TRAFIGURA

2020 RESPONSIBILITY REPORT

TRAFIGURA GROUP PTE. LTD.

ADVANCING TRADE

Performance indicators

Average number of employees[1]

10,802

2020	10,802
2019	6,469
2018	5,591

Fatalities

3

2020	3
2019	1
2018	4

Lost-time injury rate

1.53[2]

2020	1.53[2]
2019	1.76
2018	2.40

Oil spills in litres

0

2020	0
2019	3,823
2018	4,725

Environmental incidents reported

139

2020	139
2019	116
2018	146

Scope 1 and Scope 2 greenhouse gas emissions

3.48 $mtCO_2e$

2020	3.48
2019	3.06[4]
2018	0.47

Scope 3 greenhouse gas emissions

11.87 $mtCO_2e$[3]

2020	11.87[3]
2019	8.26[4]
2018	5.90

Know Your Counterparty checks

10,576

2020	10,576
2019	8,672
2018	6,475

Total mandatory compliance training courses completed by employees

10,871

2020	10,871
2019	7,748

Completion rate of mandatory compliance training by existing employees

99%

2020	99%
2019	97%

Completion rate of mandatory compliance training by new starter employees within one month of start date

97%

2020	97%
2019	93%

Aggregate first purchases from NOC's in EITI countries in 2019

$2.2bn

2019	2.2
2018	3.2
2017	2.7

Aggregate first purchases of metals and minerals from SOEs in EITI countries in 2019

$258.0m

2019	258.0

1 Total employee numbers are calculated as an average over the financial year that runs from 1 October to 30 September. Employee numbers include all employees of assets where Trafigura retains joint management control, e.g. MATSA (Spain), Porto Sudeste (Brazil) and the Mawson West mine (DRC). Such assets are deconsolidated from Trafigura's balance sheet and as such the average number of employees reported will vary between the Responsibility Report and Annual Report.
In FY2020, for the first time, total employee numbers include 3,921 Nyrstar employees, following the consolidation of Nyrstar into the Trafigura Group in July 2019.

2 LTIR includes the consolidation of newly acquired assets. Excluding these assets, the LTIR would be 1.00.

3 Including an additional 1.87$mtCO_2e$ from investments reported for the first time in FY2020.

4 Restated 2019 figures, see page 50.

2020 numbers in blue include Nyrstar, MATSA, Porto Sudeste, Mawson West, Impala JV.

ADVANCING TRADE

Global trade brings the world closer together.

It expands the wealth of nations, forges common interests and builds mutual trust.

Trafigura makes trade happen. And we make it our mission to do that responsibly. We deploy infrastructure, skills and our global network to move physical commodities from places where they are plentiful to where they are most needed.

We have been connecting our customers to the global economy for over a quarter of a century.

We grow prosperity by advancing trade.

Find out more
www.trafigura.com

Contents

For more information on the way we manage corporate responsibility, including videos and case studies, please visit www.trafigura.com/2020RR and www.trafigura.com/responsibility

A milestone year in our approach to climate change

Statement from the Executive Chairman and Chief Executive Officer

Trafigura's 2020 Responsibility Report reflects a year of strong progress in improving transparency, engaging openly with a broad range of stakeholders and continuing to operate in line with our stated aim of taking a leadership position in progressing responsibility standards in commodities trading.

Jeremy Weir
Executive Chairman and Chief Executive Officer

For more than a quarter of a century, Trafigura has supplied commodities that are essential to the daily lives of people around the world, connecting producers and consumers reliably, efficiently and responsibly. Throughout that time, a key characteristic of our business has been the ability and agility to adapt to meet the changing needs of the world around us. In 2020, these core qualities were put to the test as never before.

The COVID-19 pandemic affected people across the world and across our business, and led to unprecedented volatility in our key commodity markets. With a COVID-19 emergency committee established from January 2020, our people rose to the challenge, swiftly adapting to working from home and maintaining operational performance to serve our customers. As the global pandemic spread, protecting the health and safety of our people and the communities in which we work in was an urgent priority.

Tragically, despite our efforts, one Impala Terminals employee lost their life to COVID-19 related complications after developing symptoms while working at our fluvial logistics operation in Colombia. And while we continued to reduce the number of lost time injuries – 13 percent lower year-on-year, and a 43 percent improvement excluding the newly-integrated assets – a further two people lost their lives while working at the MATSA joint venture mining operation in Spain in 2020.

These incidents underline the further progress we must make in ensuring that safety is a priority for everyone, everywhere across the Group.

Addressing climate change

Beyond the immediate and ongoing impact of COVID-19, our business is also rapidly evolving to adapt to the changing needs of a world facing climate change.

2020 marked a significant step up in our focus on and response to climate change and our role in the transition to low- or zero-carbon sources of energy. We are committed to reducing greenhouse gas (GHG) emissions from our own operations. In FY2020, for the first time, we formalised our commitment into a Group target, setting ourselves the challenge of reducing Scope 1 and Scope 2 GHG emissions by at least 30 percent in absolute terms by the end of our 2023 financial year, compared to 2020. Achieving our target will result in a sustainable reduction of over one million tonnes of CO_2e from our operations.

We also increased our focus on reducing indirect emissions incurred across our value chain. Throughout the year, we improved the accuracy and extended the scope of our reporting of indirect GHG emissions, including external verification of our data and internal tracking of emissions intensity across our global activities. These are important steps towards setting a meaningful Scope 3 emissions reduction target within the next three years.

Emissions from third-party owned ships are a major source of indirect emissions in our value chain and accounted for 54 percent of our total reported greenhouse gas emissions in 2020. Reducing the carbon footprint of shipping is a key focus for the Group and we appointed a Global Head of Fuel Decarbonisation in June to lead our efforts in this area. We have stepped up our engagement with the global shipping industry on this issue, proposing a carbon levy on maritime fuels to the IMO and working with others through the Global Maritime Forum and as a founding signatory of the Sea Cargo Charter. Each of these, and others underway across the industry, are important initiatives that are urgently required to drive greater alignment and collaboration in this vital sector for global trade.

We have taken further steps to build resilience into our operations and logistics, conducting physical climate change risk assessments at operations most at risk from long-term climate change. And by incorporating climate change considerations into our business decisions and strategy, we are increasingly developing business opportunities to meet rising demand from customers for low-carbon products and solutions. Impala Terminals' zero-carbon logistics offering and Trafigura's establishment of the industry's first low-carbon aluminium trading desk during the year are good examples of how we are evolving our strategy and our business to meet changing demands, and work is underway to identify similar opportunities across our business.

Accelerating the energy transition

The most significant milestone in this evolution is our creation of a new Power and Renewables division, which has the potential to become a third major pillar of our business alongside Oil and Petroleum Products and Metals and Minerals. Renewable energy is an increasingly important component of global power markets and Trafigura's core capabilities in managing risk and volatility across global supply chains have a growing role to play in supporting this transition. Our Power and Renewables division comprises power trading, investment in renewable enery power generation and a venture capital fund to accelerate the development of new technologies and energy solutions. Through Nala Renewables, a joint venture with IFM Investors, we have set a target of investing in 2GW of renewable power generation over the next five years, which includes a planned investment of up to EUR30 million in one of Europe's largest lithium-ion battery energy storage systems at our Nyrstar facility in Balen, Belgium. Trafigura has made other direct investments, primarily through its venture capital activities, including a USD62 million investment in H2 Energy, an entrepreneurial Swiss company already providing green hydrogen-fuelled trucks in Switzerland, to accelerate the roll-out of a hydrogen ecosystem across Europe.

As the world moves to lower and zero-carbon sources of energy, demand for commodities such as copper, cobalt, aluminium, zinc and nickel is structurally shifting higher, driven by renewable infrastructure projects, power generation and electric vehicles. Trafigura is a key and growing supplier of all these vital commodities and we are therefore well placed to play an essential role in accelerating the energy transition.

Our portfolio is increasingly diversified and evolving to reflect a changing world, investing in transition fuels such as natural gas, LPG and biofuels. Nonetheless, oil remains a key component, essential for mobility and industrial processes and products that are more difficult to replace in the short to medium term. As the transition gathers pace, oil demand will decline over time. But even under a 1.5°C pathway as set out by the Paris Agreement, and notwithstanding COVID-19 induced disruptions to demand in 2020-21, we expect that new, low-cost sources of oil will continue to be required to support essential human needs for some time, while the shift to alternative energy sources takes place.

Expanding responsible sourcing

Responsible sourcing of the commodities we supply to our customers, encompassing human rights and environmental due diligence of supply chain producers, remains an important area of focus for Trafigura and a growing area of relevance for our customers and wider stakeholders.

In 2020, we undertook a full revision of our Responsible Sourcing Programme, setting ambitious objectives for the future and extending the scope of due diligence to cover to all metals and minerals traded from point-of-origin to point-of-sale. We are now working to align the Programme with the international ISO 20400:2017 standard, which provides guidance to organisations on integrating sustainability within procurement, with a Group target to achieve full alignment by the end of 2023, attested by an independent external certification and verification service provider.

Transparency and responsible business practices

Our business touches many stakeholders, from financial institutions, governments and regulators to industrial customers and consumers, across developed and developing regions. Earning and maintaining their trust by working responsibly and engaging openly is not only a key and growing expectation; it is fundamental to our future success.

It is for this reason that Trafigura has over the past several years established an industry-leading position in transparency and responsibility and we continue to advance in that regard. In 2019, we stopped using third-party intermediaries or agents providing business development services across our global activities and we continue to play an active role as a board member of the Extractive Industries Transparency Initiative (EITI). In 2020, we expanded our reporting on payments to governments in line with the EITI template for commodities trading, which we contributed to developing, to include disaggregated information on cargoes purchased from and prepayments to EITI-participating governments and state-owned entities – both for oil and petroleum products, as well as metals and minerals. The full standalone report is available from our website, with a summary provided in this report.

"Our business is rapidly evolving to adapt to the changing needs of a world facing climate change."

Conclusion

Our strong and stable relationships with over 130 banks, our progress in sustainability and responsible business to date and the potential to achieve significant further milestones have enabled us to structure our flagship syndicated revolving credit facility, as a sustainability-linked loan, securing preferential financing rates if we are successful in achieving key environmental and social targets.

This report is an opportunity to reiterate our aim of taking a leading role in corporate responsibility in our sector. I am proud of the progress we have made towards this goal and look forward to reporting on the further advances we expect to make over the coming year.

Progressing transparency and responsibility within the trading industry

Statement from the Chair of the HSEC Steering Committee

Andrew Vickerman
Non-Executive Director
Chair of the HSEC Steering Committee

Trafigura's 2020 Responsibility Report marks our sixth consecutive year of reporting on our environmental, social and governance (ESG) approach and performance.

The report is an important element of our commitment to playing a leading role in progressing transparency and responsibility within the commodities trading industry. It complements our Annual Report and the further information available from our website.

Governance

The HSEC Steering Committee, mandated by the Management Committee and comprising a cross-section of senior management, oversees and guides Trafigura's health, safety, environmental and community (HSEC) performance. Together with the Climate Change Group and the Compliance Committee, and overseen by the Board, the HSEC Steering Committee's remit is a vital component of the Group's corporate responsibility governance structure. In line with good practice, we will undertake a periodic review of the Group's HSEC governance in early 2021 to assess opportunities to further strengthen Board oversight and management input across an increasingly diversified global portfolio.

Over the past several years, we have been implementing comprehensive standards, systems and protocols to embed effective HSEC management across the Group. In 2020, we consolidated this work into a comprehensive and coherent framework for HSEC management. The HSEC Management Systems Framework is an important document within the organisation, ensuring our people work to clear and non-negotiable standards regardless of location or job role. It is equally important for our external stakeholders as a clear demonstration of our approach to HSEC management and the expectations and responsibilities of our employees.

Health and safety

In a year dominated by the global pandemic, health and safety took on an even greater significance as we strived to maintain a safe workplace for all of our employees – first by doing our best to prevent the virus from entering our workplace to the extent possible, and second, by containing its spread within our facilities. Tragically, COVID-19 related complications claimed the life of one valued member of staff in Colombia.

Separately, two incidents at our MATSA joint venture mining operation in Spain resulted in a further two colleagues losing their lives in 2020. To determine whether these safety breaches represented isolated events or more systemic underlying issues, we launched

a wide-ranging investigation into safety performance at MATSA. Based on the outcomes of the investigation, we are initiating an extensive programme to assess and improve the operation's safety culture. The lessons learnt from the findings have been shared to all HSE managers across the Group.

The sharing of lessons learnt, and the reporting of near misses, are increasingly embedded into the way we work around the world and represent important tools for improving safety performance. Overall in 2020, more than double the number of lessons learnt were shared across the Group compared to the previous year. Together with a 72 percent increase in near-miss reporting and a further 13 percent annual reduction in serious injuries, these improvements give us confidence that our strategy and efforts over recent years to embed a safety and reporting culture across the Group is working. We have again set a target of reducing our lost time injury rate by 20 percent in 2021, including across the newly-integrated Nyrstar assets, and I look forward to reporting on our progress next year.

Environment and climate change

Beyond the near-term focus on COVID-19, climate change remains a priority issue for our stakeholders. Trafigura is increasingly well positioned to play an important role in the energy transition, including through the establishment of the Power and Renewables division.

Together with the Climate Change Group, the Committee reviewed and approved the Group's first greenhouse gas emissions reduction targets, announced in this report. Reducing absolute emissions from our operations by at least 30 percent over the next three years is a challenging but achievable target. Plans to improve efficiency and invest in long-term projects to reduce our operational carbon footprint are already underway, together with initiatives that will enable us to set a meaningful reduction target for the indirect emissions associated with our business – primarily from the maritime transport of the commodities we supply - within the next three years.

Stakeholder engagement

While COVID-19 restrictions constrained face-to-face stakeholder engagement in 2020, we continued to engage with a wide range of industry bodies, governments and regulators, community representatives and civil society. International shipping is critical to our business and to global trade. As shipping is the primary source of Trafigura's greenhouse gas emissions and a major contributor to global emissions, engaging with our industry counterparts, regulators and representative bodies on the urgent topic of decarbonising maritime emissions is a priority for the Group.

We firmly believe that without a significant carbon levy, the shipping industry simply will not achieve the reductions in emissions required by investors, governments and civil society in the timeframe made necessary by the urgent climate challenge we all face. It is for this reason that we have set out our proposal for a market-based carbon levy structured as a 'fee-bate' mechanism that incentivises rapid progress towards low- or zero-carbon maritime fuels. We continue to engage with a wide range of experts, NGOs, leading universities and the IMO, amongst others, to press for a clear regulatory and globally-applied framework that will enable the industry to make the rapid progress required. We believe that this progress is entirely possible within a relatively short timeframe.

Changing customer and wider stakeholder expectations are equally focusing our attention on improving the transparency and oversight of social and environmental performance across the commodities value chain. Our Responsible Sourcing Programme continues to represent a source of competitive value, as well as effective risk management, and again made significant progress in 2020. The alignment of our Programme with international standards for sustainable procurement will be a priority over the next three years.

Compliance

We continued to extend and rigorously enforce our robust compliance programme in 2020.

External legal counsel Quinn Emanuel Urquhart & Sullivan LLP recently conducted a review of Trafigura Group's compliance policies and procedures. The key findings of their review were reported to the Trafigura Board of Directors and found Trafigura's Compliance function to:

- represent an appropriate and proportionate approach to the compliance risks faced by Trafigura, which adequately seeks to minimise the risk of compliance failures;
- continue to improve and update its policies by, for example, reviewing and ensuring the programme had been tested against the Department of Justice's (DOJ) latest guidance issued on 25 November 2020;
- adequately meet the applicable standards and requirements of the UK Bribery Act 2010, the U.S. Foreign Corrupt Practices Act, and the European Anti-Money Laundering and Terrorist Financing Directives; and
- adopt the universal application of the highest standard of compliance required by law across all jurisdictions in which it operates, even where those standards are higher than those imposed at a domestic level.

Trafigura's approach to HSEC and corporate responsibility continued to evolve in 2020 at an accelerated pace. The momentum this provides bodes well for further significant progress in the year ahead.

"This report is an important element of our commitment to playing a leading role in progressing transparency and responsibility within the commodities trading industry."

About this report

This Responsibility Report sets out our policies on and our approach to responsible and sustainable business practices, and our progress in implementing them during the financial year to 30 September 2020. The report presents the Group's performance, measured against objectives set in previous years, with regard to managing our environmental, social and governance (ESG) concerns. It also outlines our future areas of focus.

This report has been prepared in accordance with the Global Report Initiative (GRI): Core option and is accompanied by a GRI content index, which maps our reporting against GRI framework guidelines. In addition, it includes contributions from third-party experts on subjects of importance to the Trafigura Group and our industry.

The report also represents our United Nations Global Compact Communication on Progress on the implementation of the Ten Principles of the United Nations Global Compact and maps our activities against the Sustainable Development Goals (SDGs).

Boundaries and scope

All data included in the report refers to our financial year, from 1 October 2019 to 30 September 2020, with the exception of our Extractive Industries Transparency Initiative (EITI) data, which covers transactions executed in the 2019 calendar year. The report includes information and data for divisions, subsidiaries and investments where Trafigura has a majority shareholding and/or management control or significant influence, including Nyrstar (Europe, Australia and North America), the MATSA (Spain) and Porto Sudeste (Brazil) joint ventures and Mawson West mine (Democratic Republic of the Congo).

Nyrstar integration

In July 2019, Trafigura became a 98 percent owner of Nyrstar, a global zinc and lead smelting and mining company. In the 2020 financial year, for the first time, we included Nyrstar's ESG performance in our reporting metrics.

The integration of Nyrstar's operations into the Group asset portfolio had a significant impact on our data, including substantially increasing employee numbers and increasing energy consumption and Scope 2 greenhouse gas (GHG) emissions. All changes are detailed in this report and in the accompanying GRI content index.

Greenhouse gas emissions

GHG emissions are reported as required by the GHG Protocol. Carbon dioxide equivalent (CO_2e) emissions are used throughout, which include CO_2, NH4, and N_2O. When actual data is not available, estimations based on data from other business units or reliable external references are incorporated. The main emission conversion factors used are those developed by the Global Logistics Emissions Council (GLEC), the International Energy Agency and the UK's Department of Environment, Food and Rural Affairs.

Restating our 2019 GHG emissions

In accordance with the GHG Protocol, our 2019 Scope 1, 2 and 3 GHG emissions have been restated to accommodate Nyrstar and other portfolio changes and to update previously reported data in line with improved data collection processes during 2020. This applies to all 2019 GHG emissions data in the report, unless otherwise stated. A further explanation of the types of GHG emissions is explained on page 50.

In particular, we further improved our methodology to calculate GHG emissions from vessels carrying oil and petroleum products chartered by Trafigura on a 'spot basis' (known as 'wet spot charters'). This more accurate approach was retrospectively applied to 2019 data and resulted in an increase in reported emissions.

Scope 2 emissions
(emissions associated with electricity purchased)

In 2020, our Scope 2 GHG emissions have been calculated using the 'market-based' method, using supplier-specific and residual mix emission factors, and 'location-based' factors when market-based is not available (see page 50). This approach is in line with the GHG Protocol.

Scope 3 emissions
(indirect emissions associated with our value chain)

Over the course of 2020, Trafigura's Scope 3 GHG emissions increased significantly including as a result of the inclusion of additional reporting categories. Scope 3 emissions reported in 2020 include the following categories: fuel- and energy-related activities; upstream transportation and distribution; business travel; upstream leased assets; and emissions from investments reported by equity share.

Establishing a baseline year for reporting

For all environmental data, FY2020 is considered by Trafigura to be the company's 'baseline' reporting year going forward. This decision has been made given the significant portfolio change undertaken and also because it is the first year our Scope 1, 2 and 3 emissions have been externally verified.

Employee data

The consolidation of Nyrstar into the Trafigura Group had a significant impact on overall employee numbers. While Nyrstar employee data is included in our 'Total Workforce' table in the People section of this report, Nyrstar continues to operate in accordance with its own established set of human resources policies and principles. Figures in the People section of this year's report regarding recruitment, attrition, training and diversity are attributable only to the Trafigura Group and exclude Nyrstar.

Our approach

At Trafigura, we are committed to conducting business with integrity, professionalism and diligence.

As a company that employs over 10,000 people across 48 countries, trading over 365 million metric tonnes of commodities around the world annually, we recognise the impacts of our activities, both positive and negative, on people and the environment, and the importance of acting responsibly at all times.

Our ambition is to grow prosperity and create long-term sustainable value for our stakeholders and for society as a whole. We strive to create this value by centring our efforts on, and setting clear ESG performance targets around, the following five key responsibility objectives.

Conduct and compliance

- **To ensure that our activities comply with all applicable laws and regulations and that employees abide by our Code of Business Conduct.**

Society

- **To avoid infringing human rights, to address harms that may occur and to earn and maintain a social licence to operate.**

Health and safety

- **To operate and conduct our activities safely, and to protect the health and wellbeing of our people and impacted stakeholders.**

Environment and climate change

- **To minimise any adverse impacts from our operations on the natural environment and to adapt our business to meet the risks and opportunities of climate change.**

People

- **To attract, develop and retain the best people in a working environment that promotes integrity, diversity, equal opportunity and mutual respect.**

Policies and governance

Our policies and guidelines define how we conduct business and set out the high standards of responsible and ethical behaviours required of every employee, individually and collectively, as well as our expectations of our counterparties. All policies are freely available on our website at *www.trafigura.com/resource-centre*

Governance and oversight of our policies and guidelines are both set and enforced by senior management and the committees listed within our Responsibility Framework.

Responsibility Framework

In order to embed responsible business practices in our day-to-day operations in a consistent and coherent way, we have developed a comprehensive framework that translates our commitment to responsible business into practical activities that guide our operations.

Mapping what matters – our salient risks

In order to support our Responsibility Framework, we identify and assess actual and potential adverse impacts that the Group could cause, contribute to or be linked to, either through our own activities or as a result of our business relationships.

This identification process, reviewed annually, draws on expertise within the Group and involves extensive consultation with potentially affected groups and other relevant stakeholders.

Stakeholder engagement

Continuous engagement with our stakeholders is a vital part of our commitment to responsible business practices. It enables us to identify salient risks and to constantly improve how we operate.

Our strategies, initiatives and targets are informed by feedback received from the groups relevant to our business operations, including financiers, customers, suppliers, governments, NGOs, industry peers, educational institutions, communities and our employees. A full list of our salient risks is included on the following pages.

Our engagement with these groups takes a number of forms, from bilateral meetings and industry discussions to multi-stakeholder forums.

Contributing to the UN Sustainable Development Goals (SDGs)

Our approach to the SDGs is to focus on the targets where we can have greatest impact, appropriate to our activities, operations and position in the global value chain.

We make a contribution to many of the Goals, but our sphere of influence is most closely aligned to Goals 3, 7, 8, 9, 12, 13 16 and 17. Throughout this report, information reported and case studies highlight how our programmes, activities and partnerships contribute towards the Goals.

Responsibility Framework

OUR COMMITMENTS

Trafigura measures its performance against its responsibility objectives in the following five key areas

CONDUCT AND COMPLIANCE	SOCIETY	HEALTH AND SAFETY	ENVIRONMENT	PEOPLE
Comply with all applicable laws and regulations and that employees abide by our Code of Business Conduct	Avoid infringing human rights, to address harms that may occur and to earn and maintain a social licence to operate	Operate and conduct our activities safely, and to protect the health and wellbeing of our people and impacted stakeholders	Minimise adverse impacts on the natural environment and to respond to the effects of climate change	Attract, develop and retain the best people in a working environment that promotes integrity, equal opportunity and mutual respect

GOVERNANCE

Our governance structure is aimed at ensuring that each of our policies is implemented consistently across our organisation

BOARD OF DIRECTORS

AUDIT COMMITTEE

NOMINATION AND REMUNERATION COMMITTEE

MANAGEMENT COMMITTEE

COMPLIANCE COMMITTEE | HSEC STEERING COMMITTEE | CLIMATE CHANGE GROUP

POLICIES

Our policies articulate our approach to corporate responsibility

CONDUCT AND COMPLIANCE	SOCIETY	HEALTH AND SAFETY	ENVIRONMENT	PEOPLE
Code of Business Conduct	Responsible Sourcing and Supply Chain Expectations	HSEC Business Principles	Climate Change Strategy	The Way We Work
	Transparency Policy	Corporate Responsibility Policy		

ASSURANCE

- Know Your Counterparty checks
- Responsible sourcing due diligence programme
- HSEC Assurance programme

PUBLIC DISCLOSURES

- Annual Report
- Responsibility Report
- Payments to Governments Report
- Carbon Disclosure Project
- Regulatory transaction reporting

MEMBERSHIPS

- United Nations Global Compact
- World Economic Forum

CONDUCT AND COMPLIANCE	SOCIETY	HEALTH AND SAFETY	ENVIRONMENT	PEOPLE
International Swaps and Derivatives Association	Extractive Industries Transparency Initiative		Global Maritime Forum	
Futures Industry Association	Global Business Initiative on Human Rights		Global Logistics Emissions Council	
Commodities Markets Council - Europe	Global Battery Alliance		Oil Spill Response Ltd	
	OECD Multi-stakeholder Steering Group		Sea Cargo Charter	
	Responsible Minerals Initiative			
	Aluminium Stewardship Initiative			
	London Metal Exchange			

www.trafigura.com/responsibility

Mapping what matters

Natural resources → Source → Store → Blend → Deliver → Transformed commodities

BUSINESS RELATIONSHIPS

Trafigura has relationships with multiple entities in its value chain linked to its operations, products and services

Direct relationships – where Trafigura has joint or sole management control

Source
- Majority-owned mines (e.g. by Trafigura Mining Group or Nyrstar)

Store
- Group-owned oil storage (e.g. by Trafigura Trading) and metals and minerals warehousing (e.g. by Impala Terminals and Nyrstar)
- Oil storage on Group-owned vessels

Blend
- Transformation of products at Group majority-owned smelters and refineries

Deliver
- Transportation by Group-owned and operated transport assets, (e.g., vessels, barges, trucks or pipeline)

Indirect relationships – where Trafigura doesn't have control but engages with its counterparties

Source
- State-owned oil producers, refiners and marketers
- Multinational and regional oil producers, refiners and traders
- Trafigura Group minority-owned refiners
- State-owned mining companies, smelters and marketers
- Multinational, regional and small-scale mining companies, smelters and traders
- Minority-owned mines and smelters

Store
- Third-party-owned oil storage (including Puma Energy) and metals and minerals storage leased in part or in full on a short- or long-term basis
- Oil storage on third-party-owned vessels leased in part or in full on a time-charter or voyage-charter basis

Deliver
- Transportation by state-owned rail network and pipeline providers
- Transportation by third-party-owned rail, vessels, barges, trucks and pipelines leased on a short- or long-term basis
- Oil and petroleum product consumers (e.g. refiners, power generators, shipping industry, aviation companies, petrochemical industry, manufacturers and fuel retailers)
- Metals and minerals consumers (e.g. galvanisers, alloy producers, mills and fabricators in the construction, automotive, aerospace and utilities sectors)

SALIENT RISKS*

Risks that could be faced by a commodity trader (such as Trafigura) directly or indirectly (e.g. as a result of business relationships)

ENVIRONMENT
- Climate change
- Pollution prevention
- Impact of product

HEALTH AND SAFETY
- Occupational health and safety
- Product storage
- Global pandemics
- Vapour capture
- Transportation safety
- Dry cargo liquefaction
- Tailings dam management

SOCIETY
- Responsible sourcing of products
- Nuisance smells
- Dust exposure
- Community consent
- Seafarers' rights
- Access to grievance mechanisms

CONDUCT AND COMPLIANCE
- Bribery and corruption

OUR PEOPLE
- Union recognition and labour rights

* Further information on our salient risks and the rights holders potentially impacted is available via the link below

www.trafigura.com/responsibility

Conduct and compliance

We ensure that our conduct is always in line with all applicable laws and we seek to apply internationally recognised standards across our global activities.

