

# ETHICS AND COMPLIANCE



We fulfil our purpose and remain a business partner of choice by upholding our commitment to ethical business practices

## OUR APPROACH

We are committed to maintaining a culture of ethics and compliance throughout the Group, rather than simply performing the minimum required by law. We do not knowingly assist any third party in breaching the law, or participate in any criminal, fraudulent or corrupt practice in any country.

To support this, our Group Ethics and Compliance programme includes risk assessments, policies, standards, procedures and guidelines, training and awareness, advice, monitoring, speaking openly and investigations. We consider guidance from relevant authorities and international organisations and work with leading advisers to ensure that we are aligned with international best practices.

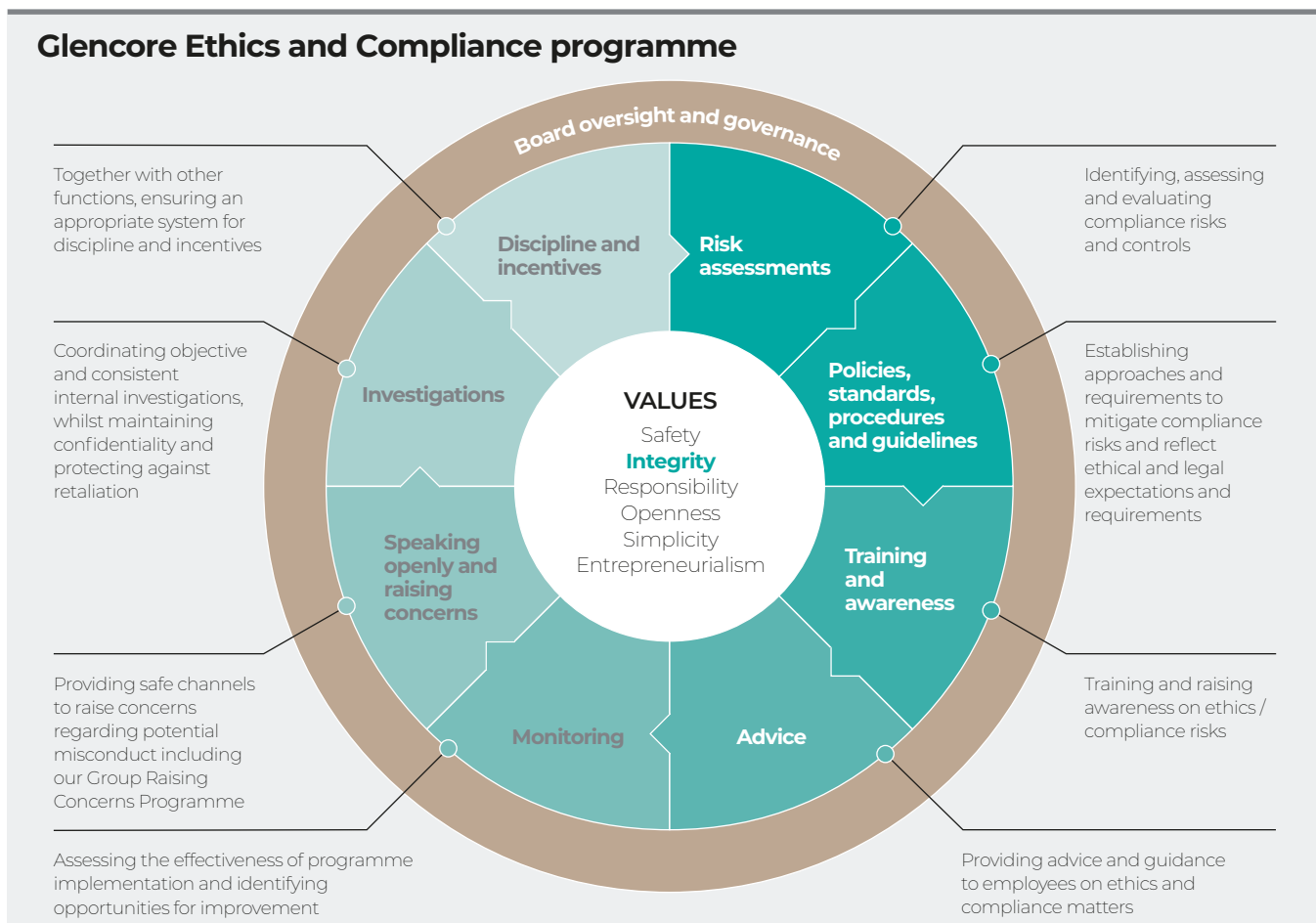
Our employees, directors and officers, as well as contractors under Glencore's direct supervision, working for a Glencore office or industrial asset directly or indirectly controlled or operated by Glencore plc worldwide, must comply with our Code and policies, as well as applicable laws and regulations, regardless of location. Our Supplier Standards set out the expectations we have for all

