
GLENCORE



SUSTAINABILITY HIGHLIGHTS 2015

Key sustainability achievements

\$94m

spent on corporate social initiatives

Approach to grievance handling

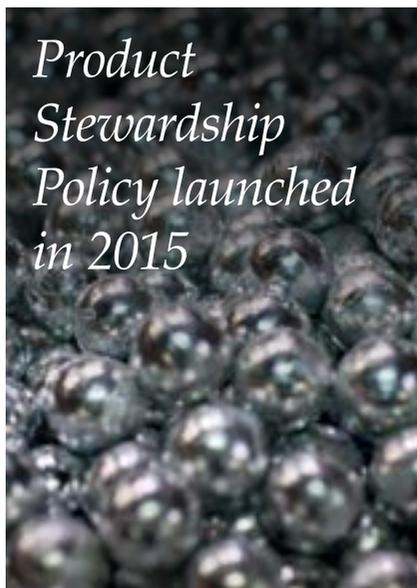
reviewed against the principles of the UN Guiding Principles on Business and Human Rights

Around
\$15bn
spent with local suppliers



Revised Code of Conduct launched group-wide; a new e-learning platform established to support implementation

Product Stewardship Policy launched in 2015



16%

reduction in lost time injury frequency rate during 2015

Strategic water management framework developed

Our aim is to responsibly manage our water impact without material adverse impact on the quality and quantity of any water body, and without compromising other users' access to water.



zero

major, catastrophic or moderate environmental incidents

8 million+

hours of training for our workforce

12

group assurance reviews on material and catastrophic HSEC hazards completed across every department

A formal health management strategy developed.

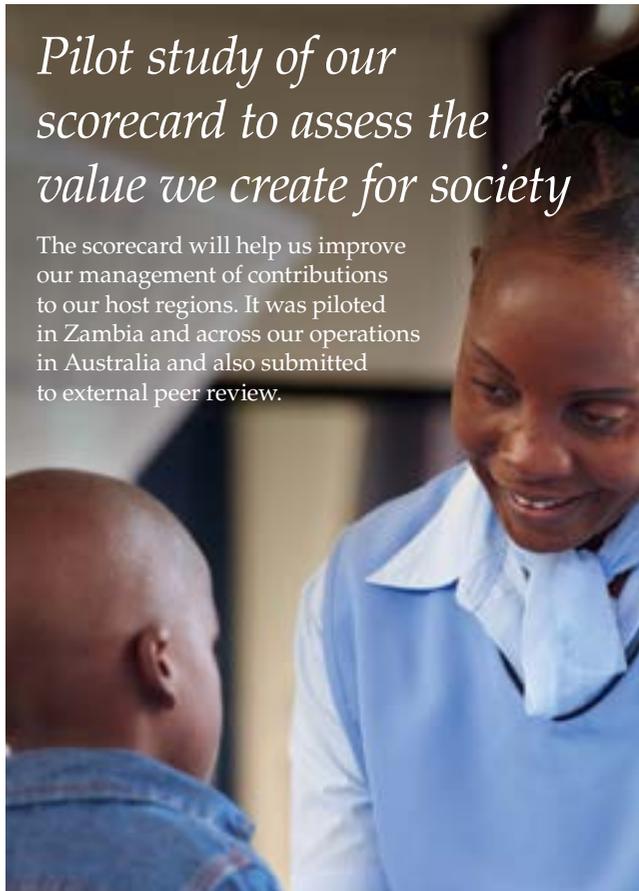
The strategy has three pillars:

- 1. Healthy workplaces*
- 2. Fit for work*
- 3. Fit for life*



Pilot study of our scorecard to assess the value we create for society

The scorecard will help us improve our management of contributions to our host regions. It was piloted in Zambia and across our operations in Australia and also submitted to external peer review.

