

ENGLISH



# 2015 RESPONSIBILITY REPORT SUMMARY

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TRAFIGURA GROUP PTE. LTD.

A photograph of two workers in orange safety gear and hard hats on a ship's deck. The worker on the left is wearing a white hard hat and sunglasses, while the worker on the right is wearing a red hard hat and sunglasses. They are both wearing orange life jackets with reflective stripes. The background shows other workers in similar gear and the structure of a ship.

*ADVANCING  
TRADE*

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**5,287**

Average number of employees over year  
(2014: 5,326)

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**5,100+**

Online HSEC awareness raising modules  
completed worldwide

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**5,450+**

Know-your-counterparty checks

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**2**

Fatalities

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**40**

Environmental incidents reported

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**\$4.3bn**

Oil payments to EITI candidate and  
compliant countries in 2013

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**178**

Health and safety incidents reported

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**419,032tCO<sub>2</sub>e**

Scope 1 and Scope 2 CO<sub>2</sub>e emissions

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**3,700+**

Employees trained on anti-bribery  
and anti-money laundering

# 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 2015 Responsibility Report, summarised in this document, sets out an important ambition for Trafigura: to become acknowledged sector leaders in the way we manage corporate responsibility. This commitment, endorsed by the Group's leadership, is firmly rooted in commercial logic, for a number of reasons.

1. We know we have to earn and maintain a social licence to operate in the many countries and communities where we are active.
2. As a company specialising in the logistics of moving large volumes of potentially dangerous or polluting materials around the world, we know we need to operate 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.
3. 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 summarise our approach to advancing this agenda and outline our performance to date, as recorded in full within our first Responsibility Report. They also set out some key issues which we are working to address, including transparency on payments to governments and human rights.

Our Responsibility 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. We hope you will find it an informative read, and look forward to receiving your feedback at [HSEC@trafigura.com](mailto:HSEC@trafigura.com).

**JEREMY WEIR**  
Chief Executive Officer



For a copy of Trafigura's full Responsibility Report please refer to

[www.trafigura.com/responsibility](http://www.trafigura.com/responsibility)

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## OUR APPROACH

# INVESTING IN RESPONSIBLE TRADE

We are leveraging our experience and expertise to develop a more responsible business.

Trafigura's HSEC Policy and HSEC Business Principles, along with our Code of Business Conduct, encapsulate our approach to corporate responsibility.

Our HSEC Policy commits the Group and all employees to:

- Conduct business in a way that protects the environment and promotes the safety and health of our employees, those involved in our operations and the communities where we work.
- Act with integrity and transparency and engage constructively with key stakeholders.
- Comply with all relevant HSEC legislation and regulations.

Our HSEC Business Principles set out the standards we apply and the principles we uphold in the Trafigura Group – these are incorporated within the following areas:

- Health and safety
- Environment
- Human rights and labour practices
- Community relations.

Our Code of Business Conduct acts as a central reference point for employees and our business partners in meeting high standards of:

- Integrity
- Care and diligence
- Best practice
- Market conduct
- Management and control.

Each constituent company within the Trafigura Group is required to supplement these policies and principles with relevant, sector-specific standards and procedures for their day-to-day operations.

## HSEC GOVERNANCE

Our governance framework aims to ensure that our Policies, Principles and Code are implemented consistently across our diverse organisation.

Ours HSEC Steering Group promotes best practice and drives HSEC performance. A Supervisory Board member and the Global Head of Corporate Affairs are the co-chairs. It includes Trafigura's CEO as well as COOs and HSEC Heads from across the organisation.

The HSEC Steering Group convenes every two months, reports on performance twice annually to Trafigura's Management Board and is supported by working groups and external advisors, as required.



# BUILDING TRUST THROUGH TRANSPARENCY

We believe transparency should come in many forms.

## HIGHLIGHTS

- Engagement with Swiss Government and key transparency stakeholders on the proposed content of Trafigura's 'Policy on Payments to Governments'.
- Trafigura becomes the first privately held commodities trading company to become an EITI Supporting Company and releases associated policy.
- Trafigura sponsors the publication of a discussion paper articulating the business case for increased disclosure by the commodities trading sector.
- Trafigura presents its disclosure strategy at the 29th EITI Board meeting in Brazzaville, Republic of Congo and the 30th EITI Board meeting in Bern, Switzerland.
- Formation of an EITI mandated multi-stakeholder working group on commodities trading and transparency, including leading companies, expert NGOs, relevant governments and National Oil Companies.

As a major facilitator of global trade, we believe that natural resource wealth should be an important engine for economic growth that contributes to sustainable development and poverty reduction. Being open about how we manage natural resources can help populations in countries where we operate hold governments and business to account.

