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CITY

Utrecht

DATE

February 4, 2022

OUR REFERENCE

2070PF/MvB

YOUR REFERENCE

CONCERNING

Volcan Compañía Minera

Dear Mr Nagle,

We are writing because we would like to pick up the exchange of letters between Glencore and CNV about the situation in Peru with regard to labour rights and, in particular, the labour rights of outsourced workers. In 2020, we commissioned an extensive study into the situation of subcontracted workers in two operations in Peru which involve Glencore. We presented the results during the side event of the 2021 OECD Forum on Responsible Minerals. It mainly concerned the discrimination of outsourced workers and the lack of trade union freedom for these workers. This shocking analysis was reaffirmed in April 2021 when the decision of our union partner in the Andachagua mine (*Sindicato de Trabajadores Mineros Metalurgicos de Andaychagua Volcan Compañía Minera y de las Empresas Especializadas, Contratistas y de Intermediación que prestan servicios en Volcan Compañía Minera*) to start defending both direct and outsourced workers was not respected by the Glencore subsidiary, Volcan.

On June 9 and July 9, 2021, we wrote to Glencore about these important issues and received kind replies from the CEO of Volcan, Mr Carlos Francisco Fernandez (on June 28 and September 13, 2021). We were also able to exchange two more emails with the CEO of Volcan (with a cc to Anna Krutikov). Unfortunately, there has been no further progress in the dialogue. Your subsidiary has continued to block local social dialogue and has not respected the freedom of association of outsourced workers. Meanwhile, the union has been on strike for more than 40 days now. We have also not received feedback on the study that was to be shared by Volcan with their providers in Peru. We are making these studies available to the public soon.

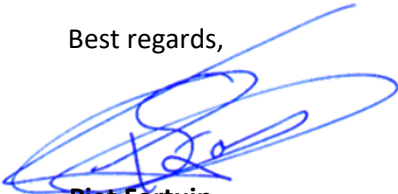
Glencore has clearly stated in previous letters that "*both Glencore and Volcan are committed to not interfering with the rights of trade unions and prohibit any form of harassment or retaliation against workers who seek to exercise their right to freedom of association, collective representation and/or collective bargaining*" and that your company always follows the local legislation of the country concerned, in this case Peru. On 14 January 2022, the Peruvian government has indicated that the union has full legitimacy to initiate

Please mention our reference and number in your reply.

negotiations and Volcan should negotiate in good faith. Furthermore, the government has stated that the change of statutes allowing the union to organise and represent both direct and indirect workers is not a problem.

We would like to repeat that the way forward is to engage in a constructive dialogue with trade unions and to facilitate and not obstruct freedom of trade unions, including those of outsourced workers. Glencore, as global market leader in the field of metal mining, is in an excellent position to become a leader in the field of sustainability and labour rights. We believe this is necessary to retain investors for Glencore. We can see proof of this in ABP fund's withdrawal as an investor in December 2021 because of the lack of progress towards good due diligence practices. For this reason, we call on Glencore to follow-up on their high standards and policies and to respect trade union freedom accordingly. They should respect the *Sindicato de Trabajadores Mineros Metalurgicos de Andaychagua Volcan Compañía Minera y de las Empresas Especializadas, Contratistas y de Intermediación que prestan servicios en Volcan Compañía Minera - Andaychagua* trade union as a partner for social dialogue and collective bargaining negotiations. Furthermore, we are reaching out to you to have an open dialogue on our recommendations to prevent improper use of outsourcing, and ensure trade union freedom for outsourced workers and direct company employees. Finally, in the Netherlands, workers and employers are represented on the boards of the pension funds. We will inform our pension trustees of the lack of progress and that we are awaiting a conversation with Glencore.

Best regards,



Piet Fortuin
President CNV

- Ambassador Mrs. Nathalie Lintvelt, the Embassy of the Netherlands
- Ambassador Mr. Markus-Alexander Antoniotti, the embassy of Switzerland in Lima
- Central Autonoma de Trabajadores del Peru (CATP)
- Mr. Kemal Ozkan, Assistant General Secretary, IndustriALL,
- Mr. Anthony Hayward, Non-executive Chairman & Mr. Peter Coates, Non-Executive Director Glencore