GLENCORE

Energising today
Advancing tomorrow

Contents

Energising today, advancing tomorrow: As the world moves towards a low-carbon economy, we are focused on supporting the energy needs of today whilst investing in our portfolio of transition-enabling commodities.

2026 target:

15%

reduction in our Scope 1, 2 and 3 industrial CO_2e emissions against a restated 2019 baseline by the end of 2026

2030 target:

25%

reduction in our Scope 1, 2 and 3 industrial CO_2e emissions against a restated 2019 baseline by the end of 2030

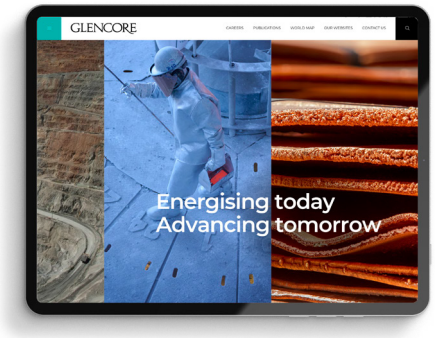
2035 target:

50%

reduction in Scope 1, 2 and 3 industrial CO_2e emissions against a restated 2019 baseline by the end of 2035

2050 ambition:

to achieve net zero industrial CO_2e emissions, subject to a supportive policy environment by the end of 2050



Explore our Annual and Sustainability Reports online at: **glencore.com/publications**

Explore our Group Reporting glossary online at: **glencore.com/publications**

2024-2026 Climate Action Transition Plan overview:

Our climate ambition and targets are underpinned by four strategic pillars:

1. Managing our operational footprint;

2. Responsibly reducing our Scope 3 industrial emissions;

3. Advancing tomorrow through our transition-enabling commodities portfolio; and

4. Driving new business models.

These pillars are supported by responsible and transparent business practice in respect of governance, management of risks and opportunities, capital allocation, just transition, external engagement, and transparency and disclosure.

We will report annually on progress against these pillars, in accordance with the guidelines of the Task Force on Climate-related Financial Disclosures.

Introduction

Important notice

This document has been prepared to provide stakeholders with information on our 2024-2026 Climate Action Transition Plan (CATP).

This document has not been prepared as financial or investment advice or to provide any guidance in relation to our future performance. It should be read as a whole, and in conjunction with our periodic reporting and other announcements (including, without limitation, regulatory announcements made in connection with our listings on the London Stock Exchange and Johannesburg Stock Exchange).

Glencore operates in a dynamic and uncertain market and external environment. Our plans and strategies can and must adapt in response to dynamic market conditions, changes in our business due to material acquisitions or disposals, joint venture decisions, new opportunities that might arise or other changing circumstances. Investors should assume that our strategy on climate change will evolve and be updated as time passes. Additionally, a number of aspects of our strategy involve developments or workstreams that are complex and may be delayed, more costly than anticipated or unsuccessful for many reasons, including (without limitation) reasons that are outside of Glencore's control.

There are inherent limitations to scenario analysis, and it is difficult to predict which, if any, of the scenarios might eventuate. Scenario analysis relies on assumptions that may or may not be, or prove to be, correct and that may or may not eventuate and scenarios may also be impacted by additional factors to the assumptions disclosed. Given these limitations we treat these scenarios as one of several inputs that we consider in our climate strategy.

Due to the inherent uncertainty and limitations in measuring greenhouse gas (GHG) emissions and operational energy consumption under the calculation methodologies used in the preparation of such data, all CO_2e emissions and operational energy consumption data or volume references (including, without limitation, ratios and/or percentages) in this document are estimates. There may also be differences in the manner that third parties calculate or report such data compared to Glencore, which means that third-party data may not be comparable to Glencore's data.

Our CO_2e emissions reporting of our industrial assets generally follows the GHG Protocol's Corporate Accounting and Reporting Standard, the Scope 2 Guidance, the Corporate Value Chain (Scope 3) Accounting & Reporting Standard and Technical Guidance for Calculating Scope 3 Emissions, and the ICMM Scope 3 Emissions Accounting and Reporting Guidance.

For detailed information on how we calculate our emissions and operational energy consumption data, see the About our emissions calculations and reporting section in our latest Annual Report and our latest Basis of Reporting, which can be found on our website.

Refer also to the Additional information section in this report, including in relation to forward-looking statements, on page 33.

Note on 'our emissions'

References to 'Glencore's emissions', 'our emissions' or 'industrial emissions' mean CO_2e emissions from our industrial assets (including Scope 1, 2 and 3) which is defined by reference to our organisational boundary of operational control, as set out in the About our emissions calculations and reporting section in our latest Annual Report and our latest Basis of Reporting. Where 'industrial' is used before 'emissions', this is for additional clarity, and the underlying meaning is the same irrespective of whether this is included.

Throughout our 2024-2026 Climate Action Transition Plan (CATP), where we refer to our aim and/or efforts to achieve 'net zero emissions' we are referring to a net zero ambition in relation to our industrial emissions.

The CATP focuses on our industrial emissions because we consider these emissions to be the most relevant emissions for the diversified mining sector, given that they arise from (or are direct consequences of) our own natural resources production.

Scope 3 emissions associated with third-party volumes traded by our marketing business are not included in our emissions reporting and targets because, in our view, by trading in the third party volumes, our activities do not generate additional Scope 3 emissions which in the ordinary course are associated with the transformation or use of the product by third parties. The trading of these volumes may give rise to additional emissions associated with the transportation and handling of these products and these emissions have been included in our CATP insofar as the third-party transport is paid for and organised by our marketing business.

The CATP covers our current portfolio. We have not addressed the treatment of the announced acquisition of a 77% interest in Elk Valley Resources (EVR) in relation to Glencore's decarbonisation targets and ambition in the CATP. The transaction remains subject to mandatory regulatory approvals and, while closing could occur earlier, it is expected no later than the third quarter of 2024.

Unless stated otherwise, reference is made to the Group Reporting Glossary available at glencore.com/publications for the 2023 reporting suite with respect to the terms used in this CATP.

Chairman's introduction and Chief Executive Officer's introduction

We welcome dialogue with our shareholders on matters relating to climate.

Kalidas Madhavpeddi
Chairman

I am proud to introduce our second Climate Action Transition Plan (CATP), which covers our climate-related strategy for 2024 to 2026. As one of the world's largest globally diversified natural resource companies, we recognise the role we have to play in supporting the global transition towards a low-carbon economy, and this plan reaffirms our commitment to contributing to the global efforts to achieve the goals of the Paris Agreement.

The Board and I are responsible for overseeing the Group's climate strategy and progress against Glencore's climate commitments. We consider climate-related topics, amongst others, as part of the Board's role in our processes to make investment decisions, acquire or dispose of assets, approve capital expenditure, and review and manage the business's risks and opportunities.

We continue to welcome dialogue with our stakeholders on matters related to climate. In recognition of the importance of this topic, we intend to submit the CATP for an advisory vote at our 2024 AGM. Thereafter, we will continue to report annually on progress and engage with shareholders. We will continue to review our CATP every three years, or if there are other material changes to the business, and seek advisory votes when our climate plans are reviewed.

I look forward to continuing the conversation with our stakeholders on our progress in delivering Glencore's climate commitments.

Kalidas Madhavpeddi,
Chairman
20 March 2024

Our plan focuses on the delivery of our commitments.

Gary Nagle
Chief Executive Officer

Our 2024-2026 CATP reflects a wide range of inputs, including analysis of the evolving market landscape, new regulatory requirements, mining and energy peer approaches, the IEA's latest modelling, stakeholder inputs, and emerging insights from the most recent UNFCCC dialogue. We have also undertaken extensive engagement with our shareholders and appreciate their time and support as we have developed this CATP.

Reflecting on these various inputs, this CATP retains our existing emissions reduction targets, of 15% and 50% by the end of 2026 and 2035 respectively and our 2050 ambition of achieving net zero industrial CO_2e emissions, subject to a supportive policy environment. It also introduces a new interim target of a 25% reduction in CO_2e emissions for our industrial assets by the end of 2030. We are on track to meeting our 2026, 2030 and 2035 emissions reduction targets, all of which are measured against a restated 2019 baseline.

Looking ahead, our plan focuses on the delivery of our commitments, including implementing our MACC initiatives (where practicable and economically viable) and responsibly phasing down our thermal coal operations, while also allocating capital to grow our transition-enabling commodities business, and evolving our understanding and assessment of the climate-related risks and opportunities that our business faces.

I look forward to continuing the discussion on our progress in delivering the strategic pillars set out in this CATP and the broader conversation on Glencore's climate-related activities.

Gary Nagle,
Chief Executive Officer
20 March 2024

Acquisition of a 77% interest in Teck's steelmaking coal business

Following the announcement by Teck Resources Limited (Teck) in early 2023 of the intended separation of its metals business and steelmaking coal business, Elk Valley Resources (EVR), we recognised a compelling opportunity for the development of our own business.

In April 2023, we announced that we had submitted a proposal to the board of directors of Teck to merge with Teck and simultaneously demerge our combined metals and coal businesses. Following Teck's withdrawal of its separation proposal we announced in June 2023 that we had submitted an alternative proposal to acquire only EVR. We successfully reached an agreement with Teck for the acquisition of a 77% interest in EVR in November 2023, which remains subject to mandatory regulatory approvals.

When assessing the merits of the transaction, we acknowledged the important distinction between thermal coal and steelmaking coal. We concluded that while not a metal, steelmaking coal is an important transition-enabling commodity as it is an essential input into much of the world's steelmaking in its current form. Steel is necessary for constructing transportation and infrastructure such as ocean-going vessels, rail, bridges and buildings, as well as energy transition infrastructure including wind turbines.

The acquisition therefore presented a unique opportunity to strengthen our position further across the products necessary for the energy transition as well as everyday life and also unlock the potential, subject to shareholder approval, for a value-accretive demerger of our combined coal and carbon steel materials business.

A demerger of the combined coal and carbon steel materials business would occur only once Glencore has sufficiently delevered towards a revised $5 billion Net debt cap, expected to occur within 24 months from completion of the EVR acquisition. We will undertake a shareholder consultation process following the close of the EVR acquisition to assess views on a potential subsequent demerger.

We commenced work on this CATP at the same time as we were negotiating with Teck.

As there was no certainty that any transaction would be agreed when we commenced work on this strategy and it remains subject to mandatory regulatory approvals, and because we do not yet have access to the necessary information relating to EVR, we have developed this strategy considering the risks and opportunities of our current portfolio of our integrated energy and metals business. For the purposes of the 2024-2026 CATP, we have therefore not addressed the treatment of EVR in relation to Glencore's decarbonisation targets and ambition.

Pending the potential demerger, we do not currently intend to incorporate the EVR assets for purposes of Glencore's current baseline or decarbonisation targets following completion of the EVR acquisition. We instead intend to report separately on EVR's industrial assets' performance, including in respect of Scope 1, 2 and 3 emissions. We have committed to developing and implementing a climate transition strategy for the EVR industrial assets, which will include medium-term Scope 1 and 2 emissions reduction targets, a long-term goal of net zero in respect of Scope 1 and 2 emissions by 2050, as well as a commitment to work with partners towards an ambition to achieve net zero Scope 3 emissions by 2050, subject to a supportive policy environment.

If the demerger occurs, the respective businesses will require their own standalone climate strategies and action plans.

For a standalone combined coal and carbon steel materials business, we would intend for the demerged company to continue to oversee the responsible decline of its thermal coal operations in line with Glencore's current targets and ambition to achieve net zero emissions by 2050, subject to a supportive policy environment.

For a standalone Glencore metals company (MetalsCo), we would intend to develop a climate strategy that is suitable for a growing business supplying the metals required for the transition to a low-carbon economy. We would expect to develop the MetalsCo climate strategy ready for launch at the point of demerger.

In the event the demerger does not proceed, we will assess how best to integrate the EVR assets into our climate transition strategy, recognising that the transition away from steelmaking coal for steel production will be slower than thermal coal, given the important role steel is expected to continue to play in supporting the construction of transportation and renewable energy infrastructure, and the expected limited availability in the medium term of alternative steel production technologies that do not require coal. We would at that stage seek shareholder feedback as we consider our approach.

Our purpose and business model

Our Purpose and business model

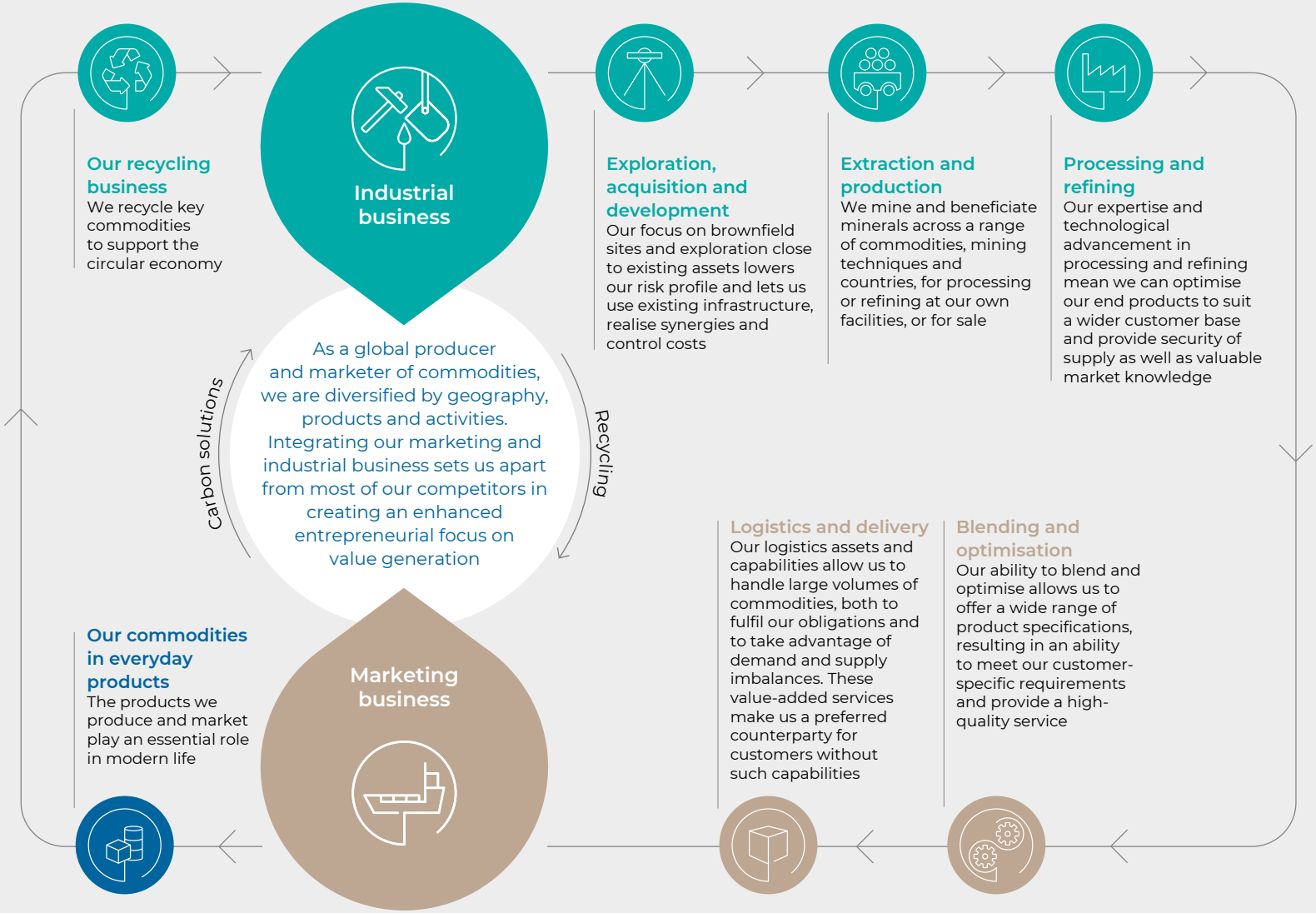
Our Purpose is to responsibly source the commodities that advance everyday life. As one of the world's largest diversified natural resource companies, we can play an important role in the global transition to a low-carbon economy. We are committed to supporting the transition by supplying the transition-enabling commodities needed for the energy systems of tomorrow, while continuing to responsibly serve the energy needs of today.

