

Our Approach to Sustainability





We are committed to working sustainably

We are committed to creating value for all of our stakeholders in a manner that is responsible, transparent and respects the rights of all.

We uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights. We work in accordance with a number of specific international frameworks, including the:

- Core Conventions of the International Labour Organization (ILO)
- UN Guiding Principles on Business and Human Rights (UNGPs)
- Extractive Industries Transparency Initiative (EITI)
- Global Reporting Initiative (GRI)

We are committed to eliminating fatalities, injuries and occupational disease in our workplaces, and continually look for new ways to improve the wellbeing of our people, employees and contractors alike.

In 2014, we signed up to the United Nations Global Compact (UNGC), aligning our strategies and operations with the UNGPs, which cover human rights, labour, environment and anti-corruption. The UNGC also encourages participants to support the UN Sustainable Development Goals (SDGs), with an emphasis on collaboration and innovation.

In that year, we joined the International Council on Mining & Metals (ICMM) and endorsed its sustainable development framework principles.

In March 2015, we became a corporate participant in the Voluntary Principles on Security and Human Rights (Voluntary Principles) Initiative. We have been implementing the Voluntary Principles at those of our assets with a high risk of security-related human rights breaches since 2013. We report on our progress in an annual report to the Plenary, relevant sections of which are available in our sustainability report.

The standalone reports we make as part of our commitments to the UNGC, ICMM, EITI GRI, Voluntary Principles Initiative and CDP (water) are submitted to those bodies and can be found on their websites as they make them available.

In addition, our annual GRI databook, our payments to governments report and further information on our sustainability activities can be found at: www.glencore.com/sustainability/our-progress/reports/

Our Group sustainability management framework incorporates all of these commitments

Chairman and Chief Executive's introduction



I am pleased to present this publication setting out the Glencore Group's approach to working sustainability.

It explains our full thinking on sustainable development, from the underlying principles and values upon which we base all our activities, to the details of our approach to the issues that affect our operations.

This publication supplements the annual figures and statistics that we release showing our sustainability performance for each year.

I hope that together, these reports make our commitments and priorities clear, as well as charting our progress towards our goals.

Tony Hayward
Chairman



Responsibility is one of our core values; we are committed to operating safely, managing our environmental footprint, and contributing to sustainable local economies.

We report annually on our sustainability performance to inform and support our ongoing dialogue with stakeholders. To continue to meet these needs, we have developed this complementary publication, which seeks to give full details of our approach and the thinking behind how we tackle the material sustainability issues facing our operations.

We welcome feedback on our reporting so that we can continue to develop how we may best present this information.

Ivan Glasenberg
Chief Executive Officer

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Who we are

Glencore plc is one of the world's largest natural resource companies. Active at every stage of the commodity supply chain and uniquely diversified by geography, product and activity, we maximise the value we create for our business and our diverse stakeholders.

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

Our operations comprise over 150 mining and metallurgical, oil production and agricultural assets, handling over 90 commodities. Our integrated diversified structure allows us to capture value at every stage of the supply chain, from sourcing raw materials to delivering products around the world, to customers in industries from automotive, to food processing, to power.

Our activities are supported by a global network of more than 90 offices in over 50 countries. We employ around 146,000 people, including contractors.

We take our responsibilities to our people, to society and to the environment seriously, and align all our activities with the relevant international standards.

Our global network

We divide the assets and activities of our business into two categories: industrial, which involves commodity production and processing; and marketing, which covers trading and sales activities, as well as the infrastructure and resources used to transport products to customers.

- Key
- Metal and minerals sites
 - Energy products sites
(Number of assets where grouped)
 - Agriculture sites
 - Corporate offices
 - Marketing office/other

Our company is structured into three business segments:



Metals & Minerals

We produce and market a diverse range of metals and minerals, including copper, zinc, lead, nickel, ferroalloys. We also market alumina and aluminium and iron ore from third parties. We have interests in both controlled and non-controlled industrial assets that include mining, smelting, refining and warehousing operations.



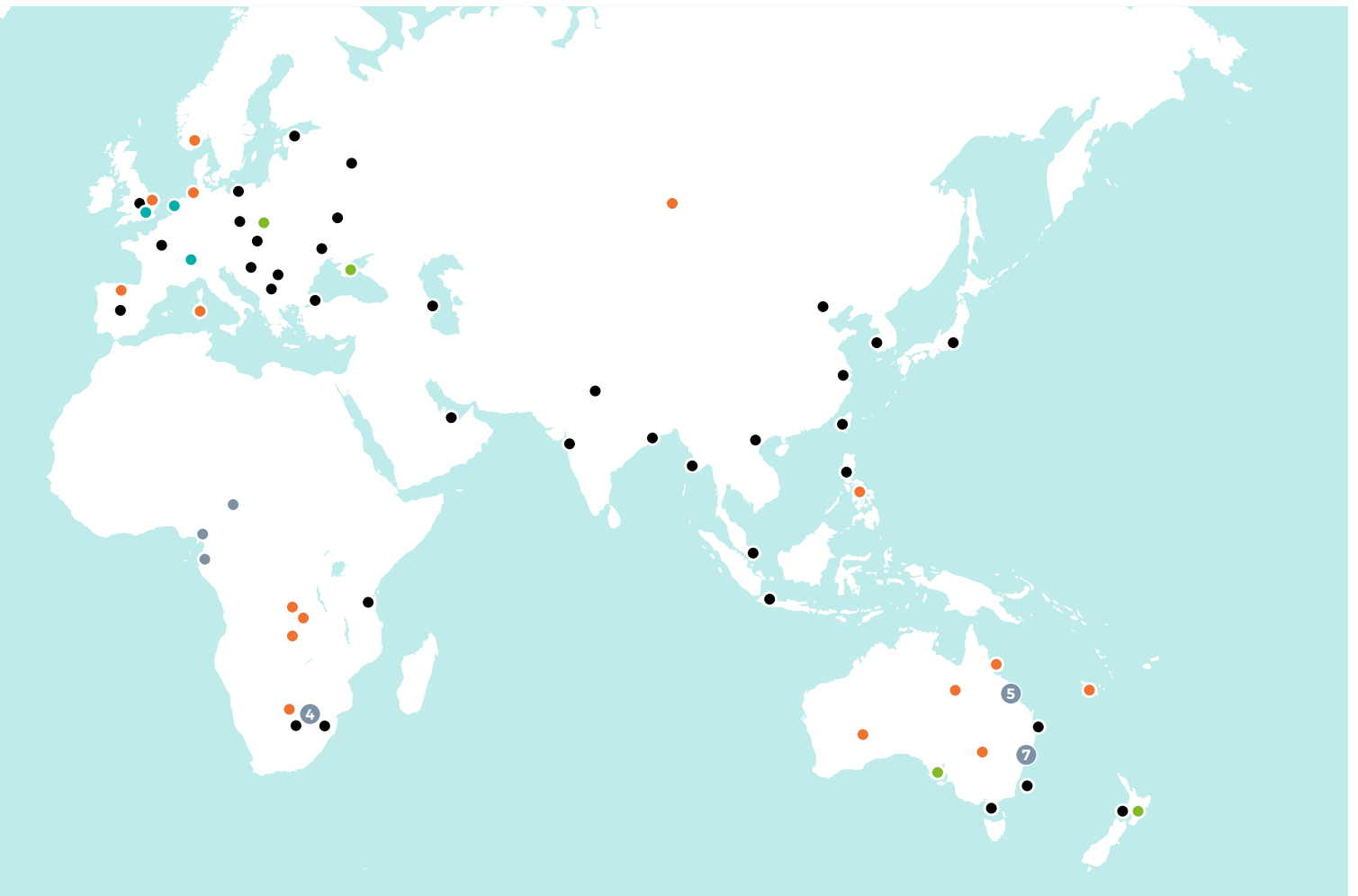
Energy Products

We are a major producer and marketer of coal, while our oil business is one of the leading marketers of crude oil refined products and natural gas. We also have investments in strategic handling, storage and freight facilities.



Agriculture

We have a 49.9% interest in Glencore Agriculture, a global leader in the sourcing, handling, processing and marketing of agricultural products. Glencore Agriculture has controlled and non-controlled storage, handling and processing facilities in strategic locations.



Our sustainability approach

Glencore's main strategic objective is to grow total shareholder returns in a sustainable manner while maintaining a strong investment grade rating and acting as a responsible operator.

We recognise our ongoing responsibility to not only deliver financial performance but also make a positive contribution to society and create lasting benefits for stakeholders in a manner that is responsible, transparent and respectful to the rights of all.

To achieve our strategic objective, we are focusing on three strategic imperatives: to integrate sustainability fully throughout our business; to maintain a robust and flexible balance sheet; and to focus on cost controls and operational efficiencies throughout our entire business.

Our approach to integrating sustainability throughout our business has clearly defined imperatives, objectives, priority areas and targets. It supports meeting legislative requirements, managing the catastrophic hazards associated with our business, and maintaining our societal licence to operate.

Sustainability framework



Applying the sustainability framework

Oversight from the top

Oversight and ultimate responsibility for our Group sustainability strategy and framework as well as its implementation across the Group rests with our senior management team. This includes our CEO and CFO, and the heads of our commodity businesses. They also take a hands-on approach to monitoring and investigating sustainability activities around the Group.

Board HSEC committee

Our highest governing body is our Board of Directors. Our Board is headed by our non-executive chairman and includes six non-executive directors as well as our chief executive, Ivan Glasenberg. They have appointed a Board committee for health, safety, environment and communities (HSEC), which deals with sustainability matters.

Our Board HSEC committee sets the strategic direction for Glencore sustainability activities and oversees the development and implementation of strategic sustainability programmes. The committee regularly evaluates the effectiveness of our systems for identifying and managing sustainability risks, and considers our overall performance. It assesses the Group's ability to comply with relevant regulatory requirements and the impact of our sustainability decisions and actions on our reputation. It reviews the strategies and action plans developed by management and the results of internal sustainability audits and assurance activities.

The committee is chaired by Peter Coates (a non-executive director); the other members are Ivan Glasenberg (our CEO), Tony Hayward (our Chairman) and Patrice Merrin (an independent non-executive director). Committee meetings are held before Board meetings, with minutes circulated to the Board. At each scheduled Board meeting, the Chair leads a discussion concerning the committee's activities since the previous Board meeting. Members have the experience and sector-specific expertise to provide robust leadership, with access to the training and external technical expertise needed to carry out their duties.

Information flow to the HSEC committee

In the event of a fatality or a major incident, whether this concerns safety, health, community, human rights or environmental matters, the committee reviews the incident investigation, its findings and next steps, working with the management of the mine and Group senior management. The information they receive covers the nature of the incident, the actions taken and details of subsequent investigations.

Our sustainability framework is the primary vehicle for collection and reporting of sustainability information to inform our business strategy.

Our sustainability database monitors, measures and tracks the sustainability performance of our assets. This information is a key input into corporate decision making on business strategy. There is a monthly cross-commodity business HSEC meeting and an annual meeting of all senior HSEC practitioners. These regular meetings allow reporting on performance, trends, operational changes and regulatory compliance.

The HSEC committee also receives regular updates on long-term strategic sustainability projects, trends and developments.

Responsibilities of the HSEC committee¹

- Evaluate the effectiveness of the Group's policies and systems for identifying and managing environmental, health and safety risks within the Group's operations
- Assess the Group's policies and systems for ensuring compliance with environmental, health and safety regulatory requirements
- Assess the performance of the Group with regard to the impact of HSEC decisions and actions upon employees, communities and other third parties; assess the impact of such decisions and actions on the reputation of the Group
- Receive reports from management concerning all fatalities and serious incidents within the Group and actions taken by management as a result of such fatalities or serious incidents, on behalf of the Board
- Evaluate and oversee the quality and integrity of any reporting to external stakeholders concerning environmental, health, safety and community relations issues, on behalf of the Board; and
- Review the results of any independent audits of the Group's performance with regard to HSEC matters, review any strategies and action plans developed by management in response to issues raised and, where appropriate, make recommendations to the Board

¹ The committee's full terms of reference documentation is available at www.glencore.com/assets/who-we-are/doc/20140910-TermsOfReference-HSEC.pdf

Our sustainability approach

continued

Our sustainability teams

Our Group sustainability team and departmental sustainability leads provide guidance and thought leadership.

The Group team is formed by representatives from our sustainable development, HSEC risk management and HSEC audit functions. It develops and oversees implementation of sustainability policies and improvement programmes, as well as delivering relevant assurance processes. The team also reviews the sustainability aspects of our Code of Conduct and revises them as necessary. It provides regular updates to the HSEC committee, both formally through the committee's scheduled meetings, and on an ad hoc basis when required.

Our Group sustainability team and departmental sustainability leads deal with catastrophic and fatal hazard management, mitigation of environmental impacts, identifying relevant trends, management of community relations and engagement with local stakeholders. They also take responsibility for product stewardship, and record and report progress against KPIs.

They are responsible for engagement with other external stakeholders as well, analysing their perceptions of Glencore, understanding their expectations and translating them into practice on the ground.

They perform materiality assessments that consider input from our business and other stakeholders, which inform our strategic overview on sustainability.

Our larger assets have their own sustainability teams; along with the departmental leads, they are responsible for implementing Group sustainability policies within their assets and making sure that we achieve our sustainability goals. They manage the sustainability risks specific to their commodities or regions, and support department-level HSEC assurance.

Training on sustainability and good business practice

Our marketing, administrative and supervisory employees and contractors undertake e-learning training on the Code of Conduct, which includes guidelines on raising concerns. Individuals who may need to interact with third parties undertake e-learning training on our Global Anti-corruption Policy, which includes guidelines on giving and receiving gifts and entertainment.

Most of our people do not have regular access to a computer; their training takes more traditional forms, including induction sessions, pre-shift general training and 'toolbox talks.'

Sustainability risk management

Sustainability risk management across the Group is based on our general approach to the identification, assessment and mitigation of risk. We manage risk proactively to create and protect value, encourage continuous improvement and support business decision making.

General risk management

Glencore is exposed to a variety of risks that can affect our business and prospects, future performance, financial position, liquidity, asset values, growth potential, sustainable development and reputation. Risk management is one of the key responsibilities of the Board and its Audit and HSEC committees.

At every level of the Group, we continually manage risk as part of our day-to-day business. Risk management is fully integrated into our business planning and decision-making processes, with clearly defined roles, responsibilities and key competencies. We require our assets to provide resources and training on our risk management processes for both employees and contractors.

The Glencore risk management framework and its supporting guidelines apply to all the assets over which we have operational control. The framework is aligned with international standards and provides a standardised approach to managing risk relating to health, safety, environment, community, human rights, and financial, legal and reputational matters.

We use the framework to identify hazards, particularly those with potentially major or catastrophic consequences, and to develop management plans to address and eliminate, or mitigate, the related risks. Our risk management tools include mandatory protocols, training packages, software and reporting processes. We prioritise the development of protocols for fatal or catastrophic hazards based on the level of risk.