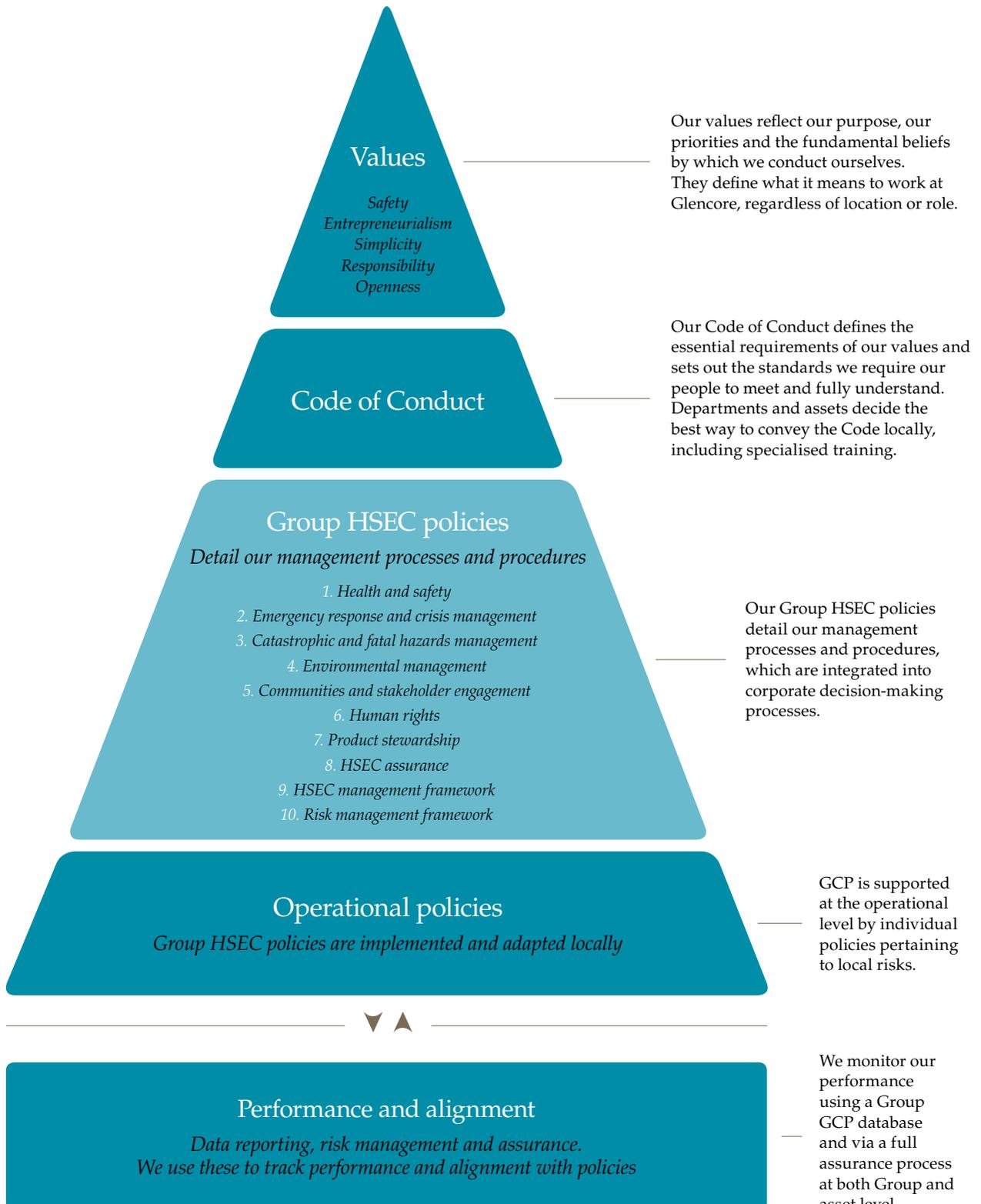


In 2015:

- 78% of our workforce were local residents, as were 63% of our managers*
- We spent around \$15 billion with local suppliers*
- We supported over 7,300 entrepreneurs near our operations*
- We spent over \$134 million on shared infrastructure*

Our sustainability approach

Our approach to sustainability is embodied by Glencore Corporate Practice (GCP). This consists of three tiers: our values, our Code of Conduct and our Group HSEC policies. GCP is supported by operational policies, created for the specific needs of individual assets, with compliance determined by performance monitoring and assurance.



Our 2015 sustainability strategy

In 2015, we revised our Group sustainability strategy, considering our aims against four core pillars: health, safety, environment, and community & human rights. The review included sustainability teams from our individual assets and commodity departments as well as technical experts, to ensure that the strategy fully supports our business requirements.