Our business model is well placed to advance our Purpose. Our industrial business produces commodities needed for both the metals and energy markets – while our marketing business moves these commodities globally to where they are needed. The businesses mutually reinforce each other: our industrial business uses marketing insights and knowledge to strengthen their position, while our marketing business uses industrial volumes to create value.

Our core industrial and marketing businesses are supported by our carbon solutions and recycling businesses. Our carbon solutions team supports both clients and Glencore itself in efforts to reduce their carbon footprints. Our recycling business supports the demand growth for metals and the global shift to a circular economy.

Read more about these businesses here:
Developing new businesses on page 17

Our business model and climate strategy are intrinsically linked. We have an important position in producing, recycling, sourcing, marketing and distributing the commodities that enable the transition. We have a portfolio of energy and minerals necessary to meet the needs of today and tomorrow – as well as a significant pipeline of future growth options for transition-enabling commodities. This position, combined with a flexible business model that adapts quickly to changing conditions, makes us well-positioned for the future.



Our position on climate and energy transition

We support the goals of the Paris Agreement (Article 2, Paris Agreement) to limit the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

As part of this, we recognise and support the global effort in transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner. We recognise the common but differentiated responsibilities and capabilities of domestic economies in pursuit of climate objectives and believe that actions to limit temperatures must support United Nations Sustainable Development Goals, including sustained, inclusive economic growth, and universal access to clean, affordable energy. In particular, energy security and affordability are increasingly recognised[1] as essential measures which need to be balanced with the rate of transition. Given the unique challenges presented by the transition, we anticipate that it will not be linear and will depend heavily on individual countries' ability to transition away from fossil fuels in energy systems.

Only through collective inclusive action can the world achieve the goals of the Paris Agreement and limit the impact of climate change, while balancing the need for energy security and affordability. Systems-level change is needed at both the national and industry level, therefore requiring companies, governments and civil society to work together. Companies need to collaborate beyond their own enterprise-level decarbonisation plans and governments need to create a policy environment that supports these efforts.

For example, we believe significant power sector reform is needed (both within and across national borders) to drive the energy transition, given that many governments are still demanding significant levels of fossil fuels to support their energy systems. Governments need to implement reforms to integrate renewables more effectively onto the grid, while also supporting energy access and security, and a just and orderly transition for affected stakeholders. We believe companies also have a critical role to play in the power sector transition – from building renewables capacity, to supplying the metals needed to build that capacity, and to creatively managing intermittency. In short, we believe system-collaboration is fundamental.

We recognise our own role and responsibility to contribute to the global effort to achieve the goals of the Paris Agreement – and are committed to playing our role within the system.

Our primary contribution to accelerating the energy transition is through the supply of the metals that underpin the expansion of low-carbon technologies. Resource constraints are a determining factor of the pace of decarbonisation – and we are committed to supporting the supply of metals such as copper, cobalt, nickel and zinc. We do this via our industrial operations, our project pipeline, our marketing business and investment in our recycling business.

Read more about our plans for metals here:
Advancing tomorrow | Recycling

In addition to the metals needed to support the growth and scaling of low-carbon technologies, our recent acquisition of 77% in Teck's steelmaking coal business would, if completed, enable us to support the production of steel needed for diverse industries including infrastructure needed for the energy transition.

We also recognise that thermal coal for electricity generation remains a necessary source of energy in many countries – providing grid stability, supporting energy access and security, and contributing to socioeconomic development in many markets. We support regulatory efforts to transition towards cleaner power generation and to reduce underlying demand for fossil fuels.

Read more about our plans for coal here:
Responsibly reducing Scope 3 emissions

We recognise the importance of efforts to accelerate the transition towards cleaner power generation technologies and this will require policy efforts to adjust the power market. We are committed to a responsible phase-down of our thermal coal production.

Read more about our policy positions here:
External engagement

Beyond supplying both metals and energy products, our role in the transition requires us to reduce our operational emissions footprint across our industrial assets. We recognise that growth in our metals business is required for the energy transition, which may place upward pressure on absolute operational emissions. We are therefore exploring ways to manage the carbon intensity of our operations as our production grows; however, for now, our focus remains on reducing our absolute industrial emissions footprint. We will continue to do this through the regular review and implementation of initiatives identified on our marginal abatement cost curve (MACC) as practically and commercially viable, which supports our focus on reducing emissions at our industrial assets.

Read more about our decarbonisation plans here:
Managing our operational footprint

Finally, for the world to reach the goals of the Paris Agreement, we believe carbon markets will be an essential component, with both governments and companies needing to leverage well-functioning carbon markets to support their decarbonisation efforts in the long term. We are preparing for this by continuing to strengthen our capabilities, including our carbon, power and biofuels trading desk that supports both our customers and our own business.

Read more about our team here:
Carbon solutions

1. IEA (2023), World Energy Outlook 2023, IEA, Paris https://www.iea.org/reports/world-energy-outlook-2023, Licence: CC BY 4.0 (report); CC BY NC SA 4.0 (Annex A), page 23.

Our ambition and decarbonisation targets

Beyond supporting the energy transition overall through the supply of metals, we take a holistic approach to decarbonisation, focusing on reducing our combined industrial Scope 1, 2 and 3 emissions.

2026 target:

15%

reduction in our Scope 1, 2 and 3 industrial CO_2e emissions against a restated 2019 baseline by the end of 2026

2030 target:

25%

reduction in our Scope 1, 2 and 3 industrial CO_2e emissions against a restated 2019 baseline by the end of 2030

2035 target:

50%

reduction in Scope 1, 2 and 3 industrial CO_2e emissions against a restated 2019 baseline by the end of 2035

2050 ambition:

to achieve net zero industrial CO_2e emissions, subject to a supportive policy environment by the end of 2050

Introducing our new interim target

We continue to evolve our approach and are introducing a new interim target for 2030, to further demonstrate our commitment to decarbonisation across our industrial assets.

We recognise the importance of maintaining consistent progress in our decarbonisation programme to support global efforts. Our new target of a 25% reduction in our CO_2e emissions by the end of 2030, against a restated 2019 baseline, supports our ongoing programmes to reduce our emissions for our industrial assets. In determining this additional interim target, we considered the following:

- The expected production profiles of our operations;
- Carbon abatement opportunities identified by our industrial commodity departments; and
- Interest from our shareholders, expressed during the consultation on the CATP, in understanding the 'glidepath' we intend to pursue to fulfil our climate commitments.

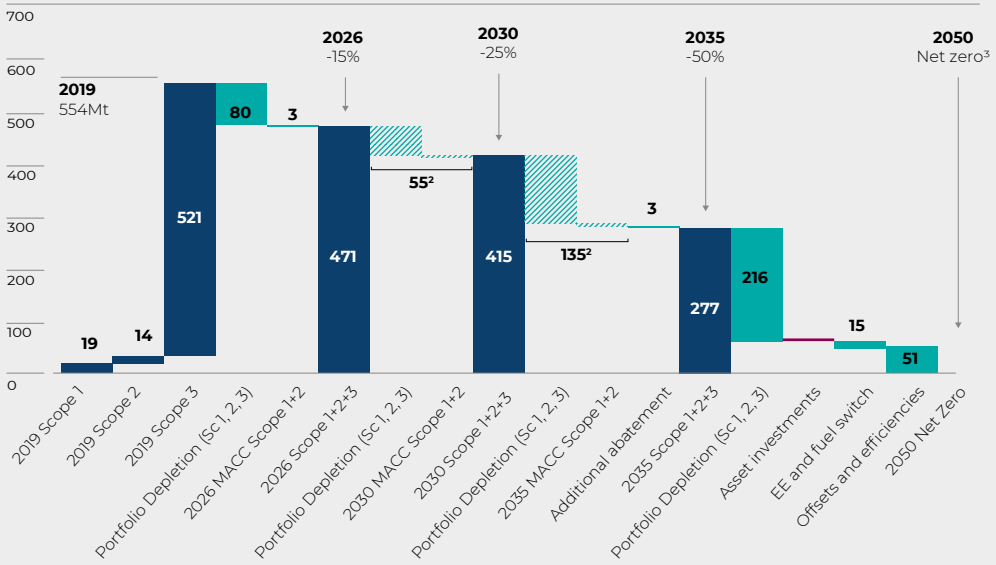
Our route to achieving our net zero ambition

We have identified our route to achieving our targets and ambition, and are on track to meet our 2026, 2030 and 2035 decarbonisation targets. Beyond our targets, we support the use of carbon credits to achieve the goals of the Paris Agreement and are preparing our capabilities accordingly.

Read more about our position on offsets here: **Carbon credits**

2023 marked the mid-point of the implementation of the UN 2030 Agenda for Sustainable Development, adopted in 2015. In most cases, the world is well short of halfway to reaching its 2030 goals (IEA WEO 2023). We recognise that to achieve our 2050 net zero emissions ambition there is a need for

Our route to achieving net zero emissions[1]



Notes:

1. The components contributing to our emissions reductions are indicative and may change based on actual performance.
2. The split between portfolio depletion and MACC initiatives is indicative and will evolve as MACC initiatives are developed and implemented.
3. Our 2050 net zero ambition is subject to a supportive policy environment.

The below table summarises our emissions performance for 2019 to 2023

	2019 restated	2020 restated	2021 restated	2022 restated	2023	Change 2023 vs. 2019
Scope 1 – Direct emissions (Mt CO_2e)	19.0	15.2	16.0	16.4	16.7◊	-12.0%
Scope 2 – Indirect market-based emissions (Mt CO_2e)	13.9	11.6	13.0	12.8	10.3◊	-25.9%
Scope 3 – Indirect emissions (Mt CO_2e)	520.7	414.0	412.9	368.3	405.8	-22.1%
Total (Mt CO_2e)	**553.7**	**440.8**	**441.8**	**397.5**	**432.8**	**-21.8%**

For information on how we calculated and restated our emissions data set out in this table, see the About our emissions calculations and reporting section in our Annual Report 2023 and our Basis of Reporting 2023, which can be found on our website.

Our ambition and decarbonisation targets *continued*

significant global technological evolution and advancement and coordinated and supportive government policies, including incentives to drive accelerated uptake of lower-carbon and decarbonisation technologies, and market-based regulations governing industrial practices that drive a competitive, least-cost emissions reduction approach, much of which are not within our direct control or ability to materially influence, but are critical to our ability to achieve our net zero emissions ambition by the end of 2050. We have therefore identified the following goals that we seek to support through our external engagement: 1) acceleration of clean technology, 2) least-cost emissions reduction, 3) transparency and disclosure, and 4) a just and orderly transition.

Read more about our plans to support these goals here: **External engagement**

Our decarbonisation targets in context

We acknowledge there are various views on the pathway (and energy mix) required to achieve the goals of the Paris Agreement. The scenarios developed by the IPCC and IEA are amongst several inputs into our climate strategy. We do not seek to align to any particular pathway or scenario but continue to monitor and compare our targets to a range of scenarios as they are updated each year; see the Change in fossil fuel and coal CO_2e emissions graph, opposite.

Our 2026, 2030 and 2035 targets are currently ahead of both national governments' stated policies and announced pledges for the same years (as modelled in IEA Stated Policies Scenario (SPS) and APS scenarios). Our targets are not aligned with the IEA NZE scenario, an increasingly unrealistic scenario due to the extent to which policy, technology and investment are lagging this pathway.

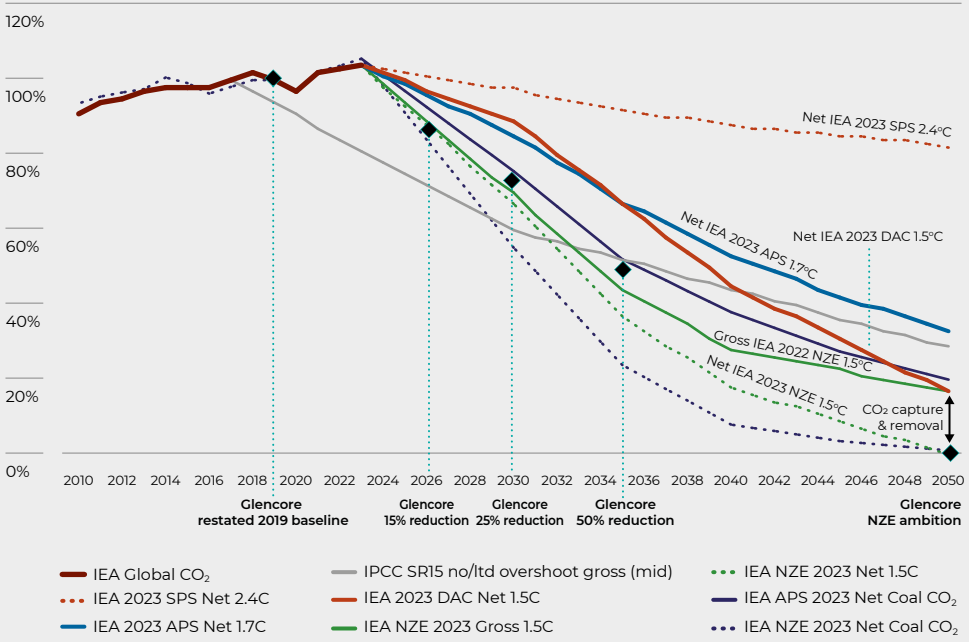
Amongst the various relevant scenarios, we recognise the IEA Announced Pledges Scenario as a real-world starting point from which to work towards a 'supportive policy environment' in our net zero ambition. As noted by the IEA, enabling the APS scenario requires implementation of policy, increased financing and substantial further development to progress towards a net zero outcome. The IEA has acknowledged the progression of policy and availability of financing is lagging the APS and this is reflected in the Delayed Action Case (DAC)[1], which recognises the potential for delayed implementation of announced pledges and shows how emissions reductions can be bridged to align with 1.5oC by 2100 with stronger policy and implementation post 2030.