suppliers, including expectations regarding ethical business practices. We assert our influence over joint ventures we don't control to encourage them to act in a manner consistent with our Values and Code.

## BOARD AND MANAGEMENT OVERSIGHT AND SUPPORT

Our Board of Directors plays a critical role in overseeing and assessing our culture of ethics and compliance, and ensuring policies, practices and behaviour are consistent with our Values. Our Board has established a separate Ethics, Compliance and Culture (ECC) committee, dedicated to overseeing and approving key ethics, compliance and culture-related matters within the Group.

We provide training to the Board, emphasising to Directors their role in ethics and compliance oversight and programme implementation. Furthermore, the ECC committee receives regular updates covering topics such as the Compliance team structure, status of risk assessments, policies, standards, procedures or guidelines under development or review,





updates on training and awareness activities, overviews of monitoring visits and key findings. Board members also receive updates on material reports that have come in via our Raising Concerns platform and the progress of investigations.

The following management committees also support the implementation of our Ethics and Compliance programme and report to the Board:

- The Environment, Social and Governance (ESG) committee, comprises Glencore's CEO, CFO, Head of Industrial Assets, General Counsel, Head of Compliance, Head of Human Resources, Head of HSEC and Human Rights, and Head of Sustainability. It also includes senior members of executive management representing marketing and industrial assets across different commodities. The ESG committee considers issues relevant to the Group's corporate functions regarding the various ESG programmes and projects implemented across the Group. It also reviews and approves policies, standards, procedures, systems and controls relevant to the corporate functions.
- The Business Approval Committee (BAC), a sub-committee of the ESG, comprises Glencore's CEO, CFO, General Counsel, Head of Sustainable Development and other relevant corporate or business heads as required. It determines, sets guidance and criteria, and reviews business relationships, transactions or counterparties that give rise to ethical or reputational concerns.
- The Raising Concerns Investigations Committee (RCIC), comprises Glencore's CEO, CFO, General Counsel, Head of Industrial Assets and Head of Human Resources. The RCIC oversees the operation of our Raising Concerns Programme and the conduct of investigations, ensuring recommendations and sanctions are applied consistently across the Group.

## GROUP COMPLIANCE FUNCTION STRUCTURE

Our Group Compliance team supports the implementation of our Ethics and Compliance programme and is comprised of our full-time Corporate and Regional teams, as well as local Compliance Officers in our offices and industrial assets.

The Corporate Compliance team is responsible for designing, monitoring and continuously improving the Ethics and Compliance programme. The Corporate team includes subject matter experts for each element of our programme and the various compliance risks that it covers. The Regional Compliance teams are responsible for implementation of the programme in specific geographical regions. They provide guidance to the business and support the local Compliance Officers and a network of part-time Compliance Coordinators based in our offices and industrial assets. The Compliance Coordinators have a compliance role in addition to their primary business or corporate role. We hire qualified local Compliance Officers, and have a formal process for nominating and appointing qualified individuals for the Compliance Coordinator role, depending on the nature and risks identified at our offices and industrial assets.

