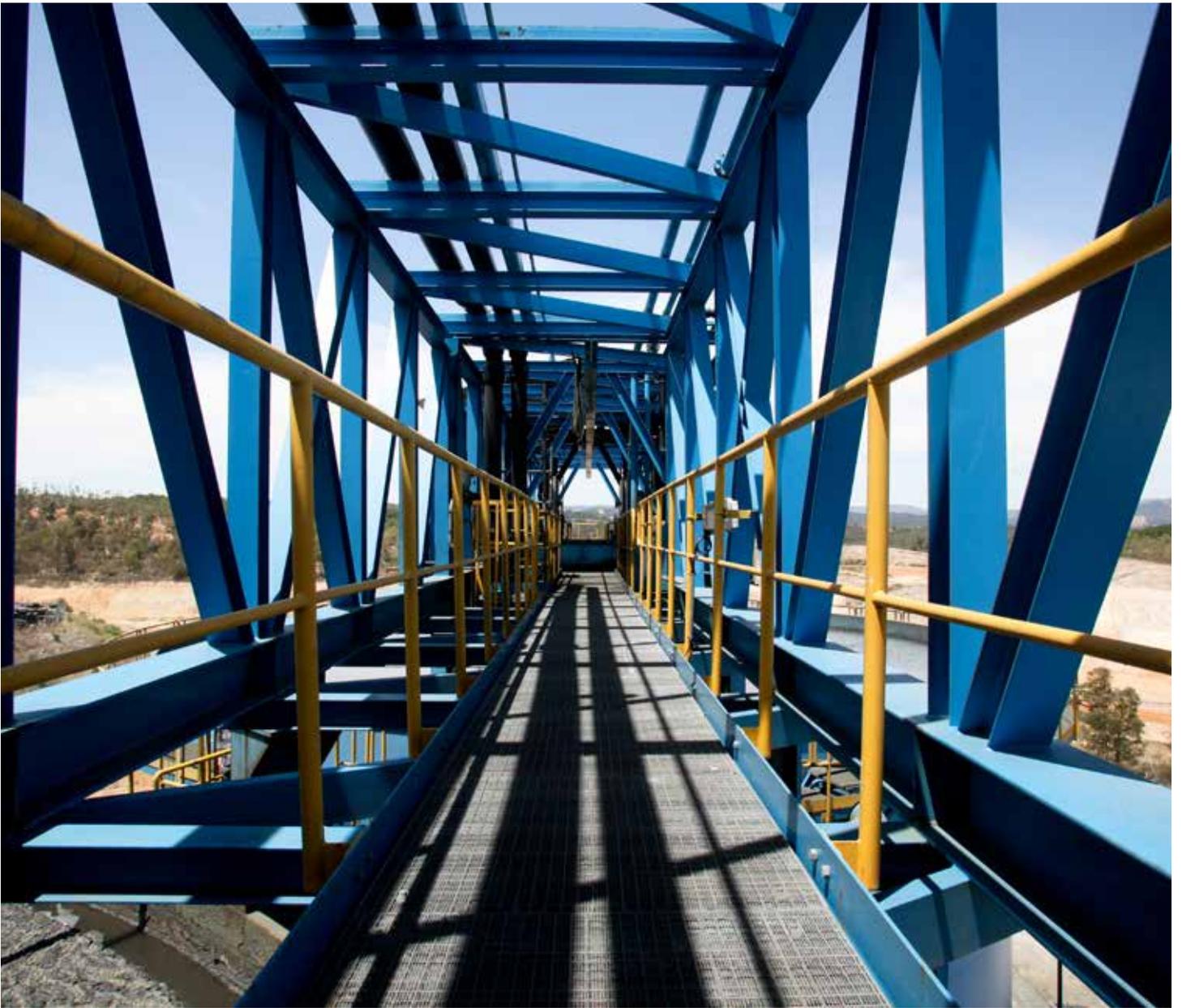




2016
***UN GLOBAL COMPACT
COMMUNICATION
ON PROGRESS***

REPORTING ENTITY: TRAFIGURA GROUP PTE LTD





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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. Integral to this process is our commitment to acting responsibly.