Our climate approach is informed by the global policy environment, as we believe that government commitments are most likely to influence and direct global energy systems through the process of transition.

In practical terms, energy security and affordability are increasingly being recognised as essential measures that need to be balanced with the rate of transition to lower emissions systems. This has been highlighted by the impact of recent conflicts on energy input costs, the fragility of power grids, the need for secure baseload power supply and the need to match energy demand growth rates which exceed the rate of adoption of low emissions energy systems. The need for secure and affordable energy has led to asymmetric increases in coal demand (especially in developing economies), with associated risks of environmental and social impacts (see the graphs on global coal production on page 9).

1. IEA (2023), Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach, IEA, Paris https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-150c-goal-in-reach, License: CC BY 4.0

Change in fossil fuel CO_2 emissions versus 2019



Stated Policies Scenario (SPS): Current policy landscape. Explores how the energy system and global emissions will evolve based on the current policy settings. SPS does not assume the aspirational or economy-wide targets are met unless they are supported with detail on how they will be achieved. SPS has been assessed as being consistent with global temperatures rising on average by 2.5°C by 2100.

Announced Pledges Scenario (APS): Intended policy direction of governments. The APS gives governments the benefit of the doubt and assumes their targets will be achieved on time and in full, whether they relate to climate change, energy systems or national pledges in other areas such as energy access. Trends in this scenario reveal the extent of the world's collective ambition, as it stands today, to tackle climate change and meet other sustainable development goals. This scenario recognises the commitments of China (net zero 2060) and India (net zero 2070) and the updated nationally determined contributions. This requires accelerated adoption of renewables delivering global net zero emissions in 2070 and limiting the rise of global temperatures to 1.7°C by 2100. This gets close to achieving the goal of the Paris Agreement to limit the temperature rise to "well below 2°C", and it marks the first time that collective government targets and pledges have been sufficient, if delivered in full and on time, to hold global warming to below 2°C.

Delayed Action Case (DAC): High overshoot scenario. The starting point of the DAC is more optimistic than current policy settings and Nationally Determined Contributions. Countries are assumed to undertake actions that go beyond what is currently factored into the APS and accelerate their implementation of more ambitious climate policies after 2030, particularly where they have significant technological and financial capacities. It assumes that all countries that have announced net zero emissions pledges implement policies in the period to 2030 that enable achievement of their pledges. The rise in temperature in the DAC exceeds 1.6°C for about 25 years and 1.5°C for almost 50 years and relies on increased CO_2 removals from bioenergy with carbon capture and storage and direct air capture, cuts to methane emissions and CO_2 reduction from natural processes to bring warming below 1.5°C by 2100.

Net Zero Emissions by 2050 (NZE): The NZE Scenario works backwards from specific goals – the main one being to cap global warming to 1.5°C by 2050 – and illustrates how they may be achieved. The NZE Scenario requires a tripling in spending on clean energy and infrastructure to 2030, alongside a shift towards much higher investment in emerging market and developing economies. The NZE Scenario falls within the group of scenarios categorised by the IPCC as a "no or low overshoot" scenario, and aligns with the goal, agreed again in Glasgow at COP26 in 2021, to "pursue efforts to limit the temperature increase to 1.5°C".

In response to stakeholder feedback, this graph now includes the IEA NZE Net Coal Scenario. Our targets are not aligned with the IEA's NZE Scenarios.

Our ambition and decarbonisation targets *continued*

Our decarbonisation route

Government policies and energy demand levels are highly varied across regions and time horizons, which we believe will result in the global energy transition being non-linear through time and geography. Given this, and owing to the nature of the industrial assets we operate, we do not anticipate our annual emissions reductions progressing in a linear fashion.

We remain committed to managing the decline of our current coal portfolio to meet our 2026, 2030 and 2035 industrial emissions reduction targets. As part of our CATP update, we considered the usefulness of also maintaining the coal production cap that was introduced in 2019.

Since 2019:

- We have introduced a set of industrial emissions reduction targets that include Scope 3 emissions, which are largely associated with our thermal coal production;
- Our updated CATP introduces an additional target for 2030;
- Our thermal coal production has decreased; and
- We are not progressing greenfield thermal coal investments.

Based on the combination of these factors and with feedback from shareholder consultations, we determined that this previously stated production cap may now only serve to cause confusion. We have therefore decided to remove the production cap, anticipating that our production of thermal coal should continue to decrease over time, reflecting our decarbonisation targets. The Our Scope 3 emissions versus coal production graph, on page 14, illustrates the change in our coal production since 2019 and we will continue to provide regular updates and guidance on our expected production as part of our quarterly Production Reports.

Read more about our coal plans here:
Responsibly reducing Scope 3 emissions

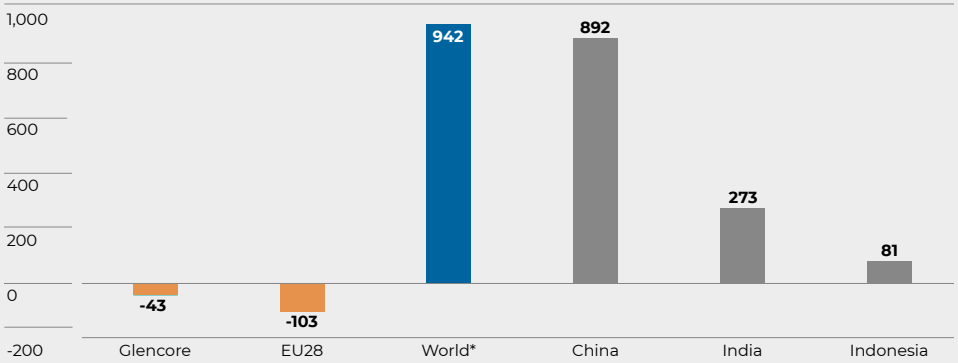
Beyond our emissions reduction targets, our approach to reducing our emissions will also depend on the pace of the global energy transition: if the global adoption of renewable energy significantly accelerates (supported in part by our supply of transition metals), we may need to review and accelerate our current plans for the responsible phase-down of thermal coal. If the global adoption of clean energy technologies and carbon capture technologies do not sufficiently advance, we see a role for unabated thermal coal for electricity generation beyond 2040. We are committed to working alongside governments, industry and our value chain to drive towards our 2050 net zero ambition, which is subject to a supportive policy environment.

Read more here: **External engagement**

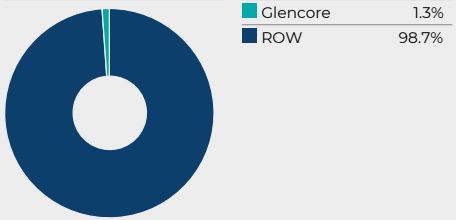
Our Scope 3 emissions represent more than 90% of our emissions, the majority of which relate to our current coal portfolio. Given that our current steelmaking coal operations are a limited part of our current portfolio, we have continued to include them in our phase-down commitments. However, we believe that the transition away from steelmaking coal for steel production will be slower than thermal coal, given the important role steel is anticipated to continue to play in supporting the construction of transportation and renewable energy infrastructure, and the expected limited availability in the medium term of alternative steel production technologies that do not require coal[1]. We therefore anticipate that steelmaking coal operations are expected to follow a different emissions reduction trajectory than thermal coal operations.

Read more about our EVR acquisition here:
Our acquisition of 77% interest in Teck's steelmaking coal business

Change in coal production[2] 2019-2023 (Mt)



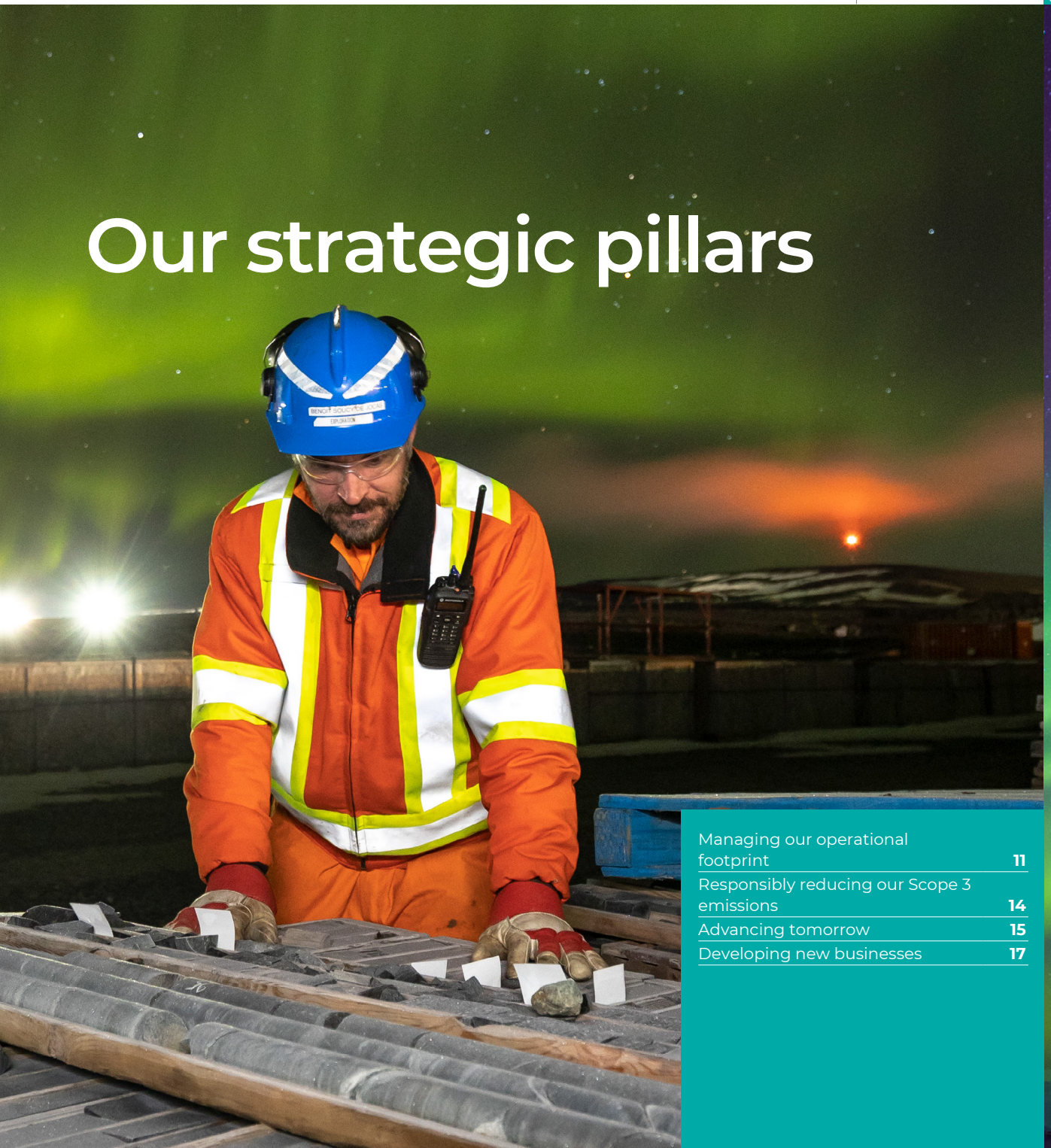
Glencore share of global production (Thermal and steelmaking coal)



Glencore does not have a science-based target as defined by the Science Based Targets Initiative (SBTi). The SBTi methodologies are not applicable for diversified commodity companies as they rely on intensity measures that are too complex to be applied to such companies. The SBTi's methodology works on a single commodity or a single business line but is not applicable for multi-product businesses. In addition, the SBTi's policy on fossil fuel companies fully excludes all companies with any level of direct involvement in exploration, extraction, mining and/or production of oil, natural gas, coal or other fossil fuels from getting their targets and commitments validated, please refer to https://sciencebasedtargets.org/sectors/oil-and-gas#what-is-the-sb-tis-policy-on-fossil-fuel-companies.

1. IEA (2023), Coal 2023, IEA, Paris https://www.iea.org/reports/coal-2023, Licence: CC BY 4.0, pp101
2. Glencore produced saleable coal volumes as per our production reports, restated to align with our organisational boundary of operational control.

Our strategic pillars



Managing our operational footprint

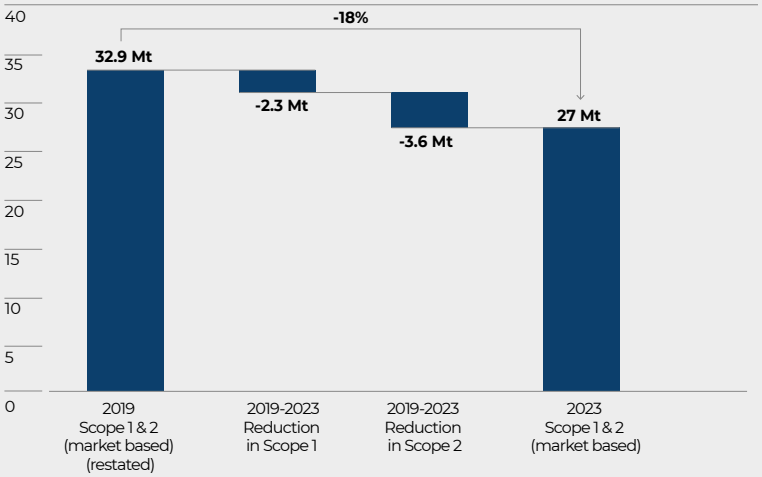
We plan to continue driving improved operational performance in our industrial activities through our strong focus on identifying and delivering cost-effective emissions reduction opportunities.

Our latest consolidated four-year climate action plan for industrial assets has identified a total of 6.1 $MtCO_2e$ in potential Scope 1 and 2 emissions NPV-positive abatement opportunities, as represented on the 2035 MACC (2022: 4.9 $MtCO_2e$).