We maintain a register of HSEC risks and management plans and continually monitor and review performance against these plans, communicating risks and responsibilities to the relevant stakeholders. We also undertake regular internal reviews of our risk management effectiveness as part of our continuous improvement process.

Risk management responsibilities

Our Group sustainability team provides detailed sustainability risk management guidance material aligned with ICMM guidance, and audit any catastrophic and fatal hazard management plans that relate to sustainability. They also sign off on sustainability aspects of the Group risk management framework.

Our Group risk management team work with the management of each department on their individual assurance programmes, to support their focus on fatal and catastrophic events.

Detailed risk management plans and processes for each commodity department are set and implemented at the appropriate departmental level, along with the application of these processes. This level also monitors the implementation of those plans and the effectiveness of the plans' controls, and keeps a departmental risk register.

The management of each asset is responsible for implementing, monitoring and reviewing its own risk management processes, as well as maintaining local risk registers.

Our assessment process begins with a Group-wide review of material topics at global and local levels. This identifies topics raised during structured engagement activities, by a broad range of internal and external stakeholders. It considers the issues that affect our peers and the entire sector, assessing media coverage and feedback from local communities. In addition, we take into account geographic, economic, social and other locally-appropriate factors. Our approach recognises that risks identified at local and regional levels may differ to those salient at a Group level. Our decentralised business model supports the corporate and asset teams managing, mitigating and eliminating risks as appropriate.

Sustainability assurance

Our sustainability assurance processes have been designed to support our management's assessment of risk, and to provide assurance over the key controls in place to mitigate this. Our processes have three elements:

1. General risk management: our risk management framework is used throughout the Group to identify hazards, particularly those with potentially major or catastrophic consequences, and to develop management plans for the related risks. For further details see Sustainability risk management.
2. Self-assessments: our assets complete annual self-assessments against Group sustainability policies and fatal hazard protocols. The results are used to drive performance and to identify any gaps. Our external auditor checks the work of some sample assets for data accuracy and policy compliance as part of our annual sustainability data audit.
3. HSEC auditing: our HSEC Assurance Policy specifies HSEC auditing activity at both Group and departmental levels.

Our audit programme primarily focuses on catastrophic hazards. The Group HSEC risk management and audit teams support each department's own verification and audit team.

Our sustainability approach

continued

Implementing external feedback

We continually monitor feedback from our peers and stakeholders to understand emerging expectations around risk management, both in our industry and the regions in which we work. We translate this feedback into the evolution of our risk management practices.

Department-level audit programmes

Each department implements their own internal and external auditing, covering areas such as catastrophic hazards, fatal hazard protocols, HSEC policies, legal compliance and HSEC data. Audit activities are planned, risk-based and developed specifically for the needs of each asset or project.

Group-level audit programme

We have a separate, dedicated Group HSEC audit team to assess our

management of catastrophic hazards. The team's audit programme evaluates the effectiveness of our sustainability risk identification, assessment and management, as well as how well we disseminate information on risks, controls and best practice across the Group. The programme is reviewed every three years by an independent third party.

Our HSEC audit function is separate from our other business functions and includes highly qualified internal and independent subject matter experts who support following up and verifying findings. Our Group HSEC audit team delivers auditing of our catastrophic hazard management on an arms-length basis.

In 2016, we introduced a portfolio approach to catastrophic hazard

management, to identify priority areas. We consider how each hazard affects different types of operation and assets across the Group, to understand our full exposure to each hazard, and to focus on priority assets or activities.

We also introduced multi-disciplinary assessments, allowing us to audit more complex issues from a range of viewpoints for a more robust appraisal. They are suitable for reviewing complex operations and activities with many different risk factors, such as underground operations (where subjects may include strata control, fire & explosion, inrush and outburst, infrastructure, power), open pit mines and metal processing plants.

The results of all audits are presented to the Board HSEC committee, together with key findings, observations and good practice.

Our sustainability strategy

Our Group sustainability strategy is reviewed each year by the Group sustainability team, working with the sustainability teams from our individual assets and commodity departments. They ensure that it is fully aligned with our business requirements and the expectations of our external stakeholders.

The strategy organises our activities into four core pillars: health; safety; environment; and community & human rights. It has clearly defined imperatives, objectives, priority areas and targets. It helps us to meet legislative requirements, manage the catastrophic hazards associated with our business, and maintain our societal licence to operate.

Our commodity departments and assets align their annual HSEC plans to the strategy.



Health

Become a leader in the protection and improvement of our people's and communities' wellbeing



Safety

Become a leader in workplace safety, eliminating fatalities and injuries



Environment

Minimise any negative environmental impact from our operations and apply the precautionary principle in decision-making



Community and human rights

Foster sustainable growth and respect human rights wherever we operate

There are three further areas of activity that cut across all four of these pillars. Our efforts relating to product stewardship, our people and compliance underpin all our work on sustainability, making them essential topics for measurement and reporting.

Raising concerns

If one of our permanent or temporary employees, contractors, suppliers or other stakeholder encounters a situation that appears to breach Glencore's Code of Conduct or our policies, they can choose to report this through local channels, with a supervisor or manager.

If the concern remains unresolved, we have formal, transparent mechanisms for whistleblowing, called Raising Concerns, which is accessible for anybody to utilise. The specific mechanisms vary to reflect local conditions, such as internet availability and languages spoken, to ensure ease of use. Calls to the local Raising Concerns number are free of charge and are routed to a local compliance person who speaks the local language.

Concerns can be raised on an anonymous basis via email or the Glencore.com website. The confidentiality of those involved is respected and identities are only shared where it is necessary for addressing the concern or is required by law. We have a zero tolerance approach for retaliation against any employee, contractor or third party who reports a concern in good faith and, where required, provide appropriate support for those raising a concern.

We publicise the local mechanisms through dedicated training, both e-learning and in person, and visual material, such as posters, available widely throughout work sites.

Our Compliance team reviews and assesses promptly all queries raised through the Raising Concerns channels. All queries raised via these 'Raising Concerns' channels are reviewed and assessed promptly' and all complaints and grievances are registered and investigated. When appropriate, our Compliance team informs the complainant of the steps taken to address their concern, including, if necessary, escalation steps.

Stakeholder engagement

A key part of our commitment to operating responsibly is to develop, maintain and strengthen our relationships with all of our stakeholders. We need constructive relationships with our stakeholders to run our business. We engage in a transparent and open manner with a broad range of stakeholders throughout the lifecycle of our assets, recognising that robust relationships are essential for our social licence.

The geographies and markets in which we operate are becoming ever more complex, making healthy stakeholder engagement even more important. We maintain an open door policy, and welcome visits from stakeholders to help them better understand our approach and provide feedback.

We engage with all stakeholder groups to build meaningful relationships and understand their expectations and aspirations. We develop constructive relationships on local, national, regional and international levels, as well as fostering public dialogue and contributing to legislation development in sectors that affect our business.

We require that our assets identify their stakeholders, taking particular care to determine vulnerable groups, such as women, children and indigenous people. Each asset must complete a stakeholder assessment, covering all stakeholder circumstances, needs and concerns, as well as potential impacts, risks and opportunities for that asset. From this assessment, the asset designs an engagement strategy, which may include procedures for information sharing, consultation and collaboration.

This strategy aligns with the asset's business objectives and changes to its lifecycle, as well as local concerns and the broader socio-economic situation in the region. Senior management at each asset are aware of progress in implementing these strategies, which we also report on to the local communities involved.

We require assets to review their stakeholder strategies at each stage of their lifecycle to ensure that we continue to be aware of stakeholder priorities and needs. We provide our stakeholders with information in a wide range of ways, tailored to the local context, that vary across the Group. These include radio broadcasts, site publications, regular town hall meetings, and individual meetings with the community.

All our operations are required to have grievance mechanisms that are accessible, accountable and fair, and that enable our stakeholders to raise concerns without fear of recrimination.

Our approach is to continue to improve engagement activities with all stakeholders and identify further opportunities for interaction. This minimises our negative societal impact, optimises the value we bring to local communities, and maintains our licence to operate.

Our stakeholders include our employees and contractors, host communities, civil society, unions, governments, business partners, investors and the media. We conduct dialogues on local, national, regional and international levels. We hold regular face-to-face meetings, conference calls and participate in multi-stakeholder discussions.

Our sustainability approach

continued

Workforce

Our people are critical to our success. We want to maintain a cohesive culture throughout Glencore, with everyone focused on the same goals. Our internal communications support an efficient working environment, with effective collaboration. We recognise that individual assets often have close links with the surrounding regions, with many employees coming from local communities. We are acutely aware of the impact our operational decisions have on our host communities.

Whenever there are significant organisational changes – closures, acquisitions, mergers or divestitures – we consult, communicate and provide appropriate support to our people and local communities. Our employees receive regular briefings on a wide range of sustainability matters and we hold transparent negotiations with union officials to discuss wage and benefit agreements.

Communities

Our community liaison teams have well-established contact networks within local communities and decision-making authorities. They meet and engage with the communities around our assets, to share information about our business activities, key risks and control measures, and to help us understand their views. We adapt our approach to the operational and cultural environment; but it can include open-house sessions, formal engagements, meetings and face-to-face discussions. We have accessible grievance mechanisms to help our host communities make requests and raise concerns.

Civil society

We engage with NGOs, think tanks and business associations that share our interests and concerns. These could be broad policy issues with a global or national reach, or local matters that affect the communities close to our assets. We welcome constructive feedback on our activities, and seek to engage with all our critics transparently and constructively. We maintain an open-door policy, with our CEO and other senior management ready to meet anyone with genuine concerns about our practices. Wherever possible, our assets use their local knowledge to identify and affiliate with appropriate local partners and develop good working relationships with local and national governments. We continually work to strengthen our partnerships with organisations dedicated to tackling societal problems in the areas where we operate.

Labour unions

We are committed to working honestly and openly with labour unions at our operations and undertake negotiations in good faith. Unions play an active role in safety committees at many sites, and in regions impacted by HIV/AIDS, union representatives participate in health steering committees.

Government

Our activities are heavily regulated, and our operations are directly affected by evolving government legislation and policy. Regular contact allows us to understand governmental views and aims, and to plan for regulatory changes and better react to them. We develop constructive relationships with national, regional and local governments in the countries where we operate, and maintain regular dialogue on all relevant issues, presenting our views on key legislation, policy and issues. We may do this individually, collectively with other companies or organisations, or as part of an industry association. We foster public dialogue and contribute to the development of sound legislation in areas that affect our business. In all dealings with governments, we conduct ourselves according to the highest ethical standards. We engage with regulators at all levels of government through regular meetings, audits and site visits.

Business partners

We maintain good relationships with our suppliers and partners, regularly engaging with them to understand their views, expectations and perspectives. We are also active in many product stewardship institutions, where we work to promote the safe use and handling of our products.

Our procurement supply chain sustainability objectives are formalised in our Code of Conduct, which we refer to in our contracts, and we conduct due diligence on prospective partners, with an eye to both quality assurance and upholding human rights.

Customers

We are committed to providing an exceptional level of service. We research the health, environmental and societal impact of our products. We share our understanding of the qualities of our products and any associated risks with our customers. We help our customers implement their own material stewardship strategies by informing them of regulatory decision-making; this helps minimise risk to human health and the environment.

Investors

We actively engage with our investors through regular communication, one-on-one meetings, roadshows and Q&A sessions.

Media

We engage with the media on topics of public interest.

Reporting to stakeholders

We publish a number of annual and one-off reports on subjects of interest to different stakeholder groups.

This includes the communications in line with the disclosure requirements and expectations of a publicly listed company.

- Glencore Modern Slavery Statement 2016
- Our Implementation of the Voluntary Principles
- Climate Change Considerations for our Business: 2017
- Payments to Governments Report 2016
- GRI databook 2016

In addition to the listed publications, we make a number of annual reports and submissions as part of our commitments to the UNGC, ICMM, EITI, GRI and CDP (climate change and water).



All of these publications and submissions can be found at www.glencore.com/sustainability.

Assessing materiality

Our Group and departmental HSEC teams perform regular materiality assessments that consider input from within our business and from other stakeholders. We use these assessments to inform the sustainability strategy and our reporting.

We organise all the material issues raised into a material matters register, with input from each department's sustainability leads.

We also conduct a separate materiality assessment every other year specifically to establish the material topics for our annual sustainability reporting.

The assessment covers information drawn from three areas:

- Our understanding of the issues that affect our business and the natural resources sector
- What is required of us by law and how this affects our activities
- Topics raised during engagement with our people and external stakeholders including local communities, investors, the media, governments and NGOs

The assessment is in line with the Global Reporting Initiative (GRI) guidance on materiality and includes a Group-wide review of material topics at global and local levels. This identifies topics raised during structured engagement activities by a broad range of internal and external stakeholders. It considers issues that affect our peers and the entire sector, assessing media coverage and feedback from local communities. It also includes input from each department's HSEC and Corporate Affairs teams on relevant issues and reporting indicators, including interviews and analysis.

Catastrophic hazard management

Internal KPIs and external references

KPIs

category 3, 4 and 5 environmental incidents

fatalities

ICMM principles

4: Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks

UNGC principles

7: Businesses should support a precautionary approach to environmental challenges

SDG



We are committed to ensuring the safety and wellbeing of our people and the communities and environment around us. Catastrophic events that take place in the natural resource sector can have disastrous impacts on workers, communities, the environment and corporate reputation, as well as a having substantial financial cost.

In general, we classify the severity of incidents against a five point scale, from negligible (category 1), through minor, moderate and major, to catastrophic (category 5). We define catastrophic events as those with a low probability but severe consequences that could devastate the Group by causing widespread loss of life or significant environmental harm, or resulting in major reputational or financial damage.

At Glencore, we recognise the exceptional nature of such events and we are actively identifying, monitoring and mitigating the catastrophic hazards within our business. Our Group Catastrophic Hazard and Fatal Hazard Management Policy specifies our approach to their management. It is based on critical control management with rigorous monitoring and reporting.

We have developed catastrophic hazard and critical control guidelines. These guidelines detail our approach to the management, monitoring and reporting on catastrophic hazards. We have also developed protocols for each of the fatal and catastrophic hazards we have identified at our assets. The protocols provide minimum requirements to manage hazards and we require each of our assets to conduct self-assessments against the appropriate protocols for their sites.

Our management policy and guidance reflects the on-the-ground reality for our assets as well as international leading practice and International Council on Mining & Metals (ICMM) guidance.

We are active participants in the ICMM catastrophic hazard management working group; we use this forum as an opportunity to share learnings with our peers.

We require the hazards that could lead to catastrophic or fatal events to be controlled at all times and for those who might be directly exposed are provided with appropriate awareness of such hazards, along with other legitimate stakeholders.

During recent years, our Board has driven a strengthening of our internal process for identifying and managing catastrophic risks. The Board HSEC committee has set requirements for catastrophic hazard management and receives regular updates on this area and actively encourages an approach of ongoing improvement.