Both roles support our employees in day-to-day business considerations, particularly those seeking advice on ethical, lawful behaviour or policy implementation. Employees can access the contact details of our Compliance Officers and Compliance Coordinators via both Group and local intranets.

## GROUP ETHICS AND COMPLIANCE PROGRAMME

### Risk assessments

In order to ensure the Ethics and Compliance programme is appropriately designed, tailored to our business and that resources are adequately allocated, we identify, assess and evaluate compliance risks faced by our business.

We achieve this by performing an annual Group Compliance risk assessment to identify, record and assess risks relevant to the entire Group. We document these risks consistently in the Group Compliance Risk Register which covers several risk areas, but focuses in particular on anti-corruption given the nature of our business and the geographies in which we operate.

In addition, these risks are assessed, at appropriate intervals, across each office and industrial asset across the Group. Local risk assessments help us understand and document the specific compliance risks faced by each of our businesses, as well as identify and assess the controls in place to mitigate those risks.

These risk assessments also form the basis for drafting and updating Group policies, standards, procedures and guidelines.

### Group policy framework

Our Group policy framework encompasses our Values, Code of Conduct and a suite of policies, standards, procedures and guidelines on various compliance matters and risks. These include bribery and corruption, conflicts of interest, sanctions, anti-money laundering, market conduct, the prevention of the facilitation of tax evasion, competition law, fraud and information governance. This framework reflects our commitment to uphold ethical business practices and to meet, or exceed, applicable laws and external requirements.

During 2020, as part of a broader review Group policy architecture and framework, we initiated a review of all Group compliance policies to ensure that they are clear, comprehensive and accessible.

Employees can access our compliance policies, standards, procedures, and guidelines through various channels, including the Group and local intranets. Our managers and supervisors are responsible for ensuring employees understand and comply with the policies, standards and procedures. Employees who have access to a work computer must confirm their awareness and understanding of our compliance requirements when they begin working at Glencore and annually thereafter. Our offices and industrial assets are responsible for implementing Group procedures in their offices and industrial assets and developing and implementing local procedures, consistent with Group policies and standards, but adapted for local risks and requirements.

Our policy framework is comprehensive and addresses all relevant compliance risks, with a strong emphasis on key risks such as anti-corruption, sanctions and money laundering.

### Anti-Corruption

Our Anti-Corruption Policy is clear: the offering, providing, authorising, requesting or receiving of bribes is unacceptable, and we do not engage in corruption or bribery, including facilitation payments. We assess corruption risk within our businesses and work to address these risks through policies, standards, procedures, and guidelines on various topics. These cover:

#### Political contributions

We do not permit the use of any of our funds or resources as contributions to any political campaign, political party, political candidate or any such affiliated organisations.

#### Political engagement

Although we do not directly participate in party politics, we do engage in policy debate on subjects of legitimate concern to our business, employees, customers, end users and the communities in which we operate. All officers, employees and persons who lobby on our behalf must comply with all applicable laws and regulations (including, but not limited to, the laws and regulations relating to registration and reporting).

#### Sponsorships, charitable contributions and community investments

We never make a sponsorship, charitable contribution or community investment in order to disguise a bribe, or to gain an improper business advantage.

We ensure that when we make sponsorships, charitable contributions or community investments we conduct risk-based due diligence and when required, we monitor the appropriate use of our funds or resources.



## Gifts and entertainment

We only give and accept reasonable, appropriate and lawful gifts and entertainment that satisfy the general principles of our Anti-Corruption Policy and are not given or received with the intent or prospect of influencing the recipient's decision-making or other conduct. We have requirements for pre-approval of gifts and entertainment based on localised thresholds, and additional requirements regarding public officials.