Each year, we recalculate the levelised cost of carbon for each potential abatement initiative, and with changes to input assumptions, such as renewable energy prices, an initiative can shift its position along the MACC. Such changes can result in the inventory of NPV-positive abatement opportunities fluctuating on an annual basis.

This progress has been supported by strengthened organisational capacity, including additional resources, development of rolling four-year climate action plans, annual review of the marginal abatement cost curves and implementation of cost-effective initiatives. The 2023 reduction in our Scope 1 and 2 emissions against a restated 2019 baseline graph, below, illustrates our progress to date.

2023 reduction in our Scope 1 & 2 emissions against a restated 2019 baseline
(Mt CO_2e)



For information on how we calculated and restated our emissions data set out in this table, see the About our emissions calculations and reporting section in our Annual Report 2023 and our Basis of Reporting 2023, which can be found on our website.

Our future plans and ongoing commitment

We will continue our analysis and planning of decarbonisation opportunities across our operational footprint, which is integrated into our annual life of asset planning processes. We are in the process of developing the MACC to support our new 2030 emissions reduction target, which will be fully incorporated into our business planning processes. Specifically, our commodity departments will continue submitting rolling four-year climate action plans, which address:

- Operational footprint and supply chain decarbonisation initiatives;
- Plans to further transition purchased energy to renewables;
- Scope 1, 2 and 3 emission profiles and initiatives to deliver Group level 2026, 2030, and 2035 targets; and
- Climate-related risks and response plans.

We will continue to evolve our MACC to identify emissions reduction opportunities across our portfolio. This enables us to identify and implement investments in abatement opportunities that are practically and commercially viable. Where opportunities are deemed not sufficiently ready, we will continue to collaborate with industry and OEM partners to study and invest in research and development to drive technology maturation and scale requirements to improve commerciality (see the Group-level MACC graphs on page 12).

Through to 2035, we have identified an estimated 6.1 $MtCO_2e$ Scope 1 and 2 emissions NPV-positive abatement opportunities:

- From now to 2030, we expect abatement to be mainly driven by renewable energy Power Purchase Agreements (PPAs)
- From 2030 to 2035, we expect further abatement to be achieved through operational efficiency improvement and targeted process technology conversion

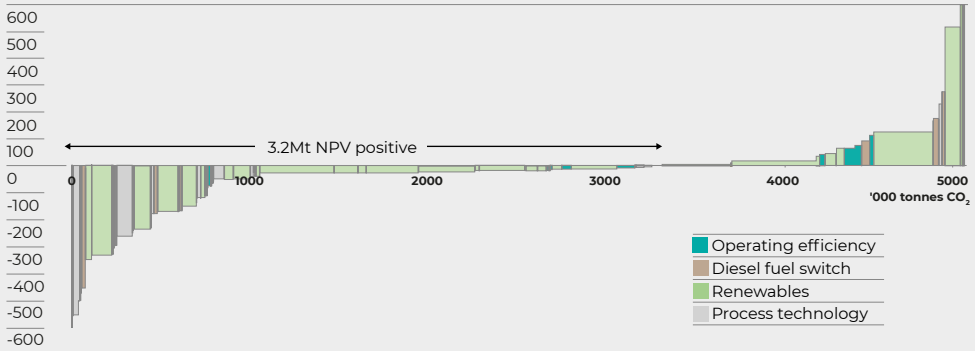
Looking beyond 2035, we will look to identify additional abatement opportunities to address the hardest-to-abate elements of our footprint, including where technology is not currently available, developed adequately, or cost effective, such as for the decarbonisation of our truck fleet through electrification and the use of alternative fuels.

For our full disclosure on Scope 1 & 2 industrial emissions performance, see our **Annual Report**.

Managing our operational footprint *continued*

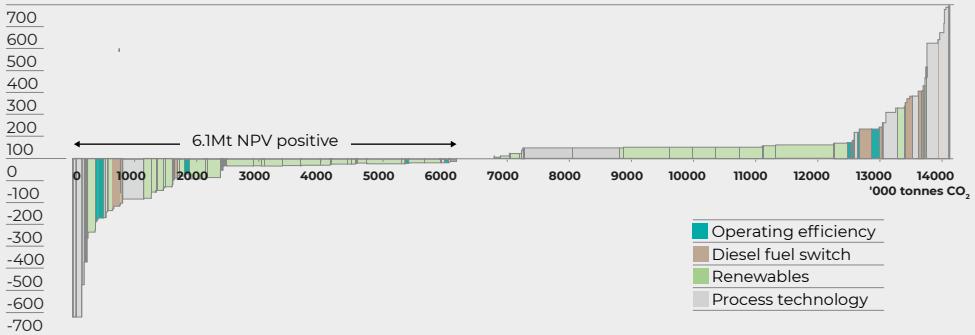
Group-level MACC for year 2026

US$/t CO_2e



Group-level MACC for year 2035

US$/t CO_2e



A MACC presents the costs or savings expected from different opportunities, alongside the potential volume of emissions that could be reduced if implemented. MACCs measure and compare the financial cost and abatement (reduction) benefit of individual actions based on $/t$CO_2e$.

A MACC shows each opportunity as an action, presented as a box above or below a horizontal axis. The boxes above the horizontal axis indicate there is a cost to that action – the higher the box, the higher the cost. Boxes below the horizontal axis indicate a saving from that action – the lower the box, the greater the saving. The MACC enables comparison between actions and annualised costs or savings. The width of the box indicates the action's potential volume of reduction per year, expressed as tCO_2e.

The curve shape is created by ordering the actions from lowest cost on the left, to highest cost on the right.

Our abatement priorities for our Scope 1 emissions

We are working to advance the application of innovative solutions to address our Scope 1 emissions, including a) operating efficiency, b) electrification, and c) switching to alternative fuels.

A. Fuel-use efficiency

One of our abatement priorities is to implement fuel-use efficiency improvements across our industrial assets. For example, we are investing in the implementation of flowmeters in mining equipment. The increased monitoring of fuel is expected to allow identification of opportunities to reduce consumption through improvements in operator performance, hauling routes and equipment maintenance.

B. Equipment electrification

Beyond fuel efficiency, we continue to study the use of low-emission mining technology in our new mines, as well as review available technology upon periodic replacement of our mining equipment. We are advancing studies on integrating trolley assist technologies into our operations.

C. Alternative fuels

We also plan to leverage alternative energy sources and have multiple pilots underway to test feasibility. We are investigating the potential use of hydrogen as a replacement for carbon-based reductants, or as a fuel source to be consumed near the point of generation. We are evaluating solar steam generation and storage for our industrial heat needs and investigating the potential use of solar concentration to generate steam for our processes.

Managing our operational footprint *continued*

Improving methane reporting

We continue to consider and implement methane reduction opportunities where it is economic and feasible to do so.
We also recognise the importance of accurate measurement of methane emissions. Over the past 20 years, we have collaborated with the Australian Coal Industry's Research Program (ACARP), the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the University of New South Wales and the University of Queensland to investigate better measurement, capture and mitigation of methane emissions.
We support the Australian government's efforts to improve measurement, reporting and verification of methane emissions.
We also note the recent recommendations made by the Climate Change Authority (CCA) as part of its five-yearly National Greenhouse and Energy Reporting (NGER) Review. The CCA is a statutory agency established to provide independent, expert advice to the Australian government on climate change policy.

We continue to monitor and review the development of new technologies, including remote sensors and satellite monitoring. While our current view is aligned with that of the Australian government and the CCA, who consider further work to be necessary before such methods can be applied to estimate emissions inventory with transparency and credibility, we continue to engage closely with the relevant stakeholders.

Our abatement priorities for our Scope 2 emissions

Reducing emissions associated with electricity consumed by our industrial assets is another major action area within our decarbonisation plans. Where renewable sources are available, and where it is economic to do so, our industrial assets prioritise entering into PPAs that move our energy consumption to renewable sources.

We have already implemented some of the projects identified by the MACC process (e.g. renewable PPAs) and will continue to progressively implement projects as the engineering and planning processes are completed.

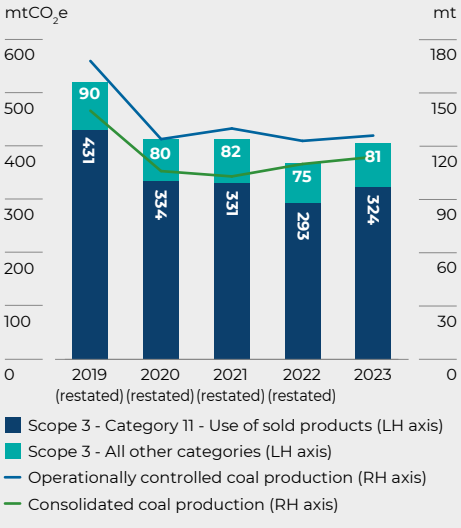
For our industrial assets that are not connected to grids and are reliant on local electricity generation, we are studying options for installing on-site renewable energy systems, such as wind and solar. In some of our operating jurisdictions, we are also investigating opportunities to support national grids' utilisation of renewable energy sources, as well as biofuels and energy storage.

We follow a market-based approach to reporting our Scope 2 industrial emissions. (Read more about our methodology in our **Annual Report**).

Responsibly reducing our Scope 3 emissions

Our Scope 3 emissions[1] contribute more than 90% of our reported industrial emissions footprint, predominantly driven by our customers' unabated use of thermal coal produced at our operationally controlled industrial assets. We are committed to the responsible phase-down of thermal coal and are not progressing any thermal coal greenfield investments (see graph below).

Our Scope 3 emissions vs coal production



For information on how we calculated and restated our emissions data set out in this table, see the About our emissions calculations and reporting section in our Annual Report 2023 and our Basis of Reporting 2023, which can be found on our website.

For our detailed disclosure on our annual Scope 3 emission performance, see our **Annual Report**.

Between 2019 and 2023, we reduced our Scope 3 emissions by 22% and closed five coal mines, Liddell, Newlands, La Jagua and Calenturitas, as well as Hlagisa, an independently managed joint venture in which we have a 23.12% equity interest. Moving forward, we intend to do the same with respect to at least seven mines by the end of 2035: Cerrejón, Integra, Clermont, Oaky North, Mangoola, Impunzi and Wonderfontein, an independently managed joint venture in which we have a 24.3% equity interest.

To support anticipated global energy needs, we plan to continue to progress select brownfield coal investments at existing mines, such as Hunter Valley Operations (HVO, an independently managed joint venture in which we hold a 49% equity interest), Ulan and Hail Creek (primarily steelmaking coal), but will continue to align with our Group emissions reduction targets and commitment to a managed decline of our coal portfolio overall.

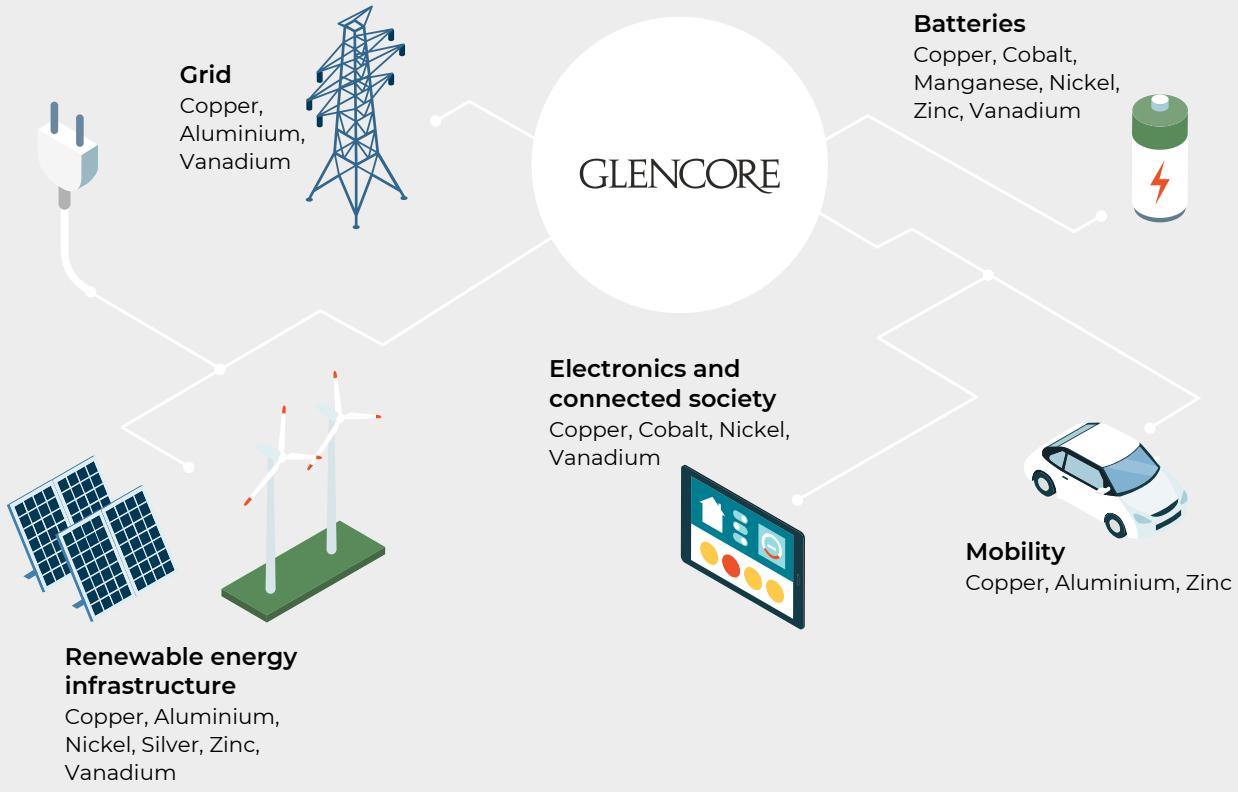
We are committed to integrating closure planning throughout the life of our industrial assets to achieve safe and stable landforms and sustainable outcomes in a manner that incorporates our Just Transition Principles.

Read more about our approach to supporting a just and orderly transition for our employees and communities here: **Just transition**

We also continue to explore the potential for carbon capture, utilisation and storage through our wholly owned Carbon Transport and Storage Company (CTSCo), which aims to demonstrate carbon capture from a power station and the sustainable permanent storage of the captured CO_2 in the Surat Basin in Queensland, Australia.

1. Our Scope 3 emissions are our indirect emissions across the value chain of our industrial assets that are extracting, producing or processing commodities. They include our emissions from upstream supply chains, downstream customer use of our products, third-party logistics and transportation, and our equity share of emissions associated with certain joint ventures that are not under our operational control as set out in the About our emissions calculations and reporting section in our latest Annual Report and our latest Basis of Reporting.

