

GLENCORE

Glencore
Baar, Switzerland
13 November 2020

Response to Public Eye report and video on Glencore's Bolivian operation

We note the report dated 10. November 2020 made by Public Eye, a Swiss NGO, on the Porco mine in Bolivia and the accompanying video distributed by the committee of the Responsible Business Initiative (RBI). The Porco mine is one of Glencore's zinc and lead mines in Bolivia. It is operated by Glencore's wholly owned subsidiary, Sociedad Minera Illapa SA ("Illapa").

We reject the misleading and false allegations made in the report and accompanying video. We have zero tolerance for any form of child labour in our operations and have a strong focus on safe working conditions for all our workers worldwide. Our Bolivian operations implement Glencore's group-wide health and safety programme and do not employ minors.

The allegation that Porco contaminates the water and causes the land to become arid is also false. Porco is located at over 4200m above sea level in the Bolivian mountains. This mountainous area faces ongoing challenges related to water availability and soil fertility that have nothing to do with the way the Porco mine is operated. Illapa operates in compliance with Bolivian environmental law, and is subject to regular environmental audits, which include its management of water. Illapa is engaging with the local authority to understand concerns raised in September 2020 on the water quality and will take appropriate steps if necessary to address these concerns.

ADDITIONAL INFORMATION

Glencore in Bolivia

Glencore has been present in Bolivia since 2004. Today, Glencore's wholly owned subsidiary, Sociedad Minera Illapa SA ("Illapa"), operates two zinc and lead mines in Bolivia, including the Porco mine ("Porco"). We employ close to 1500 employees and contractors in Bolivia, of which around 320 are in the Porco mine. In 2019, we contributed to the Bolivian economy with over USD 23.3 million in tax and royalty payments as well as USD 1,2 million in community investments and development.

Both Glencore and Illapa are committed to operating in a safe and responsible manner in accordance with all applicable laws and regulations. We actively manage and mitigate any impacts our operations may have on local communities and the environment. Our presence delivers sustainable benefits to those living around our operations and to the national economy of Bolivia.

Mining cooperatives in Bolivia

In Bolivia, mining cooperatives co-exist with the industrial operations such as ours and actually dominate the Bolivian mining sector. They are groups of independent miners who extract

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minerals from areas assigned to them by the state mining company, Corporación Minera de Bolivia (“COMIBOL”), or from abandoned mine shafts.

Mining cooperatives work independently and neither Glencore nor our local operations can determine where they work. Indeed by law, industrial mining companies, including Illapa, are not allowed to conclude agreements with the cooperatives on sharing mining areas.

Therefore, we are not in a position to control or directly influence their working areas, their working practices or their approach to safety, the environment or personal protective equipment. It is also not within our control to determine who works for the cooperatives or the age of their employees.

Applying International Labour Standards:

The allegation that Porco directly or indirectly employs minors is false. The report and the video refer to workers that do not work for Porco, directly or indirectly.

We have zero tolerance for any form of child labour in any of our operations globally, including in Bolivia.

Our Bolivian operations apply the Glencore’s Group policies for labour, health, safety, environmental, community engagement and human rights. Glencore’s policies are aligned to international standards such as the Core Conventions on Labour Standards of the International Labour Organisation and the UN Guiding Principles.

Health and Safety Standards:

The allegations on the health and safety standards at Porco are false.

Safety is one of Glencore’s core values. We are committed to creating safe working conditions for all of our workers. Our Bolivian operations have a strong focus on safety and implement Glencore’s group-wide health and safety programme “SAFEWORK”.

Improving Local Working Practices

Illapa’s sister company ‘San Lucas’ purchases ore from the local mining cooperatives in line with Glencore’s Supplier Standards, which are aligned to the OECD Due Diligence Guidance for the Responsible Sourcing of Minerals.

In order to strengthen the safety and environmental practices in the cooperatives operating near our operations, we have a partnership with a social enterprise organisation, Cumbre del Sajama, whose mission is to improve operating conditions in mining cooperatives.

We are committed to continuous improvement in our due diligence practices, and to working with our partners to continue helping improve operating conditions at the cooperatives.

Environmental Responsibility

The allegation that Porco contaminates the water and causes the land to become arid are false.

Porco is located at over 4200m above sea level in the Bolivian mountains. This mountainous area faces ongoing challenges related to water availability and soil fertility that have nothing

to do with the way the Porco mine is operated. Illapa operates the Porco mine responsibly in line with its mining permit and Glencore Group policies.

Illapa submit bi-annual reports on Porco's activities, including its impact on water, soil and air quality. An external, independent laboratory undertakes the monitoring and the results are certified by Bolivia's environmental authorities, Ministerio de Medio Ambiente y Agua, the Ministry of Mining and the Departmental Environmental Authority.

The most recent audit was conducted in March 2020 by the Ministerio de Medio Ambiente. Illapa has addressed the recommendation for improving the management of acid rock drainage in Hundimiento (Porco operations). In September, the local authority notified Illapa of some concerns on the water quality. Illapa is engaging with the local authority to understand its concerns and if necessary will take appropriate steps to address the concerns.

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