Our catastrophic hazard management guidance requires that we develop critical controls to eliminate or control each catastrophic hazard identified. Rigorous monitoring and reporting supports the effectiveness of critical catastrophic hazard controls.

We require each of our commodity departments to identify and regularly review the catastrophic hazards relevant to their production and processing procedures, and the appropriate controls, including critical controls. Each has a hazard register to record the relevant catastrophic hazards and controls. All information relating to critical catastrophic hazard controls is being consolidated into a Group catastrophic hazard register.

We require our assets to have a management plan for each catastrophic hazard identified, based on the critical controls identified to eliminate or mitigate the risks. These plans are regularly reviewed in risk management workshops, and the resulting action plans are closely monitored to completion.

Our HSEC audit programme focuses on catastrophic hazards and critical control management, using both internal and external expert assessors. Particular attention is given to how catastrophic hazards and their critical controls have been identified, and whether the verification and reporting process is working effectively and supported by the correct management plans.

We hold an annual HSEC summit, which in recent years has focused on fatal catastrophic incident prevention, to share learnings, track progress, and identify any gaps or emerging concerns. The summit is chaired by the Board HSEC committee Chair, with keynote speeches from our Board Chairman and CEO, and participation from the whole senior management team. The summits are attended by commodity department heads and safety managers from around the Group. They allow us to identify and commit to specific safety performance improvements, and to share leading practice between different assets.

Process safety management (PSM)

PSM is an operational framework originally developed in the oil industry for managing the integrity of the systems and processes involved in handling hazardous substances. The PSM approach recognises that failures leading to catastrophic events are often a result of multiple factors, and that technical and engineering elements are interrelated, as is operator behaviour. Using a PSM framework allows the active management of these factors.

In the past, PSM was treated as an operational consideration, with its importance in the prevention of catastrophic events not fully recognised in the mining industry. Today, PSM is valued as a proven methodology that assists in managing all the factors for successful containment of hazardous materials and energy.

Glencore implements PSM principles within the Group, in recognition that the framework is a valuable method for the identification of critical controls and equipment, as well as the key processes and behaviours that interrelate for effective prevention of catastrophic events.

A small number of our assets, within our oil, agriculture and nickel departments deal with highly hazardous materials or energy: we refer to these as 'major hazard facilities.' These assets all comply with national PSM legislation.

We are basing our evolving approach to PSM on what we have applied so far at our major hazard facilities. We are continuing to incorporate learnings and leading practices from our major hazard facilities into a standard approach for use across the Group.

Emergency response preparedness

We require each asset to identify potential emergencies at or adjacent to their operations and to develop and appropriate Emergency Response Plans (ERPs). Assets communicate the ERP to all employees, contractors and relevant external stakeholders.


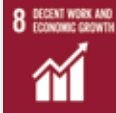
Our assets regularly assess their need for equipment, facilities and other resources against their HSEC risk register. We require emergency resources to include:

- The appointment, training and equipping of rescue teams
- Procedures for responding to specific emergency situations
- The provision of firefighting equipment (including water storage and reticulation) as required by the risk assessment
- A first aid management plan supported by appropriate medical equipment and services
- The provision of appropriate equipment to assist in rapid containment and recovery of environmental spills
- A process for dealing with all hazardous substances and dangerous goods identified as being at risk of causing an emergency on site

Assets undertake an annual planned simulation emergency exercise to test their ERPs, these include the involvement of external emergency services as appropriate.

Safety

Internal KPIs and external references

| KPIs |
|---|
| # fatalities LTIFR TFIFR |
| ICMM principles |
| 5: Pursue continual improvement in health and safety performance with the ultimate goal of zero harm |
| UNCC principles |
| n/a |
| SDG |
|   |

We believe that all occupational fatalities and injuries are preventable, and that we can create and maintain safe workplaces for all our people with strong safety leadership. Risk management is at the heart of our approach.

We inform our people that we expect every individual, both employees and contractors, to take responsibility for their own safety and for that of their colleagues and host communities. All our performance data and targets relating to health and safety include contractors as well as employees.

In accordance with our Group Health and Safety Policy, we set targets and develop programmes to achieve continual improvement in safety performance. The targets and programmes are based on making our hazard identification and risk assessment processes completely robust, from the highest levels of management to the team leaders making everyday safety decisions.

Our Group sustainability team is responsible for developing, implementing and supporting systems and processes in line with our Group Health and Safety Policy. They also define our Group focus areas, objectives and targets, and regularly review our policies. They report on our safety performance to relevant internal and external stakeholders at a corporate level.

Senior management at each commodity department provide visible leadership, and are responsible for setting the systems and processes within their division, aligned to Group strategy and direction. They monitor the implementation and performance of asset and project systems, and report on to internal and external stakeholders at a departmental level.

Managers at the asset or project level are responsible for developing annual health and safety plans for each site, based on hazard identification and risk assessments. They implement their individual HSEC systems, and monitor, review and continuously improve performance. They are responsible for ensuring appropriate resources to run these systems, and providing adequate training to raise safety awareness. We track actual performance against objectives down to first-line supervisor level, using both leading and lagging indicators.

We require an effective safety management system at each asset to assure the integrity of plants, equipment, structures, processes and protective systems, as well as the monitoring and review of critical controls.

All levels of management work to make sure that our people work in accordance with approved systems and procedures to prevent, mitigate or remedy safety impacts, including the recording of all safety incidents and high potential risk incidents (HPRI). HPRI are incidents that could have potentially resulted in a catastrophic (Category 5) or major (Category 4) outcome (see Catastrophic hazard management for category details).

Along with our industry peers, we report on our safety performance to the ICMM every year, to promote the improvement of safety performances.

Safety management

A strong safety culture is built on clearly demonstrated leadership commitment, or visible leadership. Our senior managers at corporate, department and asset levels take responsibility for leading our safety strategy and communicating it to the workforce. They are supported by health and safety teams at Group, department and asset levels. Job descriptions for relevant roles have formally stated safety responsibilities, with safe working defined in employee employment contracts. Senior corporate and departmental managers make regular visits to assets as part of this commitment.

Our Board oversees the Group's safety performance, progress and any issues, via the Board HSEC committee. Any fatality must be reported to the CEO, Board HSEC committee and Group sustainability team within 24 hours, with independent third-party assistance on site within 72 hours. The committee reviews every fatal incident with the senior management of the department and asset affected, and circulates any relevant lessons across the Group. Appropriate corrective actions are implemented to prevent re-occurrences.

SafeWork: promoting a risk-based safety culture

We believe an effective safety culture is based on sound risk management. All our safety targets and programmes are aligned with SafeWork, an initiative to change attitudes towards safety and bring about long-term sustainable change to eliminate fatalities and serious injuries. The initiative's aim is to provide everyone within our business with the knowledge and tools to perform every task safely; the overall message is that every individual has the authority to stop unsafe work.

The SafeWork framework is risk-based. It focuses on eliminating fatalities and serious injuries by identifying the hazards that cause fatalities within our operations and developing life-saving behaviours and protocols to target them.

The fundamental components of SafeWork are:

Fatal hazard protocols

These address the most common causes of fatalities and serious injuries within the industry. They will be implemented in order of priority.

Life-saving behaviours

These encourage workers to focus on those hazards with the highest potential for serious injury or fatalities and the critical safety behaviours which must be followed.

Supporting tools

Supporting tools that include universal risk awareness training, virtual reality training materials on each fatal hazard and other training aids.

Empowering first-line supervisors

Empowering first-line supervisors to take responsibility for their work areas, manage technical safety aspects and motivate safe behaviours.



Safety

continued

SafeWork is designed for our assets to use as a basis for their own individualised safety improvement plans. It focuses on appropriate behaviour and consequences at all levels. The life-saving behaviours focus attention on behaviours and consequences, rather than using a rigid rules-based approach.

Implementation began in November 2013 with pilots at five sites. The full programme, approved by the Board HSEC committee, was rolled out across the Group following the pilots. The fatal hazard categories we have identified to date are:

- Energy isolation
- Working at height
- Confined spaces and irrespirable/ noxious atmosphere
- Mobile equipment
- Ground/strata failure
- Electrical safety
- Emergency response
- Lifting and craning
- Fire and explosion
- Explosive and shot firing
- Tyre and rim management
- Inrush and outburst
- Molten metal
- Tailings storage facility management

We continue to add further hazard categories as we identify them through our risk management processes.

Teaching tools include virtual reality (VR) training, public engagement materials (posters, noticeboards) and videos. We train our people on hazard awareness and risk assessment, verification of control effectiveness, and having the courage to choose life-saving behaviours if controls are ineffective or not in place.

SafeWork empowers first-line supervisors to take responsibility for their areas, manage technical safety and motivate safe behaviour, with monitoring actions carried out by the Group's senior management.

Our people work together at every level to identify any hazard relating to our operations, whether it forms a risk to the workplace or to the public. We assess the associated risk and take appropriate action based on the hierarchy of controls, including critical controls to address fatalities and catastrophic events. We monitor and assess the effectiveness of controls and the management of residual risks and exposures using recognised methodologies under continual improvement.

We also require assets to use effective change management processes to address any hazards and risks arising from changes in the workplace.

Learning for continuous improvement

Our assets report and share high potential risk incidents (HPRI) every week, along with lessons learned, to prevent repeat incidents. HPRI are an opportunity to learn about the effectiveness of critical controls and underpin our approach of continuous learning.

This emphasis on reporting and recording HPRI has been vital to our progress in safety management and fatality reduction; identifying trends as they arise, and taking corrective action, helps to prevent systemic issues.

Our Board's HSEC Committee review the findings of the investigations for HPRI identified as having the potential to result in a catastrophic event. We share these findings across Glencore.

Through utilising the knowledge gained from the analysis of HPRI, we are putting measures in place to prevent similar incidents as well as finding solutions to situations that contribute to the highest cause of HPRI.



Engaging with contractors

We expect our contractors to comply with the same safety requirements as our direct employees, and to meet our safety training standards. We have a contractor management system in place to see that contractors comply with our requirements.

Our contractors' safety performance is included in the data publicly reported by Glencore.

Health

Internal KPIs and external references

| |
|---|
| KPIs |
| # new OD cases |
| ICMM principles |
| 5: Pursue continual improvement in health and safety performance with the ultimate goal of zero harm |
| UNGC principles |
| n/a |
| SDG |
|   |

Managing risks to the health of our people is essential for their long-term wellbeing.

It also helps us to maintain our productivity and reduce the likelihood of workplace compensation claims. We use a variety of onsite programmes to manage occupational diseases and exposure to health hazards; we extend many of these health programmes to our host communities, to combat regional health problems and promote healthy lifestyles.

Our Group sustainability team is responsible for the assurance of systems and processes in line with our Group Health and Safety Policy. They also define our Group focus areas, objectives and targets, and regularly review our policies. They report on our health performance to relevant internal and external stakeholders at a corporate level.

Our Group Health and Safety Policy requires our assets to have formal plans, processes and records to allow routine monitoring of occupational health as well as on-the-job

surveillance assessments, both everyday monitoring and spot checks. It also focuses on early intervention if one of our people is injured at work or suffers an occupational disease, requiring rehabilitation, reintegration and help for individuals to return to work as soon as possible.

Our Group occupational health management strategy addresses the health risks facing our workforce, their families and the communities inside and outside our gates. The strategy has three pillars, which build on what we have already accomplished at individual assets. We aim to systematise the work already done and support our assets in understanding and managing the health-related risks they face. We also aim to capture and promote leading practice throughout the Group.

The most common health hazards in our workplaces are working with heavy loads, noise, silica, diesel exhaust fumes, acid mist and dust containing heavy metals. We monitor our people's exposure to toxic hazards and seek to control this exposure wherever possible.

1

Healthy workplaces

Assessing, monitoring and controlling health risks to our people and host communities

We require our assets to conduct health risk assessments, and to implement appropriate controls and monitoring systems. Employees and contractors alike are required to wear appropriate personal protective equipment (PPE) that has been checked for integrity. Monitoring systems track potentially hazardous exposures; workers who may be exposed are tested regularly for toxins such as lead and cadmium; we also establish procedures to eliminate or minimise exposure at source. Other common hazards include heavy loads, noise, diesel exhaust particles and acid mist.

2

Fit for work

Ensuring that our people's physical capability is compatible with the demands of their working environments

Our people undergo pre-employment work assessments and annual medicals. We recognise that lifestyle choices may have a significant impact on their ability to perform their jobs safely; we have introduced drug and alcohol testing at assets where this has been identified as a risk. We are also aware of the dangers of workplace fatigue and are reviewing our approach to the identification and management of this risk.

3

Fit for life

Recognising the value of our contribution to the wellbeing of our people and our host communities

Our assets run health and wellbeing initiatives designed to reflect the needs of their individual workforces. A number of our operations are located in regions with significant health challenges, ranging from malnutrition to HIV/AIDS and malaria. Our health programmes include the families of our workforce, while our community development activities feature a range of programmes that target broader regional public health issues.

Environment

Internal KPIs and external references

KPIs

category 3, 4 and 5 environmental incidents

ICMM principles

6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change

7: Contribute to the conservation of biodiversity and integrated approaches to land-use planning

UNGC principles

7: Businesses should support a precautionary approach to environmental challenges;

8: Businesses should undertake initiatives to promote greater environmental responsibility

9: Businesses should encourage the development and diffusion of environmentally friendly technologies

SDG



Environmental management

Our operations at assets around the world can have direct and indirect impacts on the environment. We work to minimise our potential impact, complying with or exceeding relevant regulations. We are always looking for ways to improve our performance and reduce our environmental impact, including our use of resources, wherever possible.

Our Group Environmental Policy is based on both international and industry-specific environmental standards. It follows the plan-do-check-act method. In accordance with the Policy, our assets undertake detailed environmental risk assessment reviews, identify appropriate mitigation actions or remediating measures, and determine the capital expenditure required.

Our assets maintain environmental management plans based on their risk management reviews. These cover all relevant environmental considerations but focus on:

- Maintaining the integrity of our facilities to avoid environmental incidents
- Efficient resource use
- Preserving protected areas and biodiversity
- Closure planning and rehabilitation (including financial provisions)

Assets update these plans at each stage of their lifecycles, and incorporate them into their overall risk registers and management plans.

Working from our Group HSEC management framework, we require our industrial assets to implement environmental management systems that include standard elements such as:

- An environmental policy
- Planning, implementation and operation
- Measurement, recording and evaluation
- Review and corrective actions and continuous improvement

As we rely on the application and assurance of our own HSEC management framework, we do not insist that our assets undergo third-party ISO 14001 certification and we do not use external certification as an indicator of environmental performance. Third-party ISO 14001 certification is in place at sites where it is required externally, or where it provides additional value to customers, regulators or other stakeholders.

Our business encompasses a wide range of operational activities across different geographical locations, making it difficult to establish blanket Group environmental targets appropriate for every operation, site and project. Instead, we require performance management at a local level.

