

GLENCORE

26 November 2018

Mr Yvan Maillard
Ms Chantal Peyer
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Bürenstrasse 12
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Via email to Yvan Maillard and (yvan.maillard@evolutiocoaching.ch) and Chantal Peyer (peyer@bfa-ppp.ch)

Dear Yvan and Chantal,

Thank you for sharing the report *Glencore in the DRC: incomplete due diligence*, published by Bread for all (BFA) and Lenten Fund (LF) in advance of publication. We appreciate the acknowledgement of the progress made by Kamoto Copper Company (KCC) and Mutanda Mining (MUMI) in mitigating environmental impacts and supporting their surrounding communities. However, we are disappointed that you have largely chosen not to reference neither information provided in our letter to you on this report, dated 19 October, nor that from our letter of 1 October regarding the Dossier published by BFA and Fastenopfer.

In the spirit of balanced reporting, we request that you more fully reflect the information detailed in the previous two letters. For ease, we have summarised these points below:

We would like to highlight the following:

- ***Pollution in Moloka***

MUMI proactively responded to farmers' concerns. However, discussions stalled due to unfounded allegations made by the NGO CAJJ on the nature of the discharged substance.

MUMI requested the intervention of the Department for the Protection of Mining Environment (DPEM – a department in the Ministry of Mines) to assess socio-environmental impacts of the incident and provide recommendations. DPEM also supported the community and MUMI to finalise compensation agreements. This approach resulted in appropriate payments for damaged crops.

MUMI made public its analysis of the incident as well as the make-up of discharge through its communications with community representatives as well as during the meetings its environmental department held with the community.

- ***Pollution in Kaindu***

Immediately following the detection of the pipeline leak in Kaindu, MUMI's community team contacted local community representatives to provide information on the incident. In addition, in conjunction with MUMI's environmental department, they hosted subsequent meetings on the matter. DPEM conducted

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its own assessment of the incident, which resulted in MUMI agreeing to monthly sampling and monitoring downstream of the pipeline leak. As the pipeline leak did not affect areas with crops, no compensation was paid.

- ***Pollution in Tshamundenda in 2018***

The spill was concentrated on KCC's site; although heavy rain did wash some diluted material down a drain – KCC cleaned both the area of the spill and the drain. As you note, KCC worked with AGRIPPEL (Ministry of Agriculture, Fisheries and Livestock) to agree compensation packages for community members impacted by the diluted material. The calculation of the amounts paid align with the provisions set out in national mining legislation and the majority of community members were happy with the amount of compensation received. Many community members have also been included in KCC's community development programme.

- ***Pollution in in Tshamundenda in 2015***

An acid truck rolled over on the road at the entrance of Luilu installations. KCC neutralised and cleaned up the drain where the spill occurred. Regulatory authorities did not identify any impact to properties or community members.

- **Environmental management**

Both KCC and MUMI adhere to the requirements of their operating permits. In line with their approach of continuous improvement for their assets, KCC and MUMI work closely with local and national regulators as well as upgrade operational infrastructure to improve their mitigation of environmental impacts. Operational upgrades undertaken since 2014, which include refurbishing process plants, have resulted in significant water quality improvements.

- ***Right to health – dust impact***

As you note, KCC and MUMI are not the only mining operatives in the region, also the road referenced by the report is public one, used by non-mining related users. KCC is in fact the main company that undertakes measures to mitigate dust pollution by maintaining the road, undertaking dust suppression activities through watering and use of specific products. KCC has also planted a line of trees in front of the Musonoi community to provide protection from dust.

- ***Consultations by KCC in 2017***

As Afrewatch, CAJJ and other NGOs did not attend all of the consultation sessions it is not clear how they evaluated attendance and participation. KCC encouraged a large number of participants in its consultation sessions through promoting them via local radio stations and holding them in French and Swahili. The sessions were organised by a local reputable consultancy.

- ***Access to water for the inhabitants of Luilu***

As the report notes, over many years a number of mining companies have discharged water into the Luilu River, affecting its quality; it continues to be unclear to us as to why BFA and LF consider only Glencore to have a responsibility to provide access to water for surrounding communities.

Through its engagement with the communities of Luilu, KCC agreed to contribute to the Luilu/Tshamudenda water project. KCC is not involved in the construction of the three sub-stations; the national energy provider, Société Nationale d'Electricité (SNEL) manages this project.

- ***Taxation, economic and corruption issues***

Glencore is committed to high standards of corporate governance and transparency and we welcome increased transparency around the redistribution and reinvestment of tax and royalty payments. We have been an active participant in the Extractive Industries Transparency Initiative (EITI) since 2011.

We publish a standalone annual report on our payments to government – this report is available on our website. Our payments to government report provides an overview of our approach to tax and transparency as well as disclosing the payments we made during the year on a country-by-country and project-by-project basis.

Recognising the external interest in our presence in the DRC, our 2017 payments to government report gives a detailed breakdown of our payments to the DRC government from 2015 to 2017. The details include payroll, state royalties and corporate, provincial, export, import, withholding and share transfer taxes. We also provide an overview of the benefits our presence brings to local businesses and communities as well as the infrastructure development projects we support.

Glencore has been present in the DRC since 2008 and we are committed to helping the country achieve lasting economic growth. Since 2007, we have made substantial investments of over \$6.5 billion to address legacy issues and to expand and improve operating capabilities and scale to secure the long-term future of KCC and MUMI. Congolese nationals hold nearly all the jobs at our operations.

We support local businesses, provide substantial revenues to local, regional and national governments and contribute to the development of local infrastructure. Our social investment projects support education, infrastructure programmes, health and water initiatives.

We remain committed to transparent and constructive dialogue with all stakeholders interested in Glencore, our assets and our business.

Yours sincerely,

Anna Krutikov
Group Head of Sustainability