

2015 RESPONSIBILITY REPORT

.....
TRAFIGURA GROUP PTE. LTD.



*ADVANCING
TRADE*

PERFORMANCE INDICATORS

5,287

Average number of employees over year (2014: 5,326)

5,100+

Online HSEC awareness raising modules completed worldwide

5,450+

Know-your-counterparty checks

2

Fatalities

40

Environmental incidents reported

\$4.3bn

Oil payments to EITI candidate and compliant countries in 2013

178

Health and safety incidents reported

419,032tCO₂e

Scope 1 and Scope 2 CO₂e emissions

3,700+

Employees trained on anti-bribery and anti-money laundering

ADVANCING TRADE

Without trade, countries don't develop, economies won't grow and international business cannot function.

We help make trade happen. We move physical commodities from places they are plentiful to where they are most needed – reliably, efficiently and responsibly.

Trafigura has been connecting its customers to the global economy for more than two decades; we are growing prosperity by advancing trade.

In this report we set out our progress in driving corporate responsibility deep into our organisation. We invite stakeholders to assess our performance.

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ABOUT THIS REPORT

This report has been prepared with reference to the Global Reporting Initiative 'G4' core guidelines and is intended to support dialogue with our key stakeholders. Our focus is on communicating with our stakeholders on the issues they tell us matter most. We expect future responsibility reports to reflect G4 guidelines more precisely as the extent of data available to us improves. We welcome any feedback, please email us at HSEC@trafigura.com.

TRADING RESPONSIBLY



JEREMY WEIR
Chief Executive Officer

Trafigura has become one of the world's leading commodity trading firms by delivering reliable and efficient services to its customers and by making the global supply chain work better. Increasingly integral to that process is our commitment to acting responsibly.

Our late Founder and Executive Chairman, Claude Dauphin, made responsibility a central tenet of his leadership in recent years. As head of a business that operates at scale around the world and that aspires to succeed not just in the short term but over time, he tirelessly promoted the view that we need to understand and manage our impacts on society, the environment and those with whom we work.

That is the background to the publication of this document, Trafigura's first standalone Responsibility Report. It details our commitment to responsible and ethical business practices and reports on our progress in ensuring they are implemented across the Trafigura Group. It also expresses our awareness that we have more work to do.

In this respect, it is with sincere regret that I report two deaths that occurred as a result of incidents at Trafigura operations during the year. Our most important objective looking forward is to reduce the number of fatalities to zero in 2016.

This report sets out an important ambition: to become acknowledged sector leaders in the way we manage corporate responsibility. This commitment is endorsed by Trafigura's Management Board and shareholders – all closely involved in running the business – and by employees across the Group. It is also firmly rooted in commercial logic, for a number of reasons.

This document, Trafigura's first standalone Responsibility Report, details our commitment to responsible and ethical business practices and sets out an ambition: to become acknowledged leaders in our sector.

First, we know we have to earn and maintain a social licence to operate in the many countries and communities where we are active. This is more than ever a fact of corporate life, with media focusing on corporate reputation crises and governments, regulators and civil society subjecting business to ever closer and more critical scrutiny. Trafigura has direct experience of what can happen when unacceptable errors put this licence to operate at risk in the regrettable Probo Koala incident that occurred nearly 10 years ago in Côte d'Ivoire. We have resolved to do everything in our power to avoid a repeat.

Our Management Board sets clear standards for responsible and compliant behaviour so that employees at all levels understand what is expected of them. While determined to remain a private company, Trafigura is also committed to transparency – as exemplified by the publication of this report. We believe that the commodities trading industry has some ground to make up in this regard, in comparison, say, with the strides companies in the extractive industries have made in recent years.

Second, as a company specialising in the logistics of moving large volumes of potentially dangerous or polluting materials around the world, we realised a long time ago that we needed to develop a systematic and rigorous approach to the management of Health, Safety, Environment and Community (HSEC) risks, both in operations under our direct control and in our selection of contracting partners.

This need has been further accentuated by our programme of investment in physical infrastructure and industrial assets such as ports, storage terminals and mines. Operating such assets safely and with minimal environmental and social impact requires strong controls, implemented according to standards set at Group level and giving a clear line of sight for the Trafigura Management Board. Such an approach is basically good business, since we also know that safer operations are not only better places to work, they are also more effective and efficient.



Our people: On the bridge of Trafigura owned medium-range oil tanker; employee at Porto Sudeste, Brazil; and Impala Terminals' barge operator, Colombia.

The third reason behind our responsibility strategy has to do with the unique network of partnerships on which our company depends to do business and grow. Establishing and maintaining a reputation as a responsible company is central to these relationships, be they with banks, bond investors, joint-venture partners or clients and counterparties. Our partners rightly require assurance that we operate to the highest standards. Demonstrating leadership in responsibility will support the development of our business and enhance our access to capital and liquidity. In that sense, we see good performance in this area as a means of securing a competitive edge.

The pages that follow describe the policies Trafigura has put in place to advance this agenda, outline our performance to date, and chart our future direction of travel. They also set out some key issues on which we are working to address civil society's most frequently expressed concerns about the social impact of the commodities trading sector, including transparency on payments to governments and human rights.

I want to be very clear about our intention in publishing this report. It is not to glorify our achievements or to convey the impression we think our responsibility mission is somehow accomplished. On the contrary: it constitutes a staging post in a journey on which Trafigura embarked many years ago and is still travelling. It discusses our shortcomings as well as areas where we believe we have made progress.



I want to be very clear about our intention in publishing this report. It constitutes a staging post in a journey on which Trafigura embarked many years ago and is still travelling. It discusses our shortcomings as well as areas where we believe we have made progress.

To be even clearer: the Trafigura Management Board is far from happy with our HSEC performance in 2015. This report sets out our commitment to achieving zero fatalities as well as a series of targets for action and improvement over the coming year, for example in reducing lost-time injuries and establishing better systems to manage trucking and other contractors conducting potentially hazardous operations.

This report also has a wider purpose: to provide a platform for engagement with our many stakeholders about how we manage our business and how we can improve. In the coming months we intend to discuss the report's contents with a range of interested parties, including business partners and civil society organisations. We hope you will find it an informative read and look forward to receiving your feedback at HSEC@trafigura.com.

Jeremy Weir
Chief Executive Officer

OUR BUSINESS MODEL CREATES VALUE

Our vision is of an increasingly interconnected and prosperous world in which commodities pass seamlessly from their points of origin to points of need.

WHAT WE DO

We connect producers and end-users of commodities by performing transformations in space, time and form. We use our market knowledge, logistics and infrastructure to move physical commodities from places where they are abundant to where they are in demand.



ADVANCING TRADE: HOW WE CREATE VALUE

BY MAKING MARKETS WORK

We use our global network and market intelligence to connect supply and demand for commodities and ensure delivery in the right place, at the right time, to the right specification.

BY OPTIMISING THE SUPPLY CHAIN

We have developed world-leading logistical capabilities enabling us to source, store, blend and deliver oil and petroleum products, metals and minerals reliably and efficiently anywhere in the world.

BY MANAGING RISK

Our business model is resilient in the most volatile market conditions. We systematically hedge price risks and have created systems and processes that enable us to manage a complex range of operational and financial risks.

BY INVESTING IN INFRASTRUCTURE

We have invested in high-quality infrastructure that supports our trade flows, such as oil storage facilities, warehouses, ports and transport.

BY SUPPORTING OUR CLIENTS

Our strong financial resources give us the capacity to add value for our customers through integrated solutions incorporating trading, finance, infrastructure investment and risk management in the physical commodity sector.

BY SUSTAINING MARKETS

We aim to conduct our activities in a way that benefits local communities and society at large. Responsible trade drives economic and social progress.

OUR STRUCTURE DELIVERS VALUE

Trafigura's core business is physical trading and logistics. Strategic investments in industrial and financial assets complement and enhance this activity. We structure these investments as standalone businesses.*

TRADING ACTIVITIES

Oil and Petroleum Products

We are one of the world's largest traders by volume of oil and petroleum products. We operate in a fragmented market where no single company has a leading position. Trafigura is one of the few oil and petroleum products traders with global presence and comprehensive coverage of all major markets.

Supported by offices worldwide, the Oil and Petroleum Products division operates from key regional centres in Beijing, Calgary, Geneva, Houston, Johannesburg, Mexico City, Montevideo, Moscow, Mumbai and Singapore.

Metals and Minerals

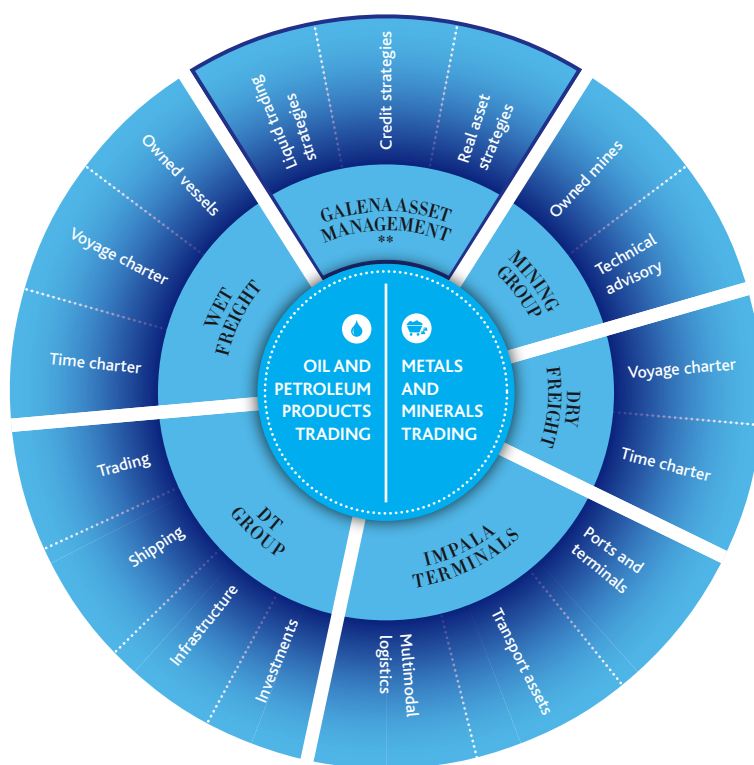
We are one of the world's largest metals and minerals traders. We negotiate offtake agreements with miners and smelters. We invest in multimodal terminals and logistics to improve market access for our clients.

Supported by offices worldwide, the Metals and Minerals division operates from key regional centres in Geneva, Johannesburg, Lima, Mexico City, Montevideo, Mumbai, Shanghai, Singapore and Stamford.

Shipping and Chartering

Our Shipping and Chartering Desk is closely integrated into Trafigura's business model, providing freight services to the commodity trading teams internally and trading freight externally in the professional market.

Operations are based in our offices in Athens, Geneva, Houston, Montevideo and Singapore. All post-fixture operations are managed from our Athens office.



* The size of each segment is not indicative of percentage of ownership or contribution to Trafigura's bottom line.
 ** Galena Asset Management's teams operate wholly independently of Trafigura.

INDUSTRIAL AND FINANCIAL ASSETS

DT Group

DT Group is a joint venture between Trafigura and Cochan Ltd. It develops markets in sub-Saharan Africa, with a particular focus on Angola. It works closely with international and local partners in the logistics, trading and natural resources sectors.

50%
ownership

Impala Terminals

Impala Terminals is a multimodal logistics provider focused on export-driven emerging markets. It owns and operates ports, port terminals, warehouses and transport assets. It has particular expertise in providing efficient logistic solutions in challenging environments and hard-to-reach locations.

100%
ownership

Mining Group

The Mining Group manages mining operations, develops projects, conducts technical audits of existing and potential partner projects and provides advisory and support services to Trafigura's trading desks, trading partners and Galena Asset Management.

100%
ownership

Galena Asset Management

Galena Asset Management provides investors with specialised alternative investment solutions through its range of commodity funds. It operates independently, but benefits from the Group's insights into the global supply and demand of commodities.

100%
ownership

INVESTING IN RESPONSIBLE TRADE

Trafigura is one of the world's leading commodity trading firms. We are leveraging our experience and expertise to develop a more responsible business.



STATEMENT FROM THE JOINT CHAIRS OF TRAFIGURA'S HSEC STEERING GROUP

Our approach to integrating corporate responsibility into our overall business strategy is shaped by the knowledge that, in the long term, Trafigura's performance will be determined by the positive contribution the Group makes to stakeholders and society at large.

Our goal is to become sector leaders in the way we manage business conduct and in HSEC matters. We are at a formative stage in this journey.

This report, complemented by additional information available online, summarises our focus in 2015 and is designed to enable our stakeholders to make an informed judgement as to whether the Trafigura Group is performing against the expectations of society on those subjects that matter most.

In 2015, Trafigura's HSEC Steering Group met on six occasions and formally reported to Trafigura's Management Board at both half and full year. Steering Group meetings were well attended – including by Trafigura's late Chairman, Claude Dauphin, and CEO Jeremy Weir. Both have been intimately involved in developing our corporate responsibility strategy and, above all, in driving results on the ground.

This report presents a clear and accurate summary of activities directly overseen by Trafigura's HSEC Steering Group, as well as those undertaken at an operational level by Trafigura's divisions and operating companies.

Andrew Vickerman, Trafigura Supervisory Board
Andrew Gowers, Global Head of Corporate Affairs



“Our goal is to become sector leaders in the way we manage business conduct and in HSEC matters.”

A COMPREHENSIVE FRAMEWORK FOR RESPONSIBILITY

Trafigura's HSEC Policy and HSEC Business Principles, along with our Code of Business Conduct, encapsulate our approach to corporate responsibility.



Our HSEC Policy commits the Group and all of its employees to:

- Conduct business in a way that protects the environment and promotes the safety and health of employees, those involved in our operations and the communities where we work.
- Act with integrity and transparency and engage constructively with key stakeholders.
- Comply with all relevant HSEC domestic and international legislation and regulations.



Our HSEC Business Principles set out the standards we apply and the principles we uphold in the Trafigura Group – these are incorporated within the following areas:

- Health and safety.
- Environment.
- Human rights and labour practices.
- Community relations.



Our Code of Business Conduct acts as a central reference point for employees and business partners in meeting the highest standards of:

- Integrity.
- Care and diligence.
- Best practice.
- Market conduct.
- Management and control.

Each constituent company within the Trafigura Group is required to supplement the above policies and principles with relevant, sector-specific standards and procedures for their day-to-day operations. We expect everyone with whom we do business to apply comparable standards, policies and principles.



Fuel storage construction, Impala Terminals' Barrancabermeja facility, Colombia.

OUR RESPONSIBILITY GOVERNANCE FRAMEWORK

Our governance framework aims to ensure our HSEC Policy, HSEC Business Principles and Code of Business Conduct are implemented consistently across our diverse organisation.

The HSEC Steering Group promotes best practice and drives HSEC performance. A Supervisory Board member and the Global Head of Corporate Affairs are the co-chairs. It includes Trafigura's CEO as well as COOs and HSEC Heads from across the organisation.

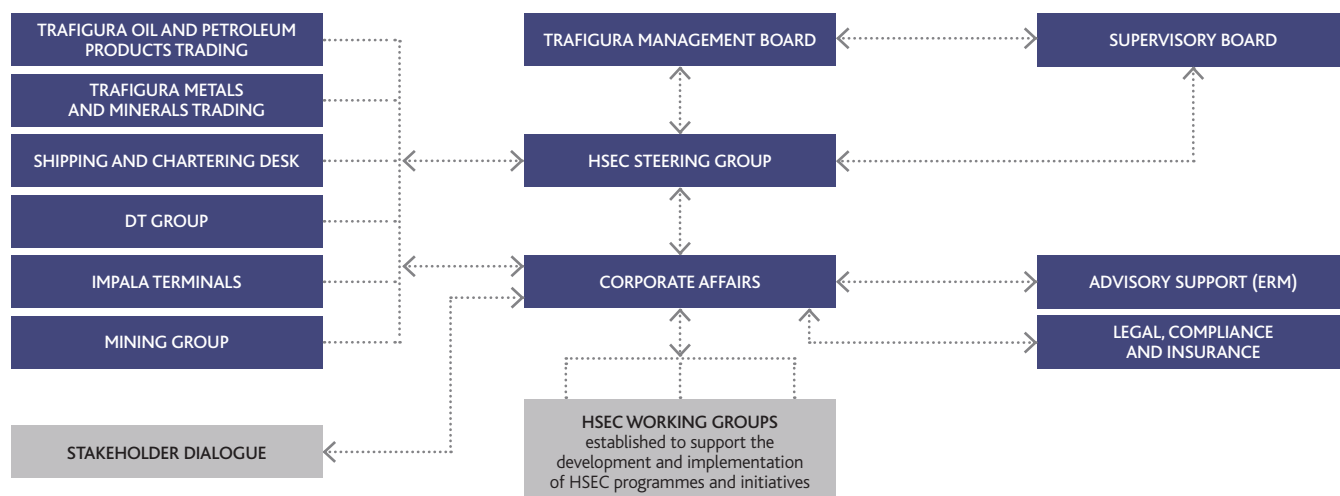
The HSEC Steering Group convenes every two months, reports on performance twice annually to Trafigura's Management Board and is supported by working groups and external advisors as required. In 2015, HSEC working groups focused on incident reporting, trucking, contractor management and construction.

In 2015, the Trafigura Group Pte. Ltd. (TGPL) Compliance Committee met biannually and was chaired by the late Group Executive Chairman. Reporting to Trafigura's COO, Trafigura's Global Head of Compliance oversees the implementation of the Code of Business Conduct and chairs the Compliance Committees of all Group companies.

Traigura's lead auditor, EY, reviews minutes and actions from both HSEC Steering Group and TGPL Compliance Committee meetings annually.

For more information please refer to www.trafigura.com/responsibility

OVERVIEW OF OUR HSEC GOVERNANCE STRUCTURE



INVESTING IN RESPONSIBLE TRADE *CONTINUED*





MEASURING AND REPORTING ON OUR PROGRESS

Different parts of the Trafigura Group have distinct challenges and priorities across the HSEC and compliance agenda. All are required to implement, measure and report performance against the priorities and targets agreed at Group and operating levels.

At a Group level we commenced the systematic tracking of our performance against a revised set of HSEC key performance indicators (KPIs) in 2014. Our performance has been thoroughly reviewed by sustainability experts, ERM, and is reported in this document. Performance statistics form an essential part of our annual disclosure to stakeholders and will be augmented over time.

The underlying data for our KPIs are collected on Safeguard, our online HSEC information management system. Safeguard is continually being developed and we are extending its use within the business. We expect to be able to report more extensive data in 2016.

In November 2014, the HSEC Steering Group signed off its four top priorities for the 2015 financial year. We report on these in subsequent sections of this report:

1. Eliminating fatalities and reducing lost-time injuries.
 See page 30
2. Improving Group management of risks posed by Heavy Goods Vehicles (HGVs).
 See page 30
3. Improving Trafigura's management of contractors.
 See page 20
4. Enhancing engagement with notable international organisations in the sphere of corporate responsibility.
 See page 10



Singapore Port and city skyline.

We are enhancing our dialogue with stakeholders and substantively improving disclosure. As part of this process we are participating more actively in industry forums.

ASSURANCE

In 2015, we introduced a Group-wide HSEC Assurance Programme to assess the extent to which our HSEC Policy and HSEC Business Principles are being effectively implemented. This included a comprehensive self-assessment process in which all Trafigura Group entities participated. External advisors ERM were commissioned to assess the output and also undertake a programme of HSEC assurance audits. These evaluated the material HSEC risks, stakeholder concerns and significant incidents, at operations and assets in Athens (Shipping and Chartering Desk), Johannesburg (Oil and Petroleum Products and Metals and Minerals Trading divisions and Impala Terminals) and the Mining Group's remote Catalina Huanca mine in Peru.

PROMOTING TRANSPARENCY

Many leading players in our sector have been reluctant to engage with external stakeholders on issues of public concern. Trafigura's approach is different. We are enhancing our dialogue with stakeholders and substantively improving disclosure.

As part of this process we are participating more actively in industry forums. In October 2014, Trafigura joined the World Business Council for Sustainable Development and, in November 2014, we became a supporting company of the Extractive Industries Transparency Initiative (EITI) (see page 14). We also joined the UN Global Compact in 2015.

CRISIS MANAGEMENT

We are building a culture of crisis preparedness through education, engagement and training. Robust crisis management principles, structures and procedures guide our strategic response to any significant threat. These consider, in priority order: people, environment, reputation, then asset and financial implications.

