

# GLENCORE

## **UNITED NATIONS GLOBAL COMPACT**

**Communication on progress in 2016**

# UN Global Compact

## Communication on Progress 2016

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## CEO statement of support

### A statement of support for the UN Global Compact and its principles

As Chief Executive Officer of the Glencore Group, I'm proud to state our continuing support for the United Nations Global Compact's (UNGC) principles on human rights, labour, the environment and anti-corruption.

Responsibility is one of Glencore's five fundamental values; we take our responsibilities to our people, to society and to the environment very seriously. As one of the largest diversified and vertically-integrated producers, processors and marketers of commodities in the world, our commitment to operating transparently and responsibly is extremely important.

Our approach to sustainability consists of three tiers: our five fundamental values, our Code of Conduct and our Group HSEC policies, with additional policies specific to individual operations. These are aligned with the Global Compact and its principles. Our Code of Conduct and Group HSEC policies apply to our workforce across all of our operations.

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. Our Group sustainability strategy considers our aims against four core pillars: health; safety; environment; and community & human rights. In addition, we have identified three further focus areas: our people; governance; and product stewardship. The strategy has clearly defined imperatives, objectives, priority areas and targets. Our business division and assets align their annual HSEC plans to the strategy. We believe it is a robust basis for ensuring we maintain an effective and appropriate approach to sustainability.

This Communication on Progress in 2016 demonstrates our continuing progress on integrating the UNGC and its principles into everything we do. It references our 2016 Annual and Sustainability Reports, Our Approach to Sustainability, as well as a number of other publications, including Climate change considerations for our business: 2017 and our report on managing risks related to modern slavery in our supply chain. These can all be found at [www.glencore.com](http://www.glencore.com), where further information on our approach to sustainability is also available.

**Ivan Glasenberg**  
Chief Executive Officer

**GLENCORE**

## Implementing UNGC principles into strategies and operations

<b>Criterion 1:</b> The COP describes mainstreaming into corporate functions and business units	
<b>Best practices</b>	<b>Reference</b>
Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc.) ensuring no function conflicts with company's sustainability commitments and objectives	<ul style="list-style-type: none"> <li>• <i>Our sustainability approach</i> in Our Approach to Sustainability (Our Approach)</li> <li>• <i>Our sustainability strategy</i> in Sustainability Report 2016 (SR2016)</li> <li>• <i>Sustainable development</i> in Annual Report 2016 (AR2016)</li> </ul>
Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy	<ul style="list-style-type: none"> <li>• <i>Our sustainability approach</i> in Our Approach</li> <li>• <i>Our sustainability strategy</i> in SR2016</li> <li>• <i>Sustainable development</i> in AR2016</li> </ul>
Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary	<ul style="list-style-type: none"> <li>• <i>Our sustainability approach</i> in Our Approach</li> <li>• <i>Our sustainability strategy</i> in SR2016</li> </ul>
Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs	<ul style="list-style-type: none"> <li>• <i>Our sustainability approach</i> in Our Approach</li> <li>• <i>Our sustainability strategy</i> in SR2016</li> <li>• <i>Sustainable development</i> in AR2016</li> </ul>
Ensure that different corporate functions coordinate closely to maximise performance and avoid unintended negative impacts	<ul style="list-style-type: none"> <li>• <i>Our sustainability approach</i> in Our Approach</li> <li>• <i>Our sustainability strategy</i> in SR2016</li> </ul>
Other established or emerging best practices	<ul style="list-style-type: none"> <li>• <i>Our sustainability approach</i> in Our Approach</li> <li>• <i>Assessing materiality</i> in Our Approach</li> <li>• <i>Our sustainability strategy</i> in SR2016</li> <li>• <i>External commitments</i> in SR2016</li> <li>• <i>Material Issues</i> chapters in SR2016</li> </ul>
Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfil this criterion, including goals, timelines, metrics, and responsible staff	<ul style="list-style-type: none"> <li>• <i>Our performance and targets</i> in SR2016</li> <li>• <i>Material Issues</i> chapters in SR2016</li> </ul>

<b>Criterion 2:</b> The COP describes value chain implementation	
<b>Best practices</b>	<b>Reference</b>
Analyse each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts	<ul style="list-style-type: none"> <li>• <i>Our business model</i> in AR2016</li> <li>• <i>Principal risks and uncertainties</i> in AR2016</li> <li>• Glencore Code of Conduct</li> </ul>
Communicate policies and expectations to suppliers and other relevant business partners	<ul style="list-style-type: none"> <li>• <i>Who we are</i> in SR2016</li> <li>• <i>Compliance</i> in SR2016</li> <li>• <i>Material Issues</i> chapters in SR2016</li> <li>• Glencore Code of Conduct</li> </ul>
Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence	<ul style="list-style-type: none"> <li>• <i>Sustainability assurance</i> in Our Approach</li> <li>• <i>Risk management and assurance</i> in SR2016</li> </ul>

Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners	<ul style="list-style-type: none"> <li>• <i>Local Procurement</i> in Our Approach</li> <li>• <i>Agriculture: Product stewardship</i> case study in SR2016</li> <li>• <i>Agriculture: A programme to improve fumigation safety</i> case study in SR2016</li> <li>• <i>Copper: Product stewardship</i> case study in SR2016</li> <li>• Modern Slavery Statement 2016 (MSS2016)</li> <li>• Glencore Code of Conduct</li> </ul>
Other established or emerging best practices	<ul style="list-style-type: none"> <li>• <i>Our sustainability approach</i> in Our Approach</li> <li>• <i>Our sustainability strategy</i> in SR2016</li> <li>• <i>External commitments</i> in SR2016</li> <li>• <i>Material Issues</i> chapters in SR2016</li> </ul>

## UN Global Compact principles

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption. These take the form of ten principles.

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** Make sure that they are not complicit in human rights abuses.

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** The elimination of all forms of forced and compulsory labour;

**Principle 5:** The effective abolition of child labour; and

**Principle 6:** The elimination of discrimination in respect of employment and occupation.

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

**Principle 8:** Undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

## Human rights

The first two UNGC principles relate to human rights.

Glencore prioritises respect for human rights everywhere that we operate. Our assets have many contacts with the communities in which we work. 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. We pay particular attention to how human rights are handled in regions where our assets require additional security.

Our Group human rights policy sets out our approach to this vital topic. The policy is aligned with the *Protect, Respect and Remedy* framework from the UN *Guiding Principles on Business and Human Rights*, and with the ILO's *Core Conventions*. In addition, our security procedures are aligned with the Voluntary Principles on Security and Human Rights (Voluntary Principles).

Day-to-day responsibility for ensuring that our people comply with the policy lies with our departmental and operational managers. 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. Our assets must also operate grievance mechanisms that are accessible, accountable and fair, which let our stakeholders raise concerns without fear of recrimination. Assets also conduct regular human rights training for their workforce. 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 in countries where the risk of security-related human rights abuses is relatively high.

Information that addresses these principles can be found in:

- *Community and human rights* in Our Approach
- *Our people* in Our Approach
- *Material issues (human rights, community engagement and commitment)* chapters in SR2016
- Glencore Code of Conduct
- Glencore Group Human Rights Policy

## Labour standards

The next four principles relate to labour standards.

Our people are our greatest asset. We treat all our people fairly, uphold their rights and reward them competitively, in line with their contribution to our success. We believe that it is vital to our business to attract and retain the best people at every level.

All our operations strive to provide clear, attractive career paths and safe, healthy workplaces without discrimination or harassment. We rigorously enforce our equal opportunity policy at every level of the Group. We uphold the ILO Declaration on Fundamental Principles and Rights at Work.

Within all our assets' workforces our intention is to reflect the demographics of our host communities; we 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 do not tolerate any form of racial, sexual or workplace harassment.

We prohibit child, forced, or compulsory labour.

We recognise and uphold the rights of our people, whatever their location or role, to a safe workplace, freedom of association, collective representation, just compensation, job security and development opportunities. We are committed to working honestly and openly with labour unions across the Group.

Information that addresses these principles can be found in:

- *Community and human rights* in Our Approach
- *Our people* in Our Approach
- *Material issues (human rights, human resources)* chapters in SR2016
- MSS2016
- Glencore Group Human Rights Policy
- Glencore Code of Conduct

## Environment

The next three principles relate to the environment.

We work to minimise and mitigate any negative impact from our operations. These may be direct or indirect. We continually work to improve our performance in this regard. Our Group Environmental Policy is aligned with international environmental standards, including ISO 14001, and we use the precautionary principle in our decision-making processes.

Our Group Environmental Policy requires our assets to undertake detailed risk assessment reviews, and identify appropriate mitigation action where necessary. Our assets maintain environmental management plans based on these reviews. The plans focus on: maintaining the integrity of our facilities; the efficient use of resources; preserving protected areas and biodiversity; and ensuring closure planning and rehabilitation. Assets update these plans at each stage of their lifecycles, and incorporate them into overall risk registers and management plans.

We disseminate scientific data and promote good biodiversity assessment practice and experiences whenever possible. We support the development and implementation of scientifically sound, inclusive and transparent approaches to integrated land use planning, biodiversity, conservation and mining. We have joined several global initiatives that are involved in precision agriculture technologies and other agronomic improvements.

We believe that we can play a constructive role in the development of public policy on climate change and energy. We wish to support constructive and informed public debate and value our engagement with all stakeholders. We actively support the development of low-emission technologies, including high-efficiency low-emission (HELE) coal power generation technologies. We have financially supported development of these technologies, including the Callide Oxyfuel Project in Australia. In addition, our coal business has established a wholly-owned, non-profit subsidiary, Carbon Transport and Storage Company which is leading a carbon capture and storage project. This project has been established to demonstrate the technical viability, integration and safe operation of CCS in Surat Basin, Australia.