Our most significant environmental KPIs are assured by our external assurance provider.

Partners

We also buy from third-party suppliers and work with third parties who ship and store our products. We engage with our customers, suppliers and service providers to limit the environmental impact of our activities throughout these chains.

In joint ventures where Glencore does not have operational control, we seek to influence our partners to adopt policies and procedures similar to ours wherever possible.

Environmental incidents

Our activities involve the production, use, transport and storage of large quantities of both hazardous and non-hazardous materials. We also operate facilities where operational failures could result in incidents with the potential to cause significant harm to the environment or surrounding communities, as well as damage our reputation. Environmental incidents can result from operational or process failure.

We are committed to eliminating material environmental incidents, and incurring no fines, penalties or prosecutions. Our rolling target is no major or catastrophic environmental incidents.

We have a five-level incident classification scheme, from catastrophic (category 5), through major, moderate and minor, to negligible (category 1). We also report and record high potential risk incidents (HPRIs): events that could have resulted in a category 5 or 4 environmental incident. The Board HSEC committee reviews any category 4 or 5 incident with the relevant senior management teams and shares any learnings across the Group.

Environment

continued

Internal KPIs and external references

KPIs

Scope 1, 2 and 3 emissions
Total energy use

ICMM principles

6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change

UNGC principles

7: Businesses should support a precautionary approach to environmental challenges;
8: Businesses should undertake initiatives to promote greater environmental responsibility
9: Businesses should encourage the development and diffusion of environmentally friendly technologies

SDG



Climate change and energy

We recognise the global climate change science as laid out by the Intergovernmental Panel on Climate Change (IPCC). This broad consensus among nation states will see a global shift towards a lower carbon economy, supported by appropriate policies and bringing significant economic changes.

Glencore's position on climate change

We acknowledge the global climate change goals outlined in the United Nations Convention on Climate Change (UNFCCC) Paris Agreement that came into force on 4 November 2016.

We believe these measures and public sentiment will continue to drive public policy developments and programmes to restrict global greenhouse gas emissions. This is likely to impact our business and represents both risks and opportunities that our company needs to manage.

At present, we group our response to climate change issues into four broad areas:

- Assessing risk and materiality
- Managing our energy and carbon footprint
- Engaging with our stakeholders
- Supporting low emission technologies

As the global patchwork of energy and climate change regulation evolves, Glencore will continue to monitor international and national developments and play a constructive role in the development of climate change policy across our global business group.

We support a least cost pathway to achieving climate change goals that considers the cost and consequences of all available policy options and does not hinder socioeconomic development.

Our climate change working group, chaired by our Chairman, Tony Hayward, comprises of representatives from the commodity departments with the highest emission profiles, as well as relevant group-wide functions. The working group meets regularly, and reports on progress to the Board HSEC Committee.

To support a fuller understanding of our carbon footprint, we include energy and carbon forecasts in our annual business planning process

We report in our annual and sustainability reports on our approach to understanding and management of climate-related risks and opportunities facing our business.

Energy and greenhouse gas emissions

Glencore is a significant producer of energy products and a significant energy consumer. Energy is a key input and cost to our business and a material source of our carbon emissions. We work continually on improving our energy efficiency, as required by our Group Environmental Policy.

We openly and transparently disclose our carbon and energy performance. In terms of public reporting and we report on our CO₂ emissions in accordance with the Greenhouse Gas Protocol, a commonly used accounting and reporting standard developed in partnership between the World Resources Institute and the World Business Council for Sustainable Development.

We assess the GHG related risks and opportunities annually at operational and Group levels, the result provide input to the risk management process. We assess each year the attractiveness and resilience of each of our commodities against three climate change scenarios, applying 2030 and 2040 time horizons. The HSEC Board reviews the outcome of this analysis.

We use the Greenhouse Gas Protocol's descriptions for energy use.

- Scope 1 covers direct emissions, such as fuel combustion in boilers, furnaces or generators, fuel combustion by the shipping vessels and mobile machinery that we own, or metallurgical reduction and other processes that generate GHG.
- Scope 2 covers indirect emissions, from energy we purchase from third parties like electricity or steam.
- Scope 3 covers indirect emissions by connected third parties.

We take energy and carbon regulation into consideration as part of our business planning and investment decision processes. We undertake activities related to the monitoring, measuring and managing of our energy and emissions footprint and we proactively work to better understand and manage our performance. We are continuing to invest in solutions to use energy more efficiently and reduce emissions from the production and end use of our products.

We use renewable energy sources where we can. In Kazakhstan, Kazzinc operates the Bukhtarma hydroelectric plant, which supplies well over half of Kazzinc's electricity requirements. In addition, almost all the electricity used by our assets in the DRC and Zambia, which run some of the Group's largest operations, is generated from renewable energy (hydropower).

In Australia, we use coal seam gas from our mines to supplement power generation at a number of our assets and have flares installed at those underground coal mines with the necessary supply and concentration of methane.



Environment

continued

Internal KPIs and external references

KPIs

water withdrawn, water discharged

ICMM principles

6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change

UNGC principles

7: Businesses should support a precautionary approach to environmental challenges;

8: Businesses should undertake initiatives to promote greater environmental responsibility

9: Businesses should encourage the development and diffusion of environmentally friendly technologies

SDG



Water management

We recognise that water is a shared and finite resource and we are conscious of the increasing concerns of our local stakeholders and other local water users regarding ongoing availability of water, security of access and the potential for impacts on water supply. In a number of the regions where we work, these concerns are further exacerbated by severe drought and flooding events, some of which have been for extended periods.

Water is an essential input for our industrial activities. We also ship products over maritime and inland waterways; these products could contaminate the water if spilled. In addition, many of our assets are located in areas with water baseline stress, with some in areas of extremely high water stress. Other assets must manage surplus water from rainfall or mine dewatering.

Concerns regarding the long-term availability and quality of water, and security of access to water, have significantly increased as a result of changes to demography and climate.

We seek to understand our effect on the environment, minimise our impact on local water resources and avoid shared water being compromised by our activities. We are committed to ensuring good water management is in place at all our assets. We recognise that water management is a complex issue; to understand it fully requires a dialogue to take place between the multiple stakeholders involved at each site.

Some of our sites have identified water-related risks to their operations; these may relate to their water supply and increasing regulation on usage quotas and quality. Water management is the key to ensuring that we maintain our production volumes while continuing to operate responsibly.

We engage with regional and national governments on their work to identify material water stewardship risks, which also helps us improve our water management strategies. Our assets consult their host communities and other local water users to find out their priorities and collaborate on solutions. They share operational plans and increase their understanding of the cultural, economic and environmental value of water in the region. We require them to assess the risk of contamination to waterways and put management plans in place, and to monitor the water they discharge.

We publicly report on our material water risks, management activities and performance. As an active member of the International Council on Mining and Metals (ICMM), we participated in the development of its Position Statement on Water Stewardship.

Water strategy

In 2016, we used the World Resource Institute (WRI) global water risk mapping tool, Aqueduct, to assess our assets. Almost 20% of our sites are located in areas with a high to extremely high baseline water stress or that are considered to be arid, 4% of which are located in areas of extremely high water stress.

We have developed a Group water strategy considering this analysis and previous assessments. The strategy has five primary objectives:

1. Identification and assessment of our material water impacts, risks and opportunities
2. Gaining an understanding of our water footprint
3. Development and implementation of water management plans covering each of our assets' lifecycles to avoid, minimise or mitigate the impacts and risks
4. Improvement of our water management, including identifying and setting water-related targets
5. Ongoing engagement with significant stakeholders and public reporting on our progress

Water efficiency measures at different assets vary according to local needs, but may include:

- Reducing water loss via evaporation
- Switching to lower-quality water sources wherever possible
- Treating and reusing operational waste water
- Researching new sources of water (eg desalination)
- Deepening water storage dams to improve storage capacity
- Establishing water efficiency committees
- Improving tailings management (eg setting targets for water recovery from tailings)
- Employing best-practice agronomic techniques that improve water efficiency

Our Group water strategy is supported by a water management guideline that is aligned with the ICMM's position statement on water and its water management framework. The guideline covers the minimum requirements at an asset-level for water governance, the identification and evaluation of water-related risk and their mitigation, the management of water in terms of quality and quantity and engagement with relevant shareholders.

Water management plans

We follow a risk-based approach for the implementation of water management plans. Each asset with water-related risks develops a water management plan that reflects its lifecycle, the steps needed to eliminate or mitigate water impacts and risks, and the opportunities to improve water performance. This includes setting water-related targets, which may include water efficiency, reducing the fresh water withdrawal, and increasing the quality of discharged water.

Our Group Environmental Policy dictates that every time operational changes occur at assets with significant water-related risk (eg scarcity, floods or proximity to sensitive water bodies) we must develop and implement a new water management plan that includes a review of those risks.

Water metrics

We have aligned our water indicators, metrics and definitions with the Water Accounting Framework (WAF) of the Minerals Council of Australia, with the aim of developing a more detailed water balance model. Our previous metric model did not account for our entire water balance. For example, they did not allow for water being stored temporarily at assets, when we divert water but do not use it, or when our ore concentrates, process wastes or products contain significant volumes of water. WAF alignment lets us measure and report the quantity and quality of water we withdraw and discharge more accurately. Moving to the new metrics will help us benchmark our progress more clearly against the wider industry and identify areas for operational improvement and increased efficiency.

Environment

continued

Water commitments

Our aim is to manage responsibly our water impact without material adverse impact on the quality and quantity of any water body, and without compromising other users' access to water. This means that our material considerations with regard to water are:

- Ensuring that all users have access to high quality water
- Ensuring that we preserve the quality and availability of local water sources
- Protecting the maritime and inland waters that we use for transport

Many of our assets work with their local communities, authorities, agricultural users and other industrial users to create water use strategies. These are designed to support sustainable, equitable access and robust water management by the relevant stakeholders in the catchment area. They cover efficient water use, water reuse/recycling, responsible waste water disposal and regular maintenance of equipment that could affect water quality.

For example, some of our underground mines require continual dewatering. We work with local communities and utility providers to find ways for this water to be reused locally. Our industrial sites also work to recycle and reuse water wherever possible, and reduce their consumption of potable water.

We participated in a pilot project using the International Council on Mining and Metals (ICMM)'s catchment-based approach to water management. This approach considers the interconnected activities and issues in a catchment as a whole, rather than viewing them separately, or focusing on a specific site's input/output balance. It encourages organisations to consider how competing demands on water resources can create pressure and potentially lead to conflict. The results of the pilot study will provide the scope for rollout across the Group.

We report to the CDP water disclosure programme every year.

Preventing water contamination

Our waste water treatments vary depending on the requirements of the sector and region, but usually include pH neutralisation and the removal of heavy metals, suspended solids, oils and greases. We monitor the quality of the water we discharge as it leaves our assets as well as within the water bodies it enters, such as rivers and estuaries.

We are implementing new technologies to help minimise or eliminate uncontrolled water discharge.

We maintain a fleet of owned and chartered vessels; those we own adhere to the appropriate requirements to avoid spills and water contamination. Our chartered vessels are vetted in accordance with our chartering standards. We use double-hulled vessels as a key guard against leakage. In the unlikely event of a spill, we have emergency response plans to minimise damage.

Our operational and maintenance procedures are aligned with relevant international standards, including the OCIMF/ICS guidance and MARPOL regulations and the Ballast Water Management convention for all ballast water exchanges.

All those managing our time-chartered and owned vessels must have a class-approved ballast water and sediments management plan and follow it strictly, including maintaining records of all ballast water exchanges. Ballast water exchange is where ships replace coastal water with open-ocean water during a voyage, to reduce the chance of transferring water-borne organisms from one coastal region to another.

We consider water-related risks to be of greater importance at our production assets and of less concern for our storage units (silos) and port facilities. Our storage units (silos) and port facilities are not considered material in our mapping of operations in water-stressed areas as they have minimal water use and less of a reliance on water than our production operations.

Activities at mining assets

Any reduction in our water consumption results in lower energy consumption, which also means lower costs and lower carbon emissions. This is because extracting, transporting, and treating water requires dedicated equipment and processes. When procuring new plant and equipment, we encourage use of the most water and energy efficient products possible. For example, new conceptual designs for our mineral processing plants now include tailings thickening as standard and infrastructure to maximise water recycling is built in at the design stage rather than being retrofitted.

Internal KPIs and external references

KPIs

% sites with biodiversity management plans in place

areas on/near protected land

ICMM principles

6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change

7: Contribute to the conservation of biodiversity and integrated approaches to land-use planning

UNGC principles

7: Businesses should support a precautionary approach to environmental challenges;

8: Businesses should undertake initiatives to promote greater environmental responsibility

9: Businesses should encourage the development and diffusion of environmentally friendly technologies

SDG



Land management

Glencore is a significant land manager. Historically, our metals & minerals and energy divisions have targeted brownfield operations when making acquisitions and starting new projects: these generally have a lower biodiversity impact than greenfield operations.

We respect areas that are legally designated as protected and adhere to associated regulations.

Our assets undertake responsible land stewardship throughout their lifecycles; this not only reduces operational risk, but minimises our liabilities when our mines close and influences our legal and societal licence to operate.

We understand that local indigenous people may have a unique connection with the land on which they live; we make efforts to recognise their cultural heritage when planning our operations.

Rehabilitation and closure management

We require each asset to have a closure plan to support a responsible exit. Assets regularly review their closure plan to ensure it remains fit-for-purpose and includes appropriate financial provisions to meet long-term reclamation and closure liabilities. Assets develop and maintain their closure plan to align with good practice, such as the ICMM's practical guidance 'Planning for Integrated Mine Closure'. Assets develop their closure plans in collaboration with their local communities and monitor the societal risks and opportunities associated with closure.

In addition, our mining assets continually rehabilitate the areas they disturb, restoring the land to a state that is suitable for the final land use agreed in the mining permit. Each asset creates a comprehensive management plan before operations begin, which identifies each year's success factors and ensures they can be measured and monitored regularly.

We usually excavate and reserve the topsoil and clay from new sites and use them immediately to rehabilitate nearby areas; when this is not possible, we store it for future reuse. We keep records of what each area looked like before we disturbed it, to restore topographical features where possible. We engage with local communities to identify appropriate post-mining land uses and try to make them possible.

We set aside funds specifically for site closure, including land rehabilitation.

Biodiversity

We develop and implement technologies and procedures for the effective management and conservation of biodiversity and landscape functions in the areas affected by our operations. Our aim is to avoid net losses or degradation of natural habitats, biodiversity and landscape functions, for example watershed management, control of soil erosion and microclimate creation.

As an ICMM member, we are committed not to conduct any exploration, drilling or mining in World Heritage areas and IUCN category I-IV protected areas ("No-go" areas), and not to put the integrity of such properties at risk as well as respecting legally designated protected areas. Our assets work to avoid the loss of any International Union for Conservation of Nature (IUCN) Red List threatened species.