In November 2014, Trafigura formally declared its support to the Extractive Industries Transparency Initiative (EITI) – the first privately held commodities trading company to do so. In a further step, Trafigura published a 'Policy on Payments to Governments', drawn up in consultation with the EITI International Secretariat. The policy committed the company to disclosing Trafigura's payments to National Oil Companies for crude oil and petroleum products, including gas, as well as associated corporate taxes and, where relevant, licence payments to Governments. As a leading commodities trading house we have a role in making such disclosures, and believe that Governments have an important part to play in disclosing how they use these funds.

**\$4.3bn**

Oil payments to EITI candidate and compliant countries, 2013



# MANAGING OUR SOCIAL IMPACTS

We aim to be good corporate citizens, and engage respectfully with communities in which we work.

## HIGHLIGHTS

- Assessment of two major infrastructure projects in Colombia and Indonesia against International Finance Corporation (IFC) Performance Standards and development of corresponding Environmental and Social Action Plans.
- Contractor HSEC Code of Conduct and Contractor Screening and Management Process developed and piloted.
- Development, piloting and delivery of an HSEC Construction Checklist, and roll out of key performance indicators.
- Strengthened Group-level and operational-level grievance mechanisms and guidance.
- Roll out of third-party HSEC Incident Reporting and Investigation Guidelines to contractors.

Trafigura is committed to respecting human rights across all of its business operations and value chain activities. Our approach is enshrined in our HSEC Policy and HSEC Business Principles and is informed by the UN Guiding Principles on Business and Human Rights amongst other internationally recognised standards. We require business partners to apply comprehensive, comparable and complementary policies and principles.

Physical trading remains the core of our business. With a significant fixed asset base in developing economies, we are acutely aware of the impacts of our operations on nearby communities. Understanding local contextual issues and engaging respectfully in our operating environment is critical to maintaining our social licence to operate.

Our activities stimulate socio-economic development in local communities and for their national economies. We create employment, develop skills, build infrastructure and procure from local suppliers. At the same time we recognise that our activities can also have an adverse impact on local communities and their way of life. We seek to minimise or mitigate such negative consequences.

# 5,100+

Online HSEC awareness raising modules completed worldwide



# A SAFE AND HEALTHY WORKPLACE

We provide a safe and healthy workplace for all employees, contractors and visitors.

## HIGHLIGHTS

- Development of Trafigura Group 'Golden Rules' with corresponding roll out by Impala Terminals across Latin America and African operations.
- Impala celebrates winning 'el Trébol de Oro' in recognition of outstanding security and safety standards at its flagship terminal in Callao, Peru.
- Trafigura's Trading Division strengthens health and safety screening and selection processes for contractors and develops supporting guidance to facilitate implementation across the Group.
- Development of an HSEC construction checklist and associated KPIs.

The protection and wellbeing of our employees, suppliers, contractors, partners and the communities within which we operate are non-negotiable priorities. We regard strong health and safety performance as fundamental for our sustained commercial success.

Our goal is to eliminate fatalities and prevent occupational injuries and disease. We have a robust, targeted approach. We work hard to eliminate risks or keep them to a minimum, whether they relate to our employees or to others carrying out or overseeing duties on our behalf. We comply with national and international health and safety laws and the specific requirements outlined in our HSEC Policy and HSEC Business Principles. We are meeting these commitments through strong governance at Group and operating levels, supported by external assurance. We focus on skills development and risk management, and share good practice across the organisation.

**178**

Health and safety incidents reported



ENVIRONMENT

# MANAGING ENVIRONMENTAL RISK

We are committed to minimising the impact from our business on the natural environment.

## HIGHLIGHTS

- Strict vessel screening policy in place for the chartering of vessels.
- Trafigura's Trading Division strengthens existing screening and selection of contractors overseeing the ship-to-ship transfer of oil products.
- Impala Terminals develop tailored oil spill response contingency plans for barging operations on the Magdalena and Paraná Rivers (Colombia and Uruguay).
- Trafigura Group develops global Greenhouse Gas (GHG) inventory.
- Reporting and investigation requirements strengthened for environmental incidents across the Group.

We require that the planning, design and operation of all Group activities and facilities explicitly consider and target environmental risk in its many forms.

For those divisions and subsidiaries that operate industrial assets, our goal is to eliminate or mitigate any adverse environmental impact and maximise the opportunity to improve environmental conditions. This requires the maintenance of environmental management processes and systems appropriate to the products we handle and the activities we undertake. A number of our existing facilities are certified to the International Standard ISO 14001, the world's most recognised framework for environmental management systems.

For Trafigura, mitigating adverse impact also means investing in and exploring alternatives to traditional and more polluting forms of transportation: alleviating logistics bottlenecks and in so doing reducing carbon emissions. In the design and construction of new facilities, adaptation to meet the reality of climate change has become standard.

