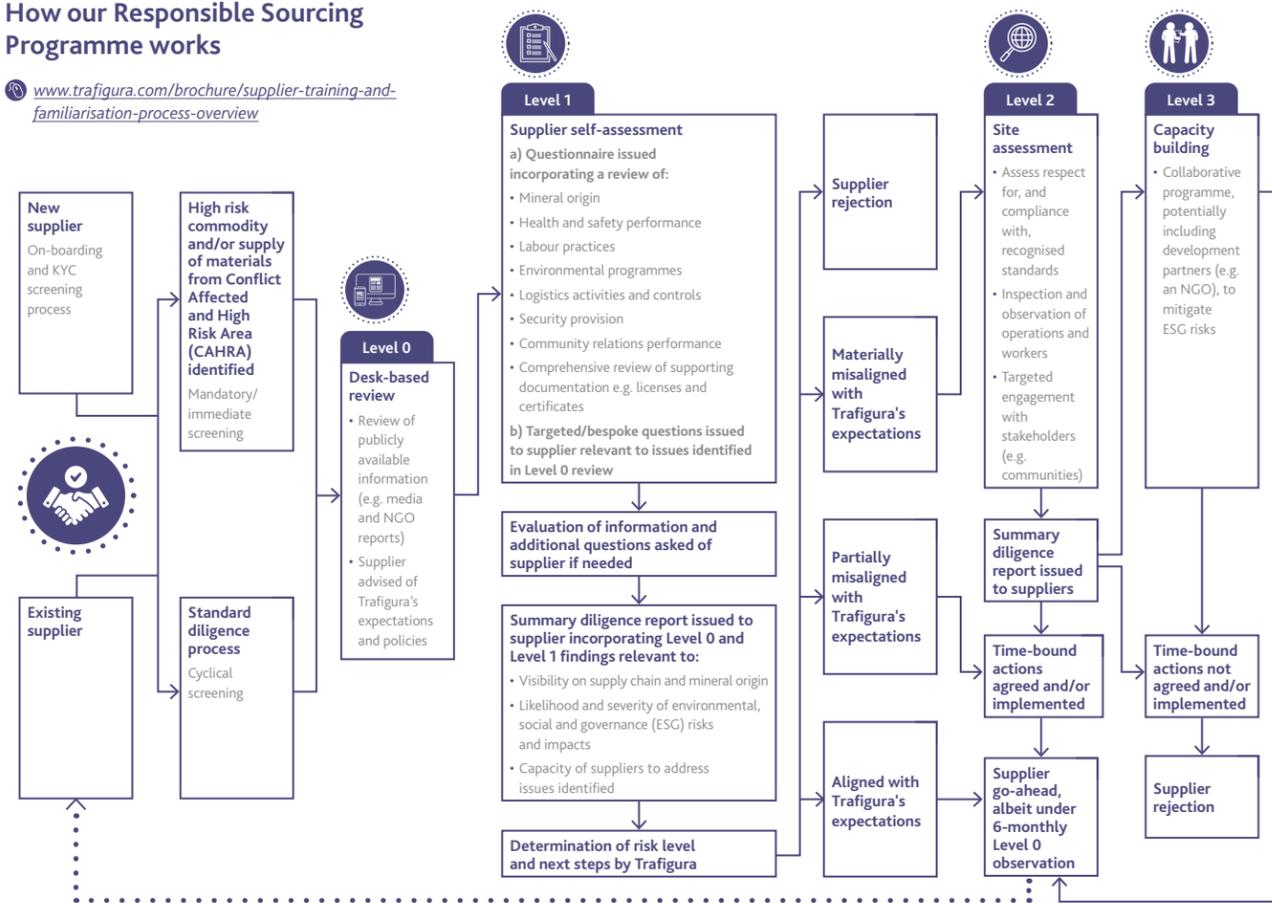
In FY2021, we extended our diligence programme to Bolivia: from understanding the risks associated with small-scale mining and determining the key improvements needed, to a focus on building capacity. Working with responsible sourcing specialists, Kumi, we implemented a programme of awareness raising and providing simple tools to improve performance, adapted to the needs and constraints of exporters and processors in Bolivia. Our supplier toolkit includes guidance on Trafigura's expectations, simple guides on how to put in place the fundamentals of a due diligence management system, and tools and templates for suppliers to use and adapt to their own businesses. Representatives of Trafigura and Kumi have been regularly visiting suppliers to support them in implementing the due diligence toolkit within their operations. Using the toolkit, suppliers are supported to develop their own responsible minerals sourcing policy, map their supply chains and undertake due diligence on their suppliers (who may be local traders or mining cooperatives). The toolkit provides both a simple supplier questionnaire and guidance on how to undertake site visits.

By the end of FY2022, 20 percent of our suppliers who have engaged in the pilot project have implemented supply chain due diligence programmes that meet our expectations. While we still have further work to do, we remain committed to investing in the programme. Challenges to progress have included the fact that there are multiple supply chain participants between Trafigura and the mining collectives, a general lack of awareness amongst suppliers of good practice, and that we are the first buyers to set expectations of suppliers in relation to responsible sourcing due diligence. We will continue to engage with supply chain participants in Bolivia to build their capacity and provide support, as required, as we seek to ensure a secure and sustainable supply.



### How our Responsible Sourcing Programme works

[www.trafigura.com/brochure/supplier-training-and-familiarisation-process-overview](http://www.trafigura.com/brochure/supplier-training-and-familiarisation-process-overview)



### Integrating and acting on responsible sourcing due diligence findings

On completion of a due diligence assessment, Trafigura's responsible sourcing team files a formal report that is reviewed by both the Group's Head of Social Responsibility and the head of the relevant trading desk. These reports are consequently shared 'upstream' with suppliers under review and 'downstream' with the receiver of material.

Where a due diligence assessment indicates that risks do not meet our expectations

- A supplier relationship may not be initiated;
- Existing suppliers will likely be required to put in place time-bound risk mitigation efforts;
- Commercial relationships, may be terminated, or may be suspended until the identified risks are suitably mitigated.

In all such instances, the Group's Head of Social Responsibility then presents findings and risk mitigation strategies to relevant management for consideration.

### HSEC Contractor Due Diligence and Assurance

Contractors who undertake activities for us that are considered high risk from a HSEC perspective are assessed through a two-phase due-diligence process. High risk contractor activities include ship-to-ship oil transfers, the trucking of commodities, bulk oil storage and the disposal of liquid waste from vessels.

The first phase involves desk-based due diligence that seeks to confirm the contractor's ability to meet minimum HSEC expectations, including whether it has competent staff, sound maintenance procedures and the necessary equipment to perform its work safely. Contractors that pass this assessment may then be subject to an onsite inspection.