How our metals can contribute to the low-carbon transition



Supplying metals

Metals, such as copper, nickel, zinc, aluminium and cobalt, are important transition-enabling commodities and fundamental for the transition to a low-carbon economy. They are required for many clean energy and low-carbon technologies, ranging from wind turbines and solar panels to grid infrastructure and electric vehicle batteries.

The growth in renewable energy and low-carbon technologies is leading to an increased need for these 'transition' metals and we forecast a significant increase in their demand over the coming decades.

Read more about our view of demand here:
Risks and opportunities

By supplying metals that are essential to the shift to a low-carbon economy, our business plays a key role in enabling the energy transition across multiple sectors, including renewable energy, electrification of vehicles and energy storage.

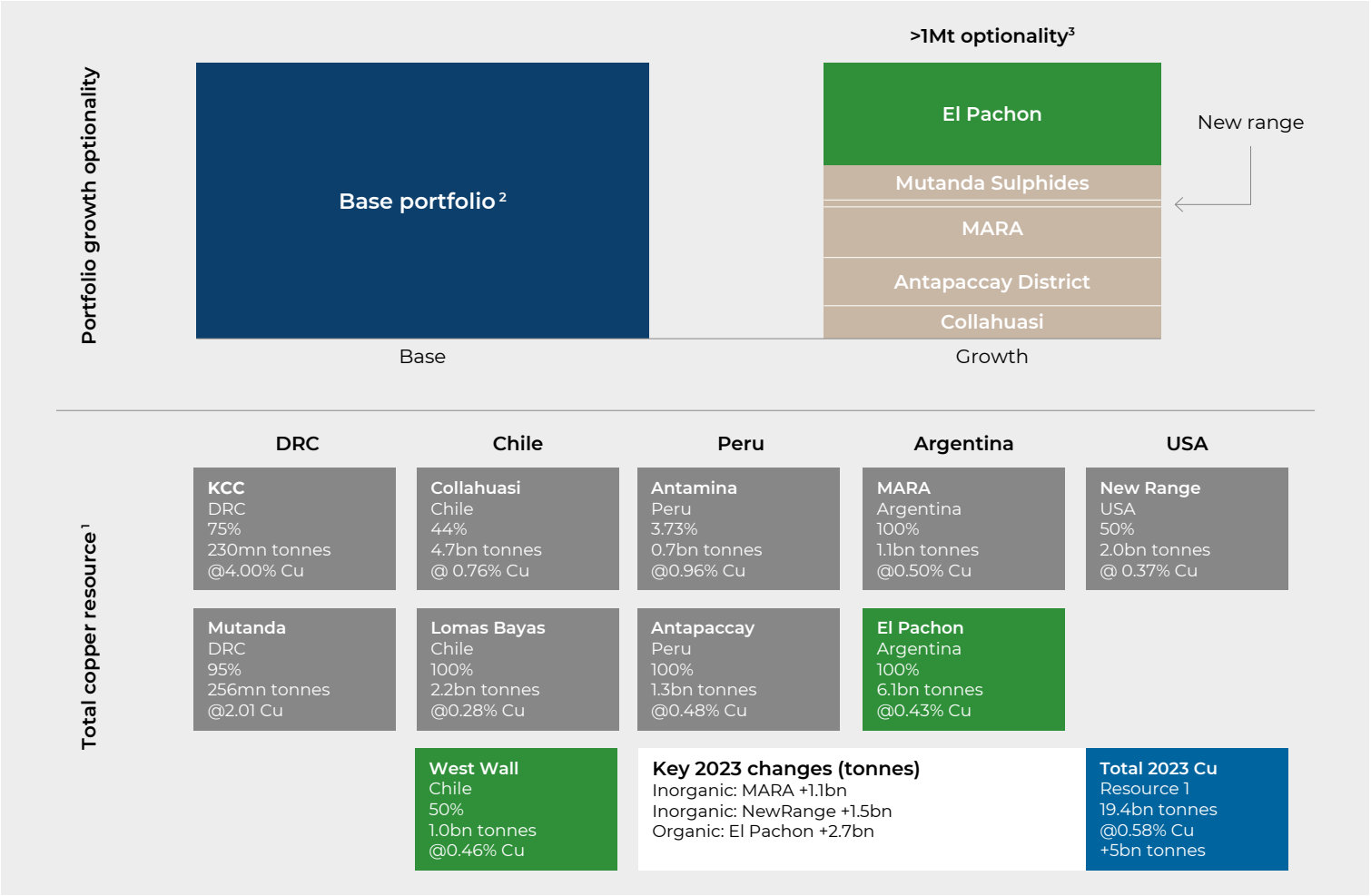
Today, we are already a major supplier of metals, including copper, nickel, cobalt, zinc, aluminium and vanadium.

Beyond our current supply, we are committed to identifying and investing in value-enhancing growth opportunities in our metals portfolio that meet market requirements. For example, our copper portfolio has >1.0Mt p.a. growth optionality based on significant potential brownfield expansions, as well as greenfield projects that are being worked through our various study and approval phases – see our graphic showing our copper portfolio on page 16.

We recognise that growth in many parts of our metals business is required for the energy transition, which may place upward pressure on our emissions from our industrial assets. We are therefore exploring ways to manage the carbon intensity of our operations as our production grows.

Read more about our abatement priorities here:
Managing our operational footprint.

Advancing tomorrow *continued*



Sourcing carbon footprint data on our products

An accurate assessment of our products' carbon impact requires a methodology with clear rules on emissions attribution. It needs to be able to trace emissions through complex production processes and account for various product and service inputs and outputs throughout the product's value chain and life cycle. Product carbon footprint (PCF) studies facilitate this by tracking and assessing a product's greenhouse gas (GHG) emissions, which arise from mining, processing, use, maintenance and disposal or recycling. We contribute to the PCF studies conducted by industry organisations that aim to develop common guidance on how to calculate the carbon footprint of the metals they cover. We are in the early stages of assessing the specifically attributed emissions of our own metals' products, which may provide additional insight into our emissions and allow us to better communicate the embodied carbon in the metals we supply to customers.

Beyond our core operations, we are also investing in other business areas such as recycling and carbon solutions, that can support the global transition to a low-carbon economy and also generate economic value for Glencore.

1. 2023 Reserves and Resources report, total resource base refers to equity share of Measured+Indicated+Inferred resources.
2. Base business assumes extension of permits at existing businesses.
3. All project data highly indicative and subject to change prior to eventual potential financial investment decision.

Driving new business models

Recycling and circularity

Beyond new production, recycling will be required to meet demand growth for many metals. Scrap is already the source for about a third of the roughly 30 million tonnes of annual total global copper supply, with a growing electric vehicle market and associated gigafactories creating an increasing need to recycle and reuse battery manufacturing scrap. In addition, recycling uses significantly less energy than mining and smelting primary metal, with copper from recyclable sources generating approximately 80% lower emissions[1] than mined copper when considering the entire copper production cycle. Other battery metals such as nickel, cobalt and lithium, while not as substantially recycled today as copper, are expected to exhibit similar trade-offs.

We are well positioned to take advantage of the increasing demand for recycled metals through our facilities for waste pre-processing, metallurgical processing and refining. Our processing capabilities allow us to leverage proximity to key manufacturing hubs in North America and Europe, while our position as a major miner and marketer of minerals allows us to combine primary and secondary feeds to meet quantity and quality requirements, as well as form sustainable partnerships to support successful closed-loop and circular resource strategies.

As the focus on accelerating the circular economy grows, we support our customers in developing solutions that further battery and electronics/electrical circularity through provision of raw materials and responsible end-of-life processing and recycling of battery components, as well as end of life electronics and electrical equipment. In addition to sectors such as transport, electronics and electrical equipment, we see the need for circularity in the renewable energy industry, as the rollout of solar and wind infrastructure grows. In collaboration with our recycling partners and technology companies, we are engaging with solar panel manufacturers to assess opportunities to increase collection of used panels to reuse components, and recover critical metals via recycling, for use in new-generation equipment.

A supportive policy environment is required to drive sustainable and scalable growth of recycling. We encourage the promotion of collection schemes and other efforts to increase scrap collection rates and support the development of national battery strategies.

Read more about our position on offsets here: **External engagement**

Carbon solutions

Our carbon solutions teams are actively trading carbon, power and biofuels/low carbon fuels, creating liquidity and offering both physical and cash-settled forward hedging capacity across these markets. Their expertise covers carbon management and strategy, trading, origination, structuring and execution, making them well-positioned to support the decarbonisation efforts of Glencore and of our customers. Our teams have established desks in London, Singapore, Houston, New York, Australia and China with a global remit, which have expanded activities in the last three years.

Through the carbon, power and biofuels desks, we trade, originate and advise, for example::

- **Trade**: Secondary trading of carbon credits and allowances in compliance and voluntary markets; sourcing power derivatives and entering into renewable Power Purchase Agreements and trading biofuels globally.
- **Originate**: Our teams have started to:
  - Leverage our physical assets around the world to develop our pipeline of carbon credit projects.

    Our carbon credit pipeline ranges from nature-based solutions to community projects in several jurisdictions both in compliance and voluntary markets.
  - Partner with renewable energy solution providers. Glencore has established a joint venture named GenuX to pursue renewable energy development in Latin America. GenuX aims to develop a multi-gigawatt portfolio, combining our partners' expertise in construction, development and operation with Glencore's extensive knowledge of material resources and emerging markets.
  - Develop sustainable and traceable supply chains to originate feedstocks and biofuels.
- **Advise**: Our carbon solutions teams advise the Group on how to structure and deliver tailored biofuels, carbon credit and power solutions, including opportunity scanning and risk management.

Carbon credits

We support the use of carbon credits in specific instances:

- **Regulation**: The use of carbon credits in line with regulation in markets and tax jurisdictions where we operate. For instance, we will comply with the Safeguard Mechanism in Australia and purchase (and retire) Australian Carbon Credit Units accordingly.
- **Our road to net zero emissions**: Carbon credits will play a role in the pathway to net zero and in delivering the goals of the Paris Agreement. We will consider the business case for both generating and utilising carbon offsets as part of our climate change strategy. We will prioritise reducing our emissions and consider offsetting our residual and hard to abate emissions on our road to meet our 2050 net zero ambition. We also intend to continue buying and selling EU Allowances as part of the EU Emissions Trading System and other compliance schemes where we are active.
- **Commercial opportunities**: We also see opportunities to support our customers with carbon credits for activities outside their value chains and other related claims, for example:
  - providing differentiated commodity product offerings that include carbon credits
  - ensuring secure supply of credits to help our customers achieve their climate objectives

We strive for quality and integrity of carbon credits that we source and use. We intend to comply with external market standards as they evolve, operationalised via robust internal standards that outline key requirements for the voluntary carbon credits we source and use, as well as central oversight on any voluntary carbon credits bought and retired.

We intend to disclose our use of carbon credits as and when required by regulation and recognise the value that transparent disclosure of the carbon credits that we retire can have, independent of whether these are used towards the achievement of our targets.

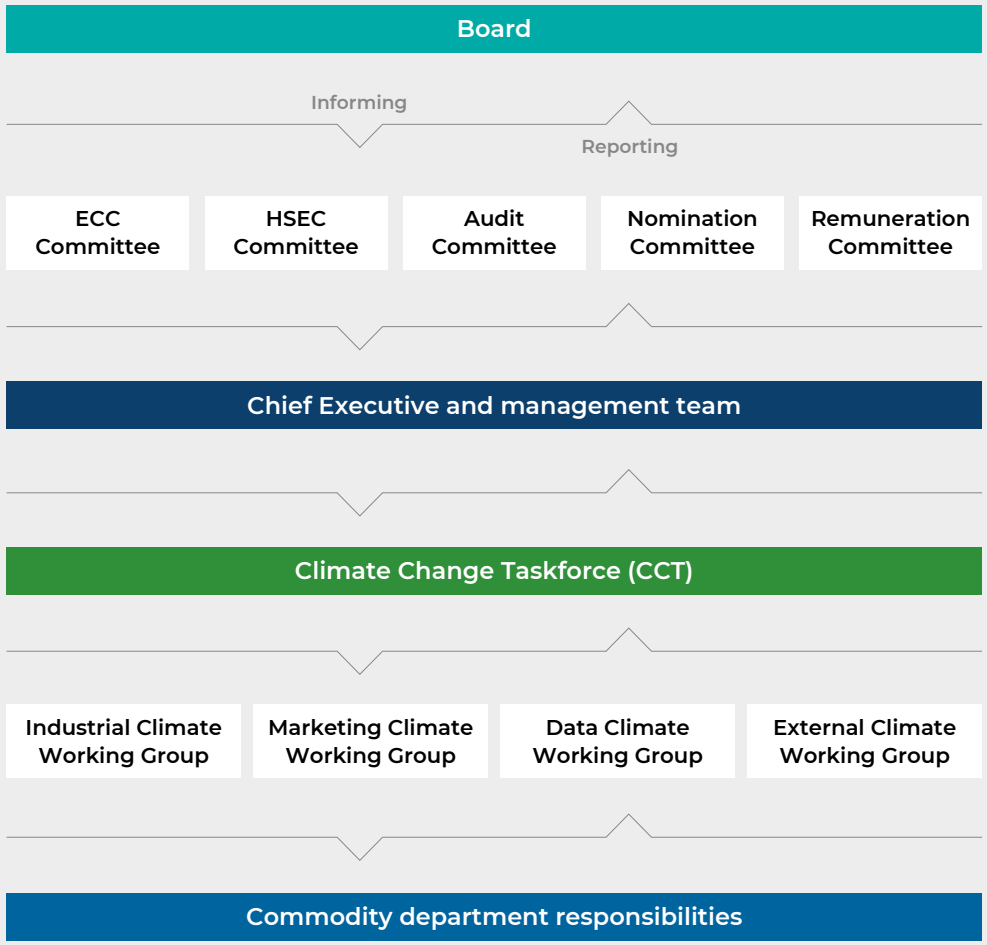
The governance of carbon credit use for delivering corporate net zero targets, country Nationally Determined Contributions and sectoral schemes (CORSIA) is developing. As the roles of carbon credits evolve, we are monitoring these developments and will adapt our approach as appropriate.

1. Michael E. Henstock, The Recycling of Non-ferrous Metal, 1996, ICME (depending on scrap and ore nature, the percentage may vary).

Responsible business practice

Governance

Overview of our governance framework for climate-related risks and opportunities



Board

Our Board is responsible for oversight of overall performance and strategic direction, including with respect to climate change, and considers climate-related issues when reviewing and guiding major acquisitions and disposals, overall risk management, capital expenditure and budgeting, setting the Group's performance objectives and other strategic matters.