## Participation in external anti-corruption organisations

We are a member of the Partnering Against Corruption Initiative (PACI) whose members collaborate on collective action and share leading practice in organisational compliance. The initiative has a commitment of zero tolerance to bribery and requires its members to implement practical and effective anti-corruption programmes. We are also an associate member of the Maritime Anti-Corruption Network (MACN).

We actively participate in PACI and MACN's annual events and have incorporated guidelines from both organisations into our programme.

We are an active supporter of the Extractive Industries Transparency Initiative, which is a multi-stakeholder initiative between governments, companies and civil society, which promotes the open and accountable management of extractive resources.

## Interactions with public officials

Dealings with public officials bring a higher risk of perceived bribery, so we are especially careful in our interactions with them and have various requirements that guide how we interact with public officials in order to mitigate corruption risks.

## Transparency

Each year we report our total payments to governments and provide country-by-country and project-by-project information. Additionally, and where applicable, we have aligned our reporting on such payments with the requirements of Chapter 10 of the European Union accounting directive.

## Sanctions and trade controls

Our Sanctions Policy sets out our commitment to complying with all applicable sanctions, appropriately managing sanctions risk and not participating in transactions designed or intended to evade applicable sanctions.

To manage our sanctions risk exposure and ensure compliance, we implement a range of controls and processes. These include screening and conducting due diligence on our counterparties and vessels using a risk-based approach to determine whether they are a sanctions target, subject to sectoral sanctions or otherwise attract sanctions risk.

## Anti-Money laundering

Our Anti-Money Laundering Policy sets out our approach to ensuring that we comply with all applicable laws and regulations to prevent tax evasion and money laundering, and appropriately manage the related risks. We do not tolerate tax evasion of any kind and we do not knowingly or willfully facilitate tax evasion. To manage our money laundering and tax evasion risk exposure and ensure compliance, we implement a number of controls and processes including in respect of payments to third parties.

## Business partners

We work with a range of business partners and expect them to share our commitment to ethical business practices. Business partners include our suppliers, customers, joint ventures (JVs), JV partners, service providers and other counterparties. We have a comprehensive framework for managing the key risks associated with our business partners, from onboarding through to

offboarding, and including continuous monitoring. Through this framework, we seek to comply with applicable laws (including bribery and corruption, sanctions and money laundering) and to manage the reputational risks that can arise from engaging with certain categories of counterparties.

Our framework seeks to ensure that all counterparties are assessed based on their risk and then directed to the most appropriate due diligence and management process for their risk level – either Know Your Counterparty (KYC) or Third Party Due Diligence and Management. All our procedures require beneficial ownership identification.

Our KYC programme differs for our offices and industrial assets due to the different risk profile of the business, but each applies a risk-based approach to due diligence for suppliers, customers and service providers. Our Third Party Due Diligence and Management Procedure is a standardised procedure across offices and industrial assets. It sets out a detailed, risk-based assessment process whereby we identify, assess and mitigate the corruption risk exposure of third party relationships that present the highest risk to Glencore. This applies particularly to intermediaries, charitable contributions, sponsorships and community investments. The procedure also requires ongoing training, monitoring and review of the relationships.

Through our Joint Ventures and Mergers and Acquisitions Procedure, we ensure that our Ethics and Compliance programme is implemented at all JVs that we control or operate. For JVs which we do not control or operate, we seek to influence our JV partners to adopt our commitment to responsible business practices and implement appropriate compliance programmes.

In respect of mergers and acquisitions, we conduct thorough pre-transaction due diligence and incorporate acquired or merged entities which we control or operate, into our Ethics and Compliance programme.

## Training and awareness

### Training

Training on and awareness of our policies, standards, procedures, and guidelines are critical components of our Ethics and Compliance programme. They ensure our employees and relevant contractors understand the behaviour expected of them and provide guidance on how they can identify and practically approach ethics and compliance dilemmas in their daily work.