In FY2022, we undertook 557 contractor HSEC assessments. Contractors that fail the due-diligence assessment but are willing and able to work to upgrade their processes can gain temporary approval for an interim period. Those that are unable or unwilling to improve are rejected.

### Promoting alignment with the Voluntary Principles on Security and Human Rights with suppliers

In 2022, we developed and launched an innovative Sustainable Supply Chain Finance programme for mining companies in Mexico in collaboration with 'eFactor Network' and a number of financial institutions.

The programme – the first of its type and providing a model that can be scaled across the region – is structured to improve mining companies' working capital while driving responsible sourcing practices along the metals value chain.

Through the programme, Trafigura's suppliers of metal concentrates will receive accelerated payments for products using eFactor's digital factoring platform while benefitting from a bespoke programme of site-based capacity building on topics of international importance, such as security and human rights.

The programme complements Trafigura's existing responsible sourcing due diligence efforts and will respond to risks identified within the value chain. In addition to cash flow benefits, Trafigura and financial institutions involved may opt to extend improved financial terms, including preferential interest rates, as each company's performance improves.

Initially the programme will drive alignment with the VPSHR.

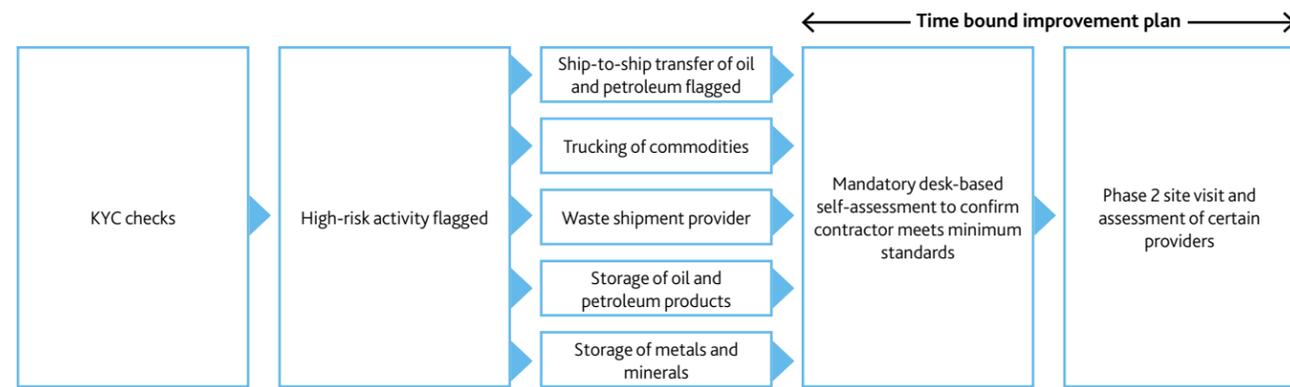
The VPSHR has significant importance in complex operating environments where companies strive to build trusted and harmonious relationships with local communities whilst ensuring that their security providers respect human rights.

Progress in aligning with the requirements of the VPSHR will be formally assessed on an annual basis by an independent assurance provider. A global financial institution will work with Trafigura to ensure the robustness of the programme against selected key performance indicators.

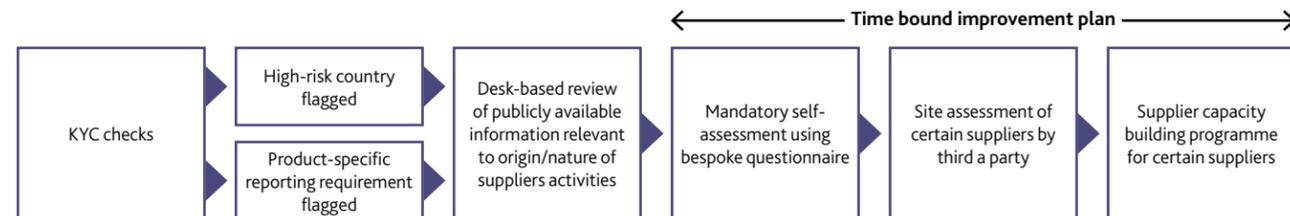
"We greatly value the collaboration with Trafigura and financial institutions in this programme, which in addition to benefiting mining companies and their suppliers with attractive financing conditions, brings stability and transparency to the supply chains of a sector of great importance for the Mexican economy by incorporating ESG incentives". Héctor de la Garza, CEO, eFactor Network.

### Our due diligence process in summary

#### HSEC Contractor Due Dilligence and Assurance



#### Responsible Sourcing Programme



### Tracking performance

We recognise the importance of assessing the effectiveness of the actions we take to prevent and address human rights impacts.

We track our human rights performance in a number of ways, including through assurance reviews, stakeholder perception surveys and the analysis of grievance data, which helps us to continually improve our approach. We also use key performance indicators to assess how effectively we manage our salient human rights risks. Additional details in relation to key performance indicators we use are set out in the 'Our salient human rights risks' section.

We also seek feedback on our human rights approach through stakeholder engagement. Additional details in relation to our engagement with stakeholders are set out in the 'Stakeholder engagement' section.

### Communicating

We communicate with stakeholders in relation to our human rights approach and performance through formal reporting, such as this Human Rights Report, our Sustainability Report and our Modern Slavery Statement, as well as various stakeholder engagement activities and channels. Additional details in relation to our engagement with stakeholders are set out in the 'Stakeholder engagement' section.

### HSEC Assurance Programme

Key to the way we manage HSEC at our owned assets is our company-wide assurance programme. This is informed by the Trafigura Environmental and Social Sensitivity Assessment (TESSA) tool, introduced in FY2022, which ranks all our facilities on a risk basis, considering inherent risks associated with the environmental, social and economic setting of the asset, the nature of the operations and activities being undertaken and the HSEC performance of the facility. High risk locations are subject to Group-led and Divisional or Operating Company assurance assessments with greater frequency than lower risk facilities.

In FY2022, Corporate-level HSEC assurance reviews were carried out at the Myra Falls mine in Canada due to its sensitive environmental setting and past safety performance, Porto Sudeste terminal in Brazil due to its proximity to a protected area, LASAU lubricant plant in Avellaneda, Argentina as it is located in a predominantly residential area, and the Puma refinery in Nicaragua as it is a significant asset in the Trafigura Group portfolio. We have also established assurance protocols for specific operations, as well as for contractors, suppliers, and potential mergers and acquisitions.



# Access to remedy

We encourage the identification and escalation of issues, including human rights issues, relating to Trafigura that may negatively impact the wellbeing of employees or our communities.