We support policies that address climate change without damaging society's ability to meet the growing demand for secure, affordable energy and vital natural resources.

Trafigura is committed to setting indicators and targets to further enhance our management and reporting against environmental impacts, improvement measures and achieved performance.

**419,032tCO<sub>2</sub>e**

Scope 1 and Scope 2 CO<sub>2</sub>e emissions



# ENTREPRENEURSHIP WITH INTEGRITY

We maintain a working environment based on integrity, ethical conduct, equal opportunity and mutual respect.

## HIGHLIGHTS

- 5,287 employees worldwide (2014: 5,326).
- In 2015, a total of 1,302 employees joined the Trafigura Group (55 percent of staff were office workers and 45 percent of staff were field workers).
- 24 employees entered the graduate development programme.
- 87 percent of new joiners to the Group were recruited locally.
- Launch of Trafigura's Global Commodity Trading Apprenticeship Programme.
- 5,143 HSEC awareness-raising modules completed by employees in English, French, Spanish, Portuguese and Chinese in the month of July alone.

At Trafigura, we have built up a distinctive culture that binds our global organisation and drives performance across regions and disciplines. Being able to recruit, retain and develop skilled and high-performing people is critical to maintaining our competitiveness.

Respect, diversity and competitiveness are fundamental tenets. We strive to create an environment in which people flourish and maximise their potential. To do that, we set high standards – for ourselves and for those that support us in our day-to-day activities.

Trafigura people have an entrepreneurial outlook. They are recognised for their reliability, efficiency and sense of responsibility. Their focus is on delivering and sustaining growth.

Our decentralised structure devolves decision making to give individuals significant autonomy. Robust systems and processes support a culture of accountability and control. It is a combination that motivates staff, promotes responsiveness and allows teams to operate effectively across diverse businesses, different cultural norms and varying socio-economic conditions.

# 5,287

Average number of employees over year (2014: 5,326)



CONDUCT

# DOING BUSINESS TO HIGH ETHICAL STANDARDS

We are enhancing our dialogue with stakeholders and substantively improving disclosure.

## HIGHLIGHTS

- Over 5,450 KYC checks carried out in 2015.
- Anti-money laundering training delivered to over 1,700 staff members.
- Anti-bribery and corruption training delivered to over 2,000 staff members.
- 1,755 vessels screened by IMO number to mitigate risk associated with the reflagging of vessels by sanctioned countries, entities or individuals.
- Over 2,780 Trafigura employees trained on our Code of Business Conduct.

It is a commercial imperative for Trafigura that our business is, and is seen to be, one that acts with integrity and maintains high ethical standards.

Trafigura is a global company, which operates within the European regulatory framework. We are constantly evolving our business model to adapt to shifting cultural norms, geographies and regulatory regimes. There is a strong sense of common endeavour at Trafigura, and the company's owners also work in the business. There is a shared understanding that the risks facing the Group affect us all.

Our Code of Business Conduct is a cornerstone of Trafigura's approach. It defines what is expected of our business and our people. It promotes good business judgement and compliance with relevant laws and regulations.

We have adopted five key principles that define the way we conduct ourselves worldwide.

**3,700+**

Employees trained on anti-bribery and anti-money laundering



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Our Compliance Department develops global systems and safeguards to ensure we adhere to these principles wherever we operate.

- **Integrity:** We are honest and straightforward in all our business dealings.
- **Care and diligence:** We conduct and manage our business with due skill, care and diligence.
- **Best practice:** We develop compliance procedures that meet best practice standards, not just minimum legal or regulatory requirements.
- **Market conduct:** We ensure our business dealings are conducted in accordance with high standards of market conduct.
- **Management and control:** We put appropriate procedures in place to manage and control the business effectively and meet the requirements of our Code of Business Conduct.



### UNITED NATIONS GLOBAL COMPACT

The UN Global Compact is a strategic policy initiative that encourages businesses to align their strategies and operations with 10 universal principles on human rights, labour, environment and anti-corruption, and act to advance societal goals. It aims to:

- Ensure the 10 principles are upheld by businesses around the world.
- Catalyse action in support of broader UN goals, including the Sustainable Development Goals (SDGs).

Trafigura is a committed and active member of the Swiss and international Compact communities. Our HSEC Policy, HSEC Business Principles, Code of Business Conduct and assurance programmes reflect the Global Compact's 10 principles, as well as the Universal Declaration of Human Rights.

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 Our Responsibility Report forms part of our first formal Communication on Progress to the UN Global Compact. It should be read alongside the corresponding reference table and supporting documents that feature online at [www.trafigura.com/responsibility](http://www.trafigura.com/responsibility)



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