Our revised strategy has clearly defined imperatives, objectives, priority areas and targets. It will enable us to meet legislative requirements, manage the catastrophic hazards associated with our business, and maintain our societal licence to operate. Departments and assets have now aligned their annual HSEC plans to the strategy.

The strategy's four core pillars and connected imperatives are:



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 & human rights

Foster sustainable growth and respect human rights wherever we operate.

In addition to these pillars, our materiality assessments for 2015 have identified three additional areas:



Our people



Governance



Product stewardship

Our activities on all these topics are detailed in this report.

We will review this strategy every year to ensure that it continues to fulfil the needs of our business.

Measuring our performance

Continuous improvement of our assets' performance and regular reporting are core parts of our approach to sustainability. We review and update our targets on a regular basis as part of our strategic review; this includes a mix of qualitative, short-term and medium-term targets.

| Commitment | 2015 target | Results | 2016+ target |
|--|---|--|---|
| Our people: safety  | <ul style="list-style-type: none"> No fatalities | <ul style="list-style-type: none"> Not achieved | <ul style="list-style-type: none"> No fatalities 50% reduction of Group LTIFR by the end of 2020, against 2015 figure of 1.32 50% reduction in TRIFR by 2020 taking 2014 figures as baseline |
| | <ul style="list-style-type: none"> Further 15% reduction of Group LTIFR against 2010 baseline of 2.74 | <ul style="list-style-type: none"> 16% reduction achieved during 2015 52% reduction achieved against our long-term reduction between 2010-2016 | |
| | <ul style="list-style-type: none"> 15% reduction in Group TRIFR against 2014 baseline of 5.89 (in line with the 50% target for 2020) | <ul style="list-style-type: none"> 13% reduction achieved | |
| Our people: health  | <ul style="list-style-type: none"> No new occupational diseases from current exposure | <ul style="list-style-type: none"> Not achieved | <ul style="list-style-type: none"> No new occupational diseases from current exposure |
| | <ul style="list-style-type: none"> No workers with lead/cadmium levels above established/legal limits | <ul style="list-style-type: none"> Ongoing monitoring and testing; relocation of workers nearing site limits | |
| Environment  | <ul style="list-style-type: none"> No major or catastrophic environmental incidents | <ul style="list-style-type: none"> Achieved | <ul style="list-style-type: none"> No major or catastrophic environmental incidents Implement the water management framework across the Group and assess assets identified as high-risk for water Independent inspection of all surface tailings dams at least every three years |
| | <ul style="list-style-type: none"> Develop a Group water management strategy | <ul style="list-style-type: none"> Strategic water management framework developed and shared with the business | |
| | <ul style="list-style-type: none"> Align water use metrics and launch water balance tool | <ul style="list-style-type: none"> Metrics aligned and incorporated into GCP | |
| | <ul style="list-style-type: none"> Develop action plan based on assessment of storage facilities for tailings (residues of mineral processing) | <ul style="list-style-type: none"> Achieved | |
| Society  | Community investment | <ul style="list-style-type: none"> \$94 million spent | <ul style="list-style-type: none"> Continue to spend 1% of annual Group profits on community investment Assets to implement Group societal value scorecard framework No serious human rights incidents |
| | <ul style="list-style-type: none"> Continue to spend 1% of annual Group profits on community investment | <ul style="list-style-type: none"> Not achieved due to operational changes | |