<sup>1</sup> The UNGPs effectiveness criteria for non-judicial grievance mechanisms provide that such mechanisms should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and (in the case of operational-level mechanisms) based on dialogue and engagement.

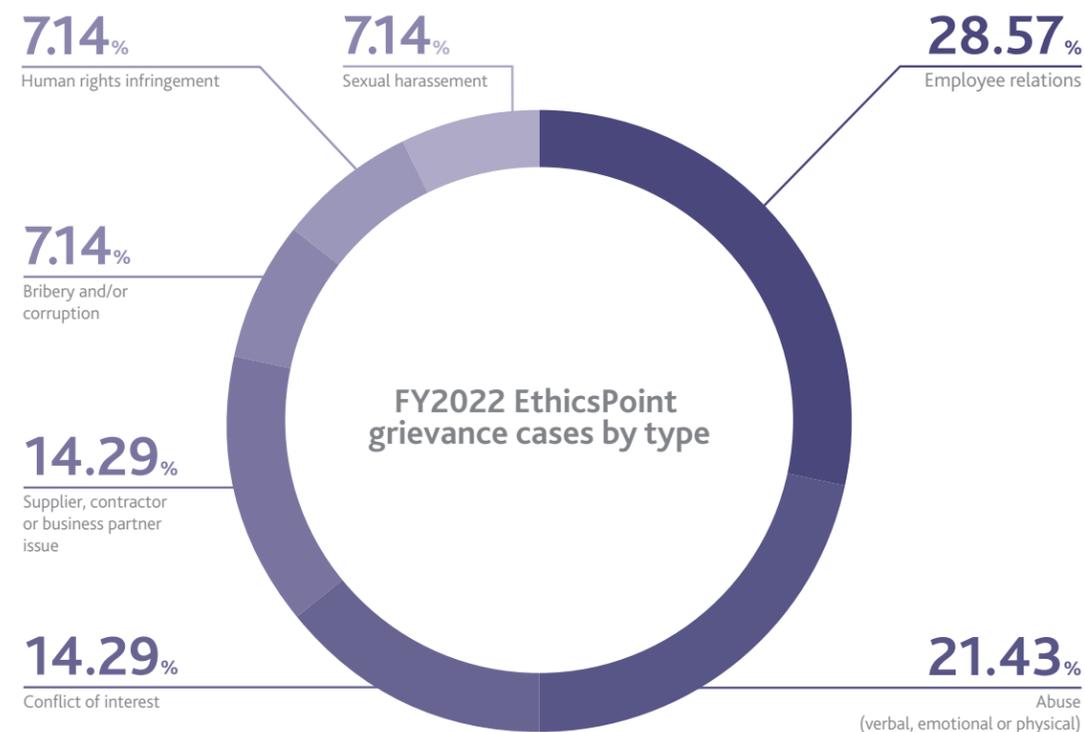
The Trafigura Group has deployed 'EthicsPoint', an anonymous 24/7 multilingual telephone hotline and web reporting service provided by NAVEX Global, to facilitate the reporting of grievances globally. The system accepts a wide range of grievances, including those relating to human rights, and the service is available to all internal and external stakeholders. Grievances are channelled within the business according to the matter of concern, for instance to our Human Resources, Compliance or Corporate Affairs and Sustainability teams for onward handling.

EthicsPoint is promoted via several channels, including the Trafigura website and training. Once a grievance is received it is channelled to relevant departments in accordance with our 'Global Grievance Mechanism Guidelines'. Procedures are in place to avoid real or perceived conflicts of interest during investigations and in our response. This is supported by a formal appeal procedure.

As stated in our Code of Conduct, retaliation against employees who in good faith seek advice, raise a concern or report a violation of the Code will not be tolerated and is a serious disciplinary offence that could result in dismissal. Any allegation of retaliation will be vigorously investigated.

The chart below shows the range of grievances by type reported via EthicsPoint in FY2022.

At an operational level, all major installations are also required to maintain a local grievance process. The process is supported by a range of corporate policies and guidelines, including the 'Global Grievance Mechanism Guidelines' and 'Operation Level Guidance for the Handling of Complaints & Grievances', which states that grievance mechanisms implemented across the Group seek to align with the UNGPs effectiveness criteria for non-judicial grievance mechanisms.<sup>1</sup>



# Stakeholder engagement

Ongoing engagement with stakeholders is a vital part of our commitment to respect human rights. We work to identify, consult and engage in dialogue with people who are affected or potentially affected by our activities and business relationships in a transparent and culturally appropriate way.

Engaging transparently regarding our human rights approach and performance helps us manage risk, drive improvements and identify opportunities. It also helps us understand and respond to the issues that matter most.

We seek feedback on our human rights approach through multi-stakeholder forums and other stakeholder engagement activities, including bilateral meetings. Key stakeholder groups that we engage with in relation to human rights include employees, communities, non-governmental organisations, customers, suppliers, governments, industry peers, educational institutions and financiers.



## Multi-Stakeholder Forum held in Johannesburg

Multi-Stakeholder Forums (MSFs) are an important part of Trafigura's approach to transparency. These extended meetings allow us to engage at length with stakeholders and gain an understanding of different perspectives. Meetings encourage frank and open discussions.

In September 2022, our Johannesburg office hosted an MSF. The event was co-Chaired by our Head of Metals Trading for Africa, and Professor Nellie Mutemeri of the University of the Witwatersrand.

It incorporated a diverse range of stakeholders with a keen interest and deep knowledge of natural resources.

It included representatives of the European Union, UK government, civil society organisations such as Oxfam and Southern African Resource Watch, representatives of prominent South African universities, several of our financing banks, the World Bank and a major producer.

The MSF sought to explore how the explosion in demand for base and critical minerals can better promote development and support modern economies and societies. Discussions ranged from supply and demand dynamics, Trafigura's role in the region, existing and emerging production challenges, opportunities for regional prosperity and the capacity of supply chain actors to respond to tightening ESG expectations and regulations.



### Collaborating in industry and multi-stakeholder initiatives

We participate in a number of industry and multi-stakeholder initiatives that provide opportunities to share and communicate our approach and engage with and learn from others.