2020 Performance

10,576 know your counterparty checks in 2020. (2019: 8,672)

10,871 total mandatory compliance training courses completed by employees.* (2019: 7,748)

Expansion of mandatory online compliance training courses for all employees from five to six modules. (2019: 5)

99% completion rate of mandatory compliance training by existing employees. (2019: 97%)

97% completion rate of mandatory compliance training by new starter employees within one month of start date. (2019: 93%)

2021 Targets

Due diligence

To continue to develop our Know Your Counterparty (KYC) programme by introducing efficiencies, improving intelligence and maintaining comprehensive coverage.

Training

To continue to develop and extend training on risk areas to all staff members across all Group companies.

Regulatory engagement

To continue to engage constructively with regulators to contribute to developing appropriate, progressive regulation and improving transparency in the sector.

Stakeholder engagement

To continue to engage with a wide range of stakeholders, including banks, international regulatory bodies and industry peers.

To contribute to the debate on compliant business conduct in international forums, in industry bodies and with trading counterparties.

Compliance culture

Conduct an employee compliance culture survey to evaluate and enhance the success of our Group compliance programme, policies and procedures.

* All employee training programmes referred to in this section exclude Nyrstar. Training programmes are provided to all new recruits and reassigned to existing staff on a rolling basis every two years.

Conduct and compliance

Managing compliance is a key priority for an organisation of our size, scope of activities, geographic spread and breadth of relationships.

Our approach to compliance

Trafigura's Compliance department oversees the Group's global activities. It operates in partnership with front- and back-office functions to ensure that our controls are relevant, robust and aligned with the latest international standards. Trafigura's Head of Compliance reports directly to the Group's Chief Operating Officer and the Group's Compliance Committee.

We maintain a responsible compliance culture where all staff recognise personal and collective responsibility. The high standard of behaviour we expect from all of our people is enshrined in our Code of Business Conduct (the Code) which is based on the highest standards of international law.

Principles of sound business conduct

Every member of staff must attest to receiving, understanding and complying with the Code, which sets out expected behaviours in all our business activities. All management teams are charged with promoting these behaviours across the Group. They are supported by our Compliance department.

Compliance activities

Financial markets compliance

Trafigura accesses both exchange-traded and over-the-counter derivative markets to manage the risks associated with our physical market activities. As such, we comply with all related complications rules and requirements at various exchanges.

Our controls and systems meet all applicable regulatory and exchange rules. We apply exchange-set and regulatory-compliant position limits and report derivative transactions as required.

Market conduct

We continue to refine TradingHub's Market Abuse Surveillance Tool to monitor for suspicious futures-related trading activity. We have put a structured programme in place to monitor and analyse outputs and, as needed, escalate our responses.

www.trafigura.com/brochure/trafigura-code-of-business-conduct

Mandatory online compliance training modules for existing and new-start employees:

1. Code of Business Conduct
2. Anti-bribery and corruption
3. Anti-money laundering and terrorist financing
4. Competition law
5. Anti-market abuse
6. Business communication

Commercial compliance

Commercial compliance is founded on the application of Trafigura's Code. All employees are bound by the Code, which encompasses:

- Anti-money laundering;
- Know Your Counterparty due diligence (KYC);
- Anti-trust and competition law;
- Sanctions and trade restrictions;
- Anti-bribery and corruption;
- Gifts, hospitality and entertainment;
- Political contributions and charitable donations;
- Reporting violations and grievance procedures.

Anti-competitive practices

Our people operate in many different jurisdictions and often interact with competitors. We provide detailed guidance on how to adhere to relevant competition law principles and how to prevent the inappropriate exchange of commercially sensitive information.

Four key principles inform our approach:

1. Integrity
2. Care and diligence
3. Best practice
4. Management and control

Sanctions and trade restrictions

As a Group with global operations, compliance with applicable economic and trade sanctions is a legal requirement. The sanctions landscape is constantly shifting; we ensure that we remain compliant by paying close attention to developing policy. During 2020, the US administration introduced sanctions in relation to China and targeted the shipping industry with greater surveillance and compliance requirements. We have reviewed and revised our policies accordingly.

The Compliance department works closely with the Legal team to track the introduction and evolution of sanctions, to raise questions where clarity is required and to ensure that we have correctly understood and applied the rules.

Monitoring developing issues

Trafigura seeks not just to keep pace with, but also to anticipate changing regulatory conditions. We maintain relationships with regulatory experts and advisors in various jurisdictions to monitor developments that may impact our business.

During 2020, we focused on ensuring effective controls and monitoring during the COVID-19 pandemic, which caused disruption to normal working practices, with employees spending extended periods working outside of the office environment.

Developing our KYC programme

Counterparty due diligence

Trafigura continually reviews its KYC methodology to ensure that it remains up to date with developing international standards. We increasingly utilise technology to review, monitor, identify and flag high-risk counterparties and activities faster and more accurately.

We screen counterparties using Thomson Reuters' Accelus enterprise risk management software. We continually monitor the changing status of people and organisations to keep our KYC methodology up to date and receive daily updates from Thomson Reuters World-Check on the evolving status of all counterparties.

Anti-money laundering

Our KYC and screening procedures are aimed at identifying prospective counterparties that might pose any risk to our business. We have implemented a range of measures to raise awareness internally, including mandatory online training, to give employees a detailed understanding of anti-money laundering and associated control processes. Trafigura continues to apply the principles set by the Joint Money Laundering Steering Group, which is widely seen as global industry best practice. Our KYC procedures delivered 10,576 KYC checks during 2020 (2019: 8,672 checks).

10,576

KYC checks during 2020 (2019: 8,672)

Broader and deeper stakeholder engagement

The banking community is a key stakeholder group. We invest significant time in explaining and documenting our compliance systems and processes. Over the course of 2020, our Compliance department engaged with many of the leading banks across the world's financial centres.

We engage with regulators including to assist in the development of appropriate regulations for our industry. We also participate in industry advisory bodies, such as the International Swaps and Derivatives Association, the Futures Industry Association and the Commodity Markets Council Europe.

External review of Trafigura's Compliance programme

Leading external US law firm, with an extensive Compliance and Regulatory department, Quinn Emanuel Urquhart & Sullivan LLP, recently conducted a review of Trafigura Group's compliance policies and procedures. The key findings were reported to the Trafigura Board of Directors as follows:

"Based on the materials we have reviewed, the briefings provided and our experience advising companies in various industries on compliance best practices, we consider the Compliance Function to represent an appropriate and proportionate approach to the compliance risks faced by Trafigura, which adequately seeks to minimise the risk of compliance failures.

As with any compliance programme, a continual system of review and incremental improvement should be adopted and it was encouraging to see the Compliance Function continue to improve and update its policies by, for example, reviewing and ensuring the programme had been tested against the DOJ's latest guidance issued on 25 November 2020 and requesting and implementing advice even during the course of our review.

We consider the Compliance Function, as designed, to adequately meet the applicable standards and requirements of the UK Bribery Act 2010, the U.S. Foreign Corrupt Practices Act, and the European Anti-Money Laundering and Terrorist Financing Directives. We note that the compliance function adopts the universal application of the highest standard of compliance required by law across all jurisdictions in which it operates, even where those standards are higher than those imposed at a domestic level. We consider this to be the appropriate benchmark to ensure a thorough approach to risk mitigation is achieved."

External voice:

Rethinking compliance and sustainability through collective action

Vanessa Hans, Private Sector Specialist, Basel Institute on Governance

BASEL INSTITUTE ON GOVERNANCE

baselgovernance.org

The debate about whether companies have moral responsibilities as firms themselves, or whether this is only something individuals can exercise, continues to shift. Nowadays many believe that the so-called responsibility deficit means that a company's obligations must go beyond its fiduciary duty to shareholders, and extend to a wider group of stakeholders. More broadly, sustainability has become a conventional governance topic. It is shorthand for a wide range of risks, standards, and interests with a scope that covers the economy and society. Companies failing to meet these standards have been at the centre of public scandals, with legal liability for individuals and companies.

Sustainable investment through impact investing or the more common approach based on environmental, social and governance (ESG) analysis, are becoming more widespread. ESG indicators allow investors to gain a better understanding of the companies in which they invest and their risk exposure beyond financial risk. In generic terms, this means investment portfolios combine traditional financial performance indicators with non-financial indicators.

In parallel, governments have been establishing new guidelines and legislations to incentivise companies to limit their potential negative impacts on people and the planet. The European Union Non-Financial Reporting Directive requires companies within scope to report non-financial indicators. It held a public consultation in early 2020 as a starting point for possible revisions to the Directive. A closer look at supply chains of corporations has also been at the forefront of the legislative agenda. This trend is on the rise, with Switzerland, Germany and the European Union among those looking to introduce new regulations on due diligence. France implemented a Corporate Duty of Vigilance law in 2017, and in 2019 the Netherlands passed its Child Labour Due Diligence law.

Regulatory bodies and standard setters have also started requiring companies to disclose non-financial indicators and be more transparent about their business operations and supply chains. The UN Guiding Principles on Business and Human Rights and its Working Group on Business and Human Rights are one example. Another is a new guide by Business at OECD (BIAC) and the International Organization of Employers (IOE): "Connecting the anti-corruption and human rights agendas: A guide for business and employers' organizations."

In summary: the evolving regulatory landscape and increasingly complex jigsaw of standards and guidelines is putting pressure on companies to rethink their compliance and sustainability functions.

There are several reasons behind the lack of consistency in non-financial reporting indicators. One is the challenge of defining materiality. In traditional financial reporting, the International Accounting Standards Board, the independent accounting standard-setting body of the International Financial Reporting Standards Foundation, defines the term "material" as follows:

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."[1]

When it comes to sustainability and non-financial indicators, the concept of double materiality predominates the discussion. In a recent consultation paper on the review of the European Union Non-Financial Reporting Directive, the European Commission defines double materiality as, "not only how sustainability issues may affect the company, but also how the company affects society and the environment".[2] The Directive imposes disclosure "to the extent necessary for an understanding of the development, performance, position and impact of [the company's] activities."[3] Double materiality arises when the company's effect on society and the environment is included in the assessment.

Looking through the lens of double materiality, one challenge in risk assessment is the overlap of these risks. An example of this can be seen in corruption,

"Sustainability has become a conventional governance topic."

"The evolving regulatory landscape and increasingly complex jigsaw of standards and guidelines is putting pressure on companies to rethink their compliance and sustainability functions."

1 IFRS. 2018. Disclosure Initiative - Definition of Material (Amendments to IAS 1 and IAS 8).

2 European Commission. 2020. Consultation Document, Review of the Non-Financial Reporting Directive.

3 Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, Article 19a.

which remains a serious corporate compliance risk for companies around the world and across all sectors and industries. Corruption exposes companies not only to reputational, legal and financial risks through penalties and blacklisting but its negative effects also extend to investors and business partners. It also undermines economic efficiency, disadvantages compliant companies and is detrimental to shareholder value. Corruption underpins other risks such as breaches of human rights and environmental risk. Corruption emanating from the private sector can lead to a public official facilitating illicit activities, resource exploitation or non-enforcement of laws and regulations, which in turn impact local communities.

The typical response for such a broad type of risk is often to address each aspect of the risk individually and not as a whole – potentially leading to a compliance programme that has overlaps and duplications since risk ownership is often siloed within a corporation. These potential overlaps and duplications are not limited to risk assessments but also extend to due diligence processes and grievance mechanisms. Breaking down silos and reducing these duplications requires a more cooperative approach between compliance, legal and sustainability functions.

Looking at due diligence with a corruption and human rights lens, for instance, requires a logical and coordinated approach, especially in industries with complex supply chains that include numerous third parties. For risk assessment specifically, the audit and compliance functions possess the knowledge and skills and can therefore support the team addressing broader sustainability issues. In the same way, matters related to sustainability, such as human rights and the environment require specific skills and knowledge that compliance experts do not necessarily possess. Internal grievance mechanisms and whistleblowing hotlines are often integrated for all issues relating to potential breaches of the corporate Code of Conduct. The investigation and remediation of issues connected to these topics could also benefit from greater cooperation between business functions.

These challenges are not limited to a single company, and the compliance concerns within an industry are usually common to all players. A collaborative approach to leverage synergies, such as collective action, is a potential response. Collective action involves multi-stakeholder collaboration as it can bring together different combinations of private and public sectors as well as civil society and international organisations. For the private sector, active participation in collective action offers the advantage of tackling challenges pragmatically, such as developing good compliance, sustainability and human rights practices through constructive exchanges with peers and other stakeholders. Additionally, the collaboration of peer companies within a collective action initiative mitigates the risk of an individual company being outperformed by a company with lesser ethical standards. Collaborative approaches to the joint agendas of sustainability and anti-corruption compliance could also lead to tailored guidance or self-regulatory standards within these dual agendas in certain industry sectors.

"For the private sector, active participation in collective action offers the advantage of tackling challenges pragmatically, such as developing good compliance, sustainability and human rights practices through constructive exchanges with peers and other stakeholders."

If we take the voluntary involvement of a company in a relevant anti-corruption collective action initiative as an indicator of its commitment to addressing corruption and bribery risks, the same might be said for companies that engage in collective action to address human rights and corruption risks together. The GRI Standards, as a matter of fact, include a company's involvement in collective action as a recommended disclosure in the field of anti-corruption, focusing on the strategy of the collective action activities as well as the main commitments of these initiatives. Disclosure of the commitments and activities under such initiatives in the public domain lead to a greater understanding from the investor community as well as to greater accountability. The same can apply to dual-purpose collective action initiatives that cover both anti-corruption compliance and sustainability.

This approach is not just about better understanding the data that arises from compliance and sustainability functions and collectively addressing challenges, valuable as those are. It's about pushing the sustainability and compliance agendas forward in ways that work for companies and their stakeholders.

"Collective action is central to the Basel Institute's wider mission to prevent and combat corruption and raise standards of governance."

www.trafigura.com/responsibility/external-voices

Society

Global trade promotes social cohesion and is an engine for international prosperity. Our business model underpins our social licence to operate. We work to introduce best practice and extend transparency and openness across the supply chain. Our responsible sourcing programme is advancing human rights and improving environmental standards in developing economies. We bring high-quality jobs to remote communities and help resource-rich economies compete effectively in global markets.

2020 Performance

Objective	Status
To consolidate and enhance Trafigura's stakeholder engagement programme.	Achieved
To adapt, as necessary, targeted due diligence, impact mitigation and reporting in support of the responsible sourcing of all metals and minerals by Trafigura, in line with LME requirements.	Achieved
To establish the Mutoshi Pilot Project as the benchmark example of cross-sector collaboration in pursuit of the formalisation of artisanal small-scale cobalt mining.	Achieved
To contribute directly to the mandate of the EITI and its extension to the commodities trading sector, for example, through active participation on the EITI Board.	Achieved
To develop Trafigura's EITI disclosures reflecting more detailed reporting by EITI countries in their efforts to implement the 2019 EITI Standard.	Achieved

2021 Targets

- To host two multi-stakeholder forums in key operational and strategic locations in 2021 (COVID-19 permitting).
- To attain full alignment of our responsible sourcing programme with the relevant requirements of the externally verified ISO 20400:2017 standard by 2023.
- To develop existing responsible sourcing due diligence processes to capture data on the energy intensity of metals and minerals production by suppliers.
- To secure feedback on Trafigura's revised EITI disclosures and to propose future enhancements for reporting to the EITI Commodity Trading Working Group.

Not achieved · Improving · Achieved

$2.2bn
Aggregate first purchases of oil from NOCs in EITI countries in 2019 (2018: USD3.2bn)

$30.0bn
Aggregate first purchases of oil from NOCs in non-EITI countries in 2019 (2018: USD35.8bn)

$258.1m
Aggregate first purchases of metals and minerals from SOEs in EITI countries in 2019

$3.9bn
Aggregate first purchases of metals and minerals from SOEs of non-EITI countries in 2019

Stakeholder engagement

We seek to build trust and facilitate constructive, open dialogue with the many stakeholders associated with our business. Engaging transparently about our approach and our performance helps us manage risk, drive improvements and identify opportunities. It also helps us understand and respond to the topics and issues that matter most.

Our approach

Our activities generate economic and social benefits, and stimulate development in local communities and national economies. We create employment, develop skills, build infrastructure and procure from local suppliers.

At the same time, we recognise the risk that our business activities can cause adverse impacts. We endeavour to mitigate risks by acting responsibly and by exercising diligence in appointing suppliers and contractors. And where we have contributed to or are linked with negative impacts, we monitor closely, manage or mitigate those risks and encourage our counterparties and business partners to do the same.

Internationally, we are committed to contributing pro-actively to dialogue on impacts related to the commodities trading sector, the geographies in which we trade, our business relationships, and the services and products we handle.

Engagement and transparency

In 2019, we reported that the frequency and substance of our stakeholder engagement had grown markedly over recent years. Such opportunities have allowed us to explore, test and enhance our understanding of, and approach to, a diverse and growing range of subject matters.

In 2020, the COVID-19 pandemic constrained face-to-face engagement with stakeholders. We worked hard to maintain open dialogue through a range of methods, including more frequent online interaction.

Stakeholders highlighted four subjects as being of particular importance in 2020: Trafigura's climate change strategy (see page 48), pre-finance and prepayment agreements with governments and state-owned enterprises (see page 28), the responsible sourcing of metals and minerals (see page 21), and sustainability-linked financing of metals and minerals (see page 26).

Multi-stakeholder forums

Multi-stakeholder forums (MSFs) have become an integral part of Trafigura's approach to engagement over recent years. MSFs in previous years in Mexico City, Barrancabermeja, Geneva, Johannesburg, Nairobi and Singapore have helped us to develop our understanding of our impacts – either positive or negative, real or perceived.

These extended face-to-face meetings provide the opportunity to introduce key personnel from Trafigura to a diverse range of stakeholders, including representatives of government, multilateral financial institutions, non-governmental organisations, commercial counterparts, banks and investors. The more we know about what our stakeholders regard as important, the more accurately we can identify and prioritise our approach towards mitigating salient issues.

The threat and impact of COVID-19 meant we were unable to host any in-person MSFs during 2020. We hope to be able to reinstate these valuable stakeholder forums in 2021. We continued to engage with our stakeholders online during the year and held virtual meetings with industry groups, governments, NGOs, financial partners and community groups.

▼ Trafigura multi-stakeholder forum hosted in Mexico City in August 2019

International best practice

Promoting responsible business in Switzerland

As part of our commitment to implement the UN Global Compact (UNGC), Trafigura continued to play an active role on the Board of the Swiss branch of the UNGC Network in 2020. This Responsibility Report represents Trafigura's Communication on Progress relevant to advancing the worldwide agenda of the UNGC.

Swiss 'Responsible Business Initiative'

Over the course of 2020, we contributed to a number of discussions on the Swiss 'Responsible Business Initiative' (RBI) or 'Konzernverantwortungsinitiative'.

The RBI was originally filed in November 2016 by a coalition of Swiss civil society organisations. The initiative triggered a binding vote to introduce mandatory human rights and environmental due diligence for Swiss companies.

In June 2020, after several rounds of consultations between the Swiss Council of States and the National Council, a possible counter-proposal was agreed for the RBI. A popular vote ("eidgenössische Volksabstimmung") on the RBI was consequently held on 29 November 2020 and was narrowly rejected. While the majority of Swiss people voted in favour of the RBI, the referendum failed due to unique requirements associated with Switzerland's direct democracy.

With the counter-proposal due to be implemented, new reporting and due diligence obligations will be put in place in accordance with the terms of the referendum. Failure to comply could lead to fines being imposed, but contrary to the original terms of the RBI, corporations will not face Swiss courts based on claims brought by victims of alleged environmental or human rights harms abroad.

In accordance with our Code of Business Conduct and Corporate Responsibility policy, Trafigura is committed to comply with applicable domestic and international laws and regulations, as well as our own standards. We are committed to continually improving our understanding of and response to salient human rights and environmental impacts and we believe we are well placed to respond to the new Swiss law on responsible business.

www.trafigura.com/brochure/trafigura-code-of-business-conduct

www.trafigura.com/brochure/trafigura-corporate-responsibility-policy

Grievance management

We believe that every grievance must be acknowledged, logged and managed consistently, with due respect for the complainant.

We operate a variety of channels for these purposes. At an operational level, all major installations are required to manage a comprehensive grievance process against an established Group-wide standard. Internationally, we have deployed EthicsPoint, an anonymous 24/7 multilingual telephone hotline and web reporting service provided by NAVEX Global. EthicsPoint is promoted and explained via several channels, including on Trafigura's website where it is readily accessible from the home page.

Issues and grievances can be raised anonymously, with full confidentiality preserved throughout the process. Procedures are in place to avoid any real or perceived conflicts of interest during investigations and in our response. This is supported by a formal appeal procedure.

Improvements to our grievance management process in 2020 included a change in service provider and a revised approach to case management. Grievances can now be channelled more quickly to specific departments, including Human Resources and Compliance. We are better placed to handle each grievance with greater speed and an improved level of sensitivity to the complainant.

www.trafigura.com/global-grievance-hotline

Case study:

Raising fuel standards in Africa

Trafigura is committed to preventing, mitigating or minimising adverse impacts directly linked to its business. Nevertheless, from time to time our activities are called into question. In 2016, we first outlined our response to the 'Dirty Diesel' report published by the Swiss NGO Public Eye. The report highlighted the relatively high levels of sulphur and other toxic substances in diesel and gasoline sold in African countries and the adverse effects on human health.

At the present day, pollution in African cities remains a serious issue that demands action by African governments with the support of the international community. As part of our response, we have offered financial and advisory support to an initiative that will build a roadmap for implementation of African refiners (AFRI) compliant fuel across the African continent.

As we stated in 2016, our hope is that the attention now focused on this issue will lead to a coordinated initiative by those in a position to affect change. We remain committed to playing our part.

The challenge

The price, availability and quality of vehicle fuel have significant impacts for Africa's economies, air quality and communities. Although the diesel and gasoline demanded by African countries have improved in recent years, fuel standards on the continent still fall short of international best practice.

Trafigura is committed to help bring cleaner fuel to the continent. However, we also recognise that this is a complex issue that must ultimately be resolved by African governments. Each government determines the fuel specifications that need to be met in the respective countries.

Higher fuel quality standards have clear public health and environmental benefits. A common constraint is that countries with refining capacity will need to invest significantly in infrastructure to comply with tighter specifications. Access to affordable energy is critical for many communities and economies. The challenge is to help countries transition to cleaner, yet still affordable and plentiful energy sources.

Our approach

A coordinated, continent-wide approach is clearly needed. We welcome and support the continuing efforts of the African Refiners and Distributors Association (ARA) which is working with governments, state oil companies and others to introduce improved fuel specifications across Africa.

50%

Funding provided by Trafigura for research study

ARA is an industry-funded organisation representing Africa's refining industry and downstream supply chain. As active participants in Africa's energy sector, both Trafigura and its downstream affiliate Puma Energy are members.

Since its formation in 2006, ARA has played a central role in improving fuel quality. In 2018, it submitted a proposal for consistent, cleaner fuel standards across the continent to the African Union Commission. Its proposed AFRI specifications for both fuel quality and vehicles would result in similar standards to those achieved in Europe. This would be achieved, for example, through EURO standards and other requirements.

The African Union (AU) has embraced these proposals. In 2019, it commissioned ARA to carry out a study into the benefits of supporting and implementing AFRI specifications across Africa. This was undertaken by CITAC Africa, an independent, specialist consultancy with detailed knowledge of the continent's refinery and supply chain configurations.

The AU and ARA are now building on this work with a second phase study that is aimed at plotting a roadmap for implementation. CITAC Africa has again been commissioned. The three organisations will collaborate to obtain relevant data from refiners, state oil companies and downstream regulators.

As part of its support for this important initiative, Trafigura is providing 50 percent of the funding for CITAC's supplementary research study.

The 2020 report will use this data to identify timelines and detailed costings across Africa to inform a roadmap for implementation. It will compare existing products from African refineries with the AFRI specifications, assess their current state and estimate any expenditure requirements to make them compliant with the new standards. Where relevant, it will also identify any cost-mitigation strategies that may reduce the investments required. The report will be shared with stakeholders and assist efforts to further improvements.

This data will be aggregated to produce country-level capital expenditure assessments for each of the 15 AU members. It will review the different costs of AFRI-compliant oil product imports regionally.

Improving fuel standards will bring economic benefits by enhancing African nations' ability to share products and logistics across national boundaries. The report will allow governments to introduce cleaner fuels, while minimising adverse impacts for their economies and domestic energy sectors.

Trafigura will continue to actively engage to provide support and assistance throughout the process.

Responsible sourcing

We believe that metals and minerals should be sourced responsibly so they can power sustainable development.

Management approach

Trafigura is committed to responsible sourcing. We seek to identify and mitigate salient health, safety, social and environmental risks in our supply chain. We prioritise suppliers that can demonstrate a programme of continuous improvement that aims to meet or exceed our own high standards of corporate responsibility.

The commodity trading industry is subject to rapidly evolving legislation, regulation and industry and international best practice standards. These frameworks have a direct and indirect bearing on how Trafigura – and its customers – do business. They include the London Metal Exchange (LME) responsible sourcing requirements, the EU and US Conflict Minerals regulations, modern slavery laws and the various responsible sourcing standards, guidelines and requirements issued by relevant industry associations.

Founded on Trafigura's Corporate Responsibility Policy, HSEC Business Principles and Metals and Minerals Responsible Sourcing and Supply Chain Expectations, our responsible sourcing management system framework and approach is also aligned with the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the OECD Guidance), amongst other international standards.

