

GLENCORE

**RESPONSIBLE
SOURCING
POLICY**



Introduction

Our Purpose as a company is to responsibly source the commodities that advance everyday life. Responsible sourcing is our commitment to take into account social, ethical and environmental considerations with regards to our products and supply chains and when managing our relationships with suppliers.

Through our policies, standards and processes, including this Responsible Sourcing Policy, we respect human rights in accordance with the United Nations (UN) Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights (UNGPs) and the UN Global Compact.

We expect our suppliers to share our commitment to ethical, safe and responsible business practices. Where feasible, we leverage our business relationships both as a company and via business organisations, and promote dialogue with other stakeholders to advance these commitments and industry best practice.

For the purposes of this policy, a supplier is any individual or organisation that provides, sells or leases materials, products or services directly to Glencore.

Who does this apply to?

This policy applies to all employees, directors and officers, as well as contractors under Glencore's direct supervision, working for a Glencore office or industrial asset directly or indirectly controlled or operated by Glencore plc worldwide.

We assert our influence over joint ventures we don't control or operate to encourage them to act in a manner consistent with the intent of this policy.

What is our commitment?

Our requirements and expectations of suppliers

We set requirements and expectations for our suppliers to ensure that they share our commitment to responsible sourcing. We require our suppliers, when working with Glencore, to act in a manner consistent with the Glencore Supplier Code of Conduct. Additionally, we encourage our suppliers to set expectations for their own suppliers that align with the Supplier Code of Conduct.

Support for suppliers

We strive to make a contribution to communities wherever we operate by providing employment opportunities and supporting local businesses. Our procurement strategies are developed locally to reflect the diverse environments in which we operate. We work with local suppliers in the context of these procurement strategies to communicate our expectations and build understanding of our requirements.

Framework for managing suppliers

We have a comprehensive framework and action plan for identifying and managing the key risks associated with our suppliers, from supplier due diligence, selection, onboarding and monitoring, through to disengagement.

We allocate appropriate resources and assign clear roles, responsibilities and accountabilities within Glencore to implement this framework.

We assess suppliers based on their risk and direct them to the most appropriate due diligence and management process for their risk level. Additionally, for suppliers of metals and minerals, we conduct due diligence in accordance with the 5-Step due diligence framework defined in Annex I of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas 3rd Edition ('the OECD Guidance'). We expand on our requirements for suppliers of metals and minerals further in the Annex below.



Our due diligence processes address supplier risks associated with legal compliance, abuse of human rights such as equality, non-discrimination and diversity, respect for workers' rights of freedom of association, modern slavery, child labour, health and safety, environmental impacts, and where applicable, risks associated with Annex II of the OECD Guidance.

We use a variety of tools to assist us in our due diligence processes, which may include: on-site inspections, third party verification, obtaining information from third party sources including authorities, international organisations and civil society, and consulting experts and technical literature.

Our Supplier Code of Conduct is incorporated by reference into all our supplier contracts. We communicate our requirements and expectations to all suppliers. Using a risk-based approach we conduct training for certain suppliers.

Where we find instances of non-compliance with the Supplier Code of Conduct, we investigate these incidents to understand causes and contributing factors, and we take appropriate action accordingly. We collaborate with our suppliers and relevant stakeholders to address the deficiencies identified and mitigate identified actual or potential adverse impacts as appropriate. However, where we find that a supplier cannot or will not take actions to demonstrate compliance within an agreed timeframe, we may review our continuing relationship with that supplier, up to and including termination of engagement.

With regards to instances of non-compliance by our suppliers of metals and minerals with the risks identified in Annex II of the OECD Guidance, we comply with the mitigation and termination requirements defined in Annex II of the OECD Guidance.

In the event that we identify that we have caused or contributed to an adverse impact on human rights in our supply chain, we will provide for, or cooperate in, processes to enable an appropriate remedy.

We implement assurance processes to monitor compliance with our supplier risk management framework.

We publicly communicate on how we implement our supplier due diligence obligations including on modern slavery, child labour and conflict minerals, via regulatory reporting and our annual public disclosures.

We train our employees and contractors who are involved in procurement, purchasing, sales, trading, contracting, contract management and other relevant functions, on our supplier risk management framework.

We make available anonymous channels to our suppliers in order that they can raise concerns regarding compliance with the Supplier Code of Conduct and our policies.

Speaking Openly and Raising Concerns

We are each responsible for ensuring that we meet our commitments. We expect our employees and contractors to speak openly and require them to report any concerns regarding breaches of the Code of Conduct, our policies or the law, whether these relate to themselves or others. These concerns must be raised with managers, supervisors or via other available reporting channels, which includes dedicated whistleblowing contacts at our offices and industrial assets. Our Corporate Raising Concerns Programme channels are also available to employees, contractors and external parties. We also expect employees to report any breaches of requirements in our procedures.

Glencore takes concerns seriously and handles them promptly.