Industry initiative	Date joined	Function	Trafigura's objective
 <b>Aluminium Stewardship Initiative (ASI)</b>	2019	Defines standards for sustainability performance and material chain-of-custody for the aluminium value chain, including an associated assurance and certification system.	To seek to ensure that the impacts, activities and interests of our business and the wider commodities trading sector are appropriately integrated into the ASI Performance Standard and Chain of Custody Standard.
 <b>Extractive Industries Transparency Initiative (EITI)</b>	2014	Promotes transparency and accountability in the oil, gas and mining sectors through its global standard.	To seek to advance commodity trading transparency. Trafigura participates on the International Board of EITI, as well as the Working Group on Transparency in Commodity Trading, and engages with existing as well as prospective commercial counterparts in relation to transparency.
 <b>Global Business Initiative on Human Rights</b>	2017	Helps companies to embed human rights in their daily operations and share their practices and progress.	To seek to understand good practices from peers and experts and help shape policy and practice on business and human rights developments and trends.
 <b>OECD Multi-Stakeholder Steering Group</b>	2018	Drives transparency, company management systems and public policies for due diligence and responsible mining practices across the battery value chain.	To seek to ensure that the impacts, activities and interests of our business and the wider commodities trading sector are appropriately integrated into the OECD responsible sourcing agenda.
 <b>Responsible Minerals Initiative</b>	2018	Develops tools and resources, including the Responsible Minerals Assurance Process and the Conflict Minerals Reporting Template, and a range of guidance documents on responsible minerals sourcing.	To support the standardisation of responsible sourcing processes and protocols with a particular emphasis on supporting improvements to audit standards in the cobalt supply chain.
 <b>UN Global Compact (UNGC)</b>	2015	Encourages business to adopt sustainable and socially responsible policies and report on their implementation.	To seek to demonstrate commitment to sustainability and engage with peers, experts and other stakeholders to support understanding and action on a range of issues including human rights. Trafigura plays an active role on the Board of the Swiss branch of the UNGC Network.
 <b>World Economic Forum</b>	2018	The Forum engages the foremost political, business, cultural and other leaders of society to shape global, regional and industry agendas.	To attend and participate in roundtable discussions held throughout the year. We are active members of the WEF Oil and Gas and Mining and Metals Governors communities. These discussions provide informal and efficient platforms for exchange of opinion on global strategic issues of common concern.



#### Global Business Initiative on Human Rights

Since 2017, we have been a member of the Global Business Initiative on Human Rights (GBI) which is a not-for-profit organisation led by a group of leading international corporations from different industries. The organisation provides support, opportunities to engage with a range of stakeholders, and a peer learning platform for companies seeking to fulfil their responsibility to respect human rights.

In FY2022, Trafigura actively participated in peer-learning meetings in both the Netherlands and the US and, in the latter, gave a detailed overview of supply and demand dynamics relevant to the energy transition and its potential impact on people in the metals supply chain.

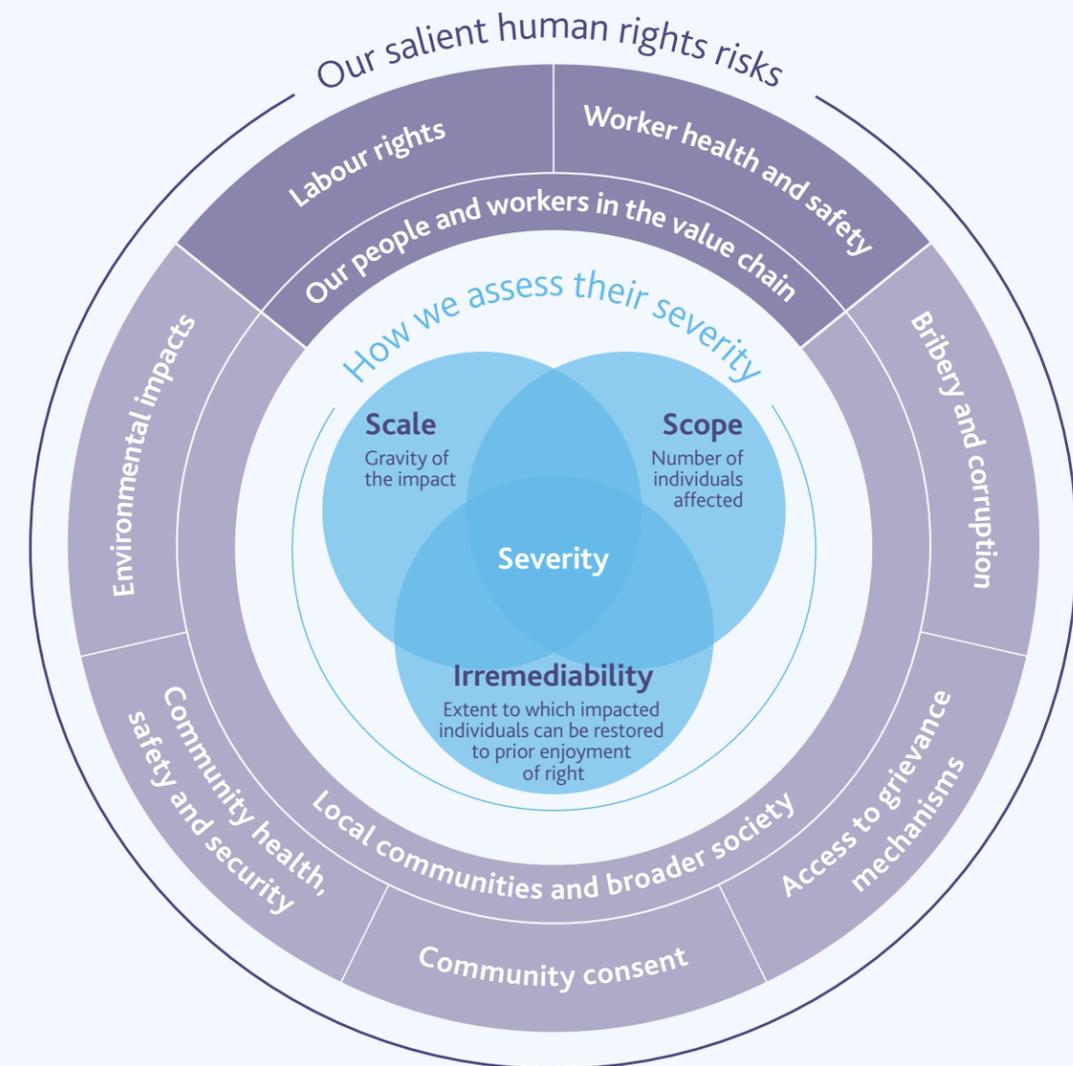
## Our salient human rights risks

Our salient human rights risks are those human rights at risk of the most severe negative impact through our activities and business relationships.

During FY2021, we engaged an expert third party to support us to identify our salient human rights risks. The process involved identifying our actual and potential human rights impacts across our own activities and business relationships, and across all relevant geographies. The process included engagement with senior internal stakeholders from a range of businesses and functions including Legal, Corporate Affairs, Compliance, Dry Freight Shipping, Human Resources and Health, Safety, Environment and Community, and assessing the severity of those impacts based on scale, scope and irremediability.