Information that addresses these principles can be found in:

- *Environment* in Our Approach
- *Material issues (catastrophic hazard management, climate change, water and effluents, waste and air emissions)* Glencore in SR2016
- Climate change considerations for our business: 2017
- Glencore Code of Conduct
- Glencore Group Environmental Policy

## Anti-corruption

The final principle relates to corruption.

Our primary objective is to ensure that we maintain a culture of ethical behaviour and compliance throughout the Group, rather than achieving the minimum required by law. Our Global Anti-Corruption Policy includes our clear position on bribery and corruption, which is that offering, paying, authorising, soliciting or accepting bribes is unacceptable.

We will not knowingly assist any third party in breaching the law, or participate in any criminal, fraudulent or corrupt practice in any country. We seek to prevent such misconduct through training programmes and strong leadership that is underpinned by internal policies, procedures and controls.

If one of our people encounters a situation in which our policies appear to be breached, the individual must raise this promptly with a supervisor or manager, local compliance co-ordinator, or a member of the Business Ethics Committee.

Information that addresses this principle can be found in:

- *Compliance* in SR2016
- Glencore Code of Conduct
- Glencore Global Anti-Corruption Policy



## Robust human rights management policies & procedures

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** Make sure that they are not complicit in human rights abuses.

<b>Criterion 3:</b> The COP describes robust commitments, strategies or policies in the area of human rights	
<b>Best practices</b>	<b>Reference</b>
Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (eg the Universal Declaration of Human Rights, Guiding Principles on Human Rights) (BRE1 + ARE1)	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Chairman's statement and Chief Executive's review</i> in SR2016</li> <li>• <i>Material Issues ( Human rights and raising grievances)</i> chapter in SR2016</li> <li>• Glencore Code of Conduct</li> <li>• Glencore Group Human Rights Policy</li> </ul>
Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company (BRE 1 + BRE5 + ARE 1 + ARE 5)	<ul style="list-style-type: none"> <li>• Glencore Group Human Rights Policy</li> </ul>
Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services (BRE 1)	<ul style="list-style-type: none"> <li>• Glencore Group Human Rights Policy</li> <li>• Glencore Code of Conduct</li> </ul>
Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties (BRE 1 + BRE 5 + ARE 1 + ARE 5)	<ul style="list-style-type: none"> <li>• Glencore Group Human Rights Policy</li> <li>• Glencore Code of Conduct</li> </ul>

<b>Criterion 4:</b> The COP describes effective management systems to integrate the human rights principles	
<b>Best practices</b>	<b>Reference</b>
Process to ensure that internationally recognised human rights are respected	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material Issues ( Human rights and raising grievances, Community engagement and commitments)</i> chapters in SR2016</li> <li>• <i>Coal: A major human rights risk assessment</i> case study in SR2016</li> <li>• <i>Copper: Security and human rights (DRC and Peru)</i> case study in SR2016</li> <li>• <i>Oil: Security and human rights in chad</i> case study in SR2016</li> <li>• Glencore Code of Conduct</li> <li>• Glencore Group Human Rights Policy</li> </ul>
On-going due diligence process that includes an assessment of actual and potential human rights impacts (BRE 2 + BRE 3 + ARE 2 + ARE 3)	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material Issues ( Human rights and raising grievances, Community engagement and commitments)</i> chapters in SR2016</li> </ul>

Internal awareness-raising and training on human rights for management and employees	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material Issues ( Human rights and raising grievances)</i> chapter in SR2016</li> </ul>
Operational-level grievance mechanisms for those potentially impacted by the company's activities (BRE 4 + ARE 4)	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material Issues ( Human rights and raising grievances, Community engagement and commitments)</i> chapters in SR2016</li> <li>• <i>Oil: Grievance management process (Chad)</i> case study in SR2016</li> </ul>
Allocation of responsibilities and accountability for addressing human rights impacts	<ul style="list-style-type: none"> <li>• <i>Our sustainability approach</i> in Our Approach</li> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Our sustainability strategy</i> in SR2016</li> <li>• <i>Material Issues ( Human rights and raising grievances, Community engagement and commitments)</i> chapters in SR2016</li> </ul>
Internal decision-making, budget and oversight for effective responses to human rights impacts	<ul style="list-style-type: none"> <li>• Glencore Group Human Rights Policy</li> </ul>
Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to (BRE 3+ BRE 4 + ARE3 + ARE 4)	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material Issues ( Human rights and raising grievances, Community engagement and commitments)</i> chapters in SR2016</li> <li>• <i>Coal: Our contribution ot the Colombian peace process</i> case study in SR2016</li> <li>• <i>Coal: Resettlement activities across the business</i> case study in SR2016</li> </ul>
Process and programmes in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action (BRE 6 + ARE 6)	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material Issues ( Human rights and raising grievances, Community engagement and commitments)</i> chapters in SR2016</li> <li>• <i>Coal: Prodeco's work towards the UN Sustainable Development Goals</i> case study in SR2016</li> </ul>