I am pleased to confirm Trafigura's ongoing support of the UN Global Compact and, as presented in this Communication on Progress¹, our commitment and efforts to continuously integrate the 10 principles in the areas of Human Rights, Labour, Environment and Anti-Corruption within our business strategy, management frameworks, organisational culture and values.

We also commit to sharing this information with our stakeholders. Trafigura is a committed and active member of the Swiss and International UN Global Compact communities and supports the advancement of the broader development goals of the United Nations.

As one of the world's leading commodity trading firms, we are leveraging our experience and expertise to develop a more responsible business. We have set ourselves an important ambition: to be acknowledged sector leaders in corporate responsibility. Each division and operating company of the Trafigura Group are required to implement, measure and report performance against our corporate responsibility policies and principles.

Our 2016 Responsibility Report, which reflects on progress and on lessons learned during 2016, as well as spelling out measures we have put in place to strengthen implementation going forward forms part of our formal Communication on Progress (COP) to the UN Global Compact.

Trafigura's Corporate Responsibility Policy and Business Principles, along with our Code of Business Conduct, encapsulate our approach to corporate responsibility and align with the UN Global Compact principles.

Jeremy Weir
Chief Executive Officer
Trafigura Group PTE. LTD.



¹ 2016/17 UN Global Compact Communication on Progress, covering the period October 1st, 2015 – September 30th, 2016.

INTRODUCTION

At Trafigura, we are constantly leveraging our experience and expertise to develop a more responsible business. We are committed to being an active member of the UN Global Compact (UNGC) and to the ongoing implementation of its 10 principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

We are continually strengthening our approach to corporate responsibility across our direct operational activities and business relationships. We face growing expectations from stakeholders. Our partners and investors are increasingly risk-sensitive. Governments and regulators are more conscious of the commodities sector. Counterparties, lenders, NGOs, local communities, insurance providers and the media, amongst others, expect us to demonstrate that we are operating responsibly. Our engagement with internal and external stakeholders is critical to informing our business strategy, decision making processes and management approach to promote continuous improvement in performance across the Trafigura Group.

Trafigura's governance framework aims to ensure our Corporate Responsibility Policy, associated Business Principles and Code of Business Conduct are implemented consistently across our diverse organisation.

Our Health, Safety, Environment and Communities (HSEC) Steering Group promotes best practice and drives performance. A non-executive Board member and the Global Head of Corporate Affairs co-chair the Steering Group. It includes Trafigura's CEO as well as COOs and functional Heads from across the organisation.

The following index tables have been designed to outline how Trafigura is upholding the principles of the UNGC and demonstrates Trafigura's commitment to transparency and accountability.

This document is to be read alongside Trafigura's 2016 Responsibility Report, available at www.trafigura.com/responsibility.



HUMAN RIGHTS

ASSESSMENT, POLICY, GOALS

Physical trading is at 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.

Basic human rights are understood as the rights outlined in the United Nations Universal Declaration of Human Rights. Trafigura is committed to respecting human rights across its business operations and value chain activities. Our approach is enshrined in our Corporate Responsibility Policy, associated Business Principles and Code of Conduct and is informed by the UN Guiding Principles on Business and Human Rights (UNGPs) and other internationally recognised principles and standards.

Our expectations in relation to human rights are detailed within employee (and selected contractors) HSEC awareness raising training in English, French, Spanish, Portuguese and Chinese. In addition, we require business partners to apply comprehensive, comparable and complementary policies and principles, as outlined in our contractor screening and engagement processes.

We are committed to continuously strengthening our social performance. Our focus in 2017 will include:

- Promoting collaboration with other sector participants in pursuit of corporate responsibility.
- Ongoing support for the development of guidance on the implementation of the UNGPs for the commodities industry.
- Embedding our concept of 'community leadership' across the organisation.
- Comprehensive roll-out and support for Trafigura's Group-level and project-level grievance mechanism.
- Completion of 'Level 1' contractor due-diligence assessments worldwide for defined, high-risk activities by Trafigura Trading Division.
- Refining risk-based assessment of supply chains relevant to specific products and geographies.
- Refinements to existing due-diligence of vessel management companies in response to direct and indirect human rights impacts.
- Contribute towards multi-lateral engagement on matters pertaining to air pollution/high-sulphur fuels.