The likelihood of identified indicative impacts was also considered but was not determinative in identifying our salient human rights risks. Our salient human rights risks as identified through this process are shown in the infographic below.

Our approach to and progress in addressing each of our salient human rights risks is outlined in the following pages.



# Labour rights

We are committed to respecting the rights of employees and workers in our value chain.



2022 Modern Slavery Statement:  
[www.trafigura.com/brochure/2022-modern-slavery-statement](http://www.trafigura.com/brochure/2022-modern-slavery-statement)

We recognise that a range of risks to labour rights, including to seafarers, are present in our operations and value chain. Our Human Resources team is primarily responsible for managing labour rights risks as they relate to our employees and contractors operating on owned and controlled assets. Our HSEC and Social Responsibility teams manage the Group's approach to labour risks concerning contracting, sourcing and selling.

## Human rights that could be impacted include:

- Right to freedom from slavery
- Right to freedom from forced or compulsory labour
- Right to freedom from child labour
- Right to freedom from discrimination
- Right to freedom of association, including the right to form and join trade unions
- Right to collective bargaining
- Right to just and favourable working conditions

## Key actions to manage risk

### Operations

- Our HSEC Business Principles set out our expectation that we will comply with applicable local labour laws and regulations and maintain and support the fundamental rights at work of our employees and the elimination of discrimination in respect of employment and occupation.
- We have a range of employment controls and processes in place designed to ensure that we comply with applicable workplace and industrial relations laws and regulations in relation to our employees and contractors. All of our employees receive benefits above applicable minimum wages.
- We have identified our modern slavery risks in our operations and have taken actions designed to assess and address these risks. Additional details in relation to our modern slavery approach are in our annual Modern Slavery Statement.
- In relation to unionised workers, we regularly renegotiate collective agreements with union representatives. We seek to enter such negotiations in a spirit of cooperation, focusing on agreeing a mutually acceptable outcome.

### Supply chains

- Our Responsible Sourcing Programme assesses counterparties for all metals and minerals traded in ore, concentrate and semi-refined form for a range of risks, including labour and other human rights. Additional details in relation to our Responsible Sourcing Programme are set out in the 'Human rights due diligence' section.
- Our HSEC Contractor Code sets out our expectation that contractors respect labour rights. If a contractor is working in a manner that contravenes our Code, the contractor will be required to act to rectify the situation within an agreed timeframe.
- We have identified the key areas of modern slavery risk in our supply chains and have taken actions designed to assess and address these risks as described in our annual Modern Slavery Statement.

## Trafigura and union discussions in Argentina

In October 2022, we participated in the first Energy Transition forum held in Argentina between the energy sector and union leaders. Organised by the Argentina Catholic University (UCA), senior leaders of the Pan American Energy Group (PAE), Raízen Argentina, YPF S.A., as well as UOCRA (Argentinean Building Workers Union) and the Petroleum Federation, the forum sought to help companies and unions to prepare for the ongoing energy transition and the impact it will have on the labour market.

While attendees noted the importance of the meeting and emphasised the responsibility of all to achieve a promising future for the industry, many stressed the need to have a medium to long-term vision to enable adequate preparation for a transition from existing energy sources for a country like Argentina.

Companies will therefore need to build new skills and workers will have to adapt and develop these skills. This new challenge demands close collaboration in order to prepare industry workers and help them continue to be valued in the market.

At the forum, all participants agreed that the refineries of the future will be different, no longer only processing oil to produce fuel but also using waste, recyclable plastics and renewable raw materials.

The meeting offered a space for the business and workers to promote policies and conditions that will improve the labour environment. The business, union and academic members will continue to meet and visit refineries of the companies involved, including those at sites in Europe.

## Assessment of our chartered fleet

We recognise that a range of labour rights risks relevant to seafarers, are present in our operations and value chain. These may include risks to the right to freedom from forced labour, and rights relating to wages and working hours, discrimination and freedom of association and collective bargaining.

In FY2022, we conducted a formal assessment of the Seafarers' Rights and Welfare Code of Conduct (the 'Code'), developed by the Sustainable Shipping Initiative, Institute for Human Rights and Business and the Rafto Foundation for Human Rights.

Our aim was to establish the merits of its future implementation across Trafigura's shipping interests with a particular focus on how the Code exceeded existing compliance considerations embedded within and enforced through adherence to the Maritime Labour Convention.

The majority of Trafigura's shipping interests are met by fixing vessels on a voyage or time-chartered basis. We typically have business relationships with approximately 300 vessels on the water at any one time. Trafigura also owns a fleet of around 30 vessels whose management in 2022, including staffing, is overseen by six third-party 'Technical Managers'.

Our review of the Code enabled us to engage our Technical Managers in a self-declaration of performance against the Code. This resulted in a desk-based review of all labour sending agencies contracted by the Technical Managers to identify any negative media coverage or NGO reporting that could flag a potential breach of Trafigura's expectations. No such cases were identified.

While evaluation results were satisfactory, we found scope for improvement in, for instance, how we engage with Technical Managers on such matters. We will continue to explore opportunities to further strengthen our approach.



# Worker health and safety

The health and safety of workers is paramount. We are committed to building a safety culture across the business in which the value of safety is embedded at every level of the workforce.

We recognise that the nature of activities in our operations and along our value chain give rise to health and safety risks for workers, which could impact on various rights.

We are saddened to report two fatalities across the Group in FY2022. Any work-related fatality is unacceptable and we are determined to meet our goal of zero fatalities across all our operations. In November 2021, an employee died due to an incident related to a conveyer belt in an underground mine, and in May 2022, a contractor died in a road traffic accident on a public road within our site boundary. Both incidents occurred at the Catalina Huanca mine in Peru.

We have experienced an improvement in Lost Time Incident Rate (LTIR) from 1.70 in FY2021 to 1.38 in FY2022. This represents 13 avoided serious injury incidents. On a similar like-for-like basis there has been a 63 percent reduction in LTIR to 1.38 in the last six years. This performance compares well with our peers where the average of all the industry sectors used as a benchmark for LTIR is 1.56.

Leading indicators of safety performance are also improving. There has been a 23 percent increase in near miss reporting, which has resulted in more sharing of lessons learnt and actions being taken to prevent repeat incidents, more than 400,000 hours of HSEC training have been provided, our HSEC risk management processes have been improved and the HSEC governance structure has been enhanced.