The Board is responsible for overseeing the Group's climate strategy and progress against Glencore's climate commitments. Implementation of our climate strategy is led by the management team via our Climate Change Taskforce (CCT). Progress on this topic is a standing item on the Board agenda and is discussed in Board meetings at least twice yearly.

Through the Chair and CEO, the Board consults with shareholders on climate-related matters.

The Board Ethics, Compliance and Culture (ECC) Committee considers the significant matters on which the Group has made political representations and our use of lobbyists and the conduct and positions of our industry organisations on material issues, in line with our Political Engagement policy.

The Board Health, Safety, Environment, Community (HSEC) Committee considers material climate-related matters that may impact our operations, such as the implementation of the revised Safeguard Mechanism in Australia.

The Board Audit Committee reviews the Group's financial risk management, including those financial risks relating to climate change and oversees Glencore's financial statements and reports, including climate-related financial disclosures.

The Board Remuneration Committee supports the delivery of our climate strategy through the inclusion of climate-linked metrics and targets within performance-related pay for Glencore's CEO.

Informing

Reporting

Chief Executive and management team

Governance *continued*

Chief Executive and management team

The CEO is the named executive for driving the climate strategy within the Board and has responsibility for implementing the decisions of the Board and its Committees, as well as leading Glencore's operating performance and day-to-day management.

The CEO is Chair of the CCT, which is responsible for overseeing the climate strategy (developed in conjunction with the Board) and progress against Glencore's climate commitments. He also has oversight of the CCT's four working groups and provides support and information to the Board for making strategic decisions, including those relating to capital allocation and portfolio management.

The CEO's scorecard for annual variable compensation includes 30% relating to ESG matters, of which half is for safety performance and half for progress towards our 2026, 2030 and 2035 industrial emissions reduction targets.

Senior managers from core Group corporate functions, as well as our industrial and marketing teams, participate in the four working groups that support the work of the CCT. This facilitates the provision of climate-related information relevant to a particular commodity or function, which the CCT then consolidates into a Group-wide approach.

Climate-related topics are addressed regularly by our Head of Industrial Assets with industrial leads. Topics may include opportunities to reduce our emissions through operating efficiencies and emissions reduction schemes, as well as approaches to advocacy on climate-related matters such as carbon pricing.

Data collected by each industrial asset is consolidated to provide a commodity department's emissions. Each year, during our industrial asset planning and budget cycles, each industrial lead presents the department's emissions with accompanying workstreams and action plans to manage, mitigate and minimise emissions.

Informing

Reporting

Climate Change Taskforce (CCT)

The CCT is accountable to the Board and is led by the CEO. Its other members include the CFO, Head of Industrial Assets, General Counsel, Head of Corporate Affairs and Head of Sustainability, as well as representatives from other key corporate functions including investor relations and finance.

The CCT has responsibility for, and oversight of, the work streams and coordination of workflow for the delivery of Glencore's climate strategy and commitments, including activities relating to:

- decarbonisation of industrial activities;
- internal reporting standard development and data quality and consistency review;
- capital allocation and portfolio management;
- macroeconomic assessments including Group carbon pricing; and
- external engagement, communication and advocacy.

The CCT has four working groups to drive the delivery of our emissions reduction targets and net zero ambition. It is through these working groups that we assess initiatives to reduce our emissions, identify and leverage carbon marketing opportunities, design and implement systems to support complete, accurate and attestable reporting and monitor external trends, while coordinating and overseeing advocacy and communication efforts.

These working groups also play an important role in helping inform management about climate-related issues that need to be monitored.

Informing

Reporting

Industrial Climate Working Group | **Marketing Climate Working Group** | **Data Climate Working Group** | **External Climate Working Group**

Governance *continued*

Industrial Climate Working Group

- Climate change risk assessment
- Energy and emissions reduction
- Life of asset planning and budgeting

Marketing Climate Working Group

- Group data validation and reporting procedure
- Research, innovation and governance
- Data model definition and integration
- Market execution

Data Climate Working Group

- Group data reporting procedures and standards
- Carbon pricing and modelling
- Carbon accounting

External Climate Working Group

- Monitoring emerging climate topics
- External advocacy
- Legal
- Disclosures

The CCT is supported by a management-level ESG Committee, which provides guidance on Glencore's ESG programmes and approves Group ESG policies, standards and procedures, including those relating to climate.

Informing

Reporting

Commodity department responsibilities

The commodity departments participate in the Industrial and Marketing Climate Working Groups to increase knowledge sharing and enable acceleration of the adoption of decarbonisation action Group-wide.

They work on the decarbonisation of their industrial assets through identifying carbon abatement opportunities that are inputs for the Group MACC and maintaining rolling four-year climate action plans to support their decarbonisation planning.

Representatives of the commodity departments collaborate with industry organisations to strengthen the understanding of a commodity's emissions through developing life-cycle analysis.

The commodity departments identify environmental products and power supply opportunities to support a more efficient approach to carbon and energy markets and our Scope 2 emissions reduction effort; and assess and revise their climate-related risks and opportunities.

Our policies and standards pertaining to climate change

- Our *Code of Conduct*, in which we recognise the potential impacts of climate change on our operations and our communities and commit to work to address these;
- Our *Environmental Policy*, which sets out our environmental commitments, including a commitment to support the goals of the Paris Agreement (Article 2);
- Our Group standards: The *Environmental Policy* is supported by several standards, of which the most relevant are the *Energy & Climate Change Standard* and the *Closure Planning Standard*. In addition, some of our other standards address climate-related risks, such as our *Tailings Management Standard*, and the *Environment Standard*, which considers nature and biodiversity; and
- Our Group procedures: The *Energy & Climate Change Standard* is supported by our *Emissions and Energy Reporting Procedure* and *Climate Change Risk Assessment Procedure*, which set out the requirements for consistent and accurate reporting of our carbon emissions.

Implementation of the requirements of the standards in relation to climate change is subject to various levels of assurance across the Group and supported by the work of the Industrial Climate Working Group and the environmental teams in our industrial commodity departments.

Risks and opportunities

Our approach to overall risk management

Risk management is one of the core responsibilities of the Group's leadership and it is central to our decision-making processes. Our Enterprise Risk Management Framework requires our industrial assets and industrial commodity departments to conduct annual risk assessments, which includes assessing climate-related risks. Our Group-level approach to risk management and reporting (including climate-related risks[1]) is set out in our Annual Report. Our 2023 Annual Report includes improvements to our reporting on climate risks and opportunities that we implemented following an external review in 2023. This CATP focuses on outlining the process through which we identify climate-related risks and opportunities and shares some example outputs.

Our approach to climate-related risks and opportunities

Climate change and the global efforts to decarbonise will create both opportunities and risks for our sector overall and for our business specifically, and we consider the following in our assessment:

- **Physical risk**: Potential impacts resulting from climate change (either direct damage to assets or indirect impacts from supply chain disruption) can be event-driven (acute) or longer-term shifts (chronic) in climate patterns including consideration of nature-related risks that could be exacerbated by physical climate change to long-lived, fixed assets such as tailings storage facilities, locations, or operations in climate-sensitive regions (e.g. coastal and flood zones) and reliance on availability of water.
- **Transition risks and opportunities**: The transition to a low-carbon economy will bring with it changes in policy and law, technology, and market supply and demand, all of which may present operational, financial and reputational risks and potential opportunities for our business.

Under our Energy & Climate Change Standard, all our industrial assets are required to perform annual climate change risk assessments. These follow a detailed process that requires our corporate, commodity department, and industrial asset teams to undertake risk identification, assessment, and evaluation, as well as financial planning for relevant mitigation measures.

This process specifically includes reviewing existing controls, identifying and evaluating additional risk treatment options, calculating the potential capital required to support with implementation of the controls, and submitting the capital requirements into the budgeting process. The deployment of controls is guided by our Enterprise Risk Matrix which provides guidance on risk treatment action based on risk ratings. We review controls across departments and assets when undertaking the overall risk assessment process.

Through this process, climate-related transition and physical risks are assessed and prioritised for relevance and impact on financial and operational performance at different organisational levels. Risks with the highest Potential Maximum Consequence are included in the Group Risk Register, with consequences determined across multiple categories, including environmental, human rights, financial, and image and reputation.

Our industrial assets are required to develop appropriate treatment options for the identified risks, and to monitor and report on progress in managing them. The most material climate-related risks and opportunities, and any associated responses, are prioritised and fed into our annual life of asset planning, budget, and health, safety, environment, social performance and human rights (HSEC&HR) strategy processes. In particular, we seek to ensure our commodity departments must ensure they have highlighted the financing needed for additional risk controls.

The Board monitors the Group's risks, financial exposure, and related internal controls to mitigate these risks. Monitoring and reporting are the responsibility of the Group risk functions and the heads of corporate functions who provide regular updates to the Board and its committees covering various risks and the performance of the relevant controls in place.

Scoping
Define risk assessment boundaries, aligned to the Energy & Climate Change Standard and Climate Change Risk Assessment Procedure.

Risk identification
Collect information and data for assessment.

Identify climate-related risks and opportunities, which also consider nature-related risks, relevant to the industrial asset and industrial commodity department.

Risk assessment
Assess current and future risk ratings for the identified climate-related risks and assess emissions abatement opportunities using the MACC.

Risk evaluation
Identify additional risk treatment options for climate-related risks that are deemed to have inadequate existing controls to manage the risk.

Integrate results into financial planning
Document and confirm budget requirements for additional risk treatment options.

1. Beyond climate-related risks, nature-related risks are also part of our risk assessment process. Further detail can be found in our Annual Report.

Risks and opportunities *continued*

Our approach and findings on climate-related physical risks

As part of our process, climate change-related physical risks are identified and evaluated through a commodity department-level climate change risk assessment, using industrial asset-specific data to evaluate the potential impacts on Glencore. Our modelling approach that feeds into this process considers risks from a number of hazards (and their related climate change indicator[1] data) and assesses them across three time horizons and three climate scenarios set out below.

The following climate-related risks are included in our risk taxonomy:

- extreme heat
- extreme cold
- river flooding
- extreme rainfall
- extreme winds
- wildfires
- rainfall induced landslides
- water stress or drought.

Our assessment process considers the IEA scenarios for risks from policy and the cost of carbon and the IPCC's Shared Socioeconomic Pathways, which align with the IEA scenario temperature outcomes, for physical risks. These are applied to a net zero emissions by 2050 scenario (i.e. likely below 1.5°C), a low-emissions scenario (i.e. 2°C or lower) and a high-emissions scenario (i.e. 5-8.5°C) for near, medium and long-term horizons.

Through this process, we have identified several specific asset-level risks and accompanying mitigation measures to manage climate-related physical risks.

For example, our most recent risk assessment identified several sites across Peru, Canada and the US where flooding presents a high risk by 2030, due to its potential negative impacts on our supply chain, and disruptions to our production processes and deliveries. Prevention and mitigation controls for our highest-risk flooding sites include hydro-geological monitoring with early alerts, emergency spillways and remote-controlled water treatment. Physical risks are actively monitored at the industrial sites to adjust controls as needed.

Our approach and findings on climate-related transition risks and opportunities

Robust assessments of transition risk are conducted annually by each commodity department as part of our risk assessment process. This identifies significant policy risks[2] (including those relating to technology, reputation and legal risk) and assesses the potential impacts on our business across different time horizons and climate scenarios, informing our strategic planning.

We conducted an analysis of the future demand and pricing outlook (considering policy and technology developments) for industrial commodities that we are materially exposed to: (1) seaborne thermal coal, (2) copper, and (3) nickel.

For this analysis, our team input data-driven assumptions (based on latest available intelligence) into a third-party climate and energy transition model, which provides a volume and price outlook for relevant commodities across three climate scenarios (with emissions outcomes equivalent to the IEA SPS, APS, NZE scenarios) over time (2030, 2040, 2050).

- **Supply inputs to the model:** To 2030, we use the latest information on future possible projects to inform our view on cost curves. Beyond 2030, we estimate supply curves based on data-driven assumptions.
- **Demand is an output of the model:** The model includes CO_2 targets consistent with the IEA's SPS, APS and NZE scenarios. The model calculates demand based on the lowest-cost outcome for reaching those targets.
- **Prices are an output of the model:** Based on the marginal supply intersection of cost curves with the expected level of demand in each scenario.

The overall findings from this analysis are summarised in this report. Where possible, we compare our outlook to relevant modelling from the IEA.

Seaborne thermal coal: In terms of industry volumes, we expect demand for seaborne thermal coal to fall across all climate scenarios: the faster the transition, the more accelerated the fall in demand. However, we still foresee some demand for seaborne thermal coal beyond 2040, especially if stated government policies are not further strengthened. In terms of industry prices, we see potential for price resilience with support being derived from the structure of the global supply cost curve, declining average coal quality and the expected trend to increase the quality of coal being consumed. Overall, considering the trajectory of a responsible phase-down, we expect continued resilience in our own coal business.

For more detailed modelling on the potential impairment risk to our existing coal assets under different climate scenarios, please refer to our **Annual Report.**

1. A set of parameters that describe the changing climate without reducing climate change to only temperature. They comprise key information for the most relevant domains of climate change: temperature and energy, atmospheric composition, ocean and water as well as the cryosphere. They include Warm Spell Duration Index, Cold Spell Duration Index, Fluvial Flooding, Coastal Flooding, Pluvial Flooding, Tropical Cyclones (wind speed), Maximum Burned Area, Forest Fire Danger Index, Rainfall-induced Landslides and Water Stress Index.
2. They comprise key policy information on: Technology Costs: Solar PV Capital Costs, Cost of Carbon, Industry: Emissions, and % Change; Industry: Iron and Steel Emissions, and % Change; Transport: Heavy-Duty Trucks Emissions, and % Change; Electricity: % Supply Solar PV and Wind, % Change; Electricity: Supply Emission Intensity, % Change; Industry: Energy Consumption TFC, % Change; Industry: Iron and Steel Energy Consumption TFC, % Change; Buildings: Services Buildings Emissions, % Change; Transport: Oil in Transport TFC, % Change; and Transport: Electricity in Transport TFC % Change.
3. Glencore engaged a third-party consultant and used their Intersect Model to evaluate commodity demand and pricing impacts under the respective climate scenarios.

Risks and opportunities *continued*

Copper: We expect high growth in demand for copper across all scenarios. We expect supply constraints for copper towards 2030 to contribute to higher prices due to the lead time to add new mining capacity. We have assessed a range of sensitivities including scrap rates and substitution rates. We found that the growth of demand and increased pricing holds true even across sensitivities.

Nickel: In the short term, nickel markets have surplus supply and commensurate price weakness. As the global energy transition accelerates, while we expect higher growth in demand for nickel across all scenarios, the current supply pipeline is sufficient to meet demand without material constraints for nickel until around 2040. We have a range of sensitivities included in this assessment including HPAL (High Pressure Acid Leach) supply and battery electric vehicles nickel content.