<b>Criterion 5:</b> The COP describes effective monitoring and evaluation mechanisms of human rights integration	
<b>Best practices</b>	<b>Reference</b>
System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain (BRE3 + ARE3)	<ul style="list-style-type: none"> <li>• Asset and Group-level assurance programmes</li> <li>• Annual report on progress submitted to the Voluntary Principles</li> </ul>
Monitoring drawn from internal and external feedback, including affected stakeholders	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material Issues ( Human rights and raising grievances, Community engagement and commitments)</i> chapters in SR2016</li> </ul>

Leadership review of monitoring and improvement results	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material Issues ( Human rights)</i> chapter in SR2016</li> </ul>
Process to deal with incidents the company has caused or contributed to for internal and external stakeholders (BRE 4 + ARE 4)	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material Issues ( Human rights)</i> chapter in SR2016</li> </ul>
Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue (BRE4 + ARE4)	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material Issues ( Human rights and grievance mechanisms, Compliance)</i> chapters in SR2016</li> <li>• <i>Oil: Grievance management process (Chad)</i> case study in SR2016</li> <li>• Glencore Group Human Rights Policy</li> <li>• Glencore Group Community and Stakeholder Engagement Policy</li> <li>• Glencore Code of Conduct</li> </ul>
Outcomes of integration of the human rights principles	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material Issues ( Human rights and grievance mechanisms, Compliance)</i> chapters in SR2016</li> <li>• <i>Coal: Resettlement activities across the business</i> case study in SR2016</li> </ul>

## Robust labour management policies & procedures

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** The elimination of all forms of forced and compulsory labour;

**Principle 5:** The effective abolition of child labour; and

**Principle 6:** The elimination of discrimination in respect of employment and occupation.

<b>Criterion 6:</b> The COP describes robust commitments, strategies or policies in the area of labour	
<b>Best practices</b>	<b>Reference</b>
Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies	<ul style="list-style-type: none"> <li>• <i>Our people</i> in Our Approach</li> <li>• <i>Material topics (Human resources)</i> in SR2016</li> <li>• <i>External commitments</i> in SR2016</li> <li>• MMS2016</li> </ul>
Reflection on the relevance of the labour principles for the company	<ul style="list-style-type: none"> <li>• <i>Our people</i> in Our Approach</li> <li>• <i>Material topics (Human resources)</i> in SR2016</li> <li>• Glencore Code of Conduct</li> </ul>
Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide, and engage in dialogue with representative organization of the workers (international, sectoral, national).	<ul style="list-style-type: none"> <li>• Glencore Code of Conduct</li> </ul>

Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners	<ul style="list-style-type: none"> <li>• <i>Our people</i> in Our Approach</li> <li>• <i>Material topics (Human resources)</i> in SR2016</li> <li>• Glencore Code of Conduct</li> </ul>
Participation and leadership by employers' organisations (international and national) to jointly address challenges related to labour standards in the countries of operation, possibly in a tripartite approach (business – trade union – government).	N/A
Structural engagement with a global union, possibly via a Global Framework Agreement	N/A

<b>Criterion 7: The COP describes effective management systems to integrate the labour principles</b>	
<b>Best practices</b>	<b>Reference</b>
Risk and impact assessments in the area of labour	<ul style="list-style-type: none"> <li>• <i>Our sustainability approach</i> in Our Approach</li> <li>• <i>Our people</i> in Our Approach</li> <li>• <i>Material topics (Human resources)</i> in SR2016</li> <li>• <i>Principal risks &amp; uncertainties</i> in AR2016</li> </ul>
Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards	<ul style="list-style-type: none"> <li>• <i>Our people</i> in Our Approach</li> <li>• <i>Material topics (Human resources)</i> in SR2016</li> </ul>
Allocation of responsibilities and accountability within the organisation	<ul style="list-style-type: none"> <li>• <i>Our people</i> in Our Approach</li> <li>• <i>Material topics (Human resources)</i> in SR2016</li> <li>• Group HSEC Management Framework</li> </ul>
Internal awareness-raising and training on the labour principles for management and employees	<ul style="list-style-type: none"> <li>• Glencore Code of Conduct</li> <li>• <i>Material topics (Compliance, Human resources)</i> chapters in SR2016</li> <li>• <i>Nickel: A second start with Tamatumani</i> case study in SR2016</li> </ul>
Active engagement with suppliers to address labour-related challenges	<ul style="list-style-type: none"> <li>• <i>Product Stewardship</i> in Our Approach</li> <li>• <i>Material topics (Compliance, Product Stewardship)</i> in SR2016</li> <li>• <i>MSS2016</i></li> </ul>
Grievance mechanisms, communication channels and other procedures (e.g., whistle-blower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in line with the representative organisation of workers	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material Issues ( Human rights and grievance mechanisms, Compliance)</i> chapter in SR2016</li> <li>• Glencore Group Human Rights Policy</li> <li>• Glencore Code of Conduct</li> </ul>

