



MERCURIA

Supply Chains and Responsible Sourcing

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Introduction

As one of the world's largest commodity trading companies, Mercuria recognizes that it can play a key role in the promotion of social and environmental best practice when extracting, handling, processing and transporting commodities.

Mercuria's relationships with suppliers and customers plays a key role in achieving that aim and in minimizing adverse social and environmental impacts. Mercuria is focused on building long-term commercial relationships that will benefit the communities in which we operate and the markets in which we trade.

Our approach to corporate responsibility is outlined within Mercuria's Corporate Responsibilities paper and is supported by Mercuria's Code of Conduct. Compliance with international and host country laws and behaviour that meets high standards of ethics and morality are at the heart of Mercuria's culture, and each one of our employees success is based upon observance of these standards across the globe.

Mercuria believes that all suppliers in our supply chains should adopt and implement principles that ensure the highest standards of business and personal ethics. We will work closely with all suppliers to ensure that this commitment is fulfilled.



Responsible Sourcing Principles

Mercuria's intention is to source all commodities in an ethical manner that follows internationally recognised standards. We therefore expect all suppliers to comply with the following principles:



"Sourcing responsibly helps communities prosper and grow"

Prevention of serious abuses associated with the extraction, handling, processing, transportation and trade of commodities

Mercuria will not tolerate suppliers profiting from, contributing to, assisting with or facilitating any of the following serious abuses:

- any forms of torture, cruel, inhuman and degrading treatment
- any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
- the worst forms of child labour¹
- other gross human rights violations and abuses such as widespread sexual violence

Risk Management measures for serious abuses

- Mercuria will suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined above.

Bribery and Fraudulent misrepresentation of the origin of commodities

- Suppliers will implement policies and procedures to prevent bribery and fraudulent behaviour. Suppliers should not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of commodities, to misrepresent taxes, fees and royalties paid to governments for the purposes of commodity extraction, trade, handling, transport and export.²

¹ See ILO Convention No. 182 on the Worst Forms of Child Labour (1999)

² See OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997); and the United Nations Convention Against Corruption (2004)

Responsible Resourcing Principles

Prevention of Money Laundering

- Suppliers to implement policies and procedures that will contribute to the effective elimination of money laundering connected to the extraction, trade, handling, transportation or export of commodities.



“We conduct all of our business with integrity and care”

Public or Private Security Forces

- Suppliers that contract public or private security forces will require that such security forces be engaged in accordance with the Voluntary principles on Security and Human Rights. Suppliers will implement screening policies to ensure that individuals or units of security forces that have been responsible for gross human rights abuses will not be hired.

Payment of taxes, fees and royalties due to governments

- Suppliers will ensure that all taxes, fees, and royalties related to extraction, trade and export are paid to governments, in accordance with the company’s position in the supply chain.

Mercuria will work with suppliers to ensure adherence to these principles, should suppliers fail to comply with these principles then Mercuria will cease to engage with them.

Implementation

Mercuria has taken steps to implement these principles across its supply chain, we will continue to work with our suppliers to achieve the highest standards and prevent social and environmental injustices.

To support these principles, Mercuria is undertaking the following actions:



“We will work with suppliers wholeheartedly to meet these commitments”

- Mercuria has created an internal management structure to oversee and manage the implementation of these principles through Mercuria’s supply chain.
- Education of Mercuria’s suppliers of our Responsible Resourcing Principles and help develop policies and procedures in line with these expectations.
- Undertake due diligence on our supply chains where there is a high risk to social communities and the environment.
- Publish progress on these principles where appropriate.
- Undertake third party audits of Mercuria suppliers measuring them against our Responsible Resourcing Policy.