This analysis supports the assumption that across all climate scenarios, the market demand growth in copper and nickel is likely to outweigh the impact of any decline in seaborne thermal coal. Given our integrated portfolio, we expect that our current business should be resilient to transition risk across climate scenarios.

Beyond using scenario analysis to assess potential financial impacts on our business and consider our strategic resilience, we leverage this analysis to actively manage climate policy risks and opportunities on an annual basis. We closely monitor the most critical indicators (including climate policies, rate of clean energy technology adoption, battery technology evolution, level of recycling, among others) to refine our demand and price expectations. This in turn informs our decisions to accelerate (or decelerate) our project pipeline and capital allocation across commodities.

2040 forecast global demand volume, % change from 2021

Note: All figures calculated as % increases between demand in a baseline year and demand in 2040; 1) Due to data availability, copper figures for both Glencore and IEA based on 2022 baseline year; IEA baseline and forecast data both from IEA Critical Mineral Demand 2023; Glencore baseline is same as for IEA, with forecast based on Glencore modelling; 2) Nickel figures for both Glencore and IEA based on 2021 baseline year; IEA baseline from IEA Critical Minerals Policy Tracker 2021 and forecast from IEA Critical Mineral Demand 2023; Glencore baseline is same as for IEA, with forecast based on Glencore modelling; 3) Thermal coal figures based on 2021 baseline year; IEA baseline and forecast from IEA WEO 2022; Glencore baseline and forecast from Glencore modelling; 4) Comparable IEA NZE data not available for thermal coal.

Source: Glencore Modelling; IEA Critical Mineral Demand 2023; IEA WEO2022 Extended Dataset (Trade); IEA Critical Minerals Policy Tracker 2021

Capital allocation

Our approach to capital allocation

We seek to align our material capital expenditure and investments with the goals of the Paris Agreement (Article 2) and our own climate commitments. Our disciplined approach to capital allocation seeks to reflect market supply and demand dynamics.

Our capital allocation strategy is consistent with overall Group strategy set by the Board – and we adapt it accordingly. We have a rigorous approach to assessing capital decisions, and evaluate all material capital expenditure decisions with several considerations, including:

- Alignment with our climate strategy and decarbonisation targets
- Long-term commodity price assumptions, market analysis and financial returns
- Health, safety, environment, social performance and human rights commitments

We review our capital allocation plans across the business on an annual basis (more frequently in some instances, as required) and provide three-year rolling financial forecasts relating to such plans to investors. Given the capital-intensive nature of our business, we undertake detailed planning of our business investment needs and opportunities within our annual planning cycle. However, given the variability of economic cycles along with the difficulty of forecasting the many longer-term variables that can impact our business, it is increasingly counterproductive to provide granular forecasts outside our detailed four-year planning timeframe.

Capital allocation in the context of climate

We recognise the importance of allocating capital to deliver our climate strategy, and our capital allocation reflects both our commercial and climate priorities. Our capital allocation strategy for our industrial assets is aligned with the achievement of our short- and medium- term climate targets and our ambition of achieving net zero industrial emissions by the end of 2050, subject to a supportive policy environment, reflecting our commitment to continue investing in our portfolio's transition metals and to responsibly phase down our thermal coal business.

Going forward, we intend to continue to allocate capital to operate and to deplete our upstream energy industrial assets in a manner that is consistent with our Values and our climate strategy. More specifically, this comprises the intended cessation of mining for at least 12 coal mines between 2019 and the end of 2035 (to specifically align with our medium-term risks and opportunities time horizon and our 2035 target), along with an associated decrease in the capital expenditure required by the existing coal portfolio.

We are not progressing greenfield thermal coal investments. Any thermal coal or oil brownfield discretionary capital expenditure must have a high return/short cash payback that generates cash flow to fund the overall portfolio and reflects the higher cost of capital associated with this business. Any such investments will not compromise the delivery of our emissions reduction targets.

The metals we produce have a critical role in enabling the economy to decarbonise across multiple sectors (see **Advancing tomorrow**).

We recognise the role that disclosure of how we allocate capital can play in helping our stakeholders assess and evaluate our approach to mitigating climate-related risks. We have therefore enhanced our disclosure in providing the following breakdown of spend categories per commodity (see table to the left).

Category	Definition
Major equipment overhaul	Total cost greater >$750k, involving a major rebuild which extends the OEM equipment's original useful life expectancy
Infrastructure	Onsite and offsite earthworks, structural engineering, pipelines and electricity (etc) in support of mining
Smelters/refineries	Spend on fixed plant at smelters and refineries (incl. integrated), including the capital element of any plant turnaround
Coal Handling & Prep. Plant (CHPP)	Spend on fixed plant within the CHPP area - coal only
Mining and processing equipment – mobile	Purchase of mobile mining and processing equipment (e.g. trucks, loaders, diggers)
Mining and processing equipment – fixed	Purchase of fixed mining and processing equipment (e.g. capitalisation of OEM parts and replacements for crushers, mills, longwalls)
Water management	Spend on dams, dewatering, pipelines or other water facilities other than tailings storage facilities
Tailings	Spend on tailings storage facilities
Development drilling	Development drilling after the prefeasibility and feasibility phases
Exploration	Exploration and evaluation spend including lease requirements, drilling, prefeasibility and feasibility phases
Property purchases	Acquisition of land
Deferred mining – opencut	Capitalised working cost/deferred stripping
Deferred mining – underground	Capitalised development
Lease recognition capex	Initial recognition of leases under IFRS 16

For details of our capital allocation during the year, refer to our **Annual Report**

Just transition

Our Just Transition Principles

The transition to a low carbon economy will affect our operations in different ways:

- In some areas there will be a 'transition out' as we close certain energy assets that are uneconomic or reach the end of their economic life; and
- In other areas there will be a 'transition in' as we focus on our operations producing the commodities required for the transition and ramp-up activities as our metals and recycling businesses expand to meet the demands of a low-carbon society.

A just and orderly transition is a global, regional and country specific challenge which we cannot solve alone. In our approach we will seek to work together with governments, other businesses, communities and other stakeholders to mitigate impacts and accelerate the social benefit potential that the energy transition facilitates.

We use the following set of principles to inform our approach to the just transition:

- **Adopting a multi-stakeholder approach**: To manage a structural decline in mining production successfully, a multi-stakeholder approach is essential. We engage with national and regional governments, affected communities, our workforce, trade unions and civil society groups to consider options to address the socioeconomic consequences arising from mine closure as a result of the transition to a low carbon economy. For further detail on our stakeholder engagement approach – read our **Sustainability Report**.
- **Supporting civic dialogue**: We aim to collaborate with key stakeholders, other mining companies and other industries to support civic dialogue and greater transparency in our operating countries – we believe this is critical to enable the advancement of human rights through the transition.
- **Supporting vulnerable people and groups**: We recognise that the transition may have a greater impact on vulnerable groups. We consider these groups during our stakeholder identification processes and determine the most appropriate ways of engaging with them. We try to understand and respect their concerns and identify opportunities for their inclusion and participation.
- **Promoting resilient communities**: Where possible, we seek to foster socioeconomic resilient communities through building capacity, enabling diversification of local enterprises, and working to ensure local small, medium-sized and micro-enterprises (SMMEs) have fair access to our contracts.
- **Supporting skills development**: The retraining of our workforce who are directly affected by the energy transition is important to support local economies – we aim to promote and contribute to skills development for the future energy system where appropriate.
- **Supporting infrastructure and public services development**: We recognise that infrastructure development not only supports our mine operations but provides stimulus for local employment and economic prosperity.
- **Advocating for government policies that support a just and orderly transition**: We recognise that many of our host governments are still developing their just transition policies. As such, we aim to support our host governments and to advocate for frameworks that ensure that a share of existing taxes and royalties is allocated to supporting at-risk mining communities and their transition to a low carbon future.

Our approach to a just and orderly transition considers current frameworks (e.g. World Benchmarking Alliance, Council for Inclusive Capitalism and Climate Action 100+) and builds on our established practices, including our Group policies such as our Environmental, Social Performance and Human Rights Policies and our Group standards such as our Closure Planning, Social Performance, Human Rights Standards and our IDEAL Framework (Inclusion, Diversity, Equity, Advancement and Local), as well as the ICMM Principles.

Our closure planning approach

As a mining company, closure planning is an integral part of our operational strategy and planning. We are a responsible operator and are committed to integrating closure planning throughout the life of our industrial assets as part of our efforts to achieve safe and stable landforms and sustainable outcomes that consider our Just Transition Principles. Our industrial assets are required to develop and maintain their closure plans to follow good practice, reflect consultations with local communities to consider their needs, and to include regulatory requirements.

Our Closure Planning Standard requires our industrial assets to assess their closure maturity using principles within the ICMM's Closure Maturity Framework. This considers integration into life of asset planning, knowledge base, closure vision, principles and objectives, post-closure land use, stakeholder engagement, assessment of risks and opportunities, closure activities, success criteria, progressive closure, social and economic transition, closure costs, closure execution planning, monitoring, maintenance and management and successful transition.

We also have ongoing workstreams to mitigate, manage, and reduce our activities' impacts on nature and natural capital. In accordance with our nature strategy, we are evaluating how we can achieve no net loss of biodiversity.

For further detail on our responsible stewardship, including our approach to nature – read our **Sustainability Report.**

Our actions

We have determined that the relevance of a just and orderly transition for our industrial business is greatest in Colombia and South Africa, where we are focusing our efforts.

Colombia

We understand the government's efforts to progress the transition in Colombia through a road map that sets out the needs of the nation's regulatory framework and supporting projects for a Just and Orderly Transition throughout the country.
We believe that the government must lead the transition process for it to be inclusive, transparent and predictable, enabling equitable stakeholder participation and effective implementation.

Just transition *continued*

We welcome the participation of and contribution to the transition from Colombia's national and regional government, the communities living close to our operations, the private sector operators in the regions and other impacted parties.

We also believe that the transition should not take place in isolation but should seek to build on existing efforts to leverage their results and incorporate these into a broader plan.

Glencore's operations in Colombia have developed a number of programmes focusing on environmetnal protection and capacity building for local communities, some of which can play a role in supporting a Just and Orderly Transition.

South Africa
The government of South Africa has set up a dedicated government agency, as well as the Just Energy Transition Investment Plan. We support and encourage greater consultation and engagement with impacted stakeholders, including industry, communities, and labour.

Our Just Transition Principles	Colombia	South Africa
Adopting a multi-stakeholder approach	Draw on previous research on opportunities for economic diversification to engage with stakeholders. Use environmental conservation efforts as opportunities for community employment and economic diversification.	The complexity of the energy transition in South Africa and the scale and potential significance of its impacts mean a multi-stakeholder approach is essential. We welcome ongoing efforts, and particularly support dialogue with all industry participants to help holistically identify and mitigate risks associated with operational changes .
Supporting civic dialogue	We continue to promote an open and transparent dialogue with Indigenous Peoples, land-connected peoples and local communities, diverse civil organisations, and industry stakeholders through the different platforms and mechanisms available in regions where we operate.	We believe dialogue is needed to enable a transparent, predictable, and stable approach to the energy transition in South Africa. The predictability of the transition roadmap – for instance around planned closures of coal-powered power stations – is necessary to enable a robust response that deploys actions in a sequenced, effective manner, that supports resilient communities.
Supporting vulnerable people and groups	We continue engaging with communities in our zone of influence to identify fundamental needs, such as maintenance of water wells and traditional water reservoirs.	We are committed to responsibly managing the decline of our thermal coal operations as part of our efforts to meet our 2050 net zero industrial emissions ambition, subject to a supportive policy environment. Some of our coal operations in South Africa are located in a designated Renewable Energy Development Zone, and their rehabilitation plans create opportunities to investigate renewable energy generation facilities for community use as long-term alternative land use options.

Just transition *continued*

Our Just Transition Principles	Colombia	South Africa
Promoting resilient communities	We support a collaborative platform that promotes capacity building necessary for the development of the mining corridor in the region.	We seek to support the building of self-sustaining communities and the development of skills and competencies to service the need to complete large-scale projects and stimulate the local community economy. For instance, through the Rhovan Renewable Energy Programme local community members will be trained in solar PV installation and maintenance to support their own businesses and provide services to the Rhovan sites.
Supporting skills development	We continue capacity building with local communities to support the skills needed for enterprise development.	We support the skills development of our current and future workforce, as well as upskilling local communities to help meet the growing needs for a capable and trained workforce, including in the following areas: • Renewable energy • Data management • Artificial intelligence
Supporting infrastructure and public services development	In partnership with the Colombian government, we support development of local infrastructure programmes such as those addressing water access and education facilities.	We have supported development of local public infrastructure, and continue to assess further such opportunities, e.g. in relation to energy access. We believe both infrastructure and public services should be addressed through the Just Energy Transition Investment Plan and in the transition roadmap.
Advocating for government policies that support a just and orderly transition	We work with peers and industry associations to promote appropriate public policies on just transition and support local authorities focused on developing technical capabilities for their institutional mission.	We support the efforts by the South African government to develop the policy framework that enables the just and orderly transition, and to commence the relevant planning. We encourage further dialogue and development of local, more granular plans that can leverage the industry's ongoing efforts, alongside discussions on how to avoid simply offshoring carbon emissions to carbon havens throughout the transition process at the expense of local industry and employment. For instance, we support the planned implementation of Virtual Wheeling, which would allow consumers to purchase renewable power from any producer across the country. It would enable companies with multiple smaller and low-voltage loads scattered across various geographic areas in South Africa to participate in the energy market.

External engagement

Our goals

We believe systems-level change is needed at both the national and the sector level, requiring companies, governments and civil society to work together. We are committed to playing our part – and have developed a set of four goals to frame and prioritise our external engagement.

Goal 1
Acceleration of clean technology

Goal 2
Least-cost emissions reduction

Goal 3
Transparent and harmonised disclosure

Goal 4
Just transition

Our engagement with government and public policy

We seek to play an active and constructive role in supporting the development and implementation of progressive and well-designed policies that are consistent with a just, orderly and equitable climate transition and the attainment of the Paris climate goals (Article 2).

