
GLENCORE



MODERN SLAVERY STATEMENT 2016



Introduction

To further demonstrate our commitment to preventing the occurrence of Modern Slavery and human trafficking in our operations and supply chains, Glencore plc (“Glencore”) is publishing this voluntary Modern Slavery statement. Modern Slavery (slavery, servitude, forced labour and human trafficking) is a global concern with long-lasting impacts on affected individuals and communities. Glencore rejects any form of Modern Slavery within its organisation and supply chain. Our annual statement sets out Glencore’s approach and the steps taken for the prevention of Modern Slavery in our organisation and supply chain.

As a global company with a presence in over 50 countries, we are conscious of the role we can play through increasing transparency in our supply chain to support the goal of reducing the number of individuals being exploited at the hands of others. We are equally aware of the potential operational disruption that our business could face as a result of the identification of Modern Slavery within our supply chains.

Our business

Glencore plc is one of the world’s largest diversified and integrated producers, processors and marketers of commodities. We are a major producer and marketer of over 90 commodities. Glencore plc is a public company, listed on the London, Johannesburg and Hong Kong stock exchanges. Our main headquarters are in Switzerland.

Our operations comprise over 150 mining and metallurgical, oil production and agricultural assets.

We market and distribute physical commodities sourced from third-party producers as well as our own production. We also provide processing, storage, logistics and other services to both producers and consumers of commodities.

Our activities are supported by a global network of more than 90 offices in over 50 countries. We employ around 155,000 people, including contractors.

Oversight from the top

Our Board Health Safety, Environment and Communities (HSEC) Committee, which includes our Chief Executive Officer and Chairman as members, sets the strategic direction for our sustainability activities, including our approach towards human rights and Modern Slavery, as well as overseeing the development and implementation of strategic HSEC programmes. The Committee regularly evaluates the effectiveness of our systems for identifying and managing HSEC-related risks, and considers our overall performance. The Committee receives regular updates on our performance in the area of human rights, and is made aware of complaints and serious incidents.

Respect for human rights

Respect for human rights is embedded throughout our policies and operational processes. This commitment is stated in our Code of Conduct, and detailed in our public Human Rights Policy, which addresses, among others, management of labour conditions in our own operations and in our supply chain. Our approach is aligned with the UN Guiding Principles (UNGPs), and with the Sustainable Development Framework of the International Council on Mining & Metals. We recognise the importance of multi-stakeholder dialogue to learning and sharing of best practices, and are a member of a number of international forums that enable dialogue on key human rights challenges, including Modern Slavery.

Relevant Glencore employees are required to undergo training on the Glencore Code of Conduct, which also covers our approach to respecting and upholding human rights throughout our operations. Additionally, employees that are more exposed to ensuring the implementation of human rights, such as those in the security functions at some of our operations, are required to undergo further training on international human rights standards.

We do not tolerate any form of workplace discrimination, harassment or physical assault, or any form of child, forced, or compulsory labour. We seek to reflect the diversity of the communities in which we operate in our workforce. We respect the rights of our employees and contractors, including freedom of association and collective bargaining. Throughout our operations, we seek to avoid complicity in human rights abuses, and to uphold relevant international standards. As outlined in the section ‘Grievance Mechanism: Complaints and grievances on human rights impacts’, we operate grievance mechanisms at all our operations for our stakeholders.

Raising concerns programme

If one of our employees, contractors or suppliers encounters a situation that appears to breach our Code of Conduct, its underlying policies or the law, including those on human rights and Modern Slavery, they can choose to report this to their supervisor, manager or another appropriate contact internally. If the concern remains unresolved, the concern can be raised using the formal mechanisms provided under our Raising Concerns program (eg telephone, online form). The different mechanisms reflect local conditions to ensure ease of use, such as internet availability and languages spoken, but also provide for raising concerns on an anonymous basis. We publicise the local mechanisms through dedicated training and visual material, such as posters, available widely throughout work sites.

