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Glencore announces closures at Optimum Coal Mine opencast operations

As announced in January, Glencore's subsidiary, Optimum Coal Mines, has been considering the closure of certain of its opencast operations, large portions of the coal processing plants, and associated support services at the mine. Optimum has over the past few months engaged in an extensive CCMA-facilitated section 189 consultation process with organised labour and the Department of Mineral Resources in order to determine whether measures were available to avoid the closure of such operations and the resultant job losses. It was demonstrated during these sessions that these operations are financially not viable in the current market conditions and that there are no measures available to avoid the retrenchments. Optimum will therefore be proceeding with the closure of some of the operations which will result in the retrenchment of between 600-700 employees. The affected operations will be placed on care and maintenance. If the economic conditions improve, Optimum will consider re-opening these operations. Optimum currently intends to retain sufficient mining operations and processing capacity to ensure the continued supply of coal to the Hendrina Power Station.

Glencore has agreed to provide funding to Optimum to enable Optimum to pay the full retrenchment costs as tabled at the CCMA and will offer assistance to affected employees through re-training programmes to enable them to plan for the future. This includes training in areas such as portable skills and financial management. The retrenchment packages offered are above the industry standard. Optimum will also consider redeploying some of the employees to other parts of the business should vacancies be available.

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About Glencore

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 90 commodities. The Group's operations comprise of over 150 mining and metallurgical sites, oil production assets and agricultural facilities.

With a strong footprint in both established and emerging regions for natural resources, Glencore's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, oil and food processing. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 181,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.