Our assets incorporate biodiversity considerations into their environmental impact assessments, along with any risks that our biodiversity impact may have for local communities. If significant biodiversity impacts cannot be avoided or mitigated, offsetting measures are applied.

Environment

continued

We disseminate scientific data and promote the latest biodiversity assessment practices wherever possible. We support the development and implementation of scientifically sound, inclusive and transparent procedures that integrate land use planning, biodiversity, conservation and mining.

Assets that we own or operate are assessed for biodiversity impact every time a permit change, expansion project or similar change warrants a review. Local stakeholders are involved in monitoring any significant risk to, or impact on, biodiversity that may result from our operations.

Biodiversity management plans have been implemented at approximately 90% of our sites that have some exposure to biodiversity-related risk. We have involved local stakeholders, such as local communities and conservation organisations in developing these plans. Our management plans and procedures for site exploration, development and construction have fully integrated biodiversity baseline surveys and protection measures.

Our sites that are located in or near areas identified as having a high biodiversity value:

Our smelting operation in the Philippines is close to a mangrove forest; we have constructed a protective dike enclosure and maintain a fish sanctuary in partnership with the Department of Environment and Natural Resources.

Our Australian Rolleston site is partially located in the protected Brigalow Belt Bioregion, a semi-evergreen vine thicket, brigalow and bluegrass ecosystem.

Mount Isa Mine in Australia has a regional water source, Lake Moondarra, located within our mining lease, approximately 10km from mining operations. The lake is recognised under several agreements as having conservation value related to migratory birds; it is listed as a wetland of national significance.

Our Koniambo operations in New Caledonia are located in an area of high biodiversity value where 80% of the plant species are endemic, as well as most of the reptiles in the mine site area. In addition to undertaking progressive site rehabilitation, we produced a detailed biodiversity management plan in 2007, followed by a protected area management plan in 2011 and a rare species management plan in 2014. Our objectives are to avoid net loss of biodiversity, maintain large conservation areas onsite (approximately 825 hectares) that minimise the risk of fire and invasive exotic species, and perform in-house research into these rare species.

Our Mutanda operation in the DRC is located in the Basse-Kando Hunting Zone, at a distance of 5km from the Kando river. Mutanda seeks to limit any impact of its operations through diligent environmental management and developing and implementing progressive rehabilitation plans.

Internal KPIs and external references

KPIs

volume of hazardous mineral waste
 volume of non-hazardous mineral waste

ICMM principles

6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change
 7: Contribute to the conservation of biodiversity and integrated approaches to land-use planning

UNGC principles

7: Businesses should support a precautionary approach to environmental challenges;
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SDG



Waste management

Our assets continually review their waste management procedures and identify opportunities for improvement, to minimise the impact of the waste we produce.

Mineral waste

Most of the waste that Glencore generates is mineral and includes tailings, slag and rock. Our assets have rigorous management systems to dispose of waste while preventing environmental contamination. We reuse as much waste as possible. For example, we use waste rock to backfill our mines, and fill roads with non-hazardous tailings.

Tailings

Our metal and coal assets generate tailings (residues of mineral processing), which are stored in purpose-built tailings storage facilities. These are specially designed reservoirs filled with tailings and water; water is continuously removed through drains or evaporation while the tailings settle, gradually filling the reservoir. At this point, it is capped, sealed and rehabilitated.

Our tailings facilities are monitored continuously for integrity and structural stability. Flooding and seismic activity are the main natural phenomena that may affect them. Our assets evaluate natural phenomena and incorporate these considerations into their tailings facility designs where relevant.

Our tailings storage facilities are heavily regulated, undergo regular inspections, and are monitored continuously to ensure integrity and structural stability.

Our catastrophic hazard protocol for tailings storage facilities management identifies and minimises or eliminates potential health, safety, environmental, societal or business risks associated with these facilities. It was developed in consultation with both internal and external subject matter experts. It is aligned to the findings of the ICMM's Review of tailings management guidelines and recommendations for improvement.

Waste rock

A major environmental risk associated with waste rock dumps and tailings storage is acid rock drainage (ARD). This can occur when certain types of rock, particularly those containing sulphide, are exposed to oxygen and water to form atmospheric sulphuric acid. This has the potential to leach heavy metals (such as lead, zinc and cadmium) from the ore in the waste rock. Left unchecked, it can contaminate land and water sources. We reduce the risk of ARD via a number of waste management technologies, including capping waste rock dumps, to prevent contact with air, precipitation and sensitive water bodies. We constantly measure the effectiveness of these measures.

At most of our sites, ARD risk is evaluated in the explorations phase. An ARD management plan is developed during an asset's feasibility phase, as well as an ARD management plan for closure. Mining activities can only proceed if closure planning demonstrates that ARD can be managed from both a technical and economic perspective.

Environment

continued

Internal KPIs and external references

KPIs

SO₂ emissions

NOx emissions dust emissions

ICMM principles

6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change

UNGC principles

7: Businesses should support a precautionary approach to environmental challenges;

8: Businesses should undertake initiatives to promote greater environmental responsibility

9: Businesses should encourage the development and diffusion of environmentally friendly technologies

SDG



Air emissions

We comply with relevant regulatory limits wherever we operate.

Our metallurgical smelters emit sulphur dioxide (SO₂), dust and nitrogen oxide (NOx) as both stack and fugitive emissions. Stack (or point) emissions emanate consistently from a fixed source (such as a smelter furnace), and are therefore generally measurable. We generally control stack emissions by mitigating them during our production processes, or by capturing off-gases before they are emitted and subjecting them to mechanical filtering and/or exhaust gas treatment, such as electrostatic precipitators, scrubbers or sulphuric acid plants.

Fugitive emissions emanate irregularly from many diffuse sources. Fugitive dust (also referred to as particulate matter or PM) emissions are one of the main concerns for our mining assets; these occur during the blasting, excavating, moving and crushing of ore rock, or the removal of topsoil, overburden or waste rock. As they emanate from so many points on a continual basis, we cannot use stationary filter equipment to eliminate them.

We monitor dust levels within affected communities and minimise dust in a number of ways that includes dust suppression, construction of berms to prevent dust travelling to communities, optimising our blasting activities, watering our haul roads and using protective coatings on product and waste storage facilities.




Where there is a build-up of dust in a particular area that affects local communities, we rehabilitate the affected land; for example we may replace the top layer of the ground with dust-free top soil or planting.



Community and human rights

Internal KPIs and external references

Our approach has three key elements:

| KPIs |
|---|
| training # people |
| socio-economic contributions |
| grievance mechanisms |
| ICMM principles |
| 9: Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities |
| 10: Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance |
| UNGC principles |
| n/a |
| SDG |
|    |

| | | |
|---|---|--|
| Proactive, strategic stakeholder and community engagement that furthers the interests of both our host communities and our assets | Respect for human rights and ensuring that all stakeholders have access to remedy | A cross-functional approach to understanding and managing our socio-economic contributions, to deliver shared value while managing our impact on society |
|---|---|--|

We use training and knowledge tools, reference materials, reporting systems, and ongoing monitoring and evaluation of KPIs to achieve this.

The diversity of our assets, and the wide variance in the circumstances of the neighbouring communities, mean that there is no one-size-fits-all solution to training our community relations teams. However, we recognise the need for all our teams to have the tools to understand, interpret and meet relevant standards and expectations, and apply international best practice. Senior management at each asset also has an important role to play in ensuring that the asset lives up to its societal commitments and interacts with local communities in respectful and constructive dialogue.

We have a toolkit of training materials for our community relations teams and managers called Community Leadership Programme. The toolkit addresses all relevant international standards, including the UN Guiding Principles on Business and Human Rights, ICMM Sustainable Development Principles and the Voluntary Principles on Security and Human Rights. It covers all aspects of interaction with local communities, from initial stakeholder identification and engagement, through development of community programmes, to ongoing monitoring and evaluation of these efforts.

The CLP toolkit supports our commitment to strong community relationships and the effective delivery of operational social strategy. It helps us to better identify areas that we need to review further. We use the CLP as a broad training framework that evolves as part of the review and development of our approach.

Internal KPIs and external references

KPIs

n/a

ICMM principles

9: Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities

10: Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance

UNGC principles

n/a

SDG



Community engagement

We believe that Glencore's global presence and economic strength have a predominantly positive impact on our host communities. We are committed to building and maintaining constructive, lasting relationships with our host communities and other local stakeholders.

All our community consultation processes are designed to be inclusive, particularly for historically disadvantaged groups. We respect the traditional decision-making mechanisms of our host communities and take the local context into consideration in all our engagement activities.

We work to create constructive, transparent and proactive dialogue with our local communities through a community engagement strategy for each asset. Each strategy includes an individual community development plan to help reduce dependency on our operations and contribute to local sustainable growth.

There are two elements that we consider in our dealings with both our local communities and wider society. The first is our impact on our host communities and wider society; the second is any risk to our business from societal expectations and the political landscape. We require that our assets identify their stakeholders, taking particular care to determine vulnerable groups, such as women, children and indigenous people.

Our Group Community & Stakeholder Engagement Policy requires our assets to develop transparent, constructive and inclusive relationships with their host communities. Each must identify the societal impact of its activities, community concerns, needs and societal risks to its operations by means of a stakeholder engagement strategy.

Each asset must complete a stakeholder assessment, covering all

stakeholder circumstances, needs and concerns, as well as potential impacts, risks and opportunities for that asset. Stakeholders include relevant government and development organisations with influence and interest in our operations based on their proximity, dependency, representation, responsibility and strategic intent. We identify local community concerns through direct consultation, and review their socioeconomic conditions, perceptions, infrastructure and capacities, as well as their income generation, sociocultural institutions, religions, existing and potential conflicts and migration patterns.

From this assessment, the asset must design a community engagement strategy, aligned with the asset's business objectives and changes to its lifecycle, as well as local concerns and the broader socio-economic situation in the region. Including procedures for information sharing, consultation and collaboration, the strategy should be designed to coherently and effectively engage local stakeholders, allowing the asset to become involved with its host communities and develop their capacity. It should include: objectives directly linked to the asset's business objectives; community engagement and development activities, including work to inform, consult, respond or partner with stakeholders; mechanisms for monitoring the effectiveness of engagement on an ongoing basis; KPIs and performance measures.

Our community teams are responsible for implementing these strategies, and for reporting on progress to senior management and to the local communities. We require assets to review the strategies at each stage of their lifecycle to ensure that we continue to be aware of stakeholder priorities and needs.

We provide our local communities with information in a wide range of different ways, tailored to the local context and cultural appropriate. These include radio broadcasts, site publications, regular town hall

Community and human rights

continued

meetings, and individual meetings with the community. We also have mechanisms to receive grievances and concerns, including free mobile SMS hotlines, complaints registers and dedicated offices within local communities. All concerns received through these mechanisms are regularly reported to senior operational and departmental management, and to the BoardHSEC Committee on a quarterly basis. All complaints and grievances are registered and investigated; we let complainants know results and any follow-up actions in culturally and locally appropriate manner.

All our assets are required to carry out community perception surveys every three years, to check on the effectiveness of their engagement strategies.

Roles and accountabilities are defined and documented. The individuals responsible for community relations and community development have the appropriate qualifications or experience. Implementation is coordinated with other functions and with external government and development organisations.

Engagement with vulnerable groups

Some of our local stakeholders have faced economic and social discrimination in the past. These may include indigenous people, women, children, disabled and elderly people, and victims of conflict. Wherever we operate, we look for these groups during our stakeholder assessments and determine the most appropriate ways to engage with them. We try to understand and respect their religious, cultural and social concerns, and identify opportunities for their inclusion and advancement.

Engagement with indigenous people

Some of our assets are located on or near the traditional lands of indigenous people. We have formal agreements at a number of these, including indigenous land use agreements (ILUAs) in Australia and impact benefit agreements (IBAs) in Canada. Wherever we work, we engage in open and continuous dialogue with indigenous communities to understand their culture, views and aspirations. This helps us work with them to minimise our impact and maximise the benefit we bring to them.

Our Policy and approach aligns with the ICMM Position Statement on Indigenous People and Mining.

Our engagement activities at our extractive operations aligns with the principles of free, prior and informed consent for indigenous people (FPIC). Wherever mining projects are to be located on lands traditionally owned by, or under customary use of, indigenous people, the ICMM position statement on FPIC requires its members to respect indigenous people's rights, interests, special connections to lands and waters, and perspectives.

Members must adopt and apply engagement and consultation processes that ensure the meaningful participation of indigenous communities in decision making, through a process consistent with their traditional decision-making processes, based on good faith negotiation. Members must work to obtain the consent of indigenous people for such projects.



Internal KPIs and external references

KPIs

socio-economic contributions

ICMM principles

9: Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities

10: Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance

UNGC principles

n/a

SDG



Creating value for society

Our business activities make significant contributions to the national and local economies in which we operate. The most significant derive from employment and procurement, but we try to ensure that we create as much value for them as possible all along our value chain.

Our aim is to minimise dependency on our operations, and promote healthy, sustainable communities with diversified and resilient local economies. This is particularly important as changing market conditions may continue to affect our business. Our greatest economic contribution to our host countries is from employment, sourcing goods and services, and the payment of taxes and royalties.

Payments to governments and tax transparency

We pay all relevant taxes, royalties and other levies in amounts entirely determined by the legislation of relevant national, regional or local governments. We strongly support transparency in the redistribution and reinvestment of these payments and are active participants in the Extractive Industries Transparency Initiative (EITI). We comply with the EU Accounting and Transparency Directives; in line with those provisions we publish separate annual reports detailing material payments made to governments, broken down by country and project.



We maintain a downloadable document detailing our annual payments to governments at glencore.com. The current version is available at www.glencore.com/sustainability/our-progress/reports.

Our community and stakeholder engagement systems collect data to ensure a balanced understanding of how our development efforts affect our assets, both positively and negatively, and to help each asset design their community development strategies. We have a set of metrics for use by our data collection and performance management systems. These were tested externally by submitting them to external peer review by a number of development specialists.

To help us consistently measure and report on our socio-economic contributions, we have developed a socio-economic contribution scorecard. This helps us to improve our management of contributions to our host regions and supports our efforts to meet objectives for maintaining and strengthening our societal licence to operate, while supporting our local communities' own objectives.

The scorecard's development drew on external knowledge as well as our own experience from multiple regions, including countries with both developing and established regulatory environments. It covers 10 KPIs, selected to help us understand and communicate how the full spectrum of our activities combine to contribute value. The scorecard focuses on understanding the tangible results of our investments; over time this data will give us a better understanding of how our development activities affect local economies.

Community and human rights

continued

Local employment & procurement

Employment is one of the most obvious signs of the economic benefits we supply to our host countries. We provide families with their livelihoods, via direct employment at our operations and indirect employment via contractors and our use of local suppliers.

We prioritise employing people from the regions close to our assets. This extends to investing in education projects, skills development programmes and apprenticeships for local people.

Local employment

We are committed to employing locally wherever possible. To support local markets and provide further economic uplift, we invest significantly in workforce development, as well as offering our host communities training for non-mining jobs.