Glencore has zero tolerance for retaliation against anyone who speaks openly about conduct they believe is unethical, illegal or not in line with our Code of Conduct, policies and procedures, even if the concern isn't substantiated. There will not be any adverse consequences for anyone who raises a concern as long as they have not knowingly made a false report.

Consequences

Our policies support our Values and Code of Conduct and reflect what is important to us. We take breaches of our policies seriously. Depending on the severity of the breach, consequences may range from a warning to termination of employment.



Appendix

ADDITIONAL OECD-ALIGNED REQUIREMENTS FOR SUPPLIERS OF METALS AND MINERALS

Glencore recognises the risks of significant adverse impacts which may be associated with the extraction, trading, handling, and exporting of minerals from conflict-affected and high-risk areas. We recognise that we have a responsibility to respect human rights and not contribute to conflict. We are committed to responsible sourcing and we do not engage in any action which contributes to the financing of conflict. We comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

Glencore conducts risk-based due diligence aligned with the 5-Step due diligence framework defined in Annex I of the OECD Guidance.

While sourcing from, or operating in, conflict-affected and high-risk areas, we will neither tolerate nor profit from, contribute to, assist or facilitate the commission by any party, of any of the risks associated with the extraction, transport or trade of minerals specified in Annex II of the OECD Guidance. These include but are not limited to the following.

REGARDING SERIOUS ABUSES ASSOCIATED WITH THE EXTRACTION, TRANSPORT OR TRADE OF MINERALS

- Any forms of torture, cruel, inhuman and degrading treatment;
- any forms of forced or compulsory labour (which means work or service which is extracted from any person under the menace of penalty and for which said person has not offered themselves voluntarily);
- any form of modern slavery, including forced labour and child labour (as defined by the International Labour Organization) in their operations;
- employment to anyone under the national minimum legal age for employment;
- other gross human rights violations and abuses such as widespread sexual violence;
- war crimes or other violations of international humanitarian law, crimes against humanity or genocide.

We will immediately suspend or discontinue engagement with suppliers where we identify a reasonable risk that they are committing, are sourcing from or are linked to any party committing these abuses.

Appendix continued

DIRECT OR INDIRECT SUPPORT TO NON-STATE ARMED GROUPS

We do not directly or indirectly support non-state armed groups, through the extraction, transport, trade, handling or export of minerals.

We will immediately suspend or discontinue engagement with suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups.

'Direct or indirect support' to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

- i) illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
- ii) illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
- iii) illegally tax or extort intermediaries, export companies or international traders.

REGARDING PUBLIC OR PRIVATE SECURITY FORCES

We do not provide direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.

Where we or our suppliers contract public or private security forces, we require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular, we take steps and require our suppliers to take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.

Where we identify that a reasonable risk exists, we will immediately devise, adopt and implement a risk management plan with suppliers to prevent or mitigate the risk of direct or indirect support to public or private security forces engaged in the abuses identified above. In such cases, we will suspend or discontinue engagement with suppliers of metals and minerals after failed attempts at mitigation within six months from the adoption of the risk management plan.

Appendix continued

REGARDING BRIBERY AND FRAUDULENT MISREPRESENTATION OF THE ORIGIN OF MINERALS

We do not offer, promise, give or demand bribes, and will resist the solicitation of bribes, to conceal or disguise the origin of minerals, or to misrepresent taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport and export of minerals.

Where we identify that a reasonable risk of bribery or fraudulent misrepresentation of the origin of minerals exists, we commit to engage with suppliers of metals and minerals to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measurable steps taken in reasonable timescales. We will suspend or discontinue engagement with suppliers of metals and minerals after failed attempts at mitigation.

REGARDING MONEY LAUNDERING

We support efforts and contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

Where we identify that a reasonable risk of money laundering exists, we commit to engage with suppliers of metals and minerals to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measurable steps taken in reasonable timescales. We will suspend or discontinue engagement with suppliers of metals and minerals after failed attempts at mitigation.

REGARDING THE PAYMENT OF TAXES, FEES AND ROYALTIES DUE TO GOVERNMENTS:

In accordance with our Human Rights Policy, we ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments and we disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).



Additional resources

INTERNAL

Our Purpose

Our Values

Code of Conduct

Anti-Corruption Policy

Anti-Money Laundering Policy

Human Rights Policy

Social Performance Policy

Responsible Sourcing Policy

HSEC Social Performance Standard

EXTERNAL

Extractive Industry Transparency Initiative

ILO Declaration on Fundamental Principles and Rights at Work

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas 3rd Edition

Paris Agreement Under the UN Framework Convention on Climate Change

UN Sustainable Development Goals

UN Global Compact

UN Guiding Principles on Business and Human Rights

UN Universal Declaration of Human Rights

Voluntary Principles on Security and Human Rights

Our purpose

“Responsibly sourcing the commodities that advance everyday life”

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