



GLENCORE

Sustainable Development Presentation
London, 30 June 2014

Agenda

1 Welcome – Tony Hayward

2 Overview of Sustainable Development – Peter Coates

3 2013 Performance Highlights and Next Steps – Ivan Glasenberg

4 Q&A



GLENCORE

Opening comments
Tony Hayward

Our values



Our Values
Nuestros Valores
Unsere Werte
Наши ценности
我們的價值觀
Nos Valeurs
Nossos Valores

Our Values

We want our employees to be ambassadors for our core Values.

Entrepreneurism

Our approach fosters the highest level of professionalism, personal ownership and entrepreneurial spirit in all our employees while never compromising on the safety and well-being of our people. This is important to our success and the superior returns we aim to achieve for all our stakeholders.

Simplicity

We aim to achieve our key deliverables as a path to industry-leading returns, while maintaining a clear focus on excellence, quality, sustainability and continuous improvement in everything we do.

Safety

Our first priority in the workplace is to protect the health and well-being of all our workers. We take a proactive approach to health and safety; our goal is continuous improvement in preventing occupational diseases and injuries.

Responsibility

We recognise that our work can have an impact on our society and the environment. We care profoundly about our performance in compliance, environmental protection, human rights and health and safety.

Openness

We value relationships and communication based on integrity, co-operation, transparency and mutual benefit, with our people, our customers, our suppliers, governments and society in general.

Glencore today

- Major producer and marketer of over 90 commodities, with operations in over 50 countries
- Successful integration of Xstrata complete
- Strong owner-manager culture
- Roll-out of new Code of Conduct post-Xstrata acquisition.
- Policies addressing material SD issues completed the GCP framework.
- External recognition of our efforts to improve performance, particularly in challenging locations, where the need for strong standards is often greatest.



A strong board

Anthony Hayward



Chairman ^H

- Former CEO of BP
- CEO of Genel Energy (LON)

Ivan Glasenberg, CEO



Executive Director ^H

- CEO of Glencore since 2002
- 30 years with Glencore
- NED of Rusal (HKG)

Peter Coates



Non Executive Director ^{H(C)}

- 40 years of experience in the resource industry
- NED of Santos and Amalgamated Holdings (both ASX)

Peter Grauer



**Senior Independent
Non Executive Director ^{N(C), A}**

- Chairman of Bloomberg
- NED of Davita Healthcare (NYSE)
- Member of International Business Council of WEF

Leonhard Fischer



Non Executive Director ^{A(C), N}

- CEO of RHJ International (parent of the Kleinwort Benson Group) (EBR)
- NED of Julius Baer (VTX)

William Macaulay



Non Executive Director ^{A, R}

- Chairman and CEO of First Reserve
- Chairman of Dresser-Rand and CHC Group (both NYSE)
- NED of Weatherford International (NYSE)

John Mack



Non Executive Director ^{R(C),N}

- Former CEO of Morgan Stanley
- Member of the Advisory Board of CIC, of International Business Council of WEF, of NYC Financial Services Advisory Committee and of Shanghai International Financial Advisory Council

Patrice Merrin



Non Executive Director ^H

- Former COO of Sherritt and of Luscar (Canada's largest coal company)
- Former Chair of CML Healthcare (then TSX)
- NED of Stillwater Mining (NYSE)

Forward agenda

- Total board commitment to improving safety performance
- Continue to contribute to socio-economic development wherever we operate and identify partners to achieve lasting change on the ground
- Transparent and open dialogue with all our stakeholders
- Active role in shaping the global mining industry's response to society's concerns:
 - » EITI
 - » ICMM

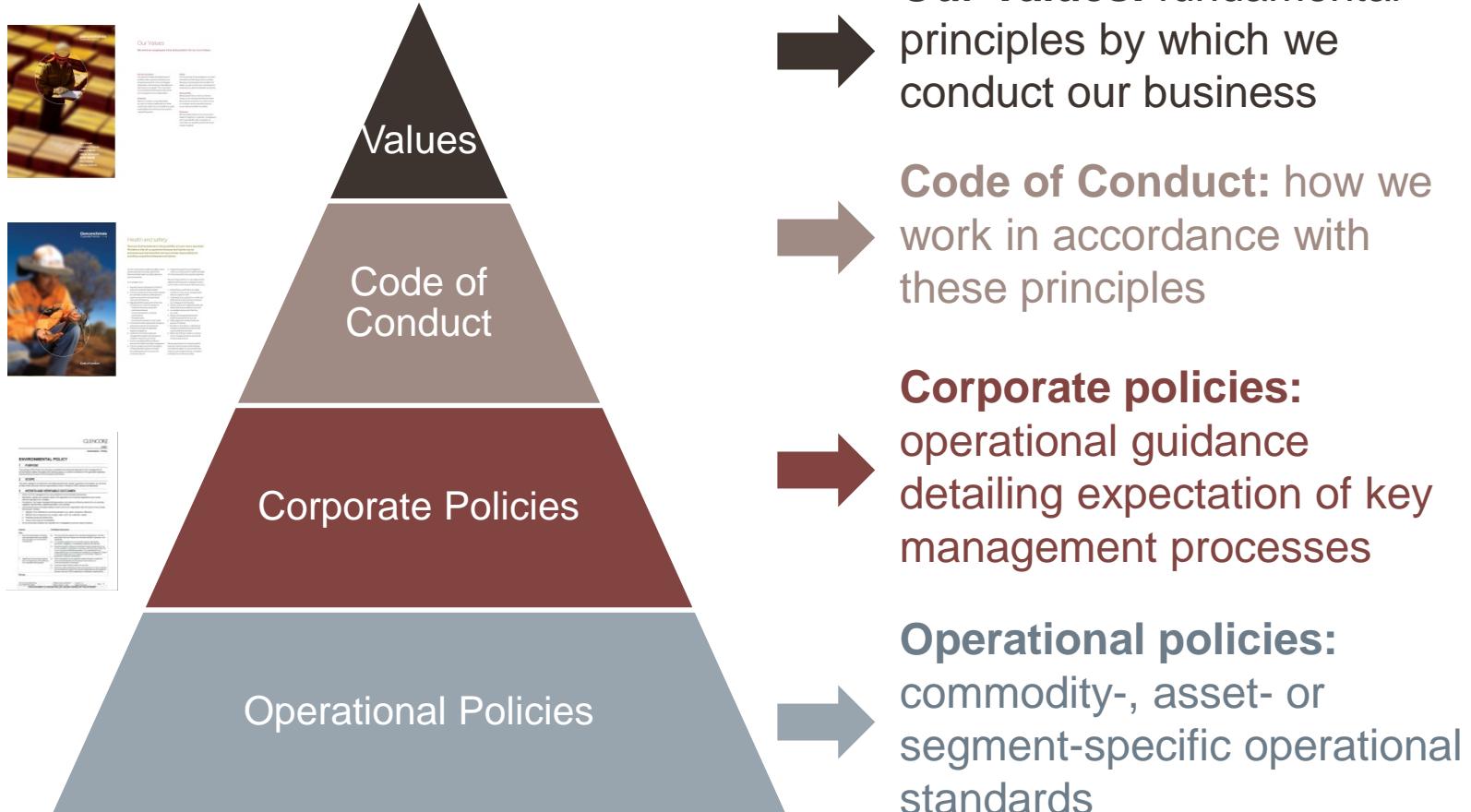
A photograph showing a worker from the side, wearing a white hard hat, dark green work clothes with a high-visibility yellow-green stripe on the sleeve, and a white respirator mask. The worker is leaning over, working on a large piece of industrial equipment with a red-painted metal frame. In the background, there are several large, light-colored brick walls and a green double-door entrance under a metal roof.

GLENCORE

Overview of Sustainable Development

Peter Coates

Approach to SD: Glencore Corporate Practice (GCP)



SD Governance - Role and Responsibilities of the Board

To review and endorse the Group Values and ensure that the corporate policies and Code of Conduct reflect these values.

To ensure that the Values, policies and Code of Conduct are effectively communicated throughout the organisation.

To ensure that, at an operational level, we have policies, procedures and systems in place, which are consistent with the Group Values, policies and Code of Conduct.

SD Governance – Meeting our Obligations

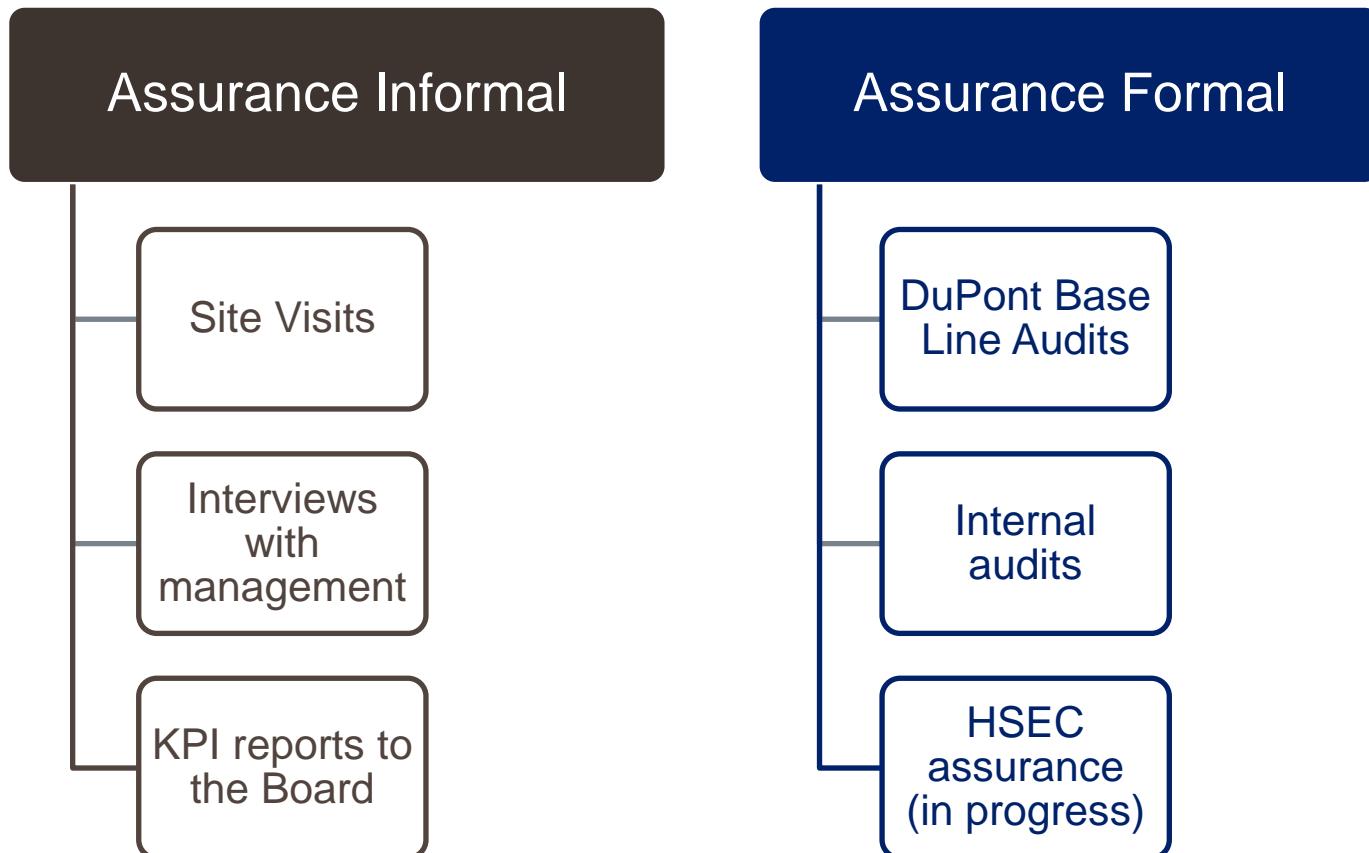
Sustainability is embedded across the organisation:

- At **Board** level, HSEC Committee, which includes the Chairman and CEO, oversees the development and implementation of corporate policies and strategic programmes.
- At **Group** level, corporate policies and standards are developed and, after endorsement by the HSEC Committee, are rolled out and implemented at asset level in collaboration with management.
- At **Operational** level, department and asset HSEC teams develop specific operational standards to govern their operations and projects and oversee performance.



NB: All of our departments have industrial and marketing functions.

SD Governance – Meeting our Obligations



SD Governance - Progress

Since our inaugural SD presentation in November 2013:

- Chairman appointed
- Female Director appointed
- Admitted to membership of ICMM
- Climate change position in progress
- Anti Bribery and Corruption policy made public
- Developed and made public the Human Rights policy
- HSEC assurance process developed
- Senior management involvement

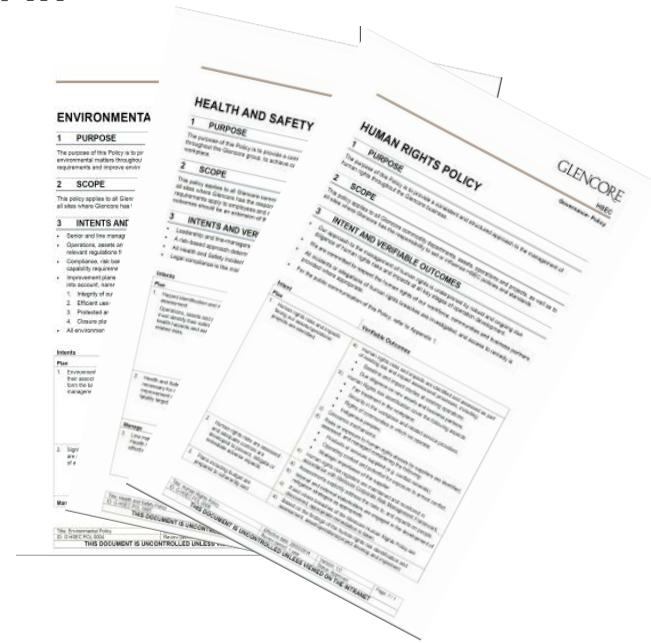
These were all issues raised at the November 2013 meeting

Corporate policies

Nine internal HSEC policy documents launched in early 2014:

- » HSEC Management Framework
- » Health & Safety
- » Environment
- » Human Rights
- » Community & Stakeholder Engagement
- » Catastrophic Incidents & Hazards
- » Emergency Response & Crisis Management
- » Risk Management Framework
- » Assurance Policy

- Policies address key risks based on materiality assessment and stakeholder feedback
- Policies include ultimate intents and supporting verifiable outcomes, which will be used in the assurance process



Safety

- Improvement of safety performance remains an absolute priority for the board and the management team
- Board continues to review all fatal incidents and share the learning across the group
- 26 fatalities in 2013, all fatalities are unacceptable
- 19 of the 26 fatalities occurred in operations with legacies of nationalisation and challenging operational conditions; we maintain an absolute focus on achieving a turnaround at these sites and leveraging best practice from sites with strong performance

Focus on developing world

- We are deliberately focused on brown-field operations, often in challenging locations, with diverse organisational culture and complex legacy issues.
- We believe that the need for strong standards is often greatest at these operations, and we recognise the value our presence and leadership can provide in this regard.
- We make a commitment to take on the sustainability challenge, create value and enhance sustainable development



External Commitments

Memberships:

- International Council on Mining & Metals: admitted as member in May 2014, following a rigorous assessment process
- Voluntary Principles on Security and Human Rights (application in progress)
- UN Global Compact
- Extractive Industries Transparency Initiative

Reference Standards:

- Universal Declaration on Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work

Disclosure:

- Admitted into Dow Jones Sustainability World Index
- Participate in Carbon Disclosure Project (carbon, water)

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM 

 **CDP**
DRIVING SUSTAINABLE ECONOMIES

ICMM
International Council
on Mining & Metals

EITI 
Extractive
Industries
Transparency
Initiative



GLENCORE

2013 Performance and Next Steps

Ivan Glasenberg

Glencore – the most diversified major

Strong inaugural full year results

- Resilient performance from marketing activities
- Continued delivery of growth assets
- Improving position in cost curve for industrial assets
- Significant real cost reductions
- Benefits of diversified model

Strong, visible growth in free cash flow over the next two years

- Diversified commodity and business mix
- Significant capex decline following peak in 2012/2013
- Strong industrial growth for 2014-16 with numerous organic and other growth options beyond
- Favourable outlook for our key commodities

.... and an owner-management team with clear investment criteria and a commitment to return excess capital

Group-wide focus issues

Safety:

- Number one priority is to provide a safe working environment

Environment:

- We seek to minimise the impact our activities have on the environment

Human rights:

- We are committed to upholding human rights of our stakeholders

License to operate:

- Our contribution to the local economy is vital to maintain local goodwill and acceptance

Compliance:

- We maintain a consistent compliance management process across the organisation



GlencoreXstrata
Sustainability Report 2013

SD Performance 2013

- 26 fatalities
- Zero catastrophic environmental incidents
- \$180 million in community investments
- Substantial operational upgrades with significant environmental benefits:
 - *New acid plant at Mopani, Zambia, to reduce SO₂ emissions by 97%*
 - *New coal port in Cienaga, Colombia, a direct loading facility that significantly reduces dust and pollution*



Safety: Top Management Priority



SAFEWORK

SAFEWORK

SAFEWORK

SAFEWORK

SAFEWORK

частных случаев и
ости — наш высший

актуальную позицию в области обеспечения
в. Мы уверены в том, что способны полностью
сделать для этого все возможное. Все
 усилия к распространению этих прогрессивных
 практик продвинулись вперед за довольно короткий
 промежуток времени. Это первый шаг к достижению поставленной нами
 цели: предотвращения несчастных случаев и
 смертей на рабочем месте.

Fatality Prevention and Safety – Our Top Priority

"It is Glencore's intent to become a leader in the field of safety and fatality prevention. We believe that we can and will eliminate fatalities from our workplaces. We are working hard together to share excellence across the group and have already seen substantial improvements in a short timescale. This initial success is the first step towards our objective: leading our industry in fatality prevention and safety."


Ivan Glasenberg

GLENCORE

GLENCORE

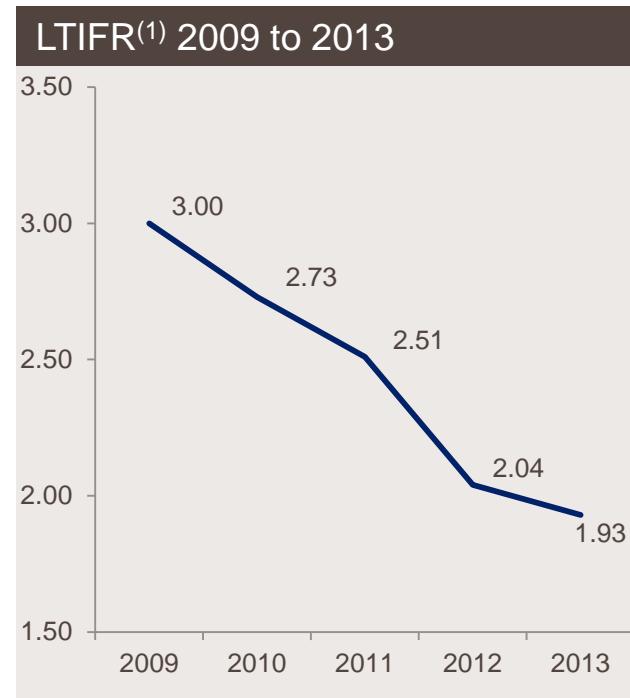
Safety: Performance

We deeply regret 26 fatalities that occurred at our managed operations in 2013

- Continued improvement in LTIFR: 3.0 (2009) to 1.9 (2013)

Challenges remain:

- 77% of fatalities occurred in emerging economies (excluding Chile/Peru), including would be 89%
- 62% of the fatalities occurred in historically complex locations with legacy issues
- Challenging mining conditions: 45% of fatalities occurred in the underground mines
- 88% of the fatalities related to six fatal hazards



Commitment to transforming our approach and achieving leading performance:

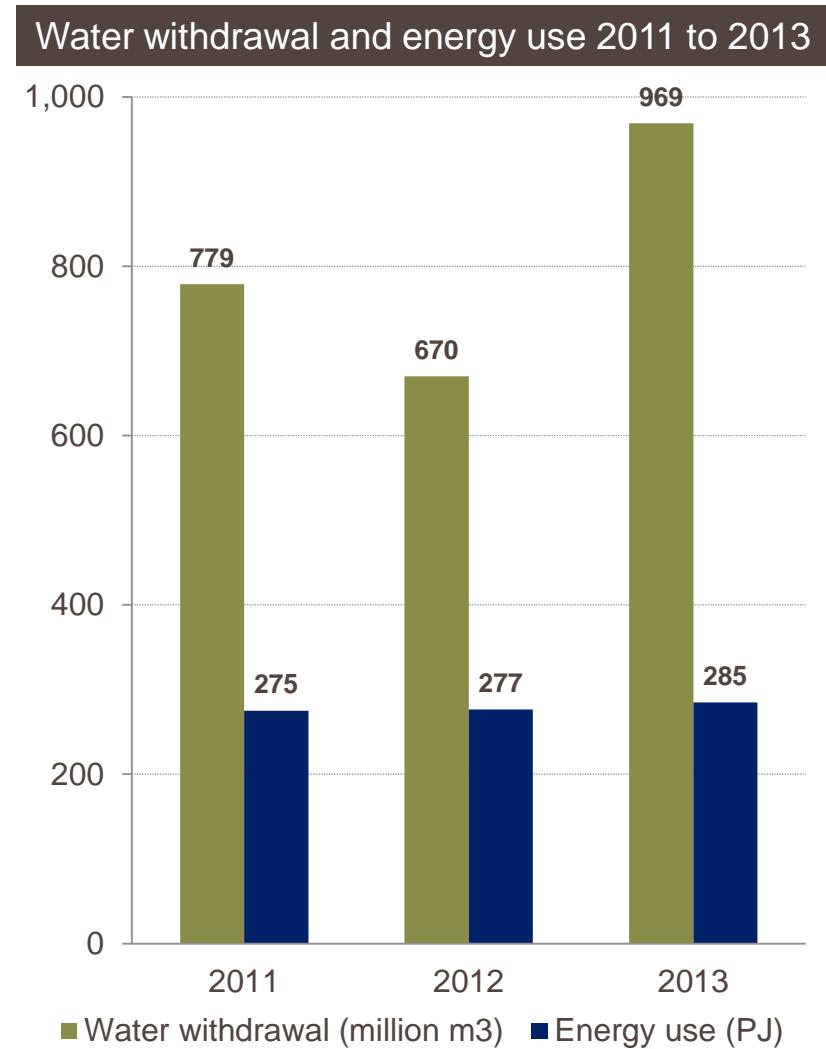
- Leadership summit in February 2014 sent a strong message of commitment by the leadership team
- Continued focus on the sites with the most fatalities and six main contributing fatal hazards
- Expertise from well-performing departments leveraged across the organisation, packaged in SafeWork programme

Environmental performance 2013

Our Group environment policy commits us to identify, understand and mitigate our environmental impacts as part of strategic planning and day-to-day operations.