The outbreak of Covid-19 has presented some challenges to the implementation of our training and awareness programme. Our aim has been to reduce the impact Covid-19 has had on in-person training through remote learning strategies. In order to make our online training sessions more engaging and effective, we have used live voting tools which give the audience an opportunity to actively participate. We have also redesigned some of our awareness materials so that they can be viewed and accessed in an electronic-friendly format. Employees can also easily refer to these materials via the Glencore Ethics and Compliance app on their mobile devices.

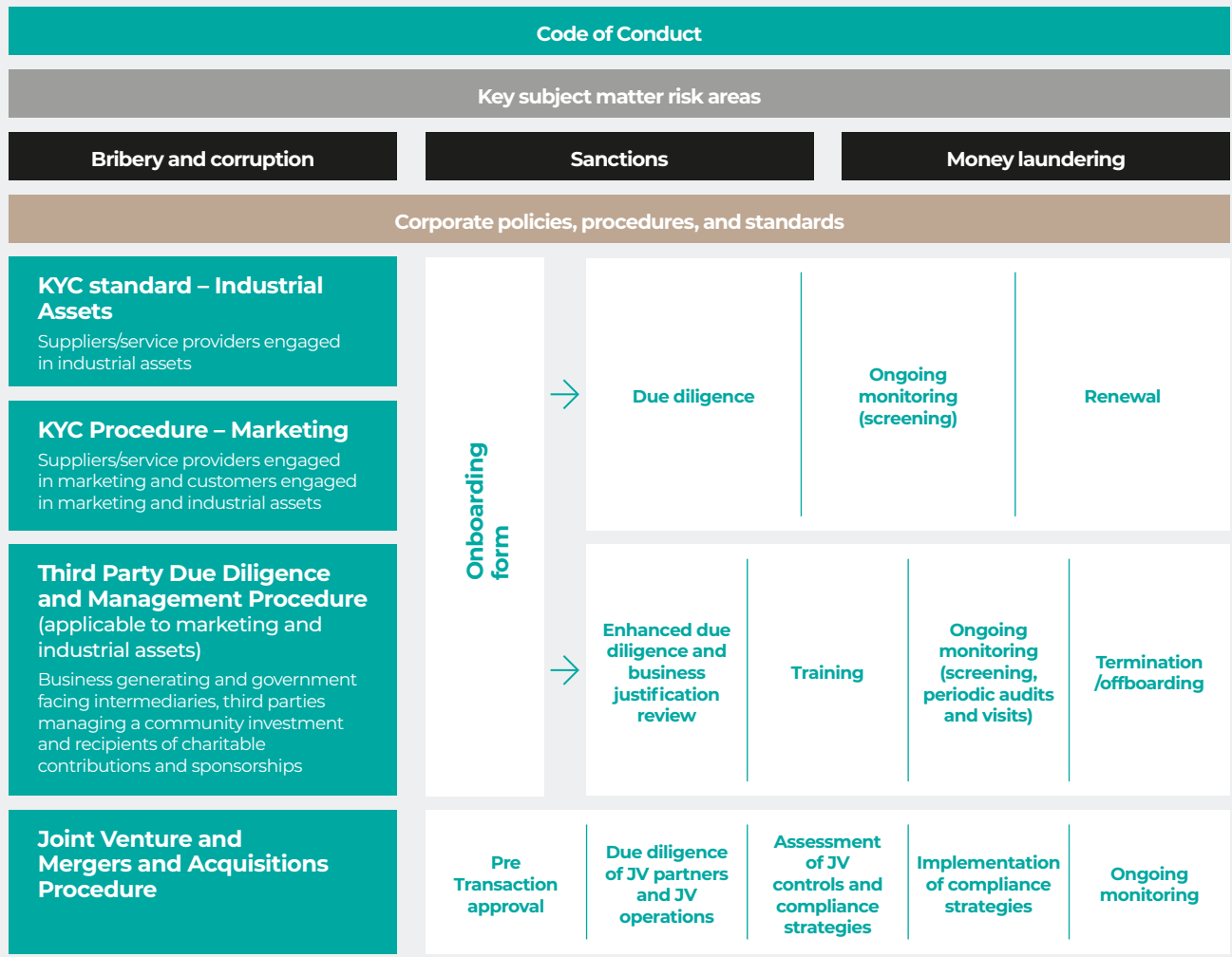
Our training programmes mix e-learning with face-to-face training. We tailor our training and awareness materials and make them relevant by including hypothetical scenarios illustrating how ethics and compliance dilemmas might manifest themselves in employees' daily work.

