

GLENCORE

Amanda Romero and Mauricio Lazala
c/o Business & Human Rights Resource Centre
1-3 Charlotte Street, 3rd floor
London W1T 1RD
United Kingdom
Via: romero@business-humanrights.org

31 January 2017

Dear Amanda and Mauricio,

Thank you for giving Glencore the opportunity to respond to the issues raised by the article published by Deutsche Welle and the report *Diagnosis of Human Environmental Health in the Province of Espinar-Cusco*.

Our presence in Peru

Glencore has been operating in Peru since 1988 when it acquired its initial interest in Los Quenuales, a zinc and lead producer. In addition to Los Quenuales, our Peruvian assets include:

- The Tintaya-Antapaccay copper operation
- Perubar – port and storage facilities
- A 33.75% interest in Antamina (operated by a joint venture company)

These operations employ around 7,000 people.

Glencore has owned and operated Compañía Minera Antapaccay (formerly Xstrata Tintaya S.A.) since May 2013, following its acquisition of Xstrata. It should be noted that Antapaccay mine started operations in November 2012 and Tintaya mine ended operations in December 2012; in May 2012, Antapaccay was a project under development.

All of our operations in Peru operate with valid operating permits and we fully comply with or exceed the applicable environmental and social regulations of Peru, including those concerning environmental standards and reporting. We have clear and established policies in place to minimise and mitigate our operational impact on the environment and our operations follow the IFC Environmental and Social Guidelines.

Our operations undertake environmental monitoring on a regular basis and are subject to both external and internal audits to evaluate each site's environmental performance. The external audits are undertaken by the Agency for Assessment and Environmental Control (OEFA). OEFA is part of the Ministry of Environment and was established in 2008 to ensure consistent environmental regulation across Peru.

In recent years, OEFA has taken hundreds of samples and have conducted several monitoring programmes as part of their audit faculties. Their observations are investigated through an administrative legal procedure to determine if there has been an infraction of environmental laws or not.

All of our Peruvian assets engage regularly with OEFA.

Allegations of environmental pollution and resulting health impacts

We strongly reject the allegations of environmental pollution being linked to our Tintaya-Antapaccay operation. All of our sites operate to industry-leading environmental standards and to our stringent sustainable development policies and standards. Our operations comply in full with or exceed all applicable environmental and social regulations. Our operations

Glencore plc

Baarermattstrasse 3, P.O. Box, CH-6341 Baar, Switzerland
T +41 41 709 20 00 F +41 41 709 30 00 www.glencore.com
Registered in Jersey with number 107710

Registered address: Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES

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undertake environmental monitoring on a regular basis and are subject to both external and internal audits to evaluate the site's environmental performance.

In June 2014, the Ministry of Environment issued a publicly available report on the results of a study conducted by INGEMMET (Geological, Mining and Metallurgical Institute, a technical entity within the Ministry of Energy and Mines) in Espinar. This study concluded that the environmental risks in the area are linked to the presence of metals associated with natural causes and that it is the geological characteristics of Espinar that influence the quality of water.

In March 2016, the Ministry of Environment published an article observing that SENASA (National Service of Agrarian Health, a technical entity within the Ministry of Agriculture) had undertaken studies in Espinar investigating the relationship, if any, of the premature deaths of livestock in the area surrounding Tintaya-Antapaccay mine as a result of being exposed to high levels of heavy metals. This study concluded that there was no evidence showing that these animals were exposed to high levels of heavy metals. Additionally, the results of the research indicated that livestock mortality in Espinar reflected problems with breeding, poor animal nutrition and a lack of care and protection against external and internal parasites.

In November 2016, the Ministers of Energy and Mines, Health and Agriculture and the vice-minister of transportation visited Espinar to present on planned government investments in the region. With respect to heavy metals, the Minister of Health noted the absence of a guideline in Peru on the management of heavy metals. The Ministry of Health is arranging for a group of experts from the World Health Organisation to visit Lima to assist in the preparation of such guidelines and to support the implementation of an assessment on the presence, if any, of heavy metals in the blood of local community members.

Tintaya-Antapaccay retains and recycles all water used in the operation on-site and does not discharge into local rivers. We do not use, or mine, lead, arsenic or mercury at our operations. Our environmental performance is subject to numerous internal and external audits. Peruvian regulatory organisations, including OEFA, have taken hundreds of samples and conducted several monitoring programmes as part of their audit faculties in recent years and found no evidence of pollution.

In recent years, Tintaya-Antapaccay has implemented a number of participatory monitoring programmes with local communities. All participatory and company monitoring activities to date demonstrate that Tintaya-Antapaccay operates in line with Peruvian law and our industry-leading standards. To date, there has been no evidence that Tintaya-Antapaccay's activities causes pollution or that the increased level of heavy metals found in the blood of some inhabitants is due to the Tintaya-Antapaccay operation. The site will, of course, consider any additional requests for further independent monitoring.

We aim to secure broad-based support for our activities and Tintaya received overwhelming community support in the public consultation for the Antapaccay expansion project's Environmental Impact Assessment.

2012 social unrest

Despite Tintaya-Antapaccay's attempt to maintain a dialogue with the municipal authorities and reach a peaceful solution, as well as the national government's prior agreement to conduct further intensive joint environmental monitoring in the province, protests went ahead in Espinar in May 2012, outside of the Tintaya-Antapaccay area of operation. At the time the Tintaya-Antapaccay operation was owned and operated by Xstrata.

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We are deeply concerned that the protests escalated into violence between the police and the protestors. We do not condone violence of any kind and we are committed to respecting the human rights of our employees and community members in the region. We have implemented the Voluntary Principles at our Peruvian operations and human rights training has been undertaken by all leaders and management of the private security contractors used in our projects and operations.

We are committed to open engagement remains. The strong support we have received from the rural communities in our area of influence encourages us that there is a place for responsible mining in Peru and that we can continue contributing to the sustainable development of Espinar province through open and constructive partnerships with local government, institutions and communities.

Yours sincerely,



Anna Krutikov
Head of Sustainable Development

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