ROLE OF ERM

In its capacity as specialist HSEC advisor to Trafigura, ERM was asked to review the completeness and accuracy of information contained within the Safeguard data management system, as part of the year-end internal validation process. This review covered all Trafigura divisions and entities included in the scope of the Responsibility Report and comprised the following steps:

- An assessment of all incidents classified from minor to critical ('Level 2' to 'Level 5') together with senior management representatives in each Trafigura division and operating company, to ensure that each serious incident had been correctly classified, investigated and addressed. This built on previous discussions held during the year as and when each incident was initially reported on the system.
- A sample-based assessment of incidents classified as 'Level 1' to check that the incidents had been appropriately classified and



UNITED NATIONS GLOBAL COMPACT

The UN Global Compact is a strategic policy initiative that encourages businesses to align their strategies and operations with 10 universal principles on human rights, labour, environment and anti-corruption, and act to advance societal goals. It aims to:

- Ensure the 10 principles are upheld by businesses around the world.
- Catalyse action in support of broader UN goals, including the Sustainable Development Goals (SDGs).

Trafigura is a committed and active member of the Swiss and international Compact communities. Our HSEC Policy, HSEC Business Principles, Code of Business Conduct and assurance programmes reflect the Global Compact's 10 principles, as well as the Universal Declaration of Human Rights.



This report forms part of our first formal Communication on Progress to the UN Global Compact. It should be read alongside the corresponding reference table and supporting documents that feature online at

www.trafigura.com/responsibility

addressed, in accordance with Trafigura's Incident Reporting and Investigation Guidelines.

- A review of all HSEC KPIs against the relevant Trafigura corporate guidance, which includes definitions for each metric to be collected.
- Discussions with division and operating company HSEC representatives regarding any data queries that were encountered.
- A review of the Responsibility Report to confirm that finalised and internally approved data were correctly transposed to this publication.

Access was granted to all areas of the business, including assets and back office functions where appropriate in order to complete this task. Source data was reviewed in instances and where possible, additional estimations were made to sense-check data provided by the businesses.

UNDERSTANDING WHAT MATTERS MOST

By constructively engaging with stakeholders locally, nationally and internationally, we are discovering what matters most to those around us.

ENGAGING WITH OUR STAKEHOLDERS

We face growing expectations from stakeholders. Our partners and investors are increasingly risk-sensitive. Governments and regulators are more conscious of the commodities sector. Lenders, NGOs, local communities and the media, amongst others, expect us to demonstrate that we are operating responsibly.

We learn a great deal through regular contact and in our day-to-day business dealings. We also engage more formally to identify stakeholder priorities, preferences and concerns as part of our materiality assessment process.

We are building a more robust and resilient business model by taking account of what matters most to our stakeholders.

OUR KEY STAKEHOLDERS INCLUDE:

Host governments

Trafigura's worldwide activities bring us into contact with governments in numerous countries.

Whether in emerging or developed economies, our activities can have a big impact on economic and industrial development.

Host governments require assurance that we operate as a responsible business partner and respect the rights and interests of their citizens. They want to be sure that we are paying national tax at an appropriate level and that our activities do not disadvantage domestic businesses.

National and supranational regulators

Regulatory oversight covers a range of issues including safety, emissions, financial operations, compliance with sanctions, and anti-corruption controls.

The framework for international regulation is continually changing. We need to be prepared for that and, where appropriate, contribute to public debate in developing policy areas.

Civil society and 'NGOs'

NGOs play an important role in encouraging social progress, environmental protection and democratic debate. They hold a critical lens to the commodities sector and to our performance at local and international levels.

We are working hard to develop mutually respectful and beneficial relationships with the NGO community.

Existing and potential customers and counterparties

Our customer base is a key constituency. As an international trading firm, we prosper by building relationships with producers and end-users that endure. For producers, we seek to provide enhanced returns from accessing global markets; for end-users, we set out to minimise

trading costs and provide cost-effective supply of specific grades of commodities at a time and place to suit them. We endeavour to serve all parties' interests by optimising safety, efficiency and reliability.

Existing and potential suppliers

We work with numerous suppliers to deliver our services globally. We operate robust HSEC systems and processes and require assurance from our suppliers that they take the same approach.

Local communities

Trafigura undertakes large-scale, long-term investments globally. We often operate in remote and challenging locations. Our activities can have a significant impact on local communities. We aim to communicate our approach consistently, manage our impacts responsibly and create opportunities for shared value.

Employees, contractors and trade unions

Our HSEC Business Principles include a commitment by all employees and contractors to value respect, fairness, non-discrimination, equal opportunity, training and development, and diversity within the workplace. From an operational perspective, the business also respects the rights of workers to bargain collectively and associate with unions.

We seek to engage with all employees and contractors to instil a collective sense of responsibility.

Financial institutions

Trafigura's business could not function without the liquidity financial institutions provide. Their policies are subject to intense scrutiny and increased regulation. They require assurance that our HSEC systems and processes mitigate risk and reflect internationally accepted standards.

Academic institutions

To date, the commodity trading sector has received relatively little academic attention. We take the view that improving theoretical understanding will have a positive impact on our sector and will help us in our ambition to recruit the best talent. We work with students and academic institutions to support research and build knowledge.

International and regional media

In an age of social media and 24-hour rolling news, swift and accurate information is vital. There are numerous media outlets acting as conduits to the general public and to stakeholder groups. We aim to provide relevant, accurate and timely responses to requests for information.

“Acting responsibly is absolutely key to the growth and evolution of the company. It allows us to access liquidity, and if we don’t access liquidity, we don’t have a business.”

Christophe Salmon, CFO

LISTENING TO OUR STAKEHOLDERS

Our stakeholders have varying objectives and their priorities change over time. We seek to reconcile what are often competing interests with our own commercial goals. To achieve the right balance, we need a strong insight into what matters most and to which groups.

Our materiality review process, first developed in 2014 and enhanced over the course of 2015, provides a framework that helps us prioritise stakeholder interests. It will inform future dialogue and action. But this review is only a starting point. We see materiality analysis as part of a larger process of continuing engagement.

IDENTIFYING MATERIAL ISSUES

Our materiality assessment, overseen by ERM, highlighted issues cited most frequently and deemed most important by stakeholders.

Our materiality assessment encompassed the following sources of intelligence:

1. Independent, in-depth interviews:

- Financial Institutions

In April, international research consultancy GlobeScan conducted in-depth interviews with lenders representing 34 banks headquartered across 15 countries to assess the issues and reputation they ascribed to the commodities trading sector as a whole, and to Trafigura in particular.

- Senior Trafigura Group staff

In May, ERM interviewed senior staff members working within and across multiple functions and geographic regions.

- External stakeholders

In June, ERM interviewed senior representatives from a wide range of organisations that currently engage with Trafigura. They included Swiss Government and supranational agency officials, academics and representatives from special interest groups focusing on governance, sustainability and regional issues in the commodity sector.

2. Internal employee survey

In July, an online questionnaire sought employees’ perceptions and understanding of HSEC issues and risks. A total of 2,193 employees across all Group companies and geographic regions provided invaluable perspectives and insights.

3. Review of risk logs

Every six months, members of Trafigura’s HSEC Steering Group are required to submit comprehensive operational risk logs to the Management Board relevant to their division or operating company.



Trafigura’s CFO Christophe Salmon (second from right) at the FT Commodities Global Summit, courtesy of Financial Times Live.

4. Media and web analytics

An external media monitoring specialist conducts a quarterly review of Group media coverage. It uses a range of metrics to determine which issues drive media interest, the prominence of its brands and the sentiment of its reporting. Trafigura’s media coverage is also benchmarked against its competitors. Analysis of Trafigura.com is conducted quarterly. Data reviewed includes user numbers, geographic origin, language preference, specific page views and page dwell time.

Our materiality review process, first developed in 2014 and enhanced over the course of 2015, provides a framework that helps us prioritise stakeholder interests.

EXTERNAL AND INTERNAL PERSPECTIVES

Overall, it is notable that there was broad agreement between external and internal stakeholders on the most critical issues. However transportation safety was seen as more significant internally, perhaps reflecting Trafigura's more detailed knowledge of the challenges involved in managing this effectively.

OTHER ISSUES

Other issues were raised by Trafigura, external stakeholders or ERM. Although they do not currently qualify as Trafigura's most material issues, as reported within this document, they have also been considered and are likely to be reported on in future. These included responsible procurement, voluntary standards, security, energy policy, water, process safety and product stewardship. These additional issues can provide useful early warnings about how the corporate responsibility agenda is likely to develop in future years.

Trafigura will continue to monitor all such issues and communicate our response.



Matthew Birch (front) of GIBS Business School and Russell Jones of Llewellyn Consulting at 'Foundations for Growth' Trafigura white paper launch, Johannesburg, South Africa.

STAKEHOLDER COMMENTS

"Trafigura was the first [commodity trading] company to come out and express support at an international level [for transparency], was first to bring the issue to attention and to help reach out to others."

EITI Secretariat

"Trading companies have a clear role: providing value to producers of minerals by transporting them to markets."

Dauphine University, Paris

"Trafigura is frequently dealing in a lot of countries where the rule of law isn't the strongest and that can raise some political and transactional risk issues."

Bauer College of Business, Houston

"Trafigura really saw the opportunity to integrate CSR [Corporate Social Responsibility] in their business model. Their approach is similar to a mining company."

Swiss Federal Department of Foreign Affairs

"No topic that cannot be discussed: they are very open even in [discussing] sensitive topics."

'Top 5' bank lender

"We like all the internal processes they have in place. They give us a lot more comfort in doing business with them. Obviously, there is also a key component which is compliance and KYC [Know Your Counterparty], which we also have to manage internally. There is always a lot of discussion on compliance with the [Trafigura] Group."

'Top 50' bank lender

"They are proactive, giving more attention to these themes [corporate responsibility] than others. Starting from a base where commodity traders were viewed negatively, we feel that there are a lot of things being done, EITI etc. There is always a learning process and things can be improved but they are taking up the task."

Limited exposure bank lender

BUILDING TRUST THROUGH TRANSPARENCY

We believe that transparency comes in many forms – from being open about financial performance to driving deeper stakeholder engagement, to improving, monitoring and reporting within the organisation and across our supply chain.

HIGHLIGHTS

- Engagement with Swiss Government and key transparency stakeholders on the proposed content of Trafigura's 'Policy on Payments to Governments'.
- Trafigura becomes the first privately held commodities trading company to become an EITI Supporting Company and releases associated policy.
- Trafigura sponsors the publication of a discussion paper articulating the business case for increased disclosure by the commodities trading sector.
- Presentation of Trafigura's disclosure strategy at the 29th EITI Board meeting in Brazzaville, Republic of Congo and the 30th EITI Board meeting in Bern, Switzerland.
- Formation of an EITI mandated multi-stakeholder working group on commodities trading and transparency, including leading companies, expert NGOs, relevant governments and National Oil Companies.

OUR APPROACH

We take the view that transparency is indispensable in our corporate responsibility journey. There are increasing demands for greater disclosure of payments to governments by commodity trading firms as well as mining companies and upstream oil producers. Disclosure can assist in improving governance in resource-rich countries.

As a major facilitator of global trade, we also believe that natural resource wealth should be an important engine for economic growth that contributes to sustainable development and poverty reduction. Being open about how we manage natural resources can help populations in countries where we operate hold governments and business to account.

In November 2014, Trafigura formally declared its support to the EITI – the first privately held commodities trading company to do so. In a further step, Trafigura published a 'Policy on Payments to Governments', drawn up in consultation with the EITI International Secretariat. The policy committed the company to disclosing Trafigura's payments to National Oil Companies (NOCs) for crude oil and petroleum products, including gas, as well as associated corporate taxes and, where relevant, licence payments to governments. As a leading commodities trading house we have a role in making such disclosures, and believe that governments have an important part to play in disclosing how they use these funds.

TRANSPARENCY AND THE SWISS GOVERNMENT

The transparency movement has garnered significant support from governments in recent years. The Swiss Federal Department of Foreign Affairs in its 2013 'Background Report: Commodities Report of the interdepartmental platform on commodities to the Federal Council' drew an explicit link between transparency of payments to governments by trading houses and efforts to enhance the transparency of product flows in order to address, for example, global human rights concerns.

While Trafigura is not domiciled in Switzerland, the country represents an important hub for the Group.

EITI – taking action

The EITI is the pre-eminent multi-stakeholder transparency initiative, focusing on open and accountable management of natural resources. The EITI Standard is implemented by 49 countries. The Standard governs information disclosures by companies and governments as included within annual EITI Reports. The EITI Standard contains the set of requirements that countries need to meet in order to be recognised first as an EITI 'Candidate' and ultimately an EITI 'Compliant' country.

Historically focused on the extractive industries, discussions within the EITI are currently building with a view to expanding the initiative's scope to include purchases by commodity trading companies from State-Owned Enterprises (SOEs). To date, Iraq is the only EITI country that legally requires this but others are being encouraged to follow. In Trafigura's view, it makes good sense to join these discussions now to help shape the debate.

While our disclosure in 2015 shows that our business with NOCs in EITI implementing countries represents only a small part of our overall product flows, we believe that the encouraging reaction we have received so far from governments, business partners, NGOs and the media justifies our decision to help advance this discussion further.

Disclosure scope

Our transparency policy commits us to voluntarily disclose our payments to the 49 EITI implementing countries, in line with the EITI's disclosure provisions. In consultation with the EITI's International Secretariat, we have defined 'payments' to include:

- Payments to SOEs limited to NOCs in EITI implementing countries for crude oil and petroleum products, including gas; and
- Corporate taxes and, where relevant, licence payments to governments.

In accordance with the EITI Standard, EITI Reports must cover data no older than the second to last complete accounting period, for example, an EITI Report published in calendar/financial year 2015 must be based on data no older than calendar/financial year 2013. On this basis, Trafigura has chosen to report on 2013 payments in this 2015 report.

“Switzerland should express its support, in principle, for the proposals for reforming the EITI that are currently being discussed. These relate, among other things, to reporting requirements on financial flows on a project-specific basis and on sales by national oil companies to commodity trading companies (including those domiciled in Switzerland).”

Swiss Federal Department of Foreign Affairs

We have excluded the detail of payments to governments in non-EITI implementing countries because we, like other EITI supporting companies, see little merit in unilateral disclosure in countries that have no multi-stakeholder process comparable to the one developed by the EITI that commits all relevant players within the country, including the government, to report in line with an agreed format.

Importantly, our approach to disclosure does not supersede extraterritorial legislation, the legal frameworks of countries where Trafigura operates or contravene the contracts that we enter into. This stance is aligned with EITI 'Principle 6', which recognises that the achievement of greater transparency must be set in the context of respect for contracts and laws.

Endorsed by the EITI International Secretariat, the scope of our policy focuses on the type of disclosures most relevant to the mission of the EITI and the applicable EITI Standard provisions (see box below). As the EITI's disclosure regime evolves, we will adjust our policy accordingly.

The EITI's commodities trading related disclosure requirements

The EITI Standard requirement 4.1.c 'Sale of the state's share of production or other revenues collected in-kind' is the most relevant to commodities trading companies. It states that where the sale of the state's share of production or other revenues collected in-kind is material, the government, including SOEs, is required to disclose the volumes sold and revenues received. The published data must be disaggregated to levels commensurate with the reporting of other payments and revenue streams (Requirement 5.2.e). Reporting could also break down disclosures by the type of product, price, market, and sale volume. Where practically feasible, the multi-stakeholder group is encouraged to task the Independent Administrator with reconciling the volumes sold and revenues received by including the buying companies in the reporting process.

Source: EITI Standard, <https://eiti.org/document/standard>, page. 27

OIL AND PETROLEUM PRODUCTS VERSUS METALS AND MINERALS DISCLOSURES

In line with our Policy on Payments to Governments our 2015 disclosure concerns crude oil, refined petroleum products and gas. It is important to note that, in line with EITI reporting, our 2013 disclosure relates to products purchased in the financial year of the relevant countries, whereas Trafigura's 2013 financial year ran from 1 October, 2012 to 30 September, 2013.

In Trafigura's 2013 financial year, the total volume of crude oil, petroleum products and gas traded amounted to 117.8 million metric tonnes (mmt) – these volumes were valued at 76 percent of Trafigura's global turnover of USD128.1 billion in that year. Crude oil alone amounted to 40.7mmt of traded volumes.

In FY2013, our metals and minerals trading accounted for 24 percent of group turnover, but only a small fraction of this figure was with SOEs in EITI implementing countries.

THE FIRST TRADE

The EITI's requirement 4.1.c focuses principally on the 'first trade': the transaction between an SOE and a commodities trading company. Much of Trafigura's crude oil, petroleum products and gas trading activities do not involve purchases from SOEs – furthermore the most significant tax contributions we make in relation to the EITI's mandate, ie extractives and trading operations, currently accrue in non-EITI implementing countries. Stakeholders may therefore find the extent of our EITI disclosure in 2015 limited. It is important to underline, however, that this first round of disclosures is just an initial step in an important and evolving process, to which we have committed to contribute. The process depends on more governments making disclosures of payments in respect of trading and on more companies declaring their readiness to make matching disclosures.

Our extractive activities and tax disclosures

The petroleum fiscal regime of a country is a set of laws, regulations and agreements, which governs revenues and payments derived from prospecting, exploration and production of oil and gas. Because each country has distinctive legislation, the fiscal regimes for extractive companies in the oil and gas sectors vary greatly from country to country, with a range of tax elements being used. Trafigura does not operate and is not a majority shareholder in extractive projects in the oil and gas sector.



Medium-range oil vessel, Bahamas.

For the duration of 2013, Trafigura's Mining Group was a shareholder and operator in mining projects in the Democratic Republic of the Congo (DRC) (Luna Holdings L.L.C.), Peru (Catalina Huanca Sociedad Minera S.A.C.) and Spain (Minas de Aguas Teñidas, S.A.U.). Only the DRC and Peru are EITI implementing countries. The EITI Multi-Stakeholder Groups in the DRC and Peru must assess whether or not Trafigura's mining projects' payments to governments (including taxes) surpass the materiality threshold above which the projects are required to report under the respective country's EITI multi-stakeholder process. In Peru and the DRC, Trafigura's mining projects were not deemed to be material in the respective 2013 EITI country reports. For more information, please refer to the 2013 EITI reports for Peru and the DRC on the EITI website.

DELIVERING AGAINST OUR COMMITMENT

While EITI reporting is mandatory in EITI implementing countries, therefore bringing a level playing field to companies operating in those countries, Trafigura has, in accordance with its Policy on Payments to Governments, voluntarily chosen to disaggregate its payments divisible by partner, product type, volume and value.

In the 2013 calendar year, Trafigura purchased physical cargos of crude oil, petroleum products and gas on a 'first purchase' basis from NOCs in the following EITI implementing countries: Colombia, Ghana, Norway, Nigeria, Peru, and Trinidad and Tobago.

Our trading activities and tax disclosures

To become fully relevant to commodities trading companies, we would assert that the EITI's disclosure provisions (Requirement 4.1.c) warrant revision.

As is standard global industry practice, no taxes were directly levied on Trafigura's purchases of crude oil, refined products and gas from NOCs by the governments of the countries we are disclosing against.

Similarly, Trafigura did not pay corporate income tax in these countries in relation to purchases from NOCs, as the trading activities are not undertaken through corporate entities registered in any of the six countries. On the basis that, in addition to commodities trading activities in Colombia, Trafigura's subsidiary Impala Terminals operates a significant logistics business in the country, Trafigura is liable for corporate income tax in this location but tax is not directly attributable to the extraction and/or first purchases of oil and petroleum products, including gas. As such, disclosing Trafigura's corporate income taxes in Colombia is outside of the scope of the EITI and would not be reconcilable through the national EITI process, as the Government does not publish a corresponding figure.

TRAFIGURA'S SWAP AGREEMENT WITH NNPC

Faced by insufficient refining capacity and an impending domestic shortage of refined petroleum products, the refined products arm of Nigeria's NOC 'NNPC', otherwise known as 'PPMC' or 'Pipelines and Products Marketing Company Ltd.' entered into a formal 'Refined Products Exchange Agreement' or 'SWAP' with a number of oil companies and commodities trading houses in 2010. Under this agreement, and in exchange for crude oil from NNPC, Trafigura typically supplied PPMC with two shipments of PMS (Unleaded Gasoline) and DPK (Dual Purpose Kerosene) per month. The agreement ultimately extended until 2015.

SWAP agreements are common in the oil trading business and, as described within the Nigerian EITI (NEITI) 2012 report, constitute "a value for value arrangement where the operators deliver corresponding net product value, ie inclusive of demurrage cost, to the net value derived from the crude oil loaded, ie exclusive of associated costs – demurrage. Thus, the arrangement encompasses all costs (crude oil, products and associated costs), thereby relieving NNPC of the burden of cash payment."

As predetermined under Trafigura's agreement with PPMC, any imbalance between crude oil exported and refined products imported was to be addressed on a rolling basis over the duration of the SWAP agreement. As recognised by NEITI's 2012 report: "an over delivery means PPMC owes the party the value in crude oil, while an under delivery means the other party owes PPMC the value in refined products; thus, either party is under obligation to settle the over/under delivery in subsequent transactions. Accordingly, any difference between the value of crude oil and that of refined products delivered are not construed as a net gain or loss, instead the balance is taken as either over delivery or under delivery."