### Human rights that could be impacted include:

- Right to life
- Right to health
- Right to a safe and healthy working environment
- Right to just and favourable working conditions

### Key actions to manage risk

#### Operations

- Our HSEC Business Principles sets out our expectation that we will provide a safe and healthy workplace for all employees, contractors and visitors, identify hazards, risks and unsafe conditions and behaviours, and maintain appropriate health and safety management systems.
- Our HSEC Management System Framework sets out how we manage HSEC risks across the company. Heads of HSEC and operational management at our operational assets play an important role in collaborating with our central HSEC team in implementing and refining the framework. Ultimately the implementation of the framework is assessed over the course of our HSEC assurance cycle. Our HSEC staff at an operational level encourage those we do business with, such as joint venture partners and suppliers, to implement comparable standards.
- We investigate incidents and near misses to identify their causes and learn lessons that can prevent their recurrence. We develop emergency plans to manage incidents from high-consequence activities.
- We conduct HSEC training. In FY2022, a total of 405,666 hours were dedicated on HSEC training across the Group. This represents an increase on FY2021 (386,388) largely due to the consolidation of Puma Energy. This is due to the inclusion of Puma Energy, who have a relatively high headcount and low HSEC training needs. Excluding Puma Energy, the average training hours per person in an operational role on HSEC in FY2022 was 31.6 hours, a 73 percent increase on FY2021. Our mining assets undertake the most HSEC training, where each worker received an average of 49 hours of HSEC training in FY2022.
- Senior managers and facility managers are required to achieve HSEC goals within their specific areas of responsibility, which include quantitative and qualitative targets that ultimately align with overarching Group-wide targets as outlined on the right.



### Updated safety key performance indicators (KPIs) and targets

- In FY2022, we adopted revised Group level KPIs for all Trafigura companies and divisions. In addition to restating our goal of zero fatalities, we have set a three-year LTIR reduction target.
- In addition to our corporate level HSEC KPIs, all Group companies and divisions are encouraged to set additional and bespoke KPIs to reflect their operations and risks as well as link operational management remuneration to safety performance.

KPI	Target	Objective
Number of fatalities	0	Heighten efforts to achieve zero fatalities.
Lost time incident rate (LTIR)	Overall target of 30% reduction in LTIR over three years encompassing: a 15% reduction in LTIR to 0.65 in FY2023, a 25% reduction to 0.58 in FY2024 and a 30% reduction to 0.54 in FY2025; all compared to LTIR achieved in FY2022 baseline year (0.77 including Puma Energy).	Reduce the number of serious injuries, maintain clear accountability for safety and enable benchmarking of performance.
Total recordable case frequency	Improved reporting of total recordable incidents.	Improve completeness and accuracy of reporting so that a quantified reduction target can be set for FY2024.
Time to complete incident investigations of significant incidents	Average time to complete Level 3 incident investigation is less than 28 days.	More visibility of time taken to complete investigations of significant incidents (Level 3 incidents and near misses). Improve sharing of lessons learned more quickly.
Near miss reporting frequency	Improved near miss reporting frequency compared to FY2022.	Drives action to motivate recognition, reporting and learning from near misses.
HSEC training	Each division or company to develop a HSEC training plan, approved by their respective HSEC Committee by the end of June 2023.	HSEC competency and training needs assessments to be carried out and an HSEC training plan developed to address identified HSEC training needs.
Road traffic accident risk	Each division or company to develop a road transport risk management plan, approved by their respective HSEC Committee by the end of June 2023.	A road transport risk management plan to be developed to address the road transport risks specific to each division and company.

# Community health, safety and security

We consider the impact of our activities and aim to prevent harm to people and the environment.

We recognise that there are a range of risks that could impact on communities' rights during the extraction, processing and transportation of commodities. These include risks relating to access to water, tailings dams, transportation safety, noise, dust, pollution and contamination, and the use of security personnel.

## Key actions to manage risk

- Our HSEC Business Principles provide that we work to avoid negative social, environmental and economic impacts on communities. It also sets out our commitment to identify, consult and engage in dialogue with affected and potentially affected communities and key stakeholders in a transparent and culturally appropriate way.
- Our HSEC Management System Framework requires each company within the Trafigura Group to report all work-related incidents, dangerous occurrences, near misses and hazards that have an actual or potential impact on the health and safety of local communities.
- Our Trafigura Corporate Social Investment Guidance sets out internal guidance in relation to supporting local community projects. This includes criteria that projects should meet, including prioritising communities directly impacted by our operations or activities and seeking to address recognised challenges in local communities. Projects should be developed with directly affected stakeholders, including local communities and vulnerable groups, and social, environmental, and health and safety risks associated with projects should be identified and managed while planning initiatives.
- Our HSEC Contractor Code sets out our expectation that contractors will implement appropriate social management processes and/or systems designed to ensure the management of hazards, risks and potential impacts.

## Human rights that could be impacted include:

- Right to life
- Right to health
- Right to an adequate standard of living
- Right to liberty and security of person
- Right to a clean, healthy and sustainable environment
- Right to water and sanitation

## Alignment with the Voluntary Principles on Security and Human Rights at Impala Terminals

In 2022, we committed to align our operations with the requirements of the Voluntary Principles on Security and Human Rights ('VPSHR' or 'VPs') by 2024. The alignment would be subject to external verification, which we are undertaking across relevant parts of the business.

During the year, we engaged an external specialist risk management company to undertake a global review of the Impala Terminals' private security companies' alignment with the VPs. The review covered 34 of Impala's worldwide ports, warehouses and logistics operations, and covered static guarding services, transit security providers and technical security operations (such as CCTV monitoring). The review included a desk-based evaluation of the security provider processes compared against criteria drawn from VPSHR good practice. Recommendations and an action plan have been developed, centred around the areas of alignment where further work is required.

In 2023, we plan to progress the application of this programme to certain facilities under the management of our majority-owned mid-stream and downstream oil distribution company, Puma Energy.

# Community consent

We recognise that challenges in relation to securing broad-based community consent during land acquisition or use (e.g. during exploration, construction or operations), including in situations of resettlement, could have an impact on a range of local community rights.

At the end of the financial year, the Social Responsibility team took primary responsibility for overseeing our community-related risks from the HSEC team.

## Key actions to manage risk

When we consider whether to construct a new development, we conduct an environmental and social impact assessment in line with our own Business Principles, which reference the International Finance Corporation Performance Standards. As part of this process, we engage with local communities and consider feedback received on the design of the development.

## Human rights that could be impacted include:

- Right to property
- Right to an adequate standard of living
- Right to food
- Right to water and sanitation
- Right to take part in cultural life
- Indigenous peoples' rights including in relation to consent, self-determination, land and territories and cultural heritage



# Environmental impacts

We recognise that environmental impacts at our operations or in our value chain, including those relating to climate change, water use and the extraction, storage, transformation and transportation of commodities, could have human rights impacts, particularly for communities in the areas where we operate.