Vision

In our 2019 Responsibility Report, we welcomed the industry trend towards enhanced supply chain due diligence. The scope of our own responsible sourcing activities extended in 2019 from worldwide purchases of gold concentrates, copper and cobalt from the DRC and Zambia, to other products such as aluminium, lead and zinc. In 2020, we undertook a full revision of our responsible sourcing programme. This included a review of the programme's overarching vision and underlying commitments.

As a result of that review, we have set out to be the leader in the responsible sourcing of metals and minerals in our chosen commodity markets by 2023, thus delivering on the expectations placed on us by our stakeholders.

Moreover, the responsible sourcing programme has now been extended to all metals and minerals traded in concentrate and semi-refined form by Trafigura, from point-of-origin to point-of-sale, taking into account the relevant risks to people and the environment across the value chain.

Our responsible sourcing programme is guided by three specific goals:

1. To systematically identify, manage and mitigate ESG risks in the supply chain.
2. To engage suppliers, receivers, financiers and stakeholders more widely on risk mitigation efforts.
3. To report and provide assurance to stakeholders.

www.trafigura.com/brochure/responsible-sourcing-and-supply-chain-expectations

mneguidelines.oecd.org/mining.htm

In doing so, we have committed to:

- Adopt the OECD Guidance and support its Five-Step Framework across all minerals and metals traded by Trafigura;
- Attain full alignment of our responsible sourcing programme with the the relevant requirements of ISO 20400:2017 standard by 2023;
- Establish a single chain of custody management system;
- Support the development and assimilation of selected mineral/metal certification schemes as applicable to products traded to reinforce our responsible sourcing programme and stakeholder confidence in it; and
- Seek to advance responsible practices amongst our upstream and downstream counterparts.

Development of an industry-leading management system

In 2020, we fundamentally overhauled our Responsible Sourcing management system. A major motivating factor behind this drive was not only to meet upcoming regulatory changes from, for example, the LME, but also to cement Trafigura's position as a preferred supplier to downstream counterparts.

Efforts to revise our responsible sourcing programme were supported by a reassessment of two categories of principal risk indicators – commodity-related and country-related.

Commodity-related risk indicators

In 2020, we engaged an expert third party to conduct a full risk assessment of all materials we buy, handle and sell. The assessment evaluated risk from the perspective of the social and/or environmental impact that the product could pose during its transformation phase (i.e. as the material is transformed from, for example, an ore to a semi- or fully-refined metal) or when it is in its finished form. By gaining a more complete understanding of these risks we will be better equipped to engage with our suppliers and contractors on appropriate risk management.

Our ESG material risks assessment has been shared widely within the Trafigura Group and will be updated and revised in the event that the company handles new products.

ESG materials risk assessment framework

Product transformation process risks	
Handling hazards	Handling of hazardous substances
	Off-site transport
	Occupational hygiene
	Asset integrity
	Artisanal and small-scale mining or production
Environmental hazards	Air emissions
	Water and wastewater streams
	Hazardous waste and by-products
	Soil and (ground) water contamination
	High energy consumption
Safety hazards	Process safety issues

Product transformation process risks	
Health hazards	Acute toxicity
	Skin corrosion/irritation
	Serious Eye damage/severe irritation
	Respiratory or skin sensitisation
	Germ cell mutagenicity
	Carcinogenicity
	Reproductive toxicity
	Specific target organ toxicity – single exposure
	Specific target organ toxicity – repeated exposure
	Biohazardous infectious materials
	Health hazards not otherwise classified
Physical hazards	Fire or explosion
	Corrosive to metals
Environmental hazards	Damage to aquatic environment and degradation of ozone layer
	Ozone layer

Conflict affected and high-risk areas

Over the course of the year Trafigura formalised its approach to the identification of conflict affected and high-risk areas (CAHRAs), in line with the OECD Guidance and LME Responsible Sourcing requirements.

In previous years, Trafigura's approach to CAHRA identification was largely directed by Trafigura's HSEC Steering Committee – this resulted in a particular focus on buying activities in the African copper belt. In 2020, it was agreed that risk determination would be facilitated by three channels: discussion at Trafigura's HSEC Steering Committee, a country risk assessment tool developed by the Responsible Minerals Initiative or 'RMI'[1] and through customer feedback i.e. by responding to specific calls for enhanced diligence from downstream counterparts.

In 2021, we will continue to engage internally and externally with a view to refining our risk analysis and approach.

Other management system improvements

Trafigura's Compliance department is responsible for the management of the Group's compliance system, NewGen. In 2020, we integrated our responsible sourcing programme within NewGen so as to ensure that, in the event certain new counterparts are on-boarded and/or trades registered onto the system, the Responsible Sourcing team would receive an immediate notification to conduct due diligence.

The trigger for these alerts is guided by commodity and CAHRA-related risks, as described in this section. In both cases, a trade cannot proceed without satisfactory completion of appropriate Level-0 and Level-1 due diligence reviews (see page 25).

In 2020, Trafigura's responsible sourcing team also completed a full revision of the company's approach to desk-based (Level-0) assessments, as well as the content and issuance of Level-1 questionnaires. This exercise is not only improving our understanding of supply chain risks and our ability to target mitigation efforts, it is also enabling us to provide more detailed information and greater assurance for our downstream customers, as well as regulators.

1 Founded in 2008 by members of the Responsible Business Alliance and the Global e-Sustainability Initiative, the Responsible Minerals Initiative has grown into one of the most utilized and respected resources for companies from a range of industries addressing responsible mineral sourcing issues in their supply chains.

Continuous improvement: next steps

As Trafigura looks to enhance its responsible sourcing programme in 2021 and beyond, at the close of the financial year the company commissioned independent external certification and verification service provider, ERM CVS, to conduct a gap assessment of its management system framework against ISO 20400:2017. ISO 20400:2017 provides guidance to organisations on integrating sustainability within procurement, as described in ISO 26000. The Standard directly supports a range of SDGs, including 1, 2, 5, 8, 10, 11, 12 and 16.

From 2021 Trafigura will demonstrate the progressive implementation of the ISO 20400:2017 standard to its responsible sourcing of metals and minerals ores and concentrates.

At the close of 2020 ERM CVS found Trafigura's Responsible Sourcing Management system to 'broadly align with the principles and guidance set out in the ISO 20400 Standard.' Trafigura has set a formal Group target to attain full alignment on all applicable elements of the Standard by 2023 as attested by an independent external certification and verification service provider.

Statement from ERM CVS

ERM CVS conducted an independent review and gap assessment of Trafigura's responsible sourcing programme within the metals and minerals trading division of the Trafigura Group against the ISO 20400 Sustainable Procurement Guidance Standard (2017).

Based on activities we conclude that Trafigura's responsible sourcing programme, processes and procedures broadly align with the principles and guidance set out in the ISO 20400 Standard. Gaps against the criteria were identified and include the need to set clear sustainability-related objectives for the organisation's procurement function, to introduce more measurable KPIs for responsible sourcing and to better define training needs and resources and how these will be delivered.

The review has not included an evaluation of the effectiveness of the implementation of the Sustainable Procurement management system and processes.

ERMCVS Informed Assured

www.ermcvs.com

Putting our management system into practice

As documented in prior Responsibility Reports, Trafigura has conducted a significant number of site-based supplier assessments in recent years. Owing to the threat of COVID-19 and the closing of international borders, in 2020 we were not able to maintain this activity.

While we have scaled up our desk-based diligence efforts and have established strong relationships with suppliers - which in turn have facilitated a relatively open flow of information – these cannot fully replace site-based / third-party-led assessments. In future, there is a clear need to build the capacity of local assessors. In sub-Saharan Africa, Trafigura continues to draw on its relationship with the NGO Pact to leverage and deploy their local expertise in identification and mitigation of risks. We did not disengage from any existing suppliers during the year.

Level-3 capacity building in action

As a leading cobalt exploration, mining and processing company in the Democratic Republic of the Congo (DRC), Chemaf is facing increasing demands from its customers to demonstrate that the cobalt produced at its Etoile processing facilities is responsibly sourced.

In 2019, Chemaf underwent a third party audit against the Responsible Minerals Initiative (RMI) cobalt assurance standard. The RMI's Responsible Minerals Assurance Process (RMAP) for cobalt was introduced in late 2018 and at the time of Chemaf's audit was in pilot implementation. Its aim is to provide a recognised audit framework for cobalt refiners that is aligned with the OECD Due Diligence Guidance and the Chinese Due Diligence Guidelines for Mineral Supply Chains that were developed by the China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters (CCCMC). Smelters that successfully pass the RMAP audit are listed on the RMI's list of RMAP-conformant cobalt smelters.

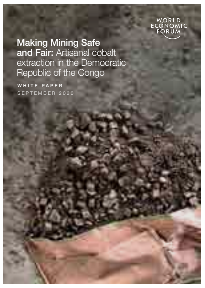
The 2019 audit identified several areas where Chemaf's due diligence management system and processes were not conformant with the RMAP requirements. As several downstream purchasers of Chemaf's cobalt production rely on the RMAP audit process to assure themselves that their responsible sourcing requirements are met, it was important for Chemaf to address this challenge.

As the sole purchaser of Chemaf's cobalt output, in 2020 Trafigura commissioned Kumi Consulting, a specialist responsible sourcing consultancy, to support Chemaf in implementing a corrective action plan. Kumi's support to Chemaf included:

- The development of management system policies, procedures and training materials to address management system non-conformances.
- A site visit to Chemaf's headquarters and those of third party suppliers of cobalt in the DRC to review and test the due diligence procedures that had been developed.
- Ongoing engagement with Trafigura, the RMI and third party auditors to complete a re-assessment in 2020.

Following the re-assessment, Chemaf was found to be conformant with the requirements of the RMAP cobalt standard and, in November 2020, was admitted to the RMI's conformant cobalt smelter list.

www.trafigura.com/brochure/the-mutoshi-pilot-project



www.trafigura.com/brochure/wef-making-mining-safe-2020

Supply chain due-diligence steps

Activities	Outputs

LEVEL 0 DESK-BASED REVIEW

Activities
- Review of publicly available information on social, human rights and environmental risks/impacts (media reports, NGO reports, etc.)
- Trafigura Responsible Sourcing Expectations issued to the supplier

Outputs
- Initial risk evaluation
- Tailoring of Level 1 assessment questionnaire to address specific identified risks, as appropriate

LEVEL 1 ASSESSMENT

Activities
- Level 1 questionnaire issued to the supplier and required to be completed and returned, with supporting evidence as appropriate
- This includes specific questions in relation to mineral origin and management of health and safety, labour practices, environmental management, logistics, security provision and community relations

Outputs
- Risk rating and identification of priority high-risk suppliers
- Information gained informs the Level 2 assessment of prioritised suppliers

LEVEL 2 ASSESSMENT

Activities
- Level 2 Assessment Protocol guides the scope and consistency of the assessment process
- Level 2 site-based assessment of prioritised suppliers; typically two days in duration and encompassing a visual inspection of mineral production and processing areas, interviews with management and workers, and reviews of relevant documentation

Outputs
- Supplier risk categorisation
- Report on findings and recommendations for actions to address identified risks provided to both Trafigura management and the supplier
- Provides basis for ongoing risk mitigation and monitoring

LEVEL 3 RISK MITIGATION AND MONITORING

Activities
- Follow-up engagement with suppliers to understand progress made in addressing identified risks
- Where appropriate, provision of assistance to suppliers to support risk mitigation activities (Level 3)

Outputs
- Informs the nature and scope of continued supplier engagement including, where appropriate, follow-up site visits
- Supplier risk management recommendations made and performance improvements monitored

Responsible sourcing engagement

Over the course of 2020, our Responsible Sourcing team engaged extensively with internal and external stakeholders.

We provided training for colleagues on changes made to our systems and maintained regular dialogue with both the OECD and the LME about the specific requirements of the OECD Guidance and enhanced LME responsible sourcing programme. We have engaged actively with financial institutions, civil society and commercial counterparts on these issues over the course of the year.

Over recent years, an increasing number of standalone, product-specific, responsible sourcing initiatives have been developed. In some cases, our commercial counterparts have encouraged us to align with their preferred association; however, given the broad spectrum of products traded by Trafigura, we enter into such discussions cautiously. Our preference in all cases is for alignment across product groups.

Our engagement activities with responsible sourcing initiatives during 2020 are outlined in the table below.

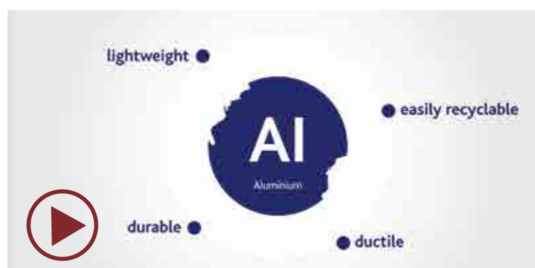
Engagement with financial institutions

Trafigura maintains an active and ongoing dialogue with its banks and other financial institutions in relation to our responsible sourcing programme. Engagement opportunities not only enable us to exchange information on the progression of activities but also to explore new commercial initiatives.

We believe that the energy intensity of the metals that we buy and sell is an increasingly important element of responsible sourcing. In 2021, we intend to explore further opportunities for incentivising and capitalising on carbon emission reductions across the global metals and minerals supply chain.

Trafigura is one of the world's chief independent aluminium traders. In September, 2020, we announced the establishment of a 'low carbon aluminium' financing platform of up to USD500 million. Natixis and Rabobank supported us in the design and structuring of this innovative instrument.

More information about this platform can be found on page 59 and via this video:



www.trafigura.com/video/low-carbon-aluminium-financing-english-subtitles

Industry initiative	Date joined	Function	Trafigura's objective
World Economic Forum Global Battery Alliance (GLOBAL BATTERY ALLIANCE)	2018	Drives transparency, company management systems and public policies for due diligence and responsible mining practices across the battery value chain.	To give particular support to the efforts of the GBA's Cobalt Working Group (CWG) in scaling-up support for the formalisation of ASM and the acceptance of responsibly sourced ASM-produced cobalt into the global supply chain. Trafigura serves on the Executive Board of the GBA and in 2019 served as co-Chair of the CWG.
OECD Multi-Stakeholder Steering Group (OECD)	2018	Liaises with international or regional bodies with respect to the implementation of OECD Guidance, outreach and the provision of support to the OECD Secretariat.	To ensure that the impacts, activities and interests of our business and the wider commodities trading sector are appropriately integrated into the OECD responsible sourcing agenda.
Responsible Minerals Initiative (RMI) (RESPONSIBLE MINERALS INITIATIVE)	2018	Develops tools and resources including the Responsible Minerals Assurance Process, the Conflict Minerals Reporting Template, and a range of guidance documents on responsible minerals sourcing.	To support the standardisation of responsible sourcing processes and protocols with a particular emphasis on supporting improvements to audit standards in the cobalt supply chain.
Aluminium Stewardship Initiative (asi Aluminium Stewardship Initiative)	2019	Defines standards for sustainability performance and material chain-of-custody for the aluminium value chain, including an associated assurance and certification system.	To ensure that the impacts, activities and interests of our business and the wider commodities trading sector are appropriately integrated into the ASI Performance Standard and Chain of Custody Standard, both of which are due for imminent revision.

Case study:
COVID-19 support for the Mutoshi community

The challenge
Artisanal miners live and work in tough conditions, even in the best of times. The global pandemic is making their lives harder.

Trafigura has supported artisanal miners in the Democratic Republic of the Congo for several years in partnership with the development NGO, Pact. The Mutoshi Pilot Project in Lualaba Province has raised standards by prioritising safety with its collaborative model of semi-mechanised, small-scale mining. The Trafigura Foundation has worked alongside Pact to tackle the pressing issue of child labour in artisanal mining in the wider community.

In response to the threat of the COVID-19, operations at the Mutoshi Pilot Project were officially suspended by the concession holder, Chemaf, in March 2020.

Our approach
While the Mutoshi Pilot project was suspended, its suspension inevitably resulted in many simply seeking work elsewhere. The pandemic also affected demand for cobalt with a fall in prices. Many artisanal mines responded by mining other minerals, such as copper and gold, elsewhere to earn a living.

There is an elevated risk of transmission of COVID-19 among artisanal miners who typically work close to others in confined spaces. And they are in a double bind: they cannot afford to become ill and they cannot afford to take time off work.

In 2020, Trafigura and Pact teamed up to help the Mutoshi community better manage the effects of COVID-19. In our latest project, Trafigura injected USD300,000 into a Pact initiative that sought to support the Mutoshi community through the community cooperative, COMIAKOL, that for two years had worked on the Mutoshi Pilot Project.

These communities currently lack the resources to invest in effective COVID-19 prevention. The project aims to fortify local public health capacity. It is extending community access to masks and soap. It has installed handwashing stations at strategic public locations.

All of this equipment is sourced locally. Some 65,000 masks and 18,000 bars of soap are being produced in Mutoshi, with training and support from the project partners. Mutoshi miners and vulnerable members of the surrounding community are receiving free masks and soaps – 32,750 masks and 9,300 soap bars have already been allocated here. The remaining production will be sold locally, generating much-needed alternative income for these families.

Alongside these practical measures is a public health communications campaign to inform local people about symptoms, prevention measures and treatment options. That includes training for the 64,000-strong Mutoshi community in COVID-19 prevention and PPE protection. Posters, leaflets and radio advertising are extending the message to over half a million people in Kolwezi.

Transparency

www.eiti.org

"Commodity trades are essential to the global economy. They play an important role in the global flows of goods that underpin economic growth. These guidelines will help shed more light on the substantial commodity trades involving purchases of oil, gas and minerals from public entities."

Rt. Hon. Helen Clark, EITI Board Chair

Transparency

The Extractive Industries Transparency Initiative (EITI) is a global standard that promotes transparency and accountability in the oil, gas and mining sectors. In 2014, Trafigura became the first independent commodity trading company to publicly support the EITI and to develop a disclosure policy in collaboration with the organisation.

The EITI Standard requires the disclosure of information along the extractive industry value chain from the point of extraction, to how revenues make their way through the government, and how they benefit the public. By doing so, the EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management, and provide data to inform reforms for greater transparency and accountability in the extractives sector.

In each of the 55 implementing countries, the EITI is supported by a coalition of government, companies and civil society.

Company-level disclosures support transparency efforts by the state and their State Owned Enterprises (SOEs) complementing information on receipts published at the country level. Disclosures on purchases from governments allows buying companies to demonstrate their financial contribution to the economies of the countries from which they purchase.

Improved transparency not only builds trust with producer governments and civil society – it also helps facilitate access to capital from financial institutions. For Trafigura, our commitment to transparency also yields an important competitive edge.

During 2020, transparency in commodity trading continued to receive extensive attention in international fora, including the OECD, the IMF, and in major trading hubs, such as Switzerland and the United Kingdom. As one of the world's leading commodity trading companies, our objective is to play a key role in advancing the transparency agenda.

Progress over 2020

The EITI's "Working Group on Transparency in Commodity Trading", a multi-stakeholder group that Trafigura has contributed towards since its inception, met on several occasions over the course of 2020. Most notably the Working Group developed a suite of guidelines, as well as accompanying reporting templates, to promote consistency in corporate reporting.

The guidelines, which also cover swap sales and resource-back loans, were published in September and articulate five key steps to data publication. These are:

1. Mapping selling entities and transactions;
2. Determining the data to be disclosed, including the level of aggregation of the data;
3. Providing data assurances;
4. Communicating disclosures to selling entities; and
5. Determining the way in which data is presented and published.

The guidelines can be applied by any company in relation to any jurisdiction, but are particularly relevant where oil, gas or minerals are being sold on behalf of the state in countries implementing the EITI Standard.

Timeline

2014
In 2014, Trafigura became the first independent commodity trading company to publicly support the EITI and to develop a disclosure policy in collaboration with the EITI.

2015
In 2015, Trafigura first disclosed its payments to governments for oil and gas, as well as its limited mining concerns (covering 2013).

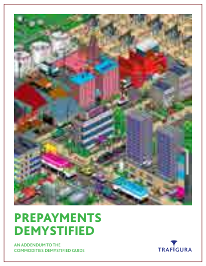
2016
In 2016, Trafigura expanded the scope of its disclosures to highlight payments to EITI countries outside of EITI borders, as well as, to non-EITI countries on an aggregated basis.

2017
In 2017, Trafigura chose to cut the time-lag on its disclosures from two years to one year (i.e. data released in 2017 covered 2016).

2019
In 2019, Trafigura's Head of Corporate Responsibility was appointed to the International Board of the EITI.

2020
In 2020, Trafigura extended the scope of its disclosures in order to better align with new disclosure guidance issued by the EITI.

Q&A with Trafigura's Chief Financial Officer, Christophe Salmon. Resource backed loans in focus.



Prepayments Demystified: an addendum to the Commodities Demystified guide

www.trafigura.com/brochure/prepayments-demystified

The topic of resource-backed loans has generated significant interest from our stakeholders over the course of the year. We have welcomed the opportunity to engage on the topic. We have set out to explain how these financing structures work, for example, through the release of 'Prepayments Demystified' in 2020. It is our intention to work with the EITI and our partners to deliver improved transparency in this area. We include below a number of questions relating to resource-backed loans that have been asked by stakeholders over the course of the year.

What is a prepayment or a pre-finance arrangement?

A prepayment or a pre-finance arrangement is a financial accommodation: a loan that is granted to a producer (either private or public) and is backed by the market value of any given commodity.

The loan is repaid in cash derived from the export of a cargo. Every time we offtake a cargo we pay for its value by allocating part of the payment for that cargo to the repayment of the credit facility.

How important are resource-backed loans to Trafigura?

We have become one of the leading companies engaged in structured trade finance. This activity is highly important for our partners. Our total prepayments for commodities now exceed USD5 billion per annum.

We originate, structure, arrange and fund loans to commodity producers that are then syndicated to banks. To do this, we utilise an extensive network of over 130 financial institutions from across the globe, as well as insurers on the Lloyds market.

What are the advantages of this type of facility to Trafigura?

For Trafigura, prepayment or pre-finance arrangements help us to gain access to a long-term, steady flow of commodities on established commercial terms. They also enable us to develop deeper supplier and onward purchaser relationships.

We only enter into these arrangements on a limited number of occasions – and where producers have strong production fundamentals.

What are the advantages of this type of facility to producers?

For commodity producers, the benefits of prepayment or pre-finance arrangements are wide ranging:

- In some cases, this may be the only channel for a producer to raise liquidity;
- Prepayments provide reliability and certainty for producers. They draw on a deep pool of global banking liquidity handled by institutions with long-standing expertise in pricing and risk management. Unlike the public capital markets, which can close to borrowers suddenly and unpredictably, prepayments are constantly available and loan pricing is less volatile;
- The cost of funds are typically significantly cheaper than can be obtained in an equivalent bank loan or a bond issue;
- Prepayments are a lot simpler than raising credit from a syndicate of banks. The producer deals with just one counterparty on all aspects of the transaction, from product sale to finance;
- Prepayments provide producers with unique access to trading firms' own banking partners on more favourable terms than they could command on their own; and
- Prepayments give access to foreign exchange – this can be a crucial consideration for a producer in a country without a convertible currency or under financial constraints.

What about when the market price for a commodity falls unexpectedly? What then?

Many of our stakeholders have taken a particular interest in how sudden price shocks can impact commodity producers that are engaged in prepayment or pre-finance arrangements.

Contracts are typically structured conservatively with built-in mechanisms to adjust the flow of commodities, as well as the means to accommodate the impact of dramatic changes in the price of debt service coverage.

In the event that restructuring is required, repayments are re-profiled. Re-profiling could include an extension of the repayment period, a redefinition of the repayment mechanism or even a haircut on the part of the trader i.e. a reduction in the debt value.

The goal of traders in such instances is to incentivise the producer to deliver. It is in nobody's interest for a producer to default.

For more information on resource-backed loans, please refer to our website:

www.trafigura.com/responsibility/responsibility-performance

Prepayments Demystified: Christophe Salmon, Trafigura Group CFO, explains the company's approach to prepayment and pre-finance agreements
www.trafigura.com/video/prepayments-demystified

Promoting the EITI

Over recent years, Trafigura has taken a number of important steps to advance commodity trading transparency. Beyond our participation on the International Board of the EITI, as well as the Working Group on Transparency in Commodity Trading, we frequently engage with our existing as well as prospective commercial counterparts on such matters.

In September 2020, we held an online workshop, chaired by Trafigura's Chief Financial Officer, Christophe Salmon, with our financing banks on the topic of transparency. The purpose of the workshop was twofold: to chart our future direction of travel in the transparency arena; and to consider how our financing partners might support and contribute to these endeavours going forward.

Over 80 participants took part in the discussion. Mark Robinson, Executive Director of the EITI, provided an overview on the evolution of corporate transparency and participants discussed more broadly how banks might contribute to and help advance the transparency agenda in future. The outcome of the engagement has prompted a series of bilateral conversations between Trafigura's banks and the EITI Secretariat.

Our trading disclosures

Our disclosures for 2020, relating to trades executed in the 2019 calendar year, include new levels of granularity. These enhancements respond to the new EITI reporting guidance and, in some cases include minor elaborations on that guidance. Notable advancements in Trafigura's approach includes data related to, for example:

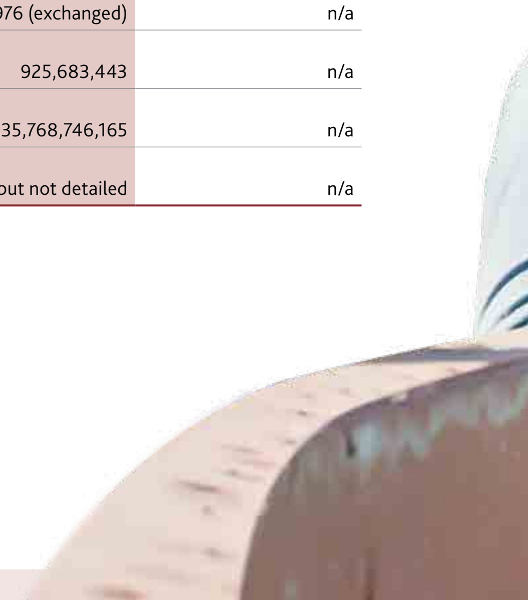
- Disaggregated cargo volumes on a cargo-by-cargo basis;
- Bill of lading dates;
- Incoterms;
- Disclosure of payments made to state-owned enterprises for metals and minerals, as well as bulk commodities (e.g. bauxite, iron ore and coal);
- Aggregate purchases from state-owned enterprises owned by non-EITI countries, but operating within EITI implementing countries; and
- Prepayment deals/resource-backed loan agreements.

Trafigura's disclosures are outlined in summary form in the following table.