As recognised in the figures presented, the imbalance between the value of crude oil lifted and refined products delivered to PPMC in the calendar year of 2013 amounted to circa USD207 million. In part this differential was as a result of the simple fact that refined product was delivered following the receipt of crude oil – ultimately however, this figure was reconciled in full in the normal course of business in favour of PPMC through the delivery of refined product in 2014.

2016 PRIORITIES AND COMMITMENTS

This is the first round of corporate disclosures from Trafigura since becoming an EITI supporting company in 2014. We will continue to review our policy on payments to governments and our disclosure strategy in consultation with the EITI Secretariat and our stakeholders.

Beyond disclosing our own payments to governments, we believe we can make an important contribution to transparency as a whole by working with other companies and the EITI itself to develop a workable standard for trading companies' disclosures within the existing, legitimate and multi-stakeholder EITI structures.

On this basis, we were particularly encouraged that in October, during deliberations at the 30th EITI Board meeting held in Bern, Switzerland, it was agreed that an EITI mandated multi-stakeholder working group would be established for trading companies and oil majors with notable trading divisions to progress the initiative in future in partnership with governments, SOEs and civil society. We encourage others to join this effort going forward and will report on progress in subsequent reports.

2013 AGGREGATE FIRST PURCHASES OF PHYSICAL CRUDE, REFINED PRODUCTS AND GAS BY TRAFIGURA FROM NOCS IN EITI COUNTRIES WHERE THE INITIAL LOAD-PORT IS IN THE EITI IMPLEMENTING NOC HOME COUNTRY

Parcel load port country	National Oil Company	Selling entity	Product purchased	Volume in BBLs	Value (USD)
Colombia	Ecopetrol SA	Ecopetrol SA	Crude oil	1,523,808.00	159,087,546.46
Colombia	Ecopetrol SA	Ecopetrol SA	Refined products	694,951.00	63,067,490.83
Ghana	Ghana National Petroleum Corporation	Ghana National Petroleum Corporation	Crude oil	898,338.00	94,720,758.72
Norway	Statoil ASA*	Statoil ASA	Crude oil	1,834,972.00	198,830,444.70
Norway	Statoil ASA	Statoil ASA	Refined products	5,974,501.20	684,756,855.59
Norway	Statoil ASA	Statoil Marketing & Trading (US) Inc	Refined products	652,441.85	76,334,834.32
Peru	Petróleos del Perú S.A. (Petroperú)	Petróleos del Perú S.A. (Petroperú)	Refined products	212,029.00	24,687,808.64
Trinidad and Tobago	Petroleum Company of Trinidad and Tobago Ltd	Petroleum Company of Trinidad and Tobago Ltd	Refined products	3,881,758.00	370,199,389.05
Trinidad and Tobago	National Gas Company of Trinidad and Tobago Ltd	Trinidad and Tobago LNG Ltd	Gas	1,737,897.59**	132,958,594.58
TOTAL				17,410,696.64	1,804,643,722.89

*Statoil ASA is a public limited company listed on the stock exchanges in Oslo (OSE) and New York (NYSE). With the Norwegian State being its largest shareholder with 67% of the shares, it is considered a National Oil Company for the purpose of this disclosure.

**Equivalent to 100,798,060 therms.

2013 AGGREGATE SWAP OF CRUDE OIL AND CORRESPONDING DELIVERY OF REFINED PRODUCTS FROM AND TO NOCS IN EITI COUNTRIES WHERE THE LOAD-PORT IS IN THE EITI IMPLEMENTING NOC HOME COUNTRY

Parcel load port country	National Oil Company	Selling entity	Product purchased	Volume in BBLs	Value USD	Product Exchanged	Quantity BBLs	Value (USD)
Nigeria	Nigerian National Petroleum Corporation	Pipelines & Products Marketing Company	Crude oil	24,220,212.00	2,702,258,246.43	Refined products	18,558,813.05	2,495,650,427.48

2013 GRAND TOTAL OIL PAYMENTS TO EITI CANDIDATE AND COMPLIANT COUNTRIES

USD4,300,294,150.37

“GET AHEAD OF THE TRANSPARENCY GAME



INDEPENDENT JOURNALIST ED HARRIS TALKS TO
CLARE SHORT, CHAIR OF THE EITI BOARD



Like sunlight, transparency is the best disinfectant.

Corporate secrecy may have enabled the looting of resource-rich countries, facilitating poverty, corruption, and even conflict.

But for two decades now, analysts, journalists, and campaigners have been peeling back the layers of secrecy that surround company ownership, financial flows, trade invoicing and tax. Rule-makers have been following their lead.

A slew of new standards and regulations is on the way. More transparency is inevitable.

Leading the EITI since 2011, Clare Short thinks commodity traders should shape this growing agenda rather than have it imposed. The EITI offers an opportunity.

“I’m not really saying please join us: I’m saying, please look at your intelligent self-interest,” she says, in an interview less than one year after Trafigura became the first – and so far only – dedicated trader to announce its support for the EITI.

Like the commodity traders, extractive companies were also reluctant to engage at first. But they now enjoy the benefits of better stakeholder relations, stable policy environments, and more social licence to operate. More and more companies are signing up.

“We’ve got 90-odd companies – they’ve all realised that it’s a better reality and some of the old practices can’t go on with the OECD convention on corruption and all the rest,” Short says.

“It feels to me like the commodity traders are at the beginning of the discussion.”

For two decades now, analysts, journalists, and campaigners have been peeling back the layers of secrecy that surround company ownership, financial flows, trade invoicing and tax. Rule-makers have been following their lead.



Jonas Moberg, Head of the EITI Secretariat (left) and Clare Short, Chair of the EITI Board (right) at the 30th EITI Board meeting, Bern, Switzerland, 2015.

SIMPLISTIC THINKING

A member of the UK Parliament for 27 years and remembered for her opposition to war in Iraq, now an EITI country, Short is principled, outspoken, and unafraid of controversy.

Her engagement with natural resource issues goes back 20 years to her time as the UK’s first ever Minister for International Development between 1997 and 2003.

Civil wars were coming to an end in Sierra Leone and Liberia, both EITI countries too, and a wealth of new literature was explaining the resource curse by which the world’s most resource-rich countries can also be the poorest.

Tasked with reducing global poverty, Short ordered her ministry to help establish the EITI.

The goal of the new initiative was simple: to help tackle the resource curse by closing opportunities for corruption. Its method was to verify company payments against government revenues, identifying any leakages.

Since then, the EITI has expanded to 49 countries and tightened its so-called ‘Standard’, though critics question whether it has lived up to its promise on poverty reduction.

The goal of the new initiative was simple: to help tackle the resource curse by closing opportunities for corruption. Its method was to verify company payments against government revenues, identifying any leakages.

"In the early days, the thinking was a little bit simplistic," Short says. Making revenues transparent does not by itself lift people out of poverty. Transparency must include contracts, company ownership, tax payments, and more. Better public policy is critical. Most governments could reduce poverty by focusing on health and education.

But the initiative has certainly exposed corruption. A recent EITI audit in Nigeria uncovered USD10 billion of money owed to the government, of which USD2.4 billion has been recovered.

It may also be catalysing change. In June, new Vice President Yemi Osinbajo told Short that the Nigeria EITI reports offered a ready-made agenda for reform. At the time of writing in August, top management at the Nigerian National Petroleum Corporation had just been removed from office.

In the DRC, reformers use EITI-generated data to tighten management and drive reform. In Myanmar, government and civil society are sitting together, sometimes for the first time ever, to identify problems and discuss how things can be improved.

"That's pretty enormous too."

ANGER AND FRUSTRATION

In its next phase, the EITI will focus more on transparency as a catalyst for change. Reports will be simpler, contain more explanation and context. Their target audience? The average 'intelligent citizen'.

Short recognises the pace of change will vary from country to country.

"You can bring everyone to the table, you can have some transparency. But if the country won't allow debate to shape change in the short term, then it takes longer."

Commodity traders can expect the EITI to continue with standard upgrades and to reach more countries.

As it expands, traders may have no choice on whether or not to engage. In 2013, the EITI upgraded its Standard to include sales by state-owned companies, expanding the original remit beyond just government sales. Traders will have to report their purchases from state-owned companies in EITI countries.

"The EITI is about improved governance in oil, gas, and mining sectors and commodity traders are part of the picture," Short says. "They're in whether they choose to be or not."

But traders can still help shape the system. Two years later, the EITI is still working out how to apply the new rules.

"If they join up with the EITI, the traders can influence that we get it right, that we have standardised rules that everybody uses, that it doesn't become subject to people making errors or making impossible demands in reporting."

This window of opportunity may be closing, however. Some countries depend heavily on natural resources for their government revenues and the rapid decline of commodity prices may have political consequences. Commodity traders could make an easy scapegoat.



MATSA mine, Spain.

"If they join up with the EITI, the traders can influence that we get it right, that we have standardised rules that everybody uses, that it doesn't become subject to people making errors or making impossible demands in reporting."

Clare Short

"The companies who can say 'we've always been open, this is the reality,' are going to be less criticised than those who are closed where people can make all sorts of allegations and no one will know if they're true," she says.

Switzerland may also be affected and Short thinks it should learn the lessons from its banking sector, where reform efforts came too little and too late to prevent outside pressure and regulation.

"They should get ahead of the game on opening up and get some transparency into their trading."

"There is going to be much more anger and frustration in originating countries," Short says, "We are going into a difficult period."



Further information about EITI can be found at www.eiti.org



MANAGING OUR SOCIAL IMPACTS

We aim to be good corporate citizens, and engage respectfully with communities in which we work. We respect human rights and seek to contribute to the long-term social and economic development of communities affected by our activities.

HIGHLIGHTS

- Assessment of two major infrastructure projects in Colombia and Indonesia against International Finance Corporation (IFC) Performance Standards and development of corresponding Environmental and Social Action Plans.
- Contractor HSEC Code of Conduct and Contractor Screening and Management Process developed and piloted.
- Development, piloting and delivery of an HSEC Construction Checklist, and roll out of key performance indicators.
- Strengthened Group-level and operational-level grievance mechanisms and guidance.
- Roll out of third-party HSEC Incident Reporting and Investigation Guidelines to contractors.

OUR APPROACH

Trafigura is committed to respecting human rights across all of its business operations and value chain activities. Our approach is enshrined in our HSEC Policy and HSEC Business Principles and is informed by the UN Guiding Principles on Business and Human Rights (UNGPs) amongst other internationally recognised standards. We require business partners to apply comprehensive, comparable and complementary policies and principles.

Physical trading is at the core of our business. With a significant fixed asset base in developing economies, we are acutely aware of the impacts of our operations on nearby communities. Understanding local contextual issues and engaging respectfully in our operating environment is critical to maintaining our social licence to operate.

Our activities stimulate socio-economic development in local communities and for their national economies. We create employment, develop skills, build infrastructure and procure from local suppliers. At the same time we recognise that our activities can also have an adverse impact on local communities and their way of life. We seek to minimise or mitigate such negative consequences.

MATERIAL ISSUES

At a Group level, our materiality review process identified the following social performance issues as most relevant to our stakeholders. We report in detail on each of these in this document.

• Human rights grievance channels

We recognise our responsibility to safeguard human rights as defined within the UNGPs, The Universal Declaration of Human Rights (UDHR), and the International Labour Organisation's (ILO) Core Conventions on Labour Standards. We have developed a structured approach to receive, acknowledge, investigate, respond to and remediate complaints and grievances from affected stakeholders in a timely and respectful manner.

• Social licence to operate

We rely on the active support of nearby communities. Maintaining a viable long-term presence at locations where we have strategic assets is only possible with their continued goodwill. We contribute to the long-term social and economic development of local communities affected by, and associated with, our operations.

• Transparency

As a major facilitator of global trade, we believe that the prudent use of natural resource wealth should be an important engine for economic growth that contributes to sustainable development and poverty reduction.

 See page 14

• Skilled labour recruitment and retention

We seek to recruit the best-qualified people in terms of experience, skills and attitude, preferably from the local population. We look for candidates who will fit into Trafigura's dynamic culture. Energy, enthusiasm, initiative and a willingness to take on responsibility are key qualities.

 See page 46

KEY PERFORMANCE INDICATORS¹

Trafigura Foundation	2015	2014
Total grants ¹	USD5.2m	USD6.1m
By region		
Africa	33%	27%
Americas	24.5%	22%
Europe	22%	29%
Middle East and Asia	20.5%	22%

¹ The Trafigura Foundation is an independent philanthropic organisation that provides financial and technical support to long-term development programmes. For an overview of Foundation activities in 2015 please refer to page 54.

HUMAN RIGHTS STRATEGY AND ROADMAP



OUR PERFORMANCE

We construct and operate large-scale infrastructure to support physical trading activities. These projects often take place within complex operating contexts. We have developed risk management processes and tools to help us meet our social performance commitments.

We employ experienced teams on the ground to identify and evaluate the social and community impacts of our projects during various construction stages and when fully operational. We also commission third-party specialists to conduct robust and detailed environmental and social impact assessments for those areas affected by our operations. Their objective reporting provides a sound evidential basis for the actions we take to mitigate negative and strengthen positive impacts.

In 2015, we undertook an assessment of Impala's Magdalena River logistics chain project in Colombia. This included an analysis of the project's performance against applicable requirements of Colombian laws and regulations, IFC Performance Standards, the Equator Principles and the World Bank Environmental, Health, and Safety Guidelines for Ports and Terminals and the World Bank's general HSE guidelines.

The work resulted in a comprehensive report outlining findings and gaps relating to environmental and social performance as well as recommendations in the form of an Environmental and Social Action Plan (ESAP) which we are actively progressing.

Human rights grievance channels

The intersection between the human rights agenda and commodity trading is of growing interest to civil society, governments, investors and other stakeholder groups. There have been numerous calls for the development of practical guidance for the implementation of the UNGPs for commodity traders.

We have sought to engage in these discussions bilaterally with our partners and stakeholders, and multilaterally through our memberships of the Swiss UN Global Compact network and the Swiss Trading and Shipping Association (STSA). These engagements have informed our management approach and governance arrangements at Group, divisional and operational levels of the business.

Trafigura carried out a strategic review and rights mapping exercise in 2014 to support the implementation of Group-wide policy commitments on human rights. The review considered how Trafigura's trading activities and infrastructure projects may directly and indirectly affect the rights of stakeholders. Its conclusions have informed Trafigura's human rights strategy and roadmap.

Over the course of 2015, we have sought to further embed respect for human rights across our global operations. We have also strengthened our internal controls and governance arrangements across core functions.

SOCIETY

Grievance management

We are reviewing and strengthening our grievance management processes, organisational arrangements and guidance at both Group and operational levels of the business. This work is an important element of our human rights due-diligence effort. We aim to ensure appropriate processes are in place to enable affected stakeholders to raise concerns, and for the relevant Group operation to resolve grievances we may have caused or contributed to.

In addition to enhancing stakeholder dialogue in 2015 at a Group level we are rolling out a globally accessible hotline, managed by an expert third-party, for the receipt and reporting of externally generated comments, feedback and grievances 24/7 and in multiple languages.

At an operational level, Impala Terminals is piloting Trafigura's project level grievance mechanism in Colombia as a key component of our stakeholder engagement and risk management process. After relevant improvements have been made to the system in 2015, this tool will roll out globally in 2016.

Over the course of 2016, and in support of this programme of work at a Group and operational level, we will examine ways in which the reporting of grievances can be integrated within Trafigura's HSEC information management system, Safeguard. This will enhance the visibility of such incidents across the business and underpin our aspiration to resolve and learn from community issues efficiently and responsibly.

HSEC awareness training

We are building internal capacity and awareness of our commitment to respect human rights across the Group through the launch of HSEC awareness training for employees and selected contractors. Online training is available in five languages.

In 2016, we will develop additional modules to the training programme, where appropriate. We will drive uptake of our awareness training for contractors to further communicate and embed the importance we place on human rights and HSEC issues across our business activities.

Social licence to operate

Our subsidiaries and industrial investments play a vital role in facilitating the efficient and responsible handling and movement of commodities on behalf of Trafigura's Trading Division.

Where Trafigura is unable to access essential services from within the Group, the Trading Division either appoints expert third-party contractors directly or engages a Group entity to take on a management and oversight role.

Trafigura's Shipping and Chartering Desk supervises the appointment and management of owned and chartered vessels. Impala manages the storage and/or transportation of metals, minerals or bulk commodities.

In recent years, Trafigura has invested increasingly in industrial assets to support and deliver our services worldwide. As a result, our impacts on local communities where we operate are becoming more significant.

Increased management attention is being dedicated to accentuating our positive and minimising any negative social and environmental impacts. This included the following programmes of work in 2015:

Contractor screening and selection

Our goal from a Group perspective is to work with third-party contractors to identify, manage and mitigate HSEC risks to the lowest practicable level.

Over 2015, Trafigura's Trading Division strengthened its contractor screening and selection processes across the following activities:

- Handling of waste materials.
- Trucking of commodities.
- Ship-to-ship transfer of oil products.
- Storage of oil products, concentrates and ores.

Work included the development and launch of a 'Contractor HSEC Code of Conduct', which conveys our Group-wide social performance and broader HSEC expectations, and a 'Contractor Screening and Management Process' which outlines Trafigura's approach to the selection and management of contractors.

Both are complementary to detailed 'Know Your Counterparty' checks carried out by Trafigura's Compliance Department (see page 50).

As part of this process, contractors will be required to commit to enhanced contractual terms and are subject to an enhanced HSEC due-diligence process managed through Safeguard, our HSEC information management system. Contractors are required to provide detailed responses and supporting documentation.

Contractor responses are evaluated and verified as appropriate through assurance visits to contractor facilities.

Trafigura's 'Contractor Screening and Management Process', which was tested and refined in partnership with a number of key contractors during FY2015, will be rolled out incrementally over the course of FY2016 and will evolve constantly in response to risk. We will report on our progress and on future plans in our 2016 Responsibility Report.

Managing construction projects

As Trafigura develops industrial assets, Group companies are managing major construction projects around the world. We are integrating HSEC performance criteria into the way we manage these projects.

Trafigura's Construction Working Group, a sub-group of the global HSEC Steering Group, developed an HSEC Construction Checklist and KPIs in 2015. These enable project managers and HSEC personnel to establish and track projects throughout the life cycle.

Following best practice standards, the tool includes a comprehensive range of social performance considerations pertaining to safety, human rights, environmental, community and labour, and working conditions.

The HSEC Construction Checklist was piloted in 2015 at a major port and road construction project in South Sumatra, Indonesia as well as at an oil terminal development project in Argentina. On successful completion of the piloting process, the checklist will be deployed globally in 2016.

Following approval in 2015, HSEC construction KPIs will be rolled out to all major sites in 2016.





SHIPPING AND CHARTERING DESK: SAVING LIVES IN THE MEDITERRANEAN

Ioannis Sidropoulos, an operator in Trafigura's shipping office in Athens, took an unexpected telephone call one Sunday morning in April. On the line was the Captain of the Maersk Prosper, an Aframax tanker on time charter to Trafigura in the Mediterranean, en route to the Libyan port of Mellitah. Following a call from the coastguard, in line with the seafarers' code, it was joining a search and rescue mission for migrants in distress.

It was the start of an intense four days. After a 24-hour race to the region, the tanker picked up 236 men, women and children in the middle of the night in difficult conditions from their rickety vessel. In response to official instruction, they then took them to a migrant reception centre at Milazzo on the Sicilian coast.

For the crew, housing and feeding these people, and taking care of their medical needs on the 36-hour trip on a ship designed for a crew of 32, posed a challenge.

Sadly, such episodes have been all too common this year, as thousands of political refugees and economic migrants from troubled Middle Eastern and African states make the perilous trip across the Mediterranean in search of a new life in Europe.

For charterers, dealing with these kinds of incidents is an integral part of the job. The scale of the issue may have become larger of late, but fundamentally it is nothing new. Saving lives at sea is something operators have done since the dawn of shipping.

SOCIETY

Enhancing our reporting

Over the course of 2015 we have sought to improve the means by which we report, classify and investigate incidents across the Group that have actual or potential adverse impacts on rights holders and affected communities.

A three-pronged approach is raising performance. We are developing our HSEC information management system, Safeguard, so that we can capture community impacts more effectively. We are focusing on training employees to improve their ability to identify community risks. And we are building awareness amongst our contractors externally.

We are encouraging prompt, efficient reporting of incidents by contractors. In 2015, we made our 'Third-party HSEC Incident Reporting and Investigation Guidelines' available to all our contractors in five languages. Our aim is to improve our understanding of our contractors' ability to perform, their impacts on those around them, and the risks they pose to Trafigura, operationally and reputationally.

In 2016, we will make further refinements to Safeguard to ensure that community incidents can be reported more fully. This will enhance visibility and drive performance across the business.