<b>Criterion 8:</b> The COP describes monitoring and evaluation mechanisms of labour principles integration	
<b>Best practices</b>	<b>Reference</b>
System to track and measure performance based on standardised performance metrics	<ul style="list-style-type: none"> <li>• <i>Our approach to sustainability</i> in Our Approach</li> <li>• <i>Our performance and targets</i> in SR2016</li> <li>• <i>Our sustainability strategy</i> in SR2016</li> </ul>
Dialogues with the representative organisation of workers to regularly review progress made and jointly identify priorities for the future	<ul style="list-style-type: none"> <li>• <i>Our people</i> in Our Approach</li> <li>• <i>Material topics (Human resources)</i> in SR2016</li> </ul>
Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards	<ul style="list-style-type: none"> <li>• Glencore Code of Conduct</li> <li>• MSS2016</li> </ul>
Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices	<ul style="list-style-type: none"> <li>• Glencore Code of Conduct</li> <li>• MSS2016</li> </ul>
Outcomes of integration of the Labour principles	<ul style="list-style-type: none"> <li>• <i>Our performance and targets</i> in SR2016</li> <li>• <i>Material topics (Human resources)</i> in SR2016</li> <li>• GRI Databook 2016 (GRI2016)</li> </ul>

## Robust environmental management policies & procedures

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

**Principle 8:** Undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.

<b>Criterion 9:</b> The COP describes robust commitments, strategies or policies in the area of environmental stewardship	
<b>Best practices</b>	<b>Reference</b>
Reference to relevant international conventions and other international instruments (eg Rio Declaration on Environment and Development)	<ul style="list-style-type: none"> <li>• All our policies are aligned with relevant international standards and other best practice.</li> <li>• <i>Chairman's statement and CEO review</i> in SR2016</li> <li>• <i>Environment</i> in Our Approach</li> <li>• <i>Material topics (Catastrophic hazard management, Climate change, Water and effluents, Waste and air emissions)</i> chapters in SR2016</li> <li>• <i>Oil: Addressing CO<sub>2</sub> emissions in shipping</i> case study in SR2016</li> </ul>

Reflection on the relevance of environmental stewardship for the company	<ul style="list-style-type: none"> <li>• <i>Our approach to sustainability in Our Approach</i></li> <li>• <i>Environment in Our Approach</i></li> <li>• <i>Material topics (Catastrophic hazard management, Climate change, Water and effluents, Waste and air emissions) chapters in SR2016</i></li> </ul>
Written company policy on environmental stewardship	<ul style="list-style-type: none"> <li>• Glencore Group Environmental Policy (internal document)</li> </ul>
Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	<ul style="list-style-type: none"> <li>• <i>Environment in Our Approach</i></li> <li>• <i>Material topics (Product Stewardship )in SR2016</i></li> <li>• Glencore Group Environmental Policy</li> <li>• Glencore Code of Conduct</li> </ul>
Specific commitments and goals for specified years	<ul style="list-style-type: none"> <li>• <i>Our performance and targets in SR2016</i></li> <li>• <i>Material topics (Catastrophic hazard management, Climate change, Water and effluents, Waste and air emissions)in SR2016</i></li> </ul>

<b>Criterion 10:</b> The COP describes effective management systems to integrate the environmental principles	
<b>Best practices</b>	<b>Reference</b>
Environmental risk and impact assessments	<ul style="list-style-type: none"> <li>• <i>Our sustainability approach (sustainability assurance, Environment) in Our Approach</i></li> <li>• <i>Material topics (Product Stewardship )in SR2016</i></li> <li>• <i>Principal risks &amp; uncertainties in AR2016</i></li> <li>• Glencore Group Environmental Policy</li> </ul>
Assessments of lifecycle impact of products, ensuring environmentally sound management policies	<ul style="list-style-type: none"> <li>• <i>Product stewardship in Our Approach</i></li> <li>• <i>Material topics (Product Stewardship )in SR2016</i></li> <li>• <i>Agriculture: Product stewardship case study in SR2016</i></li> <li>• <i>Agriculture: A programme to improve fumigation safety case study in SR2016</i></li> </ul>
Allocation of responsibilities and accountability within the organisation	<ul style="list-style-type: none"> <li>• <i>Our 2016 sustainability strategy in SR2016</i></li> <li>• <i>Environment in SR2016</i></li> <li>• Glencore Group HSEC Management Framework</li> <li>• Glencore Group Environmental Policy</li> </ul>
Internal awareness-raising and training on environmental stewardship for management and employees	<ul style="list-style-type: none"> <li>• <i>Environment, Product stewardship in Our Approach</i></li> <li>• <i>Material topics (Catastrophic hazard management, Climate change, Water and effluents, Waste and air emissions) chapters in SR2016</i></li> <li>• Glencore Group Environmental Policy</li> </ul>