Payments to governments	2019 (USD)		2018 (USD)	
	Oil & Petroleum Products	Metals & Minerals	Oil & Petroleum Products	Metals & Minerals
Payments relevant to extractive activities	n/a	10,447,357	n/a	6,416,419
Aggregate first purchases from EITI country SOEs where the initial load port is inside the EITI implementing SOE home country	2,248,365,532	257,992,604	3,274,478,880	n/a
Aggregate swap of raw / crude products and corresponding delivery of refined products from and to SOEs in EITI countries where the initial load port is in the EITI implementing SOE home country	504,186,251 (received) 535,184,901 (exchanged)	n/a	871,335,647 (received) 602,163,976 (exchanged)	n/a
Aggregate purchases from SOEs of EITI countries with a load port outside the EITI	1,754,113,730	n/a	925,683,443	n/a
Aggregate purchases from SOEs from non-EITI countries	30,066,843,667	3,863,870,913	35,768,746,165	n/a
Pre-payment deals / resource-backed loan agreements disbursed over reporting year	110,254	22,353,992	Declared but not detailed	n/a

Given the extent of our disclosures in 2020 we have produced a standalone report on Payments to Governments, available from our website, that will enhance the ability of our stakeholders to navigate and scrutinise all data points.

www.trafigura.com/2020RR



Our extractive activities and tax disclosures

Trafigura does not operate and is not a majority shareholder in extractive projects in the oil and gas sector.

In the 2019 calendar year, Trafigura's Mining Group was a shareholder in a mining project in Peru through Catalina Huanca Sociedad Minera. A fund managed by Galena Asset Management (which is wholly owned by the Trafigura Group) owned a majority stake in Mawson West in the DRC. Both the DRC and Peru are EITI-implementing countries. Relevant to these concerns, the DRC government received payments of USD7,289,024 (2018: USD3,610,836) relevant to Mawson West. The Peruvian Government received payments from Trafigura of USD3,158,333 (2018: USD2,805,583) relevant to Catalina Huanca Sociedad Minera. The details of 2019 payments will be published in relevant EITI country reports when reconciled.

As is standard global industry practice, no taxes were directly levied on Trafigura's purchases of crude oil, refined products and gas from NOCs.

Payments in summary

Since 2015, Trafigura has disclosed direct and in-kind payments for oil, petroleum products, gas and, as of 2020, metals and minerals amounting to:

$20.3bn

to SOEs of EITI countries

$3.4bn

to SOEs of EITI countries where the load port is outside of the EITI country

www.trafigura.com/brochure/transparency-report

> ***"I am delighted that SECO has been able to support the work of the EITI on commodity trading transparency. The guidelines reflect the consensus view of a wide range of stakeholders. I urge all trading companies, including those domiciled in Switzerland, to use the guidelines to build trust in a more transparent and accountable commodity trading sector."***
>
> *State Secretary Marie-Gabrielle Ineichen-Fleisch, Director of the Swiss Confederation's State Secretariat for Economic Affairs (SECO)*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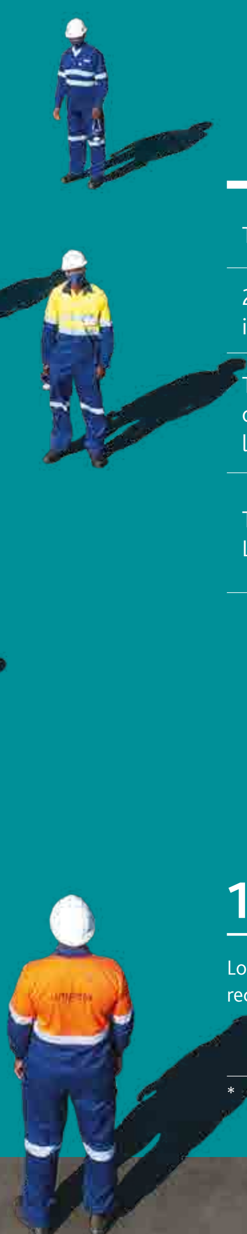
Health and safety

Performing our operations safely is of fundamental importance. We are committed to minimising risk wherever it occurs.



2020 Performance	Status	2021 Targets
To achieve zero fatalities.	Not achieved	To achieve zero fatalities.
20 percent improvement in Group lost-time incident rates (LTIR) on 2019 data.*	Not achieved	To achieve a 20 percent improvement in Group lost-time incident rates (LTIR) on 2020 data.
To achieve an improvement in the number of near misses reported and lessons to be learnt (L2BL) shared across the Group.	Achieved	To encourage greater reporting of total recordable incidents
To reduce the average time taken to complete Level 3 incident investigations to 28 days.	Improving	To reduce the average time taken to complete Level 3 incident investigations to 28 days.

Not achieved Improving Achieved

13%
Lost-time incident rate (LTIR) reduction year-on-year

1.53*
Lost-time incident rate (LTIR) (2019: 1.76)

116%
Lessons to be learnt (L2BL) increase year-on-year

548
Lessons to be learnt (L2BL) shared (2019: 258)

* LTIR includes consolidation of newly acquired assets. Excluding these assets, Trafigura's LTIR of 1.00 represents a 43% reduction over 2019.

Health and safety

Protecting the wellbeing of our employees, suppliers, contractors and collaborators, and the communities within which we operate, is of the utmost importance to the Trafigura Group.

Our approach

Three health and safety objectives determine our approach. First, we aim for zero work-related fatalities; second, we seek to reduce the number and severity of incidents; and third, we work to share lessons from incidents and near misses, with a view to continually improving our performance.

We seek to embed health and safety objectives into the ethos of the Group and promote a culture where all colleagues regard them as indivisible from our commercial objectives.

1. Zero fatalities
2. Reduce the number and severity of incidents
3. Share lessons to improve performance

Formalising health and safety governance

We have implemented a collection of policies, systems and protocols to embed effective health, safety, environment and community (HSEC) management across the company, and to ensure that managers and employees at every level are clear about their roles and responsibilities in supporting and advancing international HSEC best practice.

In FY2020, we consolidated all of this work in a comprehensive and coherent framework for HSEC management. The HSEC Management Systems Framework (MSF) has formalised our approach by articulating our expectations for all divisions, operations and operating facilities.

The framework sets out in detail how we manage HSEC risks across the company. It is aimed at ensuring that everyone in the business understands how we manage these risks, the expectations we have of the people who work for us and how we assure ourselves that these expectations are being met.

Following the formal adoption of the framework by senior management, we conducted a comprehensive gap analysis. Where gaps between the MSF and current practice were identified, we developed and implemented action plans to address these.

As well as consolidating our systems and processes, the MSF also defines specific responsibilities and accountabilities at a more granular level and demonstrates our approach to HSEC risks to new joiners and our banks, counterparties and customers.

The framework defines the HSEC documentation hierarchy, which delineates mandatory policies and principles, standards and guidance for the company.

The MSF establishes baseline HSEC performance standards for all Trafigura divisions, operating companies and operational facilities to ensure that HSEC risks are managed and minimised to as much as reasonably practicable.

Policies and principles are mandatory and non-negotiable; they set out how Trafigura will carry out its business in relation to HSEC. Standards are mandatory, although a dispensation process exists if divisions, operating companies and facilities can demonstrate the risks are being effectively managed in a different way. HSEC assurance are assessed against the requirements in the MSF and supporting standards to verify effective risk management controls have indeed been established.

Individual facilities are also expected to develop customised local risk management systems, reflecting the inherent hazards and risk profile of their activity and location.

The MSF applies to all divisions, operating companies and operational facilities over which Trafigura Group has control. It is a governing document for all operations where Trafigura has the majority shareholding or is the designated operator. For non-controlled joint ventures and assets, it is used to benchmark activities by the overseeing division or operating company. We encourage those we do business with, such as joint venture partners and suppliers, to adopt and implement comparable standards.

HSEC Management System Framework

www.trafigura.com/resource-centre

MSF document hierarchy

POLICIES + PRINCIPLES	**Obligatory**	Non-negotiable
STANDARDS	**Mandatory**	Dispensation process available
GUIDANCE	**Advisory**	To be followed unless an alternative acceptable outcome can be achieved

Our MSF follows the recognised systematic management methodology of plan, do, check and act to manage HSEC risk. Within these four categories, there are fourteen subcategories within which detailed expectations are defined.

While all Trafigura activities are required to meet the expectations, we allow HSEC management systems to differ across the Group, reflecting the tailored approach necessary to address specific contextual risks.

Divisions, operating companies and operational facilities manage risks, implement systems and identify HSEC performance improvement in line with their own businesses. There are specific requirements in areas such as risk management, reporting transparency, resourcing, contingency planning and skills and behavioural training.

We have set Group-wide HSEC targets that specify baseline performance. They are supplemented by additional targets specific to the HSEC risk profile at divisional and facility level. These additional targets are set by management.

Divisions are required to maintain adequate operational standards and procedures appropriate to their day-to-day operations. Where high-risk deficiencies are identified, they are escalated through the relevant line management and HSEC function, with engagement and guidance plans applied to close gaps.

Vigilance and preparedness

The lost-time incident rate (LTIR) is a key safety metric for Trafigura, but we also recognise that, on its own, it is an incomplete measure of safety performance. There are numerous examples of companies with excellent LTIR performance that still experience unexpected, catastrophic events. It is vital that we continue to invest in technical, organisational and behavioural safety improvements, even where existing arrangements appear satisfactory.

As a responsible company, we go to great lengths to prevent incidents occurring and to mitigate their potential impact. We investigate incidents and near misses to identify their causes and learn lessons that can prevent their recurrence. We develop emergency plans to manage incidents from high-consequence activities. We also rehearse our responses to worst-case outcomes by conducting simulations.

Continued emphasis on HSEC training is a key part of maintaining vigilance and preparedness. In FY2020, we delivered 257,696 hours of HSEC training, averaging 18.26 hours per person in operational roles. Most HSEC training is done by the Mining Division, where each person receives on average 25 hours of HSEC training annually.

13%

Reduction in overall Group-wide lost-time incident rate

257,696

Hours of HSEC training completed in 2020 across the Group

PLAN	DO	CHECK	ACT
Leadership and accountability	Mergers and acquisitions and management of change	Performance measurement and monitoring	Management review
Risk management	Facilities design and construction	Governance and assurance	
Performance improvement planning	Operations and maintenance		
Competency, training and behaviours	Incident reporting, investigation and analysis		
Sourcing and contract management			
Communication and document management			
Crisis and emergency management			

Health and safety performance

Following the structure and expectations set out in the MSF, our operations develop and maintain management systems appropriate to the nature and scale of their activities. Each division and operating company is expected to:

- Identify and evaluate health and safety risks
- Implement controls that eliminate or minimise risks as much as reasonably practicable
- Take action to prevent repeat incidents
- Report all incidents and near misses
- Investigate serious incidents and high-potential near misses
- Plan for emergencies
- Set improvement targets and track performance
- Ensure that the workforce has the appropriate level of competency and adequate resources
- Undertake periodic checks and audits to verify the effectiveness of these measures

Senior managers and facility managers are incentivised to achieve HSEC goals within their specific areas of responsibility. Both quantitative and qualitative targets form part of performance assessments. These are tailored to their individual responsibilities but may include, for instance, reducing LTIR below a target level, improving the quality and frequency of near-miss reporting, and delivering tangible improvements in contractor risk management.

To make effective use of our time and resources, we focus our attention on incidents and near misses with significant consequences, irrespective of actual outcome, as those events often have important learning opportunities. We categorise the significance of incidents according to a five-level scale for both actual and potential consequence. Relatively minor incidents are recorded as Level 1 incidents, while Level 4 and 5 incidents are reserved for serious injuries or death.

We conduct investigations for the following kinds of incidents:

- Incidents with a Level 3, 4 or 5 actual consequence
- Incidents and near misses with a Level 4 or 5 potential consequence
- Level 1 and 2 incidents that occur frequently

Despite our compliance with applicable national and international laws and regulatory frameworks, unfortunately incidents sometimes occur that incur legal penalties. The total amount of fines incurred increased significantly in FY2020 including from Nyrstar operations relating to incidents prior to consolidation into the Trafigura Group, and at Trafigura Mining Group and Galena Asset Management's majority-owned Wolverine Fuels.

Health and safety summary report

	Group (aggregate)		Oil & Petroleum Products Trading		Metals & Minerals Trading		Shipping & Chartering Desk		Trafigura Corporate		Impala Terminals		Mining Group		Nyrstar
KPI	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**
Number of fatalities: employees and contractors[1]	**3**	1	**0**	0	**0**	0	**0**	1	**0**	0	**1**	0	**2**	0	**0**
Value of HSE-related fines and penalties (USD)	**1,667,105**	20,875	**0**	0	**0**	0	**17,452**	17,125	**0**	0	**0**	750	**760,467**	3,000	**889,186**
LTIs[2]	**74**	60	**1**	1	**0**	0	**0**	0	**0**	0	**7**	27	**43**	32	**23**
LTIR[3]	**1.53**	1.76	**0.26**	0.34	**0.00**	0.00	**0.00**	1.59	**0.00**	0.00	**0.57**	1.87	**2.76**	2.32	**2.32**

1 Includes the death of any employee of a Trafigura division or operating company as a result of an occupational injury or disease sustained on Group-managed sites or undertaking a work-related activity on behalf of Trafigura.

2 The number of incidents that resulted in time lost from work amounting to at least one day (or shift) by employees and contractors working on Trafigura-owned or managed sites.

3 Lost-time incidents per million hours worked.

Long-term performance improvement

Looking back over the past four years highlights the long-term benefits of our health and safety approach to Trafigura's broader culture.

Our strategy stresses the importance of active reporting, developing and sharing lessons to be learnt, and investing in health and safety training and resources. Our aim is to improve the quality of HSEC leadership across our workforce and to develop a more safety-conscious culture across the Group. This is reflected in our long-term performance.

People understand their responsibilities and act on them more frequently. There has been a tenfold increase in lessons learnt being shared and a twentyfold increase in near-miss reporting since 2017 (see page 39). The tangible improvements made over the past four years translate statistically into fewer serious injuries and safer working conditions for our people.

Viewed on a like-for-like asset basis, we have experienced fewer lost-time incidents every year. In FY2020, with new assets excluded, the number of lost-time incidents was 69 percent below the 2017 level, while there was a 72 percent reduction in LTIR over the same period.

In statistical terms, if we had not taken the actions described above and the LTIR had not improved since 2017, there would have been 182 lost-time incidents in FY2020. This suggests that the work we have done to improve safety performance could be compared to 108 employees not being injured at work in FY2020.

Reported fatalities

Keeping people safe is our highest priority. It is therefore a matter of great regret that there were three fatalities at Trafigura-controlled operations during the year. We are taking concrete action in each case, following detailed reviews of the circumstances of these events.

In January, two MATSA workers were driving on a private mine road when their pickup truck ran into the rear of a broken-down truck parked on the side of the road. Sadly, the driver was declared deceased at the scene and the passenger sustained major injuries. The vehicle was being driven above the speed limit and neither the driver nor passenger were wearing seatbelts. This tragic event reminds us that we must do all we can to address road safety. Our road safety initiatives are described in more detail in this report.

There was another tragic loss of life at MATSA in August. A worker was carrying out duties within the mine when he approached the edge of stope, an area where fall protection equipment is mandatory. The floor he was standing on gave way and he fell into the stope below. The ensuing investigation found a clear breach of safety procedures.

To determine if these safety breaches were isolated events or not, we launched a wide-ranging investigation into safety performance at MATSA in which the Trafigura Head of Mining participated. Based on the outcomes of the investigation, we are initiating an extensive programme to assess and improve safety culture at MATSA.

In Colombia, our fluvial logistics operation lost a valued crew member to COVID-19. After developing symptoms on board, he was admitted to a local hospital and, after several days in the intensive care unit, he sadly passed away. We are continuously reviewing and reinforcing hygiene and social distancing regimes on pushers. We have introduced enhanced disinfection procedures, temperature checks and daily assessments of crew welfare.

Port Pirie: Community health

In Port Pirie, South Australia, Nyrstar's lead and multi-metal smelter has been processing metal concentrates and secondary feed materials for over 125 years. Air quality is impacted as a result of the close proximity of the smelter to the community. To combat the health risk, Nyrstar supports a programme to improve air quality. The programme undertakes community focused activities.

Also in 2020, a new licence was established with the Environment Protection Authority, which sets limits and targets for lead in the air in the community. The target is a 20 percent reduction from a longstanding level. Achieving these new standards is a challenge for the facility, which is still in the ramp-up phase following a major redevelopment programme. However, with the new plant, new management and a major focus on environmental improvement, Nyrstar is confident that air quality will improve.

Reducing injuries

We use an evidence-based approach to reduce the incidence of injury across the Group. Reporting is standardised on Trafigura's online HSEC data reporting system. We are continually improving data collection and analysis to strengthen the quality of our data and enhance our ability to spot patterns and trends.

The lost-time incident rate (LTIR) is a key safety metric. There was a 13 percent reduction to 1.53 days per million hours worked in FY2020 (2019: 1.76). This did not meet our Group target of 1.41 which represents the 20 percent year-on-year reduction that we aim to achieve.

The shortfall was largely attributable to changes in the make up of Trafigura's asset base. On a like-for-like basis, Trafigura's LTIR in 2020 was 1.00, which represents a 43 percent annual reduction. This suggests that safety performance is on the right trajectory across the Group.

Impala Terminals and Impala's joint venture assets with IFM Investors, both made significant improvements, reducing their LTIR by 71 percent and 64 percent respectively.

In other parts of the Group, more work is needed. The Mining Group and Nyrstar did not achieve their LTIR targets in 2020. The Mining Group's LTIR increased by 19 percent to 2.76 (2019: 2.32). Without new assets, Mining would have achieved a 10 percent reduction in LTIR.

Nyrstar's lost time incident rate improved by 14 percent to 2.32 in FY2020, however it did not achieve the 20 percent reduction target. There are specific initiatives underway to reduce risks and promote more safety-conscious working. Nyrstar is targeting a 20 percent reduction in LTIR in 2021, in line with the Group target.

There were 202 total recordable incidents in FY2020, compared to 90 in FY2019. The Total Recordable Case Frequency (TRCF) also rose, to 4.01 compared with 2.60. This was mainly due to the inclusion of newly integrated operations.

Trafigura's HSEC Golden Rules

www.trafigura.com/resource-centre

72%

Increase in near-miss reporting frequency

"Near-miss reporting is an important tool for improving safety performance and is enshrined in Trafigura's HSEC Golden Rules."

Based on the Bird triangle and the ratio of minor injuries to major injuries, our focus is on improving the reporting of minor injuries. For this reason, we do not set a Group-level target to reduce TRCF and instead encourage more comprehensive reporting. So, while the TRCF has increased and every injury is a concern, we believe this at least partially reflects improved reporting of minor injuries and is further building the foundation on which safety improvement strategies can be based.

Near-miss reporting

Our health and safety strategy emphasises the importance of near-miss reporting. All employees and contractors are encouraged to report near-miss events. This is enshrined in Trafigura's HSEC Golden Rules. We see this as an important tool for improving safety performance. Near-miss reporting frequency rose by 72 percent compared to FY2019, with 130 near misses reported per million hours worked (2019: 75).

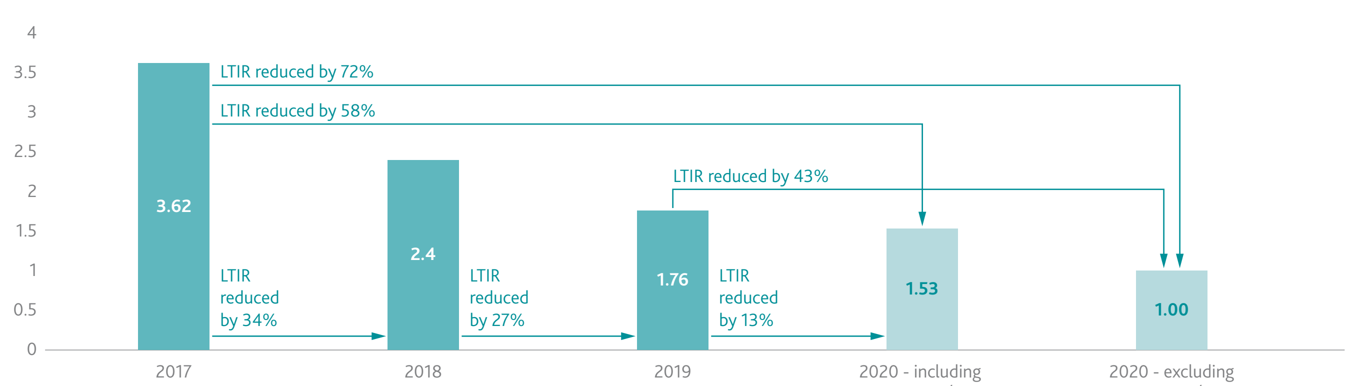
Near misses, like actual incidents, are logged and assessed for their potential severity. We pay particular attention to high-potential near misses. These are defined as near misses that in different circumstances might have resulted in death, serious injury or extensive environmental damage (Level 4 and 5 incidents).

Accurate and timely near-miss reporting provides valuable data that allows us to develop our HSEC standards and practices.

With more frequent reporting, we are extending our understanding of what qualifies as a near-miss event. As the recognition of near misses improves, we are able to identify new types of risks and reinforce risk-averse behaviours.

Stressing the importance of reporting near misses to all personnel also helps to reinforce a safety-conscious culture. Trafigura employees and contractors understand that they will not be blamed for mistakes but instead will be credited with being ready to share valuable learning

LTIR analysis, 2017-2020



experiences if they report near misses. This no-blame approach encourages people to stay alert and improve working conditions for themselves and their colleagues.

The effects can be seen in the transformation in safety reporting over the last three years. More frequent, detailed and accurate near-miss reporting is improving safety performance and delivering operational benefits for the Group.

Lessons to be learnt

Near misses and incidents reported are fed into the lessons to be learnt (L2BL) process. Root causes are identified and actions taken are noted so that useful lessons learnt can be shared with other operations. This process has now been extended to cover not only HSEC incidents but also operational loss occurrences. We also aim to share more L2BL on near misses going forward.

In 2020, we shared 548 L2BL, more than double that in 2019. We are now focusing on ensuring that L2BL are well documented with clear recommendations for other locations to prevent similar incidents. The appropriate sharing of L2BL is also important; if staff are overwhelmed with safety recommendations, many of which are not relevant to their activities, it becomes less likely that they will act on them. We are also focusing on improving our follow-up procedures.

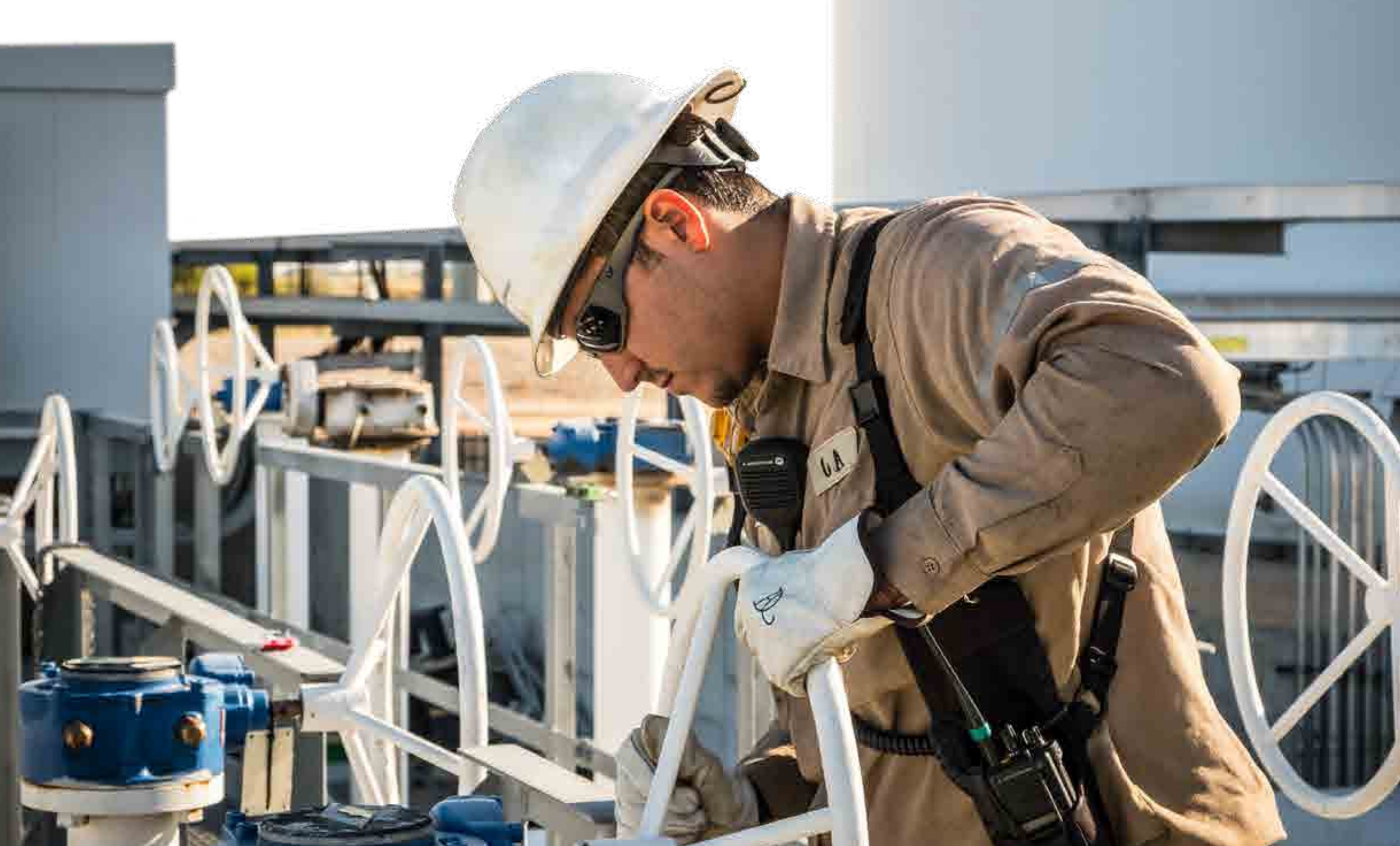
548

Lessons to be learnt shared in 2020 across the Group (2019: 258)

400

HSEC practitioners across the Group

"Accurate and timely near-miss reporting provides valuable data that allows us to develop our HSEC standards and practices."



Case study:

Instilling a safety-first culture at the Catalina Huanca mine

Changing culture takes time, persistence and focus. In 2020, at the Trafigura mine in Catalina Huanca, Peru, over 61,000 man-hours were devoted to training and more than 1,600 inspections undertaken to improve safety performance. Catalina Huanca is now one of our best-performing mining operations from a safety perspective. Its lost-time incident rate has dropped by 60 percent since 2017 to 1.5 per million hours worked in FY2020 (2017: 3.77).

The challenge

Some years ago Trafigura recognised a persistent problem with safety performance at the Catalina Huanca mine in Peru. We had been addressing it with a raft of measures: we ensured that teams had the latest safety equipment; all staff undertook safety training; there were limits on working hours; and there were strict protocols for those operating heavy machinery. Regular maintenance was also scheduled.