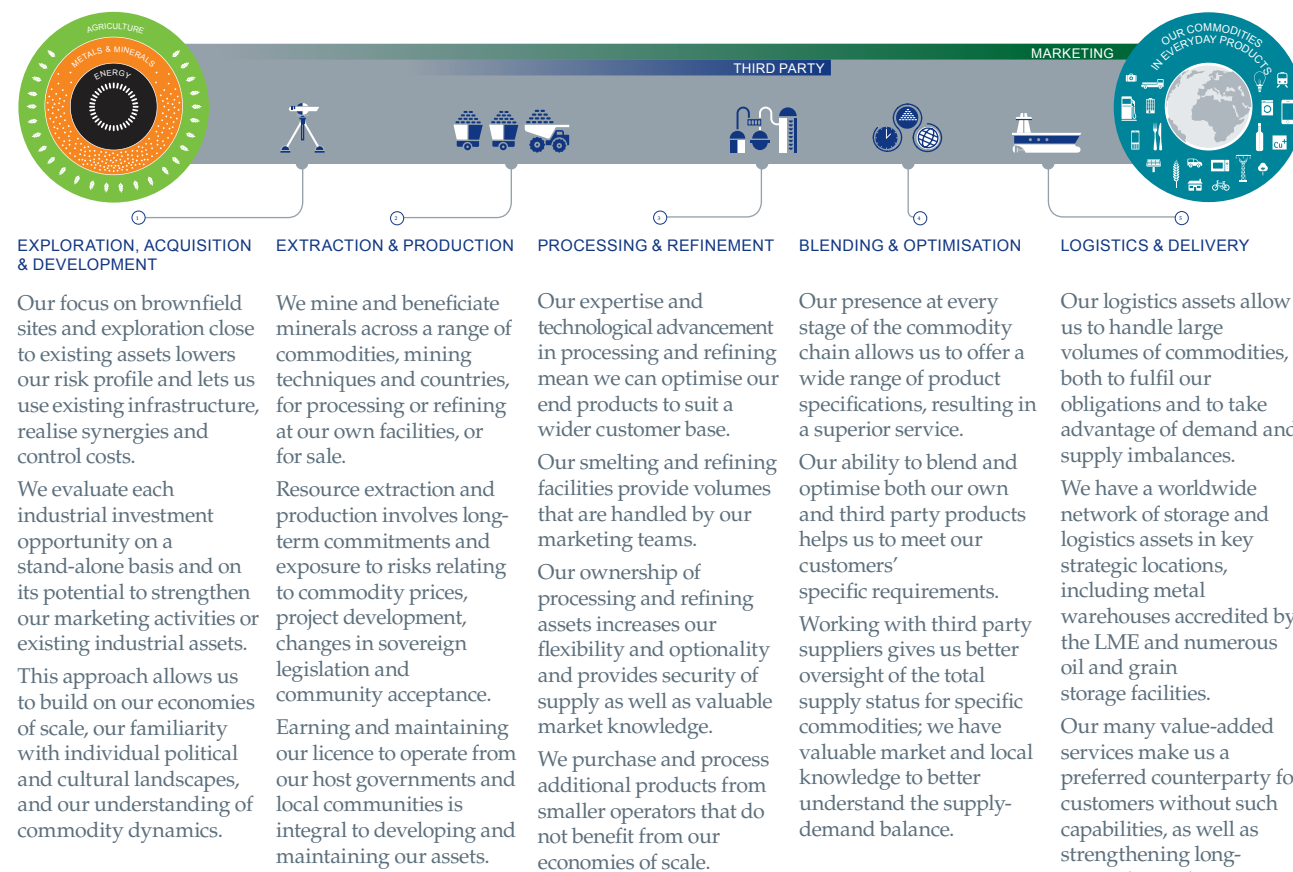
Grievance Mechanism: Complaints and grievances on human rights impacts

Glencore considers access to remedy to be a core aspect of managing the implementation of human rights and we require our assets to operate effective grievance and/or complaints mechanisms, to enable the detection and remediation of adverse human rights impacts directly caused or contributed to by our activities. To ensure our approach to the management of grievances is aligned to the UNGPs, we have developed a grievance mechanism guideline that draws on external expertise to establish key principles for consideration in the design and review of grievance mechanisms. These grievance mechanisms provide an accessible channel for directly-affected stakeholders to communicate their human rights concerns, while enabling operations to identify, acknowledge and address genuine operation-related grievances and complaints in a timely and effective manner.