New joiners receive face-to-face compliance training sessions on our Values, Code of Conduct, and key compliance risks including how to raise concerns.

E-learning sessions are designed for employees and contractors with regular access to a work computer. Where regular access to a work computer is not available, employees and contractors receive training in other ways, including induction sessions, pre-shift training and toolbox talks.



## Business Partner Management Framework



### Number of employees completing compliance e-Learnings in 2020\*

**Code of conduct**

39,891

(38,523 in 2019)

**Covers:** Glencore's expectations on how to do business safely, responsibly, ethically and legally

**Anti-bribery and corruption**

24,961

(29,481 in 2019)

**Covers:** facilitation payments, gifts and entertainment, and dealings with public officials

**Conflict of interest**

24,875

(new training in 2020)

**Covers:** the different types of conflicts of interest, how to recognise conflicts, and what to do if they arise

**Sanctions**

19,708

(28,574 in 2019)

**Covers:** our approach to sanctions, due diligence of counterparties, and screening of vessels

**Audience:** employees and contractors with regular access to a work computer, and in the case of the specific risk e-Learnings, those employees and contractors who are due to the nature of their roles more exposed to conflict of interests, bribery and corruption or sanctions risks.

### Number of employees attending in-person training on key compliance risks in 2020

**Anti-bribery and corruption**

5,351

in 277 sessions

**Audience:** employees and contractors especially exposed to bribery and corruption risks and whose role may require them to interact with third parties. Sessions tailored to employees in various functions using scenarios relevant to their roles

**Anti-bribery and corruption / Sanctions / Money laundering red flags**

245

in 19 sessions

**Audience:** senior marketing office employees especially exposed to bribery and corruption, sanctions and money laundering risks. Highly interactive sessions on how to identify red flags. Case studies focused on how these key risks might present themselves in real situations and how to mitigate exposure

\* The 2020 e-Learning completion numbers have reduced due to the carve-out of the agriculture business Viterra (formerly Glencore Agriculture), which is now managing its own independent compliance programme with oversight from its shareholders including Glencore.



We also train and develop our own compliance personnel to increase their understanding of key compliance risks and important developments. We encourage them to participate in relevant conferences, lectures, webinars and podcasts, where possible, to continuously enhance their knowledge and skills.

**Awareness**

Awareness-raising activities and initiatives, in addition to online and face-to-face training, are key to reminding employees of the importance of ethics and compliance. While in-person activities and initiatives have been heavily impacted by Covid-19, we have continued to develop awareness materials in the form of electronic guides, checklists, newsletters, videos and intranet communications.

We also continue to develop content for the Glencore Ethics and Compliance app which supports employees in making choices in line with our Values, our Code of Conduct and the law. It provides easy, user-friendly mobile access to key ethics and compliance principles, and allows for easy access to our Raising Concerns platform, Conflicts of Interest declaration platform, and Gifts and Entertainment register.

**Ethics and Compliance event in the DRC**

To mark the United Nations Anti-Corruption Day, on 10 December 2020, in collaboration with the newly created Congolese Anti-Corruption Agency (l'Agence de Prévention et de Lutte contre la Corruption – APLC), the Mining Chapter of Congolese Federation of Companies (FEC) and La Société Générale des Carrières et des Mines (Gécamines), we sponsored a well-attended ethics and compliance event in Kinshasa, Democratic Republic of the Congo (DRC).