We emphasise diversity in our training initiatives, particularly given our own limited capacity to offer additional employment in the current economic climate. We seek to work with local governments, education authorities and community representatives to identify skill gaps and find the best ways to meet the needs and expectations of our stakeholders. We fund and operate training centres and programmes around the world that include complete secondary education, as well as artisanal skills for the mining sector and elsewhere.

Local procurement

We are also committed to local procurement. We use local suppliers whenever we can, to reduce our costs and provide our host communities with alternative employment opportunities. Our development of local procurement bases also helps our host governments to fulfil their own development objectives.

Some of the regions where we operate lack strong local businesses. We want to help these businesses grow and become nationally and even internationally competitive. 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 business management training, underwrite credit applications and guarantee future business within specific limits. We also encourage large international contractors to develop local partnerships to transfer skills and build capacity locally.

Enterprise development

We work to support and promote businesses based close to our assets to drive local economic diversification. We can provide finance, management expertise and advice, or work premises. Our approach varies from region to region, but can include:

- Encouraging our large international suppliers to build partnerships with local businesses
- Financing or constructing business parks and centres to host and support local entrepreneurs
- Training for small businesses
- Programmes targeting local businesses, to help them meet local and international quality standards
- Working with local government agencies to support training and help develop business plans

Infrastructure

Many of our operations are located in remote and underdeveloped areas; here we can contribute by sharing infrastructure, such as roads, water, sanitation projects and electricity, with our host communities. This will grant local people safer and faster access to other towns and markets, meet local water needs and facilitate access to education and healthcare.

We believe there is a direct link between building infrastructure and general community development. Contributions to local infrastructure have a significant impact on long-term growth and help to alleviate poverty.

Artisanal and small-scale mining (ASM)

ASM is normally subsistence mining; it often involves dangerous working conditions, conflict, corruption, child labour and poor environmental practices. It usually occurs in regions with larger social or political problems, including poverty, corruption and people displaced by conflict.

In the past, our approach to tackling ASM has varied, depending on the operational setting, social context and business case for ASM in that region. In some regions, ASM can be vital to the livelihoods of local people.

It is recognised across the mining industry that ASM is prevalent in the Democratic Republic of Congo (DRC). Here, we try to provide alternative economic opportunities to reduce the need for ASM, such as funding micro-enterprises or offering employment at our operations. We support targeted programmes to reduce ASM, through local co-operative associations that work with our local communities generate sustainable income sources and educate local people about the dangers of ASM. Any of our people who might directly engage with those involved in ASM activities has the relevant human rights training, especially in security issues. Tackling ASM requires diverse elements such as community development, access to resources, security and developing a relevant legal framework. For this reason, we consider it vital to engage and share information with all stakeholders, including local and provincial authorities.

We do not profit from ASM; we have developed robust oversight mechanisms to ensure that, where our ore is transported for processing, it is not mixed with material from other sources, including that from ASM.

Community development

Our community development programmes are an integral part of our community and stakeholder engagement strategies. We design our programmes to help reduce dependency on our operations, encourage self-reliance and contribute to sustainable growth in our host regions.

Our Group Community and Stakeholder Engagement Policy requires community development programmes that aim for the greatest impact against both short- and long-term objectives and are aligned with each asset's overall operational strategy, closure planning and local and/or national development objectives. The programmes must have input from those stakeholders identified during each asset's stakeholder assessment.

They help to improve further the prosperity and resilience of our host communities by supporting access to basic services, such as education and health for the vulnerable and under-served groups, such as children, women, and groups affected by illness and conflict.

Programmes must comply with the asset or project's licence, approval or permit conditions; assets must develop them in consultation with their compliance staff, which may call for certain due diligence checks.

The programmes should include clear KPIs for measuring outcomes and results, with a community-based monitoring mechanism and communication mechanism for reporting results.

Our community development activities target needs identified on a local or regional level, plus a number of Group-wide focus areas: capacity building, including education/training; enterprise development and economic diversification; health; and environment.



Community and human rights

continued

Internal KPIs and external references

KPIs

grievance mechanisms

ICMM principles

- 1: Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development
- 2: Integrate sustainable development in corporate strategy and decision-making processes
- 3: Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities

UNGC principles

- 1: Businesses should support and respect the protection of internationally proclaimed human right
- 2: Businesses should make sure that they are not complicit in human rights abuses

SDG



Human rights

Glencore prioritises respect for human rights everywhere that we operate. We uphold the human rights of our people and our local communities, including vulnerable groups such as women, children, indigenous people and victims of conflict.

As laid out in our Code of Conduct and **Group Human Rights Policy** (which is available in English, Chinese, French, German, Russian, Portuguese and Spanish), we are committed to working in line with the UN Universal Declaration on Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs) and the UN Global Compact. Our management of security activities is governed by the Voluntary Principles on Security and Human Rights (Voluntary Principles). In addition, we are in the process of strengthening our management of supply chain due diligence to align with the Organization for Economic Cooperation and Development (OECD) guidelines.

Our general approach is aligned with the International Labour Organization (ILO) Core Conventions (on prohibition of forced labour, child labour, the right to organize in a trade union, and suffer no discrimination) and the Protect, Respect and Remedy framework from the UNGPs. It is outlined in our Group Human Rights Policy and overseen by our Board HSEC committee.

Our departmental and operational managers have day-to-day responsibility for ensuring that our people work in line with the Code of Conduct and Group Human Rights Policy. We make our Group Human Rights Policy publicly available and actively communicate it to interested shareholders.

Risk assessment is fundamental to our Group approach: we require each asset to conduct a risk assessment for human rights infringements at key phases of its lifecycle. Assessments are adapted for the specific circumstances of each operational region. Where such risks are found, assets develop mitigation plans that follow international leading practice, for instance the International Finance Corporation (IFC) resettlement guidelines (Performance Standard 5: Land Acquisition and Involuntary Resettlement) and the Voluntary Principles for Security and Human Rights. Our assets must also run grievance mechanisms that are accessible, accountable and fair, and which let our stakeholders raise concerns without fear of retribution.

Assets are required to conduct regular human rights training for their workforces, with a focus on those employees in positions exposed to human rights concerns, such as security. This covers general human rights awareness during day-to-day activities for our wider workforce, as well as focused Voluntary Principles training for our security employees and contractors.

Some of our host countries have a higher risk of security-related human rights abuses. We expect our people to avoid complicity in human rights abuses and uphold international standards at all of our assets, regardless of location or function.

UN Guiding Principles on Business and Human Rights

The UNGPs have three requirements for companies to demonstrate that they are fulfilling their responsibilities. We meet these requirements as follows:

| | |
|---|---|
| Express a commitment to human rights through a policy statement. | Glencore's commitment to human rights is stated in our Code of Conduct, which is clearly communicated to all employees and contractors. |
| Perform human rights due diligence to identify, prevent, mitigate and account for potential human rights breaches. | <p>Our operations conduct risk assessments at key phases of their lifecycles. The assessments may cover issues related to labour and workplace, use of security, our business partners, and interactions with stakeholders and vulnerable people. The risks are logged in the operational risk register; progress in addressing them is reported to senior management and the Board as appropriate.</p> <p>In dealing with our business partners, we expect that they meet the requirements of our Code of Conduct and Group human rights policy. In particularly sensitive cases, such as in the selection and appointment of security contractors for our assets, we review their backgrounds to ensure they have no history of involvement in human rights breaches.</p> |
| Provide remediation where business enterprises are identified as having caused or contributed to breaches of human rights. | <p>We expect our people to avoid complicity in human rights breaches and to uphold international standards at our assets, regardless of location or function.</p> <p>Our operations have grievance mechanisms that enable stakeholders to raise concerns without fear of retribution. In addition, our Group raising concerns programme mechanism is available to stakeholders who wish to escalate their concern. We investigate and assess all concerns reported through these mechanisms, and report back to the complainant on the results of the review. We are working with our assets to check that their complaints and grievance mechanisms are both appropriate for the local context and aligned with the UNGP effectiveness criteria.</p> |

Community and human rights

continued

Security and human rights

We pay particular attention to how human rights are handled in regions where our assets require additional security.

Our Group Human Rights Policy requires our assets to conduct risk assessments for conflict and security concerns. If these risks are identified, our assets must align their practices with the Voluntary Principles. At these assets, we have worked to:

- Establish a formal agreement with private and public security providers, which states our expectations for the conduct of personnel deployed at our assets and agrees a mechanism for incident investigation and escalation
- Develop a locally-appropriate approach to training for all security personnel, to ensure understanding of international human rights standards and our expectations for their conduct (this may be carried out by our personnel or via third parties with a mandate to engage with local peacekeeping forces, and will typically address issues such as use of force, use of equipment and conduct in situations of public unrest)
- Implement ongoing performance monitoring through supervision by our security staff and regular meetings with host communities to identify and discuss any concerns
- Track the human rights record of any potential partner, including public security forces, local and national law enforcement, and private security firms; and consult with other companies, government officials and wider civil society to share their experiences with private security firms

There is Group guidance on this process, covering deployment, conduct and performance monitoring for both public and private security providers. Our security, compliance and community relations departments use the guidance as a master checklist; individual assets may need to include additional measures depending on their local conditions. The guidance specifically requires assets to report any concerns with public security providers to the appropriate local authorities, and to collaborate with any subsequent investigation.

Our Group risk framework specifically includes concern for the risk of security-related human rights abuses.

Our assets must allow local stakeholders to express their concerns with regards to security activities. The mechanisms may include regular meetings between security management and our host communities, existing complaints and grievance mechanisms, or dedicated hotlines or mailboxes for security issues. We review and investigate all complaints; where they concern the conduct of public security officers deployed on our concessions, we escalate these with the relevant chain of command.

Working with our business partners

We detail the standards we expect of all our suppliers in our Code of Conduct, Global Anti-corruption Policy and Group Human Rights Policy. Our standards align with ICMM principles and international standards including OHSAS 18001, the ILO conventions and the UNGPs. We also monitor private security providers to ensure they operate in a manner consistent with our standards.

Our assets consult regularly with their host governments and local communities about the impact of their security arrangements.

While some of the countries where we work have a higher risk of security-related human rights breaches, we expect our people to avoid complicity and uphold international standards everywhere. When we identify higher security risks, we screen our security contractors' human rights performance and their ability to comply with our Policy. We also ensure we have contracts that reference the Voluntary Principles or memoranda of understanding that state our expectations on upholding human rights.

When we enter into joint ventures where we are not the operator, we seek to influence our partners to adopt similar policies and procedures to those of Glencore wherever possible.

We continue to engage with our business partners on ways to manage human rights risks. In regions with a high risk of human rights abuses, we require our security contractors to comply with the Voluntary Principles. Where public security forces, such as local military or police forces, operate at our assets, we engage with our host governments to raise awareness of international human rights standards and promote responsible practices.

Where our commodity value chains risk affecting the rights of the workforce or nearby communities, we look for relevant initiatives and organisations to partner with, to promote responsible human rights management throughout the value chain.

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.

Forced labour

We recognise the risks of forced labour, modern slavery, human trafficking and other labour standards violations within our supply chains. We publish an annual Modern Slavery Statement on the steps we are taking to understand and address these risks. We also continue to engage with local, national and international initiatives on responsible product sourcing, such as the Organisation for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct, which will inform our approaches and practice.

Resettlement

We seek to avoid resettlement wherever possible. When it cannot be avoided, we proceed in accordance with IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement. Throughout, our priority is to ensure that all affected stakeholders have full participation. Following any resettlement, we seek to ensure the communities involved can maintain productive livelihoods through ongoing monitoring.

Grievances and complaints

We require our assets to operate grievance mechanisms, to receive and address concerns from external stakeholders. In alignment with the UNGPs, we require our assets to ensure that local people are aware of the mechanism most relevant to their needs, and can access it easily. We also require that all complaints are reported and investigated. 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.

For this reason, individual grievance mechanisms may range from informal complaints channels to formal dedicated grievance mechanisms. Channels for communication include dedicated phone lines, complaints registers in public places, SMS hotlines and the offices of assets in local towns. Where necessary, complaints are recorded with witnesses present, as are the results of investigations.

We also have formal, transparent mechanisms for our own people and stakeholders to report breaches of our policies and similar issues, known collectively as "Raising Concerns." The individual mechanisms reflect local conditions, such as internet availability and languages spoken, to ensure ease of use. We let all our workers know about them through dedicated training and visual material, such as posters, available widely throughout work sites.

We investigate and assess all concerns reported through these mechanisms, and report back to the complainant on the results of the review.

Product Stewardship

Internal KPIs and external references

| KPIs |
|---|
| # safety datasheets |
| ICMM principles |
| 8: Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals |
| UNGC principles |
| n/a |
| SDG |
|   |

We aim to deliver competitively-priced commodities that meet our stakeholders' needs and contribute to global society, while progressively reducing any associated risks.

We work with experts, industry consortia and our peers to study the properties and impacts of our products throughout their lifecycles, to spread understanding of our products. Through building a thorough understanding of our products' properties, we are best able to produce, transport and store them safely and mitigate potential adverse impacts on our workers' health and environment.

To meet customer expectations and maintain our access to markets, our products must meet the latest regulatory requirements and industry standards. Increasing hazard awareness and risk perception in society has led to new requirements for the responsible delivery of products.

We closely monitor these regulatory developments, and engage with the relevant stakeholders to anticipate and respond to any regulatory change and ensure uninterrupted delivery of our products.

Through our long experience of handling and producing our materials, we have an extensive knowledge on their properties and use. This thorough understanding of our products' properties helps us to produce, transport and store them safely. Our commitment to understanding the full impact of our products is enshrined in our Group Product Stewardship Policy. We engage with industry consortia and our customers and are involved with the development of industry regulation.

We have developed a product stewardship scorecard too help communicate awareness of this discipline's varied and far-reaching nature, combining disparate fields

such as regulation and science. The scorecard covers any new regulatory or product-related development that may affect our business or the markets we work in. We use it to track and rank new developments by priority and potential impact, as well as communicate their significance to senior management. We classify each issue by both commodity department and region. High priority issues are allocated follow-up actions to mitigate or reduce the risk to ensure that our business and our sustainability activities run smoothly.

Extraction and production

We mine and beneficiate minerals across a broad range of commodities, mining techniques and countries, for processing and/or refining at our own facilities or for sale to third parties. As a consequence, our Group encompasses a broad range of operating conditions and working environments. Our product stewardship programme, designed to fit our diversified range of activities, supports our strong commitment to health and safety. It contributes to the establishment of protective occupational exposure limits (OELs) and environmental reference values.

Determining OELs is a difficult and complex process, involving experts in a range of fields, including medical areas, industrial hygiene and process management. As part of our approach to managing and mitigating occupational health risks, we are updating our database on the potentially hazardous substances that are present at our operations. The database prioritises substances, based on their properties, regulatory developments and inputs from external stakeholders. We are then better able to put in place appropriate mitigation measures.