We require our assets to ensure that local people are aware of the availability of the grievance mechanism and can access it easily. We also require that all grievances and complaints are reported and investigated appropriately. The sophistication and formality of each type of mechanism is determined by a risk assessment, covering elements such as existing legal frameworks in the local region and that asset's existing or future impact on its host communities. The guideline was distributed to our assets in 2016, and its implementation will be reviewed during 2017.

All serious incidents relating to human rights, including complaints and grievances, are reported to the Board HSEC committee, which seeks to understand the root causes and agree corrective actions. In 2016, all complaints received through our grievance mechanisms related to our operational impacts such as dust, noise and vibrations from blasting, and to safety breaches and unfair treatment at work. We did not receive any complaints pertaining to poor labour conditions.



Procurement activities

With a presence at every stage of the commodity chain, the scope of our procurement activities include the equipment and services necessary for the exploration, extraction, production, processing, logistics and delivery of our commodities. To assure the timely delivery of competitively priced and quality equipment, services and qualified labour, we rely on global supply chains comprised of both key multinational companies which support our operations world-wide as well as regional and national suppliers.

In accordance with our Code of Conduct we seek to ensure that our suppliers, including contractors, maintain:

- lawful business practices;
- zero tolerance for human rights violations, in relation to both their people and the communities in which they work;
- safe, healthy and fair workplaces; and
- business practices that minimise environmental impact.

Where appropriate, these requirements are supported through communication and training particularly around health & safety at the workplace.

We endeavour to ensure that the standards embodied in our Code of Conduct are communicated to suppliers as a requirement to working with Glencore and are contractually integrated into the award of business.

Glencore's suppliers in our procurement activities, potential or incumbent, are subject to a risk identification analysis performed by the local asset during pre-qualification, a tendering process or term of an existing contract. We adopt a risk-based approach to due diligence in our supply chain, respecting that many of our multi-national suppliers (eg mining equipment) operate within comparable business principle frameworks prevalent through the mining industry.

We are committed to local procurement and use local suppliers whenever commercial, technical and capability considerations are equal. Some of the regions where we operate lack strong local businesses. In these areas, our community and procurement teams work together to identify needs and develop support programmes for local businesses, to help them meet our quality standards and our expectations with regard to conduct. We offer targeted training on business management skills, underwrite credit applications and guarantee future business within specific limits. We also encourage large international contractors to develop local partnerships to build capacity locally, resulting in employment opportunities and a transfer of skills. We want to help these local businesses grow and become nationally and even internationally competitive.

Risk assessment and mitigation

Our operations are required to conduct risk assessments that address human rights concerns, including those relating to their suppliers. Where a risk of human rights violations, is identified, a response strategy is required, which may include engagement with the supplier, training and mentoring support, and ultimately could result in termination of contract in case of continued violations.

Recognising that sourcing of metals and minerals can present high risks of Modern Slavery, we

supported the efforts by the Organisation for Economic Co-operation and Development (OECD) to develop its Mineral Risks Handbook, which builds on its Due Diligence Guidance on Responsible Supply Chains to address human rights and labour violations. We contributed to this work through BetterCoal, and in direct consultations.

During recent years, increased focus has been placed within our organisation to assure that child labour is not present within our activities or supply chain; with good results.

Following public reports of the use of child labour in artisanal mining of cobalt in the Democratic Republic of Congo, we reviewed closely all our cobalt production, transportation and processing processes, as well as our relationships with our suppliers of cobalt in our marketing activities. We do not process artisanally-mined cobalt at our facilities, and we have engaged with our transport

providers to review their procedures to ensure that no artisanal ore enters our supply chain. We have engaged with third-party producers from whom we purchase cobalt, to better understand the processes they have in place to prevent artisanally-mined cobalt from entering their facilities.



Additional work is still required to embed a competency with our organisation to correctly identify other potential but less evident signs of Modern Slavery. Significant steps have already been taken, for example our oil shipping business has implemented the ILO's Maritime Labour

Convention, 2006. To ensure our appreciation of the potential risks within our supply chains is current, we continue to rely heavily on external references and publications such as the Global Slavery Index as guidance to our risk-based approach.