The objective of the event was to bring together key stakeholders from business, government and non-governmental organisations to discuss their experiences and approach to anti-bribery and corruption in the DRC.

We introduced the audience to our Ethics and Compliance programme, our Values, and Code of Conduct, including our approach to anti-bribery and corruption and conflicts of interest. A panel which alongside Glencore, included representatives from Gécamines and the FEC, engaged in an open discussion on these topics before the event concluded with remarks from the newly appointed Head of the APLC.

**Monitoring**

We regularly monitor and test the implementation of our Ethics and Compliance programme in order to determine its effectiveness, and that it is operationalised and embedded into business operations. The monitoring activities also enable us to identify opportunities for improvement that help develop and evolve the programme and respond to changes in our business, the environments we operate in and applicable laws and regulations.

Our Annual Monitoring Plan comprises on-site and desktop reviews. On-site reviews are visits to our offices and/or industrial assets to assess the implementation of our Ethics and Compliance programme. In light of the Covid-19 outbreak, these reviews have been performed remotely. Desktop reviews focus on the analysis and transaction testing of either compliance processes and controls or other processes, systems and controls that the Monitoring team can access centrally.

We have implemented a number of systems across the Group to ensure that we consistently manage and track our compliance data across all of our different modules. This includes risk assessment, training and policies, and gives us an overall picture of the risks in each of our offices and industrial assets and the status of implementation of our programme.

**Speaking openly and raising concerns**

We are committed to creating a culture where everyone feels free to speak about concerns in a secure and confidential way. We do not tolerate retaliation against anyone who speaks openly about conduct they believe is unethical, illegal or not in line with our Code and policies, even if the concern is not substantiated. To assist in achieving these objectives we implemented our Whistleblowing Policy during 2020.

We encourage whistleblowers to first raise concerns with relevant managers or supervisors as they are usually best equipped to resolve concerns quickly and effectively. Reporters also have the option of reaching out to nominated whistleblowing contacts, who are members of senior management at the office or industrial asset.

If a concern remains unresolved or a whistleblower is uncomfortable using local channels, concerns can also be reported via our Raising Concerns Programme, our corporate whistleblowing programme, managed in Switzerland.

Raising Concerns allows whistleblowers to raise concerns anonymously in any of 21 languages, by internet or phone. Hotlines are available in most of the countries where we operate, and details are published on the platform's website and on posters at offices and industrial assets.

All concerns are taken seriously and handled promptly, using an objective, fact-based rationale. Concerns are investigated either by our corporate office in Switzerland, or locally, depending on factors such as the nature and severity of the concern.

In 2020, the programme received 413 reports of concerns (2019: 500), with the following breakdown:

<b>Type of concerns</b>	Business Integrity – 143 (35%); HR – 190 (46%); HSEC-Human Rights – 57 (14%); Others – 23 (5%).
<b>Raised via</b>	Web – 267; Phone – 115; and Email/Other (such as direct contact with compliance/asset management) – 31.
<b>Closed concerns substantiated / partially substantiated</b>	22%* (2019 – 28%)

\*As percentages of closed concerns as at 31 January 2021.

**Discipline**

Glencore expects all employees to act in accordance with our Values, Code of Conduct and policies, regardless of role or location. Glencore takes breaches of our Code of Conduct and policies seriously. Anybody working for Glencore who breaches the Code of Conduct, policies, procedures or the law may face disciplinary action, including dismissal.





## Interview with our local Compliance team in the DRC



### Samy Senot Doss, Regional Compliance Officer (RCO)

Samy is responsible for the implementation of our Ethics and Compliance programme in Central Africa. He is based in the Democratic Republic of Congo.

#### Why did you choose to work for Glencore?

Through its unique scale, Glencore can have a considerable influence on – and be a role model for – other companies in Africa through the way we integrate ethics and compliance into how we do business.