And yet reported incidents remained high. The working days lost through injury metric, LTIR, of the Peruvian mine continued to lag behind other Trafigura-controlled mining operations.

The scale of the problem was tragically highlighted in August 2017 when two experienced contractors lost their lives while working under an improperly secured roof section of the mine.

This incident was the catalyst for a thorough and radical review of operations. A Catalina Huanca Health and Safety Steering Committee was set up centrally. An early insight was that cultural factors played a key role. Best practice systems were in place, but it was apparent that safe working was not always the top priority for local managers.

Understanding cultural factors

Trafigura commissioned independent specialists to do an in-depth audit of the working culture at Catalina Huanca. They conducted detailed interviews with 133 managers, supervisors, employees and contractors, which evaluated cultural conditions and their impact on behaviour. Interviewees were asked about the quality of the leadership, the level of employee involvement, the effectiveness of two-way communication, the attitude to blame and the approach to learning and improving.

The review revealed Catalina's culture as one with good intentions but poor implementation. There were some areas of strength, but there was also significant scope for improvement.

One important finding was the disconnect between management and workers, which had clear safety implications. Employees and contractors pointed to a lack of collaboration with their managers. They claimed that when changes were being planned they were not consulted. If they raised safety concerns they rarely heard back on progress. Some were hesitant to raise such concerns, at least in part because they worried that they or their co-workers would be blamed. Productivity was perceived to be management's main focus. Workers felt disempowered and unable to take personal responsibility for their working environment.

The review recommended reinforcing existing health and safety systems with formal implementation programmes in three key areas: A HSE management system, engineering and behaviour.

Acting upon insights

Trafigura acted swiftly to change the cultural conditions. We have strengthened safety skills and empowered workers. We have improved dialogue between managers, supervisors, employees and contractors, with regular meetings, personal recognition for improved safety performance and direct feedback on progress to any workers raising safety concerns. Specific safety responsibilities have been allocated to workers at all levels. Safety champions are now recognised and rewarded, with monthly prizes for the best performers.

"Trafigura commissioned independent specialists to do an in-depth audit of the working culture at Catalina Huanca."

A manager communication programme has helped build bridges with workers. There is an increased managerial presence in the workplace and a zero-tolerance policy on disempowering speech and behaviours. Where needed, we have brought in new managers and supervisors with a more flexible, collaborative approach and a better understanding of safety concerns. We have also introduced a revised approach to productivity targets that makes proper allowance for safety stoppages.

An upgraded review programme has established formal procedures for proactive risk management with regular hazard risk reviews, and improved incident reporting and investigation. Leading indicators for proactive risk management are regularly monitored. Specific safety-related KPIs have been incorporated into the performance assessment for the local leadership team across key operating areas.

Outcomes

There are encouraging signs that our investment is paying dividends. Workers are overcoming their earlier reluctance to flag safety issues – there were over 600 reports of near misses during FY2020 – and the total recordable cases frequency rate has dropped by 63 percent from 7.0 in 2017 to 2.6 in 2020.

Furthermore, the lessons learnt at Catalina Huanca are being applied across the business, leading to improved safety performance at our other locations.

View our video on instilling a safety-first culture at the Catalina Huanca mine: www.trafigura.com/resource-centre/videos

63%

Reduction in total recordable cases frequency since 2017

60%

Reduction in lost-time incident rate since 2017

Road safety

Road transportation plays a significant role in our internal logistics operations. Our employees and contractors travelled 222 million kilometres by road in FY2020, with much of this being undertaken by trucking contractors for Impala and Impala's joint-venture with IFM Investors.

Despite greater distances being travelled in FY2020, there were fewer road traffic accidents (2020: 128; 2019: 138). Our Road Traffic Accident Frequency rate, which measures the number of accidents for every million kilometres driven, fell from 0.76 in 2019 to 0.58 in 2020, a 24 percent decrease.

Road traffic accidents account for a significant proportion of our total incidents. We are determined to reduce these as much as possible. We remain actively engaged on multiple fronts to improve road safety.

We have installed in-vehicle monitoring systems (IVMS) in the majority of the vehicles operated by Trafigura. We analyse this data to identify and improve driver behaviour. IVMS have become an important part of our toolkit for reducing accidents on the road.

At our Catalina Huanca mine in Peru, IVMS data directly improved driver performance during 2020. At the start of the year, the consensus view was that contracted drivers were performing relatively well overall. Analysis of the IVMS data led to a different conclusion. This identified an average of 56 driver mistakes for every 1,000 kilometres driven.

We have responded accordingly. We have launched safety-led motivational programmes with prizes for our best performing drivers. We have introduced a robust consequence management protocol. There has been a rapid improvement in driver behaviour. By the end of the year, drivers in Peru were averaging three mistakes per 1,000 kilometres.

With better quality data, Impala Terminals has been able to put targeted safety measures in place, including checkpoints along main routes and random testing for fatigue and alcohol consumption. Managers and drivers are encouraged to set up systems and reporting that reduce risky activities, like speeding or driving for lengthy periods without a break.

A global road safety campaign is being rolled out in 2020-21 to raise safety awareness for all road users. The campaign components include messaging on speeding and safety belts, and on guarding against fatigue. While its implementation was delayed, in recognition that this would have less resonance while national COVID-19 lockdowns were in place, the campaign is now underway.

Accelerating incident investigations

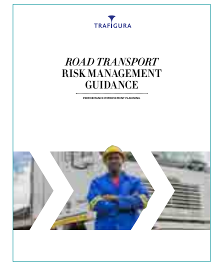
It is important that all incidents are fully investigated so we can share lessons that reduce the risk of the occurrence of similar incidents in future.

Trafigura has a 400-strong HSEC-practitioner network. These are people with HSEC responsibilities although not necessarily in full-time HSEC roles. The network is global and multi-functional and is strengthening our internal investigative competency with enhanced data collection and analysis, training, guidance documents and external expertise.

Each investigation presents a different set of challenges. More significant incidents may require more intensive investigation. These could take longer. In some cases, we may need to deploy international teams of specialists and bring in independent expert assessors.

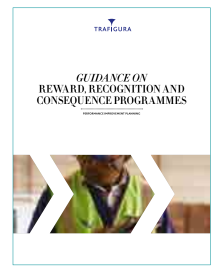
At the same time, investigations have to be undertaken in a timely fashion if we want to put effective remedies in place promptly. Our 28-day target for the average length of Level 3 investigations aims to strike the right balance between speed and rigour.

The 28-day target was not achieved in FY2020. Although our investigation teams were hampered in many cases by the travel restrictions that arose from the global pandemic, it is also the case that some investigations, including into various road traffic incidents in Africa and some injury incidents in Colombia, took longer than expected. Level 3 investigations took on average 40 days to complete in FY2020. This is an area where further progress is necessary and we continue to work towards a target of 28 days.



Road Transport Management Guidance

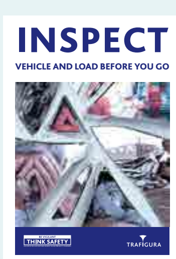
www.trafigura.com/resource-centre

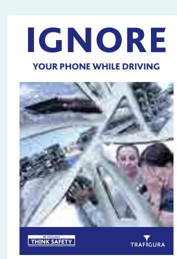


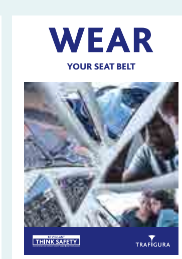
Guidance on Reward, Recognition and Consequence Programmes

www.trafigura.com/resource-centre

2020 Road Safety Campaign Posters







Contractor HSEC management

Trafigura conducts a formal, two-phase due diligence process that includes specified minimum HSEC expectations for particular activities, such as ship-to-ship transfers, trucking, bulk storage and disposal of liquid waste from vessels.

Our requirements have been designed to identify and avoid contractors that cannot meet our HSEC expectations. New contractors are subject to a know-your-counterparty check and a desk-based HSEC assessment. Those that pass may then receive an on-site inspection within a set timeframe. Contractors that fail our due diligence but are willing and able to work with us to upgrade their processes can gain temporary approval for an interim period. Those that are unable or unwilling to improve are rejected.

In 2020, our worldwide due diligence activities resulted in:

- **1,268** contractor HSEC assessments considered (2019: 683);
- **702** approved providers worldwide (2019: 454);
- **547** contractors rejected (43 percent of those assessed) (2019: 183);
- **517** new contractors being actively assessed at year-end 2020 (2019: 435)

HSEC assurance

We rank all our installations and facilities from low risk to high risk. The risk rating is based on three components. First, there is inherent risk associated with the environmental, social and economic setting of the asset. Second, we rate the operations being conducted at the facility. The third rating component is operational performance.

We make a distinction between assets we control directly and those under joint venture or similar structures where our influence is mediated through applicable corporate governance rules. Our assessment process takes account of all of these factors to categorise every fixed location facility.

The risk rating helps us prioritise higher-risk operations in our HSEC assurance programme. There are six HSEC assurance categories, including specific protocols for high-risk contractors (category 3), suppliers (category 4) and potential merger and acquisition counterparties (category 5). Categories 1 and 2 are internal assurance reviews, with category 1 reviews being Group-led and category 2 reviews supervised by local HSEC managers. Category 6 assurance reviews are external, providing third-party certification.

Category 1 reviews

Any location or activity rated high risk from an HSEC perspective is subject to a periodic category 1 review. Category 1 reviews are supervised by the Head of HSEC and conducted on site by a Group-led specialist team. Local managers agree an action plan in response to its findings and recommendations. Their progress is tracked at Group level, with overdue actions reported to the HSEC Steering Committee. Category 1 audits are supplemented by more frequent category 2 reviews at all locations and category 3 reviews of specific contractors.

Four category 1 assessments are conducted in a typical year. Pandemic-related travel restrictions limited our ability to assemble teams to visit and report on facilities in 2020. As a result, two reviews were completed. Reviews of Puma Energy and Impala's operations in Chile were deferred and will be conducted in the next financial year when conditions allow.

The teams reviewed the Manzanillo warehouse in Mexico, which handles bulk commodities. The subsequent recommendations included the application of more rigour to the implementation of the Permit to Work process to ensure that it is fully effective; ensuring correct PPE use in the laboratory; and earlier close-out of actions to manage lead risk.

Our review of the Castellanos zinc and lead mine in Cuba, a joint venture between Trafigura and Cuban parastatal Geominera, identified HSEC improvement opportunities, including improved medical emergency response preparedness, better demarcation of risk areas, closer management of hazardous materials, signage in the local language and operational improvements on the vessels carrying material from a private port near the mine along the coast to an export port near Havana.

1,268

Contractor HSEC assessments considered (2019: 683)

547

Contractors rejected (2019: 183)

HSEC Assurance Processes

www.trafigura.com/resource-centre

Managing the impact of COVID-19

The global COVID-19 pandemic posed unique challenges for us all in 2020. For Trafigura, in addition to public health issues and the need to keep our employees and contractors safe, the pandemic posed a business continuity challenge. Its effects were felt in all corners of the globe, although not necessarily simultaneously. Responding to the pandemic, and continuing to operate while maintaining a safe and healthy place of work, has required us to adapt the ways we work.

Trafigura recognised the risk early on. A central COVID-19 working group was meeting frequently from the end of January. This group was tasked with advising on how to minimise the impact of the pandemic on the business while protecting employees and contractors. In mid-March, the working group issued the Management Plan for COVID-19 risk. Guidance on techniques to minimise risk, posters on COVID-19 health topics and templates for COVID-19 risk assessments were shared throughout the pandemic.

Globally, within ten days we were able to get 2,500 people out of our offices and working from home with a reasonable IT setup and without any significant interruption to the business.

Most facilities maintained effective operations most of the time. Some were closed for brief periods, in accordance with government regulations and, in one instance, triggered by an on-site infection and our own COVID-19 safety protocols. Each of these facilities was able to reopen once we, and in some cases authorities, had confirmed that our facilities were able to work and perform essential services in a safe and healthy way.

Trafigura facilities operated a two-pronged approach. This was aimed firstly at doing what was necessary to prevent the COVID-19 virus entering our places of work, and secondly, at preventing the virus being spread at work if it did enter the workplace.

We quickly established the requirement for anyone with flu-like symptoms or in contact with a confirmed COVID-19 case to self-isolate and stay away from work for a suitable length of time. Sensible behaviours outside of work to reduce the likelihood of infection were encouraged. Protocols for visitors were established.

To reduce the risk of transmission within our facilities, social spacing distances and workplace occupancy limits were set and hygiene practices were stepped up, essential PPE and hand sanitation facilities were provided, and the regular wiping down of surfaces and handwashing was encouraged.

Higher than average absenteeism, due to illness, self-isolation or reduced workplace occupancy limits, throughout the year meant decisions had to be made on more flexible working. This inevitably meant people were working in unfamiliar roles. Judgments had to be made about when this could be done without compromising safety.

We recognised that COVID-19 represented a safety risk as the difficulties it caused could lead to distractions, and implemented a campaign to acknowledge the risk and to encourage everyone to maintain safety standards and look out for each other.

Slightly higher than average LTIs at mining operations during COVID-19 peak months in 2020 illustrate the challenge. The data indicates that there was a slightly poorer safety performance during periods with high absenteeism and immediately after lockdown as operations restarted.

Early in the pandemic, we faced shortages of essential PPE, such as dust masks, as a result of increased global demand for all mask types. We drew on our international footprint and locations with high stock levels shared PPE with those with less. Our office in Shanghai repurposed itself as a PPE acquisition operation, purchasing essential PPE locally and dispatching it to locations across the world where stocks were low, including Colombia, Dubai, Peru and the Democratic Republic of the Congo. All of our locations were able to source essential industrial PPE and continue to operate with the appropriate safety equipment.

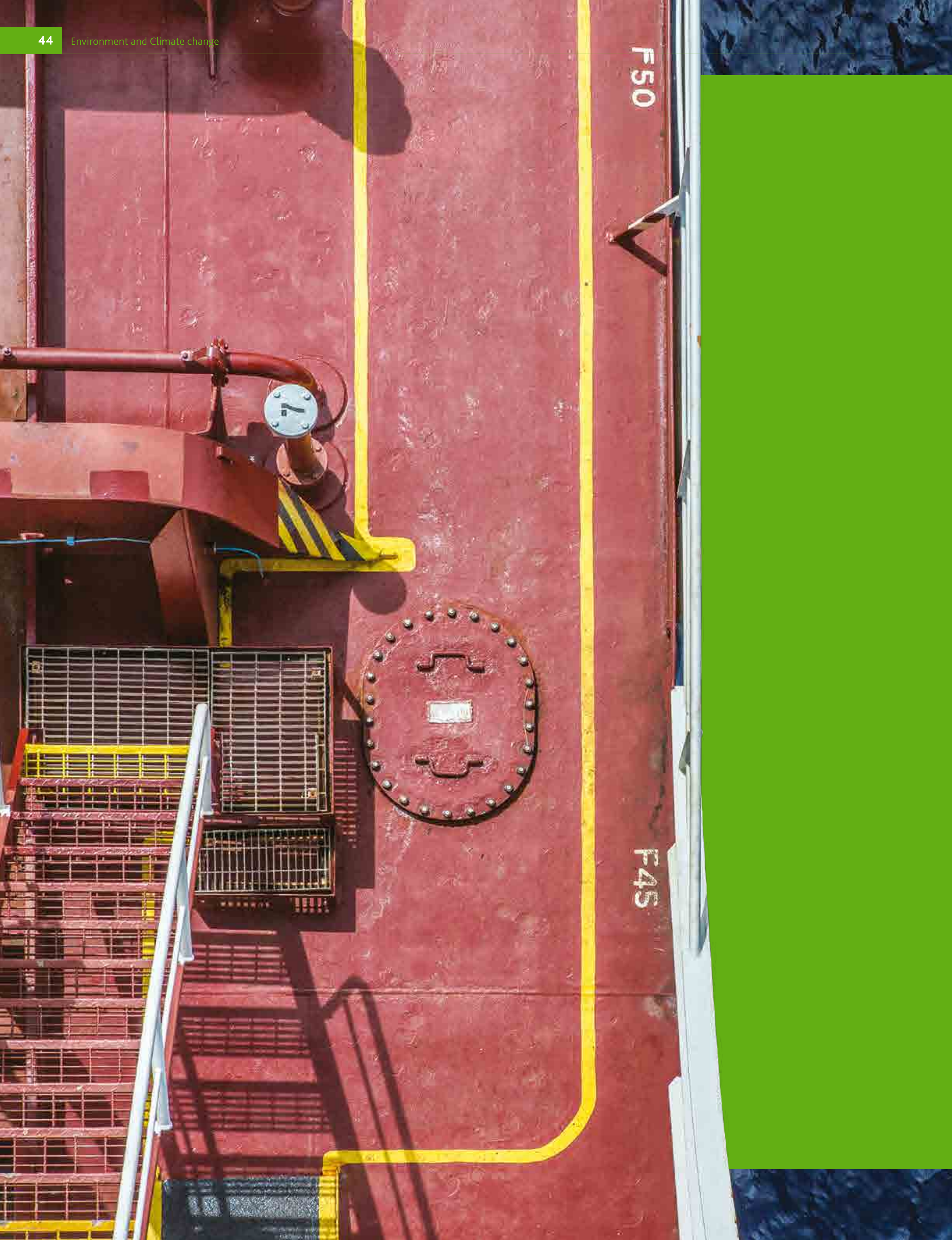
Impala's biggest uncertainty was the level of preparedness of its contractors. Some had not anticipated the global shortage of PPE and they simply ran out of supplies. Impala shared its own PPE stock, allowing operations in Peru and Spain to continue safely and uninterrupted.

The company also wanted to ensure that local communities were properly protected. We have donated sanitation kits, PPE and fuel to hospitals as well as essential provisions for those in need.

One group that has been particularly impacted is the crew of vessels, who have not been able to rotate home as normal. Although we do not employ crews directly, we have worked with those that crew the vessels we own and charter, to help minimise the impacts and hardship. Crew members that are not able to rotate off the vessels are paid a supplementary bonus. Also, we have arranged for vessels to make unscheduled stops in rotation-friendly ports to allow crews to disembark and rotate, and have lobbied ports where we have influence, such as Singapore, to facilitate the travel of crews through their jurisdictions.

COVID-19 prevention campaign

Trafigura's Head of Health, Safety, the Environment and Communities highlights our approach and HSEC performance over 2020 alongside efforts made to reduce the impact of COVID-19 on our employees and operations.
www.trafigura.com/video/trafiguras-head-of-hsec-highlights-our-approach-and-hsec-performance


F50
F45

Environment and climate change

Sound environmental performance underpins commercial performance. We aim to minimise any adverse impacts from our business operations on the natural environment. We want to play our part in supporting the worldwide transition to low-carbon energy sources. We are adapting our business to meet the risks and opportunities of climate change with a new Power and Renewables division and by setting targets to reduce our greenhouse gas emissions and install renewable power.

2020 Performance

To achieve zero Level 4 and Level 5 environmental incidents.	Achieved
To set a GHG emissions reduction target.	Achieved
To report on carbon intensity in kilogrammes per tonne of commodity moved per kilometre.	Improving
To expand environmental performance reporting.	Achieved

2021 Targets

- To maintain zero Level 4 and Level 5 environmental incidents.
- To reduce Scope 1 and 2 GHG emissions by 30 percent against our 2020 baseline on an absolute basis within three years.
- To set a Scope 3 GHG emissions target within three years.
- To invest in renewable power projects with a total generation capacity of 2GW in the next five years.

Not achieved · Improving · Achieved

30%
Targeted reduction in Scope 1 & 2 GHG emissions FY2020-23

C
CDP Climate Change Rating (2019: C)

2GW
Target renewable power generation capacity by 2025

Environmental management

We are committed to protecting the environment and to playing our part in the energy transition to low- and zero-carbon sources. We set challenging targets and monitor performance indicators that strengthen our ability to manage our environmental impacts. We engage with our suppliers, customers and trading partners and the many stakeholders in our business to understand, manage and mitigate our risks and impacts more effectively.

Our approach

Our overall approach to managing environmental impacts reflects our status as one of the world's leading commodity traders, with a portfolio of interests in industrial assets, storage and handling facilities, logistics and downstream operations. We aim to adopt, develop and promote best practice across our business. If current practice falls short of this standard, we seek to improve the areas we can affect directly and influence our partners to make improvements where we do not have operational control.

In 2019, we set ourselves a target of expanding our environmental performance reporting. This has been achieved in numerous ways, with more granular reporting, improved accuracy and increased scope.

Effective management of our environmental impacts is critical in a world where sound environmental performance underpins financial and community support and business partnerships. We focus on reducing the risk of environmental incidents and mitigating any negative impacts. We also aim to help facilitate a smooth and swift transition to the low-carbon economy.

We are building our knowledge and evolving a more holistic sense of our long-term environmental impacts. In a changing world, where environmental and commercial performance are increasingly seen as indivisible, our priorities are also changing. Our environmental strategy has moved beyond a narrow focus on mitigating risk. It now informs core business strategy and is stimulating innovation and business transformation.

Environmental management systems

Many of our offices, industrial assets and operational activities are certified under local, national or industry-specific management systems. External assurance schemes add value to our operations by ensuring continued adherence to best practice. We will continue to support certification where it makes business sense. In FY2020, we began a project to improve our approach to emergency preparedness. A template for a comprehensive plan was shared with all locations during the year. This is now being reviewed and adapted according to specific risk profiles.

Waste and environmental impacts

The commodities we trade pose significant social and environmental risks if not handled correctly. The severity of these risks varies according to the type of commodity, the activity and the location. Preventing and minimising such risks are key priorities. Any pollution, wherever it occurs, is unacceptable.

Tailings dams

The 2019 catastrophic tailings dam failures in Brazil have rightly focused attention on the integrity and safety of tailing storage facilities. We regularly review our approach to tailing storage facilities management in line with evolving best practice. We use piezometers, slope monitoring and other equipment to monitor activity in real time at the most sensitive locations. We also assess tailing storage facilities for risks relating to climate change and changes in frequency and intensity of extreme weather events.

Our tailing storage facilities are subject to periodic inspection and regular, formal integrity and safety audits, which are conducted by acknowledged and independent experts in the field.

A number of third-party audits and inspections were carried out at our sites in 2020, complementing site-level monitoring and checks. We expect to continue this exercise at all remaining sites throughout the course of 2021.

Low sulphur fuels

IMO 2020, which imposes a 0.5 percent limit on sulphur content on fuel for the maritime sector, came into effect in January. All Trafigura-owned vessels were fully compliant, having been retrofitted with sulphur scrubbers that allow them to meet the new emissions standards whether running high or low sulphur fuels.

Spills

For several years, we have been applying lessons learnt to reduce the likelihood of spills and prevent repeat incidents. We are pleased to report that in FY2020 we had no spills above one barrel. However, spills of all kinds remain a risk in our industry and we remain vigilant.

Water usage and waste disposal

Extensive environmental reporting is providing a more granulated picture of our activities and that in turn is encouraging new ways of thinking about our environmental impacts and how we address them. We now collate data centrally on water usage and discharge and waste generation. None of our facilities are in water stressed or protected areas.

HSE-related fines and penalties

For FY2020, we reported a substantial increase in the amount of health and safety and environmental fines paid. Most of the fines related to minor legacy issues at newly acquired assets that occurred prior to Trafigura's ownership. Only one fine was greater than USD100,000, which was for non-compliant sulphur dioxide emissions at a Nyrstar smelter. We are seeking to understand and address the root causes of all fines across our recently expanded portfolio.

Key Performance Indicators

	Group (aggregate)		Oil & Petroleum Products Trading		Metals & Minerals Trading		Shipping & Chartering Desk		Trafigura Corporate		Impala Terminals		Mining Group		Nyrstar
KPI	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**
Number of environmental incidents reported	**139**	116	**9**	14	**0**	6	**1**	3	**0**	0	**81**	62	**48**	31	**54**
Number of oil spills	**0**	6	**0**	3	**0**	0	**0**	1	**0**	0	**0**	2	**0**	0	**0**
Associated spill volume in litres	**0**	3,823	**0**	2,972	**0**	0	**0**	200	**0**	0	**0**	651	**0**	0	**0**
Value of HSE related fines and penalties (USD)	**1,667,105**	20,875	**0**	0	**0**	0	**17,452**	17,125	**0**	0	**0**	750	**760,467**	3,000	**889,186**

Climate change

Our approach to climate change risk management is aligned with the priorities set out by the Task Force on Climate-related Financial Disclosures. In this report, we follow their guidance by reporting on governance, strategy, risk management, metrics and targets.

Highlights

Achievements

- Enhanced reporting of our GHG emissions, including external verification and increased number of Scope 3 categories.
- External physical climate change risk assessment completed at high-risk sites.
- Stepped up international engagement to advance the decarbonisation of shipping.
- New zero-carbon logistics service offer by Impala Terminals.

GHG emissions reduction targets

- 30 percent reduction in operational emissions by the end of FY2023.
- Set a Scope 3 emissions reduction target by FY2023.
- Install two gigawatts of renewable power generation capacity by the end of FY2025.

Responding to climate change

Climate change is perhaps the most urgent issue of our time and there are particular implications for our industry. Some of the commodities we trade are essential for the energy transition and demand is rising. For other, more carbon-heavy commodities, we anticipate increased regulation and falling demand.

We recognise and respond to the latest scientific assessments as set out by the United Nations Intergovernmental Panel on Climate Change. We are ramping up our efforts to reduce emissions and provide commodities that are essential for the transition to a low-carbon economy in a manner consistent with the goals of the Paris Agreement.

The HSEC Steering Committee, chaired by independent non-executive director Andrew Vickerman, and the Climate Change Group, which was formed in 2018 and comprises senior managers from across the business, are responsible for overseeing, guiding and shaping our climate strategy.

Climate change risks

We manage climate change threats to our business continuity using risk assessment matrices that quantify outcomes according to the likelihood and severity of projected events in a worst-case scenario.

In 2020, Trafigura commissioned ERM to undertake a physical climate change risk assessment across three sites that were considered at threat from long-term climate change: the East Tennessee and Mid Tennessee mines and the Nyrstar smelter in Clarksville, Tennessee.

The assessment reviewed the likely effects of hazards in four main groupings: extreme heat, flooding, hurricanes and storms, and wildfire. Elevated risks were identified in several areas. The local HSEC teams are addressing each risk assessment with related actions. The locations have also scheduled quarterly emergency response drills to test its procedures in weather-related crisis scenarios.

This exercise is now included in the sites' ISO 45001 and 14001 management systems, and therefore is subject to external audit.

Climate change: reducing emissions

We have set ourselves an ambitious but achievable target of reducing total Scope 1 and 2 GHG emissions by 30 percent over the next three years compared to our baseline year of 2020. This equates to a meaningful reduction of more than 1 million tCO_2e of GHG emissions in a relatively short period of time. Achieving this target will have an early and material impact upon our emissions profile. It is an important step that adds momentum to the work we are doing to focus attention on meaningful actions we can take now to decarbonise our operational footprint.