Our Oil business has an equity interest and manages a number of vessels, as well as time-chartering a number of additional ships as needed. The vessels we own and engage are required to implement the ILO's Maritime Labour Convention, 2006 (MLC 2006). The standards of the MLC 2006 ensure the right of all seafarers to decent employment and protect their fundamental rights to:

- freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labour;
- the effective abolition of child labour; and
- the elimination of discrimination in respect of employment and occupation.

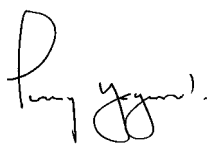
State inspectors and port authorities are required to verify, through an effective and coordinated system of regular inspection, monitoring and other control measures, that ships comply with the requirements of the MLC 2006. In addition to being inspected, ships must also be certified for compliance with the requirements for seafarers' working and living conditions that are set out within the MLC2006 .

Next steps

This statement outlines the steps we take to ensure Modern Slavery does not occur within our supply chain. While we do not believe we have solved the problem, the policies and processes we have in place form a basis from which to progress our work. In particular, the following steps are planned:

- As part of our review cycle and commitment to continuous improvement, we will review our Group Human Rights Policy. We will take this opportunity to assess the provisions made with regard to Modern Slavery and other labour violations, and strengthen these as needed.
- As a result of an internal assessment of the obligations included in our procurement agreements with suppliers and contractors, we will take steps to ensure that adequate focus on Modern Slavery is provided for and communicated across our direct suppliers.
- Following publication of the OECD Minerals Risks Handbook, we will look to use this in our training and awareness raising activities to ensure our employees are aware of the potential signs and risks of human rights violations, including Modern Slavery, and of steps that can be taken to address these.

This statement was approved by the Board of Glencore plc



Tony Hayward
Chairman

15 May 2017

Forward looking statements

This document contains statements that are, or may be deemed to be, “forward looking statements” which are prospective in nature. These forward looking statements may be identified by the use of forward looking terminology, or the negative thereof such as “plans”, “expects” or “does not expect”, “is expected”, “continues”, “assumes”, “is subject to”, “budget”, “scheduled”, “estimates”, “aims”, “forecasts”, “risks”, “intends”, “positioned”, “predicts”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words or comparable terminology and phrases or statements that certain actions, events or results “may”, “could”, “should”, “shall”, “would”, “might” or “will” be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy.

By their nature, forward looking statements involve known and unknown risks and uncertainties, many of which are beyond Glencore’s control. Forward looking statements are not guarantees of future performance and may and often do differ materially from actual results. Important factors that could cause these uncertainties include, but are not limited to, those discussed in the Principal Risks and Uncertainties section in Glencore’s 2016 Annual Report.

Neither Glencore nor any of its associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place undue reliance on these forward-looking statements which only speak as of the date of this document. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Conduct Authority and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Listing Requirements of the Johannesburg Stock Exchange Limited), Glencore is not under any obligation and Glencore and its affiliates expressly disclaim any intention, obligation or undertaking to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. This document shall not, under any circumstances, create any implication that there has been no change in the business or affairs of Glencore since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

No statement in this document is intended as a profit forecast or a profit estimate and no statement in this document should be interpreted to mean that earnings per Glencore share for the current or future financial years would necessarily match or exceed the historical published earnings per Glencore share.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. The making of this document does not constitute a recommendation regarding any securities.

Disclaimer

The companies in which Glencore plc directly and indirectly has an interest are separate and distinct legal entities. In this document, “Glencore”, “Glencore group” and “Group” are used for convenience only where references are made to Glencore plc and its subsidiaries in general. These collective expressions are used for ease of reference only and do not imply any other relationship between the companies. Likewise, the words “we”, “us” and “our” are also used to refer collectively to members of the Group or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

Contacts

We welcome feedback on this report or on any other aspect of sustainability at Glencore. You can send general comments to gcp@glencore.com

Otherwise you can contact:

Corporate sustainability

Anna Krutikov
Tel: +41 (0) 41 709 3426
anna.krutikov@glencore.com

Corporate communications

Pam Bell
Tel: +44 20 7412 3471
pam.bell@glencore.co.uk

Charles Watenphul
Tel: +41 (0) 41 709 2462
charles.watenphul@glencore.com

Glencore plc
Baarermattstrasse 3
CH-6340 Baar
Switzerland
Tel: +41 41 709 2000
Fax: +41 41 709 3000
E-mail: info@glencore.com

www.glencore.com