#### What do you enjoy about working at Glencore?

Glencore doesn't hesitate to support and encourage new ideas and initiatives if they improve the way of working. The effective implementation of an ethics and compliance programme requires a commitment to continuous improvement. In particular, in my current environment, one has to be willing to continually seek out new ways to get people to understand the importance of doing business the right way. Being at the forefront of Glencore's ethics and compliance strategy in the DRC has been enriching and rewarding. Since I started here, I've also enjoyed being part of the Group's support for the transition to a low-carbon economy. Our membership of the Fair Cobalt Alliance, which aims to improve working conditions and eliminate child labour, supports our Value of Integrity and our vision and long-term strategy for being an internationally respected mining business that responsibly produces and trades commodities.

#### What do you think makes a good Regional Compliance Officer?

A good RCO should be an unbiased technician, seeking to reach consistent decisions and able to clearly demonstrate the rationale for those decisions. The aim is to create and strengthen trust in the RCO amongst all stakeholders and be a trusted advisor.

Being a good RCO requires the ability to adapt and be flexible, especially in Africa, where implementing an ethics and compliance programme in this jurisdiction and industry can be complicated. There are many challenges that require you to be active and deeply involved in the business to understand the dynamics and issues.

Lastly, you need to be able to quickly identify where the ethics and compliance risks lie and foresee when projects – although well intentioned – could lead to non-compliant practices. One example of this is the Covid-19 pandemic response, where donations could be well intentioned, but still need to be looked at carefully as they can raise compliance issues.

#### What do you like most about your job as Regional Compliance Officer in the Central and North Africa region?

Over the course of my career in Compliance, the statement I hear that bothers me most is: "This is the way we do things around here".

Every day that statement motivates me to do my best to show stakeholders why doing business the right way is essential to our success. My role is to raise the standards and challenge some of the practices in this region, and I find that really exciting.

A rigorous and standardised approach draws a clear line between what can be allowed and what is clearly prohibited, regardless of the place of operation.

#### What's the biggest challenge you face as Regional Compliance Officer?

In general, I'm pleasantly surprised by the commitment and engagement of the different stakeholders to make a difference in how business is conducted in this part of the world. Everyone knows the stakes are high and wants to contribute at his or her own level to support compliance. There's an earnest, shared desire to improve the business climate, but sometimes the lack of coordination and alignment amongst the various stakeholders can limit the impact of individual company initiatives.



### Hyacinthe Twite Wa Kisanga, Local Compliance Officer

Hyacinthe works closely with Samy as a full-time member of the Compliance team and is responsible for implementing our Ethics and Compliance programme at the Kamoto Copper Company in the Democratic Republic of Congo.

#### What led you to Compliance and what do you enjoy most about it?

It was the opportunity to add value to support the business in achieving its objectives in the right way. Compliance offers a dynamic career because it's always evolving and therefore one is always learning.

I enjoy learning through doing in Compliance. It's the real-life, day-to-day situations that have enriched my knowledge and developed my skills. Each day, I must listen to and engage with different stakeholders, understand and analyse complex issues

and suggest concrete solutions. At the same time, I have to demonstrate firmness, common sense, courage and diplomacy in decision-making.

#### What does your typical work day look like?

No one day is quite like any other. My time and energy are mostly focused on the implementation of compliance policies and procedures, performance of third party due diligence for intermediaries, review of donations and social community projects, and training according to our training plan. The training varies. It might be a training session for senior management on red flags or it may be training new employees to give them an introduction to our Values, the Code of Conduct, and key company policies. We also train them on the importance of speaking up and raising concerns if they witness a breach of our Code, our Values or the law.

In the DRC we have a significant community investment programme, so I spend a lot of my time doing due diligence and analysis on the programme's beneficiaries that fall under the scope of our Third Party Due Diligence and Management Procedure. An example might be a community investment project for the supply of water to a community surrounding the site.