UNGC PRINCIPLE: HUMAN RIGHTS

Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2 - Make sure that they are not complicit in human rights abuses

2016 Responsibility Report Reference	Web	Supporting business processes
Our Approach (p. 6-9)	http://www.trafigura.com/	<ul style="list-style-type: none"> • HSEC Incident Reporting and Investigation Guidelines • Third-Party HSEC Incident Reporting and Investigation Guidelines • Trafigura Employee Handbook • Contractor HSEC Code of Conduct • Trafigura HSEC Contractor Terms • Trafigura HSEC Contractor Screening and Management Process • Online HSEC Awareness Training • HSEC Assurance Programme • Group and Operational Level Grievance Mechanisms • HSEC Assurance Programme
Transparency (p. 10-15)	http://www.trafigura.com/responsibility/	
Society (p. 16-25)	http://www.trafigura.com/hsec-resource-centre/	
Health & Safety (p. 26-35)	http://www.trafigura.com/responsibility/global-grievance-hotline/	
People (p. 44-51)	http://www.trafigura.com/responsibility/2016-responsibility-report/	

MEASUREMENT OF OUTCOMES

Key monitoring and performance highlights in 2016 to support alignment of our business with UNGC have included:

- Update of our Responsibility Policy and Business Principles aligned with UN Guiding Principles on Business and Human Rights (UNGPs).
- Development and delivery of Group-wide community engagement standard and strategy for leadership.
- Increased engagement and consultation with communities (Colombia, Peru, Sumatra, Angola) and stakeholders (UN Global Compact, WBCSD).
- Roll-out and refinement of a project-level grievance mechanism at key sites and an independently hosted Group-level hotline.
- Delivery of contractor screening tool.



LABOUR

ASSESSMENT, POLICY, GOALS

At Trafigura, we maintain a working environment based on integrity, ethical conduct, equal opportunity and mutual respect. 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 engage with employees and contractors, both directly and through their trade unions and other representatives, on issues that may affect them.

We oppose discrimination of any kind. We treat all employees fairly, and with dignity and respect. We do not tolerate any form of child labour, forced or compulsory labour across our direct business activities or those of our business partners. Where there are staff grievances, whether individual or collective, we address them promptly and collaboratively. We are committed to full operational compliance with applicable labour legislation and regulations, ILO core conventions and associated company standards and requirements. Furthermore, we maintain and support the rights of our employees to bargain collectively and to freedom of association.

Our approach to managing our people and our contractors is enshrined in our Corporate Responsibility Policy, our Business Principles, our Code of Business Conduct and employee handbook (which forms part of the terms and conditions of employment with Trafigura). Our employee handbook provides documented coverage of employee rights, conditions and responsibilities, including work environment expectations in relation to equal opportunity and diversity, and discrimination, health and safety at work and code of conduct.

Trafigura's HSEC Contractor Code of Conduct outlines Trafigura's expectations in relation respecting human rights, labour practices and health and safety.

Trafigura's Human Resources team oversees our people strategy on behalf of the Group. Our people strategy in 2017 will focus on:

- Building the technical capabilities and interpersonal skills of our staff.
- Offering classroom-based and on-site training for our more remote offices and enhancing Trafigura's HSEC training programme.
- Improving the efficiency and productivity of our workforce through continuous improvement of processes, systems and work organisation.
- Career development opportunities for employees.



UNGC PRINCIPLE: LABOUR

Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4 - The elimination of all forms of forced and compulsory labour;
Principle 5 - The effective abolition of child labour; and
Principle 6 - The elimination of discrimination in respect of employment and occupation

2016 Responsibility Report
 Reference

Web

Supporting business processes

Our Approach (p. 6-9)

<http://www.trafigura.com/>

- Trafigura Employee Handbook
- Contractor HSEC Code of Conduct
- Trafigura HSEC Contractor Terms
- Trafigura HSEC Contractor Screening and Management Process
- HSEC Assurance Programme
- Employee and contractor engagement (directly and through trade unions and other representatives)
- Group and Operational Level Grievance Mechanisms
- Future Talent: Graduate Development Programme
- Leadership development programme, e-learning
- HSEC Assurance Programme

People (p. 44-51)