1. Acceleration of clean technology: Incentives, standards and government-backed projects to drive accelerated uptake of lower-carbon and decarbonisation technologies.

a. Permitting

- Permitting is a key step in enabling society to build the infrastructure required for a decarbonised future within the accelerated timeline required to meet net zero ambitions.
- Glencore supports permitting that prioritises decisions being made in a timely manner, thus providing regulatory certainty for capital-intensive investments. Additionally, timely judicial review will prevent litigation from extending beyond a reasonable timeline.
- As project sponsors and investors, we support modernisation of permitting laws while upholding strong environmental, labour, safety, Indigenous Peoples, land-connected peoples and local communities' engagement standards. Any durable and effective reforms to permitting laws will require inclusivity and a balanced approach to stakeholder engagement coupled with reasonable timeframes.

b. Security of supply

- Glencore advocates for responsible and sustainable mining, refining and recycling practices. These practices not only meet consumer and investor expectations but also aim to shorten the time from discovery to production.
- It is crucial to enhance investment in mining projects to meet the growing demand for transition-enabling commodities. Additionally, supporting policies and projects that address climate risks in mineral-producing regions are needed to prevent these minerals from becoming a bottleneck in clean energy transitions.
- Glencore seeks to collaborate with policymakers, emphasising the importance of international cooperation and public-private partnerships. This collaboration would help support a stable and secure supply of critical minerals essential for the transition.
- One of the elements of Glencore's strategy in this area is to advocate for increasing recycling capabilities, augmenting the primary supply of critical minerals with a harmonised, globally efficient waste collection and recycling ecosystem. This will become increasingly important as a means to sustainably provide the materials necessary for the transition.

c. Carbon incentives

- Policies taxing carbon emissions should be accompanied by the allocation of carbon pricing revenues to the development and implementation of emissions reduction technologies in the most exposed industrial sectors and vulnerable populations.
- Effective revenue recycling policies should establish clear and predictable mechanisms to direct funds towards low-carbon technologies. Incentives for the deployment of low-carbon technologies and processes, as well as relevant supporting regulatory measures, should provide long-term predictability and ease of implementation for the sectors affected.
- Incentivising policies should take a long-term, holistic approach towards the creation of low-carbon value chains.

2. Least-cost emissions reduction: Market-based regulations governing industrial practices that drive a competitive, least-cost emissions reduction approach

a. Carbon price

- Carbon pricing is a key tool in addressing greenhouse gas emissions as it assigns a cost to carbon emissions, encouraging lower-cost emissions reduction and removal.
- Glencore endorses governmental policies providing clear long-term costs of greenhouse gas emissions, and a level playing field for the global application of carbon prices to avoid carbon leakage.
- Policies should offer predictability for industries transitioning to low-carbon methods. Sectors like mining, metals and energy need a consistent, long-term carbon pricing signal for strategic planning.
- Consistent support for low-carbon technology development and deployment is crucial, especially in energy-intensive sectors. Revenues from carbon taxes should prioritise advancing green technologies in sectors prone to carbon leakage.

External engagement *continued*

b. Carbon credits/CCS

- Clarity in the role of offsets, including nature and technological removals (e.g. direct air capture, bioenergy with carbon capture and storage, and a/reforestation) and the role of carbon capture and storage (CCS), is needed for cost-effective abatement, deployment of finance and wider global emission reductions within emissions trading systems.
- We believe policymakers should prioritise the implementation of Article 6 of the Paris Agreement. This enables international collaboration in meeting Nationally Determined Contributions (NDCs) through the trade of GHG emissions mitigation outcomes. With comprehensive implementation and transparent, credible accounting, Article 6 allows nations to invest in decarbonisation projects abroad, thereby enhancing global capacity to combat climate change.
- Focusing investment on CCS as well as carbon removal technologies is crucial. These can mitigate emissions from existing, strategically important, yet emissions-intensive assets and industries within various countries/regions.

3. Transparency and harmonised disclosure:
Harmonised corporate emissions and climate reporting regimes, and clear standards and reporting rules.

a. We support meaningful and reasonable disclosure, transparency and traceability of product and organisational carbon footprint assessments, as for instance defined by the GHG Protocol. We believe these inventories should prioritise identification and disclosure of material sources of emissions, and follow consistent, harmonised data protocols, including attestability requirements.

b. We welcome emerging requirements regarding disclosure of climate strategies, transition plans and carbon performance. We believe these requirements should recognise the complexity and diversity of reporters, and enable transparent, accurate and consistent reporting, without enforcing specific strategic approaches, and avoiding a one-size-fits-all approach.

4. Just transition:
Mechanisms to support workers and communities through a just and orderly transition including through reskilling, access to employment and social security.

a. We believe the transition must be orderly and affordable and recognise it will not be linear in geography and time.

b. The transition to a low-carbon future requires a multi-stakeholder approach.

c. Government frameworks should ensure a share of existing taxes and royalties is allocated to supporting at-risk mining communities and their transition to a low-carbon future.

Reflecting the nature of our business, we prioritise a local approach to advocacy, and we actively engage with local and national governments. At corporate level, we respond to consultations on policies that relate to our stated climate policy goals, or where they might have a material impact on our business.

Our engagement with our industry

At a global, national and local level, we participate in a broad range of industry-coordinated efforts. Our engagement ranges from having a leadership role in an industry organisation, to being active participants in ongoing working groups, to providing input to specific efforts.

Between 2024 and 2026, we plan to continue actively participating in industry associations and initiatives which support our external engagement goals. This includes as a member of the International Council on Mining and Minerals (ICMM); we are participants in its Innovation for Cleaner, Safer Vehicles initiative. We are working alongside equipment manufacturers and technology suppliers to accelerate the development of zero-emission mining vehicles.

We are a founding member of the World Economic Forum's Circular Economy Partnership, which aims to accelerate the transition to a sustainable and circular electronics sector. Through the Partnership, we can, as a smelter and a refiner, speak directly to electrical OEMs. As these two parties sit at opposite ends of a linear supply chain, they might otherwise have little reason to connect, but through connecting can support progress towards a circular approach.

We recognise our responsibility to assess our industry association memberships for their compatibility with our Climate Action Transition Plan, and publish an annual review of our direct and indirect advocacy activities.

Our engagement with our value chain

We aim to contribute to the decarbonisation of global value chains by supplying metals to support the transition and developing future low-carbon products (see **Advancing tomorrow**).

Beyond that, we will continue to engage with our suppliers, customers and commodity and product associations on climate-related matters. As an example, we are an active member of the Global Battery Alliance and continue to support its Battery Passport initiative. Batteries will be essential to enable electrification across multiple sectors, and we aim to bring new levels of transparency to the supply chain. We have collaborated with companies across the supply chain to launch the proof-of-concept for the Battery Passport.

Transparency and metrics

Annual progress reports

We recognise the importance of transparently reporting on our approach with respect to managing climate change within our business and progress towards delivering our targets and ambitions. Going forward, we will provide an annual update on our progress against this plan, our targets and ambition. We obtain external verification on our performance for specific key performance indicators (KPIs), including our emissions performance. We are also taking steps to improve our internal reporting of KPIs as well as to strengthen the accuracy of our emissions reporting.

Regulatory disclosure frameworks

We were an early supporter of the Task Force on Climate-related Financial Disclosures (TCFD) and are pleased to align to its recommendations in our annual reporting. Our TCFD-aligned disclosures are available in our Annual Report.

We support the guidance on climate-related disclosures under IFRS S2, developed by the International Sustainability Standards Board (ISSB). Moving forward, we are preparing to align to its recommendations when it is implemented for companies listed in the UK. We consider these reporting requirements to be largely aligned with those of the Carbon Disclosure Project (CDP); we are prioritising preparing to comply with new requirements under ISSB and will not participate in CDP.

Reflecting the growing reporting requirements relating to climate and feedback from our stakeholders, we are increasing our disclosures in several areas:

- **Historical CAPEX**: We have developed a new reporting categorisation with additional granularity that we will report against annually.
- **Scope 3 emissions from third-party traded volumes**: We anticipate that we will need to disclose Scope 3 emissions from third-party traded volumes. We are preparing for this requirement, noting that regulatory requirements have not been finalised.
- **Incentives and skills**: We are planning to review our incentives alignment and skills and competencies assessment processes ahead of the next CATP, and disclose our progress.
- **Marketing risk process**: We are in the process of strengthening our marketing risk assessment process and intend to provide an update in due course once available.

Other reports

In addition to our Climate Report, we produce several publications covering a range of ESG topics.

Further information on our material topics

Material topic	Public disclosures							
	Annual Report	Sustainability Report	Modern Slavery Statement	Payments to Governments Report	Ethics & Compliance Report	Voluntary Principles Report	Water Microsite	TSF Microsite
Climate Change	◒	●	○	○	○	○	○	○
Water	◒	●	○	○	○	○	●	○
Land Management	◒	●	○	○	○	○	◒	◒
Biodiversity	◒	●	○	○	○	○	○	○
Diversity, Equity & Inclusion	●	○	◒	○	○	○	○	○
Social Performance	◒	●	●	◒	○	◒	◒	◒
Catastrophic Hazards (incl. Tailings Dam Management)	◒	●	●	○	○	○	○	●
Occupational Health	◒	●	○	○	○	○	○	○
Workforce Safety	◒	●	○	○	○	○	○	○
Ethics & Compliance	●	○	○	●	●	○	○	○
Transparency	●	●	●	●	●	●	●	●
Responsible Sourcing	◒	●	●	○	○	◒	○	○
Human Rights	◒	●	●	○	○	●	○	○
Indigenous Peoples	◒	●	○	○	○	●	○	○
Just transition (emerging topic)	◒	○	○	○	○	○	○	○

● Detailed information available ◒ High-level information available ○ No information available

Additional information

Important notice

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Cautionary statement regarding forward-looking information

Certain descriptions in this document are oriented towards future events and therefore contains statements that are, or may be deemed to be, "forward-looking statements" which are prospective in nature. Such statements may include, without limitation, statements in respect of trends in commodity prices and currency exchange rates; demand for commodities; reserves and resources and production forecasts; expectations, plans, strategies and objectives of management; expectations regarding financial performance, results of operations and cash flows, climate scenarios; sustainability performance (including, without limitation, environmental, social and governance) related goals, ambitions, targets, intentions, visions, milestones and aspirations; approval of certain projects and consummation of certain transactions (including, without limitation, acquisitions and disposals, in particular the proposed acquisition of a majority stake of EVR from Teck Resources Limited and potential subsequent demerger of the combined coal and carbon steel materials business); closures or divestments of certain assets, operations or facilities (including, without limitation, associated costs); capital costs and scheduling; operating costs and supply of materials and skilled employees; financings; anticipated productive lives of projects, mines and facilities; provisions and contingent liabilities; and tax, legal and regulatory developments.

These forward-looking statements may be identified by the use of forward-looking terminology, or the negative thereof including, without limitation, "outlook", "guidance", "trend", "plans", "expects", "continues", "assumes", "is subject to", "budget", "scheduled", "estimates", "aims", "forecasts", "risks", "intends", "positioned", "predicts", "projects", "anticipates", "believes", or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", "shall", "would", "might" or "will" be taken, occur or be achieved. The information in this document provides an insight into how we currently intend to direct the management of our businesses and assets and to deploy our capital to help us implement our strategy. The matters disclosed in this document are a 'point in time' disclosure only. Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial conditions and discussions of strategy, and reflect judgments, assumptions, estimates and other information available as at the date of this document or the date of the corresponding planning or scenario analysis process.

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Readers, including, without limitation, investors and prospective investors, should review and consider these risks and uncertainties (as well as the other risks identified in this document) when considering the information contained in this document. Readers should also note that the high degree of uncertainty around the nature, timing and magnitude of climate-related risks, and the uncertainty as to how the energy transition will evolve, makes it difficult to determine all potential risks and opportunities and disclose these and any potential impacts with precision. Neither Glencore nor any of its affiliates, associates, employees, directors, officers or advisers, provides any representation, warranty, assurance or guarantee as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forward-looking information contained in this document or that the events, results, performance, achievements or other outcomes expressed or implied in any forward-looking statements in this document will actually occur. Glencore cautions readers against reliance on any forward-looking statements contained in this document, particularly in light of the long-term time horizon which this document discusses in certain instances and the inherent uncertainty in possible policy, market and technological developments in the future.

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Cautionary statement regarding climate strategy

Glencore operates in a dynamic and uncertain market and external environment. Plans and strategies can and must adapt in response to dynamic market conditions, changing preference of our stakeholders, joint venture decisions, changing weather and climate patterns, new opportunities that might arise or other changing circumstances. Investors should assume that our climate strategy will evolve and be updated as time passes. Additionally, a number of aspects of our strategy involve developments or workstreams that are complex and may be delayed, more costly than anticipated or unsuccessful for many reasons, including, without limitation, reasons that are outside of Glencore's control. Our strategy will also necessarily be impacted by changes in our business, such as the proposed acquisition of EVR and potential demerger of the combined coal and carbon steel materials business.

There are inherent limitations to scenario analysis, and it is difficult to predict which, if any, of the scenarios might eventuate. Scenario analysis relies on assumptions that may or may not be, or prove to be, correct and that may or may not eventuate and scenarios may also be impacted by additional factors to the assumptions disclosed. Given these limitations we treat these scenarios as one of several inputs that we consider in our climate strategy.

Due to the inherent uncertainty and limitations in measuring greenhouse gas (GHG) emissions and operational energy consumption under the calculation methodologies used in the preparation of such data, all CO_2e emissions and operational energy consumption data or volume references (including, without limitation, ratios and/or percentages) in this document are estimates. GHG emissions calculation and reporting methodologies may change or be progressively refined over time resulting in the need to restate previously reported data. There may also be differences in the manner that third parties calculate or report such data compared to Glencore, which means that third-party data may not be comparable to Glencore's data. For information on how we calculate our emissions and operational energy consumption data, see the About our emissions calculations and reporting section in our 2023 Annual Report and our 2023 Basis of Reporting, which are available on our website.

Sources

Certain statistical and other information included in this document is sourced from publicly available third-party sources. This information has not been independently verified and presents the view of those third parties and may not necessarily correspond to the views held by Glencore and Glencore expressly disclaims any responsibility for, or liability in respect of, and makes no representation or guarantee in relation to, such information (including, without limitation, as to its accuracy, completeness or whether it is current). Glencore cautions readers against reliance on any of the industry, market or other third-party data or information contained in this document.

Information preparation

In preparing this document, Glencore has made certain estimates and assumptions that may affect the information presented. Certain information is derived from management accounts, is unaudited and based on information Glencore has available to it at the time. Figures throughout this document are subject to rounding adjustments. The information presented is subject to change at any time without notice and we do not intend to update this information except as required.

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Other information

The companies in which Glencore plc directly and indirectly has an interest are separate and distinct legal entities. In this document, "Glencore", "Glencore group" and "Group" are used for convenience only where references are made to Glencore plc and its subsidiaries in general. These collective expressions are used for ease of reference only and do not imply any other relationship between the companies. Likewise, the words "we", "us" and "our" are also used to refer collectively to members of the Group or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

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