| | <ul style="list-style-type: none"> Establish partnerships to strengthen project delivery on the ground | <ul style="list-style-type: none"> On track; this is a continuous target | |
| | <ul style="list-style-type: none"> Operations to conduct independent perception surveys every three years | <ul style="list-style-type: none"> Reviewed during ongoing Voluntary Principles implementation | |
| Our people: workforce  | <ul style="list-style-type: none"> Build on the success of current graduate trainee programmes and continue to develop divisional leadership training | <ul style="list-style-type: none"> On track: this is a continuous target | <ul style="list-style-type: none"> Continue to strengthen trainee programmes and develop leadership training Continue to support and foster development of talented people regardless of age, gender or race through local employment, internships, scholarships or training Become an employer of choice in the marketplaces where our main offices and industrial operations participate |
| | <ul style="list-style-type: none"> Launch eLearning platform for new hires and training our existing workers, including compliance, IT security, Code of Conduct | <ul style="list-style-type: none"> On track: rolled out in most marketing offices; industrial assets are adjusting existing platforms | |
| | <ul style="list-style-type: none"> Ensure that this is approached consistently across all regions and continue to develop new ways to attract and retain talented people regardless of age, gender or race | <ul style="list-style-type: none"> Global employer branding completed March 2015; rollout to be completed mid-2016 | |
| Governance: Continual improvement of GCP framework  | <ul style="list-style-type: none"> Substantial implementation of Group HSEC policies and internal assurance programme by the end of 2015 | <ul style="list-style-type: none"> On track/completed | <ul style="list-style-type: none"> 28 assessments scheduled for 2016, including two outstanding from 2015 programme |
| | <ul style="list-style-type: none"> Launch revised Code of Conduct | <ul style="list-style-type: none"> Completed | |
| | <ul style="list-style-type: none"> 14 Group assurance reviews on material and catastrophic HSEC hazards across every department in the Group | <ul style="list-style-type: none"> 12 completed; two will be completed during 2016 | |
| Product stewardship  | <ul style="list-style-type: none"> Register substances produced/imported in low volumes with REACH (deadline 2018) | <ul style="list-style-type: none"> Preparation for registration is proceeding to schedule | <ul style="list-style-type: none"> Register substances produced/imported in low volumes with REACH (deadline 2018) Assess Korean REACH obligations and prepare for action to ensure compliance Group review of occupational exposure levels to incorporate into health strategy Continue phase 2 of review and initiate phase 3 (complex metal products) Conduct self-assessment on implementation of product stewardship policy, analyse results and follow up Finalise our conflict minerals policy |
| | <ul style="list-style-type: none"> Assess Korean REACH obligations and prepare for action to ensure compliance | <ul style="list-style-type: none"> We are closely monitoring developments, assessing our role and evolving our strategy | |
| | <ul style="list-style-type: none"> Ensure our mixtures are classified with European regulations on classification, labelling and packaging of substances and mixtures (CLP) before 1 June 2015 | <ul style="list-style-type: none"> Completed | |
| | <ul style="list-style-type: none"> Start review of safety datasheets to keep them up to date | <ul style="list-style-type: none"> Phase 1 of review (oil products) close to completion; preparation for phase 2 (metals) ongoing | |
| | <ul style="list-style-type: none"> Launch a product stewardship policy | <ul style="list-style-type: none"> Completed | |