Grievance mechanisms, communication channels and other procedures (eg whistle-blower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material Issues (Human rights and grievance mechanisms, Compliance)</i> chapters in SR2016</li> <li>• Glencore Group Human Rights Policy</li> <li>• Glencore Code of Conduct</li> </ul>
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<b>Criterion 11:</b> The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	
<b>Best practices</b>	<b>Reference</b>
System to track and measure performance based on standardised performance metrics	<ul style="list-style-type: none"> <li>• <i>Our performance and targets</i> in SR2016</li> <li>• <i>Our sustainability approach, Environment</i> in Our Approach</li> <li>• <i>Material topics (Catastrophic hazard management, Climate change, Water and effluents, Waste and air emissions)</i> chapters in SR2016</li> <li>• Glencore Group Environmental Policy</li> </ul>
Leadership review of monitoring and improvement results	<ul style="list-style-type: none"> <li>• <i>Our sustainability approach, Environment</i> in Our Approach</li> <li>• <i>Material topics (Catastrophic hazard management, Climate change, Water and effluents, Waste and air emissions)</i> chapters in SR2016</li> <li>• <i>Corporate Governance report</i> in AR2016</li> <li>• Glencore Group Environmental Policy</li> </ul>
Process to deal with incidents	<ul style="list-style-type: none"> <li>• Glencore Group Catastrophic and Fatal Hazard Management Policy</li> <li>• Glencore Group Emergency Response and Crisis Management Policy</li> </ul>
Audits or other steps to monitor and improve the environmental performance of companies in the supply chain	<ul style="list-style-type: none"> <li>• <i>Our sustainability approach, Environment</i> in Our Approach</li> <li>• <i>Material topics (Catastrophic hazard management, Climate change, Water and effluents, Waste and air emissions)</i> chapters in SR2016</li> <li>• Glencore Code of Conduct</li> </ul>
Outcomes of integration of the environmental principles	<ul style="list-style-type: none"> <li>• <i>Environment</i> in Our Approach</li> <li>• <i>Material topics (Catastrophic hazard management, Climate change, Water and effluents, Waste and air emissions)</i> chapters in SR2016</li> <li>• <i>Our performance and targets</i> in SR2016</li> <li>• <i>Coal: managing and protecting biodiversity</i> case study in SR2016</li> <li>• <i>Coal: land management – rehabilitating mining areas</i> case study in SR2016</li> <li>• <i>Copper: water efficiency in the world’s driest desert</i> case study in SR2016</li> <li>• <i>Nickel: Setting new environmental standards</i></li> </ul>

	case study in SR2016 <ul style="list-style-type: none"> <li>• GRI2016</li> <li>• Climate change considerations for our business: 2017</li> </ul>
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## Robust anti-corruption management policies & procedures

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

<b>Criterion 12:</b> The COP describes robust commitments, strategies or policies in the area of anti-corruption	
<b>Best practices</b>	<b>Reference</b>
Publicly stated formal policy of zero-tolerance of corruption (D1)	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance)</i> chapter in SR2016</li> <li>• Glencore Global Anti-Corruption Policy</li> <li>• Glencore Code of Conduct</li> </ul>
Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes(B2)	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance)</i> chapter in SR2016</li> <li>• Glencore Global Anti-Corruption Policy</li> <li>• Glencore Code of Conduct</li> </ul>
Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance)</i> chapter in SR2016</li> <li>• Glencore Global Anti-Corruption Policy</li> </ul>
Detailed policies for high-risk areas of corruption (D4)	<ul style="list-style-type: none"> <li>• Glencore Global Anti-Corruption Policy</li> </ul>
Policy on anti-corruption regarding business partners (D5)	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance)</i> chapter in SR2016</li> <li>• Glencore Global Anti-Corruption Policy</li> <li>• Glencore Code of Conduct</li> </ul>

<b>Criterion 13:</b> The COP describes effective management systems to integrate the anti-corruption principle	
<b>Best practices</b>	<b>Reference</b>
Support by the organization's leadership for anti-corruption (B4)	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance)</i> chapter in SR2016</li> <li>• Glencore Global Anti-Corruption Policy</li> <li>• Glencore Code of Conduct</li> </ul>
Carrying out risk assessment of potential areas of corruption	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance)</i> chapter in SR2016</li> <li>• Glencore Global Anti-Corruption Policy</li> <li>• Glencore Code of Conduct</li> </ul>
Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees (B5 + D8)	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance)</i> chapter in SR2016</li> </ul>
Internal checks and balances to ensure consistency with the anti-corruption commitment (B6)	<ul style="list-style-type: none"> <li>• <i>Our sustainability approach</i> in Our Approach</li> <li>• <i>Corporate Governance report</i>, AR2016</li> </ul>



Actions taken to encourage business partners to implement anti-corruption commitments (D6)	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance) chapter in SR2016</i></li> <li>• <i>Glencore Global Anti-Corruption Policy</i></li> <li>• <i>Glencore Code of Conduct</i></li> </ul>
Management responsibility and accountability for implementation of the anti-corruption commitment or policy (D7)	<ul style="list-style-type: none"> <li>• <i>Glencore Global Anti-Corruption Policy</i></li> <li>• <i>Corporate Governance report, AR2016</i></li> </ul>
Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9)	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance) chapter in SR2016</i></li> <li>• <i>Glencore Global Anti-Corruption Policy</i></li> <li>• <i>Glencore Code of Conduct</i></li> </ul>
Internal accounting and auditing procedures related to anticorruption	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance) chapter in SR2016</i></li> </ul>