<http://www.trafigura.com/responsibility/>

<http://www.trafigura.com/hsec-resource-centre/>

<http://www.trafigura.com/responsibility/global-grievance-hotline/>

<http://www.trafigura.com/responsibility/2016-responsibility-report/>

MEASUREMENT OF OUTCOMES

Key monitoring and performance highlights in 2016 to support alignment of our business with UN Global Compact Principles have included:

- 1,049 employees joined Trafigura Group in 2016 (62 percent of which were office workers and 38 percent of which were blue-collar workers).
- 42 employees participated in our International Graduate Training Programme.
- Head of Global Training and Development appointed – a newly created post.



ENVIRONMENTAL

ASSESSMENT, POLICY, GOALS

Trafigura requires that the planning, design and operation of all Group activities and facilities explicitly consider and target environmental risk in its many forms. We are committed to pollution prevention and compliance with all relevant domestic and international environmental legislation and regulations. Furthermore, we are committed to promoting environmental protection and minimising the impact of our business activities on the environment where we operate.

Our Corporate Responsibility Policy and Business Principles define our commitments for our direct operations and those of our business partners in relation to environmental protection and responsibility. Our commitments are further articulated through a range of risk screening, management and performance assurance processes. Trafigura's commitments extend to our business partners, as articulated within our HSEC Contractor Code of Conduct, contractual clauses and HSEC risk screening processes.



UNGC PRINCIPLE: ENVIRONMENTAL

Principle 7 - Businesses should support a precautionary approach to environmental challenges

2016 Responsibility Report Reference	Web	Supporting business processes
Our Approach (p. 6-9) Environment (p. 36-43)	http://www.trafigura.com/ http://www.trafigura.com/responsibility/ http://www.trafigura.com/hsec-resource-centre/ http://www.trafigura.com/responsibility/2016-responsibility-report/	<ul style="list-style-type: none"> • HSEC material risk registers • HSEC Working Group Terms of Reference • HSEC Incident Reporting and Investigation Guidelines • Third-Party HSEC Incident Reporting and Investigation Guidelines • Contractor HSEC Code of Conduct • Trafigura HSEC Contractor Terms • Trafigura HSEC Contractor Screening and Management Process • Online HSEC Awareness Training • HSEC Assurance Programme • Project level community consultation/ stakeholder Engagement • WBCSD/UNGC industry forums



UNGC PRINCIPLE: ENVIRONMENTAL

Principle 8 - Undertake initiatives to promote greater environmental responsibility

2016 Responsibility Report Reference	Web	Supporting business processes
<p>Our Approach (p. 6-9)</p> <p>Environment (p. 36-43)</p>	<p>http://www.trafigura.com/</p> <p>http://www.trafigura.com/responsibility/</p> <p>http://www.trafigura.com/hsec-resource-centre/</p> <p>http://www.trafigura.com/responsibility/global-grievance-hotline/</p> <p>http://www.trafigura.com/responsibility/2016-responsibility-report/</p>	<ul style="list-style-type: none"> • Trafigura HSEC Contractor Terms • Trafigura HSEC Contractor Screening and Management Process • Environmental Management Systems, including ISO14001 certification at a number of existing facilities • Oil spill response contingency plans • Greenhouse Gas (GHG) inventory • HSEC Incident Reporting and Investigation Guidelines • Third-Party HSEC Incident Reporting and Investigation Guidelines • Group and Operational Level Grievance Mechanisms • Shipping and Chartering Desk requirements and measures on ship owners and chartered vessels (including compliance with the International Management Code for the Safe Operation of Ships and for Pollution Prevention, Oil Companies International Marine Forum (OCIMF) Ship Inspection Report (SIRE) Programme approvals) • Oil Spill Response Ltd (OSRL) Membership • Oil spill response plans in place across relevant assets and associated training and desk top emergency response exercises • Vessel screening policy for chartering of vessels • Online HSEC Awareness Training • HSEC Assurance Programme

UNGC PRINCIPLE: ENVIRONMENTAL

Principle 9 - Encourage the development and diffusion of environmentally friendly technologies