## Key actions to manage risk

### Operations

- Our HSEC Business Principles set out our commitment to minimise the environmental impact of our activities and maintain appropriate environmental management systems.
- We regularly review our approach to tailings storage facilities management in line with evolving best practice. We use equipment to monitor activity in real time at the most sensitive locations. We also assess tailings storage facilities for risks relating to climate change and changes in frequency and intensity of extreme weather events. Our tailings storage facilities are subject to periodic inspection and regular, formal integrity and safety audits, which are conducted by acknowledged and independent experts in the field.

- We apply lessons learnt to reduce the likelihood of spills.
- We have set a Group target to reduce Scope 1 and Scope 2 greenhouse gas emissions by at least 50 percent by FY2032 (compared to 2020). To achieve this target, we will employ four main strategies: improving energy efficiency, capital expenditure, securing renewable electricity and offsetting residual emissions that cannot be avoided. Further information about our approach is set out in our Sustainability Report.

### Human rights that could be impacted include:

- Right to a clean, healthy and sustainable environment
- Right to health
- Right to an adequate standard of living
- Right to food
- Right to water and sanitation



# Bribery and corruption

We are committed to operating in line with the principles articulated in the UK Bribery Act 2010 and the Foreign Corrupt Practices Act.

We recognise that we operate in and source from a range of countries including some with high corruption risk. Corruption can negatively impact a range of human rights and disproportionately impacts the most vulnerable members of society. The Compliance department is primarily responsible for managing our bribery and corruption risks.

## Key actions to manage risk

- Trafigura has implemented internal procedures designed for employees and representatives to comply with applicable anti-bribery and anti-corruption laws. Detailed guidance for employees is set out in our Anti-Bribery and Corruption Policy and Code of Business Conduct, including appropriate employee behaviour and how to handle high-risk activities, joint venture arrangements and the provision of gifts and entertainment.
- Since 2014, we have been an EITI supporting company. Our Payments to Government Policy includes a commitment to voluntarily publish details of payments to governments in EITI implementing countries. We publish an annual standalone Payments to Governments Report setting out our payments to governments and state-owned entities for oil and petroleum products and our metals and minerals purchasing activities.
- We require new and existing employees to complete mandatory online compliance training, which includes an anti-bribery and corruption module.

### Human rights that could be impacted include:

- Right to health
- Right to education
- Right to development



## Tracking effectiveness

**9,842<sup>1</sup>**

Total compliance training courses completed by employees (FY2021: 10,188)

### Know Your Counterparty compliance checks undertaken

**9,229 checks**

We continued to improve our Know Your Counterparty (KYC) monitoring and assessment process.

# Access to grievance mechanisms

We are committed to establishing or participating in operational-level grievance mechanisms for individuals and communities who may be adversely impacted by our activities. We recognise that the ability for stakeholders, including those whose human rights may have been adversely impacted, to access effective grievance mechanisms is critical to ensuring respect for human rights.

## Key actions to manage risk

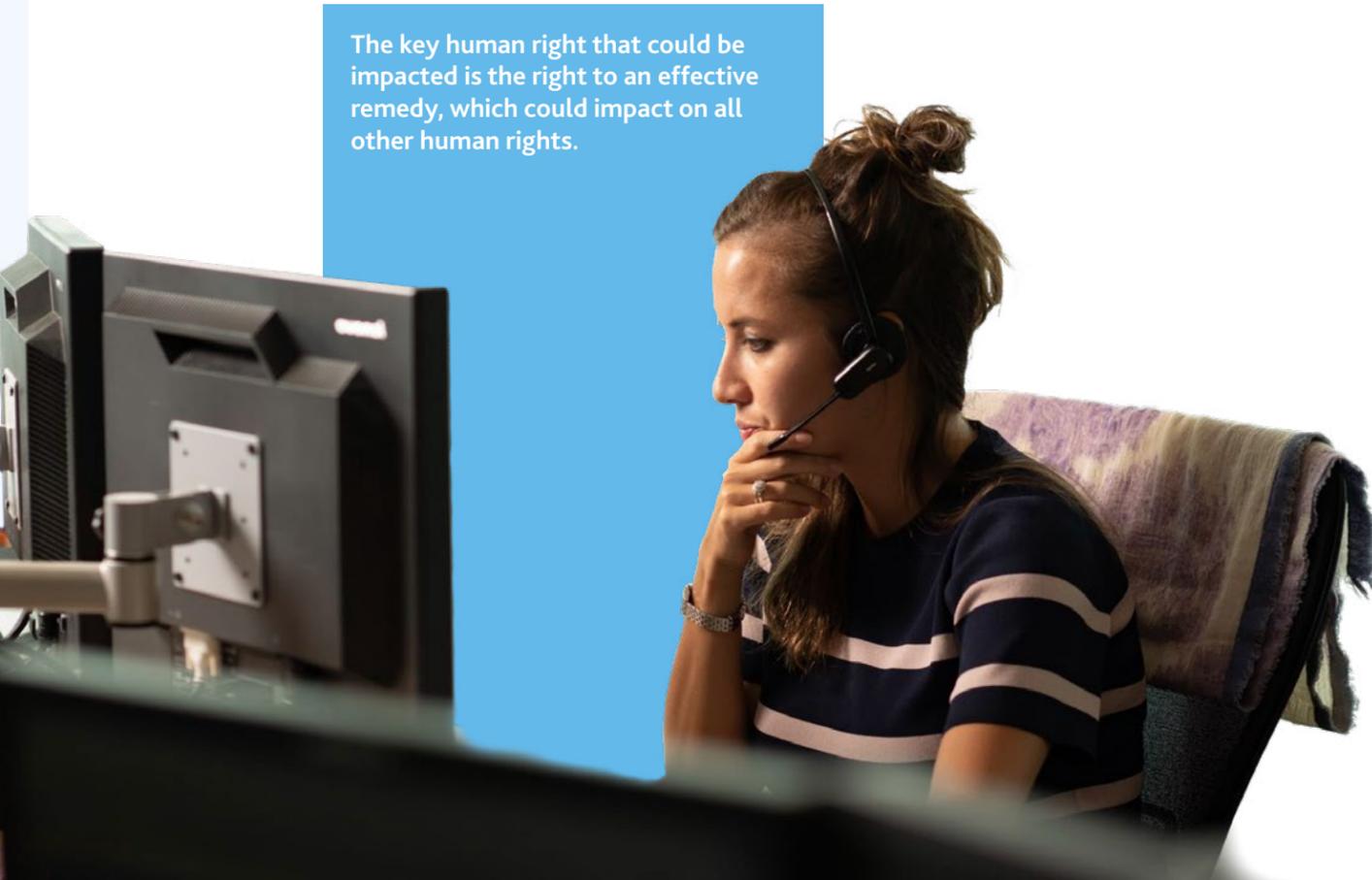
### Operations

- All internal and external stakeholders can raise grievances, including in relation to human rights, through EthicsPoint, an anonymous 24/7 multilingual telephone hotline and web reporting service.
- At an operational level, all major installations are required to maintain a grievance process. We conduct assurance reviews of our major installations to confirm this is in place.

