

17 June 2019

Saskia Wilks
EU/Western Europe Research Assistant
Business & Human Rights Resource Centre
Via email: wilks@business-humanrights.org
Johannes Blankenbach on copy

Dear Saskia,

Thank you for providing Glencore Agriculture with the opportunity to address the report by Public Eye, *"Agricultural Commodity Traders in Switzerland – Benefitting from Misery"*, published in June 2019.

We are disappointed Public Eye did not contact either Glencore International AG (the Swiss based headquarters of Glencore plc, our main shareholder) or Glencore Agriculture during the drafting of their report and as a result the report is an unbalanced portrayal of Glencore Agriculture and the industry.

Overview of our Business

Following a divestment by Glencore plc in 2016, Glencore Agriculture is now owned by three shareholders: Glencore (49.99%), the Canada Pension Plan Investment Board (CPPIB) (39.99%), British Columbia Investment Management Corporation (BCI) (9.99%) and the remaining 0.03% by our employees' trust. Glencore Agriculture's board is comprised of Glencore, CPPIB and BCI representatives. Our head office has been based in Rotterdam since the 1980s.

Glencore Agriculture plays an important role in the global agricultural supply chain. We have strong relationships with producers and farming cooperatives in the main export areas, sourcing grains, oilseeds, pulses, sugar and cotton and supplying them and value-added products to customers around the world.

We market to food manufacturers, animal feed manufacturers, consumer product processors, local importers and distributors and governments around the world. Our network of assets and ability to supply from alternative origins means we can address their needs.

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Glencore Agriculture's scale provides significant benefits in terms of supply chain efficiencies, accountability and transparency. Our major investments in logistics and infrastructure allow producers to access a wide range of markets where they would otherwise be limited in their ability to sell their produce. Efficient supply chains help maintain cross border food and feed availability, meeting the needs of customers when food shortages occur.

The supply chain efficiencies we generate can in turn lead to real environmental benefits from economies of scale in transport and logistics. We move larger volumes of product through more efficient means, which avoids higher numbers of less efficient short, low-volume, train, truck and ship movements. We also make significant investments in food safety and quality assurance so that customers can be confident that our food and feed products meet international standards.

Our approach to sustainability

Our approach to sustainability follows that of the Glencore Group. It encompasses all of our workforce, the entire value chain of each of our commodities and every community where we operate.

Our code of conduct sets out the standards we require people to meet and understand. This code puts our values into practice and informs our daily actions and decisions. In addition, we have a range of policies which set out our strategic positions and form part of our corporate decision-making.

Progress is monitored by our Health, Safety, Environment and Communities committee, the Group sustainability team and relevant business leads to keep it in line with the needs of our business.

We regularly share our performance, learnings and experiences with all internal stakeholders and management around the world to ensure everyone remains informed, and benefits from being a part of our global network.

Through our memberships in various industry associations, we can address specific issues within agricultural industry, including supply chain concerns.

For example, in late 2018, Glencore Agriculture became a participant of the **United Nations Global Compact**¹.

¹ Glencore plc has been a participant since 2014

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As a member, Glencore Agriculture pledges to:

- implement changes to business operations and strategy, incorporating the Ten Principles of the UN Global Compact, including in subsidiaries and the supply chain
- support the UN Global Compact and the Ten Principles via available communications channels
- inform stakeholders annually of its efforts to implement the UN Global Principles, and post this Communication on Progress (COP) on the UN Global Compact website.

Eradicating deforestation

Glencore Agriculture is committed to eliminating deforestation from its value chains. To protect the environment, we believe demand from world population growth and greater wealth should be met from higher yields and efficient supply chains as opposed to greater use of land.

We work collaboratively with fellow industry members, producers and suppliers along our supply chains as well as governments and organisations to eradicate deforestation, increase sustainability and protect high carbon stock forests, valuable conservation areas and peatlands from uncontrolled expansion.

As part of this, we are a member of the **Round Table of Responsible Soy (RTRS)** and a long-term participant in the **Amazon Soy Moratorium**.

Supporting supply chain transparency

In 2018, Glencore Agriculture joined the **World Business Council for Sustainable Development** and in 2019 joined its **Soft Commodities Forum (SCF)**. Members of the SCF participate in a common framework for reporting and monitoring progress on transparent and traceable supply chains for soy in Brazil's Cerrado region. The first SCF report was released on 6 June 2019 and further reports are expected to be released every six months.

Glencore Agriculture owned farming land

We operate in a transparent and responsible way with our suppliers, business partners, customers, stakeholders and communities to ensure mutual benefit and build trust for all parties.

Glencore Agriculture exited farming operations in Ukraine in 2017 and in Australia in early 2018, which comprised a combination of owned and leased land. In Argentina, we lease around 50,000 hectares of farming land.

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Russian export ban

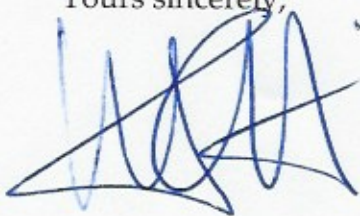
The impact of the Russian export ban in 2010 had mixed outcomes for Glencore's global agricultural business which we explained at the time. The export ban actually trapped our Russian purchases in Russia which had repercussions on our sales obligations at the time. The scale and breadth of our business enabled us to meet these obligations from other origins. The views expressed by an employee with regard to the Russian grain market at the time were his own and did not in any way reflect the views of Glencore.

Competition Commission of India inquiry

Glencore Agriculture has operated in India for nearly 15 years and plays an important role in meeting domestic demand, particularly at times when the country faces deficits in certain crops. Glencore Agriculture India is fully committed to compliance with all laws and regulations, including competition laws, and will cooperate with the CCI as required.

We appreciate the opportunity to provide a response on these matters.

Yours sincerely,



Mieke Pattenier
Global Head of Human Resources & Communications
Glencore Agriculture