This target has been determined following extensive consultation, during which our facilities were asked to review their operations and identify greenhouse gas reduction opportunities.

We will employ four main strategies to reach our 30 percent reduction target:

1. **Improving energy efficiency.** We will implement measures to use energy more efficiently across all our operations.
2. **Capital expenditure.** We have identified a number of larger projects that will result in sustainable reductions in emissions in future years. These have longer lead times and will be delivered later in the target period.
3. **Securing renewable electricity.** In jurisdictions where electricity regulators and suppliers offer Guarantees of Origin for electricity from renewable sources, we will seek to procure these, with particular focus on our energy intensive smelting facilities.
4. **Offsetting.** There will be some residual emissions that cannot be avoided. Some of these emissions may be offset, although these will account for less than five percent of the overall reduction target.

C

Carbon Disclosure Project rating in 2020

www.cdp.net/en

GHG emissions

Our GHG management approach performs well against industry benchmarks and we continue to work closely with the CDP (formally Carbon Disclosure Project), submitting annual reports on our GHG emissions, building each year on previous reporting by extending disclosure and the scope of our data. In FY2020, for the second year running, we were awarded a C rating for our benchmarking results, up from a D rating in 2018.

We invest significant resources in the analysis and reporting of our GHG emissions. Internally, we report our emissions quarterly. We report annually in this publication and benchmark performance via the CDP.

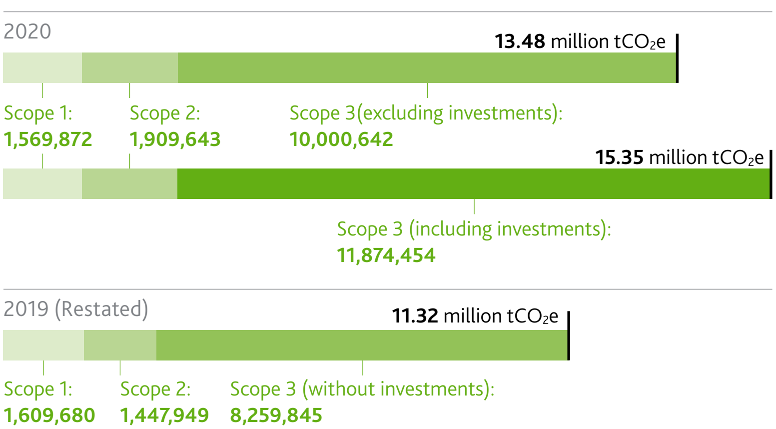
We report direct emissions from owned or controlled sources as Scope 1 emissions. Under Scope 2, we report indirect emissions from the generation of purchased energy. Also, we report indirect emissions incurred across our value chain, where contractors and other counterparties are undertaking logistics operations on our behalf, as Scope 3 emissions.

FY2020 performance

Our total reported GHG emissions of 15.35million tCO_2e in 2020 include 1.87million tCO_2e of Scope 3 emissions from investments - a category not reported in 2019.

On a like-for-like basis, our total GHG emissions increased by almost 20 percent to 13.48 million tCO_2e, compared to restated GHG emissions in 2019 of 11.32 million tCO_2e. (see box below).

Scope 1 + Scope 2 + Scope 3 = Total emissions



* Our Scope 2 emissions have been calculated using the market-based method using supplier specific emissions factors and residual mixes, in line with the GHG Protocol Scope 2 Guidance. Our market-based Scope 2 emissions were 1.91 million tCO_2e which compares to 2.00 million tCO_2e if calculated using the location-based method.

** Trafigura reported five Scope 3 categories in FY2020. These are Category 3: Fuel- and Energy-related Activities; Category 4: Upstream Transportation and Distribution; Category 6: Business Travel; Category 8: Upstream Leased Assets; and Category 15: Investments. Emissions from Nyrstar and Bahia Blanca operations for Category 4 - Upstream transportation and distribution, and some Category 8 - Upstream leased assets have not been included in the Scope 3 calculation.

Scope 1 and 2 GHG emissions

Group Scope 1 and Scope 2 emissions increased by 14 percent to 3.48 million tCO_2e in 2020.

Total Trafigura FY2020 Scope 1 and Scope 2 emissions*	
Scope 1	1,569,872 tCO_2e
Scope 2	1,909,643 tCO_2e
Total	**3,479,515 tCO_2e**

Scope 1 emissions include those from combustion in owned or controlled boilers, furnaces, vehicles and vessels. During the year, Scope 1 emissions fell by two percent, with the reduction attributable to the sale of 16 owned vessels, and the impact of COVID-19 on operational activity and new production techniques.

Scope 2 emissions are those associated with the electricity we purchase. These emissions increased by 32 percent to 1.91 million tCO_2e as a result of an increase in business activity and changes to some emissions factors used.

There are two methods to calculate Scope 2 emissions: the location-based method, which uses the average emissions intensity of national grid electricity, or the market-based method, which uses emissions factors for the actual electricity used from contractual instruments or information provided by energy suppliers.

As per the Greenhouse Gas Protocol Scope 2 reporting guidance, Trafigura reports Scope 2 emissions using both the location- and market-based approaches. This is because Trafigura has supplier-specific market-based data for the Nyrstar, Myra Falls and Langlois mines and location-based data for other locations. The Scope 2 emissions reported here are based on best available emissions factors at the time.

Nyrstar is a new addition to Trafigura's portfolio. Its smelters account for around 90 percent of the company's electricity consumption. Electricity use is 40 percent of the operational cost of smelters. All smelters have formal energy efficiency programmes in place that are aimed at minimising emissions.

Nyrstar's smelting operation at Budel in the Netherlands accounted for 56 percent of total Scope 2 emissions. Reducing the carbon intensity of the electricity purchased will be a focus in 2021.

Scope 3 emissions

Scope 3 emissions are the indirect GHG emissions associated with the activities of others in our value chain. These include upstream transport-related emissions, associated with purchases from suppliers and downstream emissions from chartered vessels.**

In 2020, we improved the quality and scope of our reporting of Scope 3 GHG emissions. (See Improving GHG emissions reporting on page 50)

We reported four of the 15 categories of Scope 3 emissions in the GHG Protocol in 2019. In FY2020, we evolved our reporting to include, for the first time, emissions from non-operated joint ventures and investments (Scope 3 category 15), including Puma Energy and Terrafame. These emissions are reported based on our equity share and accounted for an additional 1.87 million tCO_2e.

Emissions resulting from the purchase of goods and services, waste generated, commuting, and the processing, use and treatment of sold products by customers are excluded from our Scope 3 emissions total.

Scope 3 emissions represent 77 percent of the Group's total emissions and increased (on a like-for-like basis) by 21 percent in FY2020 to 10.00 million tCO_2e. This was mainly due to an increase in shipping emissions, the primary contributor to our Scope 3 emissions, and to an improvement in the scope and accuracy of reporting. Increased wet charter activity, including the use of vessels for floating storage during the COVID-19-induced oil storage crisis was the main reason for the increase in shipping emissions.

There were also areas where our emissions performance improved. We continue to shift to more efficient modes of transport where they are available. In Texas, we are moving oil by pipeline instead of by truck and our Scope 3 emissions dropped by almost 58,000 tCO_2e as a result of this. Nyrstar are moving more containers by canal barge instead of trucks. This replaced 2,500 truck trips between Antwerp and Meerhout during FY2020, equivalent to five percent of their annual European truck movements. Impala Terminals increased the volume of commodities moved by rail rather than truck by 53 percent in 2020 as well as carrying 12 percent more cargo.

Establishing a Scope 3 reduction target is complex but a priority for Trafigura. We are improving data collection and analyzing how best to to set a meaningful target in this area. Work is ongoing to establish both the magnitude and type of a Scope 3 target.

Chartered shipping accounts for the majority of our reported Scope 3 emissions. Achieving large-scale reductions in maritime emissions will require the global industry as a whole to make substantial investments in infrastructure and new technologies. Without direct operational or capital expenditure control of the ships we charter, our ability to invest in energy efficiency and optimise fuel usage is limited, and these emissions can be very difficult to reduce.

As we work towards setting our own Scope 3 GHG reduction target, we continue to advocate for measures that will deliver long-term Scope 3 emission reductions for the industry as a whole. We are proposing a carbon levy on shipping emissions to promote the adoption of low- and zero-carbon fuels. We are supporting and investing in new technologies that could play important roles in the energy transition, such as hydrogen fuels and energy storage (see page 58).

Additionally, we have set a formal target of installing at least two gigawatts of renewable power capacity within the next five years through Nala Renewables, our joint venture with IFM Investors. We will buy and build renewable installations globally to deliver this. We anticipate that most of the renewable power will be sold externally, either direct to power customers or via national grids to reduce and even eliminate users Scope 2 emissions. Depending on where installations are sited, this could reduce the emissions of our power customers by around two million tCO_2e or more per annum.

Restating 2019 Scope 1, 2 and 3 GHG emissions post Nyrstar acquisition

In accordance with the GHG Protocol, we have restated reported GHG emissions for 2019 to include Nyrstar emissions and those relating to other material assets changes. We have also updated our previously reported data to reflect adjustments identified through improved data collection and verification processes.

Portfolio changes, especially the incorporation of Nyrstar, significantly changed Trafigura's asset base and emissions profile in 2020. Therefore, the GHG emissions Nyrstar reported independently in 2019 are now included in Trafigura's restated 2019 emissions totals to provide an accurate basis for comparison against FY2020 data. Nyrstar's total GHG emissions in 2019 of 2.10 million tCO_2e (comprising 478,164 tCO_2e Scope 1, 1,227,066 tCO_2e Scope 2 and 400,170 tCO_2e Scope 3 emissions) have been added to Trafigura's 2019 figures. In FY2020, Nyrstar assets contributed a total of 2.75 million tCO_2e emissions, 18 percent of our annual total.

Also, we have added to the Trafigura Mining Division total, emissions from the mines and facilities at Galena Asset Management's majority-owned Wolverine Fuels, and from two multi-metal mines in Canada (Langlois and Myra Falls) that were formerly Nyrstar operations. Collectively, these assets have contributed a further 96,042 tCO_2e of emissions added onto 2019 data.

In 2020, we improved the accuracy of tracking of wet spot charters and their associated emissions and corrected an error in the reporting methodology used at our Bahia Blanca refinery. These data improvements are also reflected in the restated 2019 figures presented in this report.

These changes contribute an additional 2.02 million tCO_2e to 2019 Scope 1 and 2 emissions. Together with smaller changes in Scope 3 emissions, the restated 2019 Scope 1, 2 and 3 emissions are 11.32 million tCO_2e.

Additionally, for the first time, in FY2020, we have reported emissions from non-operated joint ventures separately, which contribute an additional 1.87 million tCO_2e. Overall, these changes have changed our emissions profile significantly.

Improving GHG emissions reporting

Accurate emissions reporting and forecasts are the foundation upon which appropriate GHG reduction strategies are based. We publish quarterly GHG performance reports internally so that action can be taken in-year to address reporting errors, manage trends and meet our goals, and to provide us with a more rounded picture of our environmental impacts.

Our GHG Manual published in FY2020 has improved GHG governance by specifying a consistent Group-wide approach to GHG accounting. This document sets out how we align with the GHG Protocol, the Global Logistics Emissions Council (GLEC) Framework and CDP benchmarking expectations. It defines the organisational and operational boundaries for our reporting and describes how changes in the portfolio are managed, including when and how the baseline year should be recalculated.

The manual is the single source for all GHG accounting enquiries. As such, it is a key internal assurance tool for GHG accounting, alongside the GHG Protocol and GLEC Framework.

Emissions intensity

Setting emissions intensity as a standard metric across all operations makes it possible to measure our performance internally and benchmark it against our peers, to monitor GHG emissions across the supply chain and, crucially, to drive performance improvements.

In 2019, we began to track GHG emissions in grammes per tonne of commodity moved per kilometre or nautical mile. This was initially applied to emissions from owned ships and inland transportation, an approach aligned with the GLEC Framework

In FY2020, we extended this approach across all our activities. Impala reports its emissions intensity as grammes of CO_2e per tonne of product throughput. Mining's emissions intensity is calculated in grammes per tonne of product mined.

By comparing performance by asset, activity, sector and region, we are identifying operational improvements that increase our efficiency and help us reduce emissions intensity.

In the coming year, as part of our membership of the Sea Cargo Charter, we will benchmark our shipping emissions intensity performance with other charterers and develop strategies so that we can support delivery of the IMO GHG reduction target, including reporting of shipping emissions intensity in 2021.

Improved data collection and analysis

We have enhanced the depth and quality of emissions data in various operations, including for our wet-owned vessels, time charter fleets and refined metals transportation, where we are now analysing emissions-related data at a more granular level.

Improved data collection and analysis has enhanced the accuracy of our Scope 3 emissions reporting for wet spot charters, which account for around 17 percent of our reported GHG emissions. As in 2018 and 2019, we continued to work with our external partner, University Maritime Advisory Services (UMAS).

Our IT team has introduced a new application that extracts more accurate details of wet spot charter voyages from the shipping management system, including ports of call, associated dates, vessels and IMO numbers. UMAS combines this data with data from the International Maritime Organization Automatic Identification System (AIS) database on global shipping voyages to determine the route, tonnage, implied fuel use for each vessel and emissions associated with each voyage. Equipped with these more precise voyage details, we are able to calculate, in conjunction with UMAS, the emissions associated with each of these voyages to a much higher degree of accuracy.

We are progressively improving Scope 3 GHG emissions reporting and in FY2020, for the first time, we reported emissions from our investments in non-operated joint ventures.

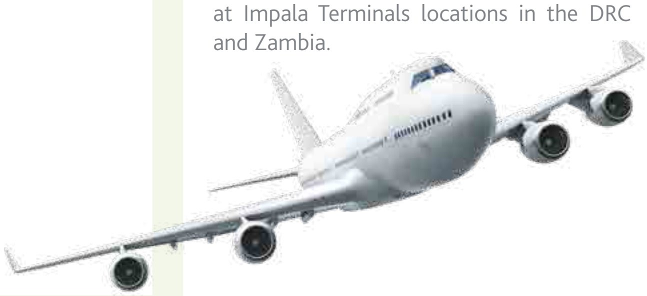
		Emissions performance (tCO_2e)	
		Scope 1 & 2	**Scope 3**
Group (aggregate)	**2020**	**3,479,514**	**11,874,454**
	2019	3,057,629	8,259,845
Oil & Petroleum Products Trading	**2020**	**357,588**	**80,121**
	2019	331,215	87,570
Metals & Minerals Trading	**2020**	**0**	**706,855**
	2019	0	228,141
Shipping & Chartering Desk	**2020**	**552,879**	**8,318,171**
	2019	656,583	7,291,494
Trafigura Corporate	**2020**	**4,145**	**6,373**
	2019	6,525	13,692
Impala Terminals	**2020**	**79,956**	**181,488**
	2019	87,679	160,683
Mining Group	**2020**	**284,289**	**145,261**
	2019	270,377	78,094
Nyrstar	**2020**	**2,187,856**	**560,531**
	2019	1,705,230	400,170
DT Group	**2020**	**12,802**	**1,842**
Investments	**2020**		**1,873,812**

Evolution of our GHG Inventory

	Material emission sources	Scope	2020	2019	2018	2017
Shipping & Chartering Desk	Wet, owned/controlled vessel	1	✓	✓	✓	Partial
	Wet and Dry time charters	3	✓	✓	✓	Partial
	Wet spot charters	3	✓	Partial	Partial	✕
	Dry spot charters	3	✓	✓	✓	✕
	Wet and Dry vessels in port	1 and 3	✓	✓	✓	✕
	Containers on container vessels	3	✓	✓	✕	✕
Mining Group	Power generation	1	✓	✓	✓	✓
	Purchased electricity	2	✓	✓	✓	✓
	Trucking	3	✓	✓	✓	✕
Impala Terminals	Power generation	1	✓	✓	✓	✓
	Barges	1	✓	✓	✓	✓
	Purchased electricity	2	✓	✓	✓	✓
	Trucking	3	✓	✓	✓	✓
	Rail	3	✓	✓	✕	✕
Oil & Petroleum Products Trading	Power generation	1	✓	✓	✓	✕
	Purchased electricity	2	✓	✓	✓	✕
	Trucking	3	✓	✓	✓	Partial
	Barges	3	✓	✓	✓	✕
Metals & Minerals Trading	Trucking	3	✓	✓	✓	Partial
	Barges	3	✓	✓	✓	✕
Trafigura Corporate	Offices	2	✓	✓	✓	✓
	Flights	3	✓	✓	✓	✓
Nyrstar	Power generation	1	✓			
	Purchased electricity	2	✓			
	Fuel and energy	3	✓			
Investments	Non-operated joint ventures	3	✓			

Carbon levy on business flights

In 2019, we imposed an internal carbon levy on flights, which raises USD15 per tonne of CO_2 emitted. COVID-19 meant there was less business travel in 2020 and the fund grew at a slower rate. However, we have been able to invest USD90,000 to install solar panels at our Montevideo office. The panels will generate more than 90 kW, eight percent of the energy needs of our 350-strong operation at the site, saving USD14,000 in electricity costs annually. The fund has also been used to finance a feasibility study for installing solar panels at Impala Terminals locations in the DRC and Zambia.



Scope 1, 2 and 3 GHG emissions data assured by ERM CVS

Our reported Scope 1, 2 and 3 emissions for 2020 were assured by ERM CVS, an independent external assurance provider, to a limited level of assurance.

This assurance included a review of activity data and the calculation of emissions at corporate and selected business unit levels. Full details of the scope, activities, limitations and conclusions of ERM CVS' assurance engagement are included in their Assurance Statement on our website.

www.trafigura.com/responsibility/2020-trafigura-erm-assurance-statement

ERMCVS
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Reducing maritime carbon emissions

Trafigura is one of the world's largest charterers, responsible for over 4,000 voyages annually. Across the fleet, we are committed to lowering our carbon footprint.

Reducing maritime carbon emissions

Maritime transport carries close to 80 percent of global trade and accounts for 2-3 percent of total global GHG emissions. With trade increasing, emissions from shipping could grow by as much as 130 percent by 2050 compared to 2008 levels if no action is taken, according to some estimates.

Significant reductions in maritime emissions will be hard to achieve in the short term and calls for a collective, sustained effort. The ships in use, the fuels that power them and the related infrastructure all need to change. Managing this change is a key challenge for our industry. We have established the role of Head of Fuel Decarbonisation to manage this risk and develop our future shipping fuels strategy.

The International Maritime Organization (IMO) has adopted measures to reduce emissions from international shipping, using MARPOL the marine pollution prevention treaty, the Energy Efficiency Design Index (EEDI) for all new ships, phased to require increasing levels of fuel efficiency, and the Ship Energy Efficiency Management Plan (SEEMP) for all existing shipping.

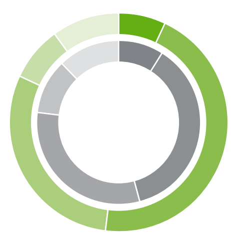
IMO's declared ambition is to reduce carbon intensity by at least 40 percent by 2030 and to aim for a 70 percent reduction in intensity by 2050. It intends to reach peak international shipping emissions as soon as possible and then, progressively, to bring total annual emissions down to reach at least 50 percent of the 2008 level by 2050. We will play an active role in helping to achieve at least these targets.

We are taking independent action to reduce our own emissions and to improve emissions intensity reporting from our owned and chartered fleet. The addition of a marine expert in the Corporate HSEC team has extended our ability to provide support for process improvements and to pinpoint emission reduction opportunities, such as vessel optimisation, course adjustments and steaming speeds.

Shipping accounts for 58 percent of Trafigura's total GHG emissions. By improving fuel efficiency we can have a meaningful impact on our overall emissions. We continue to seek ways to minimise bunker usage and improve operational efficiency across the fleet. We employ fuel-saving measures when possible, such as slow steaming and weather routing, and we are establishing processes through which we aim to charter more fuel efficient dry-freight vessels.

We began a trial of the RightShip A to G GHG rating system for dry-freight charters during 2020. As F- and G-rated vessels are less fuel-efficient, excluding these from our fleet will reduce average shipping emissions. Modelling suggests dry-charter emissions can be reduced by around 11 percent on a like-for-like basis.

Shipping and Chartering GHG Inventory



	2020	2019
Wet freight, owned vessels	7%	9%
Wet freight, time-chartered	45%	37%
Wet freight, spot-chartered	30%	31%
Dry freight, time-chartered	8%	11%
Dry freight, spot-chartered	10%	12%

Our owned and chartered fleet

Emissions from shipping are the single largest source of Trafigura's GHG emissions, making up 58 percent of total emissions and 70 percent of total Scope 3 emissions in 2020.

Emissions from our owned fleet of 35 vessels, reported under Scope 1, fell by 16 percent in FY2020, primarily as a result of the sale of 16 vessels and the fact that no new vessels were delivered.

The majority of the Trafigura fleet is chartered on either a spot or time basis. With more than 4,000 vessels chartered each year, we are able to service a highly fluid market with prompt delivery at any location. While there is some degree of operational control over the chartered fleet, we have no control over investments which could improve fuel efficiency. We therefore categorise all chartered vessels as generating Scope 3 emissions.

Total (Scope 1 and 3) emissions from our shipping fleet were 8.88 million tCO_2e, an increase of 12 percent on our restated 2019 emissions. This increase was primarily due to a 22 percent increase in Scope 3 emissions from the time- and spot-chartered wet fleet, in line with increased voyages and floating storage capacity to help balance the market during an extraordinary period of volatility in 2020. The increase in wet-chartered fleet emissions was partially offset by a 10 percent reduction in dry-chartered fleet Scope 3 GHG emissions over the same period. Again, this was due to the global pandemic and market conditions that impacted demand and volumes.

Bio bunker fuels

TFG Marine, a joint venture marine fuel supply business with Frontline and Golden Ocean, has continued to expand its operations, including successfully trialling biofuels. Sea trials and initial laboratory testing demonstrate the safe and effective use of both the B30 blend biofuel, composed of 30 percent waste oil feedstock and 70 percent Very Low-Sulphur Fuel Oil (VLSFO), and the B20 blend biofuel (20 percent biodiesel and 80 percent VLSFO).

Using either blend can help reduce a vessel's lifecycle carbon emissions by up to 13 percent. Each fuel is inherently low in sulphur, hence improving air quality through lower ash and emission profiles.

Trafigura's environmental performance over 2020 and the setting of greenhouse gas reduction targets across the Group
www.trafigura.com/video/trafiguras-environmental-performance-over-2020-and-the-setting-of-greenhouse-gas-reduction-targets-across-the-group

International collaboration

Individual governments are pursuing a range of policy measures to help achieve their emission reduction objectives. However, clear, predictable, joined-up policy signals from governments will be needed to facilitate a smooth transition to a lower-carbon economy.

We advocate for a clear and consistent international approach on carbon pricing and have proposed a carbon-linked levy on shipping emissions to incentivise swifter decarbonisation in the maritime sector.

We collaborate with industry groups and others to learn, share best practice, influence the debate and stay informed on climate change. We engage with key industry bodies, including the Global Maritime Forum, the Global Logistics Emissions Council and the Global Battery Alliance, to reduce emissions.

We are active in the Global Maritime Forum and other initiatives that seek to reduce global shipping emissions. The Global Maritime Forum is coordinating efforts to catalyse a modern maritime sector to assume responsibility for its climate impact by reducing shipping emissions. We have been closely involved in two of their initiatives: the Getting to Zero Coalition and the Sea Cargo Charter.

Getting to Zero Coalition

The objective of this working group is to bring into operation commercially viable, zero-emissions vessels in the deep ocean by 2030. A multi- dimensional approach is being taken. Trafigura is focused principally on motivating first movers and in fuels and technologies subgroups.

GLOBAL MARITIME FORUM

GLEC GLOBAL LOGISTICS EMISSIONS COUNCIL

Sea Cargo Charter

The Global Maritime Forum's Sea Cargo Charter was launched in 2020. It has the potential to make a real difference by improving both data quality and transparency at an industry level.

Trafigura is a founding signatory of the Charter, alongside Anglo American, Cargill and Norden, and played a key role in shaping the Charter, which was, in part, based on a collective initiative introduced in 2019 to require owners to report fuel use for spot charter voyages. The Sea Cargo Charter extends these principles to all signatory industry participants with the aim of reaching the global industry at large. We are actively encouraging greater participation in the Charter to help achieve this aim.

Charter signatories agree to collect and analyse GHG emissions data from their chartered vessels and publish annually how these align with the IMO 2050 absolute emissions target.

As a signatory, we are committed to using a shared methodology to assess emissions, to collect the relevant source data from ship owners and to include data collection in contractual arrangements.

The Sea Cargo Charter aims to improve GHG performance reporting to give a realistic picture of how the current industry position relates to the IMO's 2030 and 2050 targets, and to provide the transparency the industry needs to address the emissions challenges together.

Trafigura proposal for a global carbon levy

Trafigura has for some time taken the view that an international carbon pricing system will assist in emissions reduction and help accelerate energy transition by incentivising low-carbon innovation. We believe a comprehensive approach to carbon taxation is required.

Shipping emissions are proving particularly difficult to reduce meaningfully. In fact, global shipping emissions continue to rise. Our industry needs to look at radical measures to help close the competitiveness gap between carbon-intensive fuels and low- or zero-carbon alternatives.

We are calling for a partial feebate system based on a levy on carbon. Charging a levy on carbon-intensive shipping fuels and subsidising low- and zero-carbon transport will incentivise shipowners and charterers to reduce their use of fuel with a high carbon content, increase the relative value of fuel-efficient ships and, ultimately, encourage customers to switch to low- or zero-carbon fuels.

In September 2020, we submitted a proposal to the IMO making the case for a carbon levy on shipping and setting out how this might be structured. It advocates for the introduction of market-based carbon pricing for all international shipping to shift the cost of emissions towards the bigger polluters and to incentivise low-carbon innovation.

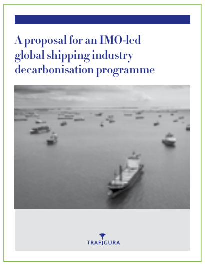
The proposal recommends that the IMO oversees a mandatory international system and coordinates member States to collect and distribute levies and subsidies to the relevant vessels. As part of the proposed framework, the IMO would set common rules and procedures for measuring emissions and collecting data.

In-depth analysis and commissioned independent research indicate that the levy should be set at between USD250 and USD300 per tonne of CO_2-equivalent in order to drive the required shift from high-carbon fuels to low- or zero-carbon fuels.

Such a carbon levy could have an immediate effect on shipping costs, which companies, including ours, would be asked to bear. The costs will be large, but we believe our industry can bear them and that this is in the long-term interests of the shipping industry and wider society.