2016 PRIORITIES AND COMMITMENTS

We are committed to continuously strengthening our social performance. Our focus in 2016 will include:

- Deepening our understanding of human rights issues amongst our contractors and business partners.
- Strengthening our human rights due-diligence approach and social performance in line with the UNGPs and other internationally recognised principles.
- Contributing to the development of UNGPs for the commodities trading sector.
- Developing a Group-wide community engagement standard and social strategy to support its implementation in strategic locations.
- Strengthening community-level incident reporting and responses.
- Assessing the local social and economic benefits associated with key infrastructure development projects.
- Formal implementation of our Group-level grievance mechanism and strengthening of project-level grievance processes through roll out of guidance aligned with principles of international good practice.



IMPALA'S PORTO SUDESTE IRON ORE INFRASTRUCTURE PROJECT, ITAGUAÍ, RIO DE JANEIRO, BRAZIL

Co-owned by Impala and Mubadala Investment Development Company with MMX Mineração e Metalicos, the Porto Sudeste private port terminal has been one of the Group's most significant infrastructure investments of the past decade.

This internationally recognised multimodal port connects Brazilian miners in the country's iron ore quadrangle with international markets. Its increased efficiencies bring clear benefits to Brazil and the regional economy, but as with many major industrial developments, the impacts for the local community are more nuanced.

Local support is vital if the port is to have a viable, long-term future. Porto Sudeste's social performance team was tasked with maximising the benefits and minimising or mitigating any negative consequences for local people.

They began by conducting field research, and consulting with entrepreneurs, community leaders and councillors.

This underlined the need for socio-economic development. Local priorities included access to drinking water, cleaner streets, better healthcare and public transport. Local people also stressed the importance of the region's artisanal fishery and mariculture. Thirty environmental and social projects have been initiated so far, with local people closely involved in policy formation and implementation.

For the Ilha de Madeira neighbourhood, there is a six-year development pact in place until 2020 to promote skills and tourism. There are two main prongs to the strategy, one emphasises labour and work generation, the other focuses specifically on culture. A development committee with strong local representation meets weekly to maintain momentum and coordinate action.



IMPALA: BUILDING FIRM FOUNDATIONS FOR LEARNING IN CALLAO, PERU

The city of Callao, just 12 kilometres from Lima, is Peru's chief seaport and the main export terminal for the country's mineral deposits. Rapid population growth in both Callao and Lima has put pressure on resources.

Many of Callao's 900,000 inhabitants live in overcrowded accommodation. Conditions have improved in the past decade, but most children live below the poverty line. There are few schools, and many parents have little option but to allow their children to stay at home unsupervised while they go out to work. It leaves them vulnerable to exploitation and to criminal gangs. The Government has worked hard to combat child labour. Even so, there are many on the streets washing windscreens, shining shoes and selling merchandise.

In such a tough environment it is hard to overstate the importance of good quality schooling. These are safe havens for children. They change lives.

Impala has got together with the Regional Government of Callao to improve educational facilities in one of the most deprived parts of the city. They set up a private-public partnership which in just 11 months transformed a ramshackle construction on La Regla Hill with a fit-for-purpose school, capable of supporting learning for up to 400 primary and secondary students. During the building phase, the first priority for the construction team was to introduce firm foundations. That achieved, it developed a three-storey building, which includes a library, a science laboratory, kitchen and dining areas, a sports zone and a playground. The partnership also funded fixtures and fittings, science and IT equipment and a range of educational resources. The total investment came to over USD1.5 million.

At the official opening of 'Institución Educativa 2093 – Santa Rosa Colegio', in June 2015, the Callao Governor praised the building's construction and emphasised the vital role schools play, both in education and in the fight against youth crime.

“FOR HUMAN RIGHTS, BUSINESS IS THE NEXT OPPORTUNITY”



INDEPENDENT JOURNALIST ED HARRIS TALKS TO GERALD PACHOUD, FORMERLY PRINCIPAL OFFICER WITHIN THE OFFICE FOR STRATEGIC PLANNING IN THE EXECUTIVE OFFICE OF THE UNITED NATIONS SECRETARY GENERAL



Accelerating globalisation since the late 1990s has offered new opportunity for business to create profit, jobs and wealth. But human rights scandals in low-income countries have been driving business and human rights issues fast up the corporate agenda.

Media reports of sweatshops, corporate fraud, environmental damage, and the oppression of indigenous peoples raise fresh questions about the responsibilities of business towards society.

To what extent should business be responsible for its impact on society? Why should society pay for multinational profit?

In 1999, when Kofi Annan proposed a Global Compact with business on human rights, labour, and other issues, he captured the zeitgeist well.

Society needs business, but fears its negative impacts. For Gerald Pachoud, human rights expert at the Swiss Ministry of Foreign Affairs, business may pose risks to society but it could also drive meaningful social progress.

“It’s the next opportunity,” he says. “If companies managed their impact on society correctly, we would see amazing leaps,” he says.

Working variously for the Swiss Government, the UN Secretary-General’s Special Representative for Business and Human Rights, John Ruggie, and most recently for the UN Secretary General himself in his Executive Office, Pachoud has nearly two decades’ experience of business and human rights.

“For a lot of people, human rights are something nebulous, political, and very intense,” Pachoud says, giving the examples of torture and genocide.

“They are that, but they are also many other things.”

One key framework for business and human rights is the UN’s Guiding Principles on Business and Human Rights, adopted in 2011. It demands that business should have the right procedures to respect

human rights and – where it causes or contributes to any abuses – to remedy them.

The simplicity of the Guiding Principles contrasts with the lofty, idealistic language around human rights that has often been too foreign for business, Pachoud says. It has distracted corporate attention from a very basic concept.

“Human rights for corporations is not easy but at the same time, it is not brain surgery, it’s about how businesses impact on people.”

PROFITING FROM HUMAN RIGHTS

In the long run, Pachoud says, failure to respect human rights makes a company more vulnerable to a variety of risks from legal penalties and regulation through to reputational damage and loss of ‘social licence’.

“If you negatively impact people, they will react at some point and they will disrupt what you are doing.”

Revolutions in social and digital media might also nudge business leaders to recalculate their risks, Pachoud says. Non-profits and communities have better equipment and networks with which to hold business accountable. And the 2011 Guiding Principles provide an excellent yardstick.

But doesn’t Pachoud think that many companies still get away with human rights abuses or social damage?

“True,” he says. “But less than yesterday.”

Take the extractive industries. They make major capital investments and the trust of local communities may be their best insurance. In the past decade, many extractive companies have expanded their work beyond basic health and safety to become leaders on human rights issues.

“When you see the level of sophistication today compared to just 10 years ago in this sector, it’s quite amazing.”

“Most of the big companies don’t think about going somewhere without doing a very serious social impact assessment.”

Community grievance mechanisms may be the next big issue, Pachoud says.

“Business has moved from ignoring them, the communities, to engaging with them, to hearing them. Now we’re trying to solve their issues.”

“Business has moved from ignoring the communities, to engaging with them, to hearing them. Now we’re trying to solve their issues.”



Transportation supervisors employed by Angolan HGV contractor 'Transfuel'.

Textiles and the agribusiness sectors have also made good progress. And the concept of human rights appears to be expanding geographically.

"I was in China recently... Chinese companies, which want to operate abroad, are clearly implementing better standards of conduct."

"They see the need to take human rights very seriously."

SPREADING STANDARDS

Even as business engages on human rights, governments press forward with new standards and regulation.

"The easiest parallel that I can think of is corruption," Pachoud says.

Once corruption had been identified as a problem, an interconnected web of regulation soon followed. Many non-profits have dedicated themselves to campaigning against, and uncovering, corruption.

For human rights issues too, regulation and standards are spreading.

Pachoud cites the OECD Guidelines for Multinational Enterprises, the UN's ongoing development of an international treaty on business and human rights, plus Swiss efforts to craft human rights standards for its commodity trading industry.

"It's the spread of a standard, a standard of conduct rather than results but a standard nonetheless."

"And the regulation will come and I hope it will come in many shapes and forms to be as smart and as efficient as possible."

In line with this trend, financial markets are also shifting. Long-term investors require more due diligence around their investments, protecting themselves from the risks of failure to respect human rights.

"My sense is that a lot of the discussion is based on ethical or moral grounds, but the calculation is that it's more risky to work with people that have a higher potential for scandal."

Pachoud is confident that these shifting attitudes among long-term investors will have an impact on business and on human rights.

"My sense is that a lot of the discussion is based on ethical or moral grounds, but the calculation is that it's more risky to work with people that have a higher potential for scandal."

No obstacle is too big. Business once complained that effective due diligence on mineral supply chains would be impossible. But supply chain due diligence has become standard practice for many companies that sell direct to consumers.

"It's less easy than it was to hide involvement with human rights abuses. You have someone somewhere with a cell phone and you can quickly have a worldwide campaign."

"It's also good for business at the end of the day because happy people don't disrupt your chain of supply."



ACTIVATING COLOMBIAN RIVER ROUTES

Impala Terminals' investment in Colombia is one of the most ambitious ever undertaken by the Trafigura Group. The company's pioneering work to open up river transportation on the Magdalena River is set to transform the country's transport infrastructure. Colombia's principal waterway will have a new lease of life as a primary route for inbound and outbound freight traffic. The opportunities are immense.

The Magdalena River stretches over 1,500 kilometres from the Andes to the Caribbean. Impala's vision is of a 100-strong fleet of double-hulled barges forging safe, reliable connections between the country's inland mining and oil producing centres and the international port on the Atlantic Ocean at Cartagena.

The company is investing in major infrastructure to bring this change about. A new river terminal at Barrancabermeja, 600 kilometres inland from Cartagena, has 130,000 metric tonnes of bulk storage capacity. This is a key strategic hub. In 2015, the project reached an important landmark when early operations commenced.

The scale and the scope of the undertaking are considerable. Local residents are witnessing rapid change in the way the river is used, and in and around the Barrancabermeja terminal itself.

Impala's investment is bringing much-needed jobs and increased prosperity to the area. Many local people welcome this, but there are also concerns. We are working hard to involve and include all those affected. This is in our own best interests – as long-term investors we rely on local goodwill.

A STRONG SOCIAL COMPACT

Impala has devoted significant resources and energy to try to manage the changes in ways that suit the interests of nearby communities. Our local community relations team is tasked with identifying the impacted areas, engaging with their communities and addressing the issues they face.

We have sought to build a bond with local communities by communicating openly and inviting them to participate in the project.



— Magdalena River
— Major arterial transportation routes linking oil production points

IDENTIFYING LOCAL COMMUNITIES

Identifying our areas of influence was a major challenge. The operational complexity and geographically dispersed nature of the project makes precise definitions elusive. We distinguished between areas where our activities had a direct impact (AID) and those areas where there was an indirect impact.

The profile of these communities will evolve as the project develops. During the terminal's construction and development phase the Municipality of Barrancabermeja is indirectly affected. Directly affected areas include Termo Galán Berlín, Campo Galán, La Unión and Nueva Venecia.

In-depth research in the AID communities identified the residents, their employment status and social situation. There were 752 people in AID areas and 200,000 people in the municipality at the end of 2015.

We also ran workshops with the Carvajal Foundation, and other entities to find out more about community members' backgrounds and deepen our understanding of their customs, needs and cultural sensitivities.



Impala-owned pusher and barge, Magdalena River, Colombia.

COMMUNICATING WITH CITIZENS

We established a community drop-in centre in central Barrancabermeja, which is open six days a week. This has hosted over 11,600 community member visits since it was opened in 2014. The community hotline received 3,000 calls over the course of 2015.

Our aim is to recruit locally wherever possible. During the construction phase we staged regular meetings with each of the four AID communities to update citizens on current and future job prospects. The centre processed over 4,000 job applications during 2015.

BUILDING PARTICIPATION

Impala encouraged community members in AID areas to form Citizen Participation Committees. These hold quarterly meetings with Impala where community concerns can be raised. They are valuable forums for resolving grievances and finding better solutions to shared problems. The Committees also monitor Impala's environmental management plan.

EMPLOYING LOCAL CITIZENS

By the end of 2015, Impala had employed over 6,000 people in both construction and operational roles. Of these, 10 percent came from AID areas and 58 percent were from the project's indirect area of influence. Over 69 percent of positions have been filled with local employees.

As the construction phase winds down and operations normalise, Impala expects to employ around 300 people to operate the terminal.

SUPPORTING LOCAL ENTREPRENEURS

Impala helped Nueva Venecia and La Unión islanders set up UV ASOCIADOS, a business venture to provide logistical support services to port operations. The business model was centred on managing the transport shift process and regulating ground transportation on its way into the terminal.

DEVELOPING SKILLS FOR PROJECT WORKERS

Impala has offered free training for contractors in partnership with Colombia's National Apprenticeship Service (SENA). Ninety-two workers took up the opportunity to develop skills in interpreting structural and operating plans, occupational health, basic construction techniques and industrial rescue. Nearly half had completed their studies by the end of 2015.

Impala and SENA are also working together to deliver more broad based training. Tractor and forklift operations, and mini- and front-loader operations were focus areas. There were also courses for graduate technicians and in supply chain logistics. Impala and SENA co-funded the initiative with around USD160,000 in cash and equipment. It is already yielding direct benefits for Impala and the wider community.

SHARING HSEC BEST PRACTICE

Throughout the construction phase, we have been promulgating Impala's HSEC Policy and HSEC Business Principles. We have developed training modules that outline our environmental policies and our approach to industrial safety and occupational health. Other modules promote awareness of, and respect for, local communities. All Impala truck drivers undergo an induction process stressing prudent use of the roadways and recognition and respect for other road users.

MITIGATING RISK

After June 2014, the pace of the Barrancabermeja construction project accelerated. Many more trucks arrived on the site. By 2015, Impala's road maintenance budget had risen from USD54,000 to over USD1 million. We introduced speed checks and random alcohol testing, upgraded road signs, hired traffic controllers, and deployed sweepers and road dampening to control dust levels.

MANAGING INDUSTRIAL RELATIONS

At the same time, the community relations team faced concerted industrial action. Construction contractors and community members went on strike for four weeks in October 2014. Their main request was for improved employment terms, and to give community-based companies more opportunities to provide goods and services. After negotiating with community leaders, alongside local and national authorities and the Bishop of Barrancabermeja, an agreement was reached. All contractors now offer improved terms of employment and we ensure, via our labour auditors, that workers are being properly rewarded according to the works developed on site. Several closed procurement opportunities are now offered exclusively to community-owned companies.

ASSESSING IMPACTS ON THE RIVER

The commencement of early operations at Barrancabermeja has impacts on the river itself and on other users of the river. Impala met with officials from the National Fishing Authority and other governmental agencies, as well as local families dependent on fishing within the project's area of influence. Following an assessment of fishing activities we are now examining the feasibility of various aquaculture projects.

LOOKING AHEAD

As operations at Barrancabermeja Terminal normalise and expand, the community relations team is increasingly developing and enhancing grievance mechanisms for the barging fleet. With over 100 barges navigating 600 kilometres of river – assessing and responding to community needs and impacts will be challenging. The Impala team in Colombia will continue to work with the local communities and draw on the experience and understanding of transportation experts and social specialists in the wider Trafigura Group.

A SAFE AND HEALTHY WORKPLACE

We provide a safe and healthy workplace for all employees, contractors and visitors. We identify hazards, risks and unsafe behaviours. Where these cannot be eliminated they are appropriately mitigated.

HIGHLIGHTS

- Development of Trafigura Group 'Golden rules' with corresponding roll out by Impala Terminals across Latin America and African operations.
- Impala celebrates winning 'el Trébol de Oro' in recognition of outstanding security and safety standards at its flagship terminal in Callao, Peru.
- Trafigura's Trading Division strengthens health and safety screening and selection processes for contractors and develops supporting guidance to facilitate implementation across the Group.
- Development of an HSEC construction checklist and associated KPIs.



Inspection of core samples, MATSA mine, Spain.

OUR APPROACH

Health and safety is of the utmost importance to the Trafigura Group. The protection and wellbeing of our employees, suppliers, contractors, partners and the communities within which we operate are non-negotiable priorities. We regard strong health and safety performance as fundamental for our sustained commercial success.

Our goal is to eliminate fatalities and prevent occupational injuries and disease. We have a robust, targeted approach. We work hard to eliminate risks or keep them to a minimum, whether they relate to our employees or to others carrying out or overseeing duties on our behalf. We comply with national and international health and safety laws and the specific requirements outlined in our HSEC Policy and HSEC Business Principles. We are meeting these commitments through strong governance at Group and operating levels, supported by external assurance. We focus on skills development and risk management, and share good practice across the organisation.

MATERIAL ISSUES

Our stakeholders identified the following health and safety issues as the highest priority at a Group level through our materiality process.

Operational health and safety

A safe and healthy work environment is a basic human right recognised in national and international law including United Nations and International Labour Organisation conventions. We are committed to driving Group safety performance and building from a base of full operational compliance with relevant national and international health and safety laws.

Contractor management

Our operations rely extensively on contractors. They provide labour, equipment and infrastructure as well as valued skills and services. Contractors store, manage and transport commodities on our behalf and perform key activities at our industrial assets. We aim to ensure that the high health and safety standards we insist on for our own employees apply equally to our contractors.

Transportation safety

The movement of commodities via pipeline, road, rail, river and sea; by owned, leased or contracted transportation; is a fundamental element of our business. Depending on the supply chain context, we manage a diverse spectrum of health and safety risks in partnership with our contractors.

Our goal is to eliminate fatalities and prevent occupational injuries and disease. We have a robust, targeted approach.

KEY PERFORMANCE INDICATORS

KPI	Group (aggregate)	Oil and Petroleum Products Trading	Metals and Minerals Trading	Shipping and Chartering Desk	Trafigura Corporate	DT Group	Impala Terminals	Mining Group
Number of fatalities: employees and contractors ¹	2	0	0	0	0	0	0	2
Total number of health and safety incidents reported ²	178	5	3	2	0	0	127	41
LTIs ³	139	0	2	0	0	0	104	33
LTIFR ⁴	5.40	0	1.48	0	0	0	7.45	4.69

1 Includes fatalities of any employee of a Trafigura Division or Operating Company as a result of an occupational injury or disease sustained or contracted whilst undertaking a work-related activity; or of a contractor working on Trafigura-owned or managed sites or undertaking a work-related activity on behalf of Trafigura, in circumstances where Trafigura is responsible for the general safety of the working environment.

2 Includes all incidents reported that relate to the health and safety of employees, contractors, members of the public or other third-parties.

3 LTI: the number of incidents that resulted in time lost from work amounting to at least one day (or shift). Includes employees and contractors working on Trafigura-owned or managed sites, or contractors undertaking a work-related activity on behalf of Trafigura, in circumstances where Trafigura is responsible for the general safety of the working environment.

4 LTIFR: the number of incidents that resulted in time lost from work amounting to at least one day (or shift) divided by actual total hours worked over one year, multiplied by one million.

OUR PERFORMANCE

We regret to report two fatalities during the year. Both of these highly unfortunate events involved contractors working at Trafigura operated sites.

This is of great concern to Trafigura's Management Board, to the Executive Committee of the operating company concerned and to Group staff worldwide. Any loss of life associated with work-related activities is unacceptable.

Trafigura's HSEC Steering Group and the relevant entity's Executive Committee receive detailed reports on all significant incidents, including all fatalities. They review each incident and share lessons learned. We conduct investigations in accordance with Trafigura's Incident Reporting and Investigation Guidelines, including root cause analysis of all serious incidents, and deploy preventative action plans that are then monitored through to conclusion.

Reported fatalities in 2015 and related actions were as follows:

- **Trafigura Mining Group, Catalina Huanca mine, Peru**

In February 2015, a contractor working on site at the Catalina Huanca mine lost his life after being crushed by a rock fall following drilling to enable charge-loading.

Action: A full investigation recommended a review of existing critical controls, training for all on-site personnel, more rigorous inspection and audit, and enhanced assessment of contractor staff competency.

- **Trafigura Mining Group, MATSA mine, Spain**

In May 2015, a contractor working on site lost his life as a result of a vehicle incident involving two contractor cement trucks operating at the mine.

Action: A full investigation led to enhanced supervision of contractors, additional training in hazard prevention and improved engineering controls for the movement of vehicles on site.

Fatalities are preventable and are unacceptable to any business. Through our focus on leadership behaviour, capacity building, raising awareness, reporting and the targeting of activities, we are seeking to develop an organisational culture and associated operational practices that eliminate fatalities and major incidents across the Group.

A strategic review of the Trafigura Mining Group (TMG) Safety systems and processes was commissioned in June 2015 by the TMG Executive Committee. Corresponding actions will be reported on in our 2016 Responsibility Report.