2016 Responsibility Report Reference	Web	Supporting business processes
Environment (p. 36-43)	http://www.trafigura.com/ http://www.trafigura.com/responsibility/ http://www.trafigura.com/hsec-resource-centre/ http://www.trafigura.com/responsibility/2016-responsibility-report/	<ul style="list-style-type: none"> • Vessel screening policy for chartering of vessels • Centralised trucking fleet management processes • Contractor HSEC Code of Conduct • Trafigura HSEC Contractor Terms • Trafigura HSEC Contractor Screening and Management Process

MEASUREMENT OF OUTCOMES

Key monitoring and performance highlights in 2016 to support alignment of our business with UNGC Principles have included:

- Roll-out of contractor assessment process by Trafigura’s trading division against activities deemed to present a high risk to society and the environment.
- Refinement of Greenhouse Gas (GHG) emissions reporting, including the addition of Scope 3 emissions data.



ANTI-CORRUPTION

ASSESSMENT, POLICY, GOALS

Trafigura is committed to doing business in accordance with high standards of ethics and integrity. 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. All of our employees are required to abide by 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 strictly prohibits the offer or acceptance of a bribe in any form, including kickbacks or the use of any route of which the intention is to provide improper benefits to third parties, in both public and private sectors, whether made directly or indirectly. Our management teams work together with Compliance, Legal, Human Resources and Corporate Affairs departments to promote ethical behaviour amongst our employees and business partners. Risk assessment and management processes that support our approach are detailed within the table below.

Trafigura is a global company, which operates within the local and international regulatory frameworks. We are committed to operating in accordance with international and national legislation, relevant financial standards, exchange rules, sanctions and trade restrictions. We are constantly evolving our business model to adapt to shifting cultural norms, geographies and regulatory regimes.



UNGC PRINCIPLE: ANTI-CORRUPTION

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

2016 Responsibility Report Reference	Web	Supporting business processes
Our Approach (p. 6-9)	http://www.trafigura.com/	<ul style="list-style-type: none"> • Code of Business Conduct • Code of Business Conduct for Suppliers • Trafigura Compliance Committee • Trafigura Group Compliance Department • Know your Counterparty (KYC) Screening Process and Procedures • Counterparty Due Diligence (Short, Standard and Advanced) of partners, suppliers, customers, trading partners • Contractor HSEC Code of Conduct • Trafigura HSEC Contractor Terms • Trafigura HSEC Contractor Screening and Management Process • Group Compliance Policy • Anti-money laundering policy and training • Anti-bribery and corruption policy and training • Group and Operational Level Grievance Mechanisms • Trafigura Employee Handbook • Impala Terminals Confidentiality Information Barrier (CIB) Policy • Vessel Screening processes • Engagement with Banks and other stakeholders (including involvement in debate regarding emergence and evolution of regulations relevant to Trafigura) • Daily updates from Thomson Reuters World-Check on all counterparties
Transparency (p. 10-15)	http://www.trafigura.com/responsibility/	
Conduct (p. 52-57)	http://www.trafigura.com/hsec-resource-centre/ http://www.trafigura.com/responsibility/conduct/ http://www.trafigura.com/responsibility/2016-responsibility-report/	

MEASUREMENT OF OUTCOMES

Key monitoring and performance highlights in 2016 to support alignment of our business with UNGC Principles have included:

- Development of our KYC programme, enhancing efficiencies in the processing of associated intelligence, extending the programme's effective coverage of Group activities.
- Development and extension of training on key risk areas such as anti-bribery and corruption and market abuse to all staff members across all Group companies.
- Enhanced coverage and depth of stakeholder engagement, particularly amongst the financial community, with respect to commercial, financial and market compliance.
- Work with regulators to identify, analyse and manage any systemic risks posed by the commodities trading sector.
- Active engagement with international forums, industry bodies and trading partners on ethical business conduct.





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Trafigura Group Pte. Ltd. and the companies in which it directly or indirectly owns investments are separate and distinct entities. In this publication, the collective expressions 'Trafigura', 'Trafigura Group', 'the Company' and 'the Group' may be used for convenience where reference is made in general to those companies. Likewise, the words 'we', 'us', 'our' and 'ourselves' are used in some places to refer to the companies of the Trafigura Group in general. These expressions are also used where no useful purpose is served by identifying any particular company or companies.