The idea of taxing carbon in shipping is not new. We believe that a global, market-based measure provides the best prospect for accelerating transition and having a real effect on emissions reduction. Our industry, the world's governments, shipowners and charterers urgently need to work together with the IMO to agree and implement levies on carbon-intensive fuels, and subsidies for low- and zero-carbon alternatives that reflect environmental priorities.

Read the "Time for a carbon levy on shipping fuel" blog post by Jose Maria Larocca, Trafigura Executive Director and Co-Head of Oil Trading, and Rasmus Bach Nielsen, Head of Fuel Decarbonisation, first published in September 2020 as a Commodities Note opinion column in the Financial Times.
www.trafigurainsights.blog/responsible-sourcing/time-for-a-carbon-levy-on-shipping-fuel



www.trafigura.com/carbon-levy

Energy transition

The global economy is in a transformational phase as the world transitions to a different, more sustainable energy mix. Trafigura is well placed to adapt to changing market dynamics.

Transitioning to a low-carbon economy

Trafigura is playing its part in the transition to a low-carbon economy by efficiently and responsibly supplying the vital commodities that will be required.

Commodities such as lead, nickel and cobalt are required for batteries; aluminium is important in the construction of lighter, more efficient vehicles; zinc, through the galvanizing process, protects steel from corrosion; and copper is essential for electrification and a wide range of renewable energy solutions.

We consult widely with stakeholders to understand their concerns and have in-depth conversations with banks, partners, suppliers, customers, NGOs and wider society. Where relevant, we use our leverage and influence to alter trading partners' behaviour. We also engage actively in international debate; learning, responding and contributing to current thinking.

Environmental, social and corporate governance considerations are high on the agenda for our trading and financial partners. We are responding to increased interest from investors and consumers in low-carbon solutions with initiatives such as the low-carbon aluminium financing programme (see next page), which allows us to offer premium prices for qualifying materials. In the coming years, we will identify the carbon footprint associated with other commodities.

Investing in renewable power, establishing our low-carbon aluminium desk and Impala's zero carbon logistics offer are three ways that we are meeting new customer priorities. Across the Group, we are working closely with partners who share our commitment to reducing climate change impacts.

We need to be ready to service new markets as these develop. We are investing now to build out our competencies and capabilities. Our strategic stake in Hy2gen and our recent USD66 million investment in H2 Energy are extending our understanding of green hydrogen production techniques. Through our investment in Quidnet Energy, we are learning more about power storage dynamics. We are also engaging with companies involved in providing new fuels for shipping.

▼ Rooftop photovoltaic panels on new buildings at Nyrstar's Budel site in the Netherlands.

Case study:

Accelerating transition with low-carbon aluminium

The challenge

Aluminium has an important role to play as the world transitions to a low-carbon economy. The metal is light, durable, corrosion resistant, ductile and easily recyclable. These inherent qualities make it suitable for a wide range of applications: for transportation, packaging, lightweight construction and as a key component in solar farms and wind turbines.

Aluminium is already the second most widely used metal globally after steel. It accounts for nearly one percent of global GHG emissions, with 80 percent of that contributed by the aluminium smelting process. Aluminium smelters use a huge amount of electricity and are often hydro powered to reduce the overall carbon footprint of their production process. There are, however, a number of smelters that continue to reply on coal-fired power.

The continuing growth in demand for aluminium has made reducing carbon intensity a critical goal for the industry. There is widespread acceptance of the need to shift to low-carbon forms of production, but industry agreement on what this means is more elusive. A market-wide consultation on proposed specifications for low-carbon aluminium, including pricing mechanism, products and locations, is now underway, but as yet there is no agreed definition.

Our approach

Trafigura recognises the urgency of the task. As one of the world's leading aluminium traders, we are not waiting for consensus to emerge. We are taking decisive action to accelerate the uptake of low-carbon aluminium.

Demand for low-carbon aluminium is already rising, with manufacturers, particularly in the packaging and European automotive industries, seeking to reduce GHG emissions across their value chains. These companies are prepared to pay premium prices for low-carbon aluminium brands. They are at the cutting edge of a growing trend.

Alert to this market opportunity, primary producers are pursuing multiple initiatives that limit CO_2 emissions, by sourcing renewable energy, incorporating more recycled materials or through breakthrough technologies that eliminate carbon dioxide from the smelting process.

In 2019, we became the first commodity trader to establish a low-carbon aluminium trading desk. Trafigura's trading desk is building links between these producers and consumers to strengthen and solidify this increasing emphasis on low-carbon production.

Our goals

We are continuing to innovate to encourage growth in the sector. In 2020, in another global first, we announced a USD500 million low-carbon aluminium financing platform designed and structured in partnership with two of Trafigura's longstanding financiers, Natixis and Rabobank.

This facility has several goals:

1. To meet the growing demand from downstream manufacturers and to support upstream producers in accelerating their transition to low-carbon technologies;
2. To develop access to preferential financing terms for transactions that involve qualifying low-carbon aluminium brands; and
3. To identify eligible low-carbon aluminium by evaluating specific brands and their smelters' CO_2 emission performance against industry benchmarks provided by independent consultants. Eligible brands typically come from smelters that rank in the top 10 percent globally for CO_2 emissions performance.

Incentivising producers with reduced cost financing

We invite producers to validate this external data with their own written statements and, where possible, seek third-party confirmation of the results. We share all this information with our banking partners, who conduct their own independent evaluation before assigning 'low-carbon' status to a brand. Transactions involving brands that have been verified as low-carbon aluminium attract preferential financing. We will continue to work with smelters over time to ensure that their certification is renewed and audited regularly.

We have developed a methodology that sets out clear parameters for low-carbon aluminium production. This draws on existing recommendations and standards, such as those formulated by the EU Technical Expert Group on Sustainable Finance and the Aluminium Stewardship Initiative. It combines limits on direct and indirect emissions for primary aluminium production, the amount of electricity used in manufacturing and the carbon intensity of that electricity.

The reduced financing cost allows us to pay an additional premium for low-carbon brands. The extra premium both helps incentivise smelters to transition more quickly to low-carbon production methods and enhances Trafigura's long-term competitiveness in this space.

It is likely that low-carbon eligibility criteria will be tightened in future as global standards develop. This ratcheting up of the criteria will help to incentivise continued progress by smelters, thus accelerating emissions reduction for a material that is a key enabler for the transition to a low-carbon global economy.

www.trafigura.com/resource-centre/videos

Power and Renewables

We remain alert to opportunities and are seeking new solutions to the issues we all face. We have restructured the company to exploit the opportunities the energy transition will provide. We have established a new Power and Renewables division, with the aim of developing this new division over time into a third major pillar of our business, alongside Oil and Petroleum Products and Metals and Minerals trading. The new division will develop our expertise and will help us reduce our own carbon footprint. We expect this to become an increasingly important part of the business as we navigate and support the transition to a different energy mix.

Understanding the dynamics of power markets is key to being able to participate actively in the renewables sector. We are building up our competencies. We have recruited meteorologists to help us forecast changes in weather patterns and their effect on wind and solar generation. We are financing renewable assets and improving our ability to manage and optimise these assets.

Our Power and Renewables trading desk builds on our capabilities and understanding of other energy markets. The power markets lie downstream to all other fuel sources in the value chain. Oil, gas, coal and renewables all drive power prices. As we build up our trading expertise in power markets, there will be opportunities to extend our service to customers with structured transactions that help them manage fuel and power supply risk in a coordinated way.

Nala Renewables JV

nala renewables Advancing Green Energy

In October 2020, we finalised an important agreement with our partners IFM Investors to create Nala Renewables as a joint venture. This marks a significant step in the buildout of our new Power and Renewables division. The new company will invest in solar, wind and power storage projects globally, both by acquiring and developing existing renewables assets and by creating new capacity. The energy generated will be sold commercially. The company will have immediate access to 250-megawatts of renewable Trafigura Group energy projects already in the pipeline.

Projects located on land associated with Nyrstar smelting operations are an early focus. Similar ideas are being formulated for other assets, such as Puma Energy's Puerto Rico facilities and the MATSA mine in southern Spain. These investments can reduce customer Scope 2 emissions by creating zero-carbon electricity sold on the open market.

Nala Renewables will provide an opportunity for Trafigura and selected third-party investors to invest in further renewable projects via the Renewables Fund of our investment subsidiary Galena Asset Management.

Over the next five years, the company aims to build a portfolio with total generation capacity of 2 gigawatts from renewable sources, enough to power two million households. This will avoid up to 2 million tCO_2e in greenhouse gas emissions when compared with fossil fuel-based energy sources for electricity. This objective has been adopted as a formal target by Trafigura.

PASH Global and Kita solar project

In 2019, Trafigura acquired a majority stake in PASH Global, an impact investor in clean energy projects. A year on, the company is developing projects on four continents.

PASH Global's investment in a major solar PV plant in Mali was an important milestone for the company. It is currently assessing similar opportunities in other African countries where we already have a footprint.

The 50MW Kita facility opened in 2020 and is now plugged into the country's energy grid. At full capacity, it can supply over 90,000 households with green electricity, saving more than 51,700 metric tonnes of carbon emissions every year.

The backing of the NGO R20 Regions of Climate Action gave the project early impetus. It was initially developed in a public-private partnership by leading independent French renewables company Akuo Energy.

PASH Global acquired a 49.9 percent share in Akuo Kita Solar early in 2020 and now operates the business in partnership with the original developers. Trafigura is a significant investor through its majority ownership of PASH Global.

The initiative marks a step-change in scale for solar power in Mali. It is helping the country to develop low-carbon solutions to meet growing demand in a country where 49 percent of the population still has no access to electricity.

Investing in disruptive renewable technologies

We are establishing new ventures to invest in renewable energy assets. We have taken strategic stakes in a number of early-stage disruptive renewable technologies, including hydrogen power and alternative fuels, renewable energy storage technologies and carbon utilisation.

Trafigura will share knowledge and leverage its expertise and international network to support these companies to help bring technologies to market at scale that accelerates the energy transition.

PASH
www.pashglobal.com

HY2GEN AG
www.hy2gen.com

H2energy
www.h2energy.ch

Quidnet
www.quidnetenergy.com

The hydrogen sector

Hydrogen has significant industrial potential. Electric engines powered by hydrogen fuel cells are more efficient than internal combustion engines. Hydrogen's greater energy density-to-weight ratio makes it more suitable for higher energy industrial uses than the lithium-ion based technologies in many of today's electric vehicles. We also see potential applications for hydrogen in running off-grid mines and producing chemicals.

The Germany-based start-up Hy2gen aims to develop, build and operate plants producing green hydrogen and hydrogen-based e-fuels, offering better ways to achieve CO_2-free or CO_2-neutral fuels and storage solutions. Its first plants will be built in Canada, followed by sites in France, Mexico, Norway and South Africa. Our strategic stake in Hy2gen connects us with a company that can be a leader in the hydrogen and e-fuels market for mobility and industry, sectors where meaningful emissions reductions are currently proving hard to achieve.

Trafigura has also committed to invest in Swiss company H2 Energy, a business innovator in green hydrogen solutions, to further support the development of the production, storage and distribution of green hydrogen for refuelling stations and industrial customers.

Energy storage

Efficient energy storage has a critical role in the low-carbon economy. Weather-reliant renewables, such as wind and solar, generate energy intermittently. This needs to be combined with high-capacity long-term energy storage and rapid-release systems that can be used to align peaks and troughs in power generation with changing patterns in demand.

Hydro-pump storage is the only long-duration storage solution currently in widespread use. Our strategic investment in Quidnet Energy, a clean energy business, is helping to deliver a cost-effective alternative. Quidnet's geomechanical pumped storage system is based on hydro-power principles. It pumps water underground to be stored in rock formations at high pressure. At times of high demand this is released to the surface, where it powers electricity turbines.

External voice:

Surviving and thriving in the era of shipping decarbonisation

Dr Tristan Smith
Associate Professor at UCL Energy Institute, London
Director at UMAS maritime consultancy.
www.u-mas.co.uk

"Society and governments will have to deal with some extreme and severe consequences if they fail to act on climate change."

The 2020's are predicted to be a tough decade in international shipping. The sector is composed of assets which have lifespans measured in decades, but is exposed to decarbonisation related forces that can be expected to induce major changes during this decade and next, and which many will find it hard to adapt to without preparation.

Although disruption is expected, the specifics of what form this takes are likely to remain uncertain and unpredictable, at least for the first half of this decade. Two interrelated questions summarise the commercial dilemmas faced across the value chains:

- The fuels question – what is the long-run zero-carbon energy source for deep sea shipping, and what is the likely path to get there?
- The International Maritime Organization (IMO) question: can the IMO regulate to drive change or will the market, and others, increasingly lead?

The brutal impacts of laws of physics on business

Many of the forces of change, both political and commercial, are malleable. They adapt and reprioritise in response to a complex set of interactions. Meanwhile, the laws of physics are not malleable. Global temperatures will continue to rise and by the end of this decade, it is not unlikely that we will be pushing 1.5 degrees above pre-industrial levels. Therefore, much of the total emissions this decade are already 'baked in', and there is a rather predictable relationship between cumulated GHG emissions and temperature rise. Above 1.5 degrees, changes will be experienced far in excess of those most of us can (or will be able to) imagine. For example, this is the Intergovernmental Panel on Climate Change (IPCC) temperature threshold at which estimates that 98 percent of sea corals will cease to exist.

As the impacts of this decade's inexorable temperature increase continue, and as the costs of different sectors' decarbonisation pathways clarify and reduce, we can expect political forces to increasingly take action (at least on average, even if there continue to be some populist counter-trend examples).

This is not a problem that will go away, it only gets worse over time in severity (e.g. the temperature rises, political pressure increases), and also in remedy (the timescales of transitions shorten). Starting a transition in 2020 that needs to complete by 2050 gives us three decades to manage change. But delaying the transition for another decade means a greater rate of cumulative emissions growth and it means the transition needs to be completed sooner (e.g. early 2040s), as well as starting later: maybe 10-15 years later. The physics mean transitions are squeezed at both ends.

Society and governments will inevitably have to deal with some extreme and severe consequences if they fail to act on climate change. However, as belated action kicks in, and societal consequences of inaction increase, the commercial world will be expected to 'turn on a dime' to exit the fossil era. These are generalised remarks, but worth considering in greater detail for the specific case of the international shipping 'system' and those who operate in it.

Timescales for decision tipping points on shipping's key questions

2023/4 is emerging as a key point in this decade, when major engine manufacturers expect they might have in-service results on large deep sea machinery solutions. Without these results and the operational and practical experience that will be gained around putting a new fuel and machinery solution to work in the marine environment, it will be hard to settle the current ongoing discussions on fuels. In the meantime, the sector has to work with a consensus ammonia 'hypothesis' (that ammonia is, on paper at least, the most cost-effective deep sea zero-carbon fuel), and continue to look out for black swans (the techno-economics of Direct Air Capture, the sustainable bioenergy supply and demand dynamic).

Even after technology preference between current candidate fuels and machineries is clear, it will remain unclear what the timescales for the development of high-volume availability and price competitiveness will be. This is partly because the contingent parts of the energy system will be evolving in parallel, and also because the regulatory drivers could stimulate demand for high volume

supply may remain uncertain. We estimated in a recent analysis that approximately USD300-400 billion of investment will need to be committed to shipping's zero-carbon energy supply/infrastructure by 2030 for the sector to be on track for a proportionate response to the Paris Agreement temperature goals. This is not impossible, but it is difficult to have confidence in the outcome until very late in the decade if at all.

Timescales for key IMO decision points are harder to estimate. There are at least four threads of debate which are of importance to shipping's transition:

- The outcome of the short-term measures debate (e.g. policies that might be implemented imminently, to drive carbon intensity reduction this decade) – expected 2020/21;
- The outcome of the life-cycle assessment debate (e.g. guidelines that define "zero-carbon") – expected around 2022/23;
- The outcome of the strategy revision debate (e.g. the update of the 2018 IMO's Initial Strategy) – expected 2023;
- The outcome of the mid/long term measures debate (e.g. policies that might be implemented later this decade, to drive a fuels transition) – starting soon, perhaps completing 2024/25, but possibly later.

Besides these key threads, there are many other decisions that IMO's Marine Environment Protection Committee (MEPC) will need to complete in the next five years. This explains why the debate which many focus on as the one they think IMO should just get on with now (the mid/long term measure), is going to take some time to come around, let alone conclude. There is a basic policy-making bandwidth issue due to the structure of meetings and working groups at the IMO. The main venue for decision making is a Marine Environment Protection Committee meeting which happens approximately every nine months. Whilst there can be working meetings between these meetings there are limits to what is practical that make it hard for the IMO to work in parallel on different policy options or debates related to GHG. And then there is the consideration of how IMO makes policy. Policies are often made initially without the stringency that may be necessary, and then increased in stringency at a future date. So the date at which an IMO policy is adopted may only be part of the signal for a business case to invest and some risk may still need to be taken in the industry. The initial strategy is a case in point. It was adopted in 2018 but with the revised strategy in 2023 built in. Short-term and mid/long-term policy measures can also be expected to have 'experience building' phases before they enter with the force that the market might hope they apply to fully manage their climate risks.

Impingement of multiple forces

The tension that can be foreseen is an increasing frustration at the lack of clear IMO policy to justify an investment business case for zero-carbon solutions, alongside multiple forces acting to make status quo operation increasingly difficult. Some regional (e.g. EU) and national action forces could be a significant positive, especially if this helps to take the sector through the initial 'emergent' phase for its new technologies e.g. through subsidy or guarantee of early adopters and the land-side energy supply chain components of shipping's decarbonisation. But national and regional regulation can only have geographically limited impact on a sector with highly mobile and global operation.

The emergence first of Poseidon Principles and now of the Sea Cargo Charter could at least create more globally coherent forces that impact on operations regardless of where they occur. They do not immediately have the potential to produce the types of subsidy or guarantee that could make a business case work overnight to accelerate zero-carbon fuels. However, they can signal market demand to the suppliers of zero-carbon fuels from these early adopters and fast followers. And because these initiatives are built on clear future trajectories, they can ensure that the fleet is built to be "zero ready", and reduce the risk that a sudden breakthrough is unable to be reacted to because the fleet is still locked into the fossil fuel era.

"A shipping company will need to be nimble and informed to survive the 2020's, but also that there are opportunities."

These arguments suggest that a company will need to be nimble and informed to survive the 2020's, but also that there are opportunities. Positioning strongly in an increasingly climate-conscious community can create good potential to gain market share today, as well as being in a pole position as the timing of decision points and transition clarifies. The following four actions can help:

- Keeping flexibility on fuels and machinery, following technology developments and debates, exploring against your specific fleet and business models the situations which might enable early adoption, derisking and experience building;
- Closely following and engaging in the IMO process, to interpret the signals coming from the IMO and to ensure managed expectations of the stringency and timing of IMO policy;
- Supporting and capitalising on national/regional government initiatives to regulate shipping's decarbonisation. The 'patchwork risk' downside cliché is now outweighed by the upside opportunity of the support for early adoption and land-side investment that will both be essential for an orderly mass market transition;
- Establishing and growing a virtuous circle of commercial partners with shared Paris-aligned decarbonisation goals. This can help ensure future risks and opportunities are collectively brought into present day decision making, and can enable a spreading of climate related risk across the value chain.

www.trafigura.com/responsibility/external-voices

Our people

Long-term business success is built on a highly skilled and productive workforce. We invest in attracting, developing and retaining the best people.

2020 Performance

Performance	Status
To build and implement 30 in-house modules, including e-learnings, that develop the core technical and interpersonal skills of our employees.	Achieved
To continue the roll-out of existing people management and leadership modules and coaching across the business.	Improving
To improve the efficiency and productivity of our workforce through continuous improvement of processes, systems and work organisation.	Improving
To provide career development opportunities for employees who have demonstrated they are ready and able to take on increased responsibilities.	Improving
To achieve a 50:50 gender split on all interviewees for the graduate programme.	Achieved
To roll out training to further develop employees' skills in accountability, effective communication, planning and aligning, and customer focus.	Achieved

2021 Targets

- To improve gender diversity at the recruitment phase through targeted outreach initiatives aimed at under-represented groups within our business.
- To develop and implement initiatives to improve diversity and inclusion across the Group.
- To achieve a 50:50 gender split on all interviewees for the graduate programme.
- To continue the roll-out of existing training to further develop employees' skillsets and careers
- To further develop our digital platform for training and learning and development to provide comprehensive access for global workforce.

Not achieved | Improving | Achieved

Forging a responsibility culture

Our meritocratic and collaborative work environment promotes an atmosphere of integrity, ethical conduct, equal opportunity and mutual respect.

Our approach

Part of advancing trade is building a highly skilled, engaged and productive workforce. We invest in attracting, developing and retaining the best people from all backgrounds.

We encourage individuals to flourish and do their best work within a team-based culture. Our meritocratic and collaborative working environment promotes an atmosphere of integrity, ethical conduct, equal opportunity and mutual respect.

Responsibility is an important competitive differentiator. We promote a culture where all colleagues consider the wider consequences of their actions and are prepared to question practices that may expose the business to social, environmental, reputational or commercial risk.

A responsible, high-performance culture

Trafigura's Human Resources team oversees our People strategy. The Global Head of Human Resources reports to Trafigura's Chief Operating Officer, who sits on Trafigura's Management Committee and Board of Directors.

We have structured our organisation to devolve decision-making and empower employees with the accountability and responsibility to work effectively, ethically and in the long-term interests of the company. Open-plan, accessible workspaces and a flat organisational structure enhance communication and provide our employees with significant autonomy.

Teamwork and effective communication and collaboration are vital components of our company culture. The high-performance, entrepreneurial culture at Trafigura encourages our people to thrive and maximise their potential while prioritising the goals and objectives of the Group.

Responsibility is another core value at Trafigura and we place great emphasis on it. Everyone who works for the Group is expected to conduct themselves responsibly and to act with the utmost integrity at all times.

The Way We Work

Our employee handbook, The Way We Work, articulates the defining characteristics of Trafigura's culture and our expectations of all employees. It is provided to all members of staff and is available in English, Spanish and Chinese. An accompanying video, aimed at new starters, is available online.

All new starters watch the video and receive the handbook, together with the Trafigura Code of Business Conduct, as part of their induction. They are also required to take the Responsible Trading and Code of Business Conduct training courses, amongst others, as appropriate to their role.

Read more about The Way We Work:

www.trafigura.com/brochure/the-way-we-work

www.trafigura.com/video/the-way-we-work-videos

www.trafigura.com/brochure/trafigura-code-of-business-conduct

www.trafigura.com/brochure/trafigura-corporate-responsibility-policy

www.trafigura.com/brochure/trafigura-hsec-business-principles

Global workforce

Trafigura and the industrial investments in which we retain management control employ close to 11,000 people* in almost 90 countries worldwide. This global workforce is comprised equally of professional/commercial staff and technical/operational staff. These employees bring different skills and play an individual and critical role in helping the company to advance trade.

Trafigura is owned by circa 850 of its employees. As shareholders in the company, our people are incentivised to grow and protect the long-term value of the organisation.

In FY2020, our total employee numbers increased substantially following the acquisition of a majority shareholding in global smelting and mining business Nyrstar. Whilst Nyrstar's numbers are included in our total workforce data below, the company continues to operate in accordance with its own established set of human resources policies and principles. The data in the following pages regarding recruitment, training, diversity and inclusion exclude Nyrstar.

People summary report

	Group (aggregate)		Oil & Petroleum Products Trading		Metals & Minerals Trading		Shipping & Chartering Desk		Trafigura Corporate		Impala Terminals		Mining Group		Power & Renewables	Nyrstar
KPI	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	**2020**
Average no. of full-time employees*	**10,802**	6,469	**1,506**	1,330	**756**	702	**125**	108	**1,041**	1,005	**1,963**	1,519	**1,480**	1,115	**10**	**3,921**
Male (%)	**77**	79	**78**	78	**65**	65	**73**	75	**58**	60	**87**	90	**86**	89	**86**	**77**
Female (%)	**23**	21	**22**	22	**35**	35	**27**	25	**42**	40	**13**	10	**14**	11	**14**	**23**
Under 30 years (%)	**20**	23	**24**	26	**35**	38	**32**	31	**25**	28	**25**	7	**10**	10	**23**	**16**
30 – 50 years (%)	**60**	67	**64**	63	**62**	59	**66**	67	**67**	64	**66**	76	**73**	72	**75**	**47**
Over 50 years (%)	**20**	10	**12**	11	**3**	3	**2**	2	**8**	8	**9**	17	**17**	18	**2**	**37**
Professional/ commercial (%)	**48**	55	**63**	62	**96**	98	**100**	100	**97**	99	**30**	28	**35**	28	**100**	**30**
Technical/ operational (%)	**52**	45	**37**	38	**4**	2	**0**	0	**3**	1	**70**	72	**65**	72	**0**	**70**
Full time (%)	**98**	100	**100**	100	**100**	100	**100**	100	**98**	98	**99**	100	**100**	100	**100**	**95**
Part time (%)	**2**	0	**0**	0	**0**	0	**0**	0	**2**	2	**1**	0	**0**	0	**0**	**5**
Permanent contract (%)	**92**	91	**98**	91	**90**	90	**99**	100	**95**	96	**82**	85	**87**	90	**100**	**96**
Temporary contract (%)	**8**	9	**2**	9	**10**	10	**1**	0	**5**	4	**18**	15	**13**	10	**0**	**4**
Covered by collective bargaining agreements	**3,677**	1,774	**550**	505	**0**	0	**0**	0	**0**	0	**574**	623	**256**	646	**0**	**2,297**

* Total employee numbers are calculated as an average over the financial year and include assets where Trafigura retains joint or sole management control, including MATSA (Spain), Porto Sudeste (Brazil) and Mawson West (DRC) as well as assets where Trafigura has a majority shareholding, such as Nyrstar.

Collective bargaining

In locations where our people are members of labour unions, we aim to maintain open channels of communication and dialogue with respective representatives.

Trafigura regularly renegotiates collective agreements with union representatives. We enter all such negotiations in a spirit of cooperation, focusing on arriving at affordable, sustainable agreements that promote workforce stability.

Extended responsibilities

Many of the areas where we have physical operations, such as mines, refineries and storage terminals, are remote and Trafigura may be the principal employer. We recognise that our presence helps to sustain local economies and provide livelihoods, and that we have a duty to support local communities.

In addition to those we employ directly, we work on and off site with numerous contractors and suppliers. We encourage all our commercial counterparts to uphold terms of employment conditions and local laws.

A creative approach to wellbeing at Castellanos Mine, Cuba

Our Castellanos lead and zinc mine in Cuba is the largest employer in the community and has a significant role in many people's lives. The Club Minero programme offers local employees, their families and members of the local community a range of recreational activities, including dance, poetry, theatre and art classes.

Providing an outlet for creative expression is just one way that Trafigura is supporting the emotional and mental wellbeing of employees. Approaching our HSEC responsibility from a holistic and integral perspective has several benefits: a person with a high level of wellbeing tends to have healthier relationships, perform better at work and enjoy better physical health.