Key
 ✓ Achieved → On track ✗ Not achieved

What we report on

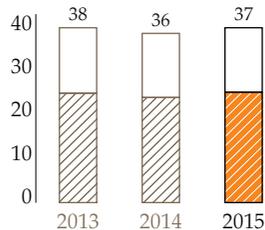
We conduct a materiality assessment each year to establish what is material to our annual sustainability reporting. We report on issues with global interest or impact, or that affect more than one region.

| Topic | Material issue | Stakeholders to whom it matters most | Our position |
|--|---|--|--|
| Safety  | <ul style="list-style-type: none"> Fatalities Injuries | <ul style="list-style-type: none"> Our people Labour unions Our host governments Communities | <p>The safety of our people is our top priority. We believe all fatalities and injuries are preventable and that safe workplaces result from a strong safety commitment on the part of both management and workforce. We continually work to improve our safety performance across the Group.</p> |
| Health  | <ul style="list-style-type: none"> Occupational health Public health | <ul style="list-style-type: none"> Our people Our communities Labour unions Our host governments NGOs | <p>We constantly look for ways to improve our health management and contribute to public health programmes in our host countries, working with local authorities and community representatives to tackle the major issues in different regions. Although challenges vary widely across the Group, we are developing a consistent approach across our assets.</p> |
| Environment  | <ul style="list-style-type: none"> Water use Energy use Waste management Land use and closure management Climate change Air quality/emissions | <ul style="list-style-type: none"> Our host communities Our host governments Our business partners Our investors NGOs | <p>Our activities have a range of actual and potential environmental impacts; we work to eliminate or minimise these. Where this is not possible we compensate for them. We will continue to improve how we minimise impacts through real-time monitoring and continual review of mine closure plans.</p> <p>The impacts include the generation of significant quantities of waste, including rock, tailings and slag, and various effects on air quality. Our mining, transport and logistics activities produce emissions that include greenhouse gases.</p> <p>Our assets use significant levels of water and energy; we are aware of the need to share water resources to ensure equitable access for all.</p> <p>A number of our assets are entering suspension or closure; we will continue to monitor our environmental impacts throughout.</p> |
| Community & human rights  | <ul style="list-style-type: none"> Respecting human rights Engagement with communities and stakeholders Making a contribution to society | <ul style="list-style-type: none"> Our people Our host communities Our host governments Our business partners Our investors NGOs | <p>We engage with our host communities through regular dialogue, and work closely with them to maximise the value our business creates for them and for society.</p> <p>We actively seek broad-based, ongoing support from our local communities, including indigenous people and vulnerable groups, as part of our licence to operate, including grievance mechanisms to receive, record and action complaints. We are committed to respecting the human rights of our workforce and host communities.</p> |
| Our people  | <ul style="list-style-type: none"> Work conditions Workforce attraction and retention Management of operational changes Engagement with labour unions | <ul style="list-style-type: none"> Our people Labour unions Our host governments Our host communities | <p>We recognise and uphold the rights of our people to a safe workplace, freedom of association, collective representation, just compensation, job security and development opportunities. We prohibit child, forced, or compulsory labour. We are committed to working honestly and openly with labour unions across the Group.</p> <p>In times of operational changes, we work with our employees, labour unions and host governments to identify and agree alternative opportunities, severance packages and support during transition.</p> |
| Governance  | <ul style="list-style-type: none"> Taxes and royalty payments to host governments | <ul style="list-style-type: none"> Governments Our host communities NGOs Our business partners Our investors | <p>The payments we make to our host governments in the form of taxes and royalties often represent a significant proportion of their incomes. Levels are determined by the relevant national, regional or local governments in accordance with local laws and regulations.</p> <p>We work with a variety of stakeholders on this topic and support increased transparency around the redistribution/ reinvestment of such payments. We support the Extractive Industries Transparency Initiative (EITI).</p> |
| Product stewardship  | <ul style="list-style-type: none"> Regulatory compliance Access to market Public and environmental health | <ul style="list-style-type: none"> Governments Our customers | <p>Good product stewardship is inherent to our value chain; it is an important element in compliance with regulations and maintaining public and environmental health. It allows us to deliver competitively priced goods and services, and provide the information necessary for safe handling, use and disposal.</p> |

Climate change

Greenhouse gas emissions

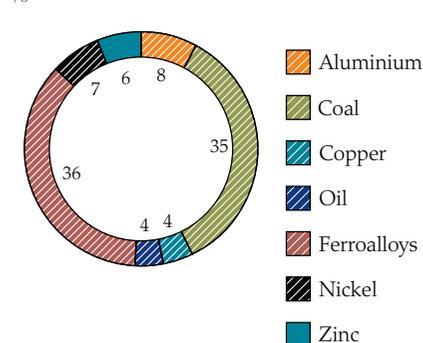
million tonnes CO₂¹



Scope 1 Scope 2

¹ Scope 1 emissions are measured in CO₂e

Top 25 sites Scope 1 & 2 GHG emissions per department (2015)



We have considered how climate change affects our business for many years, and continue to incorporate climate change considerations into activities across the Group. We recognise climate change science as laid out by the Intergovernmental Panel on Climate Change, including predicted temperature increases as a consequence of the greenhouse effect. The broad consensus on climate change among nation states, including the December 2015 COP21 summit in Paris is to keep global temperature rises to “well below 2°C” compared to pre-industrial levels and to pursue sustainable development through a growth in low-carbon technologies. The measures required to achieve this goal, along with the national determined commitments pledged by individual countries, will affect the way businesses operate.

Glencore openly and transparently discloses its carbon and energy footprint, and we operate in a number of jurisdictions where carbon regulation and policies have been introduced. Our business proactively takes steps to understand and manage our footprint, and invests in energy efficiency and emission reduction solutions. We believe that the corporate sector is an important stakeholder in developing climate change policy, with valuable contributions to make towards an effective, efficient and equitable global climate change policy.

Our response, and our management of climate change issues, can be grouped into four broad areas:

1

Internal risk assessment and materiality assessment

2

Management of our energy and carbon footprint

3

Proactive engagement with a range of stakeholders

4

Support for the development of low-emission technologies

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