### Supply chains

- Suppliers and supply chain workers can raise grievances, including in relation to human rights, through EthicsPoint.
- In our HSEC Contractor Code, we encourage contractors to provide workers with access to a formal grievance mechanism. We encourage contractors to follow legitimate processes to remediate adverse human rights impacts that they have caused or contributed to.

The key human right that could be impacted is the right to an effective remedy, which could impact on all other human rights.



# Key steps in our progress across 2021 – 2022

2021	2022
Established new Board sub-committee focused on ESG risks	Commenced review and refresh of ESG-related policies
Undertook salient human rights risk assessment	Further expanded Responsible Sourcing Programme, including a specific focus on Bolivia
Reviewed and expanded Responsible Sourcing Programme	Introduced mandatory modern slavery training for Metals and Minerals division
Introduced mandatory corporate responsibility training for new starters	
Introduced mandatory responsible sourcing training modules for Metals and Minerals division	
Launched online responsible sourcing training and familiarisation for suppliers and receivers of metals and minerals	
Undertook global assessment of the effectiveness of EthicsPoint	
Undertook focused work on seafarers' human rights in our fleet (owned and chartered)	



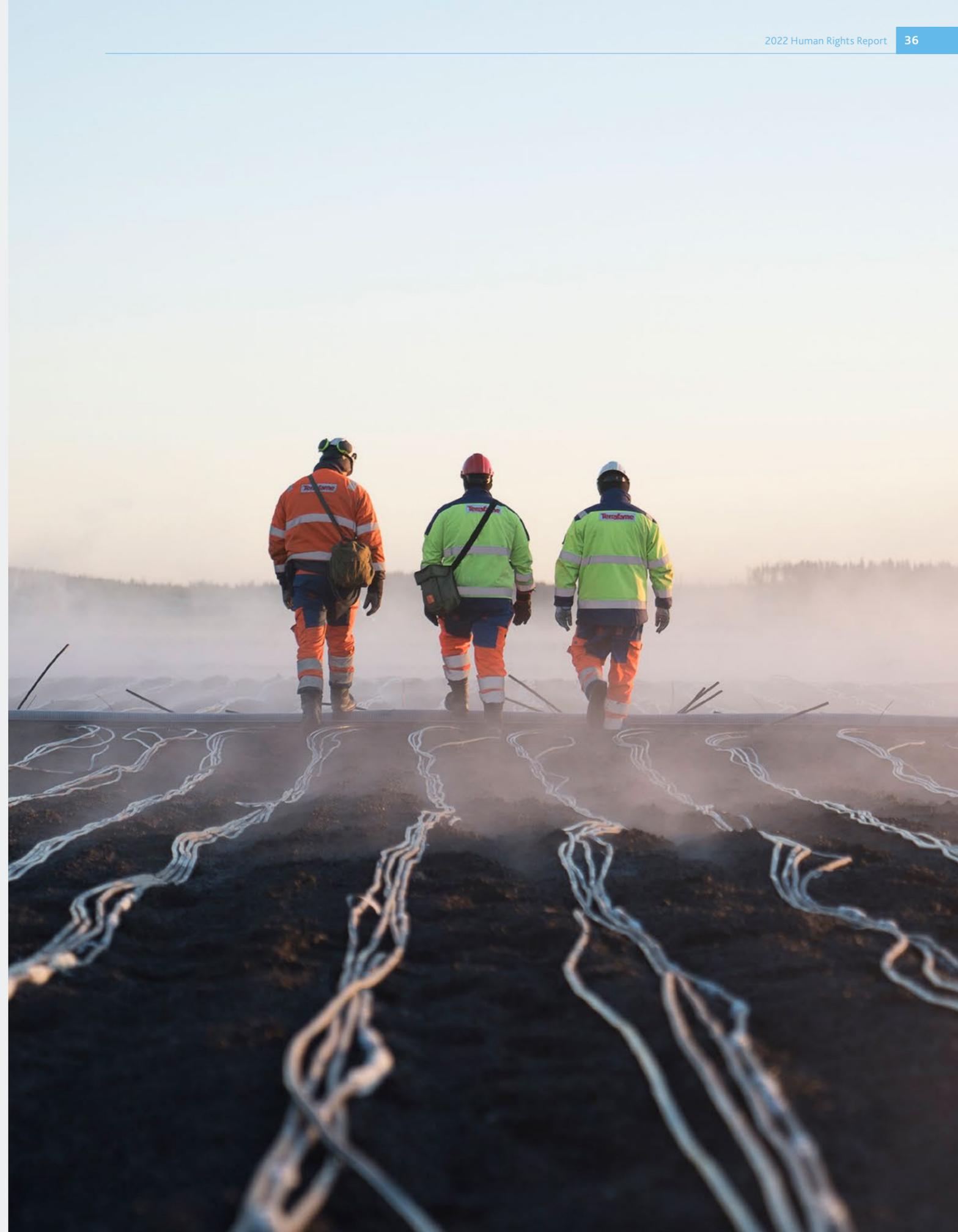
Appendix:

# UN Guiding Principles on Business and Human Rights Reporting Framework

Section of UNGPRF	Relevant section of Human Rights Report
<b>Part A: Governance of respect for human rights</b>	
A1 Policy commitment	Our policy commitments
A2 Embedding respect for human rights	Embedding respect for human rights
<b>Part B: Defining a reporting focus</b>	
B1 Statement of salient issues	Our salient human rights risks
B2 Determination of salient issues	Our salient human rights risks
B3 Choice of focal geographies	N/A
B4 Additional severe impacts	N/A
<b>Part C: Management of salient human rights issues</b>	
C.1 Specific policies	Our policy commitments
C.2 Stakeholder engagement	Stakeholder engagement
C.3 Assessing impacts	Human rights due diligence
C.4 Integrating findings and taking action	Human rights due diligence
C.5 Tracking performance	Human rights due diligence
C.6 Remediation	Access to remedy



We welcome feedback on our 2022 Human Rights Report. Please contact us at [enquiries@trafigura.com](mailto:enquiries@trafigura.com) with any comments.





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