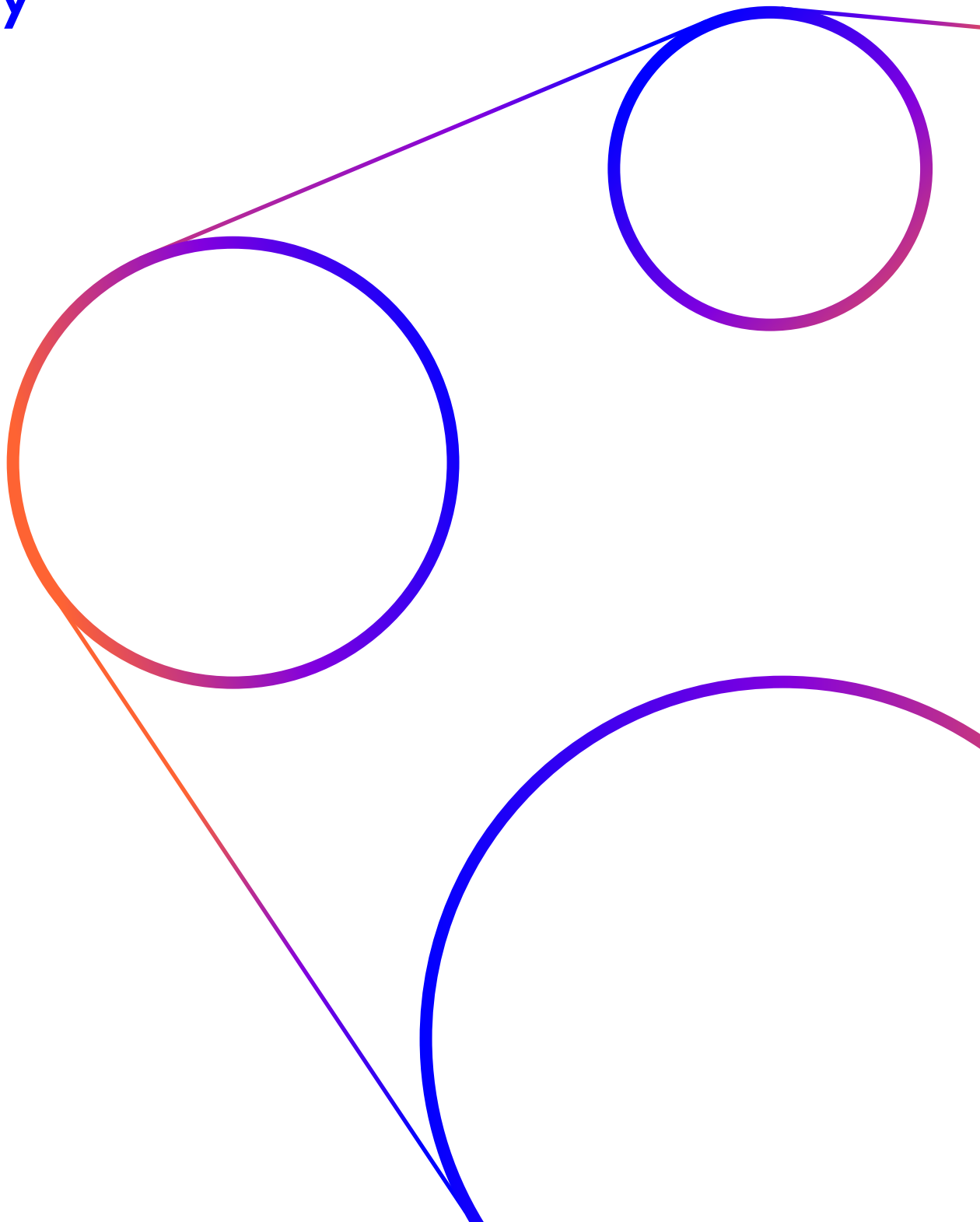


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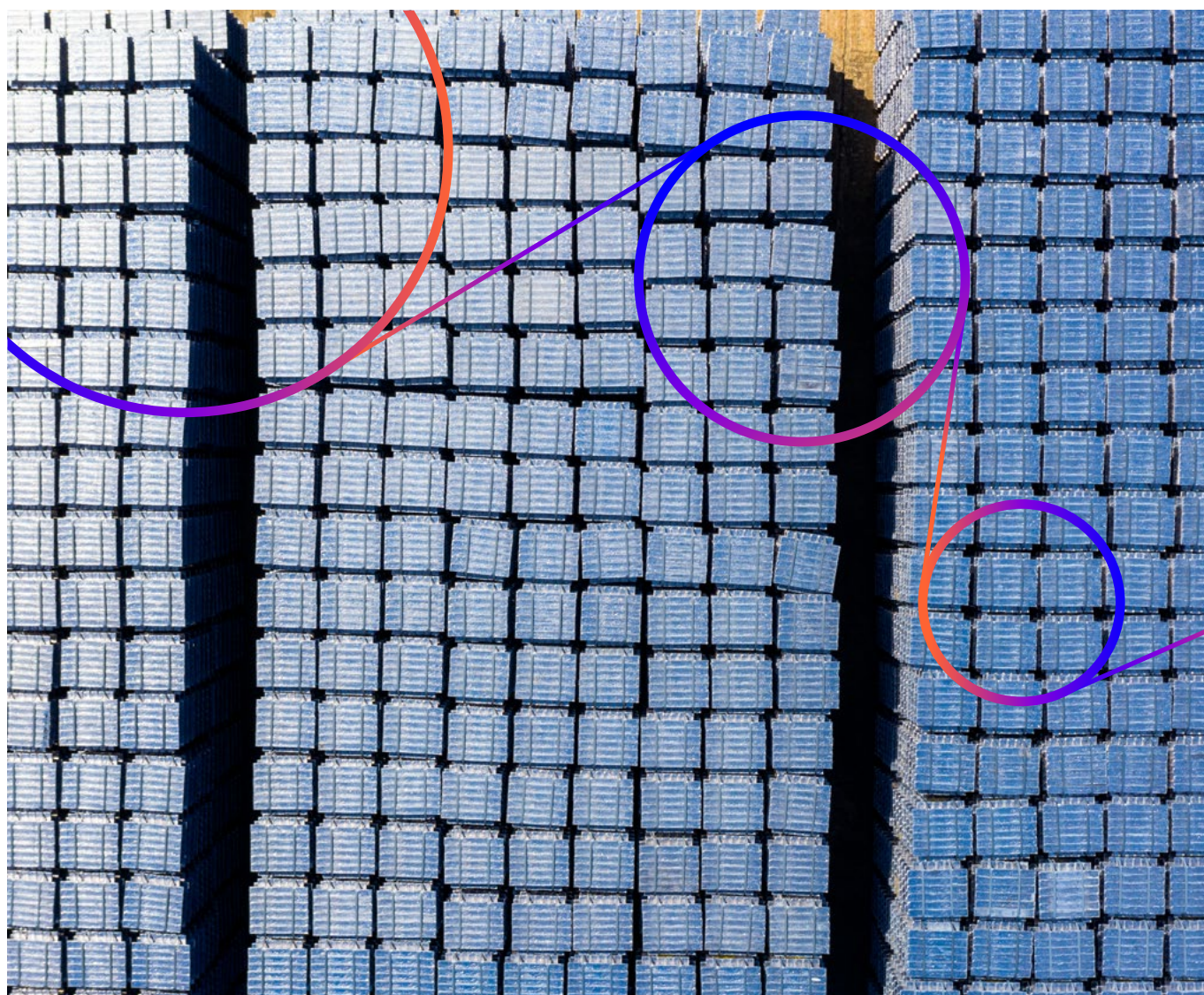
Payment to governments policy

March 2023



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Payments to governments policy



1 Introduction

Trafigura¹ is committed to contributing to the good governance of natural resources, including through our public disclosures and participation in the Extractive Industries Transparency Initiative (EITI). The EITI, which represents a global coalition of governments, companies and civil society, is the internationally accepted standard for transparency in the oil, gas and mining sectors.

2 Scope

This Policy applies to all Trafigura Group majority-owned assets and divisions. We will seek to use our influence with our business relationships to encourage them to act in a manner consistent with the intent of this policy.

3 Our commitment to transparency

We recognise that improved transparency can promote understanding of natural resource management, strengthen public and corporate governance, reduce corruption, and provide data to inform greater transparency and accountability in the oil, gas and mining sectors. Our commitments include:

- Engagement in the EITI process in implementing countries²;
- Public reporting³ on our payments to governments where we majority-own extractive assets/ operations in EITI implementing countries⁴;
- Reporting on purchases of commodities from State-Owned Entities (SOEs) in EITI implementing countries;
- Reporting on prepayments or resource-backed loan agreements with SOEs in EITI implementing countries;
- Participating where possible in EITI multi-stakeholder groups⁵, both where we operate and where we trade;
- Encouragement of counterparts to apply comparable principles and commitments to transparency, as outlined within this policy.

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¹ Trafigura Group Pte. Ltd. and the companies which it directly or indirectly owns investments in 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.

² <https://eiti.org/countries>

³ See Guidance note 5.1 on page 5

⁴ See Guidance note 5.2 on page 5

⁵ <https://eiti.org/guidance-notes/establishment-and-governance-multi-stakeholder-groups>

We:

- 3.1 Support the EITI and the objective of the EITI Association⁶ to make the EITI Principles⁷ and the EITI Standard⁸ the internationally accepted standard for transparency in the oil, gas and mining sectors.
- 3.2 Support EITI implementation through our participation in the EITI⁹.
- 3.3 Make comprehensive disclosures in alignment with the EITI Standard in all EITI implementing countries¹⁰ where Trafigura operates extractive activities and/or purchases commodities.
- 3.4 Publicly disclose a list of controlled subsidiaries operating in the oil, gas or mining sectors in both EITI and non-EITI implementing countries through our Annual Report¹¹.
- 3.5 Publicly disclose taxes and payments to governments at a project-level¹² relevant to our extractive assets in line with the EITI Standard in all non-EITI implementing countries unless disclosure is not feasible. Where not feasible, the country-specific legal or practical barriers to disclosure will be reported via our annual Payments to Governments Report.
- 3.6 Disclose volumes received and payments made for oil, gas and/or mineral resources from the state¹³ in EITI implementing countries in line with the EITI Standard and the EITI reporting guidelines¹⁴ for companies buying oil, gas and minerals from governments, unless disclosure is not feasible or permitted¹⁵.
- 3.7 Publicly disclose audited financial statements on an annual basis through our Annual Report¹⁶.
- 3.8 Publicly declare support for greater transparency of beneficial ownership.
- 3.9 Engage in and report¹⁷ on risk-based due diligence processes relating to sourcing and supply of commodities.
- 3.10 Publish our Code of Business Conduct¹⁸ which includes information on our approach to anti-corruption and, through our annual reporting, present corresponding performance data relating to the key aspects of our Compliance programme.
- 3.11 Notwithstanding Trafigura's limited extractive activities, support the efforts of governments to publicly disclose contracts and licenses that govern the exploration and exploitation of oil, gas and minerals in line with the EITI Standard, and contribute to public disclosure of contracts and licenses in EITI implementing countries consistent with government procedures.
- 3.12 In alignment with our policy¹⁹ commitment to uphold diversity, equity and inclusion, we seek to maintain a non-discriminatory approach including in recruitment, hiring, training, development or other employment practices whether, for example, for reasons of race, colour, religion, gender, sexual orientation, national origin, age, marital or veteran status, medical condition or handicap, disability, or any other legally protected status. We are an equal opportunity employer, committed to promoting a respectful, professional and inclusive workplace and to ensuring fair treatment and dignity at work across every role and location.

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6 <https://eiti.org/documents/eiti-articles-association>

7 <https://eiti.org/documents/eiti-principles>

8 <https://eiti.org/collections/eiti-standard>

9 <https://eiti.org/eiti-board>

10 <https://eiti.org/countries>

11 See Notes to consolidated financial statements

within Trafigura's Annual Report

12 See Guidance note 5.3 on page 5

13 Including majority-owned SOEs or third parties appointed by the State to sell on their behalf.

14 https://eiti.org/sites/default/files/2022-01/en_eiti_gn_4.2.pdf

15 See Guidance note 5.4 on page 5

16 <https://www.trafigura.com/financial/>

17 <https://www.trafigura.com/sustainability>

18 <https://www.trafigura.com/brochure/trafigura-code-of-business-conduct>

19 See 'Human Rights and Labour Practices': <https://www.trafigura.com/brochure/trafigura-hsec-business-principles>

4 Trafigura's management approach regarding the aforementioned commitments

In support of our commitment to transparency, we will:

- 4.1 Make our disclosures²⁰ relevant to this policy in a timely, accessible and comprehensible format.
- 4.2 Contribute to public debate on matters pertaining to the good governance of natural resources.
- 4.3 Promote transparency amongst other market participants, including but not limited to EITI and non-EITI implementing countries and their SOEs, financiers, suppliers and other commodity trading companies.
- 4.4 Support the efforts of the EITI's Working Group on Transparency in Commodity Trading²¹ in further evolving the EITI Standard and the 'Reporting guidelines for companies buying oil, gas and minerals²²'.
- 4.5 Review and revise this policy as appropriate.

5 Guidance notes

- 5.1 All disclosures, declarations and publications associated with this Policy can be found at www.trafigura.com.
- 5.2 The scope of Trafigura's disclosures pertain to payments made to governments and majority-owned State-Owned Entities (SOEs) by Trafigura Group majority-owned companies on a calendar year basis via our annual Payments to Governments Report, unless stated otherwise in this policy.

5.3 The term 'project' is defined as 'operational activities that are governed by a single contract, license, lease, concession or similar legal agreement, and form the basis for payment liabilities with a government.' The activities of Trafigura's wholly-owned trading divisions are separate and distinct from Trafigura's operational extractive assets where equity extends from majority to minority ownership. As is standard global industry practice, no taxes are directly levied on Trafigura's purchases of commodities from, for example, SOEs.

5.4 In the event that a Trafigura counterpart, or counterparts, explicitly preclude Trafigura from making disclosures, Trafigura will report such purchases on a fully aggregated basis under an 'Others' category within our annual Payments to Governments Report.

6 About this policy

This policy, which complements Trafigura's existing sustainability policies, has been developed in alignment with, for example, the EITI Principles, the EITI Standard and the Expectations for EITI supporting companies.

This policy, which replaces a prior version of the same name issued on November 2014, was formally approved for adoption by Trafigura's ESG Committee on 09 March, 2023.

7 Related documents, policies and resources

- [Trafigura HSEC Business Principles](#)
- [Trafigura Code of Business Conduct](#)

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²⁰ <https://www.trafigura.com/sustainability/responsible-operation/engagement-and-transparency>

²¹ <https://eiti.org/commodity-trading#the-commodity-trading-working-group>

²² <https://eiti.org/guidance-notes/reporting-guidelines-companies-buying-oil-gas-and-minerals-governments>

Approved by

Effective date

Version

ESG Board Committee

09 March, 2023

2



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