We inform our workers, transporters and customers of the possible hazards of our products and which safety precautions they need to follow

when handling, storing and transporting our product to prevent physical, personal and environmental harm. We provide this information in safety data sheets, which we update regularly and send to our customers.

Values are often established by regulatory bodies or industrial hygiene associations. We contribute to these discussions by monitoring occupational diseases and exposures within our business and sharing that knowledge. This monitoring also gives us information that helps us maintain and improve wellbeing in our workplaces. Our aim is continuous improvement in our engineering controls and PPE, to safeguard the health of our workers, and protect the natural environment.

Product safety

We continually study the nature and properties of our products to identify their intrinsic hazards and establish guidance on their safe use. We share this information to our customers, and combine it with recommendations on engineering controls and protective equipment as well as exposure monitoring to help maintain safe workplaces. We share good practice in product stewardship throughout the Group. Our metals and minerals asset in Canada undertakes widely recognised research and innovation projects in sulphuric acid management.

It shares the resulting improvements to processes across the Group and has also rolled out training in acid handling to our customers.

Our industrial assets work closely with our marketing teams, with our traders regularly visiting industrial sites. We promote cooperative networks within the Group to ensure that lifecycle management is incorporated in all phases of production and sales. Our traders meet with our customers regularly to share advice on process safety and good practice.

We investigate gaps in the general knowledge of metals related to potential environmental and health risk and improve risk management measures. We have worked with the Cobalt Development Institute, a trade association for cobalt producers, users, recyclers and traders, to run cobalt studies to help prevent occupational diseases.

We have a cyanide management system in place at Kazzinc, in Kazakhstan, which uses cyanide in the production of gold. The system is not certified against the International Cyanide Management Code for the Manufacture, Transport, and Use of Cyanide in the Production of Gold (ICMC), but is licensed and operated according to the applicable governmental regulations. The site was also reviewed by an external expert against ICMC requirements.

In terms of monitoring our own peoples' exposure to toxic hazards, the Group product stewardship team is creating an overview of existing national and international OELs for the various materials we produce and work with, as well as OELs likely to be introduced in the future. This will help us determine the best approach to establishing and monitoring OELs across the Group.

Sourcing

Our marketing teams source commodities from the industrial assets that we fully or partly own, as well as from third-party suppliers. This valuable market and regional knowledge helps us to understand the global balance between supply and demand.

We work with all our stakeholders to encourage responsible commodity sourcing. We recognise that there is the potential for risks relating to human rights, conflict and corruption that exist within our supply chain. The global relationships we have developed with our key suppliers mean that we have a reliable supply of the products we buy, and can offer them competitively. We try to minimise the inventory and working capital held within our supply chain. We have developed best-in-class contract formalisation and management.

Our primary objective is to ensure that we maintain a culture of ethical behaviour and compliance throughout the Group, rather than simply performing the minimum required by laws and regulations.

Glencore's supply chain sustainability strategic objectives are formalised in our Code of Conduct. We seek to ensure that our suppliers, including contractors, maintain:

- Lawful business practices
- Agreed standards of quality and timeliness of delivery
- Safe, healthy and fair workplaces
- Zero tolerance for human rights violations, in relation to both their people and their host communities
- Business practices that minimise environmental impact

We support these requirements with communication, training and/or contractual arrangements.

We complement our Group compliance programme with site-specific programmes to meet local or product-specific regulations.

Product Stewardship

continued

For example CCR, our refinery in Montreal, Canada, introduced a global supply chain management policy and procedures in 2012, to demonstrate that its gold is conflict-free and comply with high anti-money laundering standards. The policy also complies with guidelines from the Organization of Economic Cooperation and Development (OECD) and the London Bullion Market Association's (LBMA) Responsible Gold Guidance. In 2013, CCR enlisted Ernst & Young, an approved LBMA auditor, to audit the policy and procedures; the asset was certified as compliant with the LBMA Responsible Gold Guidance. The audit focused on our supply chain verification process for raw materials, which aims to ensure that none of our purchases of gold-bearing material support human rights abuses or non-state armed groups. It also aims to eliminate bribery, the fraudulent misrepresentation of the origin of gold, and money laundering. Since then, CCR has been subject to limited assurance audits in 2014, 2015 and 2017 and a reasonable assurance audit in 2016 as part of the annual recertification process. CCR's conflict-free gold policy, compliance and audit reports can be found at www.affinerieccr.ca.

The most senior person at each asset is accountable for procurement sustainability objectives, being responsible for the choice of suppliers in coordination with the Group procurement team for categories where global agreements exist. This includes assessing suppliers in accordance with our risk management framework, including their ability to comply with our values and Code of Conduct.

Due to our diverse operations and decentralised management structure, there is no Group-level consolidated reporting of procurement suppliers that have been assessed or undergone monitoring. This is managed at the asset level.

Supplier assessment and development

Our customers are increasingly seeking assurance that their own supply chains do not have any links to human rights abuses. Our supplier audits range from desktop credit checks to physical onsite inspections, preannounced or informal visits. Such audits are typically completed by third-party service providers. Our procurement supply chain sustainability assessments are not limited to our key suppliers but defined at asset level in accordance with our risk management framework. There is no centralised consolidation of the audit results nor action items for rectification.

Where we work with suppliers in developing economies, 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 expectations with regard to conduct.

We want to help these businesses grow and become nationally and even internationally competitive.

Transportation

Our products move through the hands of many service providers, such as warehouses, land freight and shipping lines. Each stage can have an impact on quality, so we have quality controls at specific stages of the supply chain, especially loading and discharge locations. These controls form the backbone of our quality assurance programmes. They are conducted by independent assessors or qualified and trained Glencore people, signed-off by an internationally accredited inspection organisation.

Critical transport parameters, such as the moisture content of grain, coal or ore concentrates, are also inspected.

Our procedures follow applicable international standards and leading practice; requirements are generally included in our contracts with customers and suppliers. All documentation is recorded and readily retrievable. Any reported problem is reviewed jointly by our trading, traffic and chartering teams. They aim to resolve any issues as quickly as possible and to uncover and correct the underlying cause for the future.

Some specific products require additional quality assurance measures. These include the International Sustainability and Carbon Certification (ISCC) requirements for renewable fuels.

As we transport our products the supply chain by road, rail, river or sea, safety remains our prime focus. It is vital to provide the transporter with the appropriate safety information. We place great importance in meeting the requirements of regulations on the transportation of dangerous goods, eg the European Agreement on the international carriage of dangerous goods by road (ARD) and the US Department of Transportation, as applicable as well as those under the International Maritime Organization's dangerous goods and solid bulk cargoes codes and MARPOL.

Distribution

We maintain over 7,000 safety datasheets covering all our products, including variants for different countries and legal entities. The datasheets reflect the classifications developed by industry associations and consortia; they provide information on OELs and the precautions workers should take during handling, as well as responsible storage and distribution.

They are available in all 24 official EU languages, plus others such as Mandarin, Japanese and Korean where appropriate.

Our centralised database is integrated with many of our regions' sales and marketing systems, allowing them to automatically issue datasheets to customers on purchase. If a Glencore marketer attempts to bring a product into one of these ports without REACH clearance, our product stewardship team is automatically alerted, allowing them to request sufficient information to check the product before shipping.

As part of our commitment to responsible product stewardship, we follow the UN globally harmonised system for classification and labelling of chemicals (GHS), the EU REACH regulations on the registration, evaluation, authorisation and restriction of chemicals, and the London Bullion Market Association (LBMA) Responsible Gold guidance.

We participate in the REACH consortia related to the metals we produce; these include the consortia for zinc, cadmium, sulphuric acid, lead and precious metals.

Collaboration

Spreading understanding of our products

We work continuously with experts, industry consortia and our peers to study the properties and impacts of our products throughout their lifecycles. This helps us to ensure that our products conform to international standards and regulations, and to control any risk to the environment or human health. This focus on healthy workplaces is in line with our health strategy, helping to establish appropriate occupational exposure limits (OEL) and recommendations for appropriate personal protective equipment.

We share with regulators what we know about the impact of our products throughout their lifecycles. This includes ongoing engagement with regulators around the world on climate change legislation as well as occupational health and safety regulations and environmental legislation.

We share our understanding of our product value chains and the associated risks with our peers, customers and other stakeholders. We help our customers implement their own material stewardship strategies, inform them of regulatory decision-making and generally help minimise risk to human health and the environment. We host visits by our customers to our assets.

For instance, we provide customers from the US electronics industry, and other downstream industries, with documentation to show that our products do not contain minerals sourced from conflict-affected and high-risk areas. This helps them ensure their compliance with US regulations. We provide similar evidence to support compliance with other legislation, such as the EU Restriction of Hazardous Substances Directive and REACH.

We not only send out information to our supply chains; we also bring learnings from other stakeholders back to our operations and assets. This includes continual improvement of our facilities and procedures to allow for the potential health impacts of production activities. In one example, the discovery that exposure to nickel compounds may increase the risk of lung and nasal cavity cancer has led to changes in the way we protect workers at our nickel mines and refineries. This includes PPE use, regular health monitoring and job rotations to minimise exposure.

Supporting innovation in product efficiency and safety

We actively support research and innovation via industry consortia, including representation on the boards of the Nickel Consortium Group and Cobalt REACH Consortium. We work with REACH authorities and the International Maritime Organisation to contribute to materials testing and general understanding of the hazards associated with ore and concentrate shipping.

Products that we trade or produce are subject to risk-based contaminant monitoring to ensure they comply with applicable legislation.

Regulatory changes are actively followed up to ensure we continue to comply with applicable legislation

Our people

Internal KPIs and external references

KPIs

- # employees + contractors
- % female employees turnover
- # training hours

ICMM principles

3: Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities

UNCC principles

- 1: Businesses should support and respect the protection of internationally proclaimed human rights
- 2: Businesses should make sure that they are not complicit in human rights abuses
- 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- 4: Businesses should uphold the elimination of all forms of forced and compulsory labour
- 5: Businesses should uphold the effective abolition of child labour
- 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation

SDG



Our people are fundamental to our success and growth. We treat all our people fairly, uphold their rights and reward them competitively, in line with their contribution to our success.

Our policies and operational processes embed our commitment to respect for human rights. We are signatories to the United Nations Global Compact, a set of principles covering human rights, labour, environment and anti-corruption. We work in accordance with relevant international frameworks, including the of the International Labour Organization (ILO) Core Conventions (on prohibition of forced labour, child labour, freedom of association and protection o of the right to organise, the right to organise and collective bargaining, equal remuneration, discrimination and minimum age).

Our policies and operational processes align with the UN Guiding Principles (UNGPs) and with the Sustainable Development Framework of the International Council on Mining & Metals.

Diversity and equal opportunities

We believe that diversity is essential to our business and prohibit discrimination on the basis of race, nationality, religion, gender, age, sexual orientation, disability, ancestry, social origin, political or other opinion, or any other bias. We value diversity and treat employees and contractors fairly, providing equal opportunities at all levels of our organisation; we do not tolerate any form of racial, physical, sexual or workplace harassment. Our position is included in all training materials for new and current employees, and reinforced regularly in management training.

We hire, promote, reward and develop our people according to their

ability, contributions and skills. Our remuneration policies are generally tied to experience, ability and performance, with rewards for self-improvement and ambition. We review our pay and incentive practices regularly, and are currently looking to better align our approach with international best practice, including the living wage.

We aim to employ workforces that reflect the demographics of the communities in which we operate. At many of our assets, achieving gender parity is a major challenge, as they are either geographically remote, use shift working rostering, or both. In these regions, we focus on maximising local employment instead, including any vulnerable communities represented there.

We prohibit all forms of child, forced or compulsory labour and human trafficking throughout the Group. No employee aged less than 18 is allowed to carry out hazardous work.

We have transparent procedures, guidelines and training on bullying, harassment and discrimination that are available both online and via traditional channels. Our supervisors and managers receive and are expected to implement our equal opportunities policies and guidelines.

Our Group diversity objective is to create a diverse and inclusive workforce; we seek to achieve this objective through:

- Improving gender diversity and preventing discrimination on the basis of gender or any other divers attribute in relation to employment matters
- Challenging traditional mindsets and encouraging and supporting diversity of thought and experience
- Building a working environment that provides full and equal participation for all groups in our workforce and creating an inclusive team culture
- Providing flexible working arrangements, part-time employment and job-sharing when appropriate

- Overcoming unconscious bias that may occur in our recruitment processes through encouraging searches to go beyond the traditional skill markets
- Respecting local regulations and the ILO Declaration on Fundamental Principles at Work
- Implementing a fair and effective performance-based process for appointments to ensure we recruit the best talent.

We include information on equality and diversity in all employee induction and annual diversity training programmes; these are available via multiple learning mediums to suit a range of adult learning styles (including but not limited to classroom training and online self-paced e-learning in multilingual formats). We ensure that all our employees can report grievances through either formal or informal processes.

We have a transparent and fair internal disciplinary process.

We take every precaution to protect the privacy of our employees and their personal information. Many of our employment contracts reflect our approach to the management of HR information and privacy, which is to ensure the effective use and maintenance of valid, reliable and relevant information storage and transparency.

Engagement with indigenous communities

A number of our assets are located in regions close to, or on, the traditional lands of different indigenous, aboriginal and First Nations communities. Our relationships with these communities are based on open and continuous dialogue to understand their varying cultures, views and aspirations. We are also committed to identifying opportunities for their inclusion and advancement.

As almost all of our Canadian sites are situated in or near long-established indigenous communities, we work in partnership with them to provide work, training and educational opportunities for individuals from those communities to secure employment at our assets. This includes, but is not limited to: scholarship programmes; recruitment initiatives; training; personal, language and skills development; and cross-cultural support.

Some of our assets have also entered into formal agreements with local indigenous communities that include participation agreements, impact benefits agreements and memoranda of understanding.

In Australia, we have a range of employment and training programmes to encourage greater numbers of indigenous people within the workforces of our assets. At Mount Isa Mines (MIM), the MIM Indigenous Employment Program targets young local indigenous people, providing job-readiness and mining-specific training. Female trainees have made up 24.9% of the total intake since it began. McArthur River Mine's employment and training strategy, Pathways to Employment, is a multi-year, three-stage process targeting students, entry-level trainees and new employees. It can ultimately lead to certification and career opportunities within Glencore.

Labour relations

We believe that our people are our greatest asset. We uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We recognise and uphold the rights of our workforce to a safe workplace, freedom of association, collective representation, collective bargaining, just compensation, job security and development opportunities.

Our assets generally offer pay levels above the local minimum wage for their locations. We also ensure that working hours are not excessive by monitoring rosters, shifts and other recording procedures, in compliance with local legislation and agreements with unions or works councils.

We are committed to working honestly and openly with labour unions at all our locations and treating employees with respect. As trade unions play different roles at our assets depending on geographical region and industrial sector, our assets engage with the unions active at their sites in different ways and at different levels. We do not interfere with the rights of unions and prohibit any form of intimidation or retaliation against workers seeking to exercise their rights to freedom of association, collective representation and/or collective bargaining.