HEALTH AND SAFETY

Operational health and safety

We take a proactive approach to managing safety. We require all our operations to develop and maintain health and safety management systems appropriate to the nature and scale of their activities. Each division and operating company is expected to:

- Identify and evaluate the health and safety risks associated with its activities.
- Implement controls that eliminate or minimise these risks.
- Report and investigate incidents and near-misses.
- Plan for emergencies.
- Set improvement targets and track performance.
- Ensure the workforce has the appropriate level of competency and adequate resources.
- Undertake periodic checks and audits that test the effectiveness of these measures.

 FOLLOW SAFETY PROCEDURES	OBEY LAWS AND REGULATIONS COMPLY WITH OUR STANDARDS AND PROCEDURES
 LOOK OUT FOR EACH OTHER	HELP EACH OTHER STAY PROTECTED
 EQUIP YOURSELF CORRECTLY	WEAR PROTECTIVE GEAR ENSURE EQUIPMENT AND TOOLS ARE FIT FOR PURPOSE
 CHALLENGE UNSAFE ACTS	SPEAK OUT IF SAFETY PROCEDURES ARE NOT BEING FOLLOWED INTERVENE WHERE SITUATIONS MAY CAUSE HARM
 STOP WORK IF UNSAFE	IF IN DOUBT, STOP YOUR WORK OR THE WORK OF OTHERS
 SHARE GOOD PRACTICES	MAKE SURE SAFETY IS A PRIORITY FOR THOSE AROUND YOU SHARE SAFE PRACTICES AMONGST YOUR PEERS
 REPORT ALL INCIDENTS	ALERT YOUR TEAM LEADER OR HSEC MANAGER IMMEDIATELY REPORT ALL INCIDENTS ON SAFEGUARD

TRAFIGURA GROUP: STRENGTHENING THE FUNDAMENTALS

Trafigura is continually working to ensure safety awareness is firmly embedded across the organisation.

As a diverse, global business we contend with complex risks and impacts. It is critical to understand and manage these effectively. To a great extent, this can be achieved by following relatively simple behaviours. We are driving improved safety performance by focusing on getting the basics right.

In 2015, Trafigura's HSEC Steering Group published seven Golden Rules under the banner of THINK SAFETY, which distilled the fundamentals of good practice.

In September, Impala's COO supervised the roll out of THINK SAFETY at operations in Latin America and Africa. Posters and billboard communications reinforced the seven Golden Rules. Collateral and workshops connected the principles with real-life practices.

Trafigura Mining Group is set to follow suit in 2016.

As a diverse, global business we contend with complex risks and impacts. It is critical to understand and manage these effectively. To a great extent, this can be achieved by following relatively simple behaviours.



TRAFIGURA MINING GROUP: GROWING MATSA'S MINE RESCUE BRIGADE

A two-year EUR300 million investment programme has nearly doubled capacity at Trafigura's flagship Minas de Aguas Teñidas mine (MATSA) in Spain's Huelva province. As capacity has increased so too have its supporting safety capabilities and infrastructure.

Preventing incidents remains the mine's top priority, but should an incident arise MATSA's highly trained Mine Rescue Brigade is equipped to intervene swiftly. The Brigade, which is now 15 strong, took on seven new recruits in 2015. Its members receive advanced training in mine rescue techniques and first aid, including using breathing apparatus and specialist equipment to free trapped miners.

The new Brigade members completed their training in 2015 with a live exercise in extreme conditions alongside the Central Mining Rescue Brigade in Asturias, Spain. The Asturian Mining Rescue Association, which ran the exercise, is a leader in confined-space rescue, and search-and-rescue techniques for injured miners. It has been providing training and attending emergency situations for over a century.



IMPALA TERMINALS: A CULTURE OF CONTINUOUS IMPROVEMENT

Safety is high on the agenda at Impala Terminals. It invests in the latest equipment. Its management is dedicated to continually improving its processes in line with developing safety management best practice.

But as a young, fast-growing organisation Impala also faces distinct challenges. In its global expansion it is bringing together different sub-organisations and cultures. It needs strong systems and processes to develop consistent safety management policies.

In 2015, the company commissioned an external health and safety consultancy to critically review its performance across African and South American operations, bolster best practice and deliver greater alignment across the organisation.

In Colombia, Impala's safety behaviour, systems and processes were examined at operations in Barranquilla, Barrancabermeja and Cali. The lessons learned here are being shared across the company.

Specific activities were assessed and processes deconstructed. *How were staff and contractors screened from a competence perspective for each activity? Were they clearly informed about their duties and responsibilities? Were potential risks properly mapped, explained and mitigation measures described? Did staff understand how to stay safe and did they have ready access to the required safety equipment? What could be learnt from their behaviour on site and how could it be improved through the enhancement of Impala's permit to work programme?*

A review of findings uncovered further insights as to how risks were understood and managed. Attention then turned to improving Impala's organisational framework at a regional and international level. This work has been given the ongoing support and commitment of Impala's Executive Committee and will be reported on in 2016.

HEALTH AND SAFETY

Contractor management

We make no distinction between the safety of our contractors and that of our own employees. Contractors operating at Trafigura Group owned or operated sites are included in our safety performance data.

Contractors' responsibilities are clearly defined. We expect them to follow our standards and procedures and to be able to demonstrate high levels of competency with respect to safety. While we endeavour to provide clear direction to our contractors, we also benefit from their expertise. We share good practice both within and beyond the organisation.

In 2015, as outlined in the Society section of this report (see page 20) Trafigura's Trading Division strengthened its contractor screening and selection processes. This risk-based approach was piloted during FY2015 and prepared for roll out in October 2015. It builds on established controls such as our 'Know Your Counterparty' (KYC) screening protocol (see page 50).

The system will be delivered through Trafigura's HSEC information management system, Safeguard. This will ensure accurate record keeping and decision making prior to and during appointment.

All contractors and business partners engaged in defined activities from 2016 will be subject to the revised and enhanced HSEC screening and evaluation process. These include trucking, waste management, ship-to-ship transfer of oil products, oil storage, and metals and minerals terminal selection.

This revised screening process is adding rigour to our identification and management of HSEC risks and assists in the drive for continuous performance improvement.

The following tools underpin the initiative:

- **Third-party HSEC Incident Reporting and Investigation Guidelines**

Trafigura requires that serious work-related HSEC incidents associated with its business are reported and appropriately investigated in line with internal Group procedures. As recognised within the document: "by building a clear view of the HSEC risks faced by our employees and by third-parties engaged in support of Trafigura's business we will be better placed to manage our shared impacts."

- **HSEC contractual terms**

Contractors are required to meet specified corporate responsibility requirements. These requirements were further refined in 2015.

- **Contractor HSEC Code of Conduct**

Trafigura's HSEC Code clearly sets out the HSEC obligations of our contractors. With regard to health and safety, the Code stipulates that "contractors will ensure they have the skills, knowledge, training and resources necessary to maintain a safe and healthy working environment." The Code also references Trafigura's commitment to the UN Global Compact. It calls for partner companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals.

- **Codes of good practice relevant to specific activities**

Additional baseline requirements have been set for contractors engaged in the defined high-risk activities.

Trafigura will build its HSEC-based contractor screening and selection processes in future years. We see this programme of work as an important contributor to driving continuous performance improvement. These measures also address recommendations made by the Swiss Government in its 2013 'Report of the interdepartmental platform on commodities to the Federal Council'. We will report fully on our implementation of this programme in future.

“The HGV Code aims to embed practices that emphasise the paramount importance of safety – not just for Trafigura Group companies but also for its contractors.”

Transportation safety

As a leading global distributor of commodities, Trafigura, through its divisions, operating companies and suppliers, regularly uses Heavy Goods Vehicles (HGVs).

To manage risks associated with this activity, Trafigura's HSEC Steering Group developed an HGV Code of Conduct in 2014, which has been rolled out extensively over the course of 2015. The HGV Code aims to embed practices that emphasise the paramount importance of safety – not just for Trafigura Group companies but also for its contractors. Safe practices consist of three primary elements:

1. Managing vehicles used;
2. Managing drivers of vehicles used; and
3. Managing the carriers or contractors selected for use.

Our standardised vehicle specifications are often much stricter than those in the countries where we operate. We require all our vehicles to be properly maintained and inspected prior to entering or departing our facilities.

We expect our drivers to follow proper road safety behaviour and comply with our prescribed standards for driver hours, journey planning and driving techniques.

We are using In-Vehicle Monitoring Systems to improve driving behaviour by recording driver performance. Our systems track vehicle movements, location and driving hours and record potentially risky actions such as speeding, harsh braking and sharp acceleration.



TRAFIGURA GROUP: MANAGING HSEC RISK IN CONSTRUCTION

Construction poses a unique set of HSEC risks. Major infrastructure projects have become increasingly important to the Trafigura Group in recent years. This has intensified our focus and allocation of resources in this area.

A key challenge is that construction projects typically involve multiple contractors on site at any one time. For good reason, many are local providers, but depending on the location this also implies varying cultures and capabilities. To manage risks effectively we need to ensure that all parties have a consistent approach to safety performance.

Monitoring existing practice

The HSEC Steering Group set up a Construction Working Group in 2014 to develop our understanding and management of the HSEC risks and opportunities of significant infrastructure projects.

It surveyed 11 infrastructure projects and reviewed in detail five construction sites. Its research highlighted the HSEC risks faced, and helped us evaluate existing control mechanisms and assess our performance against best practice.

The survey revealed variations in the ethos and practicalities of safety management. This led directly to the development of an HSEC construction checklist for use on all projects across the life cycle of their development. The checklist builds on Trafigura's policies and principles and incorporates key elements of best practice standards, for example, International Finance Corporation's 'Performance Standards on Environmental and Social Sustainability' and the World Bank's general HSE guidelines.

Introducing the checklist

The construction checklist is not intended to cover every conceivable risk; it is a practical working tool. It assesses six main areas: HSEC organisation and management, safety, health, environment, community, and labour and working conditions.

It provides guidance, presenting internationally accepted good practice and flagging some of the challenges a project may face. It also facilitates the propagation of best practice and reinforces the requirements established through the Trafigura HSEC Business Principles.

The Working Group also established KPIs for construction projects which will be fully integrated into Trafigura's online HSEC information management system, Safeguard, in 2016 and rolled out to all major sites.

2016 PRIORITIES AND COMMITMENTS

We are committed to continually strengthening our health and safety performance. Main areas of focus in 2016 are in line with our strategy and roadmap. These include:

- Zero fatalities.
- Divisions and operating companies to set and deliver against marked improvements in LTIFR against baseline data from 2015.
- Direct and measurable improvement in incident reporting rates, including near misses.
- Direct improvement to the manner in which the Group investigates, analyses and shares lessons learned from incidents.
- Deployment of actions from strategic HSEC review of Trafigura Mining Group.
- Sustained roll out of Trafigura's Golden Rules.
- Ongoing roll out of HSEC contractor screening and evaluation process for Trafigura's Trading Division.
- Integration of HSEC KPIs into Safeguard and standard working practices on behalf of Construction Working Group.



IMPALA TERMINALS: SAFETY, SECURITY AND OPERATIONAL EXCELLENCE AT CALLAO TERMINAL, PERU

In June 2015, Impala celebrated winning el Trébol de Oro (the 'Golden Clover') at an annual event sponsored by global insurer MAPFRE in Peru. The award was in recognition for outstanding security and safety standards at its flagship terminal in Callao.

Impala's Callao facility is the most modern terminal of its kind in the country, incorporating technology and design that is optimising operational efficiency, reducing its environmental footprint and protecting local communities.

Impala has invested heavily in improving HSEC standards at the terminal. The first stage of a major modernisation programme was completed in 2014, doubling capacity. The second stage is scheduled for completion in 2015.

The terminal stores and supplies three million tonnes of concentrates each year. It accepts up to 100 railcars and 200 trucks daily. The multimodal infrastructure includes a wagon tipper connecting directly to the Andean Central Railroad. A covered conveyor belt system takes concentrates from its sealed warehouse to waiting ocean-going vessels at a dedicated berth in Callao Port. From start to finish, the process is completely protected, with the risk of employees or nearby communities being exposed to dust particulates minimised.

The independent panel of judges reviewed over 2,000 Peruvian companies across a range of industries. Impala's metal concentrates facility stood out. In particular, the judges cited its success at preventing workplace accidents. Impala has introduced strict internal guidelines which have led to dramatic falls in the frequency and severity of incidents.

The Callao terminal already has international recognition for its quality assurance and environmental management standards. With ISO 9001 and ISO 14001 already achieved, it is currently targeting OHSAS 18001 to underline its health and safety credentials.

MANAGING ROAD SAFETY RISK IN ANGOLA

Transport logistics supplier Transfuel operates a modern fleet of over 150 rigorously maintained tankers in Angola. The company's main regular contract is the delivery of fuel to the 70-strong Pumangol network of retail petrol stations in the country.

The risk of death by road traffic injury is high in Angola. DT Group has worked with Transfuel to promote full adoption of the HGV Code of Conduct.

The experience levels of drivers and their supervisors provides additional assurance. Each driver is required to complete a detailed checklist to confirm the safety and operating credentials of their vehicle at the start of every round trip.

The fleet covered over 6 million kilometres in 2015, incorporating over 36,000 separate trips – mostly delivering fuel to petrol stations across Angola's 18 provinces. Transfuel works hard to protect its drivers and other road users. In accordance with Trafigura Group incident reporting protocols, it alerts DT Group to all serious incidents.

Transfuel's drivers undergo a rigorous training programme to develop the skills and the understanding to operate safely on Angola's roads. This includes time spent on driving simulators to hone decision making and strengthen defensive driving techniques.

Centralised fleet management

On the road, driver performance is monitored in real time, with metrics shared via GPRS and satellite networks, with Trafigura's vehicle management centre in Mumbai, India. This is one of two specialist offshore centres, the other is in Montevideo, Uruguay, monitoring vehicle fleets both for Transfuel but also Trafigura subsidiaries. The centres operate around the clock, using Transics TX-Connect software to track HGVs and assess driver performance. The Transics software monitors fuel consumption and other vehicle parameters. It helps to prevent fuel theft, avoid unnecessary operational expenses and protect the environment through smarter driving. The software captures performance metrics from the trucks and generates regular reports for each driver.

Transfuel is using the platform's geofencing capability to reduce risks in accident black spots. Geofencing allows geographical danger areas to be defined virtually. Drivers receive warnings as they approach these locations and can be advised to reduce speed. The system can also trigger alarms in the driver's cab when the tanker diverges from an agreed route, is active during prescribed periods, eg after dark, or exceeds appropriate speed limits.



Transfuel training centre, Luanda, Angola.

In Angola, 13 supervisors, each responsible for 14 drivers, provide more direct control on the ground. They travel across the country to stay close to their teams and may conduct spot checks at any stage. Smartphone access to the Transics database allows them to track tankers and check drivers are following the correct protocols. The resulting improvement in safety far outweighs the additional cost of this extra level of supervision.

Managing driver behaviour

Specific measures are in place at Transfuel to address the threat of alcohol and fatigue to safe driving.

On alcohol, Transfuel takes a zero tolerance approach. All drivers are subject to random breathalyser tests. Each of the 185 drivers in the Transfuel fleet is tested at least six times a month at any point on their routes. They face immediate dismissal if they test positively. Transfuel supervisors recorded three positive results from the nearly 9,000 tests conducted over the 2015 financial year. Alcohol was not a factor in any major Transfuel accidents this year.

Driver fatigue is a more persistent problem. With no strict regulation in Angola on driver hours, Transfuel has developed its own policies, based on European regulations. All drivers are required to rest at least every 4.5 hours. They are prevented from working more than nine hours in any day or five days in any week and they must have a minimum of two days' rest every week. Long-distance drivers are not allowed to travel after 7pm. Outside Luanda, night-time driving is prohibited; within the capital, specific shift patterns apply.



Transfuel driver training session.



Transfuel depot, Luanda, Angola.

No driver should arrive for work unless properly rested. Partners and parents can be highly effective advocates – helping to ensure drivers get sufficient sleep. Transfuel encourages supervisors to get to know their drivers' families. It also runs regular family events to pass on its safety message.

Transfuel's comprehensive model for managing its fleet has reduced accidents and improved operational performance. Its approach is considered a model for all contractors involved in meeting Group needs for road haulage.



Transfuel's GPS team at their Luanda central office, Angola.

Transfuel's drivers undergo a rigorous training programme to develop skills and understanding to operate safely on Angola's roads.

MANAGING ENVIRONMENTAL RISK

We are committed to minimising the impact from our business operations on the natural environment.

HIGHLIGHTS

- Strict vessel screening policy in place for the chartering of vessels.
- Trafigura's Trading Division strengthens existing screening and selection of contractors overseeing the ship-to-ship transfer of oil products.
- Impala Terminals develops tailored oil spill response contingency plans for barging operations on the Magdalena and Paraná Rivers (Colombia and Uruguay).
- Trafigura Group develops global Greenhouse Gas (GHG) inventory.
- Reporting and investigation requirements strengthened for environmental incidents across the Group.

OUR APPROACH

We require that the planning, design and operation of all Group activities and facilities explicitly consider and target environmental risk in its many forms.

For those divisions and subsidiaries that operate industrial assets, our goal is to eliminate or mitigate any adverse environmental impact and maximise the opportunity to improve environmental conditions. This requires the maintenance of environmental management processes and systems appropriate to the products we handle and the activities we undertake. A number of our existing facilities are certified to the International Standard ISO 14001, the world's most recognised framework for environmental management systems.

For Trafigura, mitigating adverse impact also means investing in and exploring alternatives to traditional and more polluting forms of transportation: alleviating logistics bottlenecks and in so doing reducing carbon emissions. In the design and construction of new facilities, adaptation to meet the reality of climate change has become standard.

We support policies that address climate change without damaging society's ability to meet the growing demand for secure, affordable energy and vital natural resources.

Trafigura is committed to setting indicators and targets to further enhance our management and reporting against environmental impacts, improvement measures and achieved performance. Our approach is fast maturing but warrants significant investment and development in future years.

MATERIAL ISSUES

Our stakeholders identified two environmental issues as the highest priority at a Group level in our materiality process.

• Pollution prevention

It is our duty to minimise or render harmless actual and potential releases to the environment. This responsibility extends beyond owned and operated assets through to the activities of others working on our behalf. Not only should we collectively operate in compliance with local regulatory requirements and applicable international standards, we are also mandated by our Management Board to drive and deliver best practice across the Group, amongst partner organisations and within the trading sector as a whole.

KEY PERFORMANCE INDICATORS

KPI	Group (aggregate)	Oil and Petroleum Products Trading	Metals and Minerals Trading	Shipping and Chartering Desk	Trafigura Corporate	DT Group	Impala Terminals	Mining Group
Number of environmental incidents reported ¹	40	30	0	1	0	0	6	3
Number of oil spills/associated volume in litres ²	3 31,305	0	0	0	0	0	3 31,305	0
Value of environmental related fines and penalties (USD)	0	0	0	0	0	0	0	0
ISO 14001 certified facilities	8	0	0	0	0	0	7	1
Scope 1 and Scope 2 CO ₂ e emissions	419,032 tCO ₂ e	— ³	— ³	96,280	10,389	33	213,859	71,286

¹ All incidents classified as 'Level 2' or above in the Environmental Effects category of Trafigura's incident reporting system are reported as an Environmental incident. This includes incidents that are considered to have a minor short-term damage to the environment and spills of greater than one barrel of oil.

² All oil spills involving the release of over one barrel of oil or petroleum products reported, this does not include third-parties.

³ Included in Trafigura Corporate.

* Emissions associated with Trafigura offices and company-owned vehicles.

** Emissions associated with owned vessels only (chartered vessels are classified as Scope 3 emissions).



• Climate change

Achieving economic growth whilst reducing emissions harmful to the environment is perhaps the greatest challenge faced by society. The consequences of inaction in this respect are increasingly being felt – typically by those least well equipped to adapt. As a physical trading company that is heavily reliant on logistics to connect commodity producers with end-users, our greatest impact will be delivered by creating sustained efficiencies in the global supply chain.

OUR PERFORMANCE

Pollution prevention

We are responsible for the safe handling, storage and transportation of significant volumes of commodities every day – these include oil and petroleum products, ores, concentrates and refined metals. The extent to which these commodities can be harmful to the environment if released in an uncontrolled manner varies across product categories. The greatest immediate risk posed by Group activities to the environment relates to the potential for the mishandling and consequent spill of oil and petroleum products into the marine, fluvial or terrestrial environment.

At Trafigura, environmental incidents are classified on a scale of 1 to 5, from low (limited damage and physical impact) to critical (long-term, widespread impact). In accordance with our incident reporting and investigation protocols, our HSEC Steering Committee reviews the adequacy of the response and potential for propagation of lessons learned associated with all 'Level 4' and 'Level 5' environmental incidents. In 2015, there were no Level 4 (major) or Level 5 (critical) environmental incidents associated with Trafigura's activities.

In 2015, Trafigura paid no fines and received no notifications of violations associated with environmental regulations.

