

TRADING RESPONSIBLY



JEREMY WEIR
Chief Executive Officer

Trafigura has become one of the world's leading commodity trading firms by delivering reliable and efficient services to its customers and by making the global supply chain work better. Increasingly integral to that process is our commitment to acting responsibly.

Our late Founder and Executive Chairman, Claude Dauphin, made responsibility a central tenet of his leadership in recent years. As head of a business that operates at scale around the world and that aspires to succeed not just in the short term but over time, he tirelessly promoted the view that we need to understand and manage our impacts on society, the environment and those with whom we work.

That is the background to the publication of this document, Trafigura's first standalone Responsibility Report. It details our commitment to responsible and ethical business practices and reports on our progress in ensuring they are implemented across the Trafigura Group. It also expresses our awareness that we have more work to do.

In this respect, it is with sincere regret that I report two deaths that occurred as a result of incidents at Trafigura operations during the year. Our most important objective looking forward is to reduce the number of fatalities to zero in 2016.

This report sets out an important ambition: to become acknowledged sector leaders in the way we manage corporate responsibility. This commitment is endorsed by Trafigura's Management Board and shareholders – all closely involved in running the business – and by employees across the Group. It is also firmly rooted in commercial logic, for a number of reasons.

This document, Trafigura's first standalone Responsibility Report, details our commitment to responsible and ethical business practices and sets out an ambition: to become acknowledged leaders in our sector.

First, we know we have to earn and maintain a social licence to operate in the many countries and communities where we are active. This is more than ever a fact of corporate life, with media focusing on corporate reputation crises and governments, regulators and civil society subjecting business to ever closer and more critical scrutiny. Trafigura has direct experience of what can happen when unacceptable errors put this licence to operate at risk in the regrettable Probo Koala incident that occurred nearly 10 years ago in Côte d'Ivoire. We have resolved to do everything in our power to avoid a repeat.

Our Management Board sets clear standards for responsible and compliant behaviour so that employees at all levels understand what is expected of them. While determined to remain a private company, Trafigura is also committed to transparency – as exemplified by the publication of this report. We believe that the commodities trading industry has some ground to make up in this regard, in comparison, say, with the strides companies in the extractive industries have made in recent years.

Second, as a company specialising in the logistics of moving large volumes of potentially dangerous or polluting materials around the world, we realised a long time ago that we needed to develop a systematic and rigorous approach to the management of Health, Safety, Environment and Community (HSEC) risks, both in operations under our direct control and in our selection of contracting partners.

This need has been further accentuated by our programme of investment in physical infrastructure and industrial assets such as ports, storage terminals and mines. Operating such assets safely and with minimal environmental and social impact requires strong controls, implemented according to standards set at Group level and giving a clear line of sight for the Trafigura Management Board. Such an approach is basically good business, since we also know that safer operations are not only better places to work, they are also more effective and efficient.



Our people: On the bridge of Trafigura owned medium-range oil tanker; employee at Porto Sudeste, Brazil; and Impala Terminals' barge operator, Colombia

The third reason behind our responsibility strategy has to do with the unique network of partnerships on which our company depends to do business and grow. Establishing and maintaining a reputation as a responsible company is central to these relationships, be they with banks, bond investors, joint-venture partners or clients and counterparties. Our partners rightly require assurance that we operate to the highest standards. Demonstrating leadership in responsibility will support the development of our business and enhance our access to capital and liquidity. In that sense, we see good performance in this area as a means of securing a competitive edge.

The pages that follow describe the policies Trafigura has put in place to advance this agenda, outline our performance to date, and chart our future direction of travel. They also set out some key issues on which we are working to address civil society's most frequently expressed concerns about the social impact of the commodities trading sector, including transparency on payments to governments and human rights.

I want to be very clear about our intention in publishing this report. It is not to glorify our achievements or to convey the impression we think our responsibility mission is somehow accomplished. On the contrary: it constitutes a staging post in a journey on which Trafigura embarked many years ago and is still travelling. It discusses our shortcomings as well as areas where we believe we have made progress.



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To be even clearer: the Trafigura Management Board is far from happy with our HSEC performance in 2015. This report sets out our commitment to achieving zero fatalities as well as a series of targets for action and improvement over the coming year, for example in reducing lost-time injuries and establishing better systems to manage trucking and other contractors conducting potentially hazardous operations.

This report also has a wider purpose: to provide a platform for engagement with our many stakeholders about how we manage our business and how we can improve. In the coming months we intend to discuss the report's contents with a range of interested parties, including business partners and civil society organisations. We hope you will find it an informative read and look forward to receiving your feedback at HSEC@trafigura.com.

Jeremy Weir
Chief Executive Officer