As the mine is in a remote location, with few leisure options close by, Club Minero is a safe space for employees and their family members to reduce stress and enjoy distractions. This activity helps form a closer sense of community. Collective activities are also considered to have a wider positive impact on people's awareness and support for themselves and others, while improving productivity and safety habits.

While mining is a very structured and disciplined industry, employees are encouraged to nurture skills that are valued on the job, such as innovative thinking, self-awareness and focus.

"Club Minero has been a great experience for its participants," says Victoria Hristova, Mining HSEC Lead, "This creative outlet has given employees an opportunity to share their artistic talents while forming a special bond around shared interests. It has created a greater sense of community and respect."

850

Employee shareholders (2019: 750)

1,220

New employees in 2020* (2019: 1,774)

137

Employees relocated internationally* (2019: 90)

Attracting talent

We aim to attract the most talented people, irrespective of their age, gender, sexual orientation or ethnicity. Experience, skills and a self-starting attitude are our primary criteria. We look for candidates who will thrive in Trafigura's dynamic environment.

Our interview process places emphasis on applicants' character and social skills and we get early feedback from new recruits. We also invest in developing management skills in team leaders so that they support the career development of their employees.

In 2020, we hired 1,220 new employees globally. (2019: 1,807). Our people come from across the globe and many walks of life. This breadth of experience enriches and informs our approach; people with diverse backgrounds contribute differing perspectives.

We have an increasingly active social media presence where we advertise individual job positions and our regular recruitment drives. We occasionally recruit externally for specialist senior positions, but more often, we promote from within. Many of our top managers have worked their way up through the ranks. In the past financial year, 276 employees changed roles within the Group, 137 of which relocated internationally. Our main recruitment programmes for commercial positions are as follows:

1. The International Trader Opportunity initiative is aimed at recruiting experienced external traders and identifying promising internal candidates for trading desk roles. (*www.trafigura.com/trader*)
2. The Graduate Programme provides a pathway into the industry. The main pathway for new talent is our two-year graduate programme. This is built around structured placements in different parts of the business. (*www.trafigura.com/graduate*)
3. The Global Commodity Trading Apprenticeship Programme recruits candidates who have chosen not to pursue a university degree. This one-year programme culminates in a place on our graduate programme for successful participants. (*www.trafigura.com/apprenticeship*)

* excluding Nyrstar

Those working at Trafigura can benefit from tremendous opportunities, but they also face high expectations.

In 2020, 964 employees left the Trafigura Group (2019: 1,026). 36 percent of leavers left on a voluntary basis. Of this figure, 48 percent of staff were professional/commercial workers, while 52 percent were technical/operational workers. A competitive industry and a young, internationally mobile workforce are key contributors to our level of attrition, which is circa 16 percent (2019: 16 percent) of the average headcount. This is broadly in line with expectations.

Growing with our people

As the scope and scale of Trafigura's business interests continue to grow, we want our people to grow with us.

Our track record of strong performance and growth enables us to reward employees competitively. Total remuneration and benefits compare well with industry benchmarks.

Ownership is shared across the Group and around 850 employees (2019: 750 employees) from around the organisation own a stake in the business. It means that key decision makers are incentivised to act in the Group's long-term best interests.

Our integrated approach to people management focuses on hiring the right people, developing their capabilities, incentivising performance, providing constructive feedback and prioritising job opportunities for qualified internal candidates.

This has helped us maintain a healthy talent pipeline in markets that often have a shortage of suitably skilled people. Our approach will remain consistent in 2021.

Learning and Development

Learning and Development at Trafigura provides a platform of continuous growth for our employees, all of whom are encouraged to invest time in enhancing their knowledge of the business and in improving communication and leadership skills in their current roles.

We offer a number of global workshops and coaching sessions designed to develop specific competencies targeted to our departments and key regional hubs. In 2020, these included 25 leadership workshops and 177 sessions on soft skills with a focus on competencies that foster high-performing teams. This included over over 229 hours of coaching to 5,304 participants from across the globe.

Within the dynamic environment of our business, increased agility and productivity and a strong culture of responsibility are crucial to success. As a result, our Learning and Development offering to employees continues to grow and we maintain an ongoing dialogue with team managers to develop materials that drive business success and support career paths. This starts with our series of induction kits for new joiners and continues through entire career paths to senior management level. In FY2020, we designed and delivered over 50 additional e-learning courses, along with 59 videos, nine user guides and a number of standard operating practices for use across the business. With a catalogue of over 1,400 courses and more than 13,000 GetAbstract business articles, we have extended the expertise of world-renowned learning opportunities to all our staff.

Our working culture is open with a flat hierarchy and empowered decision making. Our Learning and Development strategy reflects this ethos; attention is placed on understanding yourself, your environment and your impact. Managers and traders have access to individual coaching and can track and manage their performance on our platform. During the year, we invested in licenses to provide complete access to professional development resources to nominated staff through our partnership with LinkedIn Learning.

25

leadership workshops

5,304

participants at 229 coaching sessions

50

additional e-learning courses provided in 2020

In 2020, many of our offices transitioned to remote working as a result of the COVID-19 pandemic. This highlighted opportunities to enhance connectivity and communication amongst our global workforce by embracing existing technologies. To engage with staff and provide continuous, virtual access to learning in changing times, we conducted 13 live streamed 'Audience With' sessions online, featuring discussions with senior leaders and traders and Q&As open to all employees, sent Learning and Development communication blasts with 117 tips and tricks, and conducted 15 global employee surveys.

Our training, which was previously delivered in person at our hubs, has now been adapted to a live virtual format, expanding access to employees across all our regions. This has resulted in increased interaction between our employees in different locations around the world, more engaged participation and an enhanced sense of community. We continue to leverage technology to bring our workforce together and promote proactive learning and career development.

Increasing resilience in a fast-changing world

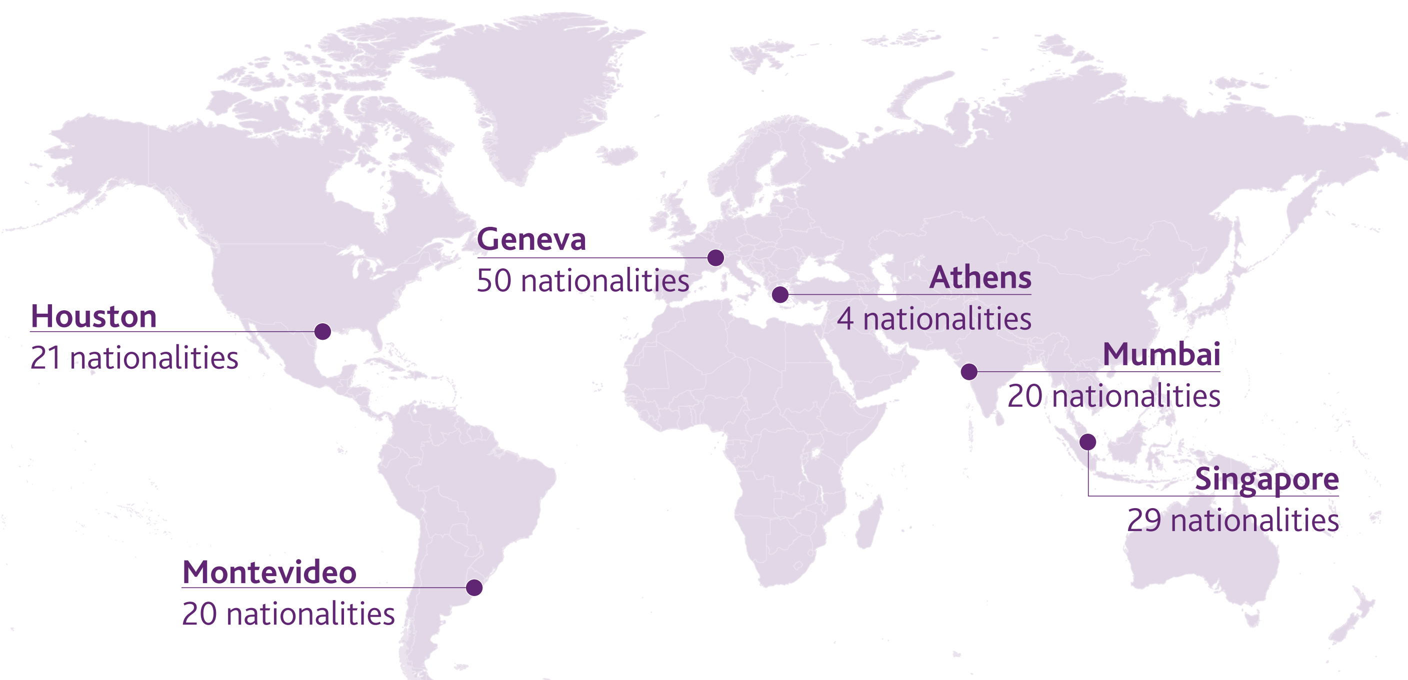
Resilience is the capacity to meet challenges, manage pressure and bounce back from difficult situations, whether through thoughts, feelings or behaviours. During the year, Trafigura adapted a global workshop on resilience to account for the way people's lives had been affected by COVID-19 and the resultant global volatility. In 2020, over 35 interactive resilience workshops were delivered across the business and around the world.

In Latin America, a region that has particularly been hit hard by pandemic lockdowns and COVID-19-related illnesses, once-a-month in-person workshops have been changed to offer the opportunity for two or three virtual sessions a month. Any employee is eligible to join and additional sessions are scheduled for after work hours for those who cannot login during the day. The workshop covers strategies to embrace change, amplify positivity and remain flexible as a way to increase resilience in people's personal lives and at work.

Claudia Zepeta, a Learning and Development specialist for the LATAM region, explains the benefits of the workshop, particularly during uncertain times:

"People have shared worries about testing positive for COVID-19 and experiences of family members who have been infected or have passed away. People listen to one another, learn new things about each other and realise they share similar situations. We have created a place to show empathy and understanding, which is extremely important when it comes to the wellbeing of our employees."

Nationalities by principal office



Diversity and inclusion

Trafigura is built on understanding and doing business with a diverse range of suppliers and customers located around the world, both in developed and emerging markets.

Trafigura has always benefited from understanding that we do our best work by encouraging difference. We aim to build an inclusive culture full of different voices that bring the best ideas to the fore. This insight drives our devolved managerial style. We are committed to empowering our people at all levels and to encouraging collaborative working practices across the Group.

The world we operate in continues to evolve, as do our business priorities. Against this background, in 2021, a major focus for the Group will be broadening access to our industry for people from every background and of all genders and ethnicities.

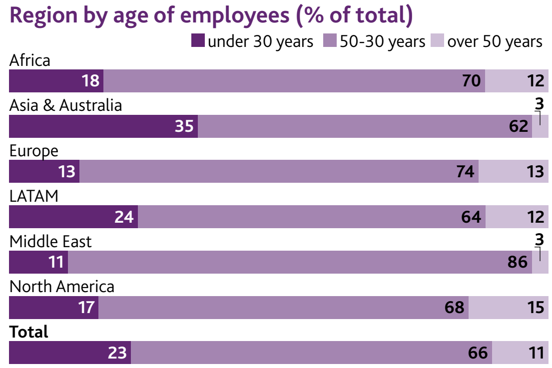
We regard any form of discrimination as both wrong in itself and harmful to our commercial interests. Trafigura is an equal opportunities employer. We work hard to ensure that we do not discriminate during recruitment, training or career development.

We aim to attract, develop and retain talent from the broadest possible base. We want our organisation to appeal to a diverse range of people. Internally, our focus is on developing a network of programmes and tools to help all our employees realise their full potential.

As a global business, we recruit, develop and retain employees from many different nations. Our six principal offices include citizens from 65 countries. Their breadth of experience extends our effectiveness and helps to align the business with cultures around the world.

The age distribution of Trafigura employees further contributes to a dynamic, balanced and sustainable business by striking the right balance between the wisdom of experience and the enthusiasm of youth. Around 67 percent of our people are aged between 30 and 50. They provide the Group with stable energy and maturity. A smaller but still significant age group are older employees (10 percent) or younger employees of under 30 years (23 percent). The life lessons and fresh perspectives that these groups contribute help to protect and invigorate our business.

Region by age of employees (% of total)



65

Nationalities within Group

Equal opportunities

Our pro-diversity stance supports our commitment to being an equal opportunities employer.

In 2020, we conducted an internal mapping survey to identify our current employee gender breakdown across regions, key offices and management levels. The data obtained from this exercise have enabled us to identify areas of future focus and develop a targeted diversity strategy.

We run leadership training and coaching programmes that promote equal opportunities without bias in the organisation. We encourage our leaders to engage in open dialogue on diversity and equal opportunities topics. In 2021, we will introduce training for all staff to further promote a more inclusive work environment.

However, ultimately, diversity is not about quotas and special interests. It's about listening to different points of view, valuing them and benefiting from them. A culture is only truly inclusive when different perspectives are not just accepted but actively sought out, and people are ready to learn from each other and revisit their own opinions.

Improving diversity in the workplace is a business objective for Trafigura. We know from experience that diversity enriches our decision making and drives innovation.

As an industry, we are currently under-performing on this front. Globally just 23 percent of our employees are female, and whilst this number rises to 37 percent for our key offices, we are working to redress this imbalance comprehensively. In an organisation where progress is based on merit, our female employees outperform. Globally women occupy 24 percent of Group managerial positions. At our principal offices, women occupy 28 percent of senior-team leadership roles.

Cultural and social preconceptions can make the task harder, but we recognise that we have a lot more to do as an industry to attract women to careers in commodities trading.

To help achieve this goal, we have set ourselves the target that at least 50 percent of first-round interviewees for our International Graduate Programme will be female. In 2021, we will continue with targeted outreach initiatives aimed at under-represented groups within our business.

Applicants for senior roles need to demonstrate they have the requisite skills and experience. But in an industry where women have historically been underrepresented, we risk perpetuating the status quo. We hope to begin to break the cycle that is linked to this central dilemma with industry-wide advocacy and talent development.

Meet one of our traders, Margaux Klein *www.trafigura.com/video/meet-one-of-our-traders*

Audra Walsh

Chief Executive Officer, MATSA

MATSA CEO in the WIM100

In 2013, the Women in Mining Group created the 100 Global Inspirational Women in Mining list, or the WIM100, to recognise and showcase the stories of women making outstanding contributions in extractive industries. The WIM100 raises the profile of women within the sector and is aimed at inspiring female graduates and professionals working in other industries to consider careers in mining.

Audra Walsh was selected from more than 600 candidates in 60 countries to join the WIM100 in 2020. Audra is CEO of Minas de Aguas Teñidas S.A.U. (MATSA), the flagship joint-venture mining operation of Trafigura Group and Mubadala Investment Company. A professional engineer with a bachelor's degree in mine engineering and a registered member of the Society of Mining, Metallurgy and Exploration, Audra has over 20 years' experience in the mining industry. She held several leadership positions in mining in Peru, Indonesia and the United States before joining MATSA in Spain.

Audra has focused on the needs of the mining sector to educate, change, adapt and improve. She believes that leaders in mining need to think about how the industry can innovate. Many mining activities around the world are still carried out in the same way as they were hundreds of years ago: the industry needs to act collectively to change this, and Audra and the team at MATSA want to be at the forefront of this evolution.

www.womeninmining.org.uk/wim100

Region by employee gender (% of total)

	Male	Female
Africa	79	21
Asia & Australia	65	35
Europe	76	24
LATAM	82	18
Middle East	82	18
North America	80	20
Total	77	23

Region by gender of managers (% of total)

	Male	Female
Africa	69	31
Asia & Australia	73	27
Europe	80	20
LATAM	77	23
Middle East	50	50
North America	68	32
Total	76	24

Principal offices employees by gender (% of total)

	Male	Female
Athens	45	55
Geneva	76	24
Houston	79	21
Montevideo	52	48
Mumbai	70	30
Shanghai	39	61
Singapore	68	32
Total	63	37

Principal offices managers by gender (% of total)

	Male	Female
Athens	50	50
Geneva	79	21
Houston	75	25
Montevideo	57	43
Mumbai	77	23
Shanghai	37	63
Singapore	84	16
Total	72	28

* The above data excludes Nyrstar, MATSA, Porto Sudeste, Mawson West, Impala JV employees.


GURA
DATION

Trafigura Foundation

Established in 2007 as an independent philanthropic entity, the Trafigura Foundation provides financial support and technical expertise to back programmes that respond to specific local needs and lay firm bases for autonomy and sustainability.

31
Countries of operation

49
Programmes

40
Trafigura Group staff engagement activities

$8.5m
Spent on philanthropic activities

Trafigura Foundation

TRAFIGURA FOUNDATION

We provide long-term funding and expertise to improve the socio-economic conditions of vulnerable communities around the world, driving positive and lasting transformational change. We pursue this mission by supporting programmes in two key areas of strategic focus.

Fostering fair and sustainable employment

We promote and support the creation of quality jobs and income-generating opportunities for the most marginalised groups, with the ultimate aim of helping them live better-quality and more autonomous lives.

We consider 'fair and sustainable' job opportunities as those that provide decent wages, safe working conditions, and are aligned with international ethical principles of employment and human rights.

Promoting clean and safe supply chains

The Foundation supports projects that address the social and environmental issues related to the sourcing of commodities, transportation and waste disposal.

We define 'clean and safe' as those activities that reduce polluting emissions and the carbon footprint of supply chains; and tackle the social and health issues affecting communities impacted by transport and industrial infrastructure, such as workers and communities living along main logistics roads and hubs.

31
Countries of operation[1]

49
Programmes

40
Trafigura Group staff engagement activities

$8.5m
In philanthropic activities

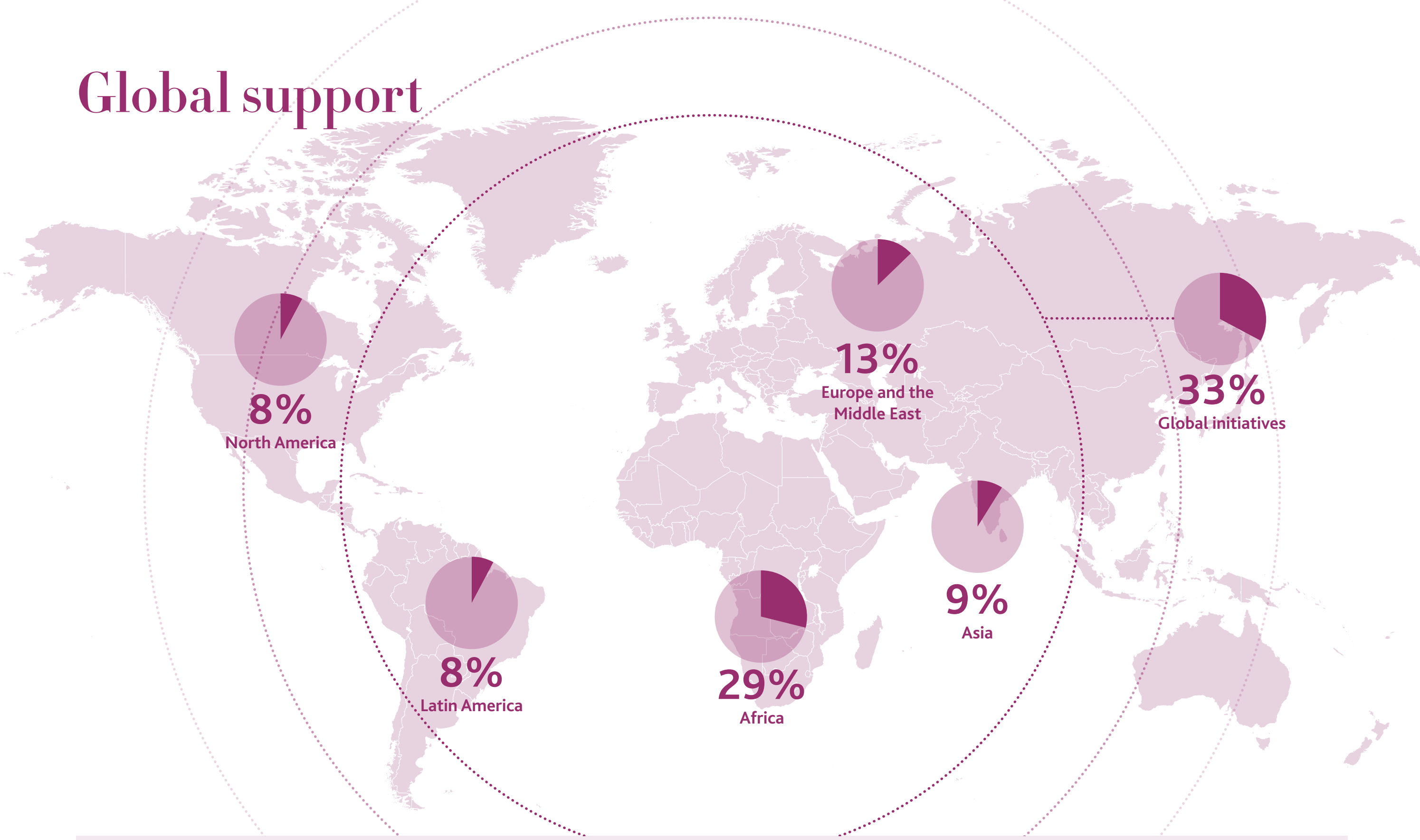
Building people's employability and strengthening access to sustainable and dignified jobs	Supporting social enterprises in becoming levers of development and creating jobs for surrounding communities	Addressing the environmental issues caused by transportation and infrastructure at land and at sea	Tackling the social and health problems affecting populations impacted by logistics and supply chains
The Trafigura Foundation partners with experienced organisations to offer and to work to:			
• Vocational, management and entrepreneurship training • Job placement services • Network and awareness-building with prospective employers	• Incubation and acceleration services • Seed funding and financial support • Technical assistance • Access to markets and networks • Material capital	• Reduce emissions caused by the transport sector • Promote eco-driving practices among truck drivers • Improve industrial and transport waste management	• Improve the health and social conditions of miners, truck drivers, seafarers • Promote road safety in critical countries • Eradicate child labour in artisanal mining • Promote last-mile delivery and access to basic services (health, education, access to markets) for remote populations
Target beneficiaries			
Disenfranchised young people, smallholder farmers, micro-entrepreneurs, people living with disabilities, women in vulnerable situations, groups facing discrimination, exclusion and poverty		People working all along the supply chains, communities living along main logistics roads and hubs, hard-to-reach communities lacking access to basic services	

Our impact in 2019

9,073	8,774	367	3m+	78,571	40
Individuals with better career prospects	Individuals found a new job or became self-employed	Enterprises supported with increased potential to thrive	Tons of CO_2e reduced or sequestered	Individuals better protected against health and safety risks	Enterprises with increased capabilities to reduce their CO_2 emissions

1 All Trafigura Foundation figures updated in October 2020

Global support



Case study:

Meet two of our partners

Root Capital, Central America

Agricultural enterprises, with proper support and access to finance, can improve the lives of millions of vulnerable rural families. In partnership with the Trafigura Foundation, Root Capital intervenes by extending essential financial and agronomic training to 12 agricultural cooperatives in Guatemala, Honduras, Mexico and Nicaragua, with the aim of boosting their resilience and credit-worthiness. The programme targets small, farmer-led cooperatives in the coffee, honey and cocoa sectors. Thanks to Root Capital's intervention, 3,310 smallholder farmers are able to generate more stable incomes and gain the skills to transform their business and community.

www.trafigurafoundation.org/programmes/root-capital-strengthening-cooperatives-central-america

Pure Earth, India

In 2015, our partner Pure Earth, a leader in global toxic pollution clean-up, started to research the impact of lead pollution in India. The recycling and smelting of used lead-acid batteries, activities that are often conducted in densely populated urban areas and with few pollution controls, are responsible for lead pollution and lead poisoning in the country.

Following the start of its research work, Pure Earth launched a remediation plan in the community of Rangapuram, which has a population of around 1,500 people. Trafigura Foundation backed Pure Earth´s research and advocacy efforts and Pure Earth will continue its remediation plans to reduce lead pollution around a childcare centre and residential housing in the area, and to educate the community on how to protect themselves from lead exposure.

www.trafigurafoundation.org/programmes/pure-earth

TRAFIGURA FOUNDATION

Our COVID-19 response action

COVID-19 has triggered a compounding health and economic crisis. Those who were already vulnerable before the crisis have been struggling to survive. For this reason, the Trafigura Foundation supported three specific COVID-19 response programmes.

The International Rescue Committee (IRC) has launched a robust emergency response in 34 countries to help staunch the spread of COVID-19, support the safety of IRC frontline staff, and adapt many of its existing lifesaving programmes to continue providing health, clean water and sanitation, education, protection and economic empowerment services for crisis-affected people worldwide. The Trafigura Foundation donated USD1 million to back these operations.

www.trafigurafoundation.org/about-us/highlights/covid-19-action-irc

$1,000,000 Donation

INTERNATIONAL RESCUE COMMITTEE

The Foundation for Innovative New Diagnostics (FIND) is an international non-profit organisation dedicated to transforming diagnostics and testing to solve some of the world's most challenging health issues. Given the critical role of diagnostics in pandemic preparedness and response, the Trafigura Foundation contributed USD300,000 to support FIND's vital work in driving innovation and access to tests for COVID-19 in low-and middle-income countries.

www.trafigurafoundation.org/about-us/highlights/covid-19-action-find

$300,000 Donation

FIND Because diagnosis matters

The North Star Alliance operates 27 mobile clinics along the main logistics routes in six African countries (Kenya, Mozambique, South Africa, Tanzania, Uganda and Zimbabwe) to provide healthcare access to mobile workers, such as truck drivers, and the communities they come into contact with. The Trafigura Foundation donated USD150,000 to support North Star Alliance's special COVID-19 initiative, through which its clinics are providing prevention, care services and referral management of critical cases of COVID-19.

www.trafigurafoundation.org/about-us/highlights/covid-19-action-north-star-alliance

$150,000 Donation

North Star Alliance

Maximising the generosity of staff

Social distancing and lockdown did not prevent Trafigura staff from taking action to help local communities face the health crisis and economic fallout caused by COVID-19.

Since March, all the Group's main offices around the world have organised fundraising initiatives to support local organisations providing immediate support with food, shelter and hygiene items to those most in need.

The Trafigura Foundation has encouraged and backed employees' generosity by doubling the amount fundraised for charities of their choice. Thanks to this corporate solidarity movement and the Foundation's contribution, a total of circa USD550,000 has been collected and donated to support emergency response operations around the globe.

www.trafigurafoundation.org

$550,000

Donation

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TRAFIGURA

Trafigura Group Pte. Ltd.

10 Collyer Quay #29-00
Ocean Financial Centre
Singapore 049315
Email: enquiries@trafigura.com

www.trafigura.com
TJ/0360.1e