From a strategic perspective we have taken a number of proactive measures in recent years to mitigate the risk of environmental pollution.

At a corporate level, Trafigura is a member of Oil Spill Response Ltd (OSRL) and maintains a position on the OSRL Board of Directors. OSRL is the largest international industry-funded cooperative which exists to respond to oil spills wherever in the world they may occur, by providing preparedness, response and intervention services. In 2015, Trafigura did not activate OSRL to address any spills worldwide.

Trafigura has oil spill response plans in place at all relevant assets to cover all relevant activities. Training is undertaken periodically, including desk-top emergency response exercises, to test the adequacy and effectiveness of our plans alongside experts from OSRL. In each case, oil spill response plans are revised to take account of findings.

Our Shipping and Chartering Desk has taken a number of measures to counter the threat of spills to the marine environment:

1. We require that ship owners undertake to comply with the International Management Code for the Safe Operation of Ships and for Pollution Prevention (The International Safety Management (ISM) Code). Every vessel we charter must have earned at least two oil major approvals using the Oil Companies International Marine Forum (OCIMF) Ship Inspection Report (SIRE) Programme within the previous six-month period.
2. Our strict vessel screening policy mandates the chartering of double-hulled vessels when storing or transporting oil products for international trade.
3. We restrict the age of chartered vessels to 25 years – promoting the use of a modern fleet not only reduces immediate cost, as vessels burn less bunker fuel, it also reduces emissions.
4. We require vessel owners to report all serious incidents, including oil spills and to follow agreed incident response and investigation protocols. Doing so enables us to make better informed decisions as to the partners we work alongside.



IMPALA TERMINALS: MANAGING THE RISK OF FLUVIAL OIL SPILLS

Under Colombian law it is mandatory for Impala to have an oil spill contingency plan. The same is also required by the Group's insurance underwriters, in accordance with our environmental liability policy. Practically responding to such prerequisites, in the context of managing a growing fleet of barges carrying oil and petroleum products along the Magdalena River in Colombia has required specialist attention and expertise.

Working alongside the globally recognised oil spill prevention and response actors, Varichem de Colombia, Impala has analysed the route travelled by its barge fleet along the Magdalena. Activities and locations were analysed for the highest potential for oil spills to occur. The objective was simple: to limit the possibility of spills occurring and, in the event that they did, to decisively respond to any scenario with expert personnel and resources within the shortest possible time. Doing so has required Varichem to purchase and maintain all necessary equipment and to have on-hand dedicated staff, including an environmental engineer and professional technicians at high risk locations along South America's river.

Under the partnership, Varichem also works alongside Impala's Colombian emergency response team to undertake risk assessments, simulations and drills, develop contingency plans with relevant authorities, as well as deliver initial and refresher training to Impala's fluvial and port employees.

Impala's contingency plan is aligned with Trafigura's strategy to have a comprehensive and coherent governance framework to attend environmental incidents that could cause serious short- and longer-term environmental impacts. Impala has sought to share expertise and knowledge with other companies in the region and is also replicating the model to serve the needs of operations along South America's Paraná River.

In the fluvial context, Impala's increasing use of barges for the transportation of oil and petroleum products on the South American continent has necessitated the development of tailored oil spill response plans along key waterways such as Colombia's Magdalena and Central South America's Paraná River. This is in addition to the use of a solely double-hulled barge fleet to cater for the unpredictable and fast-changing environment.

Climate change

Trafigura has an important role to play in combatting climate change. Reducing greenhouse gas emissions whilst also balancing societies growing demand for secure and affordable energy supplies represents a challenge for which there is no easy answer.

Increasing prosperity and urbanisation in the developing world will continue to drive demand for fossil fuels as a key part of the energy supply mix. Coal in particular, a product that Trafigura actively trades, provides a low cost and reliable source of energy which will remain vital to certain markets for the foreseeable future.

We fully support actions by civil society, companies and governments alike to commit to a long-term international agreement on climate change that will bring about the necessary reduction in emissions from the global energy system. The adoption of clear and predictable policies that provide incentives for energy efficiency, introduce a price on carbon emissions and support technologies that will reduce the costs of emissions reduction in the long-term (including carbon capture and storage) provide essential long-term signals for companies such as ours to make decisions on assets, investments and business strategies.

We rely upon these long-term signals when allocating additional capital to our trading operations in, for example, Liquefied Natural Gas. In recent years Trafigura has emerged as the world's leading independent trader of LNG, a fuel that is increasingly being recognised as a lower-carbon alternative to coal for power generation. We believe the importance of this energy source will only grow, but facilitating that growth will require a substantial investment by governments in infrastructure.

Our own footprint

In 2015, we evaluated the Greenhouse Gas (GHG) inventory of the Group's divisions and operating companies against the GHG Protocol¹ with a view to determining our overall carbon footprint and, more importantly, charting a course for improvement targets for the years ahead.

During 2015, we emitted approximately 420,000 tonnes of Carbon dioxide equivalent (CO₂e) associated with our 'Scope 1' direct emissions and 'Scope 2' emissions².

We also estimated emissions associated with key 'Scope 3' sources which are core to our business. Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company. For Trafigura, we have estimated that the transport of commodities via chartered vessels and, for example, by HGVs owned by third-party contractors amounted to approximately 6 million tonnes CO₂e, which is over 16 times the size of our direct GHG footprint.

This evaluation highlights the significance of emissions from contracted shipping and HGV transportation to the overall footprint associated with our value chain. In line with our commitment to trade responsibly, leverage greater efficiencies in logistics chains and in expectation of the introduction of carbon pricing mechanisms for global shipping in the medium term, a key improvement target for 2016 is to work with our transportation providers to deliver marked reductions in our environmental footprint across our supply chain.

2016 PRIORITIES AND COMMITMENTS

We are committed to minimising the impact from our business operations on the natural environment and to meeting the requirements as set out in our HSEC Business Principles. Our focus in 2016 will include:

- Reducing the GHG emission intensity associated with Scope 1 and Scope 2 emissions
- Extending the inventory to include key Scope 3 activities (eg contractors).

1 The GHG Protocol, developed by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD), sets the global standard for how to measure, manage, and report GHG emissions.
 2 Scope 1 emissions are direct emissions of GHGs from Trafigura-owned or controlled sources (for example, emissions from combustion activities associated with Trafigura-owned vessels) whereas Scope 2 emissions are indirect emissions from the generation of purchased energy.



TRAFIGURA OIL AND PETROLEUM PRODUCTS TRADING DIVISION: DUE DILIGENCE IN THE SHIP-TO-SHIP TRANSFER OF OIL PRODUCTS

In 2015, Trafigura's Trading Division registered the ship-to-ship (STS) transfer of oil products between vessels as representing a heightened risk to the Group. STS, which involves two vessels and a specialist STS supplier, typically takes place at open sea locations or at the outer limits of ports.

In response to the risk, Trafigura refined its approach to the screening and management of STS suppliers to complement existing protocols as defined within the 'OCIMF STS Service Provider Self-Assessment process'. Under OCIMF guidelines the self-assessment process is used by STS providers to verify that their safety management systems are comprehensive and sufficiently robust with a view to minimising potential safety and environmental risks in the execution of operations.

Under Trafigura's revised approach to contractor screening, and mirroring our vetting of contractors that perform hazardous and non-hazardous waste management services for Trafigura's Trading Division, STS suppliers are now required to supply enhanced information as to their HSEC policies, procedures, management systems and performance. Information is also required in respect of equipment deployed – including age of fenders, manufacturers' details and maintenance schedules.

Trafigura's STS service provider screening assessment, which was piloted and rolled out to all suppliers in 2015, is now maintained and updated via Trafigura's online HSEC information management system, Safeguard.

“ COP₂₁ WILL BE A FOCAL POINT FOR ENERGY POLICY MAKERS



JOHN LLEWELLYN
PARTNER LLEWELLYN CONSULTING

Llewellyn Consulting
Independent Economics

Economic sustainability – maintaining a profitable business model that can adapt to different socio-economic conditions – is a core responsibility for any business with a long-term outlook.

As a leading trader in energy, metals and minerals, Trafigura operates at the heart of a sector that is the subject of heightened international attention. New technologies and the shifting regulatory environment are altering the structure of the markets in which we operate.

There is an increasing emphasis on energy policy that addresses climate change, with much of the focus on fossil fuels. The decisions taken in the coming months and years by the world's governments are likely to have a significant impact on oil, coal and gas as well as other commodities.

There is much talk of a low-carbon future, but limited discussion as to how this will pan out in practice. In this section, distinguished economist John Llewellyn examines some likely trends in policy, technology and investment, and discusses their impact on markets.

NEW INFLUENCES ON THE ENERGY MARKET

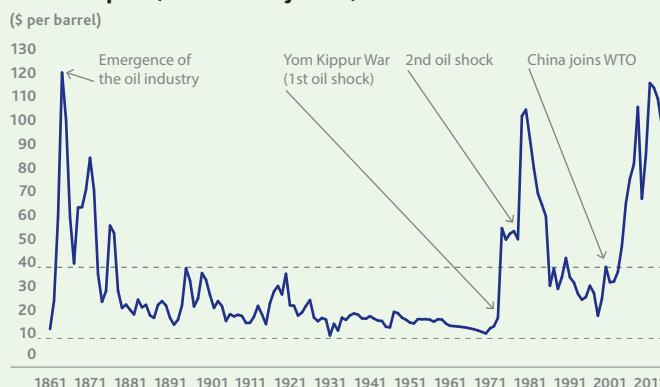
High oil prices have stimulated investment

Big swings in commodity prices tend to produce large cumulative consequences, as demonstrated by the most recent decade-long era of above-trend (inflation-adjusted) prices of oil and other 'below the ground' commodities. This encouraged significant investment and innovation in:

- Oil (and gas) supply increases, in large part a result of innovations in hydraulic fracturing and horizontal drilling;
- Efficiency, resulting in significant decreases in global energy intensity; and
- Substitution, particularly from the development of (liquid) natural gas and renewables (including, importantly, solar).

Over the past few years important supply effects have started to come through, and combining with soft demand have been lowering the price of oil and many other commodities. With many (lagged) effects still to come through, and with global growth likely to remain sluggish, these factors will continue to impact markets for some time yet.

Crude oil price, inflation adjusted, 1861-2015



Source: BP Statistical Review of World Energy 2015, Macrobond and Llewellyn Consulting. Note: 2014 prices; 2015 data is the Brent spot price average year-to-date.

CLEAR DIRECTION OF POLICY

Policy stands to boost further innovation

After being pushed into the background by the global financial crisis, energy and climate change policies are now returning to the fore. The December 2015 UN Climate Conference in Paris is providing a focal point, and many countries are raising their ambition. Progress stands to continue beyond December, encouraging further efficiency and substitution.

New technologies will shape the market

Climate policy seems set to lean most heavily against high-carbon fuels (coal and tar sands in particular) whether through regulation, a carbon tax, or 'cap and trade'. Energy policy, meanwhile, seems similarly set to encourage economy in energy consumption, and hydrocarbon consumption in particular. A number of significant 'new' innovations are still in development or early deployment phases. Surging oil-related investment started to slow only in the past few years: nascent supply-side technologies (eg hydraulic fracturing and horizontal drilling), have some way to run – 'learning by doing' innovation proceeds most rapidly in the initial phases.

Renewable energy development and deployment stand to garner further support, leading to rapid take-up of solar and wind in particular. Improvements in storage technologies will likely accelerate adoption of these technologies, leading to increasing electrification, including importantly in transport and cities.

Currently available technologies, however, may not be sufficient to meet governments' aspirations for decarbonisation over the longer term and, as with natural gas today, may come to be seen only as an intermediate, 'bridge', technology. Potentially important technological developments that could be needed over the long term include nuclear recycling; nuclear fusion; artificial photosynthesis; high-altitude wind power; and capacitor energy storage. If significant advances are made, and cleaner and quieter options become cheaper than fossil-fuel alternatives, the switch to low-carbon energy sources, and thereby the pace of decarbonisation, will accelerate.

Consequences of policy will differ by fuel type

Consequences of increasingly widespread energy and climate policy ambitions differ by fuel type:

- Oil is likely to face sustained demand, especially for some branches of transport in which fuels need to have high energy density.
- Gas is likely to continue being important in coming years as a convenient (probably intermediate) fuel.
- Coal, however, faces an increasingly challenging regulatory, and hence market, environment.

Industry and markets will respond

Industry and markets will likely respond in various ways:

- Research and development in clean coal (including carbon capture and storage) will become progressively more important as the regulatory and market environment for unabated coal becomes more challenging.
- Energy markets stand to become increasingly global in nature:
 - Oil production is likely to continue to become more diffuse, with production outside the Middle East continuing to grow.
 - The LNG regional gas trade is opening up, with Africa, Australia, the US, and Russia all increasing LNG supply markedly.
- Infrastructure provision will become increasingly necessary as energy demand grows and the fuel mix changes, not least in emerging economies.
- Trade flows and storage will develop as the geographic locations of energy supply and demand of the various fuel types evolve, with resulting implications for energy security, and related service industries.

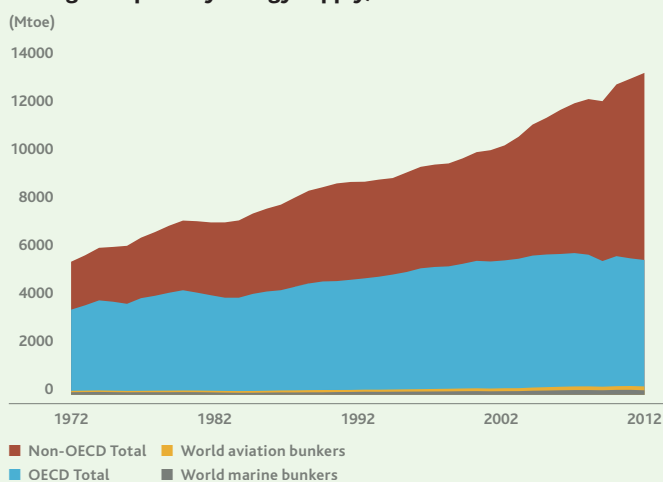
RECENT ENERGY TRENDS

Global energy supply is on an upward trend

Global energy supply has long been on an upward trend, driven in important measure by developing economies. Between 1972 and 2012 global energy supply grew by just over 2 percent per year, while developed-country (OECD) growth averaged a modest 1 percent per year, and developing countries a much more rapid 3.4 percent.

Over this period the developed countries' share of world energy supply fell from nearly two-thirds to around two-fifths, while the non-OECD countries' share rose from around one-third to nearly three-fifths.

Total global primary energy supply, 1972-2012



Source: IEA/OECD World Indicators dataset, 2015.

Investment in fossil fuels has been strong

Since 2000, investment in fossil fuels has more than doubled, and recent investment levels are said to be 'without precedent' – capital investment, according to the International Energy Agency (IEA), surpassed USD950 billion in 2013 alone.

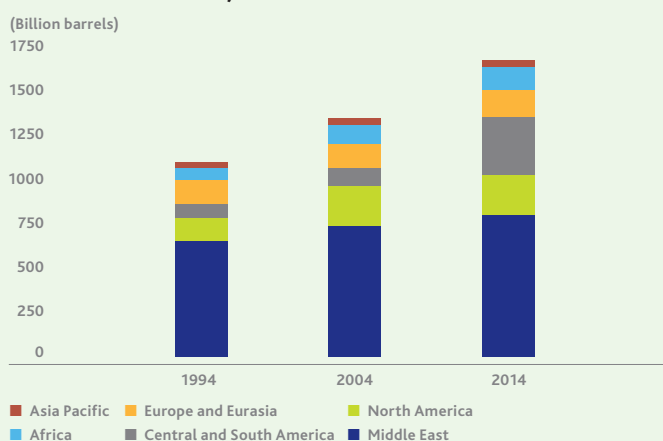
The epicentre of increased oil and gas investment has been North America, with rapid expansion of shale gas and 'tight oil'. Investment in other parts of the world has also risen steeply, including conventional plays in the Middle East and Africa. In 2014 and 2015, however, present indications are that investment will be lower, due in part to lower prices of oil and other commodities.

Known oil reserves have grown steadily

Known global oil reserves have grown steadily, driven importantly by discoveries in the Americas – measured reserves have grown by over 50 percent since 1994, and by around 25 percent over the decade to 2014. The picture across regions and countries is diverse, however. Between 2004 and 2014:

- Asia Pacific's measured oil reserves rose by a modest 5 percent;
- The Middle East's grew by only 8 percent;
- Brazil's increased by 45 percent;
- The US's surged by 66 percent, led by tight oil; and
- Venezuela's rose nearly fourfold.

Proved reserves of oil, 1994-2014



Source: BP Statistical Review of World Energy 2015.

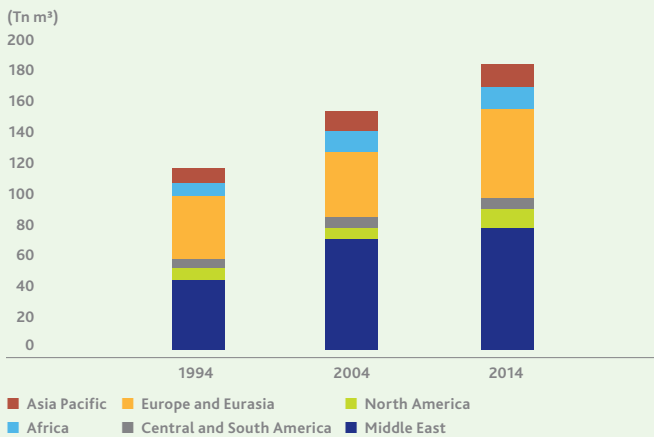
ENVIRONMENT: EXTERNAL VOICE

Known gas reserves have expanded rapidly

Known global gas reserves have also expanded rapidly, driven by shale and other technological advances, growing by nearly 60 percent since 1994; and by around 20 percent over the decade to 2014 with Europe and Eurasia playing a particularly large part. Between 2004 and 2014:

- Turkmenistan's known reserves grew more than sevenfold, following the discovery of one of the world's largest natural gas fields;
- US natural gas reserves, driven in large part by shale gas, surged by nearly 80 percent;
- Australia's grew by just over 60 percent, albeit from a small base; and
- Iran's rose by nearly 25 percent.

Proven reserves of natural gas, 1994-2014

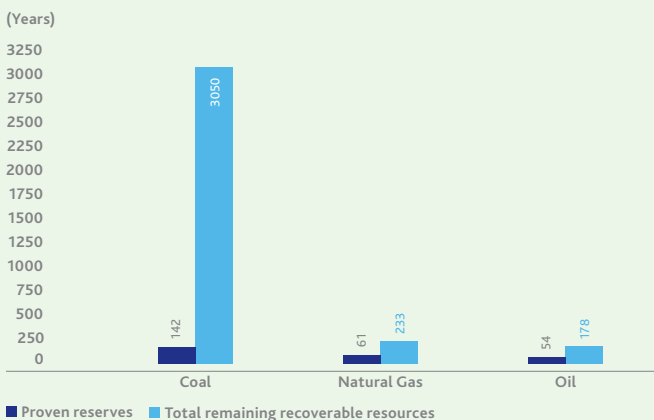


Source: BP Statistical Review of World Energy 2015.

Coal resources are near endless

Coal resources may exceed those for natural gas and oil, even after recent exploration and discoveries, and are for all practical purposes near endless, making coal the most abundant fossil fuel by far. On latest estimates and at current production levels, proven coal reserves will last for around 150 years, and total recoverable coal resources could last for over 3,000 years.

Fossil energy resources by type



Source: IEA World Energy Outlook 2013.

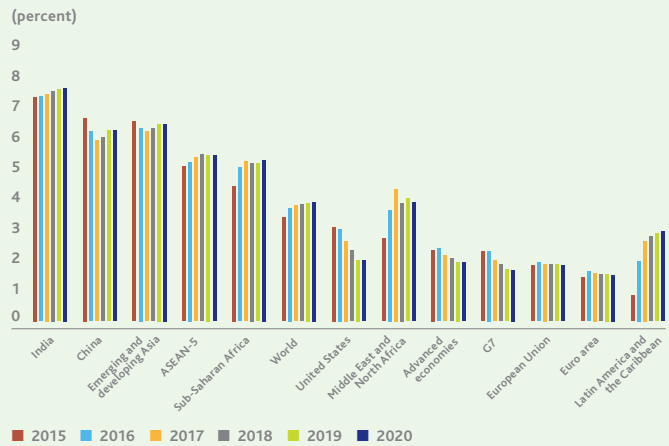
Note: number of years of production based on estimated 2013 production.

THE ECONOMIC OUTLOOK

Global growth will probably continue at 4 percent-odd

Between 2015 and 2020, the global economy is likely to continue growing by around 4 percent per year in real terms, even if China were to slow somewhat from its hitherto frenetic pace. Most of the advanced regions and countries will probably grow by 2 percent to 3 percent per year, below the world average. On present prospects the Euro area will be the slowest growing of the major regions, expanding by only a modest 1 percent per year.