**Criterion 14:** The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

Best practices	Reference
Leadership review of monitoring and improvement results (D12)	<ul style="list-style-type: none"> <li>• <i>Corporate Governance report, AR2016</i></li> </ul>
Process to deal with incidents (D13)	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance) chapter in SR2016</i></li> <li>• <i>Glencore Global Anti-Corruption Policy</i></li> <li>• <i>Glencore Code of Conduct</i></li> </ul>
Public legal cases relating to corruption	N/A
Use of independent external assurance of anti-corruption programmes	N/A
Outcomes of integration of the anti-corruption principle	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance) chapter in SR2016</i></li> <li>• <i>GRI2016</i></li> </ul>

## Taking action in support of broader UN goals and issues

**Criterion 15:** The COP describes core business contributions to UN goals and issues

Best practices	Reference
Align core business strategy with one or more relevant UN goals/issues	<ul style="list-style-type: none"> <li>• <i>Chairman's statement and CEO review in SR2016</i></li> <li>• <i>Our performance and targets in SR2016</i></li> <li>• <i>External commitments in SR2016</i></li> <li>• <i>Glencore Code of Conduct</i></li> </ul>
Develop relevant products and services or design business models that contribute to UN goals/issues	<ul style="list-style-type: none"> <li>• <i>Glencore Group Human Rights Policy</i></li> <li>• <i>External commitments in SR2016</i></li> </ul>
Adopt and modify operating procedures to maximise contribution to UN goals/issues	<ul style="list-style-type: none"> <li>• <i>Material topics (Human rights and raising grievances and Community engagement and commitments) chapters in SR2016</i></li> <li>• <i>GRI2016</i></li> </ul>

<b>Criterion 16:</b> The COP describes strategic social investments and philanthropy	
<b>Best practices</b>	<b>Reference</b>
Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy	<ul style="list-style-type: none"> <li>• <i>Our performance and targets</i> in SR2016</li> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material topics (Community engagement and commitments)</i> chapter in SR2016</li> <li>• GRI2016</li> <li>• Sustainability in AR2016</li> </ul>
Coordinate efforts with other organisations and initiatives to amplify and not negate or unnecessarily duplicate the efforts of other contributors	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material topics (Community engagement and commitments)</i> chapter in SR2016</li> </ul>
Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material topics (Community engagement and commitments)</i> chapter in SR2016</li> </ul>

<b>Criterion 17:</b> The COP describes advocacy and public policy engagement	
<b>Best practices</b>	<b>Reference</b>
Publicly advocate the importance of action in relation to one or more UN goals/issues	<ul style="list-style-type: none"> <li>• <i>Chairman's statement</i> and <i>Chief Executive's review</i> in SR2014</li> <li>• <i>Coal: Our commitment to the Colombian peace process</i> case study in SR2016</li> </ul>
Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues	Glencore's Chairman, Tony Hayward, has spoken at a number of events regarding climate change

<b>Criterion 18:</b> The COP describes partnerships and collective action	
<b>Best practices</b>	<b>Reference</b>
Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy	<ul style="list-style-type: none"> <li>• <i>Material topics (Human rights and raising grievances and Community engagement and commitments)</i> chapters in SR2016</li> <li>• <i>Coal: Engagement with indigenous communities</i> case study in SR2016</li> <li>• <i>Zinc: Community participation in environmental programmes</i> case study in SR2016</li> </ul>
Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain	<ul style="list-style-type: none"> <li>• <i>External commitments</i> in SR2016</li> <li>• MSS2016</li> <li>• <i>Climate change considerations for our business: 2017</i></li> <li>• Membership of International Council on Mining and Metals</li> </ul>

## Corporate sustainability governance and leadership

<b>Criterion 19:</b> The COP describes CEO commitment and leadership	
<b>Best practices</b>	<b>Reference</b>
CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact	<ul style="list-style-type: none"> <li>• <i>Chief Executive's review</i> in SR2016</li> </ul>
CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards	<ul style="list-style-type: none"> <li>• <i>Chief Executive's review</i> in SR2016</li> <li>• <i>External commitments</i> in SR2016</li> </ul>
CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation	<ul style="list-style-type: none"> <li>• <i>Our approach to sustainability</i> in Our Approach</li> <li>• <i>Chief Executive's review</i> in SR2016</li> <li>• <i>Our sustainability approach in SR2016</i></li> </ul>
Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team	<ul style="list-style-type: none"> <li>• Our CEO and executive management team have substantial shareholdings in Glencore, closely aligning their interests with the prospects of the company. As a company, we recognise that we will only deliver our full value through the integration of sustainability throughout our business.</li> </ul>