Whenever there are significant organisational changes, such as closures, acquisitions, mergers and divestitures, we consult, communicate and provide appropriate support to our people. We work with our employees, labour unions and host governments to identify and agree alternative opportunities, severance packages and support during transition.

Our people

continued

We have clear, formal processes for our people to report labour grievances; for more information on this, see the raising concerns programme information on page 9.

- Where appropriate, we involve union leaders in day-to-day management, eg health and safety councils
- We hold monthly or quarterly union meetings with regular updates on safety, production and costs; we review and discuss these subject with union representatives, and hold strategic discussions on upcoming business challenges, opportunities, and risks to longer term viability
- We engage directly with full-time union health and safety representatives on ways to continually improve safety performance
- We actively advise retiring unionised employees, with education on pensions and optimisation of post-retirement health benefits, as well as wellbeing programmes
- We have joint disability management programmes to ensure effective return to work programmes for workers who have previously been on leave due to injury or illness
- We also run pension education committees and wellbeing initiatives

Our HR teams use Group human resources policies and employment contracts with our employees to ensure industrial instruments (workplace agreements) are current and aligned with the relevant legislation.

Employee retention and turnover

Redundancies

We make every effort to minimise the impact of redundancies on our employees and our host governments and communities. We engage extensively with all those affected to ensure they are aware of our planned and potential actions. Our severance and compensation packages are in line with labour agreements and employment contracts; they either meet or exceed the requirements of local legislation. Many of our assets include voluntary redundancies in their processes in the first instance.

If we are forced to make employees redundant, we make every effort to find roles them within the business, within their local communities and across the wider Group. We engage in retraining and up-skilling for employees affected by redundancies in the lead-up and notice periods to closures, to increase their prospects for redeployment within the Group. Affected employees receive retraining subsidies.

We work with our people to find suitable alternative employment wherever possible. We have local and global preferred supplier agreements with career transition and outplacement support and offer employees career counsellor as part of local support arrangements.

We can offer financial support for career transition that includes but is not limited to job search workshops, one on one coaching and job placement. Job placement support includes identification of opportunities in other organisations and individualised mentoring to help employees being made redundant find new jobs. Many of our assets also offer specific support to employees with low financial literacy, including basic financial management training.

All redundancies are carried out in consultation and agreement with local government and community stakeholders and trade unions. In all cases, our severance agreements have been negotiated and explicitly approved by local unions.

Career development

We believe that it is vital to our business to attract and retain the best people at every level. We offer regular assessments of skill levels and competence, with the aim of spotting good performance, talent and potential and offering suitable reward, development and support.

Our heavily decentralised approach allows individuals to take significant responsibility. Our people are accountable for their contributions to our businesses around the world, including the creation of long-term relationships with our stakeholders.

Succession planning and retention strategies must reflect the local working environment as well as longer term talent development and retention across the Group. For this reason we encourage our assets and departments to develop their own strategies that compliment Group career development activities. Some of the initiatives currently in use around the Group include:

- Regularly reviewing the skills of our current workforce against future business requirements, especially critical roles, and taking steps to make sure they will match; this includes training employees in the skills required for advancement
- Aligning our definitions of the core technical and behavioural competencies we require of applicants with independent benchmarking frameworks
- An online database to spot critical workforce gaps, ensure that current employees receive appropriate training, and recruit short-term hires or transfer suitable employees from other teams
- Talent and succession planning to develop an overview of the skills available across each division, and ensure future critical roles and leadership positions can be filled in the future
- A six-month structured leadership development programme for high performers
- Further support with management competencies for high performers
- A clear set of next steps for identified high performers, laying out the relevant training and experience required for their support
- Regular reviews for identified high performers, and those identified in succession planning, to ensure that they are receiving the correct support, training and experience
- Annual reviews of high performer and succession planning programmes to ensure that the identified individuals are on track, and to discover any further candidates for the programmes
- External leadership training courses that may include masters-level study and qualifications, with financial support and study leave
- Sending talented individuals on short- and long-term international assignments to disseminate technical and organisational experience throughout the Group
- Offering high performers secondments and temporary roles with greater responsibilities
- Our recruitment programmes target recent graduates and provide training and mentoring to help them develop their careers
- Department-level programmes specifically for talent spotting, training and mentoring high performers



Glossary

ASM

Artisanal and small-scale mining.

available blue water

According to the Aqueduct Global Maps 2.0 of the World Resource Institute (WRI) this is the total amount of water available to a catchment before any users are satisfied. It is calculated as all water flowing into the catchment from upstream catchments plus any imports of water to the catchment minus upstream consumptive use plus runoff in the catchment.

backfilling

Filling mined voids with non-hazardous material generally sourced from mine residues, to ensure long-term stability of excavations and minimise the effects of seismic activity.

baseline water stress

According to the Aqueduct Global Maps 2.0 of the World Resource Institute (WRI) this constitutes total annual water withdrawal (municipal, industrial, and agricultural) expressed as a percentage of the total annual available flow. Higher values indicate more competition among users. Arid areas with low water use are scored as high stress when calculating aggregated scores. The baseline water stress is calculated as water withdrawals divided by mean available blue water. Areas with less than 0.03m/m² available blue water and less than 0.012m/m² water withdrawal are classified as "arid and low water use".

business segment

Glencore operations are divided into three business segments: Metals & Minerals, Energy Products and Agricultural Products. Each segment manages its own marketing, sourcing, hedging, logistics and industrial investments.

"care & maintenance" phase

A phase in the lifecycle of an asset where production is stopped, but with the potential to recommence operations at a later date; we manage conditions to ensure that the asset remains in a safe and stable condition.

CDP

CDP is an international, not-for-profit organisation that provides a global system for companies and cities to measure, share and disclose environmental information. See www.cdp.net for further information.

closure plan

A formal document detailing a costed conceptual outline of how the operation will be closed, taking into account the options available to deal with prevailing social and environmental issues. We set aside funds specifically for site closure, including land rehabilitation.

CO₂e

Carbon dioxide equivalent is the universal unit of measurement for the global warming potential (GWP) of greenhouse gases, where one unit of CO₂e is the GWP for one unit of carbon dioxide. This unit allows us to discuss the equivalence of different GHGs in terms of their GWP. The GWPs used in this report are 1 for CO₂, 28 for methane and 298 for nitrous oxide, as per IPCC's 5th Assessment.

commodity departments

Each of Glencore's business segments are divided into a number of commodity departments, e.g. copper, nickel, ferroalloys and zinc within the Metals & Minerals business segment. See www.glencore.com/what-we-do/ for a full list.

concentrate

A natural commodity consisting of extracted and processed mineral ores; the first step towards producing refined minerals and metals.

COP21

The 2015 United Nations Climate Change Conference, COP21, was held in Paris, France, from 30 November to 12 December 2015. It was the 21st yearly session of the Conference of the Parties (COP) to the 1992 United Nations Framework Convention on Climate Change (UNFCCC). The conference negotiated the Paris Agreement, a global agreement on the reduction of climate change, the text of which represented a consensus of the representatives of the 196 parties attending.

copper equivalent

A product specific production value that is calculated by dividing the average price of a specific product in a baseline year with the average price of copper in the same baseline year.

critical control

A control that is crucial to preventing or mitigating the consequences of an event. The absence or failure of a critical control would significantly increase the risk connected to the relevant hazard, regardless of the existence of other controls. Controls include actions that should be taken, devices and technical systems.

direct energy

Energy used and generated by our operations, including energy generated by combustion in boilers, furnaces and vehicles owned or controlled by us. Sources include coal, coke, diesel, gasoline, biomass, biodiesel, fuel oil, jet fuel, kerosene, LPG, naphtha, natural gas, propane and recovered electricity generated on site. See *indirect energy*.

ECHA

The European Chemicals Agency is an agency of the European Union that manages the technical, scientific and administrative aspects of the REACH system and drives implementation of the EU's chemicals legislation.

EITI

The Extractive Industries Transparency Initiative aims to strengthen governance by improving transparency and accountability in the extractives sector (oil, gas and mining). EITI promotes revenue transparency by monitoring and reconciling payments from mining businesses and government revenues at the country level.

ferroalloys

Various iron alloys that have a high proportion of one or more other elements, e.g. manganese, chrome or silicon.

fugitive emissions

Emissions that emanate irregularly from many diffuse sources, such as gas leakages from equipment, and, in the case of dust, the movements of trucks and machinery in dusty areas.

GHG

Greenhouse gas.

Greenhouse Gas Protocol

Standards and guidance for corporate accounting and reporting on GHG emissions, which help governments and business leaders to understand, quantify, and manage GHG emissions (e.g. CO₂). The protocol separates GHG emissions into different scopes depending on source.

GRI

The Global Reporting Initiative is a network-based organisation that develops and disseminates voluntary sustainability reporting guidelines; there is a specific supplement for the mining and metals industry.

grievance process

A formal mechanism that local community members or other stakeholders can use to register concern about real or perceived actions by nearby operations, with the objective of resolving problems before they escalate.

hazardous

Dangerous, as defined by national legislation.

HELE

High-efficiency, low-emission

hours worked

Total hours worked by employees and contractors at our industrial sites, including overtime but excluding any scheduled or unscheduled absence (e.g. holidays or sickness) during the reporting year.

HPRI

High potential risk incidents are incidents that could have potentially resulted in a catastrophic (Category 5) or major (Category 4) outcome.

HSEC

Health, safety, environment and communities.

ICMM

The International Council on Mining and Metals is an industry trade body dedicated to establishing and promoting leading sustainability practices.

IFC

The International Finance Corporation is part of the World Bank Group; it finances private sector ventures and projects in developing countries and provides these with advice and guidelines.

ILO

The International Labour Organization is a United Nations agency that seeks the promotion of social justice and internationally recognised human and labour rights.

ILO Declaration

The Declaration on Fundamental Principles and Rights at Work was adopted by the ILO in 1988, with the core categories of collective bargaining, discrimination, forced labour and child labour.

indirect energy

Energy used by our sites, but supplied by third parties, often as electricity. This includes electricity, steam and heating/cooling. See *direct energy*.

"industrial activities"

Glencore term covering assets and activities related to commodity production and processing, as separate from marketing activities. See *"marketing activities"*.

IPCC

The Intergovernmental Panel on Climate Change assesses scientific, technical and socio-economic information on the risk of human-induced climate change. It was established by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO).

ISO 9001

A quality management system standard (not a performance standard) issued by the International Organization for Standardization (ISO). It is a voluntary standard that can be independently audited by certifying bodies.

Glossary

continued

ISO 14001

A management system standard, similar to ISO 9001, but covering environmental impacts and risk.

LBMA

The London Bullion Market Association is an international trade association, representing the London market for gold and silver bullion, which promotes refining standards, trading documentation and the development of good trading practices.

LTI

Lost time injuries are recorded when an employee or contractor is unable to work following an incident. We record lost days as beginning on the first rostered day that the worker is absent after the day of the injury. The day of the injury is not included. LTIs do not include Restricted Work Injuries (RWI) and fatalities.

LTIFR

LTIFR is the total number of LTIs recorded per million working hours.

“marketing activities”

Glencore term covering trading and sales activities as well as the infrastructure and resources used in transporting products from our industrial sites to customers. See “*industrial activities*”.

MARPOL

The main international convention for preventing ships from polluting the marine environment, whether by operational or accidental causes.

mixtures

In the context of product safety regulations, a mixture or solution comprising two or more substances, where each substance is defined as a chemical element and its compounds in the natural state, or obtained by any manufacturing process, including any additive necessary to preserve stability and any impurity deriving from the process used.

nitrogen oxides

A range of related chemical compounds, collectively indicated as NO_x, which can react to form GHGs. Examples are nitric oxide and nitrogen oxide.

occupational disease

Any chronic ailment or illness that occurs as a result of work or occupational activity; these are typically identified as being more prevalent in a given body of workers than in the general population, or in other worker populations. An occupational disease is different from an occupational injury.

OCIMF

The Oil Companies International Marine Forum is a voluntary association of oil companies with an interest in the shipment of crude oil and products.

OECD

The Organisation for Economic Co-operation and Development is an international organisation that provides a forum in which governments can work together to share experiences and seek solutions to tackle economic, social, environmental and governance challenges.

overburden

The rock and soil that lies above a coal seam or ore body and must be removed for mining activities.

petajoule

A measure of energy equivalent to a thousand trillion joules, or 10¹⁵ joules, usually used to express energy consumption by cities or major industries.

PM

Particulate matter, or dust, usually from industrial sources.

protected area

A location that receives protection because of its natural, ecological or cultural value.

PSM

Process safety management.

REACH

Registration, Evaluation, Authorisation and Restriction of Chemicals is the European Union’s chemicals control act.

Scope 2 (location-based) emissions

This approach applies grid emission factors to all purchased electricity, regardless of contractual purchase arrangements for renewable electricity.

Scope 2 (market-based) emissions

This approach applies GHG emissions from contractual arrangements; supplier-specific emission factors are applied when relevant and available, but where they are not, the country’s residual or grid emission factor is applied.

sulphur dioxide

A chemical compound (SO₂) produced by various industrial processes, including the combustion of sulphur-containing fuels. SO₂ is a pollutant gas and a precursor to particulates in the atmosphere. It can be captured and converted to saleable sulphuric acid.

tailings

The residue of an industrial process, especially residue that contains mineral ore.

TRIFR

Total Recordable Injury Frequency Rate = number of fatalities + lost time injuries (LTIs) + restricted work injuries (RWIs) + medical treatment injuries (MTIs) per million hours worked.

UNGPs

The United Nations Global Compact principles cover human rights, labour, environment and anti-corruption.

Voluntary Principles

The Voluntary Principles on Security and Human Rights (Voluntary Principles) Initiative is a multi-stakeholder initiative involving governments, companies and NGOs, which promotes a set of principles for oil, gas, and mining companies to guide them in providing security for their operations in a manner that respects human rights.

waste rock

Mineral wastes produced during mining, excluding overburden. It includes the parts of ore deposits that are not processed for economic reasons. Waste rock is either used for backfilling or stored at the surface.

water discharge

Total of water effluents discharged over the course of the reporting period to subsurface waters, surface waters, sewers, treatment facilities, etc.

water input

Total amount of water withdrawal plus water entrained in ore that is processed. See "*water withdrawal*".

water output

Total amount of water discharged plus water entrained in waste material and final product and water lost to evaporation and other losses. See "*water discharge*".

water withdrawal

Total amount of water drawn into the boundaries of the reporting organisation from all sources for any use over the course of the reporting period. Includes surface water, ground water, rainwater, potable water and non-potable water imported from third parties.

WHO

The World Health Organization is the directing and coordinating authority for health within the United Nations system, which sets many internationally-recognised norms and standards.

workforce

References to our workforce include both employees and contractors.

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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 “outlook”, “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 Glencore’s Annual Report 2017.

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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

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