Real GDP growth selected regions, 2015-2020



Source: IMF, April 2015. World Economic Outlook Database.

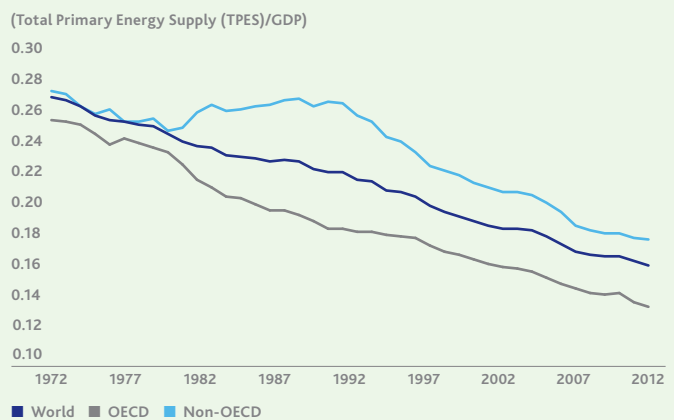
Note: countries and regions ranked by 2015 expected annual growth.

The energy intensity of global GDP has, notwithstanding the expanding global energy supply, been decreasing. The decrease has been most pervasive in the advanced economies, but since the 1990s it has been a feature of the developing countries too.

Energy intensity of GDP will likely continue to fall

Over the 40-odd years to 2012, global energy intensity decreased by 1.3 percent per year – a trend that, driven increasingly by widespread energy policy across both advanced and developing economies, seems at least set to continue, and quite possibly to accelerate.

Energy intensity, 1972-2012



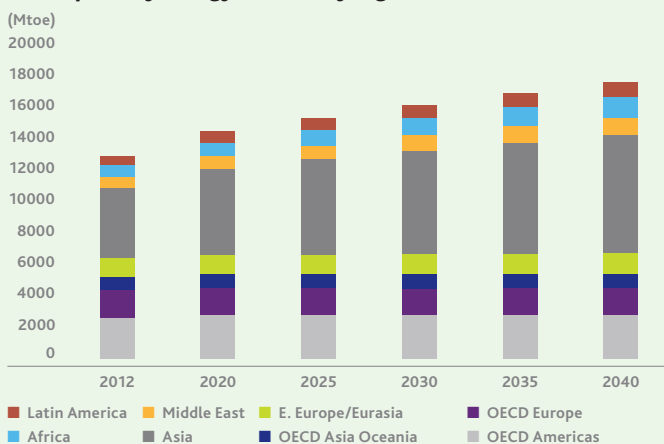
Source: IEA/OECD World Indicators dataset, 2015.

Note: TPES shown relative to real GDP (2005 USD purchasing power parity basis)

The overall consequences for future energy demand are likely to differ importantly by region:

- Non-OECD primary energy demand is likely to increase by around 1.7 percent per year to say 2040: Africa by 2.1 percent; the Middle East by 1.9 percent; Asia by 1.8 percent; Latin America by 1.7 percent; and Eastern Europe and Eurasia by a modest 0.6 percent.
- OECD primary energy demand growth, by contrast, is expected scarcely to grow, being virtually stagnant in Europe, the US, Japan, and Oceania.

World primary energy demand by region, 2012-2040



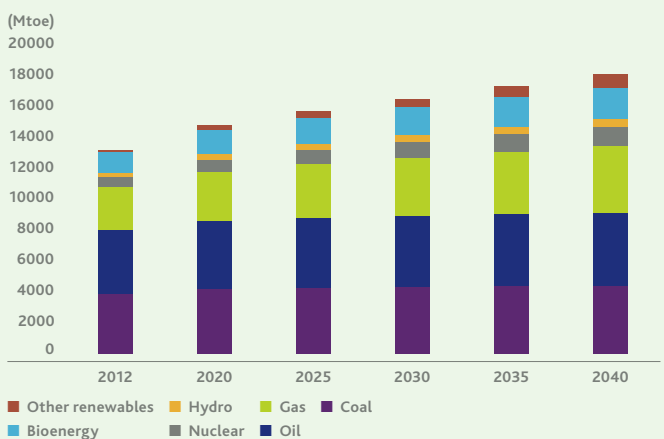
Source: IEA World Energy Outlook 2014.
Note: New Policies Scenario.

Hydrocarbons will remain highly important

The global share of fossil fuels in primary energy supply, currently just over 80 percent, seems likely to change little, at least until 2020, notwithstanding climate change, policy, and environmental concerns.

Oil's share of primary energy (currently just under one-third) will probably be broadly maintained, notwithstanding growth in nuclear energy and a burgeoning renewables sector. Gas may well maintain its smaller (one-fifth) share; and after 2020 increase modestly. Even by 2040, the global fossil-fuel share is expected to decrease only moderately. Hydrocarbons will continue to dominate energy demand for some considerable time.

World primary energy demand by fuel, 2012-2040



Source: IEA World Energy Outlook 2014.
Note: New Policies Scenario.

The outlook for energy consumption varies importantly by sector:

- Industrial consumption is expected to be the fastest growing component, averaging 1.4 percent per year to 2040, with demand in China and India driving around half of this expected growth.
- Transport consumption is likely to grow by 1.2 percent per year: the number of road vehicles is expected to double, but tightening fuel-economy standards will damp fuel demand growth. Virtually all of the growth in transport demand is expected to come from non-OECD countries.
- Buildings consumption is expected to rise modestly, perhaps by some 1 percent per year. A third of the growth in building demand is expected to originate in developing Asia.

CONCLUSIONS

- Energy demand globally will grow, but less quickly than global GDP.
- Fossil fuels are likely to dominate energy supply for some time to come, but face a more challenging regulatory and market environment. Coal is set for a tough time.
- Renewable energy will grow rapidly, and its share of total energy supply will rise, albeit from a low base. Solar and wind power are likely to form an increasingly significant share of electricity supply.
- Electric transport will increase in importance, especially in cities where air pollution and noise concerns are growing, both in developed and developing economies.
- Prices of oil and many commodities stand to remain low as effects of high prices in the 2000s continue to come through. These will likely include: new supply; increased efficiency; and developments in substitute technologies.
- Fossil fuel producers are likely to become increasingly reluctant to leave their assets in the ground, given governments' increasingly voiced ambitions to decarbonise.



ENTREPRENEURSHIP WITH INTEGRITY

We maintain a working environment based on integrity, ethical conduct, equal opportunity and mutual respect.

HIGHLIGHTS

- 5,287 average total employees worldwide (2014: 5,326).
- In 2015, a total of 1,302 employees joined the Trafigura Group (55 percent of staff were office workers and 45 percent of staff were field workers).
- 24 employees entered the graduate development programme.
- 87 percent of new joiners to the Group were recruited locally.
- Launch of Trafigura's Global Commodity Trading Apprenticeship Programme.
- 5,143 HSEC awareness-raising modules completed by employees in English, French, Spanish, Portuguese and Chinese in the month of July alone.

OUR APPROACH

At Trafigura, we have built up a distinctive culture that binds our global organisation and drives performance across regions and disciplines. Being able to recruit, retain and develop skilled and high-performing people is critical to maintaining our competitiveness.

Respect, diversity and competitiveness are fundamental tenets. We strive to create an environment in which people flourish and maximise their potential. To do that, we set high standards – for ourselves and for those that support us in our day-to-day activities. Trafigura people have an entrepreneurial outlook. They are recognised for their reliability, efficiency and sense of responsibility. Their focus is on delivering and sustaining growth.

Our decentralised structure devolves decision making to give individuals significant autonomy. Robust systems and processes support a culture of accountability and control. It is a combination that motivates staff, promotes responsiveness and allows teams to operate effectively across diverse businesses, different cultural norms and varying socio-economic conditions.

Our approach to managing our people and our contractors is enshrined in our HSEC Policy, our HSEC Business Principles, our Code of Business Conduct and employee handbooks.

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 Management Board.

EMPLOYEE ENGAGEMENT

In July, 2,193 employees across all Group companies and geographic regions contributed to Trafigura's materiality assessment for this report.

Employees were asked to contribute their perspectives on, and perceptions of, HSEC issues and risks. They identified the following issues as most relevant, each of which has been addressed in previous sections of this report.

• Social licence to operate

We control major industrial installations and typically recruit from the local population. We have an extended duty of care to those that work for us, their dependents and their communities.

 See page 20

KEY PERFORMANCE INDICATORS*

KPI	Group (aggregate)	Oil and Petroleum Products Trading	Metals and Minerals Trading	Shipping and Chartering Desk	Trafigura Corporate	DT Group	Impala Terminals	Mining Group
Average no. of full time employees (FTEs)	5,287	539	641	55	957	145	1,798	1,152
Male (%)	78	72	59	89	66	64	85	89
Female (%)	22	28	41	11	34	36	15	11
Under 30 yrs (%)	31	43	45	14	39	30	29	15
30 – 50 yrs (%)	61	54	51	85	55	64	62	72
Over 50 yrs (%)	8	3	4	2	7	7	10	13
Full time (%)	99	100	99	100	99	95	100	100
Part time (%)	1	0	1	0	2	5	0	0
Permanent contract (%)	93	98	89	98	79	97	97	98
Temporary contract (%)	7	2	11	2	21	3	3	2

* All numbers are annual averages and have been rounded to the nearest full number.

Our decentralised structure devolves decision making to give individuals significant autonomy. Robust systems and processes support a culture of accountability and control.

• Transparency

As a major facilitator of global trade, we believe transparency drives accountability and enables us to demonstrate the value that we bring to our partners and to the global commodities supply chain.

 See page 14

• Transportation safety

As a leading supplier and distributor of oil and petroleum products, metals, minerals and bulk commodities we regularly use HGVs in all parts of the world. We are responsible for the safe management of these fleets and the protection of our drivers and other road users.

 See page 30

OUR PERFORMANCE

In this chapter we set out our culture and the systems and processes that support our people and sustain the business.



Staff at Trafigura's Shanghai office.

Supporting our people

Our people perform a wide range of roles: they work in offices, terminals, on rivers, at sea and in mines. Keeping them safe and healthy is an absolute priority – we report on this in the Health and Safety section of this document (see page 30). Beyond that, we provide different levels of support according to the respective needs of individuals and groups of employees.

In less economically developed locations and labour markets we may be one of the major employers in the area and at times, the only employer. As such, we indirectly support an extensive network of dependents. We recognise this responsibility and engage actively with these communities.

Many employees travel extensively, often to remote regions. Our unified travel booking system allows us to alert individuals when they are at or near a location with a heightened health or security risk.

During the Ebola outbreak in West Africa in 2014 and 2015, we made sure our people in the region received the most up-to-date health guidance with regular updates as the outbreak widened, ensuring that employees were fully apprised of the latest details. As necessary, management also restricted travel to and within the West African region.

We frequently work behind the scenes to develop practical solutions to topical problems. During the recent Euro crisis, the Greek Central Bank imposed a EUR60 daily limit on cash withdrawals to protect the domestic banking system. This created liquidity problems for some of our employees there. We ensured that we had a plan in place to pay our employees in the event of a collapse of the banking system – and at the same time meet all our legal obligations in terms of tax reporting.

INTERNAL HSEC QUESTIONNAIRE

In July, a total of 2,193 employees from across the Trafigura Group were invited to complete a survey to assess what, from an HSEC perspective, they viewed as important. Their responses informed the materiality review for this report and are helping to frame our HSEC strategy for 2016 (see page 12).

OUR PEOPLE

Engaging with our people

We want our people to understand and identify with our business objectives. We engage with employees and contractors, both directly and through their trade unions and other representatives, on issues that may affect them.

We oppose discrimination of any kind. We treat all employees fairly, and with dignity and respect. We do not tolerate any form of child labour, forced or compulsory labour across our direct business activities or those of our business partners. Where there are staff grievances – whether individual or collective – we address them promptly and collaboratively.

Attracting and managing talent

We seek to recruit the best-qualified people in terms of experience, skills and attitude. We also look for candidates who will fit into Trafigura's dynamic culture. Energy, enthusiasm, initiative and a willingness to take on responsibility are key qualities.

Our preference is to recruit directly and locally. This approach reduces costs and increases our level of control over the process. We advertise positions through a broad variety of channels including our own websites, external websites, newspapers, industry publications and social media.

In 2015, a total of 1,302 joined the Trafigura Group. 87 percent of new joiners were recruited locally.

Although we may recruit externally for senior and specialist/ niche positions, we frequently promote from within. Many of our top managers have worked their way up through the business. This meritocratic approach helps drive career development and promotes confidence – both internally and amongst our partners.

We regularly source top trading talent internally and externally to strengthen our commercial teams. Successful candidates will typically have several years' existing trading experience from physical or paper trading backgrounds. This process is also used to develop and assess our existing employees for commercial potential, ensuring excellent internal career progression opportunities.

FUTURE TALENT

Now in its seventh year of operation, Future Talent, encapsulates our suite of highly regarded entry-level recruitment programmes. At its core is a two-year Graduate Development Programme (GDP) built around a series of structured placements in Trafigura's trading business.

Successful applicants spend their first 12 months at our offices in Montevideo or Mumbai gaining immediate exposure to high-level trading strategy and taking on real operational responsibility at the earliest stages. In their second year, they take on additional placements and move to another international office.

In April 2015, Trafigura extended Future Talent to non-graduates with the launch of the Global Commodity Trading Apprenticeship. The objective of the programme is to diversify our pool of future talent and create opportunities for those that may not have traditionally considered working in the commodity trading industry. Apprentices benefit from an extensive support system – having a dedicated manager and being connected with recent graduates, programme leads and global heads of function.

We look for candidates who will fit into Trafigura's dynamic culture. Energy, enthusiasm, initiative and a willingness to take on responsibility are key qualities.



BUILDING SKILLS IN BRAZIL

Where we can, we find the people to run and operate our industrial facilities from the surrounding area. We want those working with us to have a comprehensive understanding of local issues and concerns. It helps our business, and it is one more way to demonstrate our commitment to the places where we operate.

But we need those people to possess the right skills. Where these are in short supply we often work with local providers to build up the skills base.

At Porto Sudeste, our joint venture iron ore port in Brazil, most workers come from the nearby Itaguaí and Mangaratiba municipalities on the outskirts of Rio de Janeiro.

Porto Sudeste has been running the PROQUALI, professional training programme for several years in partnership with Brazil's National Service of Industrial Education (SENAI). The programme has delivered high-quality training to over 500 local residents. In 2015, 120 new trainees embarked on paid-for courses that will culminate in a recognised qualification.

This year, there are three separate courses with 40 free places each for Itaguaí residents. They can develop skills in port operations, electrical maintenance or mechanical maintenance of port equipment. The training is extending economic possibilities for local people and providing the port with the skilled employees it needs to operate effectively.

120

New trainees embarked on paid-for courses

500+

Residents provided with training to date



MATSA: BUILDING SKILLS LOCALLY

In locations where we have few direct competitors it can be challenging to find people with the requisite skills. MATSA, the joint venture between Mubadala and Trafigura Mining Group, is the only mining operation in Huelva Province and one of just a handful of copper mines in the whole of Spain.

This is the second year running that MATSA has invited applications for its mining training programme. In 2015, with the mine having doubled productive capacity after bringing its Magdalena mine on-stream, nearly four times as many places were on offer.

Applications were sought from those with vocational qualifications in an engineering-related field and with at least a year's experience of operating machinery. Unemployed young local people living locally were preferred. MATSA partnered with the town halls of the three major municipalities in the region to advertise the programme. More than 3,000 applied and over 80 percent of the 70 successful candidates came from the surrounding area.

The trainees are on full salary from day one. They join a two-month training programme with a strong practical focus. After a week of theory, with a particular emphasis on safety, employees are allocated mentors and get practical, hands-on experience within the mining operation for the remainder of the training. On completion, most trainees move into a full-time role.

HSEC AWARENESS RAISING

In July, Trafigura's HSEC Steering Group launched an online awareness-raising tool designed to provide staff worldwide with ready access to important information about the Group's vision for corporate responsibility, as well as background details associated with HSEC governance as well as policies and procedures.

The course was pitched at a level appropriate to staff and contractors alike and was made available in five languages. While participation was voluntary, uptake was strong across all regions – in July alone over 5,143 HSEC awareness-raising modules were completed.

5,143

HSEC awareness-raising modules completed in July

Retaining talent

Trafigura Group is growing fast. We want our people to grow with us. There are outstanding opportunities for those who choose to build a career within the Group.

Salaries and benefits at Trafigura compare well with industry benchmarks. Our strong performance and continued growth have enabled us to reward our employees competitively.

Ownership is spread widely across the management team. With over 600 staff from across the organisation owning a stake in the business, key decision makers are incentivised to act in the Group's long-term best interests.

Trafigura's structure contributes to a highly distinctive culture that works very well for some, but it doesn't suit everyone. We prefer to be rigorous about our culture and the standards we set rather than adapt to encourage more people to stay with us. This, in part, is reflected in employee retention data. Data is also clearly impacted by Trafigura's active acquisition and divestment strategy.

In 2015, a total of 1,308 employees left the Trafigura Group (57 percent of staff leaving the Group were office-based workers while 43 percent of staff were field-based workers). As communicated publicly where material, these departures reflect, for example, an increasing shift towards contracting out IT services worldwide, Impala's divestments in Europe and Asia, a substantial shift of roles from regional offices to our hub offices of Montevideo and Mumbai, as well as substantial cost-cutting in our Mexican and Peruvian operations.

Developing talent

Ours is a highly skilled business and we often promote from within. Formal, face-to-face and online training is playing an increasingly important role.

At our operations we hold regular 'tool-box' sessions where we focus on sharing best practice, challenging assumptions and refining behaviour in response to specific risks.

Our office-based employees participate in a six-monthly performance review. Employees and their line managers evaluate each individual's performance and discuss any development needs and how these can best be addressed. Where needed, the HR department puts in place the required training interventions.

We are proud of our bespoke leadership development programme, e-learning and virtual training for employees, but these are not the main mechanisms for developing skills and capabilities. We have a strong culture of on-the-job training. Line managers devote significant time and energy to providing guidance to staff around technical and soft skills.

To support the sharing of experience and deepening of skills, we frequently relocate employees and their dependents internationally to new roles. Our senior managers travel extensively to be close to our business operations and support colleagues by lending their expertise.

2016 PRIORITIES AND COMMITMENTS

Our people are proud of who they work for, the partners they support and our underlying objective to advance trade. Our people strategy in 2016 will focus on:

- Building the technical capabilities and interpersonal skills of our staff.
- Improving the efficiency and productivity of our workforce through continuous improvement of processes, systems and work organisation.
- Career development opportunities for our employees who have demonstrated they are ready and able to take on increased responsibilities.

DOING BUSINESS TO HIGH ETHICAL STANDARDS

Trafigura is committed to doing business in accordance with high standards of ethics and integrity. All our employees are required to abide by our Code of Business Conduct.

HIGHLIGHTS

- Over 5,450 KYC checks carried out in 2015.
- Anti-money laundering training delivered to over 1,700 staff members in 54 locations.
- Anti-bribery and corruption training delivered to over 2,000 staff members in 54 locations.
- 1,755 vessels screened by IMO number to mitigate risk associated with the reflagging of vessels by sanctioned countries, entities or individuals.
- Over 2,780 Trafigura employees trained on our Code of Business Conduct.

OUR APPROACH

It is a commercial imperative for Trafigura that our business is, and is seen to be, one that acts with integrity and maintains high ethical standards. Our management teams work together with Compliance, Legal, Human Resources and Corporate Affairs departments to promote ethical behaviour amongst our employees and contractors.

Trafigura is a global company, which operates within the European regulatory framework. We are constantly evolving our business model to adapt to shifting cultural norms, geographies and regulatory regimes.

There is a strong sense of common endeavour at Trafigura, and the company's owners also work in the business. There is a shared understanding that the risks facing the Group affect us all.

Our Code of Business Conduct is a cornerstone of Trafigura's approach. It defines what is expected of our business and our people. It promotes good business judgement and compliance with relevant laws and regulations.

MATERIAL ISSUES

Our materiality review process identified the following conduct-related issues as most relevant to our stakeholders. We report in detail on each of these areas below.

• **Complex operating context**

We operate in diverse geographical locations, often in frontier countries, and face varying cultural norms and regulatory frameworks. Wherever possible we develop and adopt policies and procedures that can be applied globally.

• **Bribery and corruption**

We fundamentally believe in the free market and the promotion of competition. We do not tolerate bribery, corruption or anti-competitive practices. Our policy is aligned with the UK Bribery Act which provides a robust framework for our approach.

• **Regulation**

Group compliance policy is to operate in accordance with international and national regulations. We believe we have a role to play in contributing to the debate around the emergence and evolution of regulations relevant to our activities

OUR PERFORMANCE

Ethical business conduct is a prerequisite for sustained success. We have adopted five key principles that define the way we conduct ourselves worldwide. Our Compliance Department develops global systems and safeguards to ensure we adhere to these principles wherever we operate.

1. **Integrity**

We are honest and straightforward in all our business dealings.

2. **Care and diligence**

We conduct and manage our business with due skill, care and diligence.

3. **Best practice**

We develop compliance procedures that meet best practice standards, not just minimum legal or regulatory requirements.

4. **Market conduct**

We ensure our business dealings are conducted in accordance with high standards of market conduct.

5. **Management and control**

We put appropriate procedures in place to manage and control the business effectively and meet the requirements of our Code of Business Conduct.



Trafigura Oil and Petroleum Products Trading Division, Geneva, Switzerland.

.....
GLOBALSCAN GLOBAL SURVEY OF LENDERS, 2015

“They [Trafigura] are more open and transparent in terms of public information, sustainability and sanctions. They give lots of information on their website; even though they are a private company they have very detailed annual reports. That is a big movement which began a couple of years ago. Great progress, at least from a bank perspective.”

.....
 'Top 5' lender

Complex operating context

Trafigura's Compliance Department oversees Group activities. It operates in partnership with front office functions to ensure our controls are relevant, rigorous and robust.

Our focus is on promoting and sustaining a sound compliance culture where everyone recognises their personal responsibility for meeting our compliance objectives. Linking remuneration to Group, rather than individual performance reinforces this perception. As shareholders, senior traders and front office personnel have a personal stake in the business and are more invested in its long-term success.

Our compliance team adopts a risk-based approach, allocating energy and resources to the issues that matter most to our core business and our stakeholders. This allows us to identify and manage risks and issues more effectively.

Our banking partners are a critically important stakeholder group. As financially regulated organisations, they have extensive reporting responsibilities. We work with them to help fulfil their regulatory requirements and to explain and document our compliance systems and processes.

Over the course of 2015, our Compliance Department met with numerous banks across the world's financial centres. Our anti-bribery and corruption measures and our policies on staff training in a fast evolving regulatory environment were issues of particular interest.

Compliance activities

The Compliance Department focuses on three main categories of exposure: commercial, financial, and regulatory.

Commercial compliance

Commercial compliance centres on the application of the Code of Business Conduct to our physical activities. It incorporates:

- Counterparty due diligence (KYC)
- Use of agents, consultants and intermediaries
- Anti-money laundering
- Record keeping
- Proprietary and confidential information
- Anti-trust and competition law
- Sanctions and trade restrictions
- Anti-bribery and corruption
- Gifts, hospitality and entertainment
- Political contributions and charitable donations
- Reporting violations and grievance procedures
- Protection of whistle-blowers

CONDUCT

Financial compliance

Trafigura operates in both exchange-traded and over-the-counter (OTC) derivatives markets to manage the risks associated with our physical market activities.

We are subject to numerous global regulatory requirements, such as Dodd-Frank Wall Street Reform and the European Market Infrastructure Regulation (EMIR), as well as the rules of the various exchanges on which we transact.

We have implemented a wide variety of controls and systems to ensure compliance with the relevant regulatory and exchange rules.

Market conduct

Improper market conduct can take numerous forms. Among the most common abuses targeted by global regulators are: insider trading; improper disclosure; misuse of information; manipulating transactions; using manipulating devices; dissemination of false or misleading information; and distortion by misleading behaviour.

We adopt a cautious stance. Our employees are not allowed to trade in stock or tradeable debt instruments of any private or publicly listed company where Trafigura has a significant relationship or business interest. We expressly prohibit our traders from communicating with price-reporting agencies without prior permission.

Counterparty due diligence

Our KYC procedures, which seek to reduce the risk of collaborating with inappropriate counterparties, are directly comparable to those adopted by major banks.

The Compliance Department oversees three different levels of due diligence – short, standard and enhanced – according to the perceived risk posed by each partner, supplier, customer or trading partner. We conducted over 5,450 KYC checks during 2015.

Our methodology follows Joint Money Laundering Steering Groups (JMLSG) guidance for UK-regulated companies. According to their risk status, selected counterparties are required to provide details in respect of, for example, company registration, ownership structure, named directors, and business activities.

We monitor those countries that have transposed the EU's Third Anti-Money Laundering (AML) Directive (2005/60/EC) and through a further filtering process, we incorporate some of them into our own AML-approved Country list. As required by the Directive, Banks in AML-approved countries will already have conducted customer due diligence, taking into account the risk of money laundering and terrorist financing. We conduct a series of 'short-form' KYC AML checks by way of follow-up. As a matter of course, we also screen each counterparty and maintain ongoing compliance screening via the 'Thomson Reuters Accelus' enterprise risk management software.

In June 2015, we moved Trafigura's KYC application process online and adopted a new best-in-class system operated by Newgen Software to complete and upload relevant documents prior to processing. This has reduced the administrative burden on compliance personnel, allowing us to focus more resources on risk assessments.

High-risk categories shift as the political risks in different regions change. We continually monitor the changing status of people and organisations to keep our KYC methodology up to date. We receive daily updates from Thomson Reuters World-Check on all counterparties.

Bribery and corruption

No Trafigura employee may promise, offer or give any benefit or advantage to influence the behaviour of someone in government, a public official, someone capable of influencing a governmental or public official or someone in business – whether they are an individual counterparty or an intermediary – to obtain commercial advantages.

Our policy is aligned with the UK Bribery Act, widely acknowledged as one of the strictest pieces of anti-corruption legislation in the world. The Act extends to any company that conducts business in the UK and allows for prosecution of any individual or company with links to the UK. In 2015, we provided training to over 2,000 staff members in 54 locations on anti-bribery and corruption.

Preventing financial crime

Trafigura's policies are guided by the European regulatory framework. The European perspective on what constitutes financial crime is not shared universally; attitudes differ around the world. It is therefore critically important that we communicate global policies and practices with absolute clarity.

Our compliance team travels extensively. We publish guidelines on how to recognise and respond to various forms of potential illegality. We support employees with regionally and functionally specific training so they are well prepared to handle complex situations as they arise.

Money laundering

Trafigura will not facilitate or support money laundering. Our KYC and screening procedures aim to highlight prospective counterparties that might pose any such threat to the business.

We have implemented a range of measures to raise awareness internally. Obligatory online training and testing gives employees a detailed understanding of the issue. In 2015, we provided anti-money laundering training to over 1,700 staff members in 54 locations.

Regulation

Anti-competitive practices

We are firm believers in free competition. Competition advances trade for our partner producers and purchasers of commodities.

We take the risk of breaches in competition law extremely seriously.

As a business that operates globally and is active in numerous markets there are many occasions where our people come into contact with competitors. We provide detailed guidance on what they should do to prevent the exchange of commercially sensitive information and how to adhere to competition law principles.

Sanctions and trade restrictions

In recent years, sanctions have increasingly been imposed against countries, entities and individuals. Contravention can lead to significant fines, revocation of import and export permits, and even imprisonment, as well as significant reputational damage.

We comply with sanctions that are applicable to our company. Our Compliance Department works closely with Trafigura's Corporate Affairs and Legal teams to track the introduction and evolution of sanctions, to raise questions where clarity is required, and to ensure we have correctly understood and applied the rules.



RUSSIAN SANCTIONS

We regularly review our trading relationships with Russian entities in the light of changing European sanction rules and abide by all applicable sanctions.

In 2013, Trafigura signed a five-year, USD1.5 billion oil supply prepay agreement with Russian energy firm, Rosneft. Less than 12 months later, the European Union imposed a set of sanctions against Russian firms and politically exposed people (PEPs) in response to the crisis in Ukraine.

Sanction rules as they stand include named PEPs, transactions involving Crimea, certain forms of technology transfer and financial transactions that involve providing more than 30 days' credit to specified Russian organisations, but do not target Russian sales of crude oil and refined products. As of the end of the 2015 financial year, we continued to trade with Russian counterparties, in full compliance with EU sanctions and in regular dialogue with relevant authorities.

Financial regulation

Unlike banks, our activities are not licensed by financial regulatory bodies at present. Even so, we expend significant management time and expense to comply with relevant financial standards.

We are active in both exchange-traded and over-the-counter (OTC) derivatives markets. To ensure we comply with applicable regulatory requirements and exchange rules we have a variety of controls and systems in place. We comply with exchange set position limits where relevant and report derivative transactions where required by applicable regulation.

Meeting evolving regulatory reporting requirements for derivatives and other instruments has been a particular area of focus. We have invested significant resources in developing systems to manage transactions in multiple jurisdictions. In the 2015 financial year there were new reporting standards set in relation to derivative transactions by the Monetary Authority of Singapore (MAS), the Commodity Futures Trading Commission (CFTC) and the European Securities and Markets Authority (ESMA).

2016 PRIORITIES AND COMMITMENTS

Our 2015 materiality review process underlined the importance that Trafigura's stakeholders ascribe to ethical business conduct. The process highlighted a need for Trafigura to significantly enhance its communication in this area. In 2016, Trafigura's Compliance Department will lead on progressing:

- Ongoing development of our KYC programme, efficiencies to the processing of associated intelligence and the programme's effective coverage of Group activities.
- Continued development and extension of anti-money laundering and anti-bribery and corruption training to all new staff members across all Group companies.
- Enhanced coverage and depth of stakeholder engagement, particularly amongst the financial community, with respect to commercial, financial and market compliance.
- Work with regulators to identify, analyse and manage any systemic risks posed by the commodities trading sector.
- Active engagement with international forums, industry bodies and trading partners on ethical business conduct.

TRAFIGURA FOUNDATION

Providing long-term funding and expertise to improve socio-economic conditions for communities around the world.

HIGHLIGHTS

- 50 programmes underway, active in 29 countries.
- USD5.2 million in grants and soft loans in 2015.
- USD517,000 in 'matched' funds.
- USD44 million distributed since 2007.

OUR MISSION

The Trafigura Foundation was established in 2007 as an independent philanthropic organisation with a twofold mission. We provide financial and technical support to long-term development programmes that deliver sustainable outcomes. We have formal processes in place to select, support, monitor and review projects and proposals.

We act as a catalyst – bringing people, expertise and financial support together in support of long-term philanthropic objectives. We partner with expert organisations on the ground to support self-sustaining activities that help people realise their full potential.

Trafigura recognises the social responsibilities that go along with its status as a global commodity trading firm. We are sensitising Trafigura employees to the socio-economic realities on their doorstep by involving them in our activities.

OUR ROLE IN THE GROUP

The Foundation's governance structure ensures decisions are entirely independent and guided by genuine philanthropic motivations. With our help, Trafigura is gaining a more complete sense of the social dimension to its role as a major global economic player.

During FY2015, employees participated in and organised activities from golf tournaments to marathons and bake sales, raising USD517,000. We matched this dollar for dollar. As a result, over USD1 million was donated by Trafigura staff and the Foundation to dozens of charities around the world, including Kids Cancer Care in Canada, the Rainbow Trust in the UK, and Clair Bois Fondation in Geneva.

We maintain strong operational connections through our links with Charity Committees in Trafigura's offices around the world. There are now 15 of these: in Athens, Geneva, Houston, Johannesburg, Lima, London, Montevideo, Mumbai, Shanghai, Singapore, Stamford, and four new Charity Committees in Colombia.

The Charity Committees coordinate philanthropic programmes on behalf of the employees in their respective offices. They raise funds and act as conduits for staff members wanting to get involved more directly by contributing time or expertise.

Our Charity of the Year programme is steadily gaining ground. Charity Committees organise for their office to elect a charity. Staff then raise funds and get involved in various activities to support it, while the Foundation contributes a sizeable grant. Montevideo chose Unidos as its Charity of the Year, which provides education and social care in a deprived city district. The Johannesburg office's Charity of the Year supported construction projects at Igugulethu primary school in Soweto.

FOCUS AREAS

The Trafigura Foundation ran 50 programmes across 29 countries in 2015. We provide our NGO partners with the financial means to carry out and strengthen their programmes.

We don't just give money, we also provide strategic and managerial support. We support Trafigura staff members with a given expertise, such as IT, HR or marketing, who wish to volunteer time and advice for relevant programmes.

Our three main focus areas as a grant-maker are interdependent and mutually reinforcing. We sponsor programmes in the areas of sustainable development, education and integration, and health.

Sustainable development

More than a third of our total funding supports sustainable development programmes. Some of these aim to reconcile social and environmental objectives – Planète Urgence is developing strategies that allow man and mangrove to coexist successfully in Indonesia. Others focus on entrepreneurship – Adie Créajeunes supports micro-entrepreneurs in France.

Education and integration

We see employability as the beginning of self-reliance. Much of our focus is on educating and integrating young people. The Youth Empowerment Project in New Orleans, US, provides life skills and job training for at-risk 16-24 year-olds. In the tough port town of Buenaventura on Colombia’s west coast, Fundación Carvajal is using soccer to combat gang culture and teach young people about respect, teamwork and discipline.

Health

We favour projects that address real problems and have measurable impacts. In the field of health, our support for the ATIA Tuberculosis Programme in India has brought more effective therapy to one million people in the slums of Mumbai, achieving an 82 percent cure rate. In Tanzania, the North Star programme is building clinics along the Dar corridor, providing health services to Impala operatives as well as their local communities.

Women as agents for change

Women’s empowerment is an ever-deeper part of our philanthropic mission. It is often women who bear the brunt of economic, social and political hardship. Across the globe, there is strong evidence linking gender equality with higher GDP. In many societies, women are key agents of peaceful change.

Investing in women’s education and employment is one of the fastest and most effective ways of meeting our goals for social and economic development. It has become a common theme in many of our projects. In DRC, we are investing in girls’ education at the Georges Malaika School for Girls. In India and Brazil we are working with the Womanity Foundation. Its WomenChangeMakers programmes champion female entrepreneurship. Through the Cherie Blair Foundation, we are helping female entrepreneurs in Palestine gain access to loans and business training.

21

Sustainable development projects

23

Education and integration projects

6

Health projects



For more information please go to:
www.trafigurafoundation.org



Image: Fundación Integración Comunitaria project, Peru.

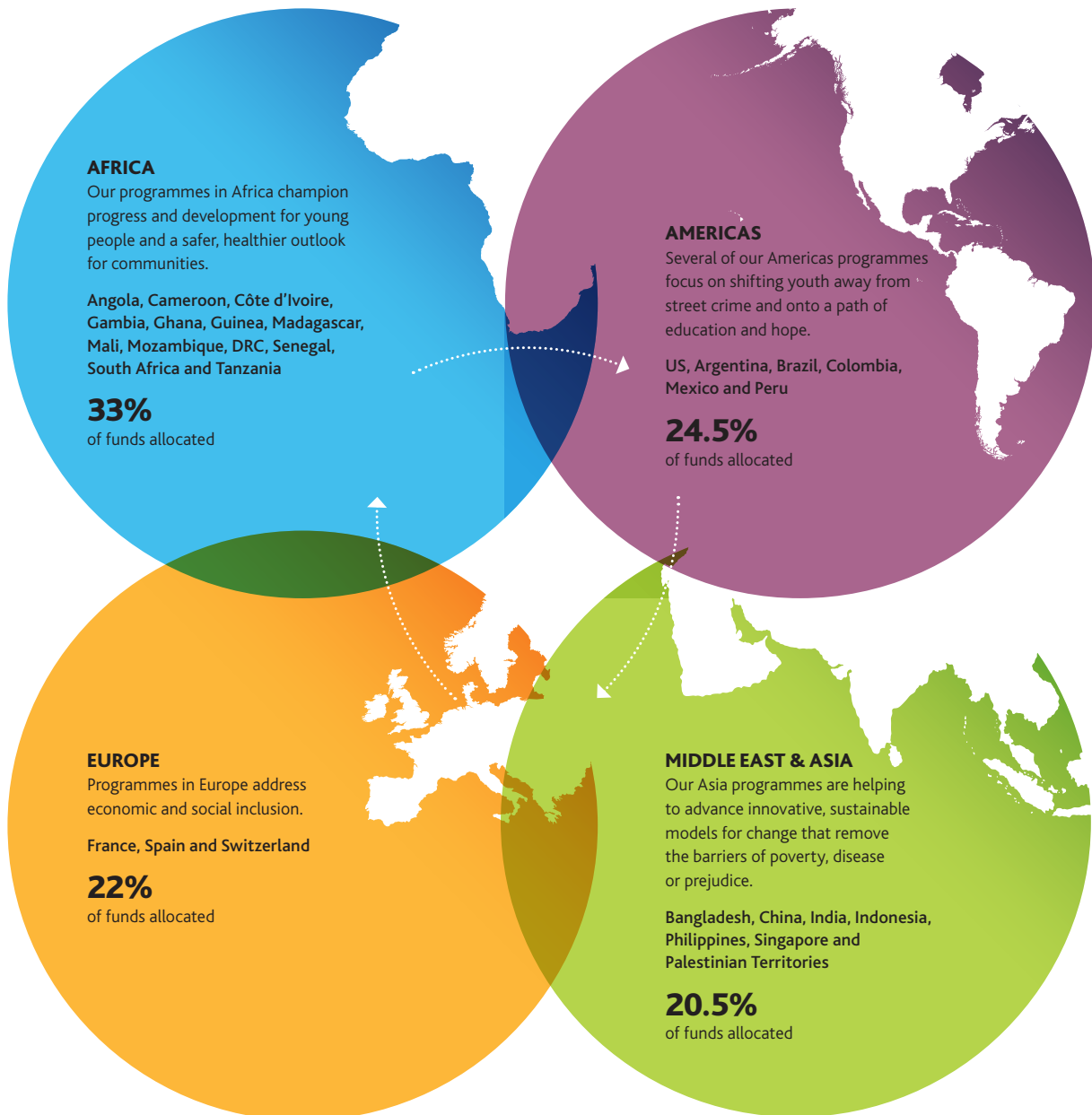
TRAFIGURA FOUNDATION

Post-disaster relief

When disaster strikes there is often an immediate, emotional response. People feel compelled to act and money pours in. The Foundation will always match funds raised by employees in response to an emergency appeal. We also get involved at a later stage when funding is scarcer. Through the Foundation's season's greetings card scheme, USD10 is set aside for every e-card sent – the resulting sum raised is then allocated to a specific relief project. It has raised USD185,000 over the past two years.



Reconstruction in the Philippines after typhoon Haiyana.



GLOSSARY OF TERMS

A

AML Anti-Money Laundering

B

BBLs Barrels

C

CFTC Commodity Futures Trading Commission

CO₂ Carbon dioxide

CO₂e Carbon dioxide equivalent

CSR Corporate Social Responsibility

D

DPK Dual Purpose Kerosene

DRC Democratic Republic of the Congo

E

EITI Extractive Industries Transparency Initiative

EMIR European Market Infrastructure Regulation

ESAP Environmental and Social Action Plan

ESMA European Securities and Markets Authority

EU European Union

F

FTE Full-time employees

G

GHG Greenhouse gas

H

HGV Heavy Goods Vehicle

HR Human Resources

HSEC Health, Safety, Environment, Communities

I

IEA International Energy Agency

IFC International Finance Corporation

ILO International Labour Organization

ISM International Safety Management

ISO International Organization for Standardization

J

JMLSG Joint Money Laundering Steering Groups

JV Joint venture

K

KPI Key Performance Indicator

KYC Know-your-counterparty

L

LNG Liquefied Natural Gas

LPG Liquefied Petroleum Gas

LTl Lost-time injury (the number of incidents that resulted in time lost from work amounting to at least one day or shift).

LTIFR Lost-time injury frequency rate (the number of incidents that resulted in time lost from work amounting to at least one day (or shift) divided by actual total hours worked over one year, multiplied by one million).

M

MATSA Minas de Aguas Teñidas

Mtoe Million tonnes of oil equivalent

N

NEITI Nigerian Extractive Industries Transparency Initiative

NGO Non-Governmental Organisation

NOC National Oil Company

O

OCIMF Oil Companies International Marine Forum

OECD Organisation for Economic Co-operation and Development

OPEC Organization of the Petroleum Exporting Countries

OSRL Oil Spill Response Ltd

OTC Over-the-counter

P

PEP Politically exposed person

PMS Premium Motor Spirit

S

SDG Sustainable Development Goals

SIRE Ship Inspection Report Programme

SMEs Small and medium enterprises

SOE State Owned Enterprise

SOLAS Safety of Life at Sea

STS Ship-to-ship (transfer of oil and petroleum products)

STSA Swiss Trading and Shipping Association

T

TGPL Trafigura Group Pte. Ltd.

TMG Trafigura Mining Group

TPES Total Primary Energy Supply

U

UDHR Universal Declaration of Human Rights

UK United Kingdom

UN United Nations

UNGC United Nations Global Compact

UNGPs UN Guiding Principles on Business and Human Rights

US United States

USD United States dollars

W

WBCSD World Business Council on Sustainable Development

WRI World Resources Institute



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