<b>Criterion 20:</b> Key outcomes of integration of the anti-corruption principle	
<b>Best practices</b>	<b>Reference</b>
Outcomes of assessments of potential areas of corruption, where appropriate	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance)</i> chapter in SR2016</li> </ul>
Outcomes of mechanisms for reporting concerns or seeking advice	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance)</i> chapter in SR2016</li> </ul>
Indicators Human Resources procedures supporting the anti-corruption commitment or policy	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance)</i> chapter in SR2016</li> </ul>
Disclosure of main incidents involving the company	<ul style="list-style-type: none"> <li>• <i>Material topics (Compliance)</i> chapter in SR2016</li> </ul>

<b>Criterion 21:</b> The COP describes stakeholder engagement	
<b>Best practices</b>	<b>Reference</b>
Publicly recognise responsibility for the company's impacts on internal and external stakeholders	<ul style="list-style-type: none"> <li>• <i>Chairman and Chief Executives introduction</i> in Our Approach</li> <li>• <i>Materiality</i> in SR2016</li> <li>• <i>Material topics (Community engagement and commitments)</i> chapter in SR2016</li> <li>• <i>Glencore Statement of values</i></li> </ul>
Define sustainability strategies, goals and policies in consultation with key stakeholders	<ul style="list-style-type: none"> <li>• <i>Our approach to sustainability</i> in Our Approach</li> <li>• <i>Materiality</i> in SR2016</li> <li>• <i>Material topics (Community engagement and commitments)</i> chapter in SR2016</li> </ul>

Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance	<ul style="list-style-type: none"> <li>• <i>Materiality</i> in SR2016</li> <li>• <i>Material topics (Community engagement and commitments)</i> chapter in SR2016</li> </ul>
Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material topics (Human rights and raising grievances, Community engagement and commitments)</i> chapters in SR2016</li> <li>• <i>Copper: Community engagement at Mount Isa</i> case study in SR2016</li> <li>• <i>Copper: Commitment to our communities</i> case study in SR2016</li> <li>• Glencore Code of Conduct</li> <li>• Glencore Group Community and Stakeholder Engagement Policy</li> </ul>

## Business and Peace

<b>Criterion A:</b> Policies and practices related to the company's core business operations in high-risk or conflict-affected areas	
<b>Best practices</b>	<b>Reference</b>
Information on how policies, strategies and operating practices have been adapted to the specific high-risk/conflict context based on due diligence	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material topics (Human rights and raising grievances, Community engagement and commitments)</i> chapters in SR2016</li> <li>• <i>Coal: Our commitment to the Colombian peace process</i> case study in SR2016</li> </ul>
Adherence to best practices even where national law sets a lower standard, including in the management of security services	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material topics (Compliance, Human rights and raising grievances, Community engagement and commitments)</i> chapters in SR2016</li> </ul>
Management of the supply chain to avoid contributing to conflict through purchasing decisions and practices	<ul style="list-style-type: none"> <li>• <i>Compliance</i> in Our Approach</li> <li>• <i>Material topics (Compliance)</i> chapter in SR2016</li> <li>• <i>Glencore Code of Conduct</i></li> </ul>

<b>Criterion B:</b> Policies and practices related to the company's government relations in high-risk or conflict-affected areas	
<b>Best practices</b>	<b>Reference</b>
Measures undertaken to avoid complicity in human rights violations by government actors	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material topics (Compliance, Human rights and raising grievances, Community engagement and commitments)</i> chapters in SR2016</li> <li>• Glencore Human Rights Policy</li> <li>• <i>Glencore Global Anti-Corruption Policy</i></li> </ul>
Management practices aimed at preventing corrupt relationships with government officials	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material topics (Compliance, Human rights and raising grievances, Community engagement and commitments)</i> chapters in SR2016</li> <li>• Glencore Human Rights Policy</li> <li>• <i>Glencore Global Anti-Corruption Policy</i></li> </ul>

<b>Criterion C:</b> Local stakeholder engagement and strategic social investment activities of the company in high-risk or conflict-affected areas	
<b>Best practices</b>	<b>Reference</b>
Stakeholder engagement mechanisms across company and contractor operations	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material topics (Community engagement and commitments)</i> chapter in SR2016</li> <li>• Glencore Community and Stakeholder Engagement Policy</li> </ul>
Approaches to stakeholder engagement involving civil society, international organisations, etc.	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material topics (Community engagement and commitments)</i> chapter in SR2016</li> <li>• Glencore Community and Stakeholder Engagement Policy</li> </ul>
Actions towards constructive and peaceful company/community engagement	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material topics (Community engagement and commitments)</i> chapter in SR2016</li> <li>• Glencore Community and Stakeholder Engagement Policy</li> </ul>
Sustainable social investment projects	<ul style="list-style-type: none"> <li>• <i>Community and human rights</i> in Our Approach</li> <li>• <i>Material topics (Community engagement and commitments)</i> chapter in SR2016</li> <li>• Glencore Community and Stakeholder Engagement Policy</li> </ul>