2013 highlights:

- Zero catastrophic environmental incidents
- Development of Glencore Environment Policy



Communities and Human Rights: performance highlights 2013

- Successful resettlement of Plan Bonito, Colombia
- Working in partnership with governments and local stakeholders to ensure programme efficiency and alignment with national objectives: DRC, Colombia, South Africa, Zambia
- Programme to align security practices with Voluntary Principles on Security & Human Rights in high-risk locations



Socio-economic contribution

We seek to leverage our core business to achieve meaningful, sustainable development

- **Local procurement:** where possible, we source locally
- **Local employment:** we provide training to local people to qualify for skilled jobs
- **Enterprise development:** we provide microfinance and mentoring to foster local businesses inside and outside our supply chain
- **Synergies from mine infrastructure:** we ensure that mine related infrastructure (roads, airports, etc.) benefits local community and supports development
- **Social investment:** we invest in public healthcare and education and support basic services such as provision of water and sanitation

2013 Economic Value Distribution	
Payments to suppliers	70,491
Royalties and taxes	3,698
Employees	4,288
Community	180
Capex	8,790

Compliance

- Business Ethics Committee
- 115 Compliance Coordinators at marketing offices and industrial operations worldwide
- policies (publicly available on website), training and screening
- zero-tolerance for bribery, sanctions violations or participation in other criminal, fraudulent or corrupt practices

Policies



Screening



Fostering market transformation

- Signatory of the Extractive Industries Transparency Initiative (EITI); support in-country efforts to strengthen fiscal transparency.
- Actively contribute experience and insight to help evolve national legislative frameworks and practices wherever we operate:
 - **Kazakhstan:** input into evolving tax regime
 - **Mauritania:** active engagement to achieve EITI compliance
 - **Zambia:** participation in Mining Partnerships for Development to establish a baseline for mining's contribution to growth

Looking ahead

Safety:

- Zero fatalities
- 20% reduction in LTIFR

Environment:

- Zero serious environmental incidents
- Develop a water management strategy

Human rights:

- Align security management processes with the Voluntary Principles

Social:

- Maintain contribution to socio-economic development in our communities

[Our approach](#) | [Our focus areas](#) | [Additional information](#)

5. Performance and targets

Going forward

The GCP programme addresses our key sustainability targets for the next 3 to 5 years. This report presents the current GCP programme, which we are continually developing.

Our Group sustainability team defines the strategic objectives that drive improvements in Group performance over the medium to long term. The objectives are informed by materiality assessment and linked to major focus areas and major KPIs, plus key risks and opportunities for improvement across our business.

Group objectives for 2014

GCP framework

- Implement Group HSEC policies, with implementation checked via our internal assurance programme. Full implementation by the end of 2015
- Conduct material assurance pilots in line with our HSEC assurance policy
- Implement necessary procedures to allow the first full assurance cycle in 2015

Safety

- Zero fatalities
- Group and divisional/departmental LTIFR figures to reduce by 20% compared to 2010 baseline figures

Health

- Zero new cases of occupational illnesses from current exposure
- Continue to support major public health initiatives, eg HIV/AIDS, TB, malaria, in areas where material community health concerns have been identified
- Develop local reporting of appropriate indicators in regions where material public health risks have been identified (end 2014)

Environment

- No major environmental incidents
- Develop a Group water management strategy

Social

- Continue to set aside 1% of annual Group profits for community investment activities

Human rights

- Achieve corporate membership of the Voluntary Principles on Security and Human Rights plenary group
- Integrate Voluntary Principles requirements into our guidance documents for security framework arrangements and risk assessment processes

Product safety

- Register substances produced/imported in low volumes with REACH (deadline 2018)
- Assess the feasibility of expanding the automated SDS system globally
- Develop product safety policy

Sustainability Report 2013

Conclusion: Glencore today

Total Board and management commitment to achieve leading SD performance:

- Xstrata integration complete
- Nine HSEC policies address areas of material risk
- SafeWork programme launched at focus sites
- Board reconstitution completed with the appointment of Patrice Merrin
- Membership of the ICMM

Mount Owen coal rehabilitation